SIXTY-SIXTH DAY

St. Paul, Minnesota, Monday, May 23, 2005

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Lt. Col. Rob Lubben.

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

The roll was called, and the following Senators answered to their names:

Anderson	Gaither	Langseth	Olson	Scheid
Bachmann	Gerlach	Larson	Ortman	Senjem
Bakk	Hann	LeClair	Ourada	Skoe
Belanger	Higgins	Limmer	Pappas	Skoglund
Berglin	Hottinger	Lourey	Pariseau	Solon
Betzold	Johnson, D.E.	Marko	Pogemiller	Sparks
Chaudhary	Johnson, D.J.	Marty	Ranum	Stumpf
Cohen	Jungbauer	McGinn	Reiter	Tomassoni
Day	Kelley	Metzen	Rest	Vickerman
Dibble	Kierlin	Michel	Robling	Wergin
Dille	Kiscaden	Moua	Rosen	Wiger
Fischbach	Kleis	Murphy	Ruud	
Foley	Koering	Neuville	Sams	
Frederickson	Kubly	Nienow	Saxhaug	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed with the Secretary of the Senate: Indian Affairs Council, 2004 Annual Report, 2005; Pollution Control Agency, Annual Pollution Report, 2005; Prairie Health Purchasing Alliance, Demonstration Project Annual Report for Prairie Health Purchasing Alliance, 2005; Anoka County, Operation of the Anoka County Adult Criminal Pretrial Diversion Program, 2005; Department of Human Services, Governor’s Report on Compulsive Gambling, 2005.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 664: A bill for an act relating to alcoholic beverages; modifying brewpub regulations; regulating wine tastings; providing for uniform off-sale hours statewide; regulating Sunday on-sales; authorizing certain on-sale licenses; amending Minnesota Statutes 2004, sections 340A.301, subdivisions 6, 7; 340A.404, subdivision 2; 340A.417; 340A.418; 340A.503, by adding a subdivision; 340A.504, subdivisions 1, 3, 4; Laws 2000, chapter 440, section 10; Laws 2003, chapter 126, section 28.

Senate File No. 664 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 20, 2005

Senator Johnson, D.E. moved that S.F. No. 664 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2121.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 21, 2005

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 2121: A bill for an act relating to commerce; requiring businesses that possess personal data to notify persons whose personal information has been disclosed to unauthorized persons; proposing coding for new law in Minnesota Statutes, chapter 325E.

Senator Johnson, D.E. moved that H.F. No. 2121 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Senator Anderson introduced--

S.F. No. 2326: A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution by adding a section to article XI; increasing the sales and use tax by one-quarter percent and dedicating the proceeds for natural resource and clean water purposes; amending Minnesota Statutes 2004, sections 297A.62, subdivision 1; 297A.94; 297B.02, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Senator Hottinger introduced--

S.F. No. 2327: A bill for an act relating to education; requiring school districts to provide students with information about online learning; providing funding for online learning and for students' enrolling school districts; appropriating money; amending Minnesota Statutes 2004, sections 124D.095, subdivisions 4, 6, 8; 126C.05, subdivision 19; repealing Minnesota Statutes 2004, section 124D.095, subdivision 9.

Referred to the Committee on Education.

Senator Hottinger introduced--

S.F. No. 2328: A bill for an act relating to education; providing special instruction for prekindergarten children with disabilities; proposing coding for new law in chapter 125A.

Referred to the Committee on Education.

Senator Ruud introduced--

S.F. No. 2329: A bill for an act relating to taxation; providing a reduced class rate for certain property bordering public waters; amending Minnesota Statutes 2004, section 273.13, subdivision 23.

Referred to the Committee on Taxes.

Senators Kubly and Dille introduced--

S.F. No. 2330: A bill for an act relating to traffic regulations; increasing maximum allowable length of recreational vehicle combinations to 65 feet; amending Minnesota Statutes 2004, section 169.81, subdivision 3c.

Referred to the Committee on Transportation.

Senator Stumpf introduced--

S.F. No. 2331: A bill for an act relating to natural resources; modifying regulation of all-terrain vehicles; amending Minnesota Statutes 2004, sections 84.92, subdivision 8, by adding subdivisions; 84.9256, subdivision 1; 84.9257; 84.928, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Senators Metzen, Belanger and Pariseau introduced--

S.F. No. 2332: A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for construction of affordable assisted living housing in Dakota County.

Referred to the Committee on Finance.

Senators Pariseau, McGinn and Metzen introduced--

S.F. No. 2333: A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for Empire Wetlands Wildlife Area and Regional Park in Dakota County.

Referred to the Committee on Finance.

Senators McGinn and Pariseau introduced--

S.F. No. 2334: A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for a public safety support center in Dakota County.

Referred to the Committee on Finance.

Senators Marko and Metzen introduced--

S.F. No. 2335: A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for a study of regional travel demand between Washington County and Dakota County.

Referred to the Committee on Finance.

Senators McGinn, Marko, Metzen and Belanger introduced--

S.F. No. 2336: A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for development of contaminated sites in Dakota County for green space and affordable housing.

Referred to the Committee on Finance.

Senators Pariseau and Gerlach introduced--

S.F. No. 2337: A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for dam safety capital improvements at the Byllesby Dam.

Referred to the Committee on Finance.

Senators Gerlach, McGinn, Metzen and Belanger introduced--

S.F. No. 2338: A bill for an act relating to capital improvements; authorizing issuance of state bonds and appropriating money for Cedar Avenue transit way.

Referred to the Committee on Finance.

Senators Marko, Murphy, Moua, Pogemiller and Pappas introduced--

S.F. No. 2339: A bill for an act relating to capital improvements; authorizing issuance of state bonds; appropriating money for Red Rock corridor transit way.

Referred to the Committee on Finance.

Senator Marko introduced--

S.F. No. 2340: A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for the Hastings River Flats Interpretive Facility.

Referred to the Committee on Finance.

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 10:30 a.m. The motion prevailed.

The hour of 10:30 a.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDERS

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 2187 and 1925.

SPECIAL ORDER

H.F. No. 2187: A bill for an act relating to public and municipal corporations; creating a county subsidiary corporation to provide health care and related services, education, and research; providing for governance of Hennepin County Medical Center; amending Minnesota Statutes 2004, sections 179A.03, subdivisions 7, 14, 15; 179A.06, subdivision 2; 353.01, subdivisions 2b, 2d, 6; 353.64, subdivision 10; 353E.02, subdivision 2a; 383B.117, subdivision 2; 383B.217, subdivision 7; 383B.46; proposing coding for new law in Minnesota Statutes, chapters 179A; 383B; repealing Minnesota Statutes 2004, section 383B.217, subdivisions 1, 2, 3, 4, 5, 6, 8.

Senator Berglin moved that the amendment made to H.F. No. 2187 by the Committee on Rules and Administration in the report adopted May 21, 2005, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2187 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	LeClair	Olson	Saxhaug
Bakk	Hann	Limmer	Ortman	Scheid
Belanger	Hottinger	Lourey	Ourada	Senjem
Berglin	Johnson, D.E.	Marko	Pappas	Skoe
Betzold	Johnson, D.J.	Marty	Pariseau	Skoglund
Chaudhary	Jungbauer	McGinn	Pogemiller	Solon
Day	Kelley	Metzen	Ranum	Sparks
Dibble	Kierlin	Michel	Reiter	Stumpf
Dille	Kleis	Moua	Rest	Tomassoni
Fischbach	Koering	Murphy	Robling	Wergin
Foley	Kubly	Neuville	Rosen	Wiger
Gaither	Langseth	Nienow	Ruud	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Johnson, D.E. moved that H.F. No. 2121 be taken from the table. The motion prevailed.

H.F. No. 2121: A bill for an act relating to commerce; requiring businesses that possess personal data to notify persons whose personal information has been disclosed to unauthorized persons; proposing coding for new law in Minnesota Statutes, chapter 325E.

SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2121 and that the rules of the Senate be so far suspended as to give H.F. No. 2121 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2121 was read the second time.

Senator Chaudhary moved to amend H.F. No. 2121 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2121, and insert the language after the enacting clause, and the title, of S.F. No. 1307, the first engrossment.

The motion prevailed. So the amendment was adopted.

Senator Rest moved to amend H.F. No. 2121, as amended by the Senate May 23, 2005, as follows:

(The text of the amended House File is identical to S.F. No. 1307.)

Page 1, line 8, delete "BUSINESS"

Page 1, line 17, delete "or" and insert a comma and after "business" insert ", or government"

Page 1, line 19, delete the first "or" and insert a comma and after "business" insert ", or government"

Page 1, line 20, delete "business" and insert "the employer"

Page 1, after line 22, insert:

"(b) "Government" means the State of Minnesota and a county, home rule charter or statutory city, town, school district, or other body of local government."

Page 1, line 23, delete "(b)" and insert "(c)"

Page 2, lines 11 and 26, delete "or" and insert a comma and after "business" insert ", or government"

Page 3, lines 7, 20, 30, and 32, delete "or" and insert a comma and after "business" insert ", or government"

Page 3, after line 36, insert:

"Subd. 8. [SECURITY ASSESSMENTS.] Each government and each entity that processes or resells citizens' personal information that was originally obtained from the state government shall conduct a comprehensive security assessment of the personal information maintained by the government or entity."

Page 4, line 1, delete "8" and insert "9"

Amend the title as follows:

Page 1, lines 3 and 4, delete "security by businesses maintaining" and insert "the security of"

The motion prevailed. So the amendment was adopted.

Senator Scheid moved to amend H.F. No. 2121, as amended by the Senate May 23, 2005, as follows:

(The text of the amended House File is identical to S.F. No. 1307.)

Page 3, delete lines 19 to 28 and insert:

"Subd. 6. [EXEMPTION.] This section does not apply to any "financial institution" as defined by United States Code, title 15, section 6809(3), and to entities subject to the federal privacy and security regulations adopted under the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191."

The motion prevailed. So the amendment was adopted.

H.F. No. 2121 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Olson	Saxhaug
Bachmann	Gaither	LeClair	Ortman	Scheid
Bakk	Gerlach	Limmer	Ourada	Senjem
Belanger	Hann	Lourey	Pappas	Skoe
Betzold	Hottinger	Marko	Pariseau	Skoglund
Chaudhary	Johnson, D.E.	Marty	Pogemiller	Solon
Cohen	Johnson, D.J.	McGinn	Ranum	Sparks
Day	Jungbauer	Metzen	Reiter	Stumpf
Dibble	Kierlin	Michel	Rest	Tomassoni
Dille	Kleis	Moua	Robling	Wergin
Fischbach	Koering	Neuville	Rosen	Wiger
Foley	Kubly	Nienow	Ruud	

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

SPECIAL ORDER

H.F. No. 1925: A bill for an act relating to human services; making changes to licensing provisions and background studies; changing provisions for state-operated services in access to data, records retention, sharing information, and assisting patients required to register as a predatory offender in completing registration forms; adding a notification provision for certain patients released on pass; adding a provision to abuse prevention plans; amending Minnesota Statutes 2004, sections 13.46, subdivision 4; 243.166, subdivision 7; 245A.02, subdivision 17; 245A.03, subdivisions 2, 3; 245A.035, subdivision 5; 245A.04, subdivisions 7, 13; 245A.07, subdivisions 1, 3; 245A.08, subdivisions 2a, 5; 245A.14, by adding subdivisions; 245A.144; 245A.16, subdivisions 1, 4; 245A.18; 245B.02, subdivision 10; 245B.055, subdivision 7; 245B.07, subdivision 8; 245C.03, subdivision 1; 245C.07; 245C.08, subdivisions 1, 2; 245C.15, subdivisions 1, 2, 3, 4; 245C.17, subdivision 2; 245C.21, subdivision 2; 245C.22, subdivisions 3, 4; 245C.24, subdivisions 2, 3; 245C.27, subdivision 1; 245C.28, subdivision 3; 245C.30, subdivision 2; 246.13; 253B.18, subdivision 4a; 260B.163, subdivision 6; 260C.163, subdivision 5; 299C.093; 518.165, by adding subdivisions; 609A.03, subdivision 7; 626.556, subdivision 10i; 626.557, subdivisions 9d, 14; repealing Minnesota Statutes 2004, section 246.017, subdivision 1.

Senator Lourey moved to amend H.F. No. 1925, as amended pursuant to Rule 45, adopted by the Senate May 21, 2005, as follows:

(The text of the amended House File is identical to S.F. No. 1722.)

Page 5, after line 25, insert:

"Sec. 2. Minnesota Statutes 2004, section 119B.125, is amended by adding a subdivision to read:

Subd. 2a. [TRAINING.] A legal, nonlicensed child care provider must be trained in cardiopulmonary resuscitation (CPR) and first aid prior to caring for children in the legal,

nonlicensed provider's home. The CPR and first aid training must be provided by an individual or individuals approved to provide the training, and must be repeated at least once every three years.

Sec. 3. Minnesota Statutes 2004, section 119B.24, is amended to read:

119B.24 [DUTIES OF COMMISSIONER.]

In addition to the powers and duties already conferred by law, the commissioner of human services shall:

(1) administer the child care fund, including the basic sliding fee program authorized under sections 119B.011 to 119B.16;

(2) monitor the child care resource and referral programs established under section 119B.19; and

(3) encourage child care providers to participate in a nationally recognized accreditation system for early childhood and school-age care programs. Subject to approval by the commissioner, family child care providers and early childhood and school-age care programs shall be reimbursed for one-half of the direct cost of accreditation fees, upon successful completion of accreditation. The commissioner may reimburse up to 100 percent of the direct cost of accreditation fees for providers, giving priority to providers that are located in a school district with a high concentration of children who are eligible for the free or reduced price school lunch program."

Page 6, after line 9, insert:

"Sec. 6. Minnesota Statutes 2004, section 245A.023, is amended to read:

245A.023 [IN-SERVICE TRAINING.]

(a) For purposes of child care centers, in-service training must be completed within the license period for which it is required. In-service training completed by staff persons as required must be transferable upon a staff person's change in employment to another child care program. License holders shall record all staff in-service training on forms prescribed by the commissioner of human services.

(b) For purposes of family child care programs, notwithstanding Minnesota Rules, part 9502.0385, the license holder and each adult caregiver must complete 12 hours of training each year in the areas required by chapter 245A and Minnesota Rules, chapter 9502."

Page 10, after line 26, insert:

"Sec. 9. Minnesota Statutes 2004, section 245A.04, is amended by adding a subdivision to read:

Subd. 4a. [UNANNOUNCED INSPECTIONS.] Within available resources, and in addition to the biennial inspections required in law, the commissioner shall perform unannounced drop-in inspections to programs for which the commissioner has received reports of alleged maltreatment or complaints regarding services, and programs that have received negative licensing actions."

Page 13, after line 15, insert:

"Sec. 12. Minnesota Statutes 2004, section 245A.06, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS OF CORRECTION ORDERS AND CONDITIONAL LICENSES.] (a) If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order and an order of conditional license to the applicant or license holder. When issuing a conditional license, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program. The correction order or conditional license must state:

(1) the conditions that constitute a violation of the law or rule;

(2) the specific law or rule violated;

(3) the time allowed to correct each violation; and

(4) if a license is made conditional, the length and terms of the conditional license.

(b) Nothing in this section prohibits the commissioner from proposing a sanction as specified in section 245A.07, prior to issuing a correction order or conditional license.

(c) The commissioner may require the program to hire a consultant that is approved by the commissioner to provide assistance and training to the program.

Sec. 13. Minnesota Statutes 2004, section 245A.06, is amended by adding a subdivision to read:

Subd. 8. [FAMILY CHILD CARE AND CHILD CARE CENTERS POSTING OF ORDER.] For family child care providers and child care centers, upon receipt of any correction order or order of conditional license issued by the commissioner under this section, and notwithstanding a pending request for reconsideration of the correction order or order of conditional license by the license holder, the license holder shall post the correction order or order of conditional license in a place that is conspicuous to the people receiving services and all visitors to the facility for two years. When the correction order or order of conditional license is accompanied by a maltreatment investigation memorandum prepared under section 626.556 or 626.557, the investigation memoranda must be posted with the correction order or order of conditional license."

Page 16, after line 34, insert:

"Sec. 16. Minnesota Statutes 2004, section 245A.07, is amended by adding a subdivision to read:

Subd. 5. [FAMILY CHILD CARE AND CHILD CARE CENTERS POSTING OF ORDER.] For family child care providers and child care centers, upon receipt of any order of license suspension, temporary immediate suspension, fine, or revocation issued by the commissioner under this section, and notwithstanding a pending appeal of the order of license suspension, temporary immediate suspension, fine, or revocation by the license holder, the license holder shall post the order of license suspension, temporary immediate suspension, fine, or revocation in a place that is conspicuous to the people receiving services and all visitors to the facility for two years. When the order of license suspension, temporary immediate suspension, fine, or revocation is accompanied by a maltreatment investigation memorandum prepared under section 626.556 or section 626.557, the investigation memoranda must be posted with the order of license suspension, temporary immediate suspension, fine, or revocation."

Page 20, line 19, after "CENTERS" insert "AND FAMILY CHILD CARE"

Page 20, line 20, before "first" insert "when children are present in a family child care home governed by Minnesota Rules, parts 9502.0315 to 9502.0445, or a child care center governed by Minnesota Rules, parts 9503.0005 to 9503.0170, at least one staff person must be present in the center or home who has been trained in first aid. The first aid training must have been provided by an individual approved to provide first aid instruction, must be repeated at least once every three years, and must be documented in the person's records."

Page 20, after line 22, insert:

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

Page 20, line 30, delete "as" and insert "has"

Page 47, after line 30, insert:

"Sec. 46. [245C.301] [NOTIFICATION OF SET ASIDE OR VARIANCE.]

Licensed family child care providers and child care centers must provide a written notification to parents considering enrollment of a child or parents of a child attending the family day care or child care center if the program employs or has living in the home any person who is the subject of either a set-aside or variance."

Page 62, after line 21, insert:

"Sec. 57. Minnesota Statutes 2004, section 626.556, is amended by adding a subdivision to read:

Subd. 12a. [DUTIES OF FAMILY CHILD CARE PROVIDERS AND CHILD CARE CENTERS POSTING ORDER.] For family child care providers and child care centers, upon receipt of the investigation memorandum provided to the facility under section 626.556, subdivision 10d, paragraph (c), and notwithstanding a pending challenge to the findings of the investigation memorandum, the license holder shall post the memorandum in a place that is conspicuous to the people receiving services and all visitors to the facility for two years."

Page 67, line 2, strike "clause" and insert "paragraph"

Page 67, after line 3, insert:

"(c) If the facility knows that the vulnerable adult has committed a violent crime or an act of physical aggression toward others, the individual abuse prevention plan must detail the measures to be taken to minimize the risk that the vulnerable adult might reasonably be expected to pose to visitors to the facility and persons outside the facility, if unsupervised. Under this section, a facility knows of a vulnerable adult's history of criminal misconduct or physical aggression if it receives such information from a law enforcement authority or through a medical record prepared by another facility, another health care provider, or the facility's ongoing assessments of the vulnerable adult."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1925 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Koering	Murphy	Sams
Bakk	Gaither	Kubly	Neuville	Saxhaug
Belanger	Gerlach	Langseth	Nienow	Senjem
Betzold	Hann	LeClair	Olson	Skoe
Chaudhary	Hottinger	Lourey	Ortman	Skoglund
Cohen	Johnson, D.E.	Marko	Ourada	Solon
Day	Johnson, D.J.	Marty	Pogemiller	Sparks
Dibble	Jungbauer	McGinn	Rest	Stumpf
Dille	Kelley	Metzen	Robling	Wergin
Fischbach	Kierlin	Michel	Rosen	Wiger
Foley	Kleis	Moua	Ruud	

Those who voted in the negative were:

Bachmann	Reiter

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12, Senator Kiscaden moved that the following members be excused for a Conference Committee on H.F. No. 1481 at 10:30 a.m.:

Senators Kiscaden, Higgins, Larson, Metzen and Vickerman. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12, Senator Scheid moved that the following members be excused for a Conference Committee on H.F. No. 1915 at 10:30 a.m.:

Senators Scheid, Limmer and Berglin. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Johnson, D.E. moved that H.F. No. 814 be taken from the table. The motion prevailed.

H.F. No. 814: A bill for an act relating to public lands; modifying acquisition, use, and designation provisions for scientific and natural areas; authorizing public and private sales and conveyances of certain state lands; allowing Itasca County to acquire land for a public access with money from the Itasca County environmental trust fund; authorizing the conveyance of a certain no-build easement by the St. Louis County Board of Commissioners; amending Minnesota Statutes 2004, sections 84.033, by adding a subdivision; 97A.093; repealing Minnesota Statutes 2004, section 84.033, subdivision 2.

SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 814 and that the rules of the Senate be so far suspended as to give H.F. No. 814 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 814 was read the second time.

Senator Bakk moved to amend H.F. No. 814 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 814, and insert the language after the enacting clause, and the title, of S.F. No. 896, the third engrossment.

Senator Johnson, D.E. moved that H.F. No. 814 be laid on the table. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees

REPORTS OF COMMITTEES

Senator Higgins from the Committee on State and Local Government Operations, to which was referred the following appointment:

METROPOLITAN COUNCIL

Daniel Wolter

Reports the same back with the recommendation that the appointment be confirmed.

Senator Johnson, D.E. moved that the foregoing committee report be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Skoglund moved that his name be stricken as a co-author to S.F. No. 1307. The motion prevailed.

Senator Chaudhary moved that the name of Senator Gaither be added as a co-author to S.F. No. 1307. The motion prevailed.

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 1:30 p.m. The motion prevailed.

The hour of 1:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pappas moved that S.F. No. 664 be taken from the table. The motion prevailed.

S.F. No. 664: A bill for an act relating to alcoholic beverages; modifying brewpub regulations; regulating wine tastings; providing for uniform off-sale hours statewide; regulating Sunday on-sales; authorizing certain on-sale licenses; amending Minnesota Statutes 2004, sections 340A.301, subdivisions 6, 7; 340A.404, subdivision 2; 340A.417; 340A.418; 340A.503, by adding a subdivision; 340A.504, subdivisions 1, 3, 4; Laws 2000, chapter 440, section 10; Laws 2003, chapter 126, section 28.

CONCURRENCE AND REPASSAGE

Senator Pappas moved that the Senate concur in the amendments by the House to S.F. No. 664 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 664 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 50 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kiscaden	Metzen	Ruud
Bachmann	Gaither	Kleis	Michel	Saxhaug
Belanger	Hann	Koering	Moua	Scheid
Berglin	Higgins	Kubly	Murphy	Skoe
Cohen	Hottinger	Larson	Nienow	Solon
Day	Johnson, D.E.	LeClair	Ortman	Sparks
Dibble	Johnson, D.J.	Limmer	Pappas	Stumpf
Dille	Jungbauer	Lourey	Pogemiller	Vickerman
Fischbach	Kelley	Marko	Reiter	Wergin
Foley	Kierlin	McGinn	Robling	Wiger

Those who voted in the negative were:

Marty Ranum Rest Skoglund Tomassoni

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Bakk moved that H.F. No. 814 be taken from the table. The motion prevailed.

H.F. No. 814: A bill for an act relating to public lands; modifying acquisition, use, and designation provisions for scientific and natural areas; authorizing public and private sales and conveyances of certain state lands; allowing Itasca County to acquire land for a public access with money from the Itasca County environmental trust fund; authorizing the conveyance of a certain no-build easement by the St. Louis County Board of Commissioners; amending Minnesota Statutes 2004, sections 84.033, by adding a subdivision; 97A.093; repealing Minnesota Statutes 2004, section 84.033, subdivision 2.

Senator Bakk moved to amend H.F. No. 814 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 814, and insert the language after the enacting clause, and the title, of S.F. No. 896, the third engrossment.

The motion prevailed. So the amendment was adopted.

Senator Bakk moved to amend H.F. No. 814, as amended by the Senate May 23, 2005, as follows:

(The text of the amended House File is identical to S.F. No. 896.)

Page 1, line 17, delete "(a)"

Page 1, delete lines 21 to 24

Page 3, delete lines 14 and 15

Page 5, delete lines 13 and 14

Page 6, delete lines 8 and 9

Page 7, delete lines 4 and 5

Page 7, delete lines 35 and 36

Page 10, after line 27, insert:

"Sec. 15. [PRIVATE SALE OF TAX-FORFEITED LAND; LAKE COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Lake County may sell by private sale the tax-forfeited land described in paragraph (c), under the remaining provisions of chapter 282.

(b) The conveyance must be in a form approved by the attorney general and provide that the conveyance is for no consideration. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be sold is located in Lake County and is described as follows: The Northwest Quarter of the Northwest Quarter of Section 20, Township 57 North, Range 7 West, Lake County, Minnesota, containing 40 acres more or less.

(d) The county has determined that the county's land management interests would be best served if the lands were sold to the current occupant."

Page 11, line 1, after the period, insert "The conveyance shall be subject to the city of Morristown Ordinance No. 170 adopted May 6, 2002, including, but not limited to, section 19 of Ordinance No. 170 addressing shoreland setback distances at a minimum distance of 50 feet and limitations on vegetation removal. The conveyance shall also reserve to the city an additional 12 feet running parallel to the 50-foot setback zone for public trail purposes."

Page 15, line 1, after the semicolon, insert:

"(5) the West 115 feet of the Southeast Quarter of the Northeast Quarter of Section 32, Township 63 North, Range 12 West, lying north of the centerline of State Trunk Highway 169 and subject to highway right-of-way easement. This parcel contains 1.2 acres more or less;"

Page 15, line 3, delete "(5)" and insert "(6)"

Pages 18 and 19, delete section 24 and insert:

"Sec. 25. [EASEMENT ON STATE LAND BORDERING PUBLIC WATER; WASHINGTON COUNTY.]

(a) The commissioner of natural resources shall issue an easement on land bordering public water that is described in paragraph (c). The easement shall be issued to the current owners of Lots 7 and 8, Block 2 of Demontreville Highlands and Lots 2, 3, 4, and 5, Block 1, Demontreville Highlands 5th Addition. The easement is for the purpose of the easement holders jointly erecting and maintaining one dock from the property described in paragraph (c). The dock may not exceed 30 feet in length and six feet in width and overnight mooring of watercraft is prohibited.

(b) The easement must be in a form approved by the attorney general for consideration of the easement preparation and recording costs. The attorney general may make necessary changes in the legal description to correct errors and ensure accuracy. The easement will expire as to each owner when they convey their ownership interest in the property described in paragraph (a).

(c) The land upon which an easement is to be issued is located in Washington County and is described as: Part of Government Lot 6, Section 5, Township 29 North, Range 21 West, being the South 45 feet lying East of the existing centerline of Demontreville Trail North subject to easements of record."

Page 19, after line 21, insert:

"Sec. 27. [EFFECTIVE DATE.]

Sections 1 to 26 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 814 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Hottinger	Koering	McGinn
Bachmann	Fischbach	Johnson, D.E.	Kubly	Metzen
Bakk	Foley	Johnson, D.J.	Langseth	Michel
Belanger	Frederickson	Jungbauer	Larson	Moua
Berglin	Gaither	Kelley	LeClair	Murphy
Cohen	Gerlach	Kierlin	Limmer	Neuville
Day	Hann	Kiscaden	Lourey	Nienow
Dibble	Higgins	Kleis	Marty	Olson

Ortman	Ranum	Ruud	Skoglund	Vickerman
Ourada	Reiter	Saxhaug	Solon	Wergin
Pappas	Rest	Scheid	Sparks	Wiger
Pariseau	Robling	Senjem	Stumpf	
Pogemiller	Rosen	Skoe	Tomassoni	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Bakk moved that S.F. No. 896, No. 105 on General Orders, be stricken and laid on the table. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 630: A bill for an act relating to civil law; increasing fees related to marriage and child support; reforming law relating to child support; establishing criteria for support obligations; defining parents' rights and responsibilities; appropriating money; amending Minnesota Statutes 2004, sections 357.021, subdivisions 1a, 2; 518.005, by adding a subdivision; 518.54; 518.55, subdivision 4; 518.551, subdivisions 5, 5b; 518.62; 518.64, subdivision 2, by adding subdivisions; 518.68, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 2004, sections 518.171; 518.54, subdivisions 2, 4, 4a; 518.551, subdivisions 1, 5a, 5c, 5f.

There has been appointed as such committee on the part of the House:

Smith, Eastlund and Mahoney.

Senate File No. 630 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1555: A bill for an act relating to gambling; amending various provisions relating to lawful gambling; amending and providing definitions; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2004, sections 349.12, subdivisions 5, 25, 33, by adding subdivisions; 349.15, subdivision 1; 349.151, subdivisions 4, 4b; 349.152, subdivision 2; 349.153; 349.155, subdivision 3; 349.16, subdivisions 2, 8; 349.161, subdivision 5; 349.162, subdivisions 1, 4, 5; 349.163, subdivision 3; 349.1635, subdivision 4; 349.166, subdivisions 1, 2; 349.167, subdivision 1; 349.168, subdivision 8; 349.17, subdivisions 5, 7; 349.1711, subdivision 1; 349.173; 349.18, subdivision 1; 349.19, subdivisions 4, 5, 10; 349.211, subdivision 2c; 349.2125, subdivision 1; 349.213; 609.75, subdivision 1; repealing Minnesota Statutes 2004, sections 349.162, subdivision 3; 349.164; 349.17, subdivision 1.

There has been appointed as such committee on the part of the House:

Hackbarth, Westerberg and Thissen.

Senate File No. 1555 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 917, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 917: A bill for an act relating to health; providing for grants related to positive abortion alternatives; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Senate File No. 917 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1809, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1809 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1809

A bill for an act relating to insurance; regulating agency terminations, coverages, fees, forms, disclosures, reports, information security, and premiums; amending Minnesota Statutes 2004, sections 60A.14, subdivision 1; 60A.171, subdivision 11; 60A.23, subdivision 8; 60A.966; 60A.969; 62A.136; 62A.31, subdivision 1h; 62A.315; 62A.316; 62E.12; 62E.13, subdivision 2; 62Q.471; 62Q.65; 65A.29, subdivision 11; 65B.48, subdivision 3; 72A.20, subdivisions 13, 36; 79.211, by adding a subdivision; 79.40; 79.56, subdivisions 1, 3; 79.62, subdivision 3; 79A.03, subdivision 9; 79A.04, subdivisions 2, 10; 79A.06, subdivision 5; 79A.12, subdivision 2; 79A.22, subdivision 11, by adding a subdivision; 123A.21, by adding a subdivision; 176.191, subdivision 3; Laws 1985, chapter 85, section 1; proposing coding for new law in Minnesota Statutes, chapters 60A; 60D; 65A; 65B; repealing Minnesota Statutes 2004, sections 61A.072, subdivision 2; 62E.03.

May 21, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 1809, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1809 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies;

(1) for filing certificate of incorporation $25 and amendments thereto, $10;

(2) for filing annual statements, $15;

(3) for each annual certificate of authority, $15;

(4) for filing bylaws $25 and amendments thereto, $10;

(b) by other domestic and foreign companies including fraternals and reciprocal exchanges;

(1) for filing certified copy of certificate of articles of incorporation, $100;

(2) for filing annual statement, $225;

(3) for filing certified copy of amendment to certificate or articles of incorporation, $100;

(4) for filing bylaws, $75 or amendments thereto, $75;

(5) for each company's certificate of authority, $575, annually;

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, $25;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and $2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, $575;

(4) for valuing the policies of life insurance companies, one cent per $1,000 of insurance so valued, provided that the fee shall not exceed $13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, $50;

(6) for each appointment of an agent filed with the commissioner, $10;

(7) for filing forms and rates, ~~$75~~ $90 per filing, ~~which~~ or $75 per filing when submitted via electronic filing system. Filing fees may be paid on a quarterly basis in response to an invoice. Billing and payment may be made electronically;

(8) for annual renewal of surplus lines insurer license, $300~~;~~

~~(9) $250 filing fee for a large risk alternative rating option plan that meets the $250,000 threshold requirement~~.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 2. Minnesota Statutes 2004, section 60A.171, subdivision 11, is amended to read:

Subd. 11. Upon termination of an agency, a company is prohibited from soliciting business in the notice of nonrenewal required by section 60A.37. If termination of an agency contract is the ground for nonrenewal of a policy of homeowner's insurance, as defined in section 65A.27, subdivision 4, the company must provide notice to the policyholder that the policy is not being renewed due to the termination of the company's contract with the agency. If the agency is unable to replace the homeowner's insurance policy with a suitable policy from another insurer, the agent must notify the policyholder of the policyholder's right to renew with the company terminating the agency contract. The company must renew the policy if the insured or the insured's agent makes a written request for the renewal before the renewal date.

Sec. 3. Minnesota Statutes 2004, section 60A.23, subdivision 8, is amended to read:

Subd. 8. [SELF-INSURANCE OR INSURANCE PLAN ADMINISTRATORS WHO ARE VENDORS OF RISK MANAGEMENT SERVICES.] (1) [SCOPE.] This subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self-insurance or insurance plan. This subdivision does not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self-insurance plan for its employees' benefits; (e) to an entity which administers a program of health benefits established pursuant to a collective bargaining agreement between an employer, or group or association of employers, and a union or unions; or (f) to an entity which administers a self-insurance or insurance plan if a licensed Minnesota insurer is providing insurance to the plan and if the licensed insurer has appointed the entity administering the plan as one of its licensed agents within this state.

(2) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self-insurance or insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self-insurance or insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self-insurance or insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance for the benefit of employees or members of an association, or a plan providing liability coverage for any other risk or hazard, which is or is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self-insurance or insurance plan for an employer.

(3) [LICENSE.] No vendor of risk management services or entity administering a self-insurance or insurance plan may transact this business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license may be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be

engaged in. The license fee is ~~$1,000~~ $1,500 for the initial application and ~~$1,000~~ $1,500 for each ~~two-year~~ three-year renewal. All licenses are for a period of ~~two~~ three years.

(4) [REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.] To assure that self-insurance or insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering insurance or self-insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering insurance or self-insurance plans, and insurance or self-insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30. In lieu of an unlimited guarantee from a parent corporation for a vendor of risk management services or an entity administering insurance or self-insurance plans, the commissioner may accept a surety bond in a form satisfactory to the commissioner in an amount equal to 120 percent of the total amount of claims handled by the applicant in the prior year. If at any time the total amount of claims handled during a year exceeds the amount upon which the bond was calculated, the administrator shall immediately notify the commissioner. The commissioner may require that the bond be increased accordingly.

No contract entered into after July 1, 2001, between a licensed vendor of risk management services and a group authorized to self-insure for workers' compensation liabilities under section 79A.03, subdivision 6, may take effect until it has been filed with the commissioner, and either (1) the commissioner has approved it or (2) 60 days have elapsed and the commissioner has not disapproved it as misleading or violative of public policy.

(5) [RULEMAKING AUTHORITY.] To carry out the purposes of this subdivision, the commissioner may adopt rules pursuant to sections 14.001 to 14.69. These rules may:

(a) establish reporting requirements for administrators of insurance or self-insurance plans;

(b) establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of insurance or self-insurance plans;

(c) establish bonding requirements or other provisions assuring the financial integrity of entities administering insurance or self-insurance plans; or

(d) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 4. Minnesota Statutes 2004, section 60A.966, is amended to read:

60A.966 [APPROVAL OF VIATICAL SETTLEMENTS CONTRACT FORMS.]

A viatical settlement provider or broker may not use a viatical settlement contract form in this state unless it has been filed with and approved by the commissioner. A viatical settlement contract form filed with the commissioner is considered to have been approved if it has not been disapproved within 60 days of the filing. The commissioner shall disapprove a viatical settlement contract form if, in the commissioner's opinion, the contract or contract provisions are unreasonable, contrary to the interests of the public, or otherwise misleading or unfair to the policy owner.

Sec. 5. Minnesota Statutes 2004, section 60A.969, is amended to read:

60A.969 [DISCLOSURE.]

A viatical settlement provider or a broker shall disclose the following information to the viator no later than the date ~~the viatical settlement contract is signed by all parties~~ an application is given to the viator:

(1) possible alternatives to viatical settlement contracts for persons with catastrophic or life threatening illnesses, including accelerated benefits offered by the issuer of the life insurance policy;

(2) the fact that some or all of the proceeds of the viatical settlement may be taxable and that assistance should be sought from a personal tax advisor;

(3) the fact that the viatical settlement may be subject to the claims of creditors;

(4) the fact that receipt of a viatical settlement may adversely affect the recipients' eligibility for Medicaid or other government benefits or entitlements and that advice should be obtained from the appropriate agencies;

(5) the policy owner's right to rescind a viatical settlement contract within 30 days of the date it is executed by all parties or 15 days of the receipt of the viatical settlement proceeds by the viator, whichever is less, as provided in section 60A.970, subdivision 3; and

(6) the date by which the funds will be available to the viator and the source of the funds.

Sec. 6. [60A.98] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 60A.98 and 60A.981, the terms defined in this section have the meanings given them.

Subd. 2. [CUSTOMER.] "Customer" means a consumer who has a continuing relationship with a licensee under which the licensee provides one or more insurance products or services to the consumer that are to be used primarily for personal, family, or household purposes.

Subd. 3. [CUSTOMER INFORMATION.] "Customer information" means nonpublic personal information about a customer, whether in paper, electronic, or other form, that is maintained by or on behalf of the licensee.

Subd. 4. [CUSTOMER INFORMATION SYSTEMS.] "Customer information systems" means the electronic or physical methods used to access, collect, store, use, transmit, protect, or dispose of customer information.

Subd. 5. [LICENSEE.] "Licensee" means all licensed insurers, producers, and other persons licensed or required to be licensed, authorized or required to be authorized, or registered or required to be registered pursuant to the insurance laws of this state, except that "licensee" does not include a purchasing group or an ineligible insurer in regard to the surplus line insurance conducted pursuant to sections 60A.195 to 60A.209. "Licensee" does not include producers until January 1, 2007.

Subd. 6. [NONPUBLIC FINANCIAL INFORMATION.] "Nonpublic financial information" means:

(1) personally identifiable financial information; and

(2) any list, description, or other grouping of consumers, and publicly available information pertaining to them, that is derived using any personally identifiable financial information that is not publicly available.

Subd. 7. [NONPUBLIC PERSONAL HEALTH INFORMATION.] "Nonpublic personal health information" means health information:

(1) that identifies an individual who is the subject of the information; or

(2) with respect to which there is a reasonable basis to believe that the information could be used to identify an individual.

Subd. 8. [NONPUBLIC PERSONAL INFORMATION.] "Nonpublic personal information" means nonpublic financial information and nonpublic personal health information.

Subd. 9. [PERSONALLY IDENTIFIABLE FINANCIAL INFORMATION.] "Personally identifiable financial information" means any information:

(1) a consumer provides to a licensee to obtain an insurance product or service from the licensee;

(2) about a consumer resulting from a transaction involving an insurance product or service between a licensee and a consumer; or

(3) the licensee otherwise obtains about a consumer in connection with providing an insurance product or service to that consumer.

Subd. 10. [SERVICE PROVIDER.] "Service provider" means a person that maintains, processes, or otherwise is permitted access to customer information through its provision of services directly to the licensee.

Sec. 7. [60A.981] [INFORMATION SECURITY PROGRAM.]

Subdivision 1. [GENERAL REQUIREMENTS.] Each licensee shall implement a comprehensive written information security program that includes administrative, technical, and physical safeguards for the protection of customer information. The administrative, technical, and physical safeguards included in the information security program must be appropriate to the size and complexity of the licensee and the nature and scope of its activities.

Subd. 2. [OBJECTIVES.] A licensee's information security program must be designed to:

(1) ensure the security and confidentiality of customer information;

(2) protect against any anticipated threats or hazards to the security or integrity of the information; and

(3) protect against unauthorized access to or use of the information that could result in substantial harm or inconvenience to any customer.

Subd. 3. [EXAMPLES OF METHODS OF DEVELOPMENT AND IMPLEMENTATION.] The following actions and procedures are examples of methods of implementation of the requirements of subdivisions 1 and 2. These examples are nonexclusive illustrations of actions and procedures that licensees may follow to implement subdivisions 1 and 2:

(1) the licensee:

(i) identifies reasonably foreseeable internal or external threats that could result in unauthorized disclosure, misuse, alteration, or destruction of customer information or customer information systems;

(ii) assesses the likelihood and potential damage of these threats, taking into consideration the sensitivity of customer information; and

(iii) assesses the sufficiency of policies, procedures, customer information systems, and other safeguards in place to control risks;

(2) the licensee:

(i) designs its information security program to control the identified risks, commensurate with the sensitivity of the information, as well as the complexity and scope of the licensee's activities;

(ii) trains staff, as appropriate, to implement the licensee's information security program; and

(iii) regularly tests or otherwise regularly monitors the key controls, systems, and procedures of the information security program. The frequency and nature of these tests or other monitoring practices are determined by the licensee's risk assessment;

(3) the licensee:

(i) exercises appropriate due diligence in selecting its service providers; and

(ii) requires its service providers to implement appropriate measures designed to meet the objectives of this regulation, and, where indicated by the licensee's risk assessment, takes appropriate steps to confirm that its service providers have satisfied these obligations; and

(4) the licensee monitors, evaluates, and adjusts, as appropriate, the information security program in light of any relevant changes in technology, the sensitivity of its customer information, internal or external threats to information, and the licensee's own changing business arrangements, such as mergers and acquisitions, alliances and joint ventures, outsourcing arrangements, and changes to customer information systems.

Sec. 8. [60A.982] [UNFAIR TRADE PRACTICES.]

A violation of sections 60A.98 and 60A.981 is considered to be a violation of sections 72A.17 to 72A.32.

Sec. 9. Minnesota Statutes 2004, section 62A.136, is amended to read:

62A.136 [DENTAL AND VISION PLAN COVERAGE.]

The following provisions do not apply to health plans as defined in section 62A.011, subdivision 3, clause (6), providing dental or vision coverage only: sections 62A.041; 62A.0411; 62A.047; 62A.149; 62A.151; 62A.152; 62A.154; 62A.155; 62A.17, subdivision 6; 62A.21, subdivision 2b; 62A.26; 62A.28; 62A.285; 62A.30; 62A.304; 62A.3093; and 62E.16.

Sec. 10. Minnesota Statutes 2004, section 62A.31, subdivision 1h, is amended to read:

Subd. 1h. [LIMITATIONS ON DENIALS, CONDITIONS, AND PRICING OF COVERAGE.] No health carrier issuing Medicare-related coverage in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any such coverage available for sale in this state, nor may it discriminate in the pricing of such coverage, because of the health status, claims experience, receipt of health care, medical condition, or age of an applicant where an application for such coverage is submitted prior to or during the six-month period beginning with the first day of the month in which an individual first enrolled for benefits under Medicare Part B. This subdivision applies to each Medicare-related coverage offered by a health carrier regardless of whether the individual has attained the age of 65 years. If an individual who is enrolled in Medicare Part B due to disability status is involuntarily disenrolled due to loss of disability status, the individual is eligible for another six-month enrollment period provided under this subdivision beginning the first day of the month in which the individual later becomes eligible for and enrolls again in Medicare Part B. An individual who is or was previously enrolled in Medicare Part B due to disability status is eligible for another six-month enrollment period under this subdivision beginning the first day of the month in which the individual has attained the age of 65 years and either maintains enrollment in, or enrolls again in, Medicare Part B. If an individual enrolled in Medicare Part B voluntarily disenrolls from Medicare Part B because the individual becomes ~~reemployed and is~~ enrolled under an employee welfare benefit plan, the individual is eligible for another six-month enrollment period, as provided in this subdivision, beginning the first day of the month in which the individual later becomes eligible for and enrolls again in Medicare Part B.

Sec. 11. Minnesota Statutes 2004, section 62A.315, is amended to read:

62A.315 [EXTENDED BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

The extended basic Medicare supplement plan must have a level of coverage so that it will be certified as a qualified plan pursuant to section 62E.07, and will provide:

(1) coverage for all of the Medicare Part A inpatient hospital deductible and coinsurance amounts, and 100 percent of all Medicare Part A eligible expenses for hospitalization not covered by Medicare;

(2) coverage for the daily co-payment amount of Medicare Part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the coinsurance amount or in the case of hospital outpatient department services paid under a prospective payment system, the co-payment amount, of Medicare eligible expenses under Medicare Part B regardless of hospital confinement, and the Medicare Part B deductible amount;

(4) 80 percent of the usual and customary hospital and medical expenses and supplies described in section 62E.06, subdivision 1, not to exceed any charge limitation established by the Medicare program or state law, the usual and customary hospital and medical expenses and supplies, described in section 62E.06, subdivision 1, while in a foreign country, and prescription drug expenses, not covered by Medicare;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations;

(6) 100 percent of the cost of immunizations not otherwise covered under Part D of the Medicare program and routine screening procedures for cancer, including mammograms and pap smears;

(7) preventive medical care benefit: coverage for the following preventive health services not covered by Medicare:

(i) an annual clinical preventive medical history and physical examination that may include tests and services from clause (ii) and patient education to address preventive health care measures;

(ii) ~~any one or a combination of the following~~ preventive screening tests or preventive services, the selection and frequency of which is ~~considered~~ determined to be medically appropriate~~:~~ by the attending physician.

~~(A) fecal occult blood test and/or digital rectal examination;~~

~~(B) dipstick urinalysis for hematuria, bacteriuria, and proteinuria;~~

~~(C) pure tone (air only) hearing screening test administered or ordered by a physician;~~

~~(D) serum cholesterol screening every five years;~~

~~(E) thyroid function test;~~

~~(F) diabetes screening;~~

~~(iii) any other tests or preventive measures determined appropriate by the attending physician.~~

Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved amount for each service as if Medicare were to cover the service as identified in American Medical Association current procedural terminology (AMA CPT) codes to a maximum of $120 annually under this benefit. This benefit shall not include payment for any procedure covered by Medicare;

(8) at-home recovery benefit: coverage for services to provide short-term at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery:

(i) for purposes of this benefit, the following definitions shall apply:

(A) "activities of daily living" include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings;

(B) "care provider" means a duly qualified or licensed home health aide/homemaker, personal care aide, or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry;

(C) "home" means a place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured's place of residence;

(D) "at-home recovery visit" means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit;

(ii) coverage requirements and limitations:

(A) at-home recovery services provided must be primarily services that assist in activities of daily living;

(B) the insured's attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare;

(C) coverage is limited to:

(I) no more than the number and type of at-home recovery visits certified as medically necessary by the insured's attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare-approved home health care visits under a Medicare-approved home care plan of treatment;

(II) the actual charges for each visit up to a maximum reimbursement of $100 per visit;

(III) $4,000 per calendar year;

(IV) seven visits in any one week;

(V) care furnished on a visiting basis in the insured's home;

(VI) services provided by a care provider as defined in this section;

(VII) at-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

(VIII) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit;

(iii) coverage is excluded for:

(A) home care visits paid for by Medicare or other government programs; and

(B) care provided by unpaid volunteers or providers who are not care providers.

Sec. 12. Minnesota Statutes 2004, section 62A.316, is amended to read:

62A.316 [BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

(a) The basic Medicare supplement plan must have a level of coverage that will provide:

(1) coverage for all of the Medicare part A inpatient hospital coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare, after satisfying the Medicare part A deductible;

(2) coverage for the daily co-payment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the coinsurance amount, or in the case of outpatient department services paid under a prospective payment system, the co-payment amount, of Medicare eligible expenses under Medicare part B regardless of hospital confinement, subject to the Medicare part B deductible amount;

(4) 80 percent of the hospital and medical expenses and supplies incurred during travel outside the United States as a result of a medical emergency;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations;

(6) 100 percent of the cost of immunizations not otherwise covered under part D of the Medicare program and routine screening procedures for cancer screening including mammograms and pap smears; and

(7) 80 percent of coverage for all physician prescribed medically appropriate and necessary equipment and supplies used in the management and treatment of diabetes not otherwise covered under Part D of the Medicare program. Coverage must include persons with gestational, type I, or type II diabetes.

(b) Only the following optional benefit riders may be added to this plan:

(1) coverage for all of the Medicare part A inpatient hospital deductible amount;

(2) a minimum of 80 percent of eligible medical expenses and supplies not covered by Medicare part B, not to exceed any charge limitation established by the Medicare program or state law;

(3) coverage for all of the Medicare part B annual deductible;

(4) coverage for at least 50 percent, or the equivalent of 50 percent, of usual and customary prescription drug expenses;

(5) ~~coverage for the following~~ preventive ~~health service~~s medical care benefit coverage for the following preventative health services not covered by Medicare:

(i) an annual clinical preventive medical history and physical examination that may include tests and services from clause (ii) and patient education to address preventive health care measures;

(ii) ~~any one or a combination of the following~~ preventive screening tests or preventive services, the selection and frequency of which is ~~considered~~ determined to be medically appropriate~~:~~ by the attending physician.

~~(A) fecal occult blood test and/or digital rectal examination;~~

~~(B) dipstick urinalysis for hematuria, bacteriuria, and proteinuria;~~

~~(C) pure tone (air only) hearing screening test, administered or ordered by a physician;~~

~~(D) serum cholesterol screening every five years;~~

~~(E) thyroid function test;~~

~~(F) diabetes screening;~~

~~(iii) any other tests or preventive measures determined appropriate by the attending physician.~~

Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved amount for each service, as if Medicare were to cover the service as identified in American Medical Association current procedural terminology (AMA CPT) codes, to a maximum of $120 annually under this benefit. This benefit shall not include payment for a procedure covered by Medicare;

(6) coverage for services to provide short-term at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery:

(i) For purposes of this benefit, the following definitions apply:

(A) "activities of daily living" include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings;

(B) "care provider" means a duly qualified or licensed home health aide/homemaker, personal care aid, or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry;

(C) "home" means a place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured’s place of residence;

(D) "at-home recovery visit" means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit;

(ii) Coverage requirements and limitations:

(A) at-home recovery services provided must be primarily services that assist in activities of daily living;

(B) the insured’s attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare;

(C) coverage is limited to:

(I) no more than the number and type of at-home recovery visits certified as necessary by the insured’s attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare-approved home care visits under a Medicare-approved home care plan of treatment;

(II) the actual charges for each visit up to a maximum reimbursement of $40 per visit;

(III) $1,600 per calendar year;

(IV) seven visits in any one week;

(V) care furnished on a visiting basis in the insured’s home;

(VI) services provided by a care provider as defined in this section;

(VII) at-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

(VIII) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit;

(iii) Coverage is excluded for:

(A) home care visits paid for by Medicare or other government programs; and

(B) care provided by family members, unpaid volunteers, or providers who are not care providers;

(7) coverage for at least 50 percent, or the equivalent of 50 percent, of usual and customary prescription drug expenses to a maximum of $1,200 paid by the issuer annually under this benefit. An issuer of Medicare supplement insurance policies that elects to offer this benefit rider shall also make available coverage that contains the rider specified in clause (4).

Sec. 13. Minnesota Statutes 2004, section 62E.12, is amended to read:

62E.12 [MINIMUM BENEFITS OF COMPREHENSIVE HEALTH INSURANCE PLAN.]

(a) The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan and a number two qualified plan, except that the maximum lifetime benefit on these plans shall be $2,800,000; and an extended basic Medicare supplement plan and a basic Medicare supplement plan as described in sections 62A.31 to 62A.44. The association may also offer a plan that is identical to a number one and number two qualified plan except that it has a $2,000 annual deductible and a $2,800,000 maximum lifetime benefit. The association, subject to the approval of the commissioner, may also offer plans that are identical to the number one or number two qualified plan, except that they have annual deductibles of $5,000 and $10,000, respectively; have limitations on total annual out-of-pocket expenses equal to those annual deductibles and therefore cover 100 percent of the allowable cost of covered services in excess of those annual deductibles; and have a $2,800,000 maximum lifetime benefit. The association, subject to approval of the commissioner, may also offer plans that meet all other requirements of state law except those that are inconsistent with high deductible health plans as defined in sections 220 and 223 of the Internal Revenue Code and supporting regulations. As of January 1, 2006, the association shall no longer be required to offer an extended basic Medicare supplement plan.

(b) The requirement that a policy issued by the association must be a qualified plan is satisfied if the association contracts with a preferred provider network and the level of benefits for services provided within the network satisfies the requirements of a qualified plan. If the association uses a preferred provider network, payments to nonparticipating providers must meet the minimum requirements of section 72A.20, subdivision 15.

(c) The association shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier.

(d) Notwithstanding the provisions of section 62E.06 and unless those charges are billed by a provider that is part of the association's preferred provider network, the state plan shall exclude coverage of services of a private duty nurse other than on an inpatient basis and any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner.

Sec. 14. Minnesota Statutes 2004, section 62E.13, subdivision 2, is amended to read:

Subd. 2. [SELECTION OF WRITING CARRIER.] The association may select policies and contracts, or parts thereof, submitted by a member or members of the association, or by the association or others, to develop specifications for bids from any entity which wishes to be selected as a writing carrier to administer the state plan. The selection of the writing carrier shall be based upon criteria established by the board of directors of the association and approved by the commissioner. The criteria shall outline specific qualifications that an entity must satisfy in order to be selected and, at a minimum, shall include the entity's proven ability to handle large group accident and health insurance cases, efficient claim paying capacity, and the estimate of total charges for administering the plan. The association may select separate writing carriers for the two types of qualified plans and the $2,000, $5,000, and $10,000 deductible plans, the ~~qualified~~ Medicare supplement ~~plan~~ plans, and the health maintenance organization contract.

Sec. 15. [62L.056] [SMALL EMPLOYER FLEXIBLE BENEFITS PLANS.]

(a) Notwithstanding any provision of this chapter, chapter 363A, or any other law to the contrary, a health carrier may offer, sell, issue, and renew a health benefit plan that is a flexible benefits plan under this section to a small employer if the following requirements are satisfied:

(1) the health benefit plan must be offered in compliance with this chapter, except as otherwise permitted in this section;

(2) the health benefit plan to be offered must be designed to enable employers and covered persons to better manage costs and coverage options through the use of co-pays, deductibles, and other cost-sharing arrangements;

(3) the health benefit plan must be issued and administered in compliance with sections 62E.141; 62L.03, subdivision 6; and 62L.12, subdivisions 3 and 4, relating to prohibitions against enrolling in the Minnesota Comprehensive Health Association persons eligible for employer group coverage;

(4) the health benefit plan may modify or exclude any or all coverages of benefits that would otherwise be required by law, except for maternity benefits and other benefits required under federal law;

(5) each health benefit plan must be approved by the commissioner of commerce, but the commissioner may not disapprove a plan on the grounds of a modification or exclusion permitted under clause (4); and

(6) prior to sale of the health benefit plan, the small employer must be given a written list of the coverages otherwise required by law that are modified or excluded in the health benefit plan. The list must include a description of each coverage in the list and indicate whether the coverage is modified or excluded. If a coverage is modified, the list must describe the modification. The list may, but need not, also list any or all coverages otherwise required by law that are included in the health benefit plan and indicate that they are included. The insurer must require that a copy of this written list be provided, prior to the effective date of the health benefit plan, to each employee who is eligible for health coverage under the employer's plan.

(b) The definitions in section 62L.02 apply to this section as modified by this section.

(c) An employer may provide a health benefit plan permitted under this section to its employees, the employees' dependents, and other persons eligible for coverage under the employer's plan, notwithstanding chapter 363A or any other law to the contrary.

Sec. 16. Minnesota Statutes 2004, section 62Q.471, is amended to read:

62Q.471 [EXCLUSION FOR SUICIDE ATTEMPTS PROHIBITED.]

(a) No health plan may exclude or reduce coverage for health care for an enrollee who is otherwise covered under the health plan on the basis that the need for the health care arose out of a suicide or suicide attempt by the enrollee.

(b) For purposes of this section, "health plan" has the meaning given in section 62Q.01, subdivision 3, but includes the coverages described in section 62A.011, clauses (4), (6), and (7) ~~and~~ through (10).

Sec. 17. Minnesota Statutes 2004, section 62Q.65, is amended to read:

62Q.65 [ACCESS TO PROVIDER DISCOUNTS.]

Subdivision 1. [REQUIREMENT.] A high deductible health plan must, when used in connection with a medical savings account or health savings account, provide the enrollee access to any discounted provider fees for services covered by the high deductible health plan, regardless of whether the enrollee has satisfied the deductible for the high deductible health plan.

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

(1) "high deductible health plan" has the meaning given under the Internal Revenue Code of 1986, section 220(c)(2), with respect to a medical savings account; and the meaning given under Internal Revenue Code of 1986, section 223(c)(2), with respect to a health savings account;

(2) "medical savings account" has the meaning given under the Internal Revenue Code of 1986, section 220(d)(1); ~~and~~

(3) "discounted provider fees" means fees contained in a provider agreement entered into by the issuer of the high deductible health plan, or an affiliate of the issuer, for use in connection with the high deductible health plan; and

(4) "health savings account" has the meaning given under the Internal Revenue Code of 1986, section 223(d).

Sec. 18. Minnesota Statutes 2004, section 65A.29, subdivision 11, is amended to read:

Subd. 11. [NONRENEWAL.] Every insurer shall establish a plan that sets out the minimum number and amount of claims during an experience period that may result in a nonrenewal. For purposes of the plan, the insurer may not consider as a claim the insured's inquiry about a hypothetical claim, or the insured's inquiry to the insured's agent regarding a potential claim.

No homeowner's insurance policy may be nonrenewed based on the insured's loss experience unless the insurer has sent a written notice that any future losses may result in nonrenewal due to loss experience.

Any nonrenewal of a homeowner's insurance policy must, at a minimum, comply with the requirements of subdivision 8 and the rules adopted by the commissioner.

Sec. 19. [65A.297] [ACTIVE DUTY MEMBER OF ARMED SERVICES RESERVE OR NATIONAL GUARD; USE IN UNDERWRITING PROHIBITED.]

No insurer, including the Minnesota FAIR plan, shall refuse to renew, decline to offer or write, reduce the limits of, cancel, or charge differential rates for equivalent coverage for any coverage in a homeowner's policy because the dwelling is vacant or occupied by a caretaker if the insured's absence is caused solely by the insured being called to active duty as a member of the armed services reserve or the National Guard.

Sec. 20. [65B.286] [SNOWMOBILE AUXILIARY LIGHTING SYSTEM DISCOUNT.]

Subdivision 1. [DEFINITION.] For the purposes of this section, the term "auxiliary hazard warning lighting system" means a system installed by the manufacturer of a snowmobile as original equipment or installed in a snowmobile by the manufacturer or an authorized dealer of that manufacturer as an aftermarket system that does the following when activated:

(1) a yellow light emitting diode (L.E.D.) light on the front of the snowmobile that flashes at least once per second and is visible at least one-half mile in front of the snowmobile; and

(2) a red light emitting diode (L.E.D.) light on the rear of the snowmobile that flashes at least once per second and is visible at least one-half mile from behind the snowmobile.

Subd. 2. [REQUIRED REDUCTION.] An insurer must provide an appropriate premium reduction of at least five percent on a policy insuring the snowmobile, or on that portion of a policy insuring a snowmobile that is issued, delivered, or renewed in this state, to the insured whose snowmobile is equipped with an authorized auxiliary hazard warning lighting system. The premium reduction required by this subdivision applies to every snowmobile of the insured that is equipped with an auxiliary hazard warning lighting system.

Sec. 21. Minnesota Statutes 2004, section 65B.48, subdivision 3, is amended to read:

Subd. 3. Self-insurance, subject to approval of the commissioner, is effected by filing with the commissioner in satisfactory form:

(1) a continuing undertaking by the owner or other appropriate person to pay tort liabilities or basic economic loss benefits, or both, and to perform all other obligations imposed by sections 65B.41 to 65B.71;

(2) evidence that appropriate provision exists for prompt administration of all claims, benefits, and obligations provided by sections 65B.41 to 65B.71;

(3) evidence that reliable financial arrangements, deposits, or commitments exist providing assurance, substantially equivalent to that afforded by a policy of insurance complying with sections 65B.41 to 65B.71, for payment of tort liabilities, basic economic loss benefits, and all other obligations imposed by sections 65B.41 to 65B.71; and

(4) a nonrefundable initial application fee of ~~$1,500~~ $2,500 and ~~an annual~~ a renewal fee of ~~$400~~ $1,200 for political subdivisions and ~~$500~~ $1,500 for nonpolitical entities every three years.

Sec. 22. Minnesota Statutes 2004, section 72A.20, subdivision 13, is amended to read:

Subd. 13. [REFUSAL TO RENEW.] Refusing to renew, declining to offer or write, or charging differential rates for an equivalent amount of homeowner's insurance coverage, as defined by section 65A.27, for property located in a town or statutory or home rule charter city, in which the insurer offers to sell or writes homeowner's insurance, solely because:

(a) of the geographic area in which the property is located;

(b) of the age of the primary structure sought to be insured;

(c) the insured or prospective insured was denied coverage of the property by another insurer, whether by cancellation, nonrenewal or declination to offer coverage, for a reason other than those specified in section 65A.01, subdivision 3a, clauses (a) to (e); ~~or~~

(d) the property of the insured or prospective insured has been insured under the Minnesota FAIR Plan Act, shall constitute an unfair method of competition and an unfair and deceptive act or practice; or

(e) the insured has inquired about coverage for a hypothetical claim or has made an inquiry to the insured's agent regarding a potential claim.

This subdivision prohibits an insurer from filing or charging different rates for different zip code areas within the same town or statutory or home rule charter city.

This subdivision shall not prohibit the insurer from applying underwriting or rating standards which the insurer applies generally in all other locations in the state and which are not specifically prohibited by clauses (a) to ~~(d)~~ (e). Such underwriting or rating standards shall specifically include but not be limited to standards based upon the proximity of the insured property to an extraordinary hazard or based upon the quality or availability of fire protection services or based upon the density or concentration of the insurer's risks. Clause (b) shall not prohibit the use of rating standards based upon the age of the insured structure's plumbing, electrical, heating or cooling system or other part of the structure, the age of which affects the risk of loss. Any insurer's failure to comply with section 65A.29, subdivisions 2 to 4, either (1) by failing to give an insured or applicant the required notice or statement or (2) by failing to state specifically a bona fide underwriting or other reason for the refusal to write shall create a presumption that the insurer has violated this subdivision.

Sec. 23. Minnesota Statutes 2004, section 72A.20, subdivision 36, is amended to read:

Subd. 36. [LIMITATIONS ON THE USE OF CREDIT INFORMATION.] (a) No insurer or group of affiliated insurers may reject, cancel, or nonrenew a policy of private passenger motor vehicle insurance as defined under section 65B.01 or a policy of homeowner's insurance as defined under section 65A.27, for any person in whole or in part on the basis of credit information, including a credit reporting product known as a "credit score" or "insurance score," without consideration and inclusion of any other applicable underwriting factor.

(b) If credit information, credit scoring, or insurance scoring is to be used in underwriting, the insurer must disclose to the consumer that credit information will be obtained and used as part of the insurance underwriting process.

(c) Insurance inquiries and non-consumer-initiated inquiries must not be used as part of the credit scoring or insurance scoring process.

(d) If a credit score, insurance score, or other credit information relating to a consumer, with respect to the types of insurance referred to in paragraph (a), is adversely impacted or cannot be generated because of the absence of a credit history, the insurer must exclude the use of credit as a factor in the decision to reject, cancel, or nonrenew.

(e) Insurers must upon the request of a policyholder reevaluate the policyholder's score. Any change in premium resulting from the reevaluation must be effective upon the renewal of the policy. An insurer is not required to reevaluate a policyholder's score pursuant to this paragraph more than twice in any given calendar year.

(f) Insurers must upon request of the applicant or policyholder provide reasonable underwriting exceptions based upon prior credit histories for persons whose credit information is unduly influenced by expenses related to a catastrophic injury or illness, temporary loss of employment, or the death of an immediate family member. The insurer may require reasonable documentation of these events prior to granting an exception.

~~(f)~~ (g) A credit scoring or insurance scoring methodology must not be used by an insurer if the credit scoring or insurance scoring methodology incorporates the gender, race, nationality, or religion of an insured or applicant.

~~(g)~~ (h) Insurers that employ a credit scoring or insurance scoring system in underwriting of coverage described in paragraph (a) must have on file with the commissioner:

(1) the insurer's credit scoring or insurance scoring methodology; and

(2) information that supports the insurer's use of a credit score or insurance score as an underwriting criterion.

~~(h)~~ (i) Insurers described in paragraph (g) shall file the required information with the commissioner within 120 days of August 1, 2002, or prior to implementation of a credit scoring or insurance scoring system by the insurer, if that date is later.

~~(i)~~ (j) Information provided by, or on behalf of, an insurer to the commissioner under this subdivision is trade secret information under section 13.37.

Sec. 24. Minnesota Statutes 2004, section 79.211, is amended by adding a subdivision to read:

Subd. 4. [EXPERIENCE MODIFICATION FACTOR REVISION FOR CERTAIN CLOSED CLAIMS.] An insurer or an employer insured under a workers' compensation policy subject to an experience rating plan may request in writing of the data service organization computing the policy's experience modification factor that the most recent factor be revised if each of the following criteria is met:

(1) a workers' compensation claim under that policy is closed between the normal valuation date for that claim and the next time that valuation is used in computing the experience modification factor on the policy;

(2) the data service organization receives a revised unit statistical report containing data on the closed claim in a form consistent with its filed unit statistical plan; and

(3) inclusion of the closed claim in the experience modification factor calculation would impact that factor by five percentage points or more.

Sec. 25. Minnesota Statutes 2004, section 79.40, is amended to read:

79.40 [PREMIUM INCLUSION IN RATEMAKING.]

Premiums charged members by the reinsurance association shall be recognized in the ratemaking procedures for insurance rates ~~in the same manner as assessments for the special compensation fund~~.

Sec. 26. Minnesota Statutes 2004, section 79.56, subdivision 1, is amended to read:

Subdivision 1. [PREFILING OF RATES.] (a) Each insurer shall file with the commissioner a complete copy of its rates and rating plan, and all changes and amendments thereto, and such supporting data and information that the commissioner may by rule require, at least 60 days prior to its effective date. The commissioner shall advise an insurer within 30 days of the filing if its submission is not accompanied with such supporting data and information that the commissioner by rule may require. The commissioner may extend the filing review period and effective date for an additional 30 days if an insurer, after having been advised of what supporting data and information is necessary to complete its filing, does not provide such information within 15 days of having been so notified. If any rate or rating plan filing or amendment thereto is not disapproved by the commissioner within the filing review period, the insurer may implement it. For the period August 1, 1995, to December 31, 1995, the filing shall be made at least 90 days prior to the effective date and the department shall advise an insurer within 60 days of such filing if the filing is insufficient under this section.

(b) A rating plan or rates are not subject to the requirements of paragraph (a), where the insurer files a certification verifying that it will use the mutually agreed upon rating plan or rates only to write a specific employer that generates $250,000 in annual written workers' compensation premiums before the application of any large deductible rating plan. The certification must be refiled upon each renewal of the employer's policy. The $250,000 threshold includes premiums generated in any state. The designation and certification must be submitted in substantially the following form:

Name and address of insurer:.....

Name and address of insured employer:.....

Policy period:.....

I certify that the employer named above generates $250,000 or more in annual countrywide written workers' compensation premiums, and that the calculation of this threshold is based on the rates and rating plans that have been approved by the appropriate state regulatory authority. The filing of this certification authorizes the use of this rate or rating plan only for the named employer.

Name of responsible officer:.....

Title:.....

Signature:.....

Sec. 27. Minnesota Statutes 2004, section 79.56, subdivision 3, is amended to read:

Subd. 3. [PENALTIES.] ~~(a)~~ Any insurer using a rate or a rating plan which has not been filed or certified under subdivision 1 shall be subject to a fine of up to $100 for each day the failure to file continues. The commissioner may, after a hearing on the record, find that the failure is willful. A willful failure to meet filing requirements shall be punishable by a fine of up to $500 for each day during which a willful failure continues. These penalties shall be in addition to any other penalties provided by law.

~~(b) Notwithstanding this subdivision, an employer that generates $250,000 in annual written workers' compensation premium under the rates and rating plan of an insurer before the application of any large deductible rating plans, may be written by that insurer using rates or rating plans that are not subject to disapproval but which have been filed. For the purposes of this paragraph, written workers' compensation premiums generated from states other than Minnesota are included in calculating the $250,000 threshold for large risk alternative rating option plans.~~

Sec. 28. Minnesota Statutes 2004, section 79.62, subdivision 3, is amended to read:

Subd. 3. [ISSUANCE.] The commissioner, upon finding that the applicant organization is qualified to provide the services required and proposed, or has contracted with a licensed data service organization to purchase these services which are required by this chapter but are not provided directly by the applicant, and that all requirements of law are met, shall issue a license.

Each license is subject to annual renewal effective June 30. Each new or renewal license application must be accompanied by a fee of ~~$50~~ $1,000.

Sec. 29. Minnesota Statutes 2004, section 79A.03, subdivision 9, is amended to read:

Subd. 9. [FILING REPORTS.] (a) Incurred losses, paid and unpaid, specifying indemnity and medical losses by classification, payroll by classification, and current estimated outstanding liability for workers' compensation shall be reported to the commissioner by each self-insurer on a calendar year basis, in a manner and on forms available from the commissioner. Payroll information must be filed by April 1 of the following year.

(b) Each self-insurer shall, under oath, attest to the accuracy of each report submitted pursuant to paragraph (a). Upon sufficient cause, the commissioner shall require the self-insurer to submit a certified audit of payroll and claim records conducted by an independent auditor approved by the commissioner, based on generally accepted accounting principles and generally accepted auditing standards, and supported by an actuarial review and opinion of the future contingent liabilities. The basis for sufficient cause shall include the following factors: where the losses reported appear significantly different from similar types of businesses; where major changes in the reports exist from year to year, which are not solely attributable to economic factors; or where the commissioner has reason to believe that the losses and payroll in the report do not accurately reflect the losses and payroll of that employer. If any discrepancy is found, the commissioner shall require changes in the self-insurer's or workers' compensation service company record-keeping practices.

(c) An annual status report due August 1 by each self-insurer shall be filed in a manner and on forms prescribed by the commissioner.

(d) Each individual self-insurer shall, within four months after the end of its fiscal year, annually file with the commissioner its latest 10K report required by the Securities and Exchange Commission. If an individual self-insurer does not prepare a 10K report, it shall file an annual certified financial statement, together with such other financial information as the commissioner may require to substantiate data in the financial statement.

(e) Each member of the group shall, within ~~seven~~ six months after the end of each fiscal year for that group, ~~file~~ submit to a certified public accountant designated by the group, the most recent annual financial statement, reviewed by a certified public accountant in accordance with the Statements on Standards for Accounting and Review Services, Volume 2, the American Institute of Certified Public Accountants Professional Standards, or audited in accordance with generally accepted auditing standards, together with such other financial information the commissioner may require. In addition, the group shall file with the commissioner, within seven months after the end of each fiscal year for that group, combining financial statements of the group members, compiled by a certified public accountant in accordance with the Statements on Standards for Accounting and Review Services, Volume 2, the American Institute of Certified Public Accountants Professional Standards. The combining financial statements shall include, but not be limited to, a balance sheet, income statement, statement of changes in net worth, and statement of cash flow. Each combining financial statement shall include a column for each individual group member along with a total column. Each combined statement shall have a statement from the certified public accountant confirming that each member has submitted the required financial statement as defined in this section. The certified public accountant shall notify the commissioner if any statement is qualified or otherwise conditional. The commissioner may require additional financial information from any group member.

Where a group has 50 or more members, the group shall file, in lieu of the combining financial statements, a combined financial statement showing only the total column for the entire group's balance sheet, income statement, statement of changes in net worth, and statement of cash flow. Additionally, the group shall disclose, for each member, the total assets, net worth, revenue, and income for the most recent fiscal year. The combining and combined financial statements may omit all footnote disclosures.

(f) In addition to the financial statements required by paragraphs (d) and (e), interim financial

statements or 10Q reports required by the Securities and Exchange Commission may be required by the commissioner upon an indication that there has been deterioration in the self-insurer's financial condition, including a worsening of current ratio, lessening of net worth, net loss of income, the downgrading of the company's bond rating, or any other significant change that may adversely affect the self-insurer's ability to pay expected losses. Any self-insurer that files an 8K report with the Securities and Exchange Commission shall also file a copy of the report with the commissioner within 30 days of the filing with the Securities and Exchange Commission.

Sec. 30. Minnesota Statutes 2004, section 79A.04, subdivision 2, is amended to read:

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 110 percent of the private self-insurer's estimated future liability. The deposit may be used to secure payment of all administrative and legal costs, and unpaid assessments required by section 79A.12, subdivision 2, relating to or arising from its or other employers' self-insuring. As used in this section, "private self-insurer" includes both current and former members of the self-insurers' security fund; and "private self-insurers' estimated future liability" means the private self-insurers' total of estimated future liability as determined by an Associate or Fellow of the Casualty Actuarial Society every year for group member private self-insurers and, for a nongroup member private self-insurer's authority to self-insure, every year for the first five years. After the first five years, the nongroup member's total shall be as determined by an Associate or Fellow of the Casualty Actuarial Society at least every two years, and each such actuarial study shall include a projection of future losses during the period until the next scheduled actuarial study, less payments anticipated to be made during that time.

All data and information furnished by a private self-insurer to an Associate or Fellow of the Casualty Actuarial Society for purposes of determining private self-insurers' estimated future liability must be certified by an officer of the private self-insurer to be true and correct with respect to payroll and paid losses, and must be certified, upon information and belief, to be true and correct with respect to reserves. The certification must be made by sworn affidavit. In addition to any other remedies provided by law, the certification of false data or information pursuant to this subdivision may result in a fine imposed by the commissioner of commerce on the private self-insurer up to the amount of $5,000, and termination of the private self-insurers' authority to self-insure. The determination of private self-insurers' estimated future liability by an Associate or Fellow of the Casualty Actuarial Society shall be conducted in accordance with standards and principles for establishing loss and loss adjustment expense reserves by the Actuarial Standards Board, an affiliate of the American Academy of Actuaries. The commissioner may reject an actuarial report that does not meet the standards and principles of the Actuarial Standards Board, and may further disqualify the actuary who prepared the report from submitting any future actuarial reports pursuant to this chapter. Within 30 days after the actuary has been served by the commissioner with a notice of disqualification, an actuary who is aggrieved by the disqualification may request a hearing to be conducted in accordance with chapter 14. Based on a review of the actuarial report, the commissioner of commerce may require an increase in the minimum security deposit in an amount the commissioner considers sufficient.

Estimated future liability is determined by first taking the total amount of the self-insured's future liability of workers' compensation claims and then deducting the total amount which is estimated to be returned to the self-insurer from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits or second injury benefits which are estimated to be reimbursed by the special compensation fund. However, in the determination of estimated future liability, the actuary for the self-insurer shall not take a credit for any excess insurance or reinsurance which is provided by a captive insurance company which is wholly owned by the self-insurer. Supplementary benefits or second injury benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the reports required thereunder are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the last retention limit selected by the self-insurer with the Workers' Compensation Reinsurance Association, provided that the commissioner may allow former members to post less than the Workers' Compensation Reinsurance Association retention

level if that amount is adequate to secure payment of the self-insurers' estimated future liability, as defined in this subdivision, including payment of claims, administrative and legal costs, and unpaid assessments required by section 79A.12, subdivision 2. The posting or depositing of security pursuant to this section shall release all previously posted or deposited security from any obligations under the posting or depositing and any surety bond so released shall be returned to the surety. Any other security shall be returned to the depositor or the person posting the bond.

As a condition for the granting or renewing of a certificate to self-insure, the commissioner may require a private self-insurer to furnish any additional security the commissioner considers sufficient to insure payment of all claims under chapter 176.

Sec. 31. Minnesota Statutes 2004, section 79A.04, subdivision 10, is amended to read:

Subd. 10. [NOTICE; OBLIGATION OF FUND.] In the event of bankruptcy, insolvency, or certificate of default, the commissioner shall immediately notify by certified mail the commissioner of finance, the surety, the issuer of an irrevocable letter of credit, and any custodian of the security required in this chapter. At the time of notification, the commissioner shall also call the security and transfer and assign it to the self-insurers' security fund. The commissioner shall also immediately notify by certified mail the self-insurers' security fund, and order the security fund to assume the insolvent self-insurers' obligations for which it is liable under chapter 176. The security fund shall commence payment of these obligations within 14 days of receipt of this notification and order. Payments shall be made to claimants whose entitlement to benefits can be ascertained by the security fund, with or without proceedings before the Department of Labor and Industry, the Office of Administrative Hearings, the Workers' Compensation Court of Appeals, or the Minnesota Supreme Court. Upon the assumption of obligations by the security fund pursuant to the commissioner's notification and order, the security fund has the right to immediate possession of any posted or deposited security and the custodian, surety, or issuer of any irrevocable letter of credit or the commissioner, if in possession of it, shall turn over the security, proceeds of the surety bond, or letter of credit to the security fund together with the interest that has accrued since the date of the self-insured employer's insolvency. The security fund has the right to the immediate possession of all relevant workers' compensation claim files and data of the self-insurer, and the possessor of the files and data must turn the files and data, or complete copies of them, over to the security fund within five days of the notification provided under this subdivision. If the possessor of the files and data fails to timely turn over the files and data to the security fund, it is liable to the security fund for a penalty of $500 per day for each day after the five-day period has expired. The security fund is entitled to recover its reasonable attorney fees and costs in any action brought to obtain possession of the workers' compensation claim files and data of the self-insurer, and for any action to recover the penalties provided by this subdivision. The self-insurers' security fund may administer payment of benefits or it may retain a third-party administrator to do so.

Sec. 32. Minnesota Statutes 2004, section 79A.06, subdivision 5, is amended to read:

Subd. 5. [PRIVATE EMPLOYERS WHO HAVE CEASED TO BE SELF-INSURED.] (a) Private employers who have ceased to be private self-insurers shall discharge their continuing obligations to secure the payment of compensation which is accrued during the period of self-insurance, for purposes of Laws 1988, chapter 674, sections 1 to 21, by compliance with all of the following obligations of current certificate holders:

(1) Filing reports with the commissioner to carry out the requirements of this chapter;

(2) Depositing and maintaining a security deposit for accrued liability for the payment of any compensation which may become due, pursuant to chapter 176. However, if a private employer who has ceased to be a private self-insurer purchases an insurance policy from an insurer authorized to transact workers' compensation insurance in this state which provides coverage of all claims for compensation arising out of injuries occurring during the entire period the employer was self-insured, whether or not reported during that period, the policy will:

(i) discharge the obligation of the employer to maintain a security deposit for the payment of the claims covered under the policy;

(ii) discharge any obligation which the self-insurers' security fund has or may have for payment of all claims for compensation arising out of injuries occurring during the period the employer was self-insured, whether or not reported during that period; and

(iii) discharge the obligations of the employer to pay any future assessments to the self-insurers' security fund.

A private employer who has ceased to be a private self-insurer may instead buy an insurance policy described above, except that it covers only a portion of the period of time during which the private employer was self-insured; purchase of such a policy discharges any obligation that the self-insurers' security fund has or may have for payment of all claims for compensation arising out of injuries occurring during the period for which the policy provides coverage, whether or not reported during that period.

A policy described in this clause may not be issued by an insurer unless it has previously been approved as to form and substance by the commissioner; and

(3) Paying within 30 days all assessments of which notice is sent by the security fund, for a period of seven years from the last day its certificate of self-insurance was in effect. Thereafter, the private employer who has ceased to be a private self-insurer may either: (i) continue to pay within 30 days all assessments of which notice is sent by the security fund until it has no incurred liabilities for the payment of compensation arising out of injuries during the period of self-insurance; or (ii) pay the security fund a cash payment equal to four percent of the net present value of all remaining incurred liabilities for the payment of compensation under sections 176.101 and 176.111 as certified by a member of the casualty actuarial society. Assessments shall be based on the benefits paid by the employer during the calendar year immediately preceding the calendar year in which the employer's right to self-insure is terminated or withdrawn.

(b) With respect to a self-insurer who terminates its self-insurance authority after April 1, 1998, that member shall obtain and file with the commissioner an actuarial opinion of its outstanding liabilities as determined by an associate or fellow of the Casualty Actuarial Society within 120 days of the date of its termination. If the actuarial opinion is not timely filed, the self-insurers' security fund may, at its discretion, engage the services of an actuary for this purpose. The expense of this actuarial opinion must be assessed against and be the obligation of the self-insurer. The commissioner may issue a certificate of default against the self-insurer for failure to pay this assessment to the self-insurers' security fund as provided by section 79A.04, subdivision 9. The opinion must separate liability for indemnity benefits from liability from medical benefits, and must discount each up to four percent per annum to net present value. Within 30 days after notification of approval of the actuarial opinion by the commissioner, the member shall pay to the security fund an amount equal to 120 percent of that discounted outstanding indemnity liability, multiplied by the greater of the average annualized assessment rate since inception of the security fund or the annual rate at the time of the most recent assessment before termination. If the payment is not made within 30 days of the notification, interest on it at the rate prescribed by section 549.09 must be paid by the former member to the security fund until the principal amount is paid in full.

(c) A former member who terminated its self-insurance authority before April 1, 1998, who has paid assessments to the self-insurers' security fund for seven years, and whose annualized assessment is $500 or less, may buy out of its outstanding liabilities to the self-insurers' security fund by an amount calculated as follows: 1.35 multiplied by the indemnity case reserves at the time of the calculation, multiplied by the then current self-insurers' security fund annualized assessment rate.

(d) A former member who terminated its self-insurance authority before April 1, 1998, and who is paying assessments within the first seven years after ceasing to be self-insured under paragraph (a), clause (3), may elect to buy out its outstanding liabilities to the self-insurers' security fund by obtaining and filing with the commissioner an actuarial opinion of its outstanding liabilities as determined by an associate or fellow of the Casualty Actuarial Society. The opinion must separate liability for indemnity benefits from liability for medical benefits, and must discount each up to four percent per annum to net present value. Within 30 days after notification of approval of the

actuarial opinion by the commissioner, the member shall pay to the security fund an amount equal to 120 percent of that discounted outstanding indemnity liability, multiplied by the greater of the average annualized assessment rate since inception of the security fund or the annual rate at the time of the most recent assessment.

(e) A former member who has paid the security fund according to paragraphs (b) to (d) and subsequently receives authority from the commissioner to again self-insure shall be assessed under section 79A.12, subdivision 2, only on indemnity benefits paid on injuries that occurred after the former member received authority to self-insure again; provided that the member furnishes verified data regarding those benefits to the security fund.

(f) In addition to proceedings to establish liabilities and penalties otherwise provided, a failure to comply may be the subject of a proceeding before the commissioner. An appeal from the commissioner's determination may be taken pursuant to the contested case procedures of chapter 14 within 30 days of the commissioner's written determination.

Any current or past member of the self-insurers' security fund is subject to service of process on any claim arising out of chapter 176 or this chapter in the manner provided by section 5.25, or as otherwise provided by law. The issuance of a certificate to self-insure to the private self-insured employer shall be deemed to be the agreement that any process which is served in accordance with this section shall be of the same legal force and effect as if served personally within this state.

Sec. 33. Minnesota Statutes 2004, section 79A.12, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT.] The security fund may assess each of its members a pro rata share of the funding necessary to carry out its obligation and the purposes of this chapter. Total annual assessments in any calendar year shall not exceed ten percent of ~~the workers' compensation benefits paid under sections 176.101 and 176.111 during the previous~~ paid indemnity losses, as defined in section 176.129, made by the self-insured employer during the preceding calendar year. The annual assessment calculation shall not include supplementary benefits paid which will be reimbursed by the special compensation fund. Funds obtained by assessments pursuant to this subdivision may only be used for the purposes of this chapter. The trustees shall certify to the commissioner the collection and receipt of all money from assessments, noting any delinquencies. The trustees shall take any action deemed appropriate to collect any delinquent assessments.

Sec. 34. Minnesota Statutes 2004, section 79A.22, subdivision 11, is amended to read:

Subd. 11. [DISBURSEMENT OF FUND SURPLUS.] (a) ~~One hundred~~ Except as otherwise provided in paragraphs (b) and (c), 100 percent of any surplus money for a fund year in excess of 125 percent of the amount necessary to fulfill all obligations under the Workers' Compensation Act, chapter 176, for that fund year may be declared refundable to ~~a member~~ eligible members at any time. ~~The date shall be no earlier than 18 months following the end of such fund year. The first disbursement of fund surplus may not be made prior to the written approval of the commissioner. There can be no more than one refund made in any 12-month period.~~

(b) Except as otherwise provided in paragraph (c), for groups that have been in existence for five years or more, 100 percent of any surplus money for a fund year in excess of 110 percent of the amount necessary to fulfill all obligations under the Workers' Compensation Act, chapter 176, for that fund year may be declared refundable to eligible members at any time.

(c) Excess surplus distributions under paragraphs (a) and (b) may not be greater than the combined surplus of the group at the time of the distribution.

(d) When all the claims of any one fund year have been fully paid, as certified by an actuary, all surplus money from that fund year may be declared refundable.

~~(b)~~ (e) The commercial self-insurance group shall give ten days' prior notice to the commissioner of any refund. ~~Said~~ The notice ~~shall~~ must be accompanied by a statement from the commercial self-insurer group's certified public accountant certifying that the proposed refund is in compliance with ~~paragraph (a)~~ this subdivision.

Sec. 35. Minnesota Statutes 2004, section 79A.22, is amended by adding a subdivision to read:

Subd. 14. [ALL STATES COVERAGE.] Policies issued by commercial self-insurance groups pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, commonly known as "all states coverage." The coverage must be provided to members of the group which are temporarily performing work in another state.

Sec. 36. Minnesota Statutes 2004, section 176.191, subdivision 3, is amended to read:

Subd. 3. [INSURER PAYMENT.] If a dispute exists as to whether an employee's injury is compensable under this chapter and the employee is otherwise covered by an insurer or entity pursuant to chapters 62A, 62C ~~and~~, 62D, 62E, 62R, and 62T, that insurer or entity shall pay any medical costs incurred by the employee for the injury up to the limits of the applicable coverage and shall make any disability payments otherwise payable by that insurer or entity in the absence of or in addition to workers' compensation liability. If the injury is subsequently determined to be compensable pursuant to this chapter, the workers' compensation insurer shall be ordered to reimburse the insurer or entity that made the payments for all payments made under this subdivision by the insurer or entity, including interest at a rate of 12 percent a year. If a payment pursuant to this subdivision exceeds the reasonable value as permitted by sections 176.135 and 176.136, the provider shall reimburse the workers' compensation insurer for all the excess as provided by rules promulgated by the commissioner.

Sec. 37. Laws 1985, chapter 85, section 1, is amended to read:

Section 1. [CERTAIN COUNTIES; JOINT AGREEMENTS FOR INSURANCE COVERAGE.]

(a) The counties of Aitkin, Itasca, Koochiching and St. Louis, and political subdivisions located in those counties, except the city of Duluth, when two or more of them are acting jointly under Minnesota Statutes, section 471.61, subdivision 1, or section 471.59 for purposes of section 471.61, may act jointly for the same purposes with any nonprofit organization organized under the laws of Minnesota and which is exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code 1954, as amended through December 31, 1984.

(b) Notwithstanding Minnesota Statutes, sections 62L.03; 62L.04; 62L.045; or any other provision of Minnesota Statutes, chapter 62L, an arrangement described in paragraph (a) may provide the same health coverage under the same plan and premium rates to its member employers that have 50 or fewer employees that the arrangement provides to its member employers that have more than 50 employees. The insurer offering the plan need not offer this same plan to small employers that are not member employers in the arrangement described in paragraph (a).

(c) Paragraph (b) is a pilot project that expires at the end of its third full plan year after its date of enactment. After the second full plan year, the entity operating an arrangement described in paragraph (a) shall provide a written report to the commissioner of commerce summarizing the advantages and disadvantages of the pilot project and recommending whether to make it permanent.

Sec. 38. [REPEALER.]

Minnesota Statutes 2004, sections 61A.072, subdivision 2; and 62E.03 are repealed.

Sec. 39. [EFFECTIVE DATES.]

(a) Sections 9, 13, 14, 15, 18, 22, 23, 25, and 31 to 36 are effective the day following final enactment. Section 19 is effective the day following final enactment and applies to any action taken by an insurer on or after that date. Sections 1, 3, 21, and 26 to 28 are effective July 1, 2005. The remaining sections are effective August 1, 2005.

(b) Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), local approval of section 37 is not required. Section 37 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to insurance; regulating agency terminations, coverages, fees, forms, disclosures, reports, information security, and premiums; amending Minnesota Statutes 2004, sections 60A.14, subdivision 1; 60A.171, subdivision 11; 60A.23, subdivision 8; 60A.966; 60A.969; 62A.136; 62A.31, subdivision 1h; 62A.315; 62A.316; 62E.12; 62E.13, subdivision 2; 62Q.471; 62Q.65; 65A.29, subdivision 11; 65B.48, subdivision 3; 72A.20, subdivisions 13, 36; 79.211, by adding a subdivision; 79.40; 79.56, subdivisions 1, 3; 79.62, subdivision 3; 79A.03, subdivision 9; 79A.04, subdivisions 2, 10; 79A.06, subdivision 5; 79A.12, subdivision 2; 79A.22, subdivision 11, by adding a subdivision; 176.191, subdivision 3; Laws 1985, chapter 85, section 1; proposing coding for new law in Minnesota Statutes, chapters 60A; 62L; 65A; 65B; repealing Minnesota Statutes 2004, sections 61A.072, subdivision 2; 62E.03."

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

House Conferees: (Signed) Tim Wilkin, Paul Gazelka, Joseph Atkins

Senate Conferees: (Signed) Linda Scheid, Sandra L. Pappas, Mady Reiter

Senator Scheid moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1809 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1809 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 54 and nays 8, as follows:

Those who voted in the affirmative were:

Bachmann	Hottinger	Larson	Olson	Scheid
Belanger	Johnson, D.E.	LeClair	Ortman	Senjem
Cohen	Johnson, D.J.	Limmer	Ourada	Skoe
Day	Jungbauer	Marko	Pappas	Solon
Dille	Kelley	McGinn	Pogemiller	Sparks
Fischbach	Kierlin	Metzen	Reiter	Stumpf
Foley	Kiscaden	Michel	Rest	Tomassoni
Frederickson	Kleis	Moua	Robling	Vickerman
Gaither	Koering	Murphy	Rosen	Wergin
Gerlach	Kubly	Neuville	Ruud	Wiger
Hann	Langseth	Nienow	Saxhaug	

Those who voted in the negative were:

Anderson	Dibble	Lourey	Ranum	Skoglund
Berglin	Higgins	Marty		

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 2192, 1889, 460, 423, S.F. Nos. 785 and 762.

SPECIAL ORDER

H.F. No. 2192: A bill for an act relating to adoption; providing for data collection and best

practice guidelines for conducting postadoption services; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 259.

Senator Rest moved that the amendment made to H.F. No. 2192 by the Committee on Rules and Administration in the report adopted May 21, 2005, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2192 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Larson	Olson	Scheid
Bakk	Hottinger	Limmer	Ortman	Senjem
Belanger	Johnson, D.E.	Lourey	Ourada	Skoe
Berglin	Johnson, D.J.	Marko	Pappas	Skoglund
Cohen	Jungbauer	Marty	Pariseau	Solon
Day	Kelley	McGinn	Ranum	Sparks
Dibble	Kierlin	Metzen	Reiter	Stumpf
Dille	Kiscaden	Michel	Rest	Tomassoni
Foley	Kleis	Moua	Robling	Vickerman
Frederickson	Koering	Murphy	Rosen	Wergin
Gaither	Kubly	Neuville	Ruud	Wiger
Hann	Langseth	Nienow	Saxhaug	

Those who voted in the negative were:

Bachmann	Fischbach	Gerlach	LeClair

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1889: A bill for an act relating to human services; implementing child protection, child care, and child and family support provisions; amending Minnesota Statutes 2004, sections 119A.43, subdivision 2; 119B.025, subdivision 1; 119B.03, subdivision 6; 119B.09, subdivisions 4, 9; 144D.025; 256.978, subdivision 2; 256D.02, subdivision 17; 256D.051, subdivision 6c; 256I.04, subdivision 2a; 256I.05, by adding a subdivision; 256J.626, subdivisions 6, 7, 8; 256J.751, subdivisions 2, 5; 257.85, subdivisions 2, 3; 259.23, subdivisions 1, 2; 259.41, subdivision 3; 259.67, subdivisions 2, 4; 259.75, subdivision 1; 259.79, subdivision 1; 259.85, subdivision 1; 260.012; 260C.001, subdivision 3; 260C.007, subdivision 8; 260C.151, subdivision 6; 260C.178; 260C.201, subdivisions 1, 10, 11; 260C.312; 260C.317, subdivision 3; 518.551, subdivision 5; 518.68, subdivision 2; 548.091, subdivision 1a; 626.556, subdivisions 1, 2, 3, 10, 10b, 10e, 10f, 10i, 11, 11c, by adding subdivisions; repealing Minnesota Statutes 2004, sections 626.5551, subdivisions 1, 2, 3, 4, 5; Minnesota Rules, parts 9500.1206, subparts 20, 26d, 27; 9560.0220, subpart 6, item B; 9560.0230, subpart 2.

Senator Lourey moved to amend H.F. No. 1889 as follows:

Pages 77 to 89, delete sections 2 and 3

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Rest moved to amend H.F. No. 1889 as follows:

Page 31, after line 17, insert:

"Sec. 14. [LAWS 2005, CHAPTER 14; EFFECTIVE DATE.]

Laws 2005, chapter 14, takes effect August 1, 2006."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1889 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Nienow	Scheid
Bachmann	Hann	Larson	Olson	Senjem
Bakk	Higgins	LeClair	Ortman	Skoe
Belanger	Hottinger	Limmer	Ourada	Skoglund
Berglin	Johnson, D.E.	Lourey	Pappas	Solon
Cohen	Johnson, D.J.	Marko	Pariseau	Sparks
Day	Jungbauer	Marty	Pogemiller	Stumpf
Dibble	Kelley	McGinn	Ranum	Tomassoni
Dille	Kierlin	Metzen	Reiter	Vickerman
Fischbach	Kiscaden	Michel	Rest	Wergin
Foley	Kleis	Moua	Robling	Wiger
Frederickson	Koering	Murphy	Rosen	
Gaither	Kubly	Neuville	Ruud	

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

SPECIAL ORDER

H.F. No. 460: A bill for an act relating to natural resources; modifying acquisition, designation, and use provisions for scientific and natural areas; modifying off-highway vehicle provisions; regulating fees and permit requirements; establishing certain accounts; authorizing certain lawful purpose expenditures for projects or activities approved by the commissioner of natural resources; authorizing the commissioner to give preference in certain hunting and fishing license and permit lotteries to military service members and veterans; modifying fishing, hunting, and firearms safety provisions; modifying water use permit provisions; modifying environmental advisory boards; modifying reporting requirements for certain waste management revenue; authorizing the use of silencers for certain wildlife control; modifying requirements for forest classification status review; regulating metropolitan area water supply planning activities; regulating the credit enhancement program; appropriating money; amending Minnesota Statutes 2004, sections 84.027, subdivisions 12, 15, by adding a subdivision; 84.0274, by adding a subdivision; 84.033, by adding a subdivision; 84.791, subdivision 2; 84.8205, subdivisions 3, 4, 6; 84.86, subdivision 1; 84.91, subdivision 1; 84.925, subdivision 1; 84.9256, subdivision 1; 84D.03, subdivision 4; 85.052, subdivision 4; 85.053, subdivisions 1, 2; 85.054, by adding a subdivision; 85.055, subdivision 2, by adding a subdivision; 85.43; 88.6435, subdivision 4; 97A.055, subdivision 4b; 97A.093; 97A.135, subdivision 2a; 97A.465, by adding a subdivision; 97A.4742, subdivision 4; 97A.485, subdivision 7; 97B.015, subdivisions 1, 2, 5, 7; 97B.020; 97B.025; 103F.535, subdivision 1; 103G.271, subdivision 5; 103G.615, subdivision 2; 115A.072, subdivision 1; 115A.12; 115A.554; 115A.929; 115B.49, by adding a subdivision; 169A.63, subdivision 6; 282.08; 282.38, subdivision 1; 296A.18, subdivision 2; 349.12, subdivision 25; 462.357, subdivision 1e; 473.197, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 86B; 473; repealing Minnesota Statutes 2004, sections 84.033, subdivision 2; 85.054, subdivision 1; 94.343, subdivision 6; 94.344, subdivision 6; 94.348; 94.349; 473.156; 473.197, subdivisions 1, 2, 3, 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hann	Larson	Ortman	Skoe
Bachmann	Higgins	LeClair	Ourada	Skoglund
Bakk	Hottinger	Limmer	Pappas	Solon
Berglin	Johnson, D.E.	Lourey	Pariseau	Sparks
Cohen	Johnson, D.J.	Marko	Pogemiller	Stumpf
Day	Jungbauer	Marty	Ranum	Tomassoni
Dibble	Kelley	McGinn	Reiter	Vickerman
Dille	Kierlin	Metzen	Rest	Wergin
Fischbach	Kiscaden	Michel	Robling	Wiger
Foley	Kleis	Murphy	Rosen	
Frederickson	Koering	Neuville	Ruud	
Gaither	Kubly	Nienow	Saxhaug	
Gerlach	Langseth	Olson	Scheid	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 423: A bill for an act relating to health; exempting hot tubs on rental houseboats from regulation as public pools; amending Minnesota Statutes 2004, section 144.1222, by adding a subdivision.

Senator Bakk moved that the amendment made to H.F. No. 423 by the Committee on Rules and Administration in the report adopted March 22, 2005, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 423 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Nienow	Scheid
Bachmann	Hann	Larson	Olson	Senjem
Bakk	Higgins	LeClair	Ortman	Skoe
Belanger	Hottinger	Limmer	Ourada	Skoglund
Berglin	Johnson, D.E.	Lourey	Pappas	Solon
Cohen	Johnson, D.J.	Marko	Pariseau	Sparks
Day	Jungbauer	Marty	Pogemiller	Stumpf
Dibble	Kelley	McGinn	Ranum	Tomassoni
Dille	Kierlin	Metzen	Reiter	Vickerman
Fischbach	Kiscaden	Michel	Rest	Wergin
Foley	Kleis	Moua	Rosen	Wiger
Frederickson	Koering	Murphy	Ruud	
Gaither	Kubly	Neuville	Saxhaug	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 785: A bill for an act relating to crime prevention; prohibiting children under the age of 17 from renting or purchasing certain video games; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Senator Kleis moved to amend S.F. No. 785 as follows:

Page 1, line 13, after "who" insert "possesses or"

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

S.F. No. 785 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Hann	Lourey	Ourada	Skoe
Bachmann	Higgins	Marko	Pappas	Solon
Belanger	Hottinger	Marty	Pariseau	Sparks
Berglin	Johnson, D.E.	McGinn	Pogemiller	Stumpf
Cohen	Kierlin	Metzen	Ranum	Vickerman
Day	Kleis	Moua	Rest	Wergin
Dille	Koering	Murphy	Robling	Wiger
Fischbach	Kubly	Neuville	Rosen	
Foley	Langseth	Nienow	Saxhaug	
Frederickson	Larson	Olson	Scheid	
Gaither	Limmer	Ortman	Senjem	

Those who voted in the negative were:

Bakk	Gerlach	Jungbauer	LeClair	Ruud
Dibble	Johnson, D.J.	Kelley	Reiter	Tomassoni

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12, Senator Skoglund moved that he be excused for a Conference Committee on H.F. No. 225 from 2:20 to 2:35 p.m. The motion prevailed.

SPECIAL ORDER

S.F. No. 762: A bill for an act relating to the environment; creating the Clean Water Legacy Act; providing authority, direction, and funding to achieve and maintain water quality standards for Minnesota's surface waters in accordance with section 303(d) of the federal Clean Water Act; appropriating money; amending Laws 2005, chapter 20, article 1, section 39; proposing coding for new law in Minnesota Statutes, chapter 446A; proposing coding for new law as Minnesota Statutes, chapter 114D.

Senator Frederickson moved to amend S.F. No. 762 as follows:

Page 18, line 17, before "The" insert "From money appropriated for this program,"

The motion prevailed. So the amendment was adopted.

Senator Frederickson moved to amend S.F. No. 762 as follows:

Page 9, line 16, delete "Nineteen" and insert "Seventeen"

Page 9, line 32, after the comma, insert "one member representing the interests of rural counties, and one member representing the interests of counties in the seven-county metropolitan area,"

Page 10, line 7, after the semicolon, insert "and"

Page 10, delete lines 8 to 12

Page 10, line 13, delete "(16)" and insert "(14)"

Page 10, line 18, after the period, insert "In making appointments, the governor must attempt to provide for geographic balance."

The motion prevailed. So the amendment was adopted.

Senator Marko moved to amend S.F. No. 762 as follows:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 2004, section 103C.311, is amended by adding a subdivision to read:

Subd. 3. [SUPERVISORS ELECTED BY DISTRICTS.] (a) The district board, with the approval of the state board, must by resolution provide that supervisors will be elected by supervisor districts as provided in this subdivision.

(b) The supervisor districts must be apportioned to be coterminous with county commissioner districts. The districts must be numbered in a regular series. The boundaries of the districts must be redrawn after each decennial federal census as provided in section 204B.135 and must reflect any changes in the county commissioner district's boundaries. A certified copy of the resolution establishing supervisor districts must be filed by the chair of the district board with the county auditor of the counties where the soil and water conservation district is located, with the state board, and with the secretary of state at least 30 days before the first date candidates may file for the office of supervisor.

(c) Each supervisor district is entitled to elect one supervisor. A supervisor must be a resident of the district from which elected.

(d) The district board shall provide staggered terms for supervisors elected by district. After each redistricting, there shall be a new election of supervisors in all the districts at the next general election, except that if the change made in the boundaries of a district is less than five percent of the average population of all the districts, the supervisor in office at the time of the redistricting shall serve for the full term for which elected. The district board shall determine by lot the seats to be filled for a two-year term, a four-year term, and a six-year term."

Page 22, after line 13, insert:

"Sec. 15. [REPEALER.]

Minnesota Statutes 2004, section 103C.311, subdivisions 1 and 2, are repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Frederickson questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Marko moved to amend S.F. No. 762 as follows:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 2004, section 103C.311, is amended by adding a subdivision to read:

Subd. 3. [SEVEN-COUNTY METROPOLITAN AREA SEPARATE REQUIREMENT.] (a) Notwithstanding subdivisions 1 and 2, the district boards in the seven-county metropolitan area must by resolution provide that supervisors will be elected by supervisor districts as provided in this subdivision.

(b) The supervisor districts must be apportioned to be coterminous with county commissioner districts. The districts must be numbered in a regular series. The boundaries of the districts must be redrawn after each decennial federal census as provided in section 204B.135 and must reflect any changes in the county commissioner district's boundaries. A certified copy of the resolution establishing supervisor districts must be filed by the chair of the district board with the county auditor of the counties where the soil and water conservation district is located, with the state board, and with the secretary of state at least 30 days before the first date candidates may file for the office of supervisor.

(c) Each supervisor district is entitled to elect one supervisor. A supervisor must be a resident of the district from which elected.

(d) The district board shall provide staggered terms for supervisors elected by district. After each redistricting, there shall be a new election of supervisors in all the districts at the next general election, except that if the change made in the boundaries of a district is less than five percent of the average population of all the districts, the supervisor in office at the time of the redistricting shall serve for the full term for which elected. The district board shall determine by lot the seats to be filled for a two-year term, a four-year term, and a six-year term."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Pariseau questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Senjem moved to amend S.F. No. 762 as follows:

Page 8, after line 36, insert:

"Subd. 4. [PHOSPHORUS EFFLUENT REDUCTIONS LIMITED.] Where a municipal or industrial wastewater treatment facility discharges effluent into a river or stream segment that has been identified on the Pollution Control Agency's list of impaired waters submitted to the Environmental Protection Agency, but a total maximum daily load has not been completed for that river or stream segment, the Pollution Control Agency may not require phosphorus reductions beyond the current annual phosphorus mass load discharged by the facility until the total maximum daily load has been completed and approved by the Environmental Protection Agency."

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

S.F. No. 762 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Nienow	Sams
Bakk	Hann	Larson	Olson	Saxhaug
Belanger	Higgins	LeClair	Ortman	Scheid
Berglin	Hottinger	Limmer	Ourada	Senjem
Betzold	Johnson, D.E.	Lourey	Pappas	Skoe
Cohen	Johnson, D.J.	Marko	Pariseau	Skoglund
Day	Jungbauer	Marty	Pogemiller	Solon
Dibble	Kelley	McGinn	Ranum	Sparks
Dille	Kierlin	Metzen	Reiter	Stumpf
Fischbach	Kiscaden	Michel	Rest	Tomassoni
Foley	Kleis	Moua	Robling	Vickerman
Frederickson	Koering	Murphy	Rosen	Wergin
Gaither	Kubly	Neuville	Ruud	Wiger

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

REPORTS OF COMMITTEES

Senator Johnson, D.E. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Johnson, D.E. from the Committee on Rules and Administration, to which was referred

S.F. No. 2286: A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2004, section 66A.02, as amended.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Johnson, D.E. from the Committee on Rules and Administration, to which was referred

H.F. No. 2279: A bill for an act relating to the city of Cologne; providing exemption to wetland replacement requirements.

Reports the same back with the recommendation that the bill do pass. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 2286 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2279 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 232, 1984 and 2160.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 808: A bill for an act relating to traffic regulations; exempting motorized foot scooters from tax and registration fees; defining motorized foot scooters and regulating their use and operation; amending Minnesota Statutes 2004, sections 168.012, subdivision 1; 169.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

Senate File No. 808 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

CONCURRENCE AND REPASSAGE

Senator Murphy moved that the Senate concur in the amendments by the House to S.F. No. 808 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 808 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Nienow	Sams
Bachmann	Hann	Larson	Olson	Saxhaug
Bakk	Higgins	LeClair	Ortman	Scheid
Belanger	Hottinger	Limmer	Ourada	Senjem
Berglin	Johnson, D.E.	Lourey	Pappas	Skoe
Betzold	Johnson, D.J.	Marko	Pariseau	Skoglund
Cohen	Jungbauer	Marty	Pogemiller	Solon
Day	Kelley	McGinn	Ranum	Sparks
Dibble	Kierlin	Metzen	Reiter	Stumpf
Dille	Kiscaden	Michel	Rest	Tomassoni
Fischbach	Kleis	Moua	Robling	Vickerman
Foley	Koering	Murphy	Rosen	Wergin
Gaither	Kubly	Neuville	Ruud	Wiger

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2121:

H.F. No. 2121: A bill for an act relating to commerce; requiring businesses that possess personal data to notify persons whose personal information has been disclosed to unauthorized persons; proposing coding for new law in Minnesota Statutes, chapter 325E.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Johnson, J.; Wilkin and Davnie have been appointed as such committee on the part of the House.

House File No. 2121 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

Senator Johnson, D.E., for Senator Chaudhary, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2121, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1

A bill for an act relating to public safety; appropriating money for the courts, Public Safety, and Corrections Departments, the Peace Officer Standards and Training Board, the Private Detective Board, Human Rights Department, and the Sentencing Guidelines Commission; making a standing appropriation for bond service for the 911 system; appropriating money for methamphetamine grants, homeless outreach grants, and youth intervention grants; requiring life without release sentences for certain egregious first degree criminal sexual conduct offenses; requiring indeterminate life sentences for certain sex offenses; increasing statutory maximum sentences for sex offenses; authorizing asexualization for certain sex offenders; requiring certain predatory offenders to obtain marked vehicle license plates and drivers' licenses or identification cards; establishing the Minnesota Sex Offender Review Board and providing its responsibilities, including release decisions, access to data, expedited rulemaking, and the applicability to it of contested case proceedings and the Open Meeting Law; directing the Sentencing Guidelines Commission to modify the sentencing guidelines; providing criminal penalties; modifying predatory offender registration and community notification requirements; expanding Department of Human Services access to the predatory offender registry; modifying the human services criminal background check law; establishing an ongoing Sex Offender Policy Board to develop uniform supervision and professional standards; requesting the Supreme Court to study use of the court system as an alternative to the administrative process for discharge of persons committed as sexually dangerous persons or sexual psychopathic personalities; making miscellaneous technical and conforming amendments to the sex offender law; requiring level III sex offenders to submit to polygraphs as a condition of release; providing that computers are subject to forfeiture if used to commit designated offenses; amending fire marshal safety law; defining explosives for purposes of rules regulating storage and use of explosives; transferring the youth intervention program to the Department of Public Safety; amending the Emergency Communications Law by assessing fees and authorizing issuance of bonds for the third phase of the statewide public safety radio communication system; requiring a statewide human trafficking assessment and study; establishing a gang and drug oversight council and a financial crimes oversight council; requiring correctional facilities to provide the Bureau of Criminal Apprehension with certain fingerprint information; requiring law enforcement agencies to take biological specimens for DNA analysis for persons arrested for designated crimes in 2005 and further crimes in 2010; establishing correctional officers discipline procedures; increasing surcharges on criminal and traffic offenders; changing certain waiting periods for limited drivers' licenses; changing provisions relating to certain drivers' license restrictions; limiting public defender representation; authorizing public defender access to certain criminal justice data; requiring the revisor of statutes to publish a table containing cross-references to Minnesota Laws imposing collateral sanctions; requiring background checks for certain child care and placement situations; requiring the finder of fact to

find a severe aggravating factor before imposing a sentence in excess of that provided by the Sentencing Guidelines; providing procedures where state intends to seek an aggravated durational departure; defining new crimes, amending crimes and imposing criminal penalties; prohibiting persons from operating motor vehicles containing traffic signal-override devices; requiring restraint of children under the age of seven; providing for a study on sentencing policy; requiring a report by counties to the legislature on level III sex offenders; amending Minnesota Statutes 2004, sections 2.722, subdivision 1; 13.461, by adding subdivisions; 13.6905, subdivision 17; 13.82, by adding a subdivision; 13.851, subdivision 5, by adding a subdivision; 13.87, subdivision 3; 13.871, subdivision 5; 13D.05, subdivision 2; 16C.09; 43A.047; 84.362; 116L.30; 144.335, by adding a subdivision; 144A.135; 152.02, subdivisions 4, 5; 168.12, by adding a subdivision; 169.06, by adding a subdivision; 169.71, subdivision 1; 169A.275, subdivision 1; 169A.52, subdivision 4; 169A.60, subdivisions 10, 11; 169A.63, subdivision 8; 169A.70, subdivision 3, by adding subdivisions; 171.07, subdivisions 1, 3; 171.09; 171.20, subdivision 4; 171.26; 171.30, subdivision 2a; 214.04, subdivision 1; 216D.08, subdivisions 1, 2; 237.70, subdivision 7; 241.67, subdivision 3; 242.195, subdivision 1; 243.1606, subdivision 1; 243.166; 243.167; 243.24, subdivision 2; 244.05, subdivisions 4, 5, 6, 7; 244.052, subdivisions 3, 4, by adding subdivisions; 244.09, subdivision 5; 244.10, subdivision 2, by adding subdivisions; 244.18, subdivision 2; 245C.03, subdivision 1; 245C.13, subdivision 2; 245C.15, subdivisions 1, 2, 3, 4; 245C.17, subdivisions 1, 2, 3; 245C.21, subdivisions 3, 4; 245C.22, by adding a subdivision; 245C.23, subdivision 1; 245C.24, subdivisions 2, 3, 4, by adding a subdivision; 245C.30, subdivisions 1, 2; 246.13; 253B.18, subdivisions 4a, 5, by adding a subdivision; 259.11; 259.24, subdivisions 1, 2a, 5, 6a; 260C.201, subdivision 11; 260C.212, subdivision 4; 282.04, subdivision 2; 299A.38, subdivisions 2, 2a, 3; 299A.465, by adding subdivisions; 299C.03; 299C.08; 299C.093; 299C.095, subdivision 1; 299C.10, subdivision 1, by adding a subdivision; 299C.11; 299C.14; 299C.145, subdivision 3; 299C.155; 299C.21; 299C.65, subdivisions 1, 2, 5, by adding a subdivision; 299F.011, subdivision 7; 299F.014; 299F.05; 299F.051, subdivision 4; 299F.06, subdivision 1; 299F.19, subdivisions 1, 2; 299F.362, subdivisions 3, 4; 299F.391, subdivision 1; 299F.46, subdivisions 1, 3; 325F.04; 326.3382, by adding a subdivision; 326.3384, subdivision 1; 343.31; 357.021, subdivisions 6, 7; 357.18, subdivision 3; 403.02, subdivisions 7, 13, 17, by adding a subdivision; 403.025, subdivisions 3, 7; 403.05, subdivision 3; 403.07, subdivision 3; 403.08, subdivision 10; 403.11, subdivisions 1, 3, 3a; 403.113, subdivision 1; 403.21, subdivision 8; 403.27, subdivisions 3, 4, by adding subdivisions; 403.30, subdivisions 1, 3, by adding subdivisions; 508.82, subdivision 1; 508A.82, subdivision 1; 518B.01, by adding a subdivision; 590.01, subdivision 1, by adding a subdivision; 609.02, subdivision 16; 609.108, subdivisions 1, 3, 4, 6, 7; 609.109, subdivisions 3, 4, 5, 6, 7; 609.1095, subdivisions 2, 4; 609.115, by adding a subdivision; 609.117; 609.1351; 609.185; 609.2231, subdivision 3; 609.2242, subdivision 3; 609.229, subdivision 3, by adding a subdivision; 609.321, subdivision 12; 609.341, subdivision 14, by adding subdivisions; 609.342, subdivisions 2, 3; 609.343, subdivisions 2, 3; 609.344, subdivisions 2, 3; 609.345, subdivisions 2, 3; 609.347; 609.3471; 609.348; 609.353; 609.485, subdivisions 2, 4; 609.487, by adding a subdivision; 609.50, subdivision 1; 609.505; 609.52, subdivision 2; 609.527, subdivisions 1, 3, 4, 6, by adding a subdivision; 609.531, subdivision 1; 609.5311, subdivisions 2, 3; 609.5312, subdivisions 1, 3, 4, by adding a subdivision; 609.5314, subdivision 1; 609.5317, subdivision 1; 609.5318, subdivision 1; 609.605, subdivisions 1, 4; 609.725; 609.748, subdivisions 2, 3a, by adding a subdivision; 609.749, subdivision 2; 609.763, subdivision 3; 609.79, subdivision 2; 609.795, by adding a subdivision; 609A.02, subdivision 3; 609A.03, subdivision 7; 611.14; 611.16; 611.25, subdivision 1; 611.272; 611A.01; 611A.036; 611A.19; 611A.53, subdivision 1b; 617.23, subdivisions 2, 3; 624.22, subdivision 1; 626.04; 626.556, subdivision 3; 626.557, subdivisions 12b, 14; 631.045; 631.425, subdivision 4; 641.21; Laws 2004, chapter 201, section 22; proposing coding for new law in Minnesota Statutes, chapters 171; 241; 243; 244; 260C; 299A; 299C; 590; 609; 611; 629; proposing coding for new law as Minnesota Statutes, chapter 545A; repealing Minnesota Statutes 2004, sections 69.011, subdivision 5; 243.162; 243.166, subdivisions 1, 8; 244.10, subdivisions 2a, 3; 246.017, subdivision 1; 299A.64; 299A.65; 299A.66; 299A.68; 299C.65, subdivisions 3, 4, 6, 7, 8, 8a, 9; 299F.011, subdivision 4c; 299F.015; 299F.10; 299F.11; 299F.12; 299F.13; 299F.14; 299F.15; 299F.16; 299F.17; 299F.361; 299F.451; 299F.452; 403.025, subdivision 4; 403.30, subdivision 2; 609.108, subdivisions 2, 4, 5; 609.109, subdivisions 2, 4, 6; 609.119; 611.18; 624.04; Laws 2004, chapter 283, section 14.

May 22, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 1, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PUBLIC SAFETY APPROPRIATIONS

Section 1. [PUBLIC SAFETY APPROPRIATIONS.]

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

SUMMARY BY FUND

	2006	2007	TOTAL
General	$835,043,000	$849,704,000	$1,684,747,000
State Government Special Revenue	43,662,000	44,415,000	88,077,000
Environmental	49,000	49,000	98,000
Special Revenue	5,634,000	5,493,000	11,127,000
Trunk Highway	392,000	362,000	754,000
Bond Proceeds	62,500,000	-0-	62,500,000
TOTAL	$947,280,000	$900,023,000	$1,847,303,000

	APPROPRIATIONS Available for the Year Ending June 30	
	2006	2007
Sec. 2. SUPREME COURT		
Subdivision 1. Total Appropriations	$42,196,000	$42,171,000
Subd. 2. Supreme Court Operations	29,876,000	29,851,000

[JUDICIAL SALARIES.] Effective July 1, 2005, and July 1, 2006, the salaries of judges of the Supreme Court, Court of Appeals, and district court are increased by 1.5 percent.

[CONTINGENT ACCOUNT.] $5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

[CHIPS WORKING GROUP.] The state court administrator shall convene a working group of stakeholders interested in and knowledgeable about issues related to the representation of children and adults in CHIPS proceedings. The state court administrator shall ensure broad representation in the group so that it includes members from diverse parts of the state and sufficient representation of all stakeholder groups on the issue. At a minimum, the working group shall study and make recommendations on the appropriate assignment and use of limited public defender resources and ways to minimize CHIPS proceedings through early intervention initiatives such as family group conferencing, mediation, and other innovative strategies. By January 15, 2006, the state court administrator shall report the working group's findings and recommendations to the chairs and ranking minority members of the senate and house committees and divisions having jurisdiction over criminal justice and civil law policy and funding.		
Subd. 3. Civil Legal Services	12,320,000	12,320,000
[LEGAL SERVICES TO LOW-INCOME CLIENTS IN FAMILY LAW MATTERS.] Of this appropriation, $877,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services programs described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.		
Sec. 3. COURT OF APPEALS	8,189,000	8,189,000
Sec. 4. TRIAL COURTS	231,039,000	231,386,000
[SPECIALTY COURTS; REPORT.] $250,000 each year is to develop or expand specialty courts such as drug courts and mental health courts.		
By January 15, 2008, the state court administrator shall report to the chairs and ranking minority members of the senate and house committees and divisions having jurisdiction over criminal justice policy and funding on how this money was used.		
Sec. 5. TAX COURT	726,000	726,000
Sec. 6. UNIFORM LAWS COMMISSION	51,000	45,000

[DUES OWED.] $12,000 the first year and $6,000 the second year are for national conference dues.

Sec. 7. BOARD ON JUDICIAL STANDARDS	277,000	277,000

[SPECIAL HEARINGS.] $25,000 each year is for special hearings. This money may not be used for operating costs. This is a onetime appropriation.

Sec. 8. BOARD OF PUBLIC DEFENSE	60,703,000	61,801,000
Sec. 9. PUBLIC SAFETY		
Subdivision 1. Total Appropriation	188,774,000	126,747,000

Summary by Fund

General	81,581,000	81,332,000
Special Revenue	590,000	589,000
State Government Special Revenue	43,662,000	44,415,000
Environmental	49,000	49,000
Trunk Highway	392,000	362,000
Bond Proceeds	62,500,000	-0-

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

Subd. 2.	Emergency Management	2,594,000	2,594,000

Summary by Fund

General	2,545,000	2,545,000
Environmental	49,000	49,000

[NONPROFIT AND FAITH-BASED ORGANIZATIONS; ANTITERRORISM GRANTS.] Unless otherwise prohibited by statute, regulation, or other requirement, nonprofit and faith-based organizations may apply for and receive any funds or grants, whether federal or state, made available for antiterrorism efforts that are not distributed or encumbered for distribution to public safety entities within a year of receipt by the Department of Public Safety. These organizations must be considered under the same criteria applicable to any other eligible entity and must be given equal consideration.

Subd. 3. Criminal Apprehension	40,328,000	40,367,000

Summary by Fund

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

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

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

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

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

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

[AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM.] $1,533,000 the first year and $2,318,000 the second year are to replace the automated fingerprint identification system (AFIS).

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

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

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

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

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

Subd. 4. Fire Marshal	2,845,000	2,832,000
Subd. 5. Alcohol and Gambling Enforcement	1,772,000	1,772,000

Summary by Fund

General	1,622,000	1,622,000
Special Revenue	150,000	150,000

Subd. 6. Office of Justice Programs	34,440,000	34,035,000

[GANG AND NARCOTICS STRIKE FORCES.] $2,374,000 each year is for grants to the combined operations of the Criminal Gang Strike Force and Narcotics Task Forces.

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

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

[METHAMPHETAMINE TREATMENT GRANTS.] $750,000 each year is for grants to counties for methamphetamine treatment

programs. Priority should be given to those counties that demonstrate a treatment approach that incorporates best practices as defined by the Minnesota Department of Human Services. This is a onetime appropriation.

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

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

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

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

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

Subd. 7. 911 Emergency Services/ARMER

43,655,000	44,408,000

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

[PRIOR 911 OBLIGATIONS.] $3,442,000 the first year and $3,064,000 the second year are to fund a deficiency due to prior year obligations under Minnesota Statutes, section 403.11, that were estimated in the December 2004 911 fund statement to be $6,504,700 on July 1, 2005. "Prior year obligations" means reimbursable costs under Minnesota Statutes, section 403.11, subdivision 1, incurred under the terms and conditions of a contract with the state for a fiscal year preceding fiscal year 2004, that have been certified in a timely manner in accordance with Minnesota Statutes, section 403.11, subdivision

3a, and that are not barred by statute of limitation or other defense. The appropriations needed for this purpose are estimated to be none in fiscal year 2008 and thereafter.

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

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

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

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

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

charges for leased sites and equipment for those elements of the first, second, and third phases that support mutual aid and emergency medical communication services.

Subd. 8. 800 MHz Public Safety Radio and Communication System 62,500,000

The appropriations in this subdivision are from the 911 revenue bond proceeds account for the purposes indicated, to be available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(a) Phase 2 Subsystems 8,000,000

To the commissioner of public safety for a grant to the Metropolitan Emergency Services Board to pay up to 50 percent of the cost to a local government unit of building a subsystem as part of the second phase of the public safety radio and communication system plan under Minnesota Statutes, section 403.36.

(b) Phase 3 System Backbone 45,000,000

To the commissioner of transportation to construct the system backbone in the third phase of the public safety radio and communication system plan under Minnesota Statutes, section 403.36.

(c) Phase 3 Subsystems 9,500,000

To the commissioner of public safety to reimburse local units of government for up to 50 percent of the cost of building a subsystem of the public safety radio and communication system established under Minnesota Statutes, section 403.36, in the southeast district of the State Patrol and the counties of Benton, Sherburne, Stearns, and Wright.

(d) Bond Sale Authorization

To provide the money appropriated in this subdivision, the commissioner of finance shall sell and issue bonds of the state in an amount up to $62,500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, section 403.275.

Subd. 9. Administration 609,000 738,000

[PUBLIC SAFETY OFFICERS' HEALTH INSURANCE.] $609,000 the first year and $738,000 the second year are for public safety officers' health insurance. The base for fiscal year 2008 is $885,000 and for fiscal year 2009 is $1,053,000.

Subd. 10. Driver and Vehicle Services	31,000	1,000
[GASOLINE THEFT.] This appropriation is from the trunk highway fund for costs associated with suspending licenses of persons under new section 171.175 for gasoline theft.		
Sec. 10. PEACE OFFICER STANDARDS AND TRAINING BOARD (POST)	4,154,000	4,014,000
[EXCESS AMOUNTS TRANSFERRED.] This appropriation is from the peace officer training account in the special revenue fund. Any new receipts credited to that account in the first year in excess of $4,154,000 must be transferred and credited to the general fund. Any new receipts credited to that account in the second year in excess of $4,014,000 must be transferred and credited to the general fund.		
[TECHNOLOGY IMPROVEMENTS.] $140,000 the first year is for technology improvements.		
[PEACE OFFICER TRAINING REIMBURSEMENT.] $2,909,000 each year is for reimbursements to local governments for peace officer training costs.		
Sec. 11. BOARD OF PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES	126,000	126,000
Sec. 12. HUMAN RIGHTS	3,490,000	3,490,000
Sec. 13. DEPARTMENT OF CORRECTIONS		
Subdivision 1. Total Appropriation	407,085,000	420,588,000
Summary by Fund		
General Fund	406,195,000	419,698,000
Special Revenue	890,000	890,000
[APPROPRIATIONS FOR PROGRAMS.] The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.		
Subd. 2. Correctional Institutions	288,296,000	301,986,000
Summary by Fund		
General Fund	287,716,000	301,406,000
Special Revenue	580,000	580,000
[CONTRACTS FOR BEDS AT RUSH CITY.] If the commissioner contracts with other states, local units of government, or the federal government to rent beds in the Rush City		

Correctional Facility, the commissioner shall charge a per diem under the contract, to the extent possible, that is equal to or greater than the per diem cost of housing Minnesota inmates in the facility.

Notwithstanding any law to the contrary, the commissioner may use per diems collected under contracts for beds at MCF-Rush City to operate the state correctional system.

[LEVEL III OFFENDER TRACKING AND APPREHENSION.] $70,000 each year is to track and apprehend level III predatory offenders.

[SEX OFFENDER TREATMENT AND TRANSITIONAL SERVICES.] $1,500,000 each year is for sex offender treatment and transitional services.

[HEALTH SERVICES.] $3,085,000 the first year and $3,086,000 the second year are for increased funding for health services.

[CHEMICAL DEPENDENCY TREATMENT.] $1,000,000 each year is for increased funding for chemical dependency treatment programs.

[WORKING GROUP ON INMATE LABOR; REPORT.] The commissioner of corrections and the commissioner of the Minnesota Housing Finance Agency shall convene a working group to study the feasibility of using inmate labor to build low-income housing manufactured at MCF-Faribault. The working group shall consist of: the chief executive officer of MINNCOR Industries; representatives from the Builders Association of America, Minnesota AFL-CIO, Association of Minnesota Counties, Minnesota Manufactured Housing Association, Habitat for Humanity, and Minnesota Housing Partnership, selected by those organizations; and any other individuals deemed appropriate by the commissioners.

By January 15, 2006, the working group shall report its findings and recommendations to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice and jobs, housing, and community development policy and funding.

Subd. 3. Community Services	103,556,000	103,369,000
Summary by Fund		
General Fund	103,456,000	103,269,000

Special Revenue	100,000	100,000

[SHORT-TERM OFFENDERS.] $1,207,000 each year is for costs associated with the housing and care of short-term offenders. The commissioner may use up to 20 percent of the total amount of the appropriation for inpatient medical care for short-term offenders with less than six months to serve as affected by the changes made to Minnesota Statutes, section 609.105, in 2003. All funds remaining at the end of the fiscal year not expended for inpatient medical care shall be added to and distributed with the housing funds. These funds shall be distributed proportionately based on the total number of days short-term offenders are placed locally, not to exceed $70 per day. Short-term offenders may be housed in a state correctional facility at the discretion of the commissioner.

The Department of Corrections is exempt from the state contracting process for the purposes of Minnesota Statutes, section 609.105, as amended by Laws 2003, First Special Session chapter 2, article 5, sections 7 to 9.

[GPS MONITORING OF SEX OFFENDERS.] $500,000 the first year and $162,000 the second year are for the acquisition and service of bracelets equipped with tracking devices designed to track and monitor the movement and location of criminal offenders. The commissioner shall use the bracelets to monitor high-risk sex offenders who are on supervised release, conditional release, parole, or probation to help ensure that the offenders do not violate conditions of their release or probation.

[END OF CONFINEMENT REVIEWS.] $94,000 each year is for end of confinement reviews.

[COMMUNITY SURVEILLANCE AND SUPERVISION.] $1,370,000 each year is to provide housing options to maximize community surveillance and supervision.

[INCREASE IN INTENSIVE SUPERVISED RELEASE SERVICES.] $1,800,000 each year is to increase intensive supervised release services.

[SEX OFFENDER ASSESSMENT REIMBURSEMENTS.] $350,000 each year is to provide grants to counties for reimbursements for sex offender assessments as required under Minnesota Statutes, section 609.3452, subdivision 1, which is being renumbered as section 609.3457.

[SEX OFFENDER TREATMENT AND POLYGRAPHS.] $1,250,000 each year is to provide treatment for sex offenders on community supervision and to pay for polygraph testing.

[INCREASED SUPERVISION OF SEX OFFENDERS, DOMESTIC VIOLENCE OFFENDERS, AND OTHER VIOLENT OFFENDERS.] $1,500,000 each year is for the increased supervision of sex offenders and other violent offenders, including those convicted of domestic abuse. These appropriations may not be used to supplant existing state or county probation officer positions.

The commissioner shall distribute $1,050,000 in grants each year to Community Corrections Act counties and $450,000 each year to the Department of Corrections Probation and Supervised Release Unit. The commissioner shall distribute the funds to the Community Corrections Act counties according to the formula contained in Minnesota Statutes, section 401.10.

Prior to the distribution of these funds, each Community Corrections Act jurisdiction and the Department of Corrections Probation and Supervised Release Unit shall submit to the commissioner an analysis of need along with a plan to meet their needs and reduce the number of sex offenders and other violent offenders, including domestic abuse offenders, on probation officer caseloads.

[COUNTY PROBATION OFFICERS.] $500,000 each year is to increase county probation officer reimbursements.

[INTENSIVE SUPERVISION AND AFTERCARE FOR CONTROLLED SUBSTANCES OFFENDERS; REPORT.] $600,000 each year is for intensive supervision and aftercare services for controlled substances offenders released from prison under Minnesota Statutes, section 244.055. These appropriations are not added to the department's base budget. By January 15, 2008, the commissioner shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on how this appropriation was spent.

[REPORT ON ELECTRONIC MONITORING OF SEX OFFENDERS.] By March 1, 2006, the

commissioner shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on implementing an electronic monitoring system for sex offenders who are under community supervision. The report must address the following:

(1) the advantages and disadvantages in implementing this system, including the impact on public safety;

(2) the types of sex offenders who should be subject to the monitoring;

(3) the time period that offenders should be subject to the monitoring;

(4) the financial costs associated with the monitoring and who should be responsible for these costs; and

(5) the technology available for the monitoring.

Subd. 4. Operations Support		15,233,000	15,233,000
General Fund	15,023,000	15,023,000	
Special Revenue	210,000	210,000	

[AGENCY CUT, DISTRIBUTION.] The general fund appropriation includes a reduction of $375,000 the first year and $325,000 the second year. This reduction may be applied to any program funded under this section.

[REPORT ON CONDITIONAL RELEASE OF CONTROLLED SUBSTANCE OFFENDERS.] $50,000 the first year is for the commissioner to contract with an organization to evaluate the conditional release of nonviolent controlled substance offender program described in Minnesota Statutes, section 244.055. To the degree feasible, the evaluation must address the recidivism rates of offenders released under the program. The commissioner shall determine other issues to be addressed in the evaluation. By January 15, 2008, the commissioner shall forward the completed evaluation to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding.

Sec. 14. SENTENCING GUIDELINES	463,000	463,000
Sec. 15. BOARD OF VETERINARY MEDICINE	7,000	-0-

[METHAMPHETAMINE STUDY.] This

appropriation is for the study on animal products that may be used in the manufacture of methamphetamine described in article 7, section 20.

ARTICLE 2

SEX OFFENDERS:

MANDATORY LIFE SENTENCES FOR CERTAIN EGREGIOUS AND REPEAT SEX OFFENSES; CONDITIONAL RELEASE; OTHER SENTENCING CHANGES

Section 1. Minnesota Statutes 2004, section 244.04, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION OF SENTENCE; INMATES SENTENCED FOR CRIMES COMMITTED BEFORE 1993.] Notwithstanding the provisions of section 609.11, subdivision 6, and section 609.109, subdivision 1, the term of imprisonment of any inmate sentenced to a presumptive fixed sentence after May 1, 1980, and whose crime was committed before August 1, 1993, shall be reduced in duration by one day for each two days during which the inmate violates none of the disciplinary offense rules promulgated by the commissioner. The reduction shall accrue to the period of supervised release to be served by the inmate, except that the period of supervised release for a sex offender ~~sentenced and~~ conditionally released by the commissioner under section ~~609.108, subdivision 5,~~ 609.3455 is governed by that provision.

Except as otherwise provided in subdivision 2, if an inmate whose crime was committed before August 1, 1993, violates a disciplinary offense rule promulgated by the commissioner, good time earned prior to the violation may not be taken away, but the inmate may be required to serve an appropriate portion of the term of imprisonment after the violation without earning good time.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2004, section 244.05, subdivision 2, is amended to read:

Subd. 2. [RULES.] The commissioner of corrections shall adopt by rule standards and procedures for the revocation of supervised or conditional release, and shall specify the period of revocation for each violation of ~~supervised~~ release. Procedures for the revocation of ~~supervised~~ release shall provide due process of law for the inmate.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2004, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] (a) An inmate serving a mandatory life sentence under section 609.106 or 609.3455, subdivision 2, must not be given supervised release under this section.

(b) An inmate serving a mandatory life sentence under section 609.185, clause ~~(1),~~ (3), (5), or (6); or 609.109, subdivision ~~2a~~ 3, must not be given supervised release under this section without having served a minimum term of 30 years.

(c) An inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

(d) An inmate serving a mandatory life sentence under section 609.3455, subdivision 3 or 4, must not be given supervised release under this section without having served the minimum term of imprisonment specified by the court in its sentence.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2004, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] (a) The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause ~~(1),~~ (3), (5), or (6); 609.109, subdivision ~~2a~~ 3; 609.3455, subdivision 3 or 4; or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

(b) The commissioner shall require the preparation of a community investigation report and shall consider the findings of the report when making a supervised release decision under this subdivision. The report shall reflect the sentiment of the various elements of the community toward the inmate, both at the time of the offense and at the present time. The report shall include the views of the sentencing judge, the prosecutor, any law enforcement personnel who may have been involved in the case, and any successors to these individuals who may have information relevant to the supervised release decision. The report shall also include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(c) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's supervised release review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time. The commissioner must consider the victim's statement when making the supervised release decision.

(d) When considering whether to give supervised release to an inmate serving a life sentence under section 609.3455, subdivision 3 or 4, the commissioner shall consider, at a minimum, the following: the risk the inmate poses to the community if released, the inmate's progress in treatment, the inmate's behavior while incarcerated, psychological or other diagnostic evaluations of the inmate, the inmate's criminal history, and any other relevant conduct of the inmate while incarcerated or before incarceration. The commissioner may not give supervised release to the inmate unless:

(1) while in prison:

(i) the inmate has successfully completed appropriate sex offender treatment;

(ii) the inmate has been assessed for chemical dependency needs and, if appropriate, has successfully completed chemical dependency treatment; and

(iii) the inmate has been assessed for mental health needs and, if appropriate, has successfully completed mental health treatment; and

(2) a comprehensive individual release plan is in place for the inmate that ensures that, after release, the inmate will have suitable housing and receive appropriate aftercare and community-based treatment. The comprehensive plan also must include a postprison employment or education plan for the inmate.

(e) As used in this subdivision, "victim" means the individual who suffered harm as a result of the inmate's crime or, if the individual is deceased, the deceased's surviving spouse or next of kin.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2004, section 609.106, subdivision 2, is amended to read:

Subd. 2. [LIFE WITHOUT RELEASE.] The court shall sentence a person to life imprisonment without possibility of release under the following circumstances:

(1) the person is convicted of first degree murder under section 609.185, paragraph (a), clause (1), (2), (4), or (7);

(2) the person is convicted of committing first degree murder in the course of a kidnapping under section 609.185, clause (3); or

(3) the person is convicted of first degree murder under section 609.185, clause ~~(1),~~ (3), (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime.

Sec. 6. Minnesota Statutes 2004, section 609.108, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY INCREASED SENTENCE.] ~~(a)~~ A court shall commit a person to the commissioner of corrections for a period of time that is not less than double the presumptive sentence under the Sentencing Guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, for a period of time that is equal to the statutory maximum, if:

(1) the court is imposing an executed sentence~~, based on a Sentencing Guidelines presumptive imprisonment sentence or a dispositional departure for aggravating circumstances or a mandatory minimum sentence,~~ on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, ~~or~~ 609.345, or ~~on a person convicted of committing or attempting to commit any other crime listed in subdivision 3 if it reasonably appears to the court that the crime was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal~~ 609.3453;

(2) the ~~court finds~~ factfinder determines that the offender is a danger to public safety; and

(3) the ~~court finds~~ factfinder determines that the ~~offender needs long-term treatment or supervision~~ offender's criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term treatment or supervision extending beyond the presumptive term of imprisonment and supervised release. ~~The finding must be based on a professional assessment by an examiner experienced in evaluating sex offenders that concludes that the offender is a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status unless the offender refuses to be examined. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.~~

~~(b) The court shall consider imposing a sentence under this section whenever a person is convicted of violating section 609.342 or 609.343.~~

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2004, section 609.108, subdivision 3, is amended to read:

Subd. 3. [PREDATORY CRIME.] ~~A predatory crime is a felony violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.221, 609.222, 609.223, 609.24, 609.245, 609.25, 609.255, 609.342, 609.343, 609.344, 609.345, 609.365, 609.498, 609.561, or 609.582, subdivision 1.~~ As used in this section, "predatory crime" has the meaning given in section 609.341, subdivision 22.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2004, section 609.108, subdivision 4, is amended to read:

Subd. 4. [DANGER TO PUBLIC SAFETY.] The ~~court shall base its finding~~ factfinder shall base its determination that the offender is a danger to public safety on any of the following factors:

(1) the crime involved an aggravating factor that would justify a durational departure from the presumptive sentence under the Sentencing Guidelines;

(2) the offender previously committed or attempted to commit a predatory crime or a violation of section 609.224 or 609.2242, including:

(i) an offense committed as a juvenile that would have been a predatory crime or a violation of section 609.224 or 609.2242 if committed by an adult; or

(ii) a violation or attempted violation of a similar law of any other state or the United States; or

(3) the offender planned or prepared for the crime prior to its commission.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2004, section 609.108, subdivision 6, is amended to read:

Subd. 6. [CONDITIONAL RELEASE.] At the time of sentencing under subdivision 1, the court shall provide that after the offender has completed the sentence imposed, less any good time earned by an offender whose crime was committed before August 1, 1993, the commissioner of corrections shall place the offender on conditional release for the remainder of the statutory maximum period, or for ten years, whichever is longer. The terms of conditional release are governed by section 609.3455.

~~The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. Before the offender is released, the commissioner shall notify the sentencing court, the prosecutor in the jurisdiction where the offender was sentenced, and the victim of the offender's crime, where available, of the terms of the offender's conditional release. If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve all or a part of the remaining portion of the conditional release term in prison. The commissioner shall not dismiss the offender from supervision before the conditional release term expires.~~

~~Conditional release granted under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.~~

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2004, section 609.341, subdivision 14, is amended to read:

Subd. 14. [COERCION.] "Coercion" means the use by the actor of words or circumstances that cause the complainant reasonably to fear that the actor will inflict bodily harm upon~~, or hold in confinement,~~ the complainant or another, or ~~force~~ the use by the actor of confinement, or superior size or strength, against the complainant that causes the complainant to submit to sexual penetration or contact~~, but~~ against the complainant's will. Proof of coercion does not require proof of a specific act or threat.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2004, section 609.341, is amended by adding a subdivision to read:

Subd. 22. [PREDATORY CRIME.] "Predatory crime" means a felony violation of section 609.185 (first-degree murder), 609.19 (second-degree murder), 609.195 (third-degree murder), 609.20 (first-degree manslaughter), 609.205 (second-degree manslaughter), 609.221 (first-degree assault), 609.222 (second-degree assault), 609.223 (third-degree assault), 609.24 (simple robbery),

609.245 (aggravated robbery), 609.25 (kidnapping), 609.255 (false imprisonment), 609.498 (tampering with a witness), 609.561 (first-degree arson), or 609.582, subdivision 1 (first-degree burglary).

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2004, section 609.342, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] (a) Except as otherwise provided in section 609.109 or 609.3455, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than 30 years or to a payment of a fine of not more than $40,000, or both.

(b) Unless a longer mandatory minimum sentence is otherwise required by law or the Sentencing Guidelines provide for a longer presumptive executed sentence, the court shall presume that an executed sentence of 144 months must be imposed on an offender convicted of violating this section. Sentencing a person in a manner other than that described in this paragraph is a departure from the Sentencing Guidelines.

(c) A person convicted under this section is also subject to conditional release under section 609.3455.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2004, section 609.342, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.109 or 609.3455, if a person is convicted under subdivision 1, clause (g), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse;

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2004, section 609.343, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] (a) Except as otherwise provided in section 609.109 or 609.3455, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than 25 years or to a payment of a fine of not more than $35,000, or both.

(b) Unless a longer mandatory minimum sentence is otherwise required by law or the Sentencing Guidelines provide for a longer presumptive executed sentence, the court shall presume that an executed sentence of 90 months must be imposed on an offender convicted of violating subdivision 1, clause (c), (d), (e), (f), or (h). Sentencing a person in a manner other than that described in this paragraph is a departure from the Sentencing Guidelines.

(c) A person convicted under this section is also subject to conditional release under section 609.3455.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2004, section 609.343, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.109 or 609.3455, if a person is convicted under subdivision 1, clause (g), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse;

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2004, section 609.344, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] Except as otherwise provided in section 609.3455, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than 15 years or to a payment of a fine of not more than $30,000, or both. A person convicted under this section is also subject to conditional release under section 609.3455.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 17. Minnesota Statutes 2004, section 609.344, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.109 or 609.3455, if a person is convicted under subdivision 1, clause (f), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse;

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 18. Minnesota Statutes 2004, section 609.345, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] Except as otherwise provided in section 609.3455, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than ten years or to a payment of a fine of not more than $20,000, or both. A person convicted under this section is also subject to conditional release under section 609.3455.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 19. Minnesota Statutes 2004, section 609.345, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.109 or 609.3455, if a person is convicted under subdivision 1, clause (f), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse;

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 20. [609.3453] [CRIMINAL SEXUAL PREDATORY CONDUCT.]

Subdivision 1. [CRIME DEFINED.] A person is guilty of criminal sexual predatory conduct if the person commits a predatory crime that was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal.

Subd. 2. [PENALTY.] (a) Except as provided in section 609.3455, the statutory maximum sentence for a violation of subdivision 1 is: (1) 25 percent longer than for the underlying predatory crime; or (2) 50 percent longer than for the underlying predatory crime, if the violation is committed by a person with a previous sex offense conviction, as defined in section 609.3455, subdivision 1.

(b) In addition to the sentence imposed under paragraph (a), the person may also be sentenced to the payment of a fine of not more than $20,000.

(c) A person convicted under this section is also subject to conditional release under section 609.3455.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 21. [609.3455] [DANGEROUS SEX OFFENDERS; LIFE SENTENCES; CONDITIONAL RELEASE.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given.

(b) "Conviction" includes a conviction as an extended jurisdiction juvenile under section 260B.130 for a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.3453, if the adult sentence has been executed.

(c) "Extreme inhumane conditions" mean situations where, either before or after the sexual penetration or sexual contact, the offender knowingly causes or permits the complainant to be placed in a situation likely to cause the complainant severe ongoing mental, emotional, or psychological harm, or causes the complainant's death.

(d) A "heinous element" includes:

(1) the offender tortured the complainant;

(2) the offender intentionally inflicted great bodily harm upon the complainant;

(3) the offender intentionally mutilated the complainant;

(4) the offender exposed the complainant to extreme inhumane conditions;

(5) the offender was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and used or threatened to use the weapon or article to cause the complainant to submit;

(6) the offense involved sexual penetration or sexual contact with more than one victim;

(7) the offense involved more than one perpetrator engaging in sexual penetration or sexual contact with the complainant; or

(8) the offender, without the complainant's consent, removed the complainant from one place to another and did not release the complainant in a safe place.

(e) "Mutilation" means the intentional infliction of physical abuse designed to cause serious permanent disfigurement or permanent or protracted loss or impairment of the functions of any bodily member or organ, where the offender relishes the infliction of the abuse, evidencing debasement or perversion.

(f) A conviction is considered a "previous sex offense conviction" if the offender was convicted and sentenced for a sex offense before the commission of the present offense.

(g) A conviction is considered a "prior sex offense conviction" if the offender was convicted of committing a sex offense before the offender has been convicted of the present offense, regardless of whether the offender was convicted for the first offense before the commission of the present offense, and the convictions involved separate behavioral incidents.

(h) "Sex offense" means any violation of, or attempt to violate, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or any similar statute of the United States, this state, or any other state.

(i) "Torture" means the intentional infliction of extreme mental anguish, or extreme psychological or physical abuse, when committed in an especially depraved manner.

(j) An offender has "two previous sex offense convictions" only if the offender was convicted and sentenced for a sex offense committed after the offender was earlier convicted and sentenced for a sex offense and both convictions preceded the commission of the present offense of conviction.

Subd. 2. [MANDATORY LIFE SENTENCE WITHOUT RELEASE FOR PARTICULARLY EGREGIOUS FIRST-TIME AND REPEAT OFFENDERS.] (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person convicted

under section 609.342, subdivision 1, paragraph (c), (d), (e), (f), or (h); or 609.343, subdivision 1, paragraph (c), (d), (e), (f), or (h), to life without the possibility of release if:

(1) the factfinder determines that two or more heinous elements exist; or

(2) the person has a previous sex offense conviction for a violation of section 609.342, 609.343, or 609.344, and the fact finder determines that a heinous element exists for the present offense.

(b) A factfinder may not consider a heinous element if it is an element of the underlying specified violation of section 609.342 or 609.343. In addition, when determining whether two or more heinous elements exist, the factfinder may not use the same underlying facts to support a determination that more than one element exists.

Subd. 3. [MANDATORY LIFE SENTENCE FOR EGREGIOUS FIRST-TIME OFFENDERS.] (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted under section 609.342, subdivision 1, paragraph (c), (d), (e), (f), or (h), or 609.343, subdivision 1, paragraph (c), (d), (e), (f), or (h); and the factfinder determines that a heinous element exists.

(b) The factfinder may not consider a heinous element if it is an element of the underlying specified violation of section 609.342 or 609.343.

Subd. 4. [MANDATORY LIFE SENTENCE; REPEAT OFFENDERS.] (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted of violating section 609.342, 609.343, 609.344, 609.345, or 609.3453 and:

(1) the person has two previous sex offense convictions;

(2) the person has a previous sex offense conviction and:

(i) the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for the previous sex offense conviction; or

(iii) the person was sentenced under section 609.108 for the previous sex offense conviction; or

(3) the person has two prior sex offense convictions, the prior convictions and present offense involved at least three separate victims, and:

(i) the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for one of the prior sex offense convictions; or

(iii) the person was sentenced under section 609.108 for one of the prior sex offense convictions.

(b) Notwithstanding paragraph (a), a court may not sentence a person to imprisonment for life for a violation of section 609.345, unless the person's previous or prior sex offense convictions that are being used as the basis for the sentence are for violations of section 609.342, 609.343, 609.344, or 609.3453, or any similar statute of the United States, this state, or any other state.

Subd. 5. [LIFE SENTENCES; MINIMUM TERM OF IMPRISONMENT.] At the time of sentencing under subdivision 3 or 4, the court shall specify a minimum term of imprisonment, based on the sentencing guidelines or any applicable mandatory minimum sentence, that must be served before the offender may be considered for supervised release.

Subd. 6. [MANDATORY TEN-YEAR CONDITIONAL RELEASE TERM.] Notwithstanding the statutory maximum sentence otherwise applicable to the offense and unless a longer conditional release term is required in subdivision 7, when a court commits an offender to the custody of the commissioner of corrections for a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3453, the court shall provide that, after the offender has completed the sentence imposed, the commissioner shall place the offender on conditional release for ten years, minus the time the offender served on supervised release.

Subd. 7. [MANDATORY LIFETIME CONDITIONAL RELEASE TERM.] (a) When a court sentences an offender under subdivision 3 or 4, the court shall provide that, if the offender is released from prison, the commissioner of corrections shall place the offender on conditional release for the remainder of the offender's life.

(b) Notwithstanding the statutory maximum sentence otherwise applicable to the offense, when the court commits an offender to the custody of the commissioner of corrections for a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3453, and the offender has a previous or prior sex offense conviction, the court shall provide that, after the offender has completed the sentence imposed, the commissioner shall place the offender on conditional release for the remainder of the offender's life.

(c) Notwithstanding paragraph (b), an offender may not be placed on lifetime conditional release for a violation of section 609.345, unless the offender's previous or prior sex offense conviction is for a violation of section 609.342, 609.343, 609.344, or 609.3453, or any similar statute of the United States, this state, or any other state.

Subd. 8. [TERMS OF CONDITIONAL RELEASE; APPLICABLE TO ALL SEX OFFENDERS.] (a) The provisions of this subdivision relating to conditional release apply to all sex offenders sentenced to prison for a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3453. Except as provided in this subdivision, conditional release of sex offenders is governed by provisions relating to supervised release. The commissioner of corrections may not dismiss an offender on conditional release from supervision until the offender's conditional release term expires.

(b) The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. Before the offender is placed on conditional release, the commissioner shall notify the sentencing court and the prosecutor in the jurisdiction where the offender was sentenced of the terms of the offender's conditional release. The commissioner also shall make reasonable efforts to notify the victim of the offender's crime of the terms of the offender's conditional release. If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve all or a part of the remaining portion of the conditional release term in prison.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 22. [SENTENCING GUIDELINES, MODIFICATIONS.]

(a) By January 15, 2006, the Sentencing Guidelines Commission shall propose to the legislature modifications to the sentencing guidelines, including the guidelines grid, regarding sex offenders. When proposing the modifications, the commission must propose a separate sex offender grid based on the sentencing changes made in this act relating to sex offenders.

(b) Modifications proposed by the commission under this section take effect August 1, 2006, unless the legislature by law provides otherwise.

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

Sec. 23. [REPEALER.]

Minnesota Statutes 2004, sections 609.108, subdivision 2; and 609.109, subdivision 7, are repealed.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

ARTICLE 3

SEX OFFENDERS: PREDATORY OFFENDER REGISTRATION;

COMMUNITY NOTIFICATION; MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 2004, section 13.82, is amended by adding a subdivision to read:

Subd. 28. [DISCLOSURE OF PREDATORY OFFENDER REGISTRANT STATUS.] Law enforcement agency disclosure to health facilities of the registrant status of a registered predatory offender is governed by section 244.052.

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

Sec. 2. Minnesota Statutes 2004, section 144A.135, is amended to read:

144A.135 [TRANSFER AND DISCHARGE APPEALS.]

(a) The commissioner shall establish a mechanism for hearing appeals on transfers and discharges of residents by nursing homes or boarding care homes licensed by the commissioner. The commissioner may adopt permanent rules to implement this section.

(b) Until federal regulations are adopted under sections 1819(f)(3) and 1919(f)(3) of the Social Security Act that govern appeals of the discharges or transfers of residents from nursing homes and boarding care homes certified for participation in Medicare or medical assistance, the commissioner shall provide hearings under sections 14.57 to 14.62 and the rules adopted by the Office of Administrative Hearings governing contested cases. To appeal the discharge or transfer, or notification of an intended discharge or transfer, a resident or the resident's representative must request a hearing in writing no later than 30 days after receiving written notice, which conforms to state and federal law, of the intended discharge or transfer.

(c) Hearings under this section shall be held no later than 14 days after receipt of the request for hearing, unless impractical to do so or unless the parties agree otherwise. Hearings shall be held in the facility in which the resident resides, unless impractical to do so or unless the parties agree otherwise.

(d) A resident who timely appeals a notice of discharge or transfer, and who resides in a certified nursing home or boarding care home, may not be discharged or transferred by the nursing home or boarding care home until resolution of the appeal. The commissioner can order the facility to readmit the resident if the discharge or transfer was in violation of state or federal law. If the resident is required to be hospitalized for medical necessity before resolution of the appeal, the facility shall readmit the resident unless the resident's attending physician documents, in writing, why the resident's specific health care needs cannot be met in the facility.

(e) The commissioner and Office of Administrative Hearings shall conduct the hearings in compliance with the federal regulations described in paragraph (b), when adopted.

(f) Nothing in this section limits the right of a resident or the resident's representative to request or receive assistance from the Office of Ombudsman for Older Minnesotans or the Office of Health Facility Complaints with respect to an intended discharge or transfer.

(g) A person required to inform a health care facility of the person's status as a registered predatory offender under section 243.166, subdivision 4b, who knowingly fails to do so shall be deemed to have endangered the safety of individuals in the facility under Code of Federal Regulations, chapter 42, section 483.12. Notwithstanding paragraph (d), any appeal of the notice and discharge shall not constitute a stay of the discharge.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 3. Minnesota Statutes 2004, section 241.06, is amended to read:

241.06 [RECORD OF INMATES; DEPARTMENT OF CORRECTIONS.]

Subdivision 1. [GENERAL.] The commissioner of corrections shall keep in the commissioner's office, accessible only by the commissioner's consent or on the order of a judge or court of record, a record showing the residence, sex, age, nativity, occupation, civil condition, and date of entrance or commitment of every person, inmate, or convict in the facilities under the commissioner's exclusive control, the date of discharge and whether such discharge was final, the condition of such person when the person left the facility, and the date and cause of all deaths. The records shall state every transfer from one facility to another, naming each. This information shall be furnished to the commissioner of corrections by each facility, with such other obtainable facts as the commissioner may from time to time require. The chief executive officer of each such facility, within ten days after the commitment or entrance thereto of a person, inmate, or convict, shall cause a true copy of the entrance record to be forwarded to the commissioner of corrections. When a person, inmate, or convict leaves, is discharged or transferred, or dies in any facility, the chief executive officer, or other person in charge shall inform the commissioner of corrections within ten days thereafter on forms furnished by the commissioner.

The commissioner of corrections may authorize the chief executive officer of any facility under the commissioner's control to release to probation officers, local social services agencies or other specifically designated interested persons or agencies any information regarding any person, inmate, or convict thereat, if, in the opinion of the commissioner, it will be for the benefit of the person, inmate, or convict.

Subd. 2. [SEX OFFENDER INFORMATION PROVIDED TO SUPERVISING CORRECTIONS AGENCY.] When an offender who is required to register as a predatory offender under section 243.166 is being released from prison, the commissioner shall provide to the corrections agency that will supervise the offender, the offender's prison records relating to psychological assessments, medical and mental health issues, and treatment.

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

Sec. 4. Minnesota Statutes 2004, section 241.67, subdivision 3, is amended to read:

Subd. 3. [PROGRAMS FOR ADULT OFFENDERS COMMITTED TO THE COMMISSIONER.] (a) The commissioner shall provide for a range of sex offender programs, including intensive sex offender programs, within the state adult correctional facility system. Participation in any program is subject to the rules and regulations of the Department of Corrections. Nothing in this section requires the commissioner to accept or retain an offender in a program if the offender is determined by prison professionals as unamenable to programming within the prison system or if the offender refuses or fails to comply with the program's requirements. Nothing in this section creates a right of an offender to treatment.

(b) The commissioner shall develop a plan to provide for residential and outpatient sex offender programming and aftercare when required for conditional release under section 609.108 or as a condition of supervised release. The plan may include co-payments from the offender, third-party payers, local agencies, or other funding sources as they are identified.

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

Sec. 5. Minnesota Statutes 2004, section 241.67, subdivision 7, is amended to read:

Subd. 7. [FUNDING PRIORITY; PROGRAM EFFECTIVENESS.] (a) Unless otherwise directed by the terms of a particular appropriations provision, the commissioner shall give priority to the funding of juvenile sex offender programs over the funding of adult sex offender programs.

(b) Every county or private sex offender program ~~that seeks new or continued state funding or reimbursement~~ shall provide the commissioner with any information relating to the program's

effectiveness that the commissioner considers necessary. The commissioner shall deny state funding or reimbursement to any county or private program that fails to provide this information or that appears to be an ineffective program.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 6. Minnesota Statutes 2004, section 241.67, subdivision 8, is amended to read:

Subd. 8. [COMMUNITY-BASED SEX OFFENDER PROGRAM EVALUATION ~~PROJECT~~.] (a) For the purposes of this ~~project~~ subdivision, a sex offender is an adult who has been convicted, or a juvenile who has been adjudicated, for a sex offense or a sex-related offense which would require registration under section 243.166.

(b) The commissioner shall ~~develop a long-term project to accomplish the following~~:

(1) ~~provide~~ collect follow-up information on each sex offender for a period of three years following the offender's completion of or termination from treatment for the purpose of providing periodic reports to the legislature;

(2) provide treatment programs in several geographical areas in the state;

(3) provide the necessary data to form the basis to recommend a fiscally sound plan to provide a coordinated statewide system of effective sex offender treatment programming; and

(4) provide an opportunity to local and regional governments, agencies, and programs to establish models of sex offender programs that are suited to the needs of that region.

(c) The commissioner shall establish an advisory task force consisting of county probation officers from Community Corrections Act counties and other counties, court services providers, and other interested officials. The commissioner shall consult with the task force ~~concerning the establishment and operation of the project~~ on how best to implement the requirements of this subdivision.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 7. Minnesota Statutes 2004, section 242.195, subdivision 1, is amended to read:

Subdivision 1. [SEX OFFENDER PROGRAMS.] (a) The commissioner of corrections shall develop a plan to provide for a range of sex offender programs, including intensive sex offender programs, for juveniles within state juvenile correctional facilities and through purchase of service from county and private residential and outpatient juvenile sex offender programs. The plan may include co-payments from the offenders, third-party payers, local agencies, and other funding sources as they are identified.

(b) The commissioner shall establish and operate a residential sex offender program at one of the state juvenile correctional facilities. The program must be structured to address both the therapeutic and disciplinary needs of juvenile sex offenders. The program must afford long-term residential treatment for a range of juveniles who have committed sex offenses and have failed other treatment programs or are not likely to benefit from an outpatient or a community-based residential treatment program.

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

Sec. 8. Minnesota Statutes 2004, section 243.166, is amended to read:

243.166 [REGISTRATION OF PREDATORY OFFENDERS.]

~~Subdivision 1. [REGISTRATION REQUIRED.] (a) A person shall register under this section if:~~

~~(1) the person was charged with or petitioned for a felony violation of or attempt to violate any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:~~

(i) murder under section 609.185, clause (2); or

(ii) kidnapping under section 609.25; or

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; or 609.3451, subdivision 3; or

(iv) indecent exposure under section 617.23, subdivision 3; or

(2) the person was charged with or petitioned for falsely imprisoning a minor in violation of section 609.255, subdivision 2; soliciting a minor to engage in prostitution in violation of section 609.322 or 609.324; soliciting a minor to engage in sexual conduct in violation of section 609.352; using a minor in a sexual performance in violation of section 617.246; or possessing pornographic work involving a minor in violation of section 617.247, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances; or

(3) the person was convicted of a predatory crime as defined in section 609.108, and the offender was sentenced as a patterned sex offender or the court found on its own motion or that of the prosecutor that the crime was part of a predatory pattern of behavior that had criminal sexual conduct as its goal; or

(4) the person was convicted of or adjudicated delinquent for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to the offenses described in clause (1), (2), or (3).

(b) A person also shall register under this section if:

(1) the person was convicted of or adjudicated delinquent in another state for an offense that would be a violation of a law described in paragraph (a) if committed in this state;

(2) the person enters the state to reside, or to work or attend school; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to lifetime registration, in which case the person must register for life regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

For purposes of this paragraph:

(i) "school" includes any public or private educational institution, including any secondary school, trade or professional institution, or institution of higher education, that the person is enrolled in on a full-time or part-time basis; and

(ii) "work" includes employment that is full time or part time for a period of time exceeding 14 days or for an aggregate period of time exceeding 30 days during any calendar year, whether financially compensated, volunteered, or for the purpose of government or educational benefit.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under section 253B.185 or Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

~~(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.~~

Subd. 1a. [DEFINITIONS.] (a) As used in this section, unless the context clearly indicates otherwise, the following terms have the meanings given them.

(b) "Bureau" means the Bureau of Criminal Apprehension.

(c) "Dwelling" means the building where the person lives under a formal or informal agreement to do so.

(d) "Incarceration" and "confinement" do not include electronic home monitoring.

(e) "Law enforcement authority" or "authority" means, with respect to a home rule charter or statutory city, the chief of police, and with respect to an unincorporated area, the county sheriff.

(f) "Motor vehicle" has the meaning given in section 169.01, subdivision 2.

(g) "Primary address" means the mailing address of the person's dwelling. If the mailing address is different from the actual location of the dwelling, primary address also includes the physical location of the dwelling described with as much specificity as possible.

(h) "School" includes any public or private educational institution, including any secondary school, trade, or professional institution, or institution of higher education, that the person is enrolled in on a full-time or part-time basis.

(i) "Secondary address" means the mailing address of any place where the person regularly or occasionally stays overnight when not staying at the person's primary address. If the mailing address is different from the actual location of the place, secondary address also includes the physical location of the place described with as much specificity as possible.

(j) "Treatment facility" means a residential facility, as defined in section 244.052, subdivision 1, and residential chemical dependency treatment programs and halfway houses licensed under chapter 245A, including, but not limited to, those facilities directly or indirectly assisted by any department or agency of the United States.

(k) "Work" includes employment that is full time or part time for a period of time exceeding 14 days or for an aggregate period of time exceeding 30 days during any calendar year, whether financially compensated, volunteered, or for the purpose of government or educational benefit.

Subd. 1b. [REGISTRATION REQUIRED.] (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, clause (2);

(ii) kidnapping under section 609.25;

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3; or 609.3453; or

(iv) indecent exposure under section 617.23, subdivision 3;

(2) the person was charged with or petitioned for a violation of, or attempt to violate, or aiding, abetting, or conspiracy to commit false imprisonment in violation of section 609.255, subdivision 2; soliciting a minor to engage in prostitution in violation of section 609.322 or 609.324; soliciting a minor to engage in sexual conduct in violation of section 609.352; using a minor in a sexual performance in violation of section 617.246; or possessing pornographic work involving a minor in violation of section 617.247, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(3) the person was sentenced as a patterned sex offender under section 609.108; or

(4) the person was convicted of or adjudicated delinquent for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to the offenses described in clause (1), (2), or (3).

(b) A person also shall register under this section if:

(1) the person was convicted of or adjudicated delinquent in another state for an offense that would be a violation of a law described in paragraph (a) if committed in this state;

(2) the person enters this state to reside, work, or attend school, or enters this state and remains for 14 days or longer; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to lifetime registration, in which case the person shall register for life regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under section 253B.185 or Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.

Subd. 2. [NOTICE.] When a person who is required to register under subdivision ~~1~~ 1b, paragraph (a), is sentenced or becomes subject to a juvenile court disposition order, the court shall tell the person of the duty to register under this section and that, if the person fails to comply with the registration requirements, information about the offender may be made available to the public through electronic, computerized, or other accessible means. The court may not modify the person's duty to register in the pronounced sentence or disposition order. The court shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. The court shall forward the signed sex offender registration form, the complaint, and sentencing documents to the bureau ~~of Criminal Apprehension~~. If a person required to register under subdivision ~~1~~ 1b, paragraph (a), was not notified by the court of the registration requirement at the time of sentencing or disposition, the assigned corrections agent shall notify the person of the requirements of this section. When a person who is required to register under subdivision ~~1~~ 1b, paragraph (c) or (d), is released from commitment, the treatment facility shall notify the person of the requirements of this section. The treatment facility shall also obtain the registration information required under this section and forward it to the bureau ~~of Criminal Apprehension~~.

Subd. 3. [REGISTRATION PROCEDURE.] (a) Except as provided in subdivision 3a, a person required to register under this section shall register with the corrections agent as soon as the agent is assigned to the person. If the person does not have an assigned corrections agent or is unable to locate the assigned corrections agent, the person shall register with the law enforcement ~~agency~~ authority that has jurisdiction in the area of the person's ~~residence~~ primary address.

(b) Except as provided in subdivision 3a, at least five days before the person starts living at a new primary address, including living in another state, the person shall give written notice of the new primary ~~living~~ address to the assigned corrections agent or to the law enforcement authority with which the person currently is registered. If the person will be living in a new state and that state has a registration requirement, the person shall also give written notice of the new address to the designated registration agency in the new state. A person required to register under this section shall also give written notice to the assigned corrections agent or to the law enforcement authority that has jurisdiction in the area of the person's ~~residence~~ primary address that the person is no longer living or staying at an address, immediately after the person is no longer living or staying at that address. The corrections agent or law enforcement authority shall, within two business days after receipt of this information, forward it to the bureau ~~of Criminal Apprehension~~. The bureau ~~of Criminal Apprehension~~ shall, if it has not already been done, notify the law enforcement authority having primary jurisdiction in the community where the person will live of the new address. If the person is leaving the state, the bureau ~~of Criminal Apprehension~~ shall notify the registration authority in the new state of the new address. ~~If the person's obligation to register arose under subdivision 1, paragraph (b),~~ The person's registration requirements under this section terminate ~~when~~ after the person begins living in the new state and the bureau has confirmed the address in the other state through the annual verification process on at least one occasion.

(c) A person required to register under subdivision ~~1~~ 1b, paragraph (b), because the person is working or attending school in Minnesota shall register with the law enforcement ~~agency~~ authority that has jurisdiction in the area where the person works or attends school. In addition to other information required by this section, the person shall provide the address of the school or of the location where the person is employed. A person ~~must~~ shall comply with this paragraph within five days of beginning employment or school. A person's obligation to register under this paragraph terminates when the person is no longer working or attending school in Minnesota.

(d) A person required to register under this section who works or attends school outside of Minnesota shall register as a predatory offender in the state where the person works or attends school. The person's corrections agent, or if the person does not have an assigned corrections agent, the law enforcement authority that has jurisdiction in the area of the person's ~~residence~~ primary address shall notify the person of this requirement.

Subd. 3a. [REGISTRATION PROCEDURE WHEN PERSON LACKS PRIMARY ADDRESS.] (a) If a person leaves a primary address and does not have a new primary address, the person shall register with the law enforcement authority that has jurisdiction in the area where the person is staying within 24 hours of the time the person no longer has a primary address.

(b) A person who lacks a primary address shall register with the law enforcement authority that has jurisdiction in the area where the person is staying within 24 hours after entering the jurisdiction. Each time a person who lacks a primary address moves to a new jurisdiction without acquiring a new primary address, the person shall register with the law enforcement authority that has jurisdiction in the area where the person is staying within 24 hours after entering the jurisdiction.

(c) Upon registering under this subdivision, the person shall provide the law enforcement authority with all of the information the individual is required to provide under subdivision 4a. However, instead of reporting the person's primary address, the person shall describe the location of where the person is staying with as much specificity as possible.

(d) Except as otherwise provided in paragraph (e), if a person continues to lack a primary address, the person shall report in person on a weekly basis to the law enforcement authority with jurisdiction in the area where the person is staying. This weekly report shall occur between the hours of 9:00 a.m. and 5:00 p.m. The person is not required to provide the registration information required under subdivision 4a each time the offender reports to an authority, but the person shall inform the authority of changes to any information provided under this subdivision or subdivision 4a and shall otherwise comply with this subdivision.

(e) If the law enforcement authority determines that it is impractical, due to the person's unique circumstances, to require a person lacking a primary address to report weekly and in person as

required under paragraph (d), the authority may authorize the person to follow an alternative reporting procedure. The authority shall consult with the person's corrections agent, if the person has one, in establishing the specific criteria of this alternative procedure, subject to the following requirements:

(1) the authority shall document, in the person's registration record, the specific reasons why the weekly in-person reporting process is impractical for the person to follow;

(2) the authority shall explain how the alternative reporting procedure furthers the public safety objectives of this section;

(3) the authority shall require the person lacking a primary address to report in person at least monthly to the authority or the person's corrections agent and shall specify the location where the person shall report. If the authority determines it would be more practical and would further public safety for the person to report to another law enforcement authority with jurisdiction where the person is staying, it may, after consulting with the other law enforcement authority, include this requirement in the person's alternative reporting process;

(4) the authority shall require the person to comply with the weekly, in-person reporting process required under paragraph (d), if the person moves to a new area where this process would be practical;

(5) the authority shall require the person to report any changes to the registration information provided under subdivision 4a and to comply with the periodic registration requirements specified under paragraph (f); and

(6) the authority shall require the person to comply with the requirements of subdivision 3, paragraphs (b) and (c), if the person moves to a primary address.

(f) If a person continues to lack a primary address and continues to report to the same law enforcement authority, the person shall provide the authority with all of the information the individual is required to provide under this subdivision and subdivision 4a at least annually, unless the person is required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States. If the person is required to register under subdivision 1b, paragraph (c), the person shall provide the law enforcement authority with all of the information the individual is required to report under this subdivision and subdivision 4a at least once every three months.

(g) A law enforcement authority receiving information under this subdivision shall forward registration information and changes to that information to the bureau within two business days of receipt of the information.

(h) For purposes of this subdivision, a person who fails to report a primary address will be deemed to be a person who lacks a primary address, and the person shall comply with the requirements for a person who lacks a primary address.

Subd. 4. [CONTENTS OF REGISTRATION.] (a) The registration provided to the corrections agent or law enforcement authority, must consist of a statement in writing signed by the person, giving information required by the bureau ~~of Criminal Apprehension~~, a fingerprint card, and photograph of the person taken at the time of the person's release from incarceration or, if the person was not incarcerated, at the time the person initially registered under this section. The registration information also must include a written consent form signed by the person allowing a treatment facility or residential housing unit or shelter to release information to a law enforcement officer about the person's admission to, or residence in, a treatment facility or residential housing unit or shelter. Registration information on adults and juveniles may be maintained together notwithstanding section 260B.171, subdivision 3.

(b) For persons required to register under subdivision ~~1~~ 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States, in addition to other information required by this section, the registration provided to the corrections agent or law enforcement authority must include the person's offense

history and documentation of treatment received during the person's commitment. This documentation ~~shall be~~ is limited to a statement of how far the person progressed in treatment during commitment.

(c) Within three days of receipt, the corrections agent or law enforcement authority shall forward the registration information to the bureau ~~of Criminal Apprehension~~. The bureau shall ascertain whether the person has registered with the law enforcement authority ~~where the person resides~~ in the area of the person's primary address, if any, or if the person lacks a primary address, where the person is staying, as required by subdivision 3a. If the person has not registered with the law enforcement authority, the bureau shall send one copy to that authority.

(d) The corrections agent or law enforcement authority may require that a person required to register under this section appear before the agent or authority to be photographed. The agent or authority shall forward the photograph to the bureau ~~of Criminal Apprehension~~.

The agent or authority shall require a person required to register under this section who is classified as a level III offender under section 244.052 to appear before the agent or authority at least every six months to be photographed.

(e) During the period a person is required to register under this section, the following ~~shall~~ provisions apply:

(1) Except for persons registering under subdivision 3a, the bureau ~~of Criminal Apprehension~~ shall mail a verification form to the ~~last reported address of the~~ person's ~~residence~~ last reported primary address. This verification form ~~shall~~ must provide notice to the offender that, if the offender does not return the verification form as required, information about the offender may be made available to the public through electronic, computerized, or other accessible means. For persons who are registered under subdivision 3a, the bureau shall mail an annual verification form to the law enforcement authority where the offender most recently reported. The authority shall provide the verification form to the person at the next weekly meeting and ensure that the person completes and signs the form and returns it to the bureau.

(2) The person shall mail the signed verification form back to the bureau ~~of Criminal Apprehension~~ within ten days after receipt of the form, stating on the form the current and last address of the person's residence and the other information required under subdivision 4a.

(3) In addition to the requirements listed in this section, a person who is assigned to risk level II or III under section 244.052, and who is no longer under correctional supervision for a registration offense, or a failure to register offense, but who resides, works, or attends school in Minnesota, shall have an annual in-person contact with a law enforcement authority as provided in this section. If the person resides in Minnesota, the annual in-person contact shall be with the law enforcement authority that has jurisdiction over the person's primary address or, if the person has no address, the location where the person is staying. If the person does not reside in Minnesota but works or attends school in this state, the person shall have an annual in-person contact with the law enforcement authority or authorities with jurisdiction over the person's school or workplace. During the month of the person's birth date, the person shall report to the authority to verify the accuracy of the registration information and to be photographed. Within three days of this contact, the authority shall enter information as required by the bureau into the predatory offender registration database and submit an updated photograph of the person to the bureau's predatory offender registration unit.

(4) If the person fails to mail the completed and signed verification form to the bureau ~~of Criminal Apprehension~~ within ten days after receipt of the form, or if the person fails to report to the law enforcement authority during the month of the person's birth date, the person ~~shall be~~ is in violation of this section.

(5) For any person who fails to mail the completed and signed verification form to the bureau within ten days after receipt of the form and who has been determined to be a risk level III offender under section 244.052, the bureau shall immediately investigate and notify local law enforcement authorities to investigate the person's location and to ensure compliance with this

section. The bureau also shall immediately give notice of the person's violation of this section to the law enforcement authority having jurisdiction over the person's last registered address or addresses.

For persons required to register under subdivision ~~1~~ 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States, the bureau shall comply with clause (1) at least four times each year. For persons who, under section 244.052, are assigned to risk level III and who are no longer under correctional supervision for a registration offense or a failure to register offense, the bureau shall comply with clause (1) at least two times each year. For all other persons required to register under this section, the bureau shall comply with clause (1) each year within 30 days of the anniversary date of the person's initial registration.

(f) When sending out a verification form, the bureau ~~of Criminal Apprehension must~~ shall determine whether the person to whom the verification form is being sent has signed a written consent form as provided for in paragraph (a). If the person has not signed such a consent form, the bureau ~~of Criminal Apprehension must~~ shall send a written consent form to the person along with the verification form. A person who receives this written consent form ~~must~~ shall sign and return it to the bureau ~~of Criminal Apprehension~~ at the same time as the verification form.

~~(g) For the purposes of this subdivision, "treatment facility" means a residential facility, as defined in section 244.052, subdivision 1, and residential chemical dependency treatment programs and halfway houses licensed under chapter 245A, including, but not limited to, those facilities directly or indirectly assisted by any department or agency of the United States.~~

Subd. 4a. [INFORMATION REQUIRED TO BE PROVIDED.] (a) ~~As used in this section:~~

~~(1) "motor vehicle" has the meaning given "vehicle" in section 169.01, subdivision 2;~~

~~(2) "primary residence" means any place where the person resides longer than 14 days or that is deemed a primary residence by a person's corrections agent, if one is assigned to the person; and~~

~~(3) "secondary residence" means any place where the person regularly stays overnight when not staying at the person's primary residence, and includes, but is not limited to:~~

~~(i) the person's parent's home if the person is a student and stays at the home at times when the person is not staying at school, including during the summer; and~~

~~(ii) the home of someone with whom the person has a minor child in common where the child's custody is shared.~~

~~(b)~~ A person required to register under this section shall provide to the corrections agent or law enforcement authority the following information:

(1) the ~~address of the~~ person's primary ~~residence~~ address;

(2) ~~the addresses of~~ all of the person's secondary ~~residences~~ addresses in Minnesota, including all addresses used for residential or recreational purposes;

(3) the addresses of all Minnesota property owned, leased, or rented by the person;

(4) the addresses of all locations where the person is employed;

(5) the addresses of all ~~residences~~ schools where the person ~~resides while attending school~~ is enrolled; and

(6) the year, model, make, license plate number, and color of all motor vehicles owned or regularly driven by the person.

~~(c)~~ (b) The person shall report to the agent or authority the information required to be provided under paragraph ~~(b)~~ (a), clauses (2) to (6), within five days of the date the clause becomes

applicable. If because of a change in circumstances any information reported under paragraph ~~(b)~~ (a), clauses (1) to (6), no longer applies, the person shall immediately inform the agent or authority that the information is no longer valid. If the person leaves a primary address and does not have a new primary address, the person shall register as provided in subdivision 3a.

Subd. 4b. [HEALTH CARE FACILITY; NOTICE OF STATUS.] (a) As used in paragraphs (b) and (c), "health care facility" means a hospital or other entity licensed under sections 144.50 to 144.58, a nursing home licensed to serve adults under section 144A.02, or a group residential housing facility or an intermediate care facility for the mentally retarded licensed under chapter 245A. As used in paragraph (d), "health care facility" means a nursing home licensed to serve adults under section 144A.02, or a group residential housing facility or an intermediate care facility for the mentally retarded licensed under chapter 245A.

(b) Upon admittance to a health care facility, a person required to register under this section shall disclose to:

(1) the health care facility employee processing the admission the person's status as a registered predatory offender under this section; and

(2) the person's corrections agent, or if the person does not have an assigned corrections agent, the law enforcement authority with whom the person is currently required to register, that inpatient admission has occurred.

(c) A law enforcement authority or corrections agent who receives notice under paragraph (b) or who knows that a person required to register under this section has been admitted and is receiving health care at a health care facility shall notify the administrator of the facility.

(d) A health care facility that receives notice under this subdivision that a predatory offender has been admitted to the facility shall notify other patients at the facility of this fact. If the facility determines that notice to a patient is not appropriate given the patient's medical, emotional, or mental status, the facility shall notify the patient's next of kin or emergency contact.

Subd. 5. [CRIMINAL PENALTY.] (a) A person required to register under this section who knowingly violates any of its provisions or intentionally provides false information to a corrections agent, law enforcement authority, or the bureau ~~of Criminal Apprehension~~ is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

(b) Except as provided in paragraph (c), a person convicted of violating paragraph (a) shall be committed to the custody of the commissioner of corrections for not less than a year and a day, nor more than five years.

(c) A person convicted of violating paragraph (a), who has previously been convicted of or adjudicated delinquent for violating this section or a similar statute of another state or the United States, shall be committed to the custody of the commissioner of corrections for not less than two years, nor more than five years.

(d) Prior to the time of sentencing, the prosecutor may file a motion to have the person sentenced without regard to the mandatory minimum sentence established by this subdivision. The motion ~~shall~~ must be accompanied by a statement on the record of the reasons for it. When presented with the motion, or on its own motion, the court may sentence the person without regard to the mandatory minimum sentence if the court finds substantial and compelling reasons to do so. Sentencing a person in the manner described in this paragraph is a departure from the Sentencing Guidelines.

(e) A person convicted and sentenced as required by this subdivision is not eligible for probation, parole, discharge, work release, conditional release, or supervised release, until that person has served the full term of imprisonment as provided by law, notwithstanding the provisions of sections 241.26, 242.19, 243.05, 244.04, 609.12, and 609.135.

Subd. 5a. [TEN-YEAR CONDITIONAL RELEASE FOR VIOLATIONS COMMITTED BY

LEVEL III OFFENDERS.] Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating subdivision 5 and, at the time of the violation, the person was assigned to risk level III under section 244.052, the court shall provide that after the person has completed the sentence imposed, the commissioner shall place the person on conditional release for ten years. The terms of conditional release are governed by section 609.3455, subdivision 8.

Subd. 6. [REGISTRATION PERIOD.] (a) Notwithstanding the provisions of section 609.165, subdivision 1, and except as provided in paragraphs (b), (c), and (d), a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person initially registered in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later. For a person required to register under this section who is committed under section 253B.18 or 253B.185, the ten-year registration period does not include the period of commitment.

(b) If a person required to register under this section fails to ~~register following a change in residence~~ provide the person's primary address as required by subdivision 3, paragraph (b), fails to comply with the requirements of subdivision 3a, fails to provide information as required by subdivision 4~~a~~, or fails to return the verification form referenced in subdivision 4 within ten days, the commissioner of public safety may require the person to continue to register for an additional period of five years. This five-year period is added to the end of the offender's registration period.

(c) If a person required to register under this section is subsequently incarcerated following a conviction for a new offense or following a revocation of probation, supervised release, or conditional release for ~~that~~ any offense~~, or a conviction for any new offense~~, the person shall continue to register until ten years have elapsed since the person was last released from incarceration or until the person's probation, supervised release, or conditional release period expires, whichever occurs later.

(d) A person shall continue to comply with this section for the life of that person:

(1) if the person is convicted of or adjudicated delinquent for any offense for which registration is required under subdivision ~~1~~ 1b, or any offense from another state or any federal offense similar to the offenses described in subdivision ~~1~~ 1b, and the person has a prior conviction or adjudication for an offense for which registration was or would have been required under subdivision ~~1~~ 1b, or an offense from another state or a federal offense similar to an offense described in subdivision ~~1~~ 1b;

(2) if the person is required to register based upon a conviction or delinquency adjudication for an offense under section 609.185, clause (2), or a similar statute from another state or the United States;

(3) if the person is required to register based upon a conviction for an offense under section 609.342, subdivision 1, paragraph (a), (c), (d), (e), (f), or (h); 609.343, subdivision 1, paragraph (a), (c), (d), (e), (f), or (h); 609.344, subdivision 1, paragraph (a), (c), or (g); or 609.345, subdivision 1, paragraph (a), (c), or (g); or a statute from another state or the United States similar to the offenses described in this clause; or

(4) if the person is required to register under subdivision ~~1~~ 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States.

Subd. 7. [USE OF INFORMATION.] Except as otherwise provided in subdivision 7a or sections 244.052 and 299C.093, the information provided under this section is private data on individuals under section 13.02, subdivision 12. The information may be used only for law enforcement purposes.

Subd. 7a. [AVAILABILITY OF INFORMATION ON OFFENDERS WHO ARE OUT OF COMPLIANCE WITH REGISTRATION LAW.] (a) The bureau ~~of Criminal Apprehension~~ may

make information available to the public about offenders who are 16 years of age or older and who are out of compliance with this section for 30 days or longer for failure to provide the ~~address of the~~ offenders' primary or secondary ~~residences~~ addresses. This information may be made available to the public through electronic, computerized, or other accessible means. The amount and type of information made available ~~shall be~~ is limited to the information necessary for the public to assist law enforcement in locating the offender.

(b) An offender who comes into compliance with this section after the bureau ~~of Criminal Apprehension~~ discloses information about the offender to the public may send a written request to the bureau requesting the bureau to treat information about the offender as private data, consistent with subdivision 7. The bureau shall review the request and promptly take reasonable action to treat the data as private, if the offender has complied with the requirement that the offender provide ~~the addresses of~~ the offender's primary and secondary ~~residences~~ addresses, or promptly notify the offender that the information will continue to be treated as public information and the reasons for the bureau's decision.

(c) If an offender believes the information made public about the offender is inaccurate or incomplete, the offender may challenge the data under section 13.04, subdivision 4.

(d) The bureau ~~of Criminal Apprehension~~ is immune from any civil or criminal liability that might otherwise arise, based on the accuracy or completeness of any information made public under this subdivision, if the bureau acts in good faith.

~~Subd. 8. [LAW ENFORCEMENT AUTHORITY.] For purposes of this section, a law enforcement authority means, with respect to a home rule charter or statutory city, the chief of police, and with respect to an unincorporated area, the sheriff of the county.~~

Subd. 9. [OFFENDERS FROM OTHER STATES.] (a) When the state accepts an offender from another state under a reciprocal agreement under the interstate compact authorized by section 243.16, the interstate compact authorized by section 243.1605, or under any authorized interstate agreement, the acceptance is conditional on the offender agreeing to register under this section when the offender is living in Minnesota.

(b) The Bureau of Criminal Apprehension shall notify the commissioner of corrections:

(1) when the bureau receives notice from a local law enforcement authority that a person from another state who is subject to this section has registered with the authority, unless the bureau previously received information about the offender from the commissioner of corrections;

(2) when a registration authority, corrections agent, or law enforcement agency in another state notifies the bureau that a person from another state who is subject to this section is moving to Minnesota; and

(3) when the bureau learns that a person from another state is in Minnesota and allegedly in violation of subdivision 5 for failure to register.

(c) When a local law enforcement agency notifies the bureau of an out-of-state offender's registration, the agency shall provide the bureau with information on whether the person is subject to community notification in another state and the risk level the person was assigned, if any.

(d) The bureau must forward all information it receives regarding offenders covered under this subdivision from sources other than the commissioner of corrections to the commissioner.

(e) When the bureau receives information directly from a registration authority, corrections agent, or law enforcement agency in another state that a person who may be subject to this section is moving to Minnesota, the bureau must ask whether the person entering the state is subject to community notification in another state and the risk level the person has been assigned, if any.

(f) When the bureau learns that a person subject to this section intends to move into Minnesota from another state or has moved into Minnesota from another state, the bureau shall notify the law enforcement authority with jurisdiction in the area of the person's primary address and provide all information concerning the person that is available to the bureau.

(g) The commissioner of corrections must determine the parole, supervised release, or conditional release status of persons who are referred to the commissioner under this subdivision. If the commissioner determines that a person is subject to parole, supervised release, or conditional release in another state and is not registered in Minnesota under the applicable interstate compact, the commissioner shall inform the local law enforcement agency that the person is in violation of section 243.161. If the person is not subject to supervised release, the commissioner shall notify the bureau and the local law enforcement agency of the person's status.

Subd. 10. [VENUE; AGGREGATION.] (a) A violation of this section may be prosecuted in any jurisdiction where an offense takes place. However, the prosecutorial agency in the jurisdiction where the person last registered a primary address is initially responsible to review the case for prosecution.

(b) When a person commits two or more offenses in two or more counties, the accused may be prosecuted for all of the offenses in any county in which one of the offenses was committed.

Subd. 11. [CERTIFIED COPIES AS EVIDENCE.] Certified copies of predatory offender registration records are admissible as substantive evidence when necessary to prove the commission of a violation of this section.

[EFFECTIVE DATE.] Except as otherwise provided, the provisions of this section are effective the day following final enactment and apply to persons subject to predatory offender registration on or after that date. Subdivision 4, paragraph (e), clause (3), is effective December 1, 2005. Subdivision 4b is effective August 1, 2005, and applies to persons subject to predatory offender registration on or after that date. Subdivision 5a is effective August 1, 2005, and applies to crimes committed on or after that date. Subdivision 6, paragraph (c), is effective August 1, 2005, and applies to any offense, revocation of probation, supervised release, or conditional release that occurs on or after that date. Subdivision 9 is effective July 1, 2005.

Sec. 9. Minnesota Statutes 2004, section 243.167, is amended to read:

243.167 [REGISTRATION UNDER THE PREDATORY OFFENDER REGISTRATION LAW FOR OTHER OFFENSES.]

Subdivision 1. [DEFINITION.] As used in this section, "crime against the person" means a violation of any of the following or a similar law of another state or of the United States: section 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.224, subdivision 2 or 4; 609.2242, subdivision 2 or 4; 609.235; 609.245, subdivision 1; 609.25; 609.255; 609.3451, subdivision 2; 609.498, subdivision 1; 609.582, subdivision 1; or 617.23, subdivision 2; or any felony-level violation of section 609.229; 609.377; 609.749; or 624.713.

Subd. 2. [WHEN REQUIRED.] (a) In addition to the requirements of section 243.166, a person also shall register under section 243.166 if:

(1) the person is convicted of a crime against the person; and

(2) the person was previously convicted of or adjudicated delinquent for an offense listed in section 243.166, ~~subdivision 1, paragraph (a),~~ but was not required to register for the offense because the registration requirements of that section did not apply to the person at the time the offense was committed or at the time the person was released from imprisonment.

(b) A person who was previously required to register ~~under section 243.166~~ in any state and who has completed the registration requirements of that ~~section~~ state shall again register under section 243.166 if the person commits a crime against the person.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2004, section 244.05, subdivision 6, is amended to read:

Subd. 6. [INTENSIVE SUPERVISED RELEASE.] The commissioner may order that an inmate be placed on intensive supervised release for all or part of the inmate's supervised release or parole term if the commissioner determines that the action will further the goals described in section 244.14, subdivision 1, clauses (2), (3), and (4). In addition, the commissioner may order that an inmate be placed on intensive supervised release for all of the inmate's conditional or supervised release term if the inmate was convicted of a sex offense under ~~sections~~ section 609.342 ~~to~~, 609.343, 609.344, 609.345, or 609.3453 or was sentenced under the provisions of section 609.108. The commissioner shall order that all level III predatory offenders be placed on intensive supervised release for the entire supervised release, conditional release, or parole term. The commissioner may impose appropriate conditions of release on the inmate including but not limited to unannounced searches of the inmate's person, vehicle, or premises by an intensive supervision agent; compliance with court-ordered restitution, if any; random drug testing; house arrest; daily curfews; frequent face-to-face contacts with an assigned intensive supervision agent; work, education, or treatment requirements; and electronic surveillance. In addition, any sex offender placed on intensive supervised release may be ordered to participate in an appropriate sex offender program as a condition of release. If the inmate violates the conditions of the intensive supervised release, the commissioner shall impose sanctions as provided in subdivision 3 and section ~~609.108~~ 609.3455.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2004, section 244.05, subdivision 7, is amended to read:

Subd. 7. [SEX OFFENDERS; CIVIL COMMITMENT DETERMINATION.] (a) Before the commissioner releases from prison any inmate convicted under ~~sections~~ section 609.342 ~~to~~, 609.343, 609.344, 609.345, or 609.3453, or sentenced as a patterned offender under section 609.108, and determined by the commissioner to be in a high risk category, the commissioner shall make a preliminary determination whether, in the commissioner's opinion, a petition under section 253B.185 may be appropriate. The commissioner's opinion must be based on a recommendation of a Department of Corrections screening committee and a legal review and recommendation from independent counsel knowledgeable in the legal requirements of the civil commitment process. The commissioner may retain a retired judge or other attorney to serve as independent counsel.

(b) In making this decision, the commissioner shall have access to the following data only for the purposes of the assessment and referral decision:

(1) private medical data under section 13.384 or 144.335, or welfare data under section 13.46 that relate to medical treatment of the offender;

(2) private and confidential court services data under section 13.84;

(3) private and confidential corrections data under section 13.85; and

(4) private criminal history data under section 13.87.

(c) If the commissioner determines that a petition may be appropriate, the commissioner shall forward this determination, along with a summary of the reasons for the determination, to the county attorney in the county where the inmate was convicted no later than 12 months before the inmate's release date. If the inmate is received for incarceration with fewer than 12 months remaining in the inmate's term of imprisonment, or if the commissioner receives additional information less than 12 months before release ~~which~~ that makes the inmate's case appropriate for referral, the commissioner shall forward the determination as soon as is practicable. Upon receiving the commissioner's preliminary determination, the county attorney shall proceed in the manner provided in section 253B.185. The commissioner shall release to the county attorney all requested documentation maintained by the department.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 12. Minnesota Statutes 2004, section 244.052, subdivision 3, is amended to read:

Subd. 3. [END-OF-CONFINEMENT REVIEW COMMITTEE.] (a) The commissioner of corrections shall establish and administer end-of-confinement review committees at each state correctional facility and at each state treatment facility where predatory offenders are confined. The committees shall assess on a case-by-case basis the public risk posed by predatory offenders who are about to be released from confinement.

(b) Each committee shall be a standing committee and shall consist of the following members appointed by the commissioner:

(1) the chief executive officer or head of the correctional or treatment facility where the offender is currently confined, or that person's designee;

(2) a law enforcement officer;

(3) a treatment professional who is trained in the assessment of sex offenders;

(4) a caseworker experienced in supervising sex offenders; and

(5) a victim's services professional.

Members of the committee, other than the facility's chief executive officer or head, shall be appointed by the commissioner to two-year terms. The chief executive officer or head of the facility or designee shall act as chair of the committee and shall use the facility's staff, as needed, to administer the committee, obtain necessary information from outside sources, and prepare risk assessment reports on offenders.

(c) The committee shall have access to the following data on a predatory offender only for the purposes of its assessment and to defend the committee's risk assessment determination upon administrative review under this section:

(1) private medical data under section 13.384 or 144.335, or welfare data under section 13.46 that relate to medical treatment of the offender;

(2) private and confidential court services data under section 13.84;

(3) private and confidential corrections data under section 13.85; and

(4) private criminal history data under section 13.87.

Data collected and maintained by the committee under this paragraph may not be disclosed outside the committee, except as provided under section 13.05, subdivision 3 or 4. The predatory offender has access to data on the offender collected and maintained by the committee, unless the data are confidential data received under this paragraph.

(d)(i) Except as otherwise provided in ~~item~~ items (ii), (iii), and (iv), at least 90 days before a predatory offender is to be released from confinement, the commissioner of corrections shall convene the appropriate end-of-confinement review committee for the purpose of assessing the risk presented by the offender and determining the risk level to which the offender shall be assigned under paragraph (e). The offender and the law enforcement agency that was responsible for the charge resulting in confinement shall be notified of the time and place of the committee's meeting. The offender has a right to be present and be heard at the meeting. The law enforcement agency may provide material in writing that is relevant to the offender's risk level to the chair of the committee. The committee shall use the risk factors described in paragraph (g) and the risk assessment scale developed under subdivision 2 to determine the offender's risk assessment score and risk level. Offenders scheduled for release from confinement shall be assessed by the committee established at the facility from which the offender is to be released.

(ii) If an offender is received for confinement in a facility with less than 90 days remaining in the offender's term of confinement, the offender's risk shall be assessed at the first regularly scheduled end of confinement review committee that convenes after the appropriate documentation for the risk assessment is assembled by the committee. The commissioner shall

make reasonable efforts to ensure that offender's risk is assessed and a risk level is assigned or reassigned at least 30 days before the offender's release date.

(iii) If the offender is subject to a mandatory life sentence under section 609.3455, subdivision 3 or 4, the commissioner of corrections shall convene the appropriate end-of-confinement review committee at least nine months before the offender's minimum term of imprisonment has been served. If the offender is received for confinement in a facility with less than nine months remaining before the offender's minimum term of imprisonment has been served, the committee shall conform its procedures to those outlined in item (ii) to the extent practicable.

(iv) If the offender is granted supervised release, the commissioner of corrections shall notify the appropriate end-of-confinement review committee that it needs to review the offender's previously determined risk level at its next regularly scheduled meeting. The commissioner shall make reasonable efforts to ensure that the offender's earlier risk level determination is reviewed and the risk level is confirmed or reassigned at least 60 days before the offender's release date. The committee shall give the report to the offender and to the law enforcement agency at least 60 days before an offender is released from confinement.

(e) The committee shall assign to risk level I a predatory offender whose risk assessment score indicates a low risk of reoffense. The committee shall assign to risk level II an offender whose risk assessment score indicates a moderate risk of reoffense. The committee shall assign to risk level III an offender whose risk assessment score indicates a high risk of reoffense.

(f) Before the predatory offender is released from confinement, the committee shall prepare a risk assessment report which specifies the risk level to which the offender has been assigned and the reasons underlying the committee's risk assessment decision. Except for an offender subject to a mandatory life sentence under section 609.3455, subdivision 3 or 4, who has not been granted supervised release, the committee shall give the report to the offender and to the law enforcement agency at least 60 days before an offender is released from confinement. If the offender is subject to a mandatory life sentence and has not yet served the entire minimum term of imprisonment, the committee shall give the report to the offender and to the commissioner at least six months before the offender is first eligible for release. If the risk assessment is performed under the circumstances described in paragraph (d), item (ii), the report shall be given to the offender and the law enforcement agency as soon as it is available. The committee also shall inform the offender of the availability of review under subdivision 6.

(g) As used in this subdivision, "risk factors" includes, but is not limited to, the following factors:

(1) the seriousness of the offense should the offender reoffend. This factor includes consideration of the following:

(i) the degree of likely force or harm;

(ii) the degree of likely physical contact; and

(iii) the age of the likely victim;

(2) the offender's prior offense history. This factor includes consideration of the following:

(i) the relationship of prior victims to the offender;

(ii) the number of prior offenses or victims;

(iii) the duration of the offender's prior offense history;

(iv) the length of time since the offender's last prior offense while the offender was at risk to commit offenses; and

(v) the offender's prior history of other antisocial acts;

(3) the offender's characteristics. This factor includes consideration of the following:

(i) the offender's response to prior treatment efforts; and

(ii) the offender's history of substance abuse;

(4) the availability of community supports to the offender. This factor includes consideration of the following:

(i) the availability and likelihood that the offender will be involved in therapeutic treatment;

(ii) the availability of residential supports to the offender, such as a stable and supervised living arrangement in an appropriate location;

(iii) the offender's familial and social relationships, including the nature and length of these relationships and the level of support that the offender may receive from these persons; and

(iv) the offender's lack of education or employment stability;

(5) whether the offender has indicated or credible evidence in the record indicates that the offender will reoffend if released into the community; and

(6) whether the offender demonstrates a physical condition that minimizes the risk of reoffense, including but not limited to, advanced age or a debilitating illness or physical condition.

(h) Upon the request of the law enforcement agency or the offender's corrections agent, the commissioner may reconvene the end-of-confinement review committee for the purpose of reassessing the risk level to which an offender has been assigned under paragraph (e). In a request for a reassessment, the law enforcement agency which was responsible for the charge resulting in confinement or agent shall list the facts and circumstances arising after the initial assignment or facts and circumstances known to law enforcement or the agent but not considered by the committee under paragraph (e) which support the request for a reassessment. The request for reassessment by the law enforcement agency must occur within 30 days of receipt of the report indicating the offender's risk level assignment. The offender's corrections agent, in consultation with the chief law enforcement officer in the area where the offender resides or intends to reside, may request a review of a risk level at any time if substantial evidence exists that the offender's risk level should be reviewed by an end-of-confinement review committee. This evidence includes, but is not limited to, evidence of treatment failures or completions, evidence of exceptional crime-free community adjustment or lack of appropriate adjustment, evidence of substantial community need to know more about the offender or mitigating circumstances that would narrow the proposed scope of notification, or other practical situations articulated and based in evidence of the offender's behavior while under supervision. Upon review of the request, the end-of-confinement review committee may reassign an offender to a different risk level. If the offender is reassigned to a higher risk level, the offender has the right to seek review of the committee's determination under subdivision 6.

(i) An offender may request the end-of-confinement review committee to reassess the offender's assigned risk level after three years have elapsed since the committee's initial risk assessment and may renew the request once every two years following subsequent denials. In a request for reassessment, the offender shall list the facts and circumstances which demonstrate that the offender no longer poses the same degree of risk to the community. In order for a request for a risk level reduction to be granted, the offender must demonstrate full compliance with supervised release conditions, completion of required post-release treatment programming, and full compliance with all registration requirements as detailed in section 243.166. The offender must also not have been convicted of any felony, gross misdemeanor, or misdemeanor offenses subsequent to the assignment of the original risk level. The committee shall follow the process outlined in paragraphs (a) to (c) in the reassessment. An offender who is incarcerated may not request a reassessment under this paragraph.

(j) Offenders returned to prison as release violators shall not have a right to a subsequent risk reassessment by the end-of-confinement review committee unless substantial evidence indicates that the offender's risk to the public has increased.

(k) ~~The commissioner shall establish an end-of-confinement review committee to assign a risk level to offenders who are released from a federal correctional facility in Minnesota or another state and who intend to reside in Minnesota, and to offenders accepted from another state under a reciprocal agreement for parole supervision under the interstate compact authorized by section 243.16. The committee shall make reasonable efforts to conform to the same timelines as applied to Minnesota cases. Offenders accepted from another state under a reciprocal agreement for probation supervision are not assigned a risk level, but are considered downward dispositional departures. The probation or court services officer and law enforcement officer shall manage such cases in accordance with section 244.10, subdivision 2a. The policies and procedures of the committee for federal offenders and interstate compact cases must be in accordance with all requirements as set forth in this section, unless restrictions caused by the nature of federal or interstate transfers prevents such conformance.~~

~~(l)~~ If the committee assigns a predatory offender to risk level III, the committee shall determine whether residency restrictions shall be included in the conditions of the offender's release based on the offender's pattern of offending behavior.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to persons subject to community notification on or after that date.

Sec. 13. Minnesota Statutes 2004, section 244.052, is amended by adding a subdivision to read:

Subd. 3a. [OFFENDERS FROM OTHER STATES AND OFFENDERS RELEASED FROM FEDERAL FACILITIES.] (a) Except as provided in paragraph (b), the commissioner shall establish an end-of-confinement review committee to assign a risk level:

(1) to offenders who are released from a federal correctional facility in Minnesota or a federal correctional facility in another state and who intend to reside in Minnesota;

(2) to offenders who are accepted from another state under the interstate compact authorized by section 243.16 or 243.1605 or any other authorized interstate agreement; and

(3) to offenders who are referred to the committee by local law enforcement agencies under paragraph (f).

(b) This subdivision does not require the commissioner to convene an end-of-confinement review committee for a person coming into Minnesota who is subject to probation under another state's law. The probation or court services officer and law enforcement officer shall manage such cases in accordance with section 244.10, subdivision 2a.

(c) The committee shall make reasonable efforts to conform to the same timelines applied to offenders released from a Minnesota correctional facility and shall collect all relevant information and records on offenders assessed and assigned a risk level under this subdivision. However, for offenders who were assigned the most serious risk level by another state, the committee must act promptly to collect the information required under this paragraph.

The end-of-confinement review committee must proceed in accordance with all requirements set forth in this section and follow all policies and procedures applied to offenders released from a Minnesota correctional facility in reviewing information and assessing the risk level of offenders covered by this subdivision, unless restrictions caused by the nature of federal or interstate transfers prevent such conformance. All of the provisions of this section apply to offenders who are assessed and assigned a risk level under this subdivision.

(d) If a local law enforcement agency learns or suspects that a person who is subject to this section is living in Minnesota and a risk level has not been assigned to the person under this section, the law enforcement agency shall provide this information to the Bureau of Criminal Apprehension and the commissioner of corrections within three business days.

(e) If the commissioner receives reliable information from a local law enforcement agency or the bureau that a person subject to this section is living in Minnesota and a local law enforcement agency so requests, the commissioner must determine if the person was assigned a risk level under

a law comparable to this section. If the commissioner determines that the law is comparable and public safety warrants, the commissioner, within three business days of receiving a request, shall notify the local law enforcement agency that it may, in consultation with the department, proceed with notification under subdivision 4 based on the person's out-of-state risk level. However, if the commissioner concludes that the offender is from a state with a risk level assessment law that is not comparable to this section, the extent of the notification may not exceed that of a risk level II offender under subdivision 4, paragraph (b), unless the requirements of paragraph (f) have been met. If an assessment is requested from the end-of-confinement review committee under paragraph (f), the local law enforcement agency may continue to disclose information under subdivision 4 until the committee assigns the person a risk level. After the committee assigns a risk level to an offender pursuant to a request made under paragraph (f), the information disclosed by law enforcement shall be consistent with the risk level assigned by the end-of-confinement review committee. The commissioner of corrections, in consultation with legal advisers, shall determine whether the law of another state is comparable to this section.

(f) If the local law enforcement agency wants to make a broader disclosure than is authorized under paragraph (e), the law enforcement agency may request that an end-of-confinement review committee assign a risk level to the offender. The local law enforcement agency shall provide to the committee all information concerning the offender's criminal history, the risk the offender poses to the community, and other relevant information. The department shall attempt to obtain other information relevant to determining which risk level to assign the offender. The committee shall promptly assign a risk level to an offender referred to the committee under this paragraph.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to persons subject to community notification on or after that date.

Sec. 14. Minnesota Statutes 2004, section 244.052, subdivision 4, is amended to read:

Subd. 4. [LAW ENFORCEMENT AGENCY; DISCLOSURE OF INFORMATION TO PUBLIC.] (a) The law enforcement agency in the area where the predatory offender resides, expects to reside, is employed, or is regularly found, shall disclose to the public any information regarding the offender contained in the report forwarded to the agency under subdivision 3, paragraph (f), that is relevant and necessary to protect the public and to counteract the offender's dangerousness, consistent with the guidelines in paragraph (b). The extent of the information disclosed and the community to whom disclosure is made must relate to the level of danger posed by the offender, to the offender's pattern of offending behavior, and to the need of community members for information to enhance their individual and collective safety.

(b) The law enforcement agency shall employ the following guidelines in determining the scope of disclosure made under this subdivision:

(1) if the offender is assigned to risk level I, the agency may maintain information regarding the offender within the agency and may disclose it to other law enforcement agencies. Additionally, the agency may disclose the information to any victims of or witnesses to the offense committed by the offender. The agency shall disclose the information to victims of the offense committed by the offender who have requested disclosure and to adult members of the offender's immediate household;

(2) if the offender is assigned to risk level II, the agency also may disclose the information to agencies and groups that the offender is likely to encounter for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution. These agencies and groups include the staff members of public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender. The agency also may disclose the information to individuals the agency believes are likely to be victimized by the offender. The agency's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the department of corrections or human services;

(3) if the offender is assigned to risk level III, the agency shall disclose the information to the persons and entities described in clauses (1) and (2) and to other members of the community

whom the offender is likely to encounter, unless the law enforcement agency determines that public safety would be compromised by the disclosure or that a more limited disclosure is necessary to protect the identity of the victim.

Notwithstanding the assignment of a predatory offender to risk level II or III, a law enforcement agency may not make the disclosures permitted or required by clause (2) or (3), if: the offender is placed or resides in a residential facility. However, if an offender is placed or resides in a residential facility, the offender and the head of the facility shall designate the offender's likely residence upon release from the facility and the head of the facility shall notify the commissioner of corrections or the commissioner of human services of the offender's likely residence at least 14 days before the offender's scheduled release date. The commissioner shall give this information to the law enforcement agency having jurisdiction over the offender's likely residence. The head of the residential facility also shall notify the commissioner of corrections or human services within 48 hours after finalizing the offender's approved relocation plan to a permanent residence. Within five days after receiving this notification, the appropriate commissioner shall give to the appropriate law enforcement agency all relevant information the commissioner has concerning the offender, including information on the risk factors in the offender's history and the risk level to which the offender was assigned. After receiving this information, the law enforcement agency shall make the disclosures permitted or required by clause (2) or (3), as appropriate.

(c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

(1) the organizations or community members are in a location or in close proximity to a location where the offender lives or is employed, or which the offender visits or is likely to visit on a regular basis, other than the location of the offender's outpatient treatment program; and

(2) the types of interaction which ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably certain.

(d) A law enforcement agency or official who discloses information under this subdivision shall make a good faith effort to make the notification within 14 days of receipt of a confirmed address from the Department of Corrections indicating that the offender will be, or has been, released from confinement, or accepted for supervision, or has moved to a new address and will reside at the address indicated. If a change occurs in the release plan, this notification provision does not require an extension of the release date.

(e) A law enforcement agency or official who discloses information under this subdivision shall not disclose the identity or any identifying characteristics of the victims of or witnesses to the offender's offenses.

(f) A law enforcement agency shall continue to disclose information on an offender as required by this subdivision for as long as the offender is required to register under section 243.166. This requirement on a law enforcement agency to continue to disclose information also applies to an offender who lacks a primary address and is registering under section 243.166, subdivision 3a.

(g) A law enforcement agency that is disclosing information on an offender assigned to risk level III to the public under this subdivision shall inform the commissioner of corrections what information is being disclosed and forward this information to the commissioner within two days of the agency's determination. The commissioner shall post this information on the Internet as required in subdivision 4b.

(h) A city council may adopt a policy that addresses when information disclosed under this subdivision must be presented in languages in addition to English. The policy may address when information must be presented orally, in writing, or both in additional languages by the law enforcement agency disclosing the information. The policy may provide for different approaches based on the prevalence of non-English languages in different neighborhoods.

(i) An offender who is the subject of a community notification meeting held pursuant to this section may not attend the meeting.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to persons subject to community notification on or after that date.

Sec. 15. Minnesota Statutes 2004, section 244.052, is amended by adding a subdivision to read:

Subd. 4c. [LAW ENFORCEMENT AGENCY; DISCLOSURE OF INFORMATION TO A HEALTH CARE FACILITY.] (a) The law enforcement agency in the area where a health care facility is located shall disclose the registrant status of any predatory offender registered under section 243.166 to the health care facility if the registered offender is receiving inpatient care in that facility.

(b) As used in this section, "health care facility" means a hospital or other entity licensed under sections 144.50 to 144.58, a nursing home licensed to serve adults under section 144A.02, or a group residential housing facility or an intermediate care facility for the mentally retarded licensed under chapter 245A.

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

Sec. 16. [244.056] [PREDATORY OFFENDER SEEKING HOUSING IN JURISDICTION OF DIFFERENT CORRECTIONS AGENCY.]

If a corrections agency supervising an offender who is required to register as a predatory offender under section 243.166 and who is classified by the department as a public risk monitoring case has knowledge that the offender is seeking housing arrangements in a location under the jurisdiction of another corrections agency, the agency shall notify the other agency of this and initiate a supervision transfer request.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 17. [244.057] [PLACEMENT OF PREDATORY OFFENDER IN HOUSEHOLD WITH CHILDREN.]

A corrections agency supervising an offender required to register as a predatory offender under section 243.166 shall notify the appropriate child protection agency before authorizing the offender to live in a household where children are residing.

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

Sec. 18. Minnesota Statutes 2004, section 244.10, subdivision 2a, is amended to read:

Subd. 2a. [NOTICE OF INFORMATION REGARDING PREDATORY OFFENDERS.] (a) Subject to paragraph (b), in any case in which a person is convicted of an offense and the presumptive sentence under the Sentencing Guidelines is commitment to the custody of the commissioner of corrections, if the court grants a dispositional departure and stays imposition or execution of sentence, the probation or court services officer who is assigned to supervise the offender shall provide in writing to the following the fact that the offender is on probation and the terms and conditions of probation:

(1) a victim of and any witnesses to the offense committed by the offender, if the victim or the witness has requested notice; and

(2) the chief law enforcement officer in the area where the offender resides or intends to reside.

The law enforcement officer, in consultation with the offender's probation officer, may provide all or part of this information to any of the following agencies or groups the offender is likely to encounter: public and private educational institutions, day care establishments, and establishments or organizations that primarily serve individuals likely to be victimized by the offender. The law enforcement officer, in consultation with the offender's probation officer, also may disclose the information to individuals the officer believes are likely to be victimized by the offender. The officer's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the Department of Corrections or Department of Human Services.

The probation officer is not required under this subdivision to provide any notice while the offender is placed or resides in a residential facility that is licensed under section 245A.02, subdivision 14, or 241.021, if the facility staff is trained in the supervision of sex offenders.

(b) Paragraph (a) applies only to offenders required to register under section 243.166, as a result of the conviction.

(c) The notice authorized by paragraph (a) shall be limited to data classified as public under section 13.84, subdivision 6, unless the offender provides informed consent to authorize the release of nonpublic data or unless a court order authorizes the release of nonpublic data.

(d) Nothing in this subdivision shall be interpreted to impose a duty on any person to use any information regarding an offender about whom notification is made under this subdivision.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to offenders entering the state, released from confinement, subject to community notification, or sentenced on or after that date.

Sec. 19. Minnesota Statutes 2004, section 253B.18, subdivision 5, is amended to read:

Subd. 5. [PETITION; NOTICE OF HEARING; ATTENDANCE; ORDER.] (a) A petition for an order of transfer, discharge, provisional discharge, or revocation of provisional discharge shall be filed with the commissioner and may be filed by the patient or by the head of the treatment facility. A patient may not petition the special review board for six months following commitment under subdivision 3 or following the final disposition of any previous petition and subsequent appeal by the patient. The medical director may petition at any time.

(b) Fourteen days prior to the hearing, the committing court, the county attorney of the county of commitment, the designated agency, interested person, the petitioner, and the petitioner's counsel shall be given written notice by the commissioner of the time and place of the hearing before the special review board. Only those entitled to statutory notice of the hearing or those administratively required to attend may be present at the hearing. The patient may designate interested persons to receive notice by providing the names and addresses to the commissioner at least 21 days before the hearing. The board shall provide the commissioner with written findings of fact and recommendations within 21 days of the hearing. The commissioner shall issue an order no later than 14 days after receiving the recommendation of the special review board. A copy of the order shall be sent by certified mail to every person entitled to statutory notice of the hearing within five days after it is signed. No order by the commissioner shall be effective sooner than 30 days after the order is signed, unless the county attorney, the patient, and the commissioner agree that it may become effective sooner.

(c) The special review board shall hold a hearing on each petition prior to making its recommendation to the commissioner. The special review board proceedings are not contested cases as defined in chapter 14. Any person or agency receiving notice that submits documentary evidence to the special review board prior to the hearing shall also provide copies to the patient, the patient's counsel, the county attorney of the county of commitment, the case manager, and the commissioner.

(d) Prior to the final decision by the commissioner, the special review board may be reconvened to consider events or circumstances that occurred subsequent to the hearing.

(e) In making their recommendations and order, the special review board and commissioner must consider any statements received from victims under subdivision 5a.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 20. Minnesota Statutes 2004, section 253B.18, is amended by adding a subdivision to read:

Subd. 5a. [VICTIM NOTIFICATION OF PETITION AND RELEASE; RIGHT TO SUBMIT STATEMENT.] (a) As used in this subdivision:

(1) "crime" has the meaning given to "violent crime" in section 609.1095, and includes criminal sexual conduct in the fifth degree and offenses within the definition of "crime against the person" in section 253B.02, subdivision 4a, and also includes offenses listed in section 253B.02, subdivision 7a, paragraph (b), regardless of whether they are sexually motivated;

(2) "victim" means a person who has incurred loss or harm as a result of a crime the behavior for which forms the basis for a commitment under this section or section 253B.185; and

(3) "convicted" and "conviction" have the meanings given in section 609.02, subdivision 5, and also include juvenile court adjudications, findings under Minnesota Rules of Criminal Procedure, Rule 20.02, that the elements of a crime have been proved, and findings in commitment cases under this section or section 253B.185 that an act or acts constituting a crime occurred.

(b) A county attorney who files a petition to commit a person under this section or section 253B.185 shall make a reasonable effort to provide prompt notice of filing the petition to any victim of a crime for which the person was convicted. In addition, the county attorney shall make a reasonable effort to promptly notify the victim of the resolution of the petition.

(c) Before provisionally discharging, discharging, granting pass-eligible status, approving a pass plan, or otherwise permanently or temporarily releasing a person committed under this section or section 253B.185 from a treatment facility, the head of the treatment facility shall make a reasonable effort to notify any victim of a crime for which the person was convicted that the person may be discharged or released and that the victim has a right to submit a written statement regarding decisions of the medical director, special review board, or commissioner with respect to the person. To the extent possible, the notice must be provided at least 14 days before any special review board hearing or before a determination on a pass plan.

(d) This subdivision applies only to victims who have requested notification by contacting, in writing, the county attorney in the county where the conviction for the crime occurred. A county attorney who receives a request for notification under this paragraph shall promptly forward the request to the commissioner of human services.

(e) The rights under this subdivision are in addition to rights available to a victim under chapter 611A. This provision does not give a victim all the rights of a "notified person" or a person "entitled to statutory notice" under subdivision 4a, 4b, or 5.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 21. Minnesota Statutes 2004, section 609.108, subdivision 7, is amended to read:

Subd. 7. [COMMISSIONER OF CORRECTIONS.] The commissioner shall develop a plan to pay the cost of treatment of a person released under subdivision 6. The plan may include co-payments from offenders, third-party payers, local agencies, or other funding sources as they are identified. This section does not require the commissioner to accept or retain an offender in a treatment program.

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

Sec. 22. Minnesota Statutes 2004, section 609.109, subdivision 7, is amended to read:

Subd. 7. [CONDITIONAL RELEASE OF SEX OFFENDERS.] (a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the Sentencing Guidelines, when a court sentences a person to prison for a violation of section 609.342, 609.343, 609.344, or 609.345, the court shall provide that after the person has completed the sentence imposed, the commissioner of corrections shall place the person on conditional release. If the person was convicted for a violation of section 609.342, 609.343, 609.344, or 609.345, the person shall be placed on conditional release for five years, minus the time the person served on supervised release. If the person was convicted for a violation of one of those sections after a previous sex offense conviction as defined in subdivision 5, or sentenced under subdivision 6 to a mandatory departure, the person shall be placed on conditional release for ten years, minus the time the person served on supervised release.

(b) The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve the remaining portion of the conditional release term in prison. The commissioner shall not dismiss the offender from supervision before the conditional release term expires.

Conditional release under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.

(c) The commissioner shall develop a plan to pay the cost of treatment of a person released under this subdivision. The plan may include co-payments from offenders, third-party payers, local agencies, and other funding sources as they are identified. This section does not require the commissioner to accept or retain an offender in a treatment program.

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

Sec. 23. Minnesota Statutes 2004, section 609.3452, subdivision 1, is amended to read:

Subdivision 1. [ASSESSMENT REQUIRED.] When a person is convicted of a sex offense, the court shall order an independent professional assessment of the offender's need for sex offender treatment to be completed before sentencing. The court may waive the assessment if: (1) the Sentencing Guidelines provide a presumptive prison sentence for the offender, or (2) an adequate assessment was conducted prior to the conviction. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 24. [609.3456] [USE OF POLYGRAPHS FOR SEX OFFENDERS ON PROBATION OR CONDITIONAL RELEASE.]

(a) A court may order as an intermediate sanction under section 609.135 and the commissioner of corrections may order as a condition of release under section 244.05 or 609.3455 that an offender under supervision for a sex offense submit to polygraphic examinations to ensure compliance with the terms of probation or conditions of release.

(b) The court or commissioner may order the offender to pay all or a portion of the costs of the examinations. The fee may be waived if the offender is indigent or if payment would result in an economic hardship to the offender's immediate family.

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

Sec. 25. Minnesota Statutes 2004, section 626.556, subdivision 3, is amended to read:

Subd. 3. [PERSONS MANDATED TO REPORT.] (a) A person who knows or has reason to believe a child is being neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, correctional supervision, or law enforcement; or

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c).

The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and

in writing. The local welfare agency, or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency, agency responsible for assessing or investigating reports, and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency.

(b) Any person may voluntarily report to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or chapter 245B; or a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16; and 256B.0625, subdivision 19. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b. A board or other entity whose licensees perform work within a school facility, upon receiving a complaint of alleged maltreatment, shall provide information about the circumstances of the alleged maltreatment to the commissioner of education. Section 13.03, subdivision 4, applies to data received by the commissioner of education from a licensing entity.

(d) Any person mandated to report shall receive a summary of the disposition of any report made by that reporter, including whether the case has been opened for child protection or other services, or if a referral has been made to a community organization, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 26. [PROTOCOL ON USE OF POLYGRAPHS.]

By September 1, 2005, the state court administrator, in consultation with the Conference of Chief Judges, is requested to develop a protocol for the use of polygraphic examinations for sex offenders placed on probation under Minnesota Statutes, section 609.3456. This protocol shall be distributed to judges across the state.

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

Sec. 27. [SUPREME COURT STUDY ON SEXUALLY DANGEROUS PERSON AND SEXUAL PSYCHOPATHIC PERSONALITY CIVIL COMMITMENTS.]

Subdivision 1. [ESTABLISHMENT.] The Supreme Court is requested to study the following related to the civil commitment of sexually dangerous persons and sexual psychopathic personalities under Minnesota Statutes, section 253B.185:

(1) the development and use of a statewide panel of defense attorneys to represent those persons after a commitment petition is filed; and

(2) the development and use of a statewide panel of judges to hear these petitions.

Subd. 2. [REPORT.] The Supreme Court shall report its findings and recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions having jurisdiction over criminal justice and civil law policy and funding by February 1, 2006.

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

Sec. 28. [WORKING GROUP ON SEX OFFENDER MANAGEMENT.]

Subdivision 1. [WORKING GROUP ESTABLISHED.] The commissioner of corrections shall convene a working group of individuals knowledgeable in the supervision and treatment of sex offenders. The group must include individuals from both inside and outside of the Department of Corrections. The commissioner shall ensure broad representation in the group, including representatives from all three probation systems and from diverse parts of the state. The working group shall study and make recommendations on the issues listed in this section. To the degree feasible, the group shall consider how these issues are addressed in other states.

Subd. 2. [ISSUES TO BE STUDIED.] The working group shall review and make recommendations on:

(1) statewide standards regarding the minimum frequency of in-person contacts between sex offenders and their correctional agents, including, but not limited to, home visits;

(2) a model set of special conditions of sex offender supervision that can be used by courts and corrections agencies throughout Minnesota;

(3) statewide standards regarding the documentation by correctional agents of their supervision activities;

(4) standards to provide corrections agencies with guidance regarding sex offender assessment practices;

(5) policies that encourage sentencing conditions and prison release plans to clearly distinguish between sex offender treatment programs and other types of programs and services and to clearly specify which type of program the offender is required to complete;

(6) ways to improve the Department of Corrections' prison release planning practices for sex offenders, including sex offenders with chemical dependency needs or mental health needs;

(7) methods and timetables for periodic external reviews of sex offender supervision practices;

(8) statewide standards for the use of polygraphs by corrections agencies and sex offender treatment programs;

(9) statewide standards specifying basic program elements for community-based sex offender treatment programs, including, but not limited to, staff qualifications, case planning, use of polygraphs, and progress reports prepared for supervising agencies;

(10) a statewide protocol on the sharing of sex offender information between corrections agencies and child protection agencies in situations where offenders are placed in households where children reside;

(11) best practices for supervising sex offenders such as intensive supervised release, specialized caseloads, and other innovative methods, ideal caseload sizes for supervising agents, and methods to implement this in a manner that does not negatively impact the supervision of other types of offenders; and

(12) any other issues related to sex offender treatment and management that the working group deems appropriate.

Subd. 3. [REVIEW OF NEW LAWS.] The working group shall also review the provisions of any laws enacted in 2005 relating to sex offender supervision and treatment. The group shall make

recommendations on whether any changes to these provisions should be considered by the legislature.

Subd. 4. [REPORTS.] By February 15, 2006, the working group shall submit a progress report and by February 15, 2007, the working group shall submit its recommendations to the chairs and ranking minority members of the senate and house committees having jurisdiction over criminal justice policy.

Subd. 5. [POLICIES REQUIRED.] After considering the recommendations of the working group, the commissioner of corrections may implement policies and standards relating to the issues described in subdivision 2 over which the commissioner has jurisdiction.

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

Sec. 29. [PRISON-BASED SEX OFFENDER TREATMENT PROGRAMS; REPORT.]

By February 15, 2006, the commissioner of corrections shall report to the chairs and ranking minority members of the senate and house committees having jurisdiction over criminal justice policy on prison-based sex offender treatment programs. The report must:

(1) examine options for increasing the number of inmates participating in these programs;

(2) examine funding for these programs;

(3) examine options for treating inmates who have limited periods of time remaining in their terms of imprisonment;

(4) examine the merits and limitations of extending an inmate's term of imprisonment for refusing to participate in treatment; and

(5) examine any other related issues deemed relevant by the commissioner.

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

Sec. 30. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall change all references to Minnesota Statutes, section 243.166, subdivision 1, in Minnesota Statutes to section 243.166. In addition, the revisor shall make other technical changes necessitated by this article.

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

Sec. 31. [REPEALER.]

Minnesota Statutes 2004, section 243.166, subdivisions 1 and 8, are repealed.

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

ARTICLE 4

SEX OFFENDERS:

TECHNICAL AND CONFORMING CHANGES

Section 1. Minnesota Statutes 2004, section 13.871, subdivision 5, is amended to read:

Subd. 5. [CRIME VICTIMS.] (a) [CRIME VICTIM NOTICE OF RELEASE.] Data on crime victims who request notice of an offender's release are classified under section 611A.06.

(b) [SEX OFFENDER HIV TESTS.] Results of HIV tests of sex offenders under section 611A.19, subdivision 2, are classified under that section.

(c) [BATTERED WOMEN.] Data on battered women maintained by grantees for emergency shelter and support services for battered women are governed by section 611A.32, subdivision 5.

(d) [VICTIMS OF DOMESTIC ABUSE.] Data on battered women and victims of domestic abuse maintained by grantees and recipients of per diem payments for emergency shelter for battered women and support services for battered women and victims of domestic abuse are governed by sections 611A.32, subdivision 5, and 611A.371, subdivision 3.

(e) [PERSONAL HISTORY; INTERNAL AUDITING.] Certain personal history and internal auditing data is classified by section 611A.46.

(f) [CRIME VICTIM CLAIMS FOR REPARATIONS.] Claims and supporting documents filed by crime victims seeking reparations are classified under section 611A.57, subdivision 6.

(g) [CRIME VICTIM OVERSIGHT ACT.] Data maintained by the commissioner of public safety under the Crime Victim Oversight Act are classified under section 611A.74, subdivision 2.

(h) [VICTIM IDENTITY DATA.] Data relating to the identity of the victims of certain criminal sexual conduct is governed by section 609.3471.

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

Sec. 2. Minnesota Statutes 2004, section 14.03, subdivision 3, is amended to read:

Subd. 3. [RULEMAKING PROCEDURES.] (a) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) an application deadline on a form; and the remainder of a form and instructions for use of the form to the extent that they do not impose substantive requirements other than requirements contained in statute or rule;

(3) the curriculum adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices.

(b) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules of the commissioner of corrections relating to the release, placement, term, and supervision of inmates serving a supervised release or conditional release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(2) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(3) opinions of the attorney general;

(4) the data element dictionary and the annual data acquisition calendar of the Department of Education to the extent provided by section 125B.07;

(5) the occupational safety and health standards provided in section 182.655;

(6) revenue notices and tax information bulletins of the commissioner of revenue;

(7) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09; or

(8) the interpretive guidelines developed by the commissioner of human services to the extent provided in chapter 245A.

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

Sec. 3. Minnesota Statutes 2004, section 609.109, subdivision 2, is amended to read:

Subd. 2. [PRESUMPTIVE EXECUTED SENTENCE.] Except as provided in subdivision 3 or 4, if a person is convicted under sections 609.342 to ~~609.345~~ 609.3453, within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12, and 609.135. The court may stay the execution of the sentence imposed under this subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; and

(2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2004, section 609.109, subdivision 5, is amended to read:

Subd. 5. [PREVIOUS SEX OFFENSE CONVICTIONS.] For the purposes of this section, a conviction is considered a previous sex offense conviction if the person was convicted of a sex offense before the commission of the present offense of conviction. A person has two previous sex offense convictions only if the person was convicted and sentenced for a sex offense committed after the person was earlier convicted and sentenced for a sex offense, both convictions preceded the commission of the present offense of conviction, and 15 years have not elapsed since the person was discharged from the sentence imposed for the second conviction. A "sex offense" is a violation of sections 609.342 to ~~609.345~~ 609.3453 or any similar statute of the United States, this state, or any other state.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2004, section 609.1351, is amended to read:

609.1351 [PETITION FOR CIVIL COMMITMENT.]

When a court sentences a person under section 609.108, 609.342, 609.343, 609.344, ~~or~~ 609.345, or 609.3453, the court shall make a preliminary determination whether in the court's opinion a petition under section 253B.185 may be appropriate and include the determination as part of the sentencing order. If the court determines that a petition may be appropriate, the court shall forward its preliminary determination along with supporting documentation to the county attorney.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2004, section 609.347, is amended to read:

609.347 [EVIDENCE IN CRIMINAL SEXUAL CONDUCT CASES.]

Subdivision 1. In a prosecution under sections 609.109 ~~or~~, 609.342 to 609.3451, or 609.3453, the testimony of a victim need not be corroborated.

Subd. 2. In a prosecution under sections 609.109 ~~or~~, 609.342 to 609.3451, or 609.3453, there is no need to show that the victim resisted the accused.

Subd. 3. In a prosecution under sections 609.109, 609.342 to 609.3451, 609.3453, or 609.365, evidence of the victim's previous sexual conduct shall not be admitted nor shall any reference to such conduct be made in the presence of the jury, except by court order under the procedure provided in subdivision 4. The evidence can be admitted only if the probative value of the evidence is not substantially outweighed by its inflammatory or prejudicial nature and only in the circumstances set out in paragraphs (a) and (b). For the evidence to be admissible under paragraph (a), subsection (i), the judge must find by a preponderance of the evidence that the facts set out in the accused's offer of proof are true. For the evidence to be admissible under paragraph (a), subsection (ii) or paragraph (b), the judge must find that the evidence is sufficient to support a finding that the facts set out in the accused's offer of proof are true, as provided under Rule 901 of the Rules of Evidence.

(a) When consent of the victim is a defense in the case, the following evidence is admissible:

(i) evidence of the victim's previous sexual conduct tending to establish a common scheme or plan of similar sexual conduct under circumstances similar to the case at issue. In order to find a common scheme or plan, the judge must find that the victim made prior allegations of sexual assault which were fabricated; and

(ii) evidence of the victim's previous sexual conduct with the accused.

(b) When the prosecution's case includes evidence of semen, pregnancy, or disease at the time of the incident or, in the case of pregnancy, between the time of the incident and trial, evidence of specific instances of the victim's previous sexual conduct is admissible solely to show the source of the semen, pregnancy, or disease.

Subd. 4. The accused may not offer evidence described in subdivision 3 except pursuant to the following procedure:

(a) A motion shall be made by the accused at least three business days prior to trial, unless later for good cause shown, setting out with particularity the offer of proof of the evidence that the accused intends to offer, relative to the previous sexual conduct of the victim;

(b) If the court deems the offer of proof sufficient, the court shall order a hearing out of the presence of the jury, if any, and in such hearing shall allow the accused to make a full presentation of the offer of proof;

(c) At the conclusion of the hearing, if the court finds that the evidence proposed to be offered by the accused regarding the previous sexual conduct of the victim is admissible under subdivision 3 and that its probative value is not substantially outweighed by its inflammatory or prejudicial nature, the court shall make an order stating the extent to which evidence is admissible. The accused may then offer evidence pursuant to the order of the court;

(d) If new information is discovered after the date of the hearing or during the course of trial, which may make evidence described in subdivision 3 admissible, the accused may make an offer of proof pursuant to clause (a) and the court shall order an in camera hearing to determine whether the proposed evidence is admissible by the standards herein.

Subd. 5. In a prosecution under sections 609.109 ~~or~~, 609.342 to 609.3451, or 609.3453, the court shall not instruct the jury to the effect that:

(a) It may be inferred that a victim who has previously consented to sexual intercourse with persons other than the accused would be therefore more likely to consent to sexual intercourse again; or

(b) The victim's previous or subsequent sexual conduct in and of itself may be considered in determining the credibility of the victim; or

(c) Criminal sexual conduct is a crime easily charged by a victim but very difficult to disprove by an accused because of the heinous nature of the crime; or

(d) The jury should scrutinize the testimony of the victim any more closely than it should scrutinize the testimony of any witness in any felony prosecution.

Subd. 6. (a) In a prosecution under sections 609.109 ~~or~~, 609.342 to 609.3451, or 609.3453, involving a psychotherapist and patient, evidence of the patient's personal or medical history is not admissible except when:

(1) the accused requests a hearing at least three business days prior to trial and makes an offer of proof of the relevancy of the history; and

(2) the court finds that the history is relevant and that the probative value of the history outweighs its prejudicial value.

(b) The court shall allow the admission only of specific information or examples of conduct of the victim that are determined by the court to be relevant. The court's order shall detail the information or conduct that is admissible and no other evidence of the history may be introduced.

(c) Violation of the terms of the order is grounds for mistrial but does not prevent the retrial of the accused.

Subd. 7. [EFFECT OF STATUTE ON RULES.] Rule 412 of the Rules of Evidence is superseded to the extent of its conflict with this section.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2004, section 609.3471, is amended to read:

609.3471 [RECORDS PERTAINING TO VICTIM IDENTITY CONFIDENTIAL.]

Notwithstanding any provision of law to the contrary, no data contained in records or reports relating to petitions, complaints, or indictments issued pursuant to section 609.342~~;~~, 609.343~~;~~, 609.344~~; or~~, 609.345, or 609.3453, which specifically identifies a victim who is a minor shall be accessible to the public, except by order of the court. Nothing in this section authorizes denial of access to any other data contained in the records or reports, including the identity of the defendant.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2004, section 609.348, is amended to read:

609.348 [MEDICAL PURPOSES; EXCLUSION.]

Sections 609.109 ~~and~~, 609.342 to 609.3451, and 609.3453 do not apply to sexual penetration or sexual contact when done for a bona fide medical purpose.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2004, section 609.353, is amended to read:

609.353 [JURISDICTION.]

A violation or attempted violation of section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or 609.352 may be prosecuted in any jurisdiction in which the violation originates or terminates.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2004, section 631.045, is amended to read:

631.045 [EXCLUDING SPECTATORS FROM THE COURTROOM.]

At the trial of a complaint or indictment for a violation of sections 609.109, 609.341 to 609.3451, 609.3453, or 617.246, subdivision 2, when a minor under 18 years of age is the person upon, with, or against whom the crime is alleged to have been committed, the judge may exclude the public from the courtroom during the victim's testimony or during all or part of the remainder of the trial upon a showing that closure is necessary to protect a witness or ensure fairness in the trial. The judge shall give the prosecutor, defendant and members of the public the opportunity to object to the closure before a closure order. The judge shall specify the reasons for closure in an order closing all or part of the trial. Upon closure the judge shall only admit persons who have a direct interest in the case.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 11. [REVISOR INSTRUCTION.]

(a) The revisor of statutes shall renumber Minnesota Statutes, section 609.3452, as Minnesota Statutes, section 609.3457, and correct cross-references. In addition, the revisor shall delete the reference in Minnesota Statutes, section 13.871, subdivision 3, paragraph (d), to Minnesota Statutes, section 609.3452, and insert a reference to Minnesota Statutes, section 609.3457. The revisor shall include a notation in Minnesota Statutes to inform readers of the statutes of the renumbering of Minnesota Statutes, section 609.3457.

(b) In addition to the specific changes described in paragraph (a), the revisor of statutes shall make other technical changes necessitated by this act.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

ARTICLE 5

HUMAN SERVICES ACCESS TO PREDATORY OFFENDER REGISTRY

Section 1. Minnesota Statutes 2004, section 243.166, subdivision 7, is amended to read:

Subd. 7. [USE OF ~~INFORMATION~~ DATA.] Except as otherwise provided in subdivision 7a or sections 244.052 and 299C.093, the ~~information~~ data provided under this section is private data on individuals under section 13.02, subdivision 12. The ~~information~~ data may be used only for law enforcement and corrections purposes. State-operated services, as defined in section 246.014, are also authorized to have access to the data for the purposes described in section 246.13, subdivision 2, paragraph (c).

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

Sec. 2. Minnesota Statutes 2004, section 246.13, is amended to read:

246.13 [~~RECORD~~ RECORDS OF PATIENTS AND RESIDENTS ~~IN~~ RECEIVING STATE-OPERATED SERVICES.]

Subdivision 1. [POWERS, DUTIES, AND AUTHORITY OF COMMISSIONER.] (a) The commissioner of human services' office shall have, accessible only by consent of the commissioner or on the order of a judge or court of record, a record showing the residence, sex, age, nativity, occupation, civil condition, and date of entrance or commitment of every person, in the state-operated services facilities as defined under section 246.014 under exclusive control of the commissioner; the date of discharge and whether such discharge was final; the condition of the person when the person left the state-operated services facility; the vulnerable adult abuse prevention associated with the person; and the date and cause of all deaths. The record shall state every transfer from one state-operated services facility to another, naming each state-operated services facility. This information shall be furnished to the commissioner of human services by each public agency, along with other obtainable facts as the commissioner may require. When a patient or resident in a state-operated services facility is discharged, transferred, or dies, the head of the state-operated services facility or designee shall inform the commissioner of human services of these events within ten days on forms furnished by the commissioner.

(b) The commissioner of human services shall cause to be devised, installed, and operated an adequate system of records and statistics which shall consist of all basic record forms, including patient personal records and medical record forms, and the manner of their use shall be precisely uniform throughout all state-operated services facilities.

Subd. 2. [DEFINITIONS; RISK ASSESSMENT AND MANAGEMENT.] (a) As used in this section:

(1) "appropriate and necessary medical and other records" includes patient medical records and other protected health information as defined by Code of Federal Regulations, title 45, section 164.501, relating to a patient in a state-operated services facility including, but not limited to, the patient's treatment plan and abuse prevention plan that is pertinent to the patient's ongoing care, treatment, or placement in a community-based treatment facility or a health care facility that is not operated by state-operated services, and includes information describing the level of risk posed by a patient when the patient enters such a facility;

(2) "community-based treatment" means the community support services listed in section 253B.02, subdivision 4b;

(3) "criminal history data" means those data maintained by the Departments of Corrections and Public Safety and by the supervisory authorities listed in section 13.84, subdivision 1, that relate to an individual's criminal history or propensity for violence; including data in the Corrections Offender Management System (COMS) and Statewide Supervision System (S3) maintained by the Department of Corrections; the Criminal Justice Information System (CJIS) and the Predatory Offender Registration (POR) system maintained by the Department of Public Safety; and the CriMNet system;

(4) "designated agency" means the agency defined in section 253B.02, subdivision 5;

(5) "law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release;

(6) "predatory offender" and "offender" mean a person who is required to register as a predatory offender under section 243.166; and

(7) "treatment facility" means a facility as defined in section 253B.02, subdivision 19.

(b) To promote public safety and for the purposes and subject to the requirements of paragraph (c), the commissioner or the commissioner's designee shall have access to, and may review and disclose, medical and criminal history data as provided by this section.

(c) The commissioner or the commissioner's designee shall disseminate data to designated treatment facility staff, special review board members, and end-of-confinement review committee members in accordance with Minnesota Rules, part 1205.0400, to:

(1) determine whether a patient is required under state law to register as a predatory offender according to section 243.166;

(2) facilitate and expedite the responsibilities of the special review board and end-of-confinement review committees by corrections institutions and state treatment facilities;

(3) prepare, amend, or revise the abuse prevention plans required under section 626.557, subdivision 14, and individual patient treatment plans required under section 253B.03, subdivision 7;

(4) facilitate changes of custody and transfers of individuals between the Department of Corrections and the Department of Human Services; and

(5) facilitate the exchange of data between the Department of Corrections, the Department of Human Services, and any of the supervisory authorities listed in section 13.84, regarding an individual under the authority of one or more of these entities.

(d) If approved by the United States Department of Justice, the commissioner may have access to national criminal history information, through the Department of Public Safety, in support of the law enforcement function described in paragraph (c). If approval of the United States Department of Justice is not obtained by the commissioner before July 1, 2007, the authorization in this paragraph sunsets on that date.

Subd. 3. [COMMUNITY-BASED TREATMENT AND MEDICAL TREATMENT.] (a) When a patient under the care and supervision of state-operated services is released to a community-based treatment facility or facility that provides health care services, state-operated services may disclose all appropriate and necessary health and other information relating to the patient.

(b) The information that must be provided to the designated agency, community-based treatment facility, or facility that provides health care services includes, but is not limited to, the patient's abuse prevention plan required under section 626.557, subdivision 14, paragraph (b).

Subd. 4. [PREDATORY OFFENDER REGISTRATION NOTIFICATION.] (a) When a state-operated facility determines that a patient is required under section 243.166, subdivision 1, to register as a predatory offender or, under section 243.166, subdivision 4a, to provide notice of a change in status, the facility shall provide written notice to the patient of the requirement.

(b) If the patient refuses, is unable, or lacks capacity to comply with the requirement described in paragraph (a) within five days after receiving the notification of the duty to comply, state-operated services staff shall obtain and disclose the necessary data to complete the registration form or change of status notification for the patient. The treatment facility shall also forward the registration or change of status data that it completes to the Bureau of Criminal Apprehension and, as applicable, the patient's corrections agent and the law enforcement agency in the community in which the patient currently resides. If, after providing notification, the patient refuses to comply with the requirements described in paragraph (a), the treatment facility shall also notify the county attorney in the county in which the patient is currently residing of the refusal.

(c) The duties of state-operated services described in this subdivision do not relieve the patient of the ongoing individual duty to comply with the requirements of section 243.166.

Subd. 5. [LIMITATIONS ON USE OF BLOODBORNE PATHOGEN TEST RESULTS.] Sections 246.71, 246.711, 246.712, 246.713, 246.714, 246.715, 246.716, 246.717, 246.718, 246.719, 246.72, 246.721, and 246.722 apply to state-operated services facilities.

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

Sec. 3. Minnesota Statutes 2004, section 253B.18, subdivision 4a, is amended to read:

Subd. 4a. [RELEASE ON PASS; NOTIFICATION.] A patient who has been committed as a person who is mentally ill and dangerous and who is confined at a secure treatment facility or has been transferred out of a state-operated services facility according to section 253B.18, subdivision 6, shall not be released on a pass unless the pass is part of a pass plan that has been approved by the medical director of the secure treatment facility. The pass plan must have a specific therapeutic purpose consistent with the treatment plan, must be established for a specific period of time, and must have specific levels of liberty delineated. The county case manager must be invited to participate in the development of the pass plan. At least ten days prior to a determination on the plan, the medical director shall notify the designated agency, the committing court, the county attorney of the county of commitment, an interested person, the local law enforcement agency where the facility is located, the local law enforcement agency in the location where the pass is to occur, the petitioner, and the petitioner's counsel of the plan, the nature of the passes proposed, and their right to object to the plan. If any notified person objects prior to the proposed date of implementation, the person shall have an opportunity to appear, personally or in writing, before the medical director, within ten days of the objection, to present grounds for opposing the plan. The pass plan shall not be implemented until the objecting person has been furnished that opportunity. Nothing in this subdivision shall be construed to give a patient an affirmative right to a pass plan.

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

Sec. 4. Minnesota Statutes 2004, section 299C.093, is amended to read:

299C.093 [DATABASE OF REGISTERED PREDATORY OFFENDERS.]

The superintendent of the Bureau of Criminal Apprehension shall maintain a computerized data system relating to individuals required to register as predatory offenders under section 243.166. To the degree feasible, the system must include the ~~information~~ data required to be provided under section 243.166, subdivisions 4 and 4a, and indicate the time period that the person is required to register. The superintendent shall maintain this ~~information~~ data in a manner that ensures that it is readily available to law enforcement agencies. This ~~information~~ data is private data on individuals under section 13.02, subdivision 12, but may be used for law enforcement and corrections purposes. State-operated services, as defined in section 246.014, are also authorized to have access to the data for the purposes described in section 246.13, subdivision 2, paragraph (c).

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

Sec. 5. Minnesota Statutes 2004, section 626.557, subdivision 14, is amended to read:

Subd. 14. [ABUSE PREVENTION PLANS.] (a) Each facility, except home health agencies and personal care attendant services providers, shall establish and enforce an ongoing written abuse prevention plan. The plan shall contain an assessment of the physical plant, its environment, and its population identifying factors which may encourage or permit abuse, and a statement of specific measures to be taken to minimize the risk of abuse. The plan shall comply with any rules governing the plan promulgated by the licensing agency.

(b) Each facility, including a home health care agency and personal care attendant services providers, shall develop an individual abuse prevention plan for each vulnerable adult residing there or receiving services from them. The plan shall contain an individualized assessment of: (1) the person's susceptibility to abuse by other individuals, including other vulnerable adults~~,~~; (2) the person's risk of abusing other vulnerable adults; and ~~a statement~~ (3) statements of the specific measures to be taken to minimize the risk of abuse to that person and other vulnerable adults. For the purposes of this ~~clause~~ paragraph, the term "abuse" includes self-abuse.

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

Sec. 6. [REPEALER.]

Minnesota Statutes 2004, section 246.017, subdivision 1, is repealed.

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

ARTICLE 6

HUMAN SERVICES BACKGROUND STUDIES

Section 1. Minnesota Statutes 2004, section 245C.13, subdivision 2, is amended to read:

Subd. 2. [DIRECT CONTACT PENDING COMPLETION OF BACKGROUND STUDY.] ~~Unless otherwise specified, the subject of a background study may have direct contact with persons served by a program after the background study form is mailed or submitted to the commissioner pending notification of the study results under section 245C.17.~~ The subject of a background study may not perform any activity requiring a background study under paragraph (b) until the commissioner has issued one of the notices under paragraph (a).

(a) Notices from the commissioner required prior to activity under paragraph (b) include:

(1) a notice of the study results under section 245C.17 stating that:

(i) the individual is not disqualified; or

(ii) more time is needed to complete the study but the individual is not required to be removed

from direct contact or access to people receiving services prior to completion of the study as provided under section 245A.17, paragraph (c);

(2) a notice that a disqualification has been set aside under section 245C.23; or

(3) a notice that a variance has been granted related to the individual under section 245C.30.

(b) Activities prohibited prior to receipt of notice under paragraph (a) include:

(1) being issued a license;

(2) living in the household where the licensed program will be provided;

(3) providing direct contact services to persons served by a program unless the subject is under continuous direct supervision; or

(4) having access to persons receiving services if the background study was completed under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2), (5), or (6), unless the subject is under continuous direct supervision.

Sec. 2. Minnesota Statutes 2004, section 245C.15, subdivision 1, is amended to read:

Subdivision 1. [PERMANENT DISQUALIFICATION.] (a) An individual is disqualified under section 245C.14 if: (1) regardless of how much time has passed since the discharge of the sentence imposed for the offense; and (2) unless otherwise specified, regardless of the level of the conviction, the individual is convicted of any of the following offenses: sections 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.221 or 609.222 (assault in the first or second degree); a felony offense under sections 609.2242 and 609.2243 (domestic assault), spousal abuse, child abuse or neglect, or a crime against children; 609.228 (great bodily harm caused by distribution of drugs); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.322 (solicitation, inducement, and promotion of prostitution); a felony offense under 609.324, subdivision 1 (other prohibited acts); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest); a felony offense under 609.377 (malicious punishment of a child); a felony offense under 609.378 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.66, subdivision 1e (drive-by shooting); 609.749, subdivision 3, 4, or 5 (felony-level harassment; stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); 617.246 (use of minors in sexual performance prohibited); or 617.247 (possession of pictorial representations of minors). An individual also is disqualified under section 245C.14 regardless of how much time has passed since the involuntary termination of the individual's parental rights under section 260C.301.

(b) An individual's attempt or conspiracy to commit any of the offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes, permanently disqualifies the individual under section 245C.14.

(c) An individual's offense in any other state or country, where the elements of the offense are substantially similar to any of the offenses listed in paragraph (a), permanently disqualifies the individual under section 245C.14.

Sec. 3. Minnesota Statutes 2004, section 245C.17, subdivision 1, is amended to read:

Subdivision 1. [TIME FRAME FOR NOTICE OF STUDY RESULTS.] (a) Within 15 working days after the commissioner's receipt of the background study form, the commissioner shall notify the individual who is the subject of the study in writing or by electronic transmission of the results of the study or that more time is needed to complete the study.

(b) Within 15 working days after the commissioner's receipt of the background study form submitted on paper, the commissioner shall notify the applicant, license holder, or other entity as provided in this chapter in writing or by electronic transmission of the results of the study or that more time is needed to complete the study.

(c) Within three days after the commissioner's receipt of a request for a background study submitted through the commissioner's online system, the commissioner shall provide an electronic notification to the applicant, license holder, or other entity as provided in this chapter. The electronic notification shall disclose the results of the study or that more time is needed to complete the study.

(d) When the commissioner has completed a prior background study on an individual that resulted in an order for immediate removal and more time is necessary to complete a subsequent study, the notice that more time is needed that is issued under paragraphs (a), (b), and (c) shall include an order for immediate removal of the individual from any position allowing direct contact with or access to people receiving services pending completion of the background study.

Sec. 4. Minnesota Statutes 2004, section 245C.17, subdivision 2, is amended to read:

Subd. 2. [DISQUALIFICATION NOTICE SENT TO SUBJECT.] (a) If the information in the study indicates the individual is disqualified from direct contact with, or from access to, persons served by the program, the commissioner shall disclose to the individual studied:

(1) the information causing disqualification;

(2) instructions on how to request a reconsideration of the disqualification; ~~and~~

(3) an explanation of any restrictions on the commissioner's discretion to set aside the disqualification under section 245C.24, when applicable to the individual;

(4) a statement indicating that if the individual's disqualification is set aside or the facility is granted a variance under section 245C.30, the individual's identity and the reason for the individual's disqualification will become public data under section 245C.22, subdivision 7, when applicable to the individual; and

(5) the commissioner's determination of the individual's immediate risk of harm under section 245C.16.

(b) If the commissioner determines under section 245C.16 that an individual poses an imminent risk of harm to persons served by the program where the individual will have direct contact, the commissioner's notice must include an explanation of the basis of this determination.

(c) If the commissioner determines under section 245C.16 that an individual studied does not pose a risk of harm that requires ~~continuous, direct supervision, the commissioner shall only notify the individual of the disqualification~~ immediate removal, the individual shall be informed of the conditions under which the agency that initiated the background study may allow the individual to provide direct contact services as provided under subdivision 3.

Sec. 5. Minnesota Statutes 2004, section 245C.17, subdivision 3, is amended to read:

Subd. 3. [DISQUALIFICATION NOTICE SENT TO APPLICANT, LICENSE HOLDER, OR OTHER ENTITY.] (a) The commissioner shall notify an applicant, license holder, or other entity as provided in this chapter who is not the subject of the study:

(1) that the commissioner has found information that disqualifies the individual studied from direct contact with, or from access to, persons served by the program; and

(2) the commissioner's determination of the individual's risk of harm under section 245C.16.

(b) If the commissioner determines under section 245C.16 that an individual studied poses an imminent risk of harm to persons served by the program where the individual studied will have direct contact, the commissioner shall order the license holder to immediately remove the individual studied from direct contact.

(c) If the commissioner determines under section 245C.16 that an individual studied poses a risk of harm that requires continuous, direct supervision, the commissioner shall order the applicant, license holder, or other entities as provided in this chapter to:

(1) immediately remove the individual studied from direct contact services; or

(2) before allowing the disqualified individual to provide direct contact services, the applicant, license holder, or other entity, as provided in this chapter, must:

(i) obtain from the disqualified individual a copy of the individual's notice of disqualification from the commissioner that explains the reason for disqualification;

(ii) ~~assure~~ ensure that the individual studied is under continuous, direct supervision when providing direct contact services during the period in which the individual may request a reconsideration of the disqualification under section 245C.21; and

(iii) ensure that the disqualified individual requests reconsideration within 30 days of receipt of the notice of disqualification.

(d) If the commissioner determines under section 245C.16 that an individual studied does not pose a risk of harm that requires continuous, direct supervision, the commissioner shall ~~send the license holder a notice that more time is needed to complete the individual's background study~~ order the applicant, license holder, or other entities as provided in this chapter to:

(1) immediately remove the individual studied from direct contact services; or

(2) before allowing the disqualified individual to provide direct contact services, the applicant, license holder, or other entity as provided in this chapter must:

(i) obtain from the disqualified individual a copy of the individual's notice of disqualification from the commissioner that explains the reason for disqualification; and

(ii) ensure that the disqualified individual requests reconsideration within 15 days of receipt of the notice of disqualification.

(e) The commissioner shall not notify the applicant, license holder, or other entity as provided in this chapter of the information contained in the subject's background study unless:

(1) the basis for the disqualification is failure to cooperate with the background study or substantiated maltreatment under section 626.556 or 626.557;

(2) the Data Practices Act under chapter 13 provides for release of the information; or

(3) the individual studied authorizes the release of the information.

Sec. 6. Minnesota Statutes 2004, section 245C.22, is amended by adding a subdivision to read:

Subd. 7. [CLASSIFICATION OF CERTAIN DATA AS PUBLIC OR PRIVATE.] (a) Notwithstanding section 13.46, upon setting aside a disqualification under this section, the identity of the disqualified individual who received the set aside and the individual's disqualifying characteristics are public data if the set aside was:

(1) for any disqualifying characteristic under section 245C.15, when the set aside relates to a child care center or a family child care provider licensed under chapter 245A; or

(2) for a disqualifying characteristic under section 245C.15, subdivision 2.

(b) Notwithstanding section 13.46, upon granting a variance to a license holder under section 245C.30, the identity of the disqualified individual who is the subject of the variance, the individual's disqualifying characteristics under section 245C.15, and the terms of the variance are public data, when the variance:

(1) is issued to a child care center or a family child care provider licensed under chapter 245A; or

(2) relates to an individual with a disqualifying characteristic under section 245C.15, subdivision 2.

(c) The identity of a disqualified individual and the reason for disqualification remain private data when:

(1) a disqualification is not set aside and no variance is granted;

(2) the data are not public under paragraph (a) or (b); or

(3) the disqualification is rescinded because the information relied upon to disqualify the individual is incorrect.

(d) Licensed family day care providers and child care centers must notify parents considering enrollment of a child or parents of a child attending the family day care or child care center if the program employs or has living in the home any individual who is the subject of either a set aside or variance.

Sec. 7. Minnesota Statutes 2004, section 245C.24, subdivision 2, is amended to read:

Subd. 2. [PERMANENT BAR TO SET ASIDE ~~OF~~ A DISQUALIFICATION.] The commissioner may not set aside the disqualification of an individual in connection with a license ~~to provide family child care for children, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home,~~ issued or in application status under chapter 245A, regardless of how much time has passed, if the provider was disqualified for a crime or conduct listed in section 245C.15, subdivision 1.

ARTICLE 7
METHAMPHETAMINE PROVISIONS

Section 1. [35.051] [EPHEDRINE AND PSEUDOEPHEDRINE PRODUCTS.]

Subdivision 1. [PRESCRIPTION REQUIRED.] Drugs and products for any species of animal that contain ephedrine or pseudoephedrine require a written prescription from a veterinarian to be sold or distributed for lay use.

Subd. 2. [SALE AND PURCHASE RESTRICTIONS.] A drug or product for any species of animal containing ephedrine or pseudoephedrine may only be dispensed, sold, or distributed by a veterinarian or a veterinary assistant under the supervision or direction of a veterinarian. A person who is not a veterinarian may not purchase a drug or product for animal consumption containing ephedrine or pseudoephedrine without a prescription.

[EFFECTIVE DATE.] This section is effective on the 30th day following final enactment, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2004, section 152.01, subdivision 10, is amended to read:

Subd. 10. [NARCOTIC DRUG.] "Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:

(1) opium, coca leaves, ~~and~~ opiates, and methamphetamine;

(2) a compound, manufacture, salt, derivative, or preparation of opium, coca leaves, ~~or~~ opiates, or methamphetamine;

(3) a substance, and any compound, manufacture, salt, derivative, or preparation thereof, which is chemically identical with any of the substances referred to in clauses (1) and (2), except that the words "narcotic drug" as used in this chapter shall not include decocainized coca leaves or extracts of coca leaves, which extracts do not contain cocaine or ecgonine.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2004, section 152.02, subdivision 6, is amended to read:

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

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

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

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

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

~~(1)~~ (i) not more than 100 milligrams of dihydrocodeine per 100 milliliters or per 100 grams.;

~~(2)~~ (ii) not more than 100 milligrams of ethylmorphine per 100 milliliters or per 100 grams.;

~~(3)~~ (iii) not more than 2.5 milligrams of diphenoxylate and not less than 25 micrograms of atropine sulfate per dosage unit.; or

~~(4)~~ (iv) not more than 15 milligrams of anhydrous morphine per 100 milliliters or per 100 grams; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(k) Paragraphs (c) to (j) do not apply to:

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

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

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

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

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

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

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

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2004, section 152.02, is amended by adding a subdivision to read:

Subd. 8a. [METHAMPHETAMINE PRECURSORS.] The State Board of Pharmacy may, by order, require that non-prescription ephedrine or pseudophedrine products sold in gel capsule or liquid form be subject to the sale restrictions established in subdivision 6 for methamphetamine

precursor drugs, if the board concludes that ephedrine or pseudophedrine products in gel capsule or liquid form can be used to manufacture methamphetamine. In assessing the need for an order under this subdivision, the board shall consult at least annually with the advisory council on controlled substances, the commissioner of public safety, and the commissioner of health.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 5. Minnesota Statutes 2004, section 152.021, subdivision 2a, is amended to read:

Subd. 2a. [METHAMPHETAMINE MANUFACTURE ~~CRIMES~~ CRIME; POSSESSION OF SUBSTANCES WITH INTENT TO MANUFACTURE METHAMPHETAMINE CRIME.] (a) Notwithstanding subdivision 1, sections 152.022, subdivision 1, 152.023, subdivision 1, and 152.024, subdivision 1, a person is guilty of controlled substance crime in the first degree if the person manufactures any amount of methamphetamine.

(b) ~~Notwithstanding paragraph (a) and section 609.17,~~ A person is guilty of ~~attempted manufacture of methamphetamine~~ a crime if the person possesses any chemical reagents or precursors with the intent to manufacture methamphetamine. As used in this section, "chemical reagents or precursors" ~~refers to one or more~~ includes any of the following substances, or any similar substances that can be used to manufacture methamphetamine, or ~~their~~ the salts, isomers, and salts of isomers of a listed or similar substance:

(1) ephedrine;

(2) pseudoephedrine;

(3) phenyl-2-propanone;

(4) phenylacetone;

(5) anhydrous ammonia~~, as defined in section 18C.005, subdivision 1a~~;

(6) organic solvents;

(7) hydrochloric acid;

(8) lithium metal;

(9) sodium metal;

(10) ether;

(11) sulfuric acid;

(12) red phosphorus;

(13) iodine;

(14) sodium hydroxide;

(15) benzaldehyde;

(16) benzyl methyl ketone;

(17) benzyl cyanide;

(18) nitroethane;

(19) methylamine;

(20) phenylacetic acid;

(21) hydriodic acid; or

(22) hydriotic acid.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2004, section 152.021, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) A person convicted under subdivisions 1 to 2a, paragraph (a), may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than $1,000,000, or both; a person convicted under subdivision 2a, paragraph (b), may be sentenced to imprisonment for not more than ~~three~~ ten years or to payment of a fine of not more than ~~$5,000~~ $20,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivisions 1 to 2a, paragraph (a), shall be committed to the commissioner of corrections for not less than four years nor more than 40 years and, in addition, may be sentenced to payment of a fine of not more than $1,000,000; a person convicted under subdivision 2a, paragraph (b), may be sentenced to imprisonment for not more than ~~four~~ 15 years or to payment of a fine of not more than ~~$5,000~~ $30,000, or both.

(c) In a prosecution under subdivision 1 involving sales by the same person in two or more counties within a 90-day period, the person may be prosecuted for all of the sales in any county in which one of the sales occurred.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2004, section 152.027, subdivision 1, is amended to read:

Subdivision 1. [SALE OF SCHEDULE V CONTROLLED SUBSTANCE.] Except as provided in section 152.02, subdivision 6, a person who unlawfully sells one or more mixtures containing a controlled substance classified in schedule V may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2004, section 152.027, subdivision 2, is amended to read:

Subd. 2. [POSSESSION OF SCHEDULE V CONTROLLED SUBSTANCE.] Except as provided in section 152.02, subdivision 6, a person who unlawfully possesses one or more mixtures containing a controlled substance classified in schedule V may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both. The court may order that a person who is convicted under this subdivision and placed on probation be required to take part in a drug education program as specified by the court.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to crimes committed on or after that date.

Sec. 9. [152.0275] [CERTAIN CONTROLLED SUBSTANCE OFFENSES; RESTITUTION; PROHIBITIONS ON PROPERTY USE; NOTICE PROVISIONS.]

Subdivision 1. [RESTITUTION.] (a) As used in this subdivision:

(1) "clandestine lab site" means any structure or conveyance or outdoor location occupied or affected by conditions or chemicals typically associated with the manufacturing of methamphetamine;

(2) "emergency response" includes, but is not limited to, removing and collecting evidence, securing the site, removal, remediation, and hazardous chemical assessment or inspection of the site where the relevant offense or offenses took place, regardless of whether these actions are performed by the public entities themselves or by private contractors paid by the public entities, or the property owner;

(3) "remediation" means proper cleanup, treatment, or containment of hazardous substances or methamphetamine at or in a clandestine lab site, and may include demolition or disposal of structures or other property when an assessment so indicates; and

(4) "removal" means the removal from the clandestine lab site of precursor or waste chemicals, chemical containers, or equipment associated with the manufacture, packaging, or storage of illegal drugs.

(b) A court may require a person convicted of manufacturing or attempting to manufacture a controlled substance or of an illegal activity involving a precursor substance, where the response to the crime involved an emergency response, to pay restitution to all public entities that participated in the response. The restitution ordered may cover the reasonable costs of their participation in the response.

(c) In addition to the restitution authorized in paragraph (b), a court may require a person convicted of manufacturing or attempting to manufacture a controlled substance or of illegal activity involving a precursor substance to pay restitution to a property owner who incurred removal or remediation costs because of the crime.

Subd. 2. [PROPERTY-RELATED PROHIBITIONS; NOTICE; WEB SITE.] (a) As used in this subdivision:

(1) "clandestine lab site" has the meaning given in subdivision 1, paragraph (a);

(2) "property" means publicly or privately owned real property including buildings and other structures, motor vehicles as defined in section 609.487, subdivision 2a, public waters, and public rights-of-way;

(3) "remediation" has the meaning given in subdivision 1, paragraph (a); and

(4) "removal" has the meaning given in subdivision 1, paragraph (a).

(b) A peace officer who arrests a person at a clandestine lab site shall notify the appropriate county or local health department, state duty officer, and child protection services of the arrest and the location of the site.

(c) A county or local health department or sheriff shall order that any property or portion of a property that has been found to be a clandestine lab site and contaminated by substances, chemicals, or items of any kind used in the manufacture of methamphetamine or any part of the manufacturing process, or the by-products or degradates of manufacturing methamphetamine be prohibited from being occupied or used until it has been assessed and remediated as provided in the Department of Health's clandestine drug labs general cleanup guidelines. The remediation shall be accomplished by a contractor who will make the verification required under paragraph (e).

(d) Unless clearly inapplicable, the procedures specified in chapter 145A and any related rules adopted under that chapter addressing the enforcement of public health laws, the removal and abatement of public health nuisances, and the remedies available to property owners or occupants apply to this subdivision.

(e) Upon the proper removal and remediation of any property used as a clandestine lab site, the contractor shall verify to the property owner and the applicable authority that issued the order under paragraph (c) that the work was completed according to the Department of Health's clandestine drug labs general cleanup guidelines and best practices. The contractor shall provide the verification to the property owner and the applicable authority within five days from the completion of the remediation. Following this, the applicable authority shall vacate its order.

(f) If a contractor issues a verification and the property was not remediated according to the Department of Health's clandestine drug labs general cleanup guidelines, the contractor is liable to the property owner for the additional costs relating to the proper remediation of the property according to the guidelines and for reasonable attorney fees for collection of costs by the property owner. An action under this paragraph must be commenced within six years from the date on which the verification was issued by the contractor.

(g) If the applicable authority determines under paragraph (c) that a motor vehicle has been contaminated by substances, chemicals, or items of any kind used in the manufacture of methamphetamine or any part of the manufacturing process, or the by-products or degradates of manufacturing methamphetamine and if the authority is able to obtain the certificate of title for the motor vehicle, the authority shall notify the registrar of motor vehicles of this fact and in addition, forward the certificate of title to the registrar. The authority shall also notify the registrar when it vacates its order under paragraph (e).

(h) The applicable authority issuing an order under paragraph (c) shall record with the county recorder or registrar of titles of the county where the clandestine lab is located an affidavit containing the name of the owner, a legal description of the property where the clandestine lab was located, and a map drawn from available information showing the boundary of the property and the location of the contaminated area on the property that is prohibited from being occupied or used that discloses to any potential transferee:

(1) that the property, or portion of the property, was the site of a clandestine lab;

(2) the location, condition, and circumstances of the clandestine lab, to the full extent known or reasonably ascertainable; and

(3) that the use of the property or some portion of it may be restricted as provided by paragraph (c).

If an inaccurate drawing or description is filed, the authority, on request of the owner or another interested person, shall file a supplemental affidavit with a corrected drawing or description.

If the authority vacates its order under paragraph (e), the authority shall record an affidavit that contains the recording information of the above affidavit and states that the order is vacated. Upon filing the affidavit vacating the order, the affidavit and the affidavit filed under this paragraph, together with the information set forth in the affidavits, cease to constitute either actual or constructive notice.

(i) If proper removal and remediation has occurred on the property, an interested party may record an affidavit indicating that this has occurred. Upon filing the affidavit described in this paragraph, the affidavit and the affidavit filed under paragraph (g), together with the information set forth in the affidavits, cease to constitute either actual or constructive notice. Failure to record an affidavit under this section does not affect or prevent any transfer of ownership of the property.

(j) The county recorder or registrar of titles must record all affidavits presented under paragraph (g) or (h) in a manner that assures their disclosure in the ordinary course of a title search of the subject property.

(k) The commissioner of health shall post on the Internet contact information for each local community health services administrator.

(l) Each local community health services administrator shall maintain information related to property within the administrator's jurisdiction that is currently or was previously subject to an order issued under paragraph (c). The information maintained must include the name of the owner, the location of the property, the extent of the contamination, the status of the removal and remediation work on the property, and whether the order has been vacated. The administrator shall make this information available to the public either upon request or by other means.

(m) Before signing an agreement to sell or transfer real property, the seller or transferor must disclose in writing to the buyer or transferee if, to the seller's or transferor's knowledge, methamphetamine production has occurred on the property. If methamphetamine production has occurred on the property, the disclosure shall include a statement to the buyer or transferee informing the buyer or transferee:

(1) whether an order has been issued on the property as described in paragraph (c);

(2) whether any orders issued against the property under paragraph (c) have been vacated under paragraph (i); or

(3) if there was no order issued against the property and the seller or transferor is aware that methamphetamine production has occurred on the property, the status of removal and remediation on the property.

(n) Unless the buyer or transferee and seller or transferor agree to the contrary in writing before the closing of the sale, a seller or transferor who fails to disclose, to the best of their knowledge, at the time of sale any of the facts required, and who knew or had reason to know of methamphetamine production on the property, is liable to the buyer or transferee for:

(1) costs relating to remediation of the property according to the Department of Health's clandestine drug labs general cleanup guidelines and best practices; and

(2) reasonable attorney fees for collection of costs from the seller or transferor.

An action under this paragraph must be commenced within six years after the date on which the buyer or transferee closed the purchase or transfer of the real property where the methamphetamine production occurred.

(o) This section preempts all local ordinances relating to the sale or transfer of real property designated as a clandestine lab site.

[EFFECTIVE DATE.] This section is effective January 1, 2006, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2004, section 152.135, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] (a) A drug product containing ephedrine, its salts, optical isomers, and salts of optical isomers is exempt from subdivision 1 if the drug product:

(1) may be lawfully sold over the counter without a prescription under the federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 321, et seq.;

(2) is labeled and marketed in a manner consistent with the pertinent OTC Tentative Final or Final Monograph;

(3) is manufactured and distributed for legitimate medicinal use in a manner that reduces or eliminates the likelihood of abuse;

(4) is not marketed, advertised, or labeled for the indication of stimulation, mental alertness, weight loss, muscle enhancement, appetite control, or energy; ~~and~~

(5) is in solid oral dosage forms, including soft gelatin caplets, that combine 400 milligrams of guaifenesin and 25 milligrams of ephedrine per dose, according to label instructions; or is an anorectal preparation containing not more than five percent ephedrine; and

(6) is sold in a manner that does not conflict with section 152.02, subdivision 6.

(b) Subdivisions 1 and 3 shall not apply to products containing ephedra or ma huang and lawfully marketed as dietary supplements under federal law.

[EFFECTIVE DATE.] This section is effective on the 30th day following final enactment, and applies to crimes committed on or after that date.

Sec. 11. [152.136] [ANHYDROUS AMMONIA; PROHIBITED CONDUCT; CRIMINAL PENALTIES; CIVIL LIABILITY.]

Subdivision 1. [DEFINITIONS.] As used in this section, "tamper" means action taken by a person not authorized to take that action by law or by the owner or authorized custodian of an anhydrous ammonia container or of equipment where anhydrous ammonia is used, stored, distributed, or transported.

Subd. 2. [PROHIBITED CONDUCT.] (a) A person may not:

(1) steal or unlawfully take or carry away any amount of anhydrous ammonia;

(2) purchase, possess, transfer, or distribute any amount of anhydrous ammonia, knowing, or having reason to know, that it will be used to unlawfully manufacture a controlled substance;

(3) place, have placed, or possess anhydrous ammonia in a container that is not designed, constructed, maintained, and authorized to contain or transport anhydrous ammonia;

(4) transport anhydrous ammonia in a container that is not designed, constructed, maintained, and authorized to transport anhydrous ammonia;

(5) use, deliver, receive, sell, or transport a container designed and constructed to contain anhydrous ammonia without the express consent of the owner or authorized custodian of the container; or

(6) tamper with any equipment or facility used to contain, store, or transport anhydrous ammonia.

(b) For the purposes of this subdivision, containers designed and constructed for the storage and transport of anhydrous ammonia are described in rules adopted under section 18C.121, subdivision 1, or in Code of Federal Regulations, title 49.

Subd. 3. [NO CAUSE OF ACTION.] (a) Except as provided in paragraph (b), a person tampering with anhydrous ammonia containers or equipment under subdivision 2 shall have no cause of action for damages arising out of the tampering against:

(1) the owner or lawful custodian of the container or equipment;

(2) a person responsible for the installation or maintenance of the container or equipment; or

(3) a person lawfully selling or offering for sale the anhydrous ammonia.

(b) Paragraph (a) does not apply to a cause of action against a person who unlawfully obtained the anhydrous ammonia or anhydrous ammonia container or who possesses the anhydrous ammonia or anhydrous ammonia container for any unlawful purpose.

Subd. 4. [CRIMINAL PENALTY.] A person who knowingly violates subdivision 2 is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $50,000, or both.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 12. [152.137] [METHAMPHETAMINE-RELATED CRIMES INVOLVING CHILDREN AND VULNERABLE ADULTS.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given.

(b) "Chemical substance" means a substance intended to be used as a precursor in the manufacture of methamphetamine or any other chemical intended to be used in the manufacture of methamphetamine.

(c) "Child" means any person under the age of 18 years.

(d) "Methamphetamine paraphernalia" means all equipment, products, and materials of any kind that are used, intended for use, or designed for use in manufacturing, injecting, ingesting, inhaling, or otherwise introducing methamphetamine into the human body.

(e) "Methamphetamine waste products" means substances, chemicals, or items of any kind used in the manufacture of methamphetamine or any part of the manufacturing process, or the by-products or degradates of manufacturing methamphetamine.

(f) "Vulnerable adult" has the meaning given in section 609.232, subdivision 11.

Subd. 2. [PROHIBITED CONDUCT.] (a) No person may knowingly engage in any of the following activities in the presence of a child or vulnerable adult; in the residence of a child or a vulnerable adult; in a building, structure, conveyance, or outdoor location where a child or vulnerable adult might reasonably be expected to be present; in a room offered to the public for overnight accommodation; or in any multiple unit residential building:

(1) manufacturing or attempting to manufacture methamphetamine;

(2) storing any chemical substance;

(3) storing any methamphetamine waste products; or

(4) storing any methamphetamine paraphernalia.

(b) No person may knowingly cause or permit a child or vulnerable adult to inhale, be exposed to, have contact with, or ingest methamphetamine, a chemical substance, or methamphetamine paraphernalia.

Subd. 3. [CRIMINAL PENALTY.] A person who violates subdivision 2 is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

Subd. 4. [MULTIPLE SENTENCES.] Notwithstanding sections 609.035 and 609.04, a prosecution for or conviction under this section is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 5. [PROTECTIVE CUSTODY.] A peace officer may take any child present in an area where any of the activities described in subdivision 2, paragraph (a), clauses (1) to (4), are taking place into protective custody in accordance with section 260C.175, subdivision 1, paragraph (b), clause (2). A child taken into protective custody under this subdivision shall be provided health screening to assess potential health concerns related to methamphetamine as provided in section 260C.188. A child not taken into protective custody under this subdivision but who is known to have been exposed to methamphetamine shall be offered health screening for potential health concerns related to methamphetamine as provided in section 260C.188.

Subd. 6. [REPORTING MALTREATMENT OF VULNERABLE ADULT.] (a) A peace officer shall make a report of suspected maltreatment of a vulnerable adult if the vulnerable adult is present in an area where any of the activities described in subdivision 2, paragraph (a), clauses (1) to (4), are taking place, and the peace officer has reason to believe the vulnerable adult inhaled, was exposed to, had contact with, or ingested methamphetamine, a chemical substance, or methamphetamine paraphernalia. The peace officer shall immediately report to the county common entry point as described in section 626.557, subdivision 9b.

(b) As required in section 626.557, subdivision 9b, law enforcement is the primary agency to conduct investigations of any incident when there is reason to believe a crime has been committed. Law enforcement shall initiate a response immediately. If the common entry point notified a county agency for adult protective services, law enforcement shall cooperate with that county agency when both agencies are involved and shall exchange data to the extent authorized in section 626.557, subdivision 12b, paragraph (g). County adult protection shall initiate a response immediately.

(c) The county social services agency shall immediately respond as required in section 626.557, subdivision 10, upon receipt of a report from the common entry point staff.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2004, section 168A.05, subdivision 3, is amended to read:

Subd. 3. [CONTENT OF CERTIFICATE.] Each certificate of title issued by the department shall contain:

(1) the date issued;

(2) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;

(3) the names and addresses of any secured parties in the order of priority as shown on the application, or if the application is based on a certificate of title, as shown on the certificate, or as otherwise determined by the department;

(4) any liens filed pursuant to a court order or by a public agency responsible for child support enforcement against the owner;

(5) the title number assigned to the vehicle;

(6) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;

(7) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

(8) with respect to vehicles subject to sections 325F.6641 and 325F.6642, the appropriate term "flood damaged," "rebuilt," "prior salvage," or "reconstructed"; ~~and~~

(9) with respect to a vehicle contaminated by methamphetamine production, if the registrar has received the certificate of title and notice described in section 152.0275, subdivision 2, paragraph (g), the term "hazardous waste contaminated vehicle"; and

(10) any other data the department prescribes.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 14. Minnesota Statutes 2004, section 260C.171, is amended by adding a subdivision to read:

Subd. 6. [NOTICE TO SCHOOL.] (a) As used in this subdivision, the following terms have the meanings given. "Chemical substance," "methamphetamine paraphernalia," and "methamphetamine waste products" have the meanings given in section 152.137, subdivision 1. "School" means a charter school or a school as defined in section 120A.22, subdivision 4, except a home school.

(b) If a child has been taken into protective custody after being found in an area where methamphetamine was being manufactured or attempted to be manufactured or where any chemical substances, methamphetamine paraphernalia, or methamphetamine waste products were stored, and the child is enrolled in school, the officer who took the child into custody shall notify the chief administrative officer of the child's school of this fact.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to acts occurring on or after that date.

Sec. 15. [446A.083] [METHAMPHETAMINE LABORATORY CLEANUP REVOLVING ACCOUNT.]

Subdivision 1. [DEFINITIONS.] As used in this section:

(1) "clandestine lab site" has the meaning given in section 152.0275, subdivision 1, paragraph (a);

(2) "property" has the meaning given in section 152.0275, subdivision 2, paragraph (a), but does not include motor vehicles; and

(3) "remediate" has the meaning given to remediation in section 152.0275, subdivision 1, paragraph (a).

Subd. 2. [ACCOUNT ESTABLISHED.] The authority shall establish a methamphetamine laboratory cleanup revolving account in the public facility authority fund to provide loans to counties and cities to remediate clandestine lab sites. The account must be credited with repayments.

Subd. 3. [APPLICATIONS.] Applications by a county or city for a loan from the account must be made to the authority on the forms prescribed by the authority. The application must include, but is not limited to:

(1) the amount of the loan requested and the proposed use of the loan proceeds;

(2) the source of revenues to repay the loan; and

(3) certification by the county or city that it meets the loan eligibility requirements of subdivision 4.

Subd. 4. [LOAN ELIGIBILITY.] A county or city is eligible for a loan under this section if the county or city:

(1) identifies a site or sites designated by a local public health department or law enforcement as a clandestine lab site;

(2) has required the site's property owner to remediate the site at cost, under a local public health nuisance ordinance that addresses clandestine lab remediation;

(3) certifies that the property owner cannot pay for the remediation immediately;

(4) certifies that the property owner has not properly remediated the site; and

(5) issues a revenue bond, secured as provided in subdivision 8, payable to the authority to secure the loan.

Subd. 5. [USE OF LOAN PROCEEDS; REIMBURSEMENT BY PROPERTY OWNER.] (a) A loan recipient shall use the loan to remediate the clandestine lab site or if this has already been done to reimburse the applicable county or city fund for costs paid by the recipient to remediate the clandestine lab site.

(b) A loan recipient shall seek reimbursement from the owner of the property containing the clandestine lab site for the costs of the remediation. In addition to other lawful means of seeking reimbursement, the loan recipient may recover its costs through a property tax assessment by following the procedures specified in section 145A.08, subdivision 2, paragraph (c).

(c) A mortgagee is not responsible for cleanup costs under this section solely because the mortgagee becomes an owner of real property through foreclosure of the mortgage or by receipt of the deed to the mortgaged property in lieu of foreclosure.

Subd. 6. [AWARD AND DISBURSEMENT OF FUNDS.] The authority shall award loans to recipients on a first-come, first-served basis, provided that the recipient is able to comply with the terms and conditions of the authority loan, which must be in conformance with this section. The authority shall make a single disbursement of the loan upon receipt of a payment request that includes a list of remediation expenses and evidence that a second-party sampling was undertaken to ensure that the remediation work was successful or a guarantee that such a sampling will be undertaken.

Subd. 7. [LOAN CONDITIONS AND TERMS.] (a) When making loans from the revolving account, the authority shall comply with the criteria in paragraphs (b) to (e).

(b) Loans must be made at a two percent per annum interest rate for terms not to exceed ten years unless the recipient requests a 20-year term due to financial hardship.

(c) The annual principal and interest payments must begin no later than one year after completion of the clean up. Loans must be amortized no later than 20 years after completion of the clean up.

(d) A loan recipient must identify and establish a source of revenue for repayment of the loan and must undertake whatever steps are necessary to collect payments within one year of receipt of funds from the authority.

(e) The account must be credited with all payments of principal and interest on all loans, except the costs as permitted under section 446A.04, subdivision 5, paragraph (a).

(f) Loans must be made only to recipients with clandestine lab ordinances that address remediation.

Subd. 8. [AUTHORITY TO INCUR DEBT.] Counties and cities may incur debt under this section by resolution of the board or council authorizing issuance of a revenue bond to the authority. The county or city may secure and pay the revenue bond only with proceeds derived from the property containing the clandestine lab site, including assessments and charges under section 145A.08, subdivision 2, paragraph (c), payments by the property owner, or similar revenues.

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

Sec. 16. Minnesota Statutes 2004, section 609.1095, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given.

(b) "Conviction" means any of the following accepted and recorded by the court: a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court. The term includes a conviction by any court in Minnesota or another jurisdiction.

(c) "Prior conviction" means a conviction that occurred before the offender committed the next felony resulting in a conviction and before the offense for which the offender is being sentenced under this section.

(d) "Violent crime" means a violation of or an attempt or conspiracy to violate any of the following laws of this state or any similar laws of the United States or any other state: ~~section~~ sections 152.137; 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.66, subdivision 1e; 609.687; and 609.855, subdivision 5; any provision of sections 609.229; 609.377; 609.378; 609.749; and 624.713 that is punishable by a felony penalty; or any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 17. Minnesota Statutes 2004, section 617.81, subdivision 4, is amended to read:

Subd. 4. [NOTICE.] (a) If a prosecuting attorney has reason to believe that a nuisance is maintained or permitted in the jurisdiction the prosecuting attorney serves, and intends to seek abatement of the nuisance, the prosecuting attorney shall provide the written notice described in paragraph (b), by personal service or certified mail, return receipt requested, to the owner and all interested parties known to the prosecuting attorney.

(b) The written notice must:

(1) state that a nuisance as defined in subdivision 2 is maintained or permitted in the building and must specify the kind or kinds of nuisance being maintained or permitted;

(2) summarize the evidence that a nuisance is maintained or permitted in the building, including the date or dates on which nuisance-related activity or activities are alleged to have occurred;

(3) inform the recipient that failure to abate the conduct constituting the nuisance or to otherwise resolve the matter with the prosecuting attorney within 30 days of service of the notice may result in the filing of a complaint for relief in district court that could, among other remedies, result in enjoining the use of the building for any purpose for one year or, in the case of a tenant, could result in cancellation of the lease; and

(4) inform the owner of the options available under section 617.85.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to acts committed on or after that date.

Sec. 18. Minnesota Statutes 2004, section 617.85, is amended to read:

617.85 [NUISANCE; MOTION TO CANCEL LEASE.]

Where notice is provided under section 617.81, subdivision 4, that an abatement of a nuisance is sought and the circumstances that are the basis for the requested abatement involved the acts of a commercial or residential tenant or lessee of part or all of a building, the owner of the building that is subject to the abatement proceeding may file before the court that has jurisdiction over the abatement proceeding a motion to cancel the lease or otherwise secure restitution of the premises from the tenant or lessee who has maintained or conducted the nuisance. The owner may assign to the prosecuting attorney the right to file this motion. In addition to the grounds provided in chapter 566, the maintaining or conducting of a nuisance as defined in section 617.81, subdivision 2, by a tenant or lessee, is an additional ground authorized by law for seeking the cancellation of a lease or the restitution of the premises. Service of motion brought under this section must be served in a manner that is sufficient under the Rules of Civil Procedure and chapter 566.

It is no defense to a motion under this section by the owner or the prosecuting attorney that the lease or other agreement controlling the tenancy or leasehold does not provide for eviction or cancellation of the lease upon the ground provided in this section.

Upon a finding by the court that the tenant or lessee has maintained or conducted a nuisance in any portion of the building, the court shall order cancellation of the lease or tenancy and grant restitution of the premises to the owner. The court must not order abatement of the premises if the court:

(a) cancels a lease or tenancy and grants restitution of that portion of the premises to the owner; and

(b) further finds that the act or acts constituting the nuisance as defined in section 617.81, subdivision 2, were committed by the tenant or lessee whose lease or tenancy has been canceled pursuant to this section and the tenant or lessee was not committing the act or acts in conjunction with or under the control of the owner.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to acts committed on or after that date.

Sec. 19. [DEVELOPMENT OF COMPUTER SYSTEM; REPORT.]

The commissioner of public safety shall study the feasability of a centralized computer or electronic system to enable pharmacies to carry out their duties under Minnesota Statutes, section 152.02, subdivision 6, paragraph (e), clause (2), electronically or by the Internet. By February 1, 2006, the commissioner shall report its findings to the legislature. The report may include a proposal to enable pharmacies to switch from written logs to electronic logs that are compatible with the proposed system, and suggested statutory changes and a cost estimate to accomplish this.

Sec. 20. [BOARD OF VETERINARY MEDICINE REPORT, PRECURSOR ANIMAL PRODUCTS.]

The Board of Veterinary Medicine shall study and issue a report on animal products that may be used in the manufacture of methamphetamine. The report must include proposals for restricting access to such products only to legitimate users, specifically addressing the manufacturing, wholesaling, distributing, and retailing of precursor veterinary products. The board shall report its findings to the chairs and ranking minority members of the senate and house committees having jurisdiction over criminal justice and veterinary policy by February 1, 2006.

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

Sec. 21. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall recodify the provisions of Minnesota Statutes, section 152.021, subdivision 2a, paragraph (b), and subdivision 3, as amended by this article, that relate to the possession of chemical reagents or precursors with the intent to manufacture methamphetamine and the penalties for doing this into a new section of law codified as Minnesota Statutes, section 152.0262. The revisor shall make any necessary technical changes, including, but not limited to, changes to statutory cross-references, to Minnesota Statutes, section 152.021, and any other statutory sections to accomplish this.

Sec. 22. [REPEALER.]

Minnesota Statutes 2004, sections 18C.005, subdivisions 1a and 35a; 18C.201, subdivisions 6 and 7; and 18D.331, subdivision 5, are repealed.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

ARTICLE 8
PUBLIC SAFETY POLICY

Section 1. Minnesota Statutes 2004, section 116L.30, is amended to read:

116L.30 [GRANTS-IN-AID TO YOUTH INTERVENTION PROGRAMS.]

Subdivision 1. [GRANTS.] The commissioner may make grants to nonprofit agencies administering youth intervention programs in communities where the programs are or may be established.

"Youth intervention program" means a nonresidential community-based program providing advocacy, education, counseling, mentoring, and referral services to youth and their families experiencing personal, familial, school, legal, or chemical problems with the goal of resolving the present problems and preventing the occurrence of the problems in the future. The intent of the youth intervention program is to provide an ongoing stable funding source to community-based early intervention programs for youth. Program design may be different for the grantees depending on youth service needs of the communities being served.

Subd. 2. [APPLICATIONS.] Applications for a grant-in-aid shall be made by the administering agency to the commissioner.

The grant-in-aid is contingent upon the agency having obtained from the community in which the youth intervention program is established local matching money two times the amount of the grant that is sought. The matching requirement is intended to leverage the investment of state and community dollars in supporting the efforts of the grantees to provide early intervention services to youth and their families.

The commissioner shall provide the application form, procedures for making application form, criteria for review of the application, and kinds of contributions in addition to cash that qualify as local matching money. No grant to any agency may exceed $50,000.

Subd. 3. [GRANT ALLOCATION FORMULA.] Up to one percent of the appropriations to the grants-in-aid to the youth intervention program may be used for a grant to the Minnesota Youth Intervention Programs Association for expenses in providing collaborative training and technical assistance to community-based grantees of the program.

Subd. 4. [ADMINISTRATIVE COSTS.] The commissioner may use up to two percent of the biennial appropriation for grants-in-aid to the youth intervention program to pay costs incurred by the department in administering the youth intervention program.

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

Sec. 2. Minnesota Statutes 2004, section 169.71, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITIONS GENERALLY; EXCEPTIONS.] ~~No~~ (a) A person shall not drive or operate any motor vehicle with:

(1) a windshield cracked or discolored to an extent to limit or obstruct proper vision~~, or, except for law enforcement vehicles, with~~;

(2) any objects suspended between the driver and the windshield, other than sun visors and ~~rear vision~~ rearview mirrors~~,~~ and electronic toll collection devices; or ~~with~~

(3) any sign, poster, or other nontransparent material upon the front windshield, sidewings, or side or rear windows of ~~such~~ the vehicle, other than a certificate or other paper required to be so displayed by law~~,~~ or authorized by the state director of the Division of Emergency Management~~,~~ or the commissioner of public safety.

(b) Paragraph (a), clauses (2) and (3), do not apply to law enforcement vehicles.

(c) Paragraph (a), clause (2), does not apply to authorized emergency vehicles.

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

Sec. 3. Minnesota Statutes 2004, section 214.04, subdivision 1, is amended to read:

Subdivision 1. [SERVICES PROVIDED.] (a) The commissioner of administration with respect to the Board of Electricity~~,~~; the commissioner of education with respect to the Board of Teaching~~,~~; the commissioner of public safety with respect to the Board of Private Detective and Protective Agent Services~~, and~~; the panel established pursuant to section 299A.465, subdivision 7; the Board of Peace Officer Standards and Training~~,~~; and the commissioner of revenue with respect to the Board of Assessors, shall provide suitable offices and other space, joint conference and hearing facilities, examination rooms, and the following administrative support services: purchasing service, accounting service, advisory personnel services, consulting services relating to evaluation procedures and techniques, data processing, duplicating, mailing services, automated printing of license renewals, and such other similar services of a housekeeping nature as are generally available to other agencies of state government. Investigative services shall be provided the boards by employees of the Office of Attorney General. The commissioner of health with respect to the health-related licensing boards shall provide mailing and office supply services and may provide other facilities and services listed in this subdivision at a central location upon request of the health-related licensing boards. The commissioner of commerce with respect to the remaining non-health-related licensing boards shall provide the above facilities and services at a central location for the remaining non-health-related licensing boards. The legal and investigative services for the boards shall be provided by employees of the attorney general assigned to the departments servicing the boards. Notwithstanding the foregoing, the attorney general shall not be precluded by this section from assigning other attorneys to service a board if necessary in order to insure competent and consistent legal representation. Persons providing legal and investigative services shall to the extent practicable provide the services on a regular basis to the same board or boards.

(b) The requirements in paragraph (a) with respect to the panel established in section 299A.465, subdivision 7, expire July 1, 2008.

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

Sec. 4. Minnesota Statutes 2004, section 216D.08, subdivision 1, is amended to read:

Subdivision 1. [~~PENALTY~~ PENALTIES.] A person who is engaged in excavation for remuneration or an operator other than an operator subject to section 299F.59, subdivision 1, who violates sections 216D.01 to 216D.07 is subject to a civil penalty to be imposed by the commissioner not to exceed $1,000 for each violation per day of violation. An operator subject to section 299F.59, subdivision 1, who violates sections 216D.01 to 216D.07 is subject to a civil penalty to be imposed under section 299F.60. The district court may hear, try, and determine actions commenced under this section. Trials under this section must be to the court sitting without a jury. If the fine exceeds the maximum limit for conciliation court, the person appealing the fine may request the commissioner to conduct an administrative hearing under chapter 14.

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

Sec. 5. Minnesota Statutes 2004, section 216D.08, subdivision 2, is amended to read:

Subd. 2. [SETTLEMENT.] The commissioner may negotiate a compromise settlement of a civil penalty. In determining the amount of the penalty, or the amount of the compromise settlement, the commissioner shall consider the appropriateness of the penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation. Unless the commissioner chooses to proceed in district court under subdivision 1, the contested case and judicial review provisions of chapter 14 apply to the orders of the commissioner imposing a penalty under sections 216D.01 to 216D.07. The amount of the penalty, when finally determined, may be deducted from sums owing by the state of Minnesota to the person charged.

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

Sec. 6. Minnesota Statutes 2004, section 259.11, is amended to read:

259.11 [ORDER; FILING COPIES.]

(a) Upon meeting the requirements of section 259.10, the court shall grant the application unless: (1) it finds that there is an intent to defraud or mislead; (2) section 259.13 prohibits granting the name change; or (3) in the case of the change of a minor child's name, the court finds that such name change is not in the best interests of the child. The court shall set forth in the order the name and age of the applicant's spouse and each child of the applicant, if any, and shall state a description of the lands, if any, in which the applicant and the spouse and children, if any, claim to have an interest. The court administrator shall file such order, and record the same in the judgment book. If lands be described therein, a certified copy of the order shall be filed for record, by the applicant, with the county recorder of each county wherein any of the same are situated. Before doing so the court administrator shall present the same to the county auditor who shall enter the change of name in the auditor's official records and note upon the instrument, over an official signature, the words "change of name recorded." Any such order shall not be filed, nor any certified copy thereof be issued, until the applicant shall have paid to the county recorder and court administrator the fee required by law. No application shall be denied on the basis of the marital status of the applicant.

(b) When a person applies for a name change, the court shall determine whether the person has ~~been convicted of a felony~~ a criminal history in this or any other state. The court may conduct a search of national records through the Federal Bureau of Investigation by submitting a set of fingerprints and the appropriate fee to the Bureau of Criminal Apprehension. If ~~so~~ it is determined that the person has a criminal history in this or any other state, the court shall, within ten days after the name change application is granted, report the name change to the Bureau of Criminal Apprehension. The person whose name is changed shall also report the change to the Bureau of Criminal Apprehension within ten days. The court granting the name change application must explain this reporting duty in its order. Any person required to report the person's name change to the Bureau of Criminal Apprehension who fails to report the name change as required under this paragraph is guilty of a gross misdemeanor.

(c) Paragraph (b) does not apply to either:

(1) a request for a name change as part of an application for a marriage license under section 517.08; or

(2) a request for a name change in conjunction with a marriage dissolution under section 518.27.

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

Sec. 7. Minnesota Statutes 2004, section 299A.465, is amended by adding a subdivision to read:

Subd. 6. [DETERMINATION OF SCOPE AND DUTIES.] (a) Whenever a peace officer or firefighter has been approved to receive a duty-related disability pension, the officer or firefighter may apply to the panel established in subdivision 7 for a determination of whether or not the officer or firefighter meets the requirements in subdivision 1, paragraph (a), clause (2). In making this decision, the panel shall determine whether or not the officer's or firefighter's occupational duties or professional responsibilities put the officer or firefighter at risk for the type of illness or injury actually sustained. A final determination by the panel is binding on the applicant and the employer, subject to any right of judicial review. Applications must be made within 90 days of receipt of approval of a duty-related pension and must be acted upon by the panel within 90 days of receipt. Applications that are not acted upon within 90 days of receipt by the panel are approved. Applications and supporting documents are private data.

(b) This subdivision expires July 1, 2008.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to duty-related pension approvals made on or after that date.

Sec. 8. Minnesota Statutes 2004, section 299A.465, is amended by adding a subdivision to read:

Subd. 7. [COURSE AND SCOPE OF DUTIES PANEL.] (a) A panel is established for the purpose set forth in subdivision 6, composed of the following seven members:

(1) two members recommended by the Minnesota League of Cities or a successor;

(2) one member recommended by the Association of Minnesota Counties or a successor;

(3) two members recommended by the Minnesota Police and Peace Officers Association or a successor;

(4) one member recommended by the Minnesota Professional Firefighters Association or a successor; and

(5) one nonorganizational member recommended by the six organizational members.

(b) Recommendations must be forwarded to the commissioner of public safety who shall appoint the recommended members after determining that they were properly recommended. Members shall serve for two years or until their successors have been seated. No member may serve more than three consecutive terms. Vacancies on the panel must be filled by recommendation by the organization whose representative's seat has been vacated. A vacancy of the nonorganizational seat must be filled by the recommendation of the panel. Vacancies may be declared by the panel in cases of resignation or when a member misses three or more consecutive meetings, or by a nominating organization when its nominee is no longer a member in good standing of the organization, an employee of the organization, or an employee of a member in good standing of the organization. A member appointed because of a vacancy shall serve until the expiration of the vacated term.

(c) Panel members shall be reimbursed for expenses related to their duties according to section 15.059, subdivision 3, paragraph (a), but shall not receive compensation or per diem payments.

The panel's proceedings and determinations constitute a quasi-judicial process and its operation must comply with chapter 14. Membership on the panel does not constitute holding a public office and members of the panel are not required to take and file oaths of office or submit a public official's bond before serving on the panel. No member of the panel may be disqualified from holding any public office or employment by reason of being appointed to the panel. Members of the panel and staff or consultants working with the panel are covered by the immunity provision in section 214.34, subdivision 2. The panel shall elect a chair and adopt rules of order. The panel shall convene no later than July 1, 2005.

(d) This subdivision expires July 1, 2008.

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

Sec. 9. Minnesota Statutes 2004, section 299C.095, subdivision 1, is amended to read:

Subdivision 1. [ACCESS TO DATA ON JUVENILES.] (a) The bureau shall administer and maintain the computerized juvenile history record system based on sections 260B.171 and 260C.171 and other statutes requiring the reporting of data on juveniles. The data in the system are private data as defined in section 13.02, subdivision 12, but are accessible to criminal justice agencies as defined in section 13.02, subdivision 3a, to all trial courts and appellate courts, to a person who has access to the juvenile court records as provided in sections 260B.171 and 260C.171 or under court rule, to public defenders as provided in section 611.272, and to criminal justice agencies in other states in the conduct of their official duties.

(b) Except for access authorized under paragraph (a), the bureau shall only disseminate a juvenile adjudication history record in connection with a background check required by statute or rule and performed on a licensee, license applicant, or employment applicant or performed under section 299C.62 or 624.713. If the background check is performed under section 299C.62, juvenile adjudication history disseminated under this paragraph is limited to offenses that would constitute a background check crime as defined in section 299C.61, subdivision 2. A consent for release of information from an individual who is the subject of a juvenile adjudication history is not effective and the bureau shall not release a juvenile adjudication history record and shall not release information in a manner that reveals the existence of the record. Data maintained under section 243.166, released in conjunction with a background check, regardless of the age of the offender at the time of the offense, does not constitute releasing information in a manner that reveals the existence of a juvenile adjudication history.

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

Sec. 10. Minnesota Statutes 2004, section 299C.11, is amended to read:

299C.11 [IDENTIFICATION DATA FURNISHED TO BUREAU.]

(a) Each sheriff and chief of police shall furnish the bureau, upon such form as the superintendent shall prescribe, with such finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data as may be requested or required by the superintendent of the bureau, which must be taken under the provisions of section 299C.10. In addition, sheriffs and chiefs of police shall furnish this identification data to the bureau for individuals found to have been convicted of a felony, gross misdemeanor, or targeted misdemeanor, within the ten years immediately preceding their arrest. When the bureau learns that an individual who is the subject of a background check has used, or is using, identifying information, including, but not limited to, name and date of birth, other than those listed on the criminal history, the bureau may add the new identifying information to the criminal history when supported by fingerprints.

(b) No petition under chapter 609A is required if the person has not been convicted of any felony or gross misdemeanor, either within or without the state, within the period of ten years immediately preceding the determination of all pending criminal actions or proceedings in favor of the arrested person, and either of the following occurred:

(1) all charges were dismissed prior to a determination of probable cause; or

(2) the prosecuting authority declined to file any charges and a grand jury did not return an indictment.

Where these conditions are met, the bureau or agency shall, upon demand, return to the arrested person finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data, and all copies and duplicates of them.

(c) Except as otherwise provided in paragraph (b), upon the determination of all pending criminal actions or proceedings in favor of the arrested person, and the granting of the petition of the arrested person under chapter 609A, the bureau shall seal finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data, and all copies and duplicates of them if the arrested person has not been convicted of any felony or gross misdemeanor, either within or without the state, within the period of ten years immediately preceding such determination.

(d) DNA samples and DNA records of the arrested person shall not be returned, sealed, or destroyed as to a charge supported by probable cause.

(e) For purposes of this section:

(1) "determination of all pending criminal actions or proceedings in favor of the arrested person" does not include:

(i) the sealing of a criminal record pursuant to section 152.18, subdivision 1, 242.31, or chapter 609A;

(ii) the arrested person's successful completion of a diversion program;

(iii) an order of discharge under section 609.165; or

(iv) a pardon granted under section 638.02; and

(2) "targeted misdemeanor" has the meaning given in section 299C.10, subdivision 1.

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

Sec. 11. Minnesota Statutes 2004, section 326.3382, is amended by adding a subdivision to read:

Subd. 5. [SPECIAL PROTECTIVE AGENT CLASSIFICATION.] The board shall establish a special protective agent license classification that provides that a person described in section 326.338, subdivision 4, clause (4), who is otherwise qualified under this section need not meet the requirements of subdivision 2, paragraph (c).

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

Sec. 12. Minnesota Statutes 2004, section 340A.301, subdivision 6, is amended to read:

Subd. 6. [FEES.] The annual fees for licenses under this section are as follows:

(a) Manufacturers (except as provided in clauses (b) and (c))	~~$15,000~~ $30,000
Duplicates	$3,000
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	$500
(c) Brewers other than those described in clauses (d) and (i)	$ ~~2,500~~ 4,000
(d) Brewers who also hold one or more retail on-sale licenses and who manufacture fewer than 3,500 barrels	

of malt liquor in a year, at any one licensed premises, using only wort produced in Minnesota, the entire production of which is solely for consumption on tap on the licensed premises or for off-sale from that licensed premises. A brewer licensed under this clause must obtain a separate license for each licensed premises where the brewer brews malt liquor. A brewer licensed under this clause may not be licensed as an importer under this chapter	$500
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	$15,000
Duplicates	$3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	$ ~~2,000~~ 3,750
(g) Wholesalers of intoxicating malt liquor	$ ~~600~~ 1,000
Duplicates	$25
(h) Wholesalers of 3.2 percent malt liquor	$10
(i) Brewers who manufacture fewer than 2,000 barrels of malt liquor in a year	$150

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

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

Sec. 13. Minnesota Statutes 2004, section 340A.302, subdivision 3, is amended to read:

Subd. 3. [FEES.] Annual fees for licenses under this section, which must accompany the application, are as follows:

Importers of distilled spirits, wine, or ethyl alcohol	$420
Importers of malt liquor	~~$800~~ $1,600

If an application is denied, $100 of the fee shall be retained by the commissioner to cover costs of investigation.

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

Sec. 14. Minnesota Statutes 2004, section 340A.311, is amended to read:

340A.311 [BRAND REGISTRATION.]

(a) A brand of intoxicating liquor or 3.2 percent malt liquor may not be manufactured, imported into, or sold in the state unless the brand label has been registered with and approved by the commissioner. A brand registration must be renewed every three years in order to remain in effect. The fee for an initial brand registration is ~~$30~~ $40. The fee for brand registration renewal is ~~$20~~ $30. The brand label of a brand of intoxicating liquor or 3.2 percent malt liquor for which the

brand registration has expired, is conclusively deemed abandoned by the manufacturer or importer.

(b) In this section "brand" and "brand label" include trademarks and designs used in connection with labels.

(c) The label of any brand of wine or intoxicating or nonintoxicating malt beverage may be registered only by the brand owner or authorized agent. No such brand may be imported into the state for sale without the consent of the brand owner or authorized agent. This section does not limit the provisions of section 340A.307.

(d) The commissioner shall refuse to register a malt liquor brand label, and shall revoke the registration of a malt liquor brand label already registered, if the brand label states or implies in a false or misleading manner a connection with an actual living or dead American Indian leader. This paragraph does not apply to a brand label registered for the first time in Minnesota before January 1, 1992.

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

Sec. 15. Minnesota Statutes 2004, section 340A.404, subdivision 12, is amended to read:

Subd. 12. [CATERER'S PERMIT.] The commissioner may issue a caterer's permit to a restaurant that holds an on-sale intoxicating liquor license issued by any municipality. The holder of a caterer's permit may sell intoxicating liquor as an incidental part of a food service that serves prepared meals at a place other than the premises for which the holder's on-sale intoxicating liquor license is issued.

(a) A caterer's permit is auxiliary to the primary on-sale license held by the licensee.

(b) The restrictions and regulations which apply to the sale of intoxicating liquor on the licensed premises also apply to the sale under the authority of a caterer's permit, and any act that is prohibited on the licensed premises is also prohibited when the licensee is operating other than on the licensed premises under a caterer's permit.

(c) Any act, which if done on the licensed premises would be grounds for cancellation or suspension of the on-sale licensee, is grounds for cancellation of both the on-sale license and the caterer's permit if done when the permittee is operating away from the licensed premises under the authority of the caterer's permit.

(d) The permittee shall notify prior to any catered event:

(1) the police chief of the city where the event will take place, if the event will take place within the corporate limits of a city; or

(2) the county sheriff of the county where the event will take place, if the event will be outside the corporate limits of any city.

(e) If the primary license ceases to be valid for any reason, the caterer's permit ceases to be valid.

(f) Permits issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except those laws and ordinances which by their nature are not applicable.

(g) The annual state fee for a caterer's permit is ~~$200~~ $300.

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

Sec. 16. Minnesota Statutes 2004, section 340A.408, subdivision 4, is amended to read:

Subd. 4. [LAKE SUPERIOR, ST. CROIX RIVER, AND MISSISSIPPI RIVER TOUR BOATS; COMMON CARRIERS.] (a) The annual license fee for licensing of Lake Superior, St.

Croix River, and Mississippi River tour boats under section 340A.404, subdivision 8, shall be ~~$1,000~~ $1,500. The commissioner shall transmit one-half of this fee to the governing body of the city that is the home port of the tour boat or to the county in which the home port is located if the home port is outside a city.

(b) The annual license fee for common carriers licensed under section 340A.407 is:

(1) $50 for 3.2 percent malt liquor, and $20 for a duplicate license; and

(2) ~~$200~~ $250 for intoxicating liquor, and ~~$20~~ $30 for a duplicate license.

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

Sec. 17. Minnesota Statutes 2004, section 340A.414, subdivision 6, is amended to read:

Subd. 6. [PERMIT FEES.] The annual fee for issuance of a permit under this section is ~~$150~~ $250. The governing body of a city or county where the establishment is located may impose an additional fee of not more than $300.

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

Sec. 18. Minnesota Statutes 2004, section 340A.504, subdivision 3, is amended to read:

Subd. 3. [INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE.] (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 12:00 noon on Sundays and 2:00 a.m. on Mondays.

(b) The governing body of a municipality may after one public hearing by ordinance permit a restaurant, hotel, bowling center, or club to sell alcoholic beverages for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and 2:00 a.m. on Mondays, provided that the licensee is in conformance with the Minnesota Clean Air Act.

(c) An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed $200.

(d) A city may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the city voting on the question at a general or special election. A county may issue a Sunday intoxicating liquor license in a town only if authorized to do so by the voters of the town as provided in paragraph (e). A county may issue a Sunday intoxicating liquor license in unorganized territory only if authorized to do so by the voters of the election precinct that contains the licensed premises, voting on the question at a general or special election.

(e) An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

(f) Voter approval is not required for licenses issued by the Metropolitan Airports Commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor on Sunday must obtain a Sunday license from the commissioner at an annual fee of ~~$50~~ $75, plus ~~$20~~ $30 for each duplicate.

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

Sec. 19. Minnesota Statutes 2004, section 340A.504, subdivision 7, is amended to read:

Subd. 7. [SALES AFTER 1:00 A.M.; PERMIT FEE.] (a) No licensee may sell intoxicating liquor or 3.2 percent malt liquor on-sale between the hours of 1:00 a.m. and 2:00 a.m. unless the licensee has obtained a permit from the commissioner. Application for the permit must be on a

form the commissioner prescribes. Permits are effective for one year from date of issuance. For retailers of intoxicating liquor, the fee for the permit is based on the licensee's gross receipts from on-sales of alcoholic beverages in the 12 months prior to the month in which the permit is issued, and is at the following rates:

(1) up to $100,000 in gross receipts, ~~$200~~ $300;

(2) over $100,000 but not over $500,000 in gross receipts, ~~$500~~ $750; and

(3) over $500,000 in gross receipts, ~~$600~~ $1,000.

For a licensed retailer of intoxicating liquor who did not sell intoxicating liquor at on-sale for a full 12 months prior to the month in which the permit is issued, the fee is $200. For a retailer of 3.2 percent malt liquor, the fee is $200.

(b) The commissioner shall deposit all permit fees received under this subdivision in the alcohol enforcement account in the special revenue fund.

(c) Notwithstanding any law to the contrary, the commissioner of revenue may furnish to the commissioner the information necessary to administer and enforce this subdivision.

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

Sec. 20. Minnesota Statutes 2004, section 518B.01, is amended by adding a subdivision to read:

Subd. 23. [PROHIBITION AGAINST EMPLOYER RETALIATION.] (a) An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment, because the employee took reasonable time off from work to obtain or attempt to obtain relief under this chapter. Except in cases of imminent danger to the health or safety of the employee or the employee's child, or unless impracticable, an employee who is absent from the workplace shall give 48 hours' advance notice to the employer. Upon request of the employer, the employee shall provide verification that supports the employee's reason for being absent from the workplace. All information related to the employee's leave pursuant to this section shall be kept confidential by the employer.

(b) An employer who violates paragraph (a) is guilty of a misdemeanor and may be punished for contempt of court. In addition, the court shall order the employer to pay back wages and offer job reinstatement to any employee discharged from employment in violation of paragraph (a).

(c) In addition to any remedies otherwise provided by law, an employee injured by a violation of paragraph (a) may bring a civil action for recovery of damages, together with costs and disbursements, including reasonable attorney's fees, and may receive such injunctive and other equitable relief, including reinstatement, as determined by the court.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 21. Minnesota Statutes 2004, section 609.748, is amended by adding a subdivision to read:

Subd. 10. [PROHIBITION AGAINST EMPLOYER RETALIATION.] (a) An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment, because the employee took reasonable time off from work to obtain or attempt to obtain relief under this section. Except in cases of imminent danger to the health or safety of the employee or the employee's child, or unless impracticable, an employee who is absent from the workplace shall give 48 hours' advance notice to the employer. Upon request of the employer, the employee shall provide verification that supports the employee's reason for being absent from the workplace. All information related to the employee's leave pursuant to this section shall be kept confidential by the employer.

(b) An employer who violates paragraph (a) is guilty of a misdemeanor and may be punished for contempt of court. In addition, the court shall order the employer to pay back wages and offer job reinstatement to any employee discharged from employment in violation of paragraph (a).

(c) In addition to any remedies otherwise provided by law, an employee injured by a violation of paragraph (a) may bring a civil action for recovery of damages, together with costs and disbursements, including reasonable attorney's fees, and may receive such injunctive and other equitable relief, including reinstatement, as determined by the court.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2004, section 611A.01, is amended to read:

611A.01 [DEFINITIONS.]

For the purposes of sections 611A.01 to 611A.06:

(a) "crime" means conduct that is prohibited by local ordinance and results in bodily harm to an individual; or conduct that is included within the definition of "crime" in section 609.02, subdivision 1, or would be included within that definition but for the fact that (i) the person engaging in the conduct lacked capacity to commit the crime under the laws of this state, or (ii) the act was alleged or found to have been committed by a juvenile;

(b) "victim" means a natural person who incurs loss or harm as a result of a crime, including a good faith effort to prevent a crime, and for purposes of sections 611A.04 and 611A.045, also includes (i) a corporation that incurs loss or harm as a result of a crime, (ii) a government entity that incurs loss or harm as a result of a crime, and (iii) any other entity authorized to receive restitution under section 609.10 or 609.125. ~~If the victim is a natural person and is deceased, "victim" means the deceased's surviving spouse or next of kin~~ The term "victim" includes the family members, guardian, or custodian of a minor, incompetent, incapacitated, or deceased person. In a case where the prosecutor finds that the number of family members makes it impracticable to accord all of the family members the rights described in sections 611A.02 to 611A.0395, the prosecutor shall establish a reasonable procedure to give effect to those rights. The procedure may not limit the number of victim impact statements submitted to the court under section 611A.038. The term "victim" does not include the person charged with or alleged to have committed the crime; and

(c) "juvenile" has the same meaning as given to the term "child" in section 260B.007, subdivision 3.

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

Sec. 23. Minnesota Statutes 2004, section 611A.036, is amended to read:

611A.036 [PROHIBITION AGAINST EMPLOYER RETALIATION.]

Subdivision 1. [VICTIM OR WITNESS.] An employer ~~or employer's agent who threatens to discharge or discipline~~ must allow a victim or witness, ~~or who discharges, disciplines, or causes a victim or witness to be discharged from employment or disciplined because the victim or the witness~~ who is subpoenaed or requested by the prosecutor to attend court for the purpose of giving testimony, ~~is guilty of a misdemeanor and may be punished for contempt of court. In addition, the court shall order the employer to offer job reinstatement to any victim or witness discharged from employment in violation of this section, and to pay the victim or witness back wages as appropriate~~ reasonable time off from work to attend criminal proceedings related to the victim's case.

Subd. 2. [VICTIM'S SPOUSE OR NEXT OF KIN.] An employer must allow a victim of a heinous crime, as well as the victim's spouse or next of kin, reasonable time off from work to attend criminal proceedings related to the victim's case.

Subd. 3. [PROHIBITED ACTS.] An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment, because the employee took reasonable time off from work to attend a criminal proceeding pursuant to this section.

Subd. 4. [VERIFICATION; CONFIDENTIALITY.] An employee who is absent from the workplace shall give 48 hours' advance notice to the employer, unless impracticable or an emergency prevents the employee from doing so. Upon request of the employer, the employee shall provide verification that supports the employee's reason for being absent from the workplace. All information related to the employee's leave pursuant to this section shall be kept confidential by the employer.

Subd. 5. [PENALTY.] An employer who violates this section is guilty of a misdemeanor and may be punished for contempt of court. In addition, the court shall order the employer to offer job reinstatement to any employee discharged from employment in violation of this section, and to pay the employee back wages as appropriate.

Subd. 6. [CIVIL ACTION.] In addition to any remedies otherwise provided by law, an employee injured by a violation of this section may bring a civil action for recovery for damages, together with costs and disbursements, including reasonable attorney's fees, and may receive such injunctive and other equitable relief, including reinstatement, as determined by the court.

Subd. 7. [DEFINITION.] As used in this section, "heinous crime" means:

(1) a violation or attempted violation of section 609.185 or 609.19;

(2) a violation of section 609.195 or 609.221; or

(3) a violation of section 609.342, 609.343, or 609.344, if the offense was committed with force or violence or if the complainant was a minor at the time of the offense.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 24. Minnesota Statutes 2004, section 611A.19, is amended to read:

611A.19 [TESTING OF SEX OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) Upon the request or with the consent of the victim, the prosecutor shall make a motion in camera and the sentencing court shall issue an order requiring an adult convicted of or a juvenile adjudicated delinquent for violating section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or any other violent crime, as defined in section 609.1095, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

(1) the crime involved sexual penetration, however slight, as defined in section 609.341, subdivision 12; or

(2) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during the commission of the crime in a manner which has been demonstrated epidemiologically to transmit the human immunodeficiency virus (HIV).

(b) When the court orders an offender to submit to testing under paragraph (a), the court shall order that the test be performed by an appropriate health professional who is trained to provide the counseling described in section 144.7414, and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services, except in the medical record maintained by the Department of Corrections.

(c) The order shall include the name and contact information of the victim's choice of health care provider.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of a test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. The results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results shall be reported to the commissioner of health. Unless the subject of the test is an inmate at a state correctional facility, any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.7414. If the subject of the test is an inmate at a state correctional facility, test results shall be given by the Department of Corrections' medical director to the victim's health care provider who shall give the results to the victim or victim's parent or guardian. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.384 or 144.335 and destroyed, except for those medical records maintained by the Department of Corrections.

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

Sec. 25. Minnesota Statutes 2004, section 611A.53, subdivision 1b, is amended to read:

Subd. 1b. [MINNESOTA RESIDENTS INJURED ELSEWHERE.] (a) A Minnesota resident who is the victim of a crime committed outside the geographical boundaries of this state but who otherwise meets the requirements of this section shall have the same rights under this chapter as if the crime had occurred within this state upon a showing that the state, territory, ~~or~~ United States possession, country, or political subdivision of a country in which the crime occurred does not have a crime victim reparations law covering the resident's injury or death.

(b) Notwithstanding paragraph (a), a Minnesota resident who is the victim of a crime involving international terrorism who otherwise meets the requirements of this section has the same rights under this chapter as if the crime had occurred within this state regardless of where the crime occurred or whether the jurisdiction has a crime victims reparations law.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to those seeking reparations on or after that date.

Sec. 26. [SPECIAL REVENUE SPENDING AUTHORIZATION FROM CRIMINAL JUSTICE SPECIAL PROJECTS ACCOUNT.]

Remaining balances in the special revenue fund from spending authorized by Laws 2001, First Special Session chapter 8, article 7, section 14, subdivision 1, for which spending authorization ended June 30, 2003, under Laws 2001, First Special Session, chapter 8, article 7, section 14, subdivision 3, are transferred to the general fund.

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

Sec. 27. [HOMELESSNESS PILOT PROJECTS; GRANTS.]

Subdivision 1. [GRANTS.] The commissioner of public safety, in consultation with the director of ending long-term homelessness, the Ending Long-Term Homelessness Advisory Council, and the Department of Human Services Office of Economic Opportunity, shall award grants to organizations that provide homeless outreach and a bridge to stable housing and services for the homeless. At a minimum, the commissioner shall award grants to qualified applicants in Hennepin County, Ramsey County, and one county outside the seven-county metropolitan area. An entity outside the seven-county metropolitan area receiving a grant under this section shall provide a 25 percent match. An entity within the seven-county metropolitan area receiving a grant under this section shall provide a 50 percent match. Grants must be used for homelessness pilot projects of a two-year duration that reduce recidivism and promote stronger communities through street and shelter outreach to connect people experiencing homelessness to housing and services.

Subd. 2. [APPLICATIONS.] An applicant for a grant under subdivision 1 must establish that:

(1) the applicant is experienced in homeless outreach services and will have staff qualified to work with people with serious mental illness, chemical dependency, and other factors contributing to homelessness;

(2) the applicant employs outreach staff who are trained and qualified to work with racially and culturally diverse populations;

(3) outreach services will be targeted to, but not limited to, people experiencing long-term homelessness, and people who have had repeated interactions with law enforcement;

(4) outreach services will provide intervention strategies linking people to housing and services as an alternative to arrest;

(5) the applicant has a plan to connect people experiencing homelessness to services for which they may be eligible such as supplemental security income, veterans benefits, health care, housing assistance, and long-term support programs for those with serious mental illness;

(6) the applicant's project will promote community collaboration with local law enforcement, local and county governments, social services providers, mental health crisis providers, and other community organizations to address homelessness;

(7) the applicant has a plan to leverage resources from the entities listed in clause (6) and other private sources to accomplish the goal of moving people into housing and services; and

(8) the applicant has a plan for evaluation of the applicant's pilot project that is designed to measure the program's effectiveness in connecting people experiencing homelessness to housing and services and reducing the use of public safety and corrections resources.

Subd. 3. [ANNUAL REPORT.] Grant recipients shall report to the commissioner by June 30, 2006, and June 30, 2007, on the services provided, expenditures of grant money, and an evaluation of the program's success in: (1) connecting individuals experiencing homelessness to housing and services; and (2) reducing the use of public safety and corrections resources. The commissioner shall submit reports to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over public safety and health and human services by November 1, 2006, and November 1, 2007. The commissioner's reports must explain how the grant proceeds were used and evaluate the effectiveness of the pilot projects funded by the grants.

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

Sec. 28. [TRANSFER OF RESPONSIBILITIES.]

The responsibility of the Department of Employment and Economic Development for the youth intervention program is transferred to the Department of Public Safety.

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

Sec. 29. [REVISOR INSTRUCTION.]

The revisor of statutes shall renumber Minnesota Statutes, section 116L.30 as section 299A.73. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

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

ARTICLE 9

FIRE MARSHAL

Section 1. Minnesota Statutes 2004, section 84.362, is amended to read:

84.362 [REMOVAL OF STRUCTURES.]

Until after the sale of any parcel of tax-forfeited land, whether classified as agricultural or nonagricultural hereunder, the county auditor may, with the approval of the commissioner, provide:

(1) for the sale or demolition of any structure located ~~thereon, which~~ on the land that has been determined by the county board to be ~~within the purview of section 299F.10,~~ especially liable to fire or so situated as to endanger life or limb or other buildings or property in the vicinity because of age, dilapidated condition, defective chimney, defective electric wiring, any gas connection, heating apparatus, or other defect; and

(2) for the sale of salvage material, if any, therefrom.

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

Sec. 2. Minnesota Statutes 2004, section 231.08, subdivision 5, as added by Laws 2005, chapter 92, section 3, is amended to read:

Subd. 5. [FIRE PROTECTION.] All warehouses must be protected against fire ~~by an automatic device or fire extinguishers~~ in accordance with the State Fire Code.

Sec. 3. Minnesota Statutes 2004, section 282.04, subdivision 2, is amended to read:

Subd. 2. [RIGHTS BEFORE SALE; IMPROVEMENTS, INSURANCE, DEMOLITION.] (a) Before the sale of a parcel of forfeited land the county auditor may, with the approval of the county board of commissioners, provide for the repair and improvement of any building or structure located upon the parcel, and may provide for maintenance of tax-forfeited lands, if it is determined by the county board that such repairs, improvements, or maintenance are necessary for the operation, use, preservation, and safety of the building or structure.

(b) If so authorized by the county board, the county auditor may insure the building or structure against loss or damage resulting from fire or windstorm, may purchase workers' compensation insurance to insure the county against claims for injury to the persons employed in the building or structure by the county, and may insure the county, its officers and employees against claims for injuries to persons or property because of the management, use, or operation of the building or structure.

(c) The county auditor may, with the approval of the county board, provide:

(1) for the demolition of the building or structure, which has been determined by the county board to be ~~within the purview of section 299F.10,~~ especially liable to fire or so situated as to endanger life or limb or other buildings or property in the vicinity because of age, dilapidated condition, defective chimney, defective electric wiring, any gas connection, heating apparatus, or other defect; and

(2) for the sale of salvaged materials from the building or structure.

(d) The county auditor, with the approval of the county board, may provide for the sale of abandoned personal property. The sale may be made by the sheriff using the procedures for the sale of abandoned property in section 345.15 or by the county auditor using the procedures for the sale of abandoned property in section 504B.271. The net proceeds from any sale of the personal property, salvaged materials, timber or other products, or leases made under this law must be deposited in the forfeited tax sale fund and must be distributed in the same manner as if the parcel had been sold.

(e) The county auditor, with the approval of the county board, may provide for the demolition of any structure on tax-forfeited lands, if in the opinion of the county board, the county auditor, and the land commissioner, if there is one, the sale of the land with the structure on it, or the continued existence of the structure by reason of age, dilapidated condition or excessive size as compared with nearby structures, will result in a material lessening of net tax capacities of real estate in the vicinity of the tax-forfeited lands, or if the demolition of the structure or structures will aid in disposing of the tax-forfeited property.

(f) Before the sale of a parcel of forfeited land located in an urban area, the county auditor may with the approval of the county board provide for the grading of the land by filling or the removal of any surplus material from it. If the physical condition of forfeited lands is such that a reasonable grading of the lands is necessary for the protection and preservation of the property of any adjoining owner, the adjoining property owner or owners may apply to the county board to have the grading done. If, after considering the application, the county board believes that the grading will enhance the value of the forfeited lands commensurate with the cost involved, it may approve it, and the work must be performed under the supervision of the county or city engineer, as the case may be, and the expense paid from the forfeited tax sale fund.

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

Sec. 4. Minnesota Statutes 2004, section 299F.011, subdivision 7, is amended to read:

Subd. 7. [FEES.] ~~A fee of $100 shall be charged by~~ The state fire marshal shall charge a fee of $100 for each plan review involving:

(1) flammable liquids ~~under Minnesota Rules, part 7510.3650~~;

(2) motor vehicle fuel-dispensing stations ~~under Minnesota Rules, part 7510.3610~~; or

(3) liquefied petroleum gases ~~under Minnesota Rules, part 7510.3670~~.

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

Sec. 5. Minnesota Statutes 2004, section 299F.014, is amended to read:

299F.014 [RULES FOR CERTAIN PETROLEUM STORAGE TANKS; TANK VEHICLE PARKING.]

(a) Any rule of the commissioner of public safety that adopts provisions of the ~~Uniform~~ State Fire Code relating to aboveground tanks for petroleum storage that are not used for dispensing to the public is superseded by Minnesota Rules, chapter 7151, in regard to: secondary containment, substance transfer areas, tank and piping standards, overfill protection, corrosion protection, leak detection, labeling, monitoring, maintenance, record keeping, and decommissioning. If Minnesota Rules, chapter 7151, does not address an issue relating to aboveground tanks for petroleum storage that are not used for dispensing to the public, any applicable provision of the ~~Uniform~~ State Fire Code~~, 1997 Edition, shall apply~~ applies.

(b) A motorized tank vehicle used to transport petroleum products may be parked within 500 feet of a residence if the vehicle is parked at an aboveground tank facility used for dispensing petroleum into cargo tanks for sale at another location.

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

Sec. 6. Minnesota Statutes 2004, section 299F.05, is amended to read:

299F.05 [LAW ENFORCEMENT POWERS; INFORMATION SYSTEM.]

Subdivision 1. [INVESTIGATION, ARREST, AND PROSECUTION.] ~~The state fire marshal,~~ On determining that reasonable grounds exist to believe that a violation of sections 609.561 to 609.576 has occurred~~,~~ or ~~reasonable grounds to believe~~ that some other crime has occurred in connection with a fire investigated pursuant to section 299F.04, the state fire marshal shall so inform the ~~superintendent of the Bureau of Criminal Apprehension. The superintendent~~ law enforcement authority having jurisdiction, who shall cooperate with the fire marshal and local fire officials in further investigating the reported incident in a manner ~~which~~ that may include supervising and directing the subsequent criminal investigation~~,~~ and taking the testimony on oath of all persons supposed to be cognizant of any facts relating to the matter under investigation. ~~If the superintendent believes~~ On determining that there is evidence sufficient to charge any person with a violation of sections 609.561 to 609.576, or of any other crime in connection with an investigated fire, the ~~superintendent~~ authority having jurisdiction shall ~~arrest or cause~~ have the

person ~~to be~~ arrested and charged with the offense and furnish to the proper prosecuting attorney all relevant evidence, together with the copy of all names of witnesses and all the information obtained by the ~~superintendent~~ authority or the state fire marshal, including a copy of all pertinent and material testimony taken in the case.

Subd. 2. [INFORMATION SYSTEM.] The state fire marshal ~~and the superintendent of the Bureau of Criminal Apprehension~~ shall maintain a record of arrests, charges filed, and final disposition of all fires reported and investigated under sections 299F.04 and 299F.05. For this purpose, the Department of Public Safety shall implement a single reporting system ~~shall be implemented by the Department of Public Safety~~ utilizing the systems operated by the fire marshal ~~and the bureau~~. The system ~~shall~~ must be operated in such a way as to minimize duplication and discrepancies in reported figures.

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

Sec. 7. Minnesota Statutes 2004, section 299F.051, subdivision 4, is amended to read:

Subd. 4. [COOPERATIVE INVESTIGATION~~; REIMBURSEMENT~~.] The state fire marshal and the superintendent of the Bureau of Criminal Apprehension shall encourage the cooperation of local firefighters and peace officers in the investigation of violations of sections 609.561 to 609.576 or other crimes associated with reported fires in all appropriate ways~~, including providing reimbursement to political subdivisions at a rate not to exceed 50 percent of the salaries of peace officers and firefighters for time spent in attending fire investigation training courses offered by the arson training unit. Volunteer firefighters from a political subdivision shall be reimbursed at the rate of $35 per day plus expenses incurred in attending fire investigation training courses offered by the arson training unit. Reimbursement shall be made only in the event that both a peace officer and a firefighter from the same political subdivision attend the same training course. The reimbursement shall be subject to the limitation of funds appropriated and available for expenditure. The state fire marshal and the superintendent also shall encourage local firefighters and peace officers to seek assistance from the arson strike force established in section 299F.058~~.

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

Sec. 8. Minnesota Statutes 2004, section 299F.06, subdivision 1, is amended to read:

Subdivision 1. [SUMMON WITNESSES; PRODUCE DOCUMENTARY EVIDENCE.] (a) In order to establish if reasonable grounds exist to believe that a violation of sections 609.561 to 609.576~~,~~ has occurred, or to determine compliance with the ~~Uniform~~ State Fire Code or corrective orders issued ~~thereunder~~ under that code, the state fire marshal and the staff designated by the state fire marshal ~~shall have the power~~, in any county of the state ~~to~~, may summon and compel the attendance of witnesses to testify before the state fire marshal, chief assistant fire marshal, or deputy state fire marshals~~,~~ and may require the production of any book, paper, or document deemed pertinent. ~~The state fire marshal may also designate certain individuals from fire departments in cities of the first class and cities of the second class as having the powers set forth in this paragraph. These designated individuals may only exercise their powers in a manner prescribed by the state fire marshal. "Fire department" has the meaning given in section 299F.092, subdivision 6. "Cities of the first class" and "cities of the second class" have the meanings given in section 410.01.~~

(b) A summons issued under this subdivision ~~shall~~ must be served in the same manner and ~~have~~ has the same effect as ~~subpoenas~~ a subpoena issued from a district ~~courts~~ court. All witnesses ~~shall~~ must receive the same compensation as is paid to witnesses in district courts, which ~~shall~~ must be paid out of the fire marshal fund upon ~~vouchers~~ a voucher certificate signed by the state fire marshal, chief assistant fire marshal, or deputy fire marshal before whom any witnesses ~~shall~~ have attended and this officer shall, at the close of the investigation ~~wherein~~ in which the witness was subpoenaed, certify to the attendance and mileage of the witness~~, which~~. This certificate ~~shall~~ must be filed in the Office of the State Fire Marshal. All investigations held by or under the direction of the state fire marshal~~,~~ or any subordinate~~,~~ may, in the state fire marshal's discretion, be private and persons other than those required to be present by the provisions of this chapter may be excluded from the place where the investigation is held, and witnesses may be kept separate and apart from each other and not allowed to communicate with each other until they have been examined.

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

Sec. 9. Minnesota Statutes 2004, section 299F.19, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The commissioner of public safety shall adopt rules for the safekeeping, storage, handling, use, or other disposition of ~~flammable liquids, flammable gases,~~ blasting agents~~,~~ and explosives. Loads carried in or on vehicles transporting ~~such~~ these products upon public highways within this state ~~shall be~~ are governed by the uniform vehicle size and weights provisions in sections 169.80 to 169.88 and the transportation of hazardous materials provisions of section 221.033. ~~The rules for flammable liquids and flammable gases shall be distinguished from each other and from the rules covering other materials subject to regulation under this subdivision.~~

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

Sec. 10. Minnesota Statutes 2004, section 299F.19, subdivision 2, is amended to read:

Subd. 2. [BLASTING AGENT DEFINED; EXPLOSIVES CLASSIFIED.] ~~(a)~~ For the purposes of this section~~,~~ and the rules adopted pursuant ~~thereto, the term~~ to this section:

(a) "Blasting agent" means any material or mixture, consisting of a fuel and oxidizer, intended for blasting, not otherwise classified as an explosive and in which none of the ingredients is classified as an explosive~~,~~; providing that, the finished product, as mixed and packaged for use or shipment, cannot be detonated by means of a number 8 test blasting cap when unconfined. ~~The~~ ~~term~~ "Blasting agent" does not include flammable liquids or flammable gases.

(b) ~~For the purposes of this section, and the rules adopted pursuant thereto,~~ "Explosive" means any chemical compound, mixture, or device, the primary or common purpose of which is to function by explosion. The term includes, but is not limited to, dynamite, black powder, pellet powder, initiating explosives, detonators, safety fuses, squibs, detonating cord, igniter cord, igniters, display fireworks, and class 1.3G fireworks (formerly classified as Class B special fireworks). "Explosive" includes any material determined to be within the scope of United States Code, title 18, chapter 40, and also includes any material classified as an explosive other than consumer fireworks, 1.4G (Class C, Common), by the hazardous materials regulations of the United States Department of Transportation (DOTn) in Code of Federal Regulations, title 49.

(c) Explosives are divided into ~~three classes~~ four categories and are defined as follows:

~~(1) class A explosives: possessing detonating or otherwise maximum hazard, such as dynamite, nitroglycerin, picric acid, lead azide, fulminate of mercury, blasting caps, and detonating primers;~~

~~(2) class B explosives: possessing flammable hazard, such as propellant explosives (including some smokeless powders), black powder, photographic flash powders, and some special fireworks;~~

~~(3) class C explosives: includes certain types of manufactured articles which contain class A, or class B explosives, or both, as components but in restricted quantities.~~

~~The term explosive or explosives means any chemical compound, mixture or device, the primary or common purpose of which is to function by explosion; that is, with substantially instantaneous release of gas and heat, unless such compound, mixture, or device is otherwise specifically classified by the United States Department of Transportation. The term explosives includes all material which is classified as class A, class B, and class C explosives by the United States Department of Transportation, and includes, but is not limited to dynamite, black powder, pellet powder, initiating explosives, blasting caps, electric blasting caps, safety fuse, fuse lighters, fuse igniters, squibs, cordeau detonate fuse, instantaneous fuse, igniter cord, igniters, and some special fireworks. Commercial explosives are those explosives which are intended to be used in commercial or industrial operation. The term explosives does not include flammable liquids or flammable gases.~~

(1) High explosive: explosive material, such as dynamite, that can be caused to detonate by means of a number eight test blasting cap when unconfined.

(2) Low explosive: explosive material that will burn or deflagrate when ignited, characterized by a rate of reaction that is less than the speed of sound, including, but not limited to, black powder, safety fuse, igniters, igniter cord, fuse lighters, class 1.3G fireworks (formerly classified as Class B special fireworks), and class 1.3C propellants.

(3) Mass-detonating explosives: division 1.1, 1.2, and 1.5 explosives alone or in combination, or loaded into various types of ammunition or containers, most of which can be expected to explode virtually instantaneously when a small portion is subjected to fire, severe concussion, impact, the impulse of an initiating agent, or the effect of a considerable discharge of energy from without. Materials that react in this manner represent a mass explosion hazard. Such an explosive will normally cause severe structural damage to adjacent objects. Explosive propagation could occur immediately to other items of ammunition and explosives stored sufficiently close to and not adequately protected from the initially exploding pile with a time interval short enough so that two or more quantities must be considered as one for quantity-distance purposes.

(4) United Nations/United States Department of Transportation (UN/DOTn) Class 1 explosives: the hazard class of explosives that further defines and categorizes explosives under the current system applied by DOTn for all explosive materials into further divisions as follows, with the letter G identifying the material as a pyrotechnic substance or article containing a pyrotechnic substance and similar materials:

(i) Division 1.1 explosives have a mass explosion hazard. A mass explosion is one that affects almost the entire load instantaneously.

(ii) Division 1.2 explosives have a projection hazard but not a mass explosion hazard.

(iii) Division 1.3 explosives have a fire hazard and either a minor blast hazard or a minor projection hazard or both, but not a mass explosion hazard.

(iv) Division 1.4 explosives pose a minor explosion hazard. The explosive effects are largely confined to the package and no projection of fragments of appreciable size or range is to be expected. An external fire must not cause virtually instantaneous explosion of almost the entire contents of the package.

(v) Division 1.5 explosives are very insensitive and are comprised of substances that have a mass explosion hazard, but are so insensitive that there is very little probability of initiation or of transition from burning to detonation under normal conditions of transport.

(vi) Division 1.6 explosives are extremely insensitive and do not have a mass explosion hazard, comprised of articles that contain only extremely insensitive detonating substances and that demonstrate a negligible probability of accidental initiation or propagation.

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

Sec. 11. Minnesota Statutes 2004, section 299F.362, subdivision 3, is amended to read:

Subd. 3. [SMOKE DETECTOR FOR ANY DWELLING.] Every dwelling unit within a dwelling ~~shall~~ must be provided with a smoke detector meeting the requirements of ~~Underwriters Laboratories, Inc., or approved by the International Conference of Building Officials~~ the State Fire Code. The detector ~~shall~~ must be mounted in accordance with the rules regarding smoke detector location ~~promulgated~~ adopted under ~~the provisions of~~ subdivision 2. When actuated, the detector ~~shall~~ must provide an alarm in the dwelling unit.

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

Sec. 12. Minnesota Statutes 2004, section 299F.362, subdivision 4, is amended to read:

Subd. 4. [SMOKE DETECTOR FOR APARTMENT, LODGING HOUSE, OR HOTEL.]

Every dwelling unit within an apartment house and every guest room in a lodging house or hotel used for sleeping purposes ~~shall~~ must be provided with a smoke detector conforming to the requirements of ~~Underwriters Laboratories, Inc., or approved by the International Conference of Building Officials~~ the State Fire Code. In dwelling units, detectors ~~shall~~ must be mounted in accordance with the rules regarding smoke detector location ~~promulgated~~ adopted under ~~the provisions of~~ subdivision 2. When actuated, the detector ~~shall~~ must provide an alarm in the dwelling unit or guest room.

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

Sec. 13. Minnesota Statutes 2004, section 624.22, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS; PERMIT; INVESTIGATION; FEE.] (a) Sections 624.20 to 624.25 do not prohibit the supervised display of fireworks by a statutory or home rule charter city, fair association, amusement park, or other organization, except that:

(1) a fireworks display may be conducted only when supervised by an operator certified by the state fire marshal; and

(2) a fireworks display must either be given by a municipality or fair association within its own limits, or by any other organization, whether public or private, only after a permit for the display has first been secured.

(b) An application for a permit for an outdoor fireworks display must be made in writing to the municipal clerk at least 15 days in advance of the date of the display and must list the name of an operator who is certified by the state fire marshal and will supervise the display. The application must be promptly referred to the chief of the fire department, who shall make an investigation to determine whether the operator of the display is competent and is certified by the state fire marshal, and whether the display is of such a character and is to be so located, discharged, or fired that it will not be hazardous to property or endanger any person. The fire chief shall report the results of this investigation to the clerk. If the fire chief reports that the operator is certified, that in the chief's opinion the operator is competent, and that the fireworks display as planned will conform to the safety guidelines of the state fire marshal provided for in paragraph (f), the clerk shall issue a permit for the display when the applicant pays a permit fee.

(c) When the supervised outdoor fireworks display for which a permit is sought is to be held outside the limits of an incorporated municipality, the application must be made to the county auditor, and the auditor shall perform duties imposed by sections 624.20 to 624.25 upon the clerk of the municipality. When an application is made to the auditor, the county sheriff shall perform the duties imposed on the fire chief of the municipality by sections 624.20 to 624.25.

(d) An application for an indoor fireworks display permit must be made in writing to the state fire marshal by the operator of the facility in which the display is to occur at least 15 days in advance of the date of any performance, show, or event which will include the discharge of fireworks inside a building or structure. The application must list the name of an operator who is certified by the state fire marshal and will supervise the display. The state fire marshal shall make an investigation to determine whether the operator of the display is competent and is properly certified and whether the display is of such a character and is to be so located, discharged, or fired that it will not be hazardous to property or endanger any person. If the state fire marshal determines that the operator is certified and competent, that the indoor fireworks display as planned will conform to the safety guidelines provided for in paragraph (f), and that adequate notice will be given to inform patrons of the indoor fireworks display, the state fire marshal shall issue a permit for the display when the applicant pays an indoor fireworks fee of $150 and reimburses the fire marshal for costs of inspection. Receipts from the indoor fireworks fee and inspection reimbursements must be deposited in the general fund as a nondedicated receipt. The state fire marshal may issue a single permit for multiple indoor fireworks displays when all of the displays are to take place at the same venue as part of a series of performances by the same performer or group of performers. A copy of the application must be promptly conveyed to the chief of the local fire department, who shall make appropriate preparations to ensure public safety in the vicinity of the display. The operator of a facility where an indoor fireworks display occurs

must provide notice in a prominent place as approved by the state fire marshal to inform patrons attending a performance when indoor fireworks will be part of that performance. The state fire marshal may grant a local fire chief the authority to issue permits for indoor fireworks displays. Before issuing a permit, a local fire chief must make the determinations required in this paragraph.

(e) After a permit has been granted under either paragraph (b) or (d), sales, possession, use and distribution of fireworks for a display are lawful for that purpose only. A permit is not transferable.

(f) The state fire marshal shall adopt and disseminate to political subdivisions rules establishing guidelines on fireworks display safety that are consistent with sections 624.20 to 624.25 and the most recent ~~editions~~ edition of the ~~Minnesota Uniform~~ State Fire Code ~~and the National Fire Protection Association Standards~~, to insure that fireworks displays are given safely. In the guidelines, the state fire marshal shall allow political subdivisions to exempt the use of relatively safe fireworks for theatrical special effects, ceremonial occasions, and other limited purposes, as determined by the state fire marshal.

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

Sec. 14. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the terms "Minnesota Uniform Fire Code" and "Uniform Fire Code" to "State Fire Code" where found in Minnesota Statutes, sections 16B.61, subdivision 2; 126C.10, subdivision 14; 136F.61; 245A.151; 299F.011, subdivisions 1, 4, 4b, 4c, 5, and 6; 299F.013; 299F.015, subdivision 1; 299F.06, subdivision 1; 299F.092, subdivision 6; 299F.093, subdivision 1; 299F.362, subdivision 6; 299F.391, subdivisions 2 and 3; 299M.12; 414.0325, subdivision 5; and 462.3585.

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

Sec. 15. [REPEALER.]

Minnesota Statutes 2004, sections 69.011, subdivision 5; 299F.011, subdivision 4c; 299F.015; 299F.10; 299F.11; 299F.12; 299F.13; 299F.14; 299F.15; 299F.16; 299F.17; 299F.361; 299F.451; and 299F.452, are repealed.

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

ARTICLE 10

911 EMERGENCY TELECOMMUNICATIONS SERVICES

Section 1. [237.491] [COMBINED PER NUMBER FEE.]

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

(b) "911 emergency and public safety communications program" means the program governed by chapter 403.

(c) "Minnesota telephone number" means a ten-digit telephone number being used to connect to the public switched telephone network and starting with area code 218, 320, 507, 612, 651, 763, or 952, or any subsequent area code assigned to this state.

(d) "Service provider" means a provider doing business in this state who provides real time, two-way voice service with a Minnesota telephone number.

(e) "Telecommunications access Minnesota program" means the program governed by sections 237.50 to 237.55.

(f) "Telephone assistance program" means the program governed by sections 237.69 to 237.711.

Subd. 2. [PER NUMBER FEE.] (a) By January 15, 2006, the commissioner of commerce shall

report to the legislature and to the senate Committee on Jobs, Energy, and Community Development and the house Committee on Regulated Industries, recommendations for the amount of and method for assessing a fee that would apply to each service provider based upon the number of Minnesota telephone numbers in use by current customers of the service provider. The fee would be set at a level calculated to generate only the amount of revenue necessary to fund:

(1) the telephone assistance program and the telecommunications access Minnesota program at the levels established by the commission under sections 237.52, subdivision 2, and 237.70; and

(2) the 911 emergency and public safety communications program at the levels appropriated by law to the commissioner of public safety and the commissioner of finance for purposes of sections 403.11, 403.113, 403.27, 403.30, and 403.31 for each fiscal year.

(b) The recommendations must include any changes to Minnesota Statutes necessary to establish the procedures whereby each service provider, to the extent allowed under federal law, would collect and remit the fee proceeds to the commissioner of revenue. The commissioner of revenue would allocate the fee proceeds to the three funding areas in paragraph (a) and credit the allocations to the appropriate accounts.

(c) The recommendations must be designed to allow the combined per telephone number fee to be collected beginning July 1, 2006. The per access line fee used to collect revenues to support the TAP, TAM, and 911 programs remains in effect until the statutory changes necessary to implement the per telephone number fee have been enacted into law and taken effect.

(d) As part of the process of developing the recommendations and preparing the report to the legislature required under paragraph (a), the commissioner of commerce must, at a minimum, consult regularly with the Departments of Public Safety, Finance, and Administration, the Public Utilities Commission, service providers, the chairs and ranking minority members of the senate and house committees, subcommittees, and divisions having jurisdiction over telecommunications and public safety, and other affected parties.

Sec. 2. Minnesota Statutes 2004, section 237.70, subdivision 7, is amended to read:

Subd. 7. [APPLICATION, NOTICE, FINANCIAL ADMINISTRATION, COMPLAINT INVESTIGATION.] The telephone assistance plan must be administered jointly by the commission, the Department of Commerce, and the local service providers in accordance with the following guidelines:

(a) The commission and the Department of Commerce shall develop an application form that must be completed by the subscriber for the purpose of certifying eligibility for telephone assistance plan credits to the local service provider. The application must contain the applicant's Social Security number. Applicants who refuse to provide a Social Security number will be denied telephone assistance plan credits. The application form must also include a statement that the applicant household is currently eligible for one of the programs that confers eligibility for the federal Lifeline Program. The application must be signed by the applicant, certifying, under penalty of perjury, that the information provided by the applicant is true.

(b) Each local service provider shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing and shall mail the application form to customers when requested.

The notice must state the following:

YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE PROGRAMS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE CONTACT .....

(c) An application may be made by the subscriber, the subscriber's spouse, or a person authorized by the subscriber to act on the subscriber's behalf. On completing the application certifying that the statutory criteria for eligibility are satisfied, the applicant must return the application to the subscriber's local service provider. On receiving a completed application from

an applicant, the subscriber's local service provider shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of the application. The applicant must receive telephone assistance plan credits until the earliest possible month following the service provider's receipt of information that the applicant is ineligible.

If the telephone assistance plan credit is not itemized on the subscriber's monthly charges bill for local telephone service, the local service provider must notify the subscriber of the approval for the telephone assistance plan credit.

(d) The commission shall serve as the coordinator of the telephone assistance plan and be reimbursed for its administrative expenses from the surcharge revenue pool. As the coordinator, the commission shall:

(1) establish a uniform statewide surcharge in accordance with subdivision 6;

(2) establish a uniform statewide level of telephone assistance plan credit that each local service provider shall extend to each eligible household in its service area;

(3) require each local service provider to account to the commission on a periodic basis for surcharge revenues collected by the provider, expenses incurred by the provider, not to include expenses of collecting surcharges, and credits extended by the provider under the telephone assistance plan;

(4) require each local service provider to remit surcharge revenues to the Department of ~~Administration~~ Public Safety for deposit in the fund; and

(5) remit to each local service provider from the surcharge revenue pool the amount necessary to compensate the provider for expenses, not including expenses of collecting the surcharges, and telephone assistance plan credits. When it appears that the revenue generated by the maximum surcharge permitted under subdivision 6 will be inadequate to fund any particular established level of telephone assistance plan credits, the commission shall reduce the credits to a level that can be adequately funded by the maximum surcharge. Similarly, the commission may increase the level of the telephone assistance plan credit that is available or reduce the surcharge to a level and for a period of time that will prevent an unreasonable overcollection of surcharge revenues.

(e) Each local service provider shall maintain adequate records of surcharge revenues, expenses, and credits related to the telephone assistance plan and shall, as part of its annual report or separately, provide the commission and the Department of Commerce with a financial report of its experience under the telephone assistance plan for the previous year. That report must also be adequate to satisfy the reporting requirements of the federal matching plan.

(f) The Department of Commerce shall investigate complaints against local service providers with regard to the telephone assistance plan and shall report the results of its investigation to the commission.

Sec. 3. Minnesota Statutes 2004, section 403.02, subdivision 7, is amended to read:

Subd. 7. [AUTOMATIC LOCATION IDENTIFICATION.] "Automatic location identification" means the process of electronically identifying and displaying ~~on a special viewing screen~~ the name of the subscriber and the location, where available, of the calling telephone number to a person answering a 911 emergency call.

Sec. 4. Minnesota Statutes 2004, section 403.02, subdivision 13, is amended to read:

Subd. 13. [ENHANCED 911 SERVICE.] "Enhanced 911 service" means the use of ~~selective routing,~~ automatic location identification~~,~~ or local location identification as part of local 911 service provided by an enhanced 911 system consisting of a common 911 network and database and customer data and network components connecting to the common 911 network and database.

Sec. 5. Minnesota Statutes 2004, section 403.02, subdivision 17, is amended to read:

Subd. 17. [911 SERVICE.] "911 service" means a telecommunications service that automatically connects a person dialing the digits 911 to an established public safety answering point. 911 service includes:

(1) ~~equipment for connecting and outswitching 911 calls within a telephone central office, trunking facilities from the central office to a public safety answering point~~ customer data and network components connecting to the common 911 network and database;

(2) common 911 network and database equipment, as appropriate, for automatically selectively routing 911 calls ~~in situations where one telephone central office serves more than one~~ to the public safety answering point serving the caller's jurisdiction; and

(3) provision of automatic location identification if the public safety answering point has the capability of providing that service.

Sec. 6. Minnesota Statutes 2004, section 403.02, is amended by adding a subdivision to read:

Subd. 17a. [911 EMERGENCY TELECOMMUNICATIONS SERVICE PROVIDER.] "911 emergency telecommunications service provider" means a telecommunications service provider or other entity, determined by the commissioner to be capable of providing effective and efficient components of the 911 system, that provides all or portions of the network and database for automatically selectively routing 911 calls to the public safety answering point serving the caller's jurisdiction.

Sec. 7. Minnesota Statutes 2004, section 403.025, subdivision 3, is amended to read:

Subd. 3. [~~WIRE-LINE~~ CONNECTED TELECOMMUNICATIONS SERVICE PROVIDER REQUIREMENTS.] Every owner and operator of a wire-line or wireless circuit switched or packet-based telecommunications system connected to the public switched telephone network shall design and maintain the system to dial the 911 number without charge to the caller.

Sec. 8. Minnesota Statutes 2004, section 403.025, subdivision 7, is amended to read:

Subd. 7. [CONTRACTUAL REQUIREMENTS.] (a) The state, together with the county or other governmental agencies operating public safety answering points, shall contract with the appropriate wire-line telecommunications service providers or other entities determined by the commissioner to be capable of providing effective and efficient components of the 911 system for the operation, maintenance, enhancement, and expansion of the 911 system.

(b) The state shall contract with the appropriate wireless telecommunications service providers for maintaining, enhancing, and expanding the 911 system.

(c) The contract language or subsequent amendments to the contract must include a description of the services to be furnished ~~by wireless and wire-line telecommunications service providers~~ to the county or other governmental agencies operating public safety answering points~~, as well as compensation based on the effective tariff or price list approved by the Public Utilities Commission~~. The contract language or subsequent amendments must include the terms of compensation based on the effective tariff or price list filed with the Public Utilities Commission or the prices agreed to by the parties.

(d) The contract language or subsequent amendments to contracts between the parties must contain a provision for resolving disputes.

Sec. 9. Minnesota Statutes 2004, section 403.05, subdivision 3, is amended to read:

Subd. 3. [AGREEMENTS FOR SERVICE.] Each county and any other governmental agency shall contract with the state and wire-line telecommunications service providers or other entities determined by the commissioner to be capable of providing effective and efficient components of the 911 system for the recurring and nonrecurring costs associated with operating and maintaining 911 emergency communications systems.

Sec. 10. Minnesota Statutes 2004, section 403.07, subdivision 3, is amended to read:

Subd. 3. [DATABASE.] In 911 systems that have been approved by the commissioner for a local location identification database, each wire-line telecommunications service provider shall provide current customer names, service addresses, and telephone numbers to each public safety answering point within the 911 system and shall update the information according to a schedule prescribed by the county 911 plan. Information provided under this subdivision must be provided in accordance with the transactional record disclosure requirements of the federal ~~Electronic~~ Communications ~~Privacy~~ Act of ~~1986~~ 1932, United States Code, title ~~18~~ 47, section ~~2703~~ 222, subsection ~~(c), paragraph (1), subparagraph (B)(iv)~~ (g).

Sec. 11. Minnesota Statutes 2004, section 403.08, subdivision 10, is amended to read:

Subd. 10. [PLAN INTEGRATION.] Counties shall incorporate the statewide design when modifying county 911 plans to provide for integrating wireless 911 service into existing county 911 systems. The commissioner shall contract with the involved wireless service providers and 911 emergency telecommunications service providers to integrate cellular and other wireless services into existing 911 systems where feasible.

Sec. 12. Minnesota Statutes 2004, section 403.11, subdivision 1, is amended to read:

Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE; ACCOUNT.] (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for 911 emergency telecommunications service, plus administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program. Recurring charges by a wire-line telecommunications service provider for updating the information required by section 403.07, subdivision 3, must be paid by the commissioner if the wire-line telecommunications service provider is included in an approved 911 plan and the charges are made pursuant to ~~tariff, price list, or~~ contract. The fee assessed under this section must also be used for the purpose of offsetting the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid must not cancel and is carried forward to subsequent years and may be appropriated from time to time to the commissioner to provide financial assistance to counties for the improvement of local emergency telecommunications services. The improvements may include providing access to 911 service for telecommunications service subscribers currently without access and upgrading existing 911 service to include automatic number identification, local location identification, automatic location identification, and other improvements specified in revised county 911 plans approved by the commissioner.

(c) The fee may not be less than eight cents nor more than ~~40~~ 65 cents a month for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of finance, the commissioner of public safety shall establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed. The commissioner shall provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers.

(d) The fee must be collected by each wireless or wire-line telecommunications service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be

submitted quarterly if less than $250 a month is due, or annually if less than $25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services.

(e) This subdivision does not apply to customers of interexchange carriers.

(f) The installation and recurring charges for integrating wireless 911 calls into enhanced 911 systems must be paid by the commissioner if the 911 service provider is included in the statewide design plan and the charges are made pursuant to ~~tariff, price list, or~~ contract.

Sec. 13. Minnesota Statutes 2004, section 403.11, subdivision 3, is amended to read:

Subd. 3. [METHOD OF PAYMENT.] (a) Any wireless or wire-line telecommunications service provider incurring reimbursable costs under subdivision 1 shall submit an invoice itemizing rate elements by county or service area to the commissioner for 911 services furnished under ~~tariff, price list, or~~ contract. Any wireless or wire-line telecommunications service provider is eligible to receive payment for 911 services rendered according to the terms and conditions specified in the contract. Competitive local exchange carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services provided after July 1, 2001. The commissioner shall pay the invoice within 30 days following receipt of the invoice unless the commissioner notifies the service provider that the commissioner disputes the invoice.

(b) The commissioner shall estimate the amount required to reimburse 911 emergency telecommunications service providers and wireless and wire-line telecommunications service providers for the state's obligations under subdivision 1 and the governor shall include the estimated amount in the biennial budget request.

Sec. 14. Minnesota Statutes 2004, section 403.11, subdivision 3a, is amended to read:

Subd. 3a. [TIMELY CERTIFICATION.] A certification must be submitted to the commissioner no later than ~~two years~~ one year after commencing a new or additional eligible 911 service. ~~Any wireless or wire-line telecommunications service provider incurring reimbursable costs under this section at any time before January 1, 2003, may certify those costs for payment to the commissioner according to this section for a period of 90 days after January 1, 2003. During this period, the commissioner shall reimburse any wireless or wire-line telecommunications service provider for approved, certified costs without regard to any contrary provision of this subdivision~~ Each applicable contract must provide that, if certified expenses under the contract deviate from estimates in the contract by more than ten percent, the commissioner may reduce the level of service without incurring any termination fees.

Sec. 15. Minnesota Statutes 2004, section 403.113, subdivision 1, is amended to read:

Subdivision 1. [FEE.] (a) Each customer receiving service from a wireless or wire-line switched or packet-based telecommunications service provider connected to the public telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee to fund implementation, operation, maintenance, enhancement, and expansion of enhanced 911 service, including acquisition of necessary equipment and the costs of the commissioner to administer the program. The actual fee assessed under section 403.11 and the enhanced 911 service fee must be collected as one amount and may not exceed the amount specified in section 403.11, subdivision 1, paragraph (c).

(b) The enhanced 911 service fee must be collected and deposited in the same manner as the fee in section 403.11 and used solely for the purposes of paragraph (a) and subdivision 3.

(c) The commissioner, in consultation with counties and 911 system users, shall determine the amount of the enhanced 911 service fee. ~~The fee must include at least ten cents per month to be distributed under subdivision 2.~~ The commissioner shall inform wireless and wire-line telecommunications service providers that provide service capable of originating a 911 emergency telephone call of the total amount of the 911 service fees in the same manner as provided in section 403.11.

Sec. 16. Minnesota Statutes 2004, section 403.21, subdivision 8, is amended to read:

Subd. 8. [SUBSYSTEMS.] "Subsystems" or "public safety radio subsystems" means systems identified in the plan or a plan developed under section 403.36 as subsystems interconnected by the system backbone ~~in subsequent phases~~ and operated by the Metropolitan Radio Board, a regional radio board, or local government units for their own internal operations.

Sec. 17. Minnesota Statutes 2004, section 403.27, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] ~~(a)~~ After consulting with the commissioner of finance, the council, if requested by a vote of at least two-thirds of all of the members of the Metropolitan Radio Board, may, by resolution, authorize the issuance of its revenue bonds for any of the following purposes to:

(1) provide funds for regionwide mutual aid and emergency medical services communications;

(2) provide funds for the elements of the first phase of the regionwide public safety radio communication system that the board determines are of regionwide benefit and support mutual aid and emergency medical services communication including, but not limited to, costs of master controllers of the backbone;

(3) provide money for the second phase of the public safety radio communication system;

(4) to the extent money is available after meeting the needs described in clauses (1) to (3), provide money to reimburse local units of government for amounts expended for capital improvements to the first phase system previously paid for by the local government units; or

(5) refund bonds issued under this section.

~~(b) After consulting with the commissioner of finance, the council, if requested by a vote of at least two-thirds of all of the members of the Statewide Radio Board, may, by resolution, authorize the issuance of its revenue bonds to provide money for the third phase of the public safety radio communication system.~~

Sec. 18. Minnesota Statutes 2004, section 403.27, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS.] (a) The principal amount of the bonds issued pursuant to subdivision 1, exclusive of any original issue discount, shall not exceed the amount of $10,000,000 plus the amount the council determines necessary to pay the costs of issuance, fund reserves, debt service, and pay for any bond insurance or other credit enhancement.

(b) In addition to the amount authorized under paragraph (a), the council may issue bonds under subdivision 1 in a principal amount of $3,306,300, plus the amount the council determines necessary to pay the cost of issuance, fund reserves, debt service, and any bond insurance or other credit enhancement. The proceeds of bonds issued under this paragraph may not be used to finance portable or subscriber radio sets.

~~(c) In addition to the amount authorized under paragraphs (a) and (b), the council may issue bonds under subdivision 1 in a principal amount of $18,000,000, plus the amount the council determines necessary to pay the costs of issuance, fund reserves, debt service, and any bond insurance or other credit enhancement. The proceeds of bonds issued under this paragraph must be used to pay up to 50 percent of the cost to a local government unit of building a subsystem and may not be used to finance portable or subscriber radio sets. The bond proceeds may be used to make improvements to an existing 800 MHz radio system that will interoperate with the regionwide public safety radio communication system, provided that the improvements conform to the board's plan and technical standards. The council must time the sale and issuance of the bonds so that the debt service on the bonds can be covered by the additional revenue that will become available in the fiscal year ending June 30, 2005, generated under section 403.11 and appropriated under section 403.30.~~

~~(d) In addition to the amount authorized under paragraphs (a) to (c), the council may issue~~

~~bonds under subdivision 1 in a principal amount of up to $27,000,000, plus the amount the council determines necessary to pay the costs of issuance, fund reserves, debt service, and any bond insurance or other credit enhancement. The proceeds of bonds issued under this paragraph are appropriated to the commissioner of public safety for phase three of the public safety radio communication system. In anticipation of the receipt by the commissioner of public safety of the bond proceeds, the Metropolitan Radio Board may advance money from its operating appropriation to the commissioner of public safety to pay for design and preliminary engineering for phase three. The commissioner of public safety must return these amounts to the Metropolitan Radio Board when the bond proceeds are received.~~

Sec. 19. [403.275] [STATE 911 REVENUE BONDS.]

Subdivision 1. [BONDING AUTHORITY.] (a) The commissioner of finance, if requested by a vote of at least two-thirds of all the members of the Statewide Radio Board, shall sell and issue state revenue bonds for the following purposes:

(1) to pay the costs of the statewide public safety radio communication system backbone identified in the plan under section 403.36 and those elements that the Statewide Radio Board determines are of regional or statewide benefit and support mutual aid and emergency medical services communication, including, but not limited to, costs of master controllers of the backbone;

(2) to pay the costs of issuance, debt service, and bond insurance or other credit enhancements, and to fund reserves; and

(3) to refund bonds issued under this section.

(b) The amount of bonds that may be issued for the purposes of clause (1) will be set from time to time by law; the amount of bonds that may be issued for the purposes of clauses (2) and (3) is not limited.

(c) The bond proceeds may be used to to pay up to 50 percent of the cost to a local government unit of building a subsystem. The bond proceeds may be used to make improvements to an existing 800 MHz radio system that will interoperate with the regionwide public safety radio communication system, provided that the improvements conform to the Statewide Radio Board's plan and technical standards. The bond proceeds may not be used to pay for portable or subscriber radio sets.

Subd. 2. [PROCEDURE.] (a) The commissioner may sell and issue the bonds on the terms and conditions the commissioner determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner may enter any agreements or pledges the commissioner determines necessary or useful to sell the bonds that are not inconsistent with sections 403.21 to 403.40. Sections 16A.672 to 16A.675 apply to the bonds. The proceeds of the bonds issued under this section must be credited to a special 911 revenue bond proceeds account in the state treasury.

(b) Before the proceeds are received in the 911 revenue bond proceeds account, the commissioner of finance may transfer to the account from the 911 emergency telecommunications service account amounts not exceeding the expected proceeds from the next bond sale. The commissioner of finance shall return these amounts to the 911 emergency telecommunications service account by transferring proceeds when received. The amounts of these transfers are appropriated from the 911 emergency telecommunications service account and from the 911 revenue bond proceeds account.

Subd. 3. [REVENUE SOURCES.] The debt service on the bonds is payable only from the following sources:

(1) revenue credited to the 911 emergency telecommunications service account from the fee imposed and collected under section 237.491 or 403.11, subdivision 1, or from any other source; and

(2) other revenues pledged to the payment of the bonds.

Subd. 4. [REFUNDING BONDS.] The commissioner may issue bonds to refund outstanding bonds issued under subdivision 1, including the payment of any redemption premiums on the bonds and any interest accrued or to accrue to the first redemption date after delivery of the refunding bonds. The proceeds of the refunding bonds may, in the discretion of the commissioner, be applied to the purchases or payment at maturity of the bonds to be refunded, or the redemption of the outstanding bonds on the first redemption date after delivery of the refunding bonds and may, until so used, be placed in escrow to be applied to the purchase, retirement, or redemption. Refunding bonds issued under this subdivision must be issued and secured in the manner provided by the commissioner.

Subd. 5. [NOT A GENERAL OR MORAL OBLIGATION.] Bonds issued under this section are not public debt, and the full faith, credit, and taxing powers of the state are not pledged for their payment. The bonds may not be paid, directly in whole or in part from a tax of statewide application on any class of property, income, transaction, or privilege. Payment of the bonds is limited to the revenues explicitly authorized to be pledged under this section. The state neither makes nor has a moral obligation to pay the bonds if the pledged revenues and other legal security for them is insufficient.

Subd. 6. [TRUSTEE.] The commissioner may contract with and appoint a trustee for bond holders. The trustee has the powers and authority vested in it by the commissioner under the bond and trust indentures.

Subd. 7. [PLEDGES.] Any pledge made by the commissioner is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.

Subd. 8. [BONDS; PURCHASE AND CANCELLATION.] The commissioner, subject to agreements with bondholders that may then exist, may, out of any money available for the purpose, purchase bonds of the commissioner at a price not exceeding (1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Subd. 9. [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.] The state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner may include this pledge and agreement of the state in any agreement with the holders of bonds issued under this section.

Sec. 20. Minnesota Statutes 2004, section 403.30, subdivision 1, is amended to read:

Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.] ~~For each fiscal year beginning with the fiscal year commencing July 1, 1997,~~ The amount necessary to pay ~~the following~~ debt service costs and reserves for bonds issued by the Metropolitan Council under section 403.27 or by the commissioner of finance under section 403.275 is appropriated ~~to the commissioner of public safety~~ from the 911 emergency telecommunications service account established under section 403.11~~:~~

~~(1) debt service costs and reserves for bonds issued pursuant to section 403.27;~~

~~(2) repayment of the right-of-way acquisition loans;~~

~~(3) costs of design, construction, maintenance of, and improvements to those elements of the first, second, and third phases that support mutual aid communications and emergency medical services;~~

~~(4) recurring charges for leased sites and equipment for those elements of the first, second, and third phases that support mutual aid and emergency medical communication services; or~~

~~(5) aid to local units of government for sites and equipment in support of mutual aid and emergency medical communications services~~ to the commissioner of finance. The commissioner of finance shall transmit the necessary amounts to the Metropolitan Council as requested by the council.

This appropriation shall be used to pay annual debt service costs and reserves for bonds issued pursuant to section 403.27 or 403.275 prior to use of fee money to pay other costs ~~eligible under this subdivision. In no event shall the appropriation for each fiscal year exceed an amount equal to four cents a month for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including cellular and other nonwire access services, in the fiscal year. Beginning July 1, 2004, this amount will increase to 13 cents a month~~ or to support other appropriations.

Sec. 21. [REPEALER.]

Minnesota Statutes 2004, section 403.30, subdivision 3, is repealed.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 to 21 are effective the day following final enactment and apply to contracts entered into on or after that date. Notwithstanding Minnesota Statutes, section 403.11, subdivision 1, as amended by this act, a fee change under that subdivision in calendar year 2005 may become effective after a minimum of 30 days' notice.

ARTICLE 11

LAW ENFORCEMENT POLICY

Section 1. Minnesota Statutes 2004, section 299A.38, subdivision 2, is amended to read:

Subd. 2. [STATE AND LOCAL REIMBURSEMENT.] Peace officers and heads of local law enforcement agencies who buy vests for the use of peace officer employees may apply to the commissioner for reimbursement of funds spent to buy vests. On approving an application for reimbursement, the commissioner shall pay the applicant an amount equal to the lesser of one-half of the vest's purchase price or ~~$300~~ $600, as adjusted according to subdivision 2a. The political subdivision that employs the peace officer shall pay at least the lesser of one-half of the vest's purchase price or ~~$300~~ $600, as adjusted according to subdivision 2a. The political subdivision may not deduct or pay its share of the vest's cost from any clothing, maintenance, or similar allowance otherwise provided to the peace officer by the law enforcement agency.

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

Sec. 2. Minnesota Statutes 2004, section 299A.38, subdivision 2a, is amended to read:

Subd. 2a. [ADJUSTMENT OF REIMBURSEMENT AMOUNT.] On October 1, ~~1997~~ 2006, the commissioner of public safety shall adjust the ~~$300~~ $600 reimbursement amounts specified in subdivision 2, and in each subsequent year, on October 1, the commissioner shall adjust the reimbursement amount applicable immediately preceding that October 1 date. The adjusted rate must reflect the annual percentage change in the Consumer Price Index for all urban consumers, published by the federal Bureau of Labor Statistics, occurring in the one-year period ending on the preceding June 1.

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

Sec. 3. Minnesota Statutes 2004, section 299A.38, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY REQUIREMENTS.] (a) Only vests that either meet or exceed the requirements of standard 0101.03 of the National Institute of Justice or that meet or exceed the requirements of that standard, except wet armor conditioning, are eligible for reimbursement.

(b) Eligibility for reimbursement is limited to vests bought after December 31, 1986, by or for peace officers (1) who did not own a vest meeting the requirements of paragraph (a) before the purchase, or (2) who owned a vest that was at least ~~six~~ five years old.

(c) The requirement set forth in paragraph (b), clauses (1) and (2), shall not apply to any peace officer who purchases a vest constructed from a zylon-based material, provided that the peace officer provides proof of purchase or possession of the vest prior to July 1, 2005.

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

Sec. 4. [299A.641] [GANG AND DRUG OVERSIGHT COUNCIL.]

Subdivision 1. [OVERSIGHT COUNCIL ESTABLISHED.] The Gang and Drug Oversight Council is established to provide guidance related to the investigation and prosecution of gang and drug crime.

Subd. 2. [MEMBERSHIP.] The oversight council shall consist of the following individuals or their designees:

(1) the director of the office of special investigations, as the representative of the commissioner of corrections;

(2) the superintendent of the Bureau of Criminal Apprehension as the representative of the commissioner of public safety;

(3) the attorney general;

(4) eight chiefs of police, selected by the Minnesota Chiefs of Police Association, two of which must be selected from cities with populations greater than 200,000;

(5) eight sheriffs, selected by the Minnesota Sheriffs Association to represent each district, two of which must be selected from counties with populations greater than 500,000;

(6) the United States attorney for the district of Minnesota;

(7) two county attorneys, selected by the Minnesota County Attorneys Association;

(8) a command-level representative of a gang strike force;

(9) a representative from a drug task force, selected by the Minnesota State Association of Narcotics Investigators;

(10) a representative from the United States Drug Enforcement Administration;

(11) a representative from the United States Bureau of Alcohol, Tobacco, and Firearms;

(12) a representative from the Federal Bureau of Investigation;

(13) a tribal peace officer, selected by the Minnesota Tribal Law Enforcement Association; and

(14) two additional members who may be selected by the oversight council.

The oversight council may adopt procedures to govern its conduct as necessary and may select a chair from among its members.

Subd. 3. [OVERSIGHT COUNCIL'S DUTIES.] The oversight council shall develop an overall strategy to ameliorate the harm caused to the public by gang and drug crime within the state of Minnesota. This strategy may include the development of protocols and procedures to investigate gang and drug crime and a structure for best addressing these issues in a multijurisdictional manner. Additionally, the oversight council shall:

(1) identify and recommend a candidate or candidates for statewide coordinator to the commissioner of public safety;

(2) establish multijurisdictional task forces and strike forces to combat gang and drug crime, to include a metro gang strike force;

(3) assist the Department of Public Safety in developing an objective grant review application process that is free from conflicts of interest;

(4) make funding recommendations to the commissioner of public safety on grants to support efforts to combat gang and drug crime;

(5) assist in developing a process to collect and share information to improve the investigation and prosecution of drug offenses;

(6) develop and approve an operational budget for the office of the statewide coordinator and the oversight council; and

(7) adopt criteria and identifying characteristics for use in determining whether individuals are or may be members of gangs involved in criminal activity.

Subd. 4. [STATEWIDE COORDINATOR.] The current gang strike force commander shall serve as a transition coordinator until July 1, 2006, at which time the commissioner of public safety shall appoint a statewide coordinator as recommended by the oversight council. The coordinator serving in the unclassified service shall:

(1) coordinate and monitor all multijurisdictional gang and drug enforcement activities;

(2) facilitate local efforts and ensure statewide coordination with efforts to combat gang and drug crime;

(3) facilitate training for personnel;

(4) monitor compliance with investigative protocols; and

(5) implement an outcome evaluation and data quality control process.

Subd. 5. [PARTICIPATING OFFICERS; EMPLOYMENT STATUS.] All participating law enforcement officers must be licensed peace officers as defined in section 626.84, subdivision 1, or qualified federal law enforcement officers as defined in section 626.8453. Participating officers remain employees of the same entity that employed them before joining any multijurisdictional entity established under this section. Participating officers are not employees of the state.

Subd. 6. [JURISDICTION AND POWERS.] Law enforcement officers participating in any multijurisdictional entity established under this section have statewide jurisdiction to conduct criminal investigations and have the same powers of arrest as those possessed by a sheriff.

Subd. 7. [GRANTS AUTHORIZED.] The commissioner of public safety, upon recommendation of the council, may make grants to state and local units of government to combat gang and drug crime.

Subd. 8. [OVERSIGHT COUNCIL IS PERMANENT.] Notwithstanding section 15.059, this section does not expire.

Subd. 9. [FUNDING.] Participating agencies may accept lawful grants or contributions from any federal source or legal business or entity.

Subd. 10. [ROLE OF THE ATTORNEY GENERAL.] The attorney general or a designee shall generally advise on any matters that the oversight council deems appropriate.

Subd. 11. [ATTORNEY GENERAL; COMMUNITY LIAISON.] (a) The attorney general or a designee shall serve as a liaison between the oversight council and the councils created in sections 3.922, 3.9223, 3.9225, and 3.9226. The attorney general or designee will be responsible for:

(1) informing the councils of the plans, activities, and decisions and hearing their reactions to those plans, activities, and decisions; and

(2) providing the oversight council with the councils' position on the oversight council's plan, activities, and decisions.

(b) In no event is the oversight council required to disclose the names of individuals identified by it to the councils referenced in this subdivision.

(c) Nothing in this subdivision changes the data classification of any data held by the oversight council.

Subd. 12. [REQUIRED REPORT.] By February 1 of each year, the council shall report to the chairs of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on the activities of the council and any strike or task forces. This annual report shall include:

(1) a description of the council's goals for the previous year and for the coming year;

(2) a description of the outcomes the council achieved or did not achieve during the preceding year and a description of the outcomes the council will seek to achieve during the coming year; and

(3) any legislative recommendations the council has including, where necessary, a description of the specific legislation needed to implement the recommendations.

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

Sec. 5. [299A.681] [MINNESOTA FINANCIAL CRIMES OVERSIGHT COUNCIL AND TASK FORCE.]

Subdivision 1. [OVERSIGHT COUNCIL.] The Minnesota Financial Crimes Oversight Council shall provide guidance related to the investigation and prosecution of identity theft and financial crime.

Subd. 2. [MEMBERSHIP.] The oversight council consists of the following individuals, or their designees:

(1) the commissioner of public safety;

(2) the attorney general;

(3) two chiefs of police, selected by the Minnesota Chiefs of Police Association from police departments that participate in the Minnesota Financial Crimes Task Force;

(4) two sheriffs, selected by the Minnesota Sheriffs Association from sheriff departments that participate in the task force;

(5) the United States attorney for the district of Minnesota;

(6) a county attorney, selected by the Minnesota County Attorneys Association;

(7) a representative from the United States Postal Inspector's Office, selected by the oversight council;

(8) a representative from a not-for-profit retail merchants industry, selected by the oversight council;

(9) a representative from a not-for-profit banking and credit union industry, selected by the oversight council;

(10) a representative from a not-for-profit association representing senior citizens, selected by the oversight council;

(11) the statewide commander of the task force;

(12) a representative from the Board of Public Defense, selected by the board; and

(13) two additional members selected by the oversight council.

The oversight council may adopt procedures to govern its conduct and shall select a chair from among its members.

Subd. 3. [DUTIES.] The oversight council shall develop an overall strategy to ameliorate the harm caused to the public by identity theft and financial crime within Minnesota. The strategy may include the development of protocols and procedures to investigate financial crimes and a structure for best addressing these issues in a multijurisdictional manner. Additionally, the oversight council shall:

(1) establish a multijurisdictional statewide Minnesota Financial Crimes Task Force to investigate major financial crimes;

(2) select a statewide commander of the task force who serves at the pleasure of the oversight council;

(3) assist the Department of Public Safety in developing an objective grant review application process that is free from conflicts of interest;

(4) make funding recommendations to the commissioner of public safety on grants to support efforts to combat identity theft and financial crime;

(5) assist law enforcement agencies and victims in developing a process to collect and share information to improve the investigation and prosecution of identity theft and financial crime;

(6) develop and approve an operational budget for the office of the statewide commander and the oversight council; and

(7) enter into any contracts necessary to establish and maintain a relationship with retailers, financial institutions, and other businesses to deal effectively with identity theft and financial crime.

The task force described in clause (1) may consist of members from local law enforcement agencies, federal law enforcement agencies, state and federal prosecutors' offices, the Board of Public Defense, and representatives from elderly victims, retail, financial institutions, and not-for-profit organizations.

Subd. 4. [STATEWIDE COMMANDER.] (a) The Minnesota Financial Crimes Task Force commander under Minnesota Statutes 2004, section 299A.68, shall oversee the transition of that task force into the task force described in subdivision 3 and remain in place as its commander until July 1, 2008. On that date, the commissioner of public safety shall appoint as statewide commander the individual selected by the oversight council under subdivision 3.

(b) The commander shall:

(1) coordinate and monitor all multijurisdictional identity theft and financial crime enforcement activities;

(2) facilitate local efforts and ensure statewide coordination with efforts to combat identity theft and financial crime;

(3) facilitate training for law enforcement and other personnel;

(4) monitor compliance with investigative protocols;

(5) implement an outcome evaluation and data quality control process;

(6) be responsible for the selection and for cause removal of assigned task force investigators

who are designated participants under a memorandum of understanding or who receive grant funding;

(7) provide supervision of assigned task force investigators;

(8) submit a task force operational budget to the oversight council for approval; and

(9) submit quarterly task force activity reports to the oversight council.

Subd. 5. [PARTICIPATING OFFICERS; EMPLOYMENT STATUS.] All law enforcement officers selected to participate in the task force must be licensed peace officers as defined in section 626.84, subdivision 1, or qualified federal law enforcement officers as defined in section 626.8453. Participating officers remain employees of the same entity that employed them before joining any multijurisdictional entity established under this section. Participating officers are not employees of the state.

Subd. 6. [JURISDICTION AND POWERS.] Law enforcement officers participating in any multijurisdictional entity established under this section have statewide jurisdiction to conduct criminal investigations and have the same powers of arrest as those possessed by a sheriff. The task force shall retain from its predecessor the assigned originating reporting number for case reporting purposes.

Subd. 7. [GRANTS AUTHORIZED.] The commissioner of public safety, upon recommendation of the oversight council, shall make grants to state and local units of government to combat identity theft and financial crime. The commander, as funding permits, may prepare a budget to establish four regional districts and funding grant allocations programs outside the counties of Hennepin, Ramsey, Anoka, Washington, and Dakota. The budget must be reviewed and approved by the oversight council and recommended to the commissioner to support these efforts.

Subd. 8. [VICTIMS ASSISTANCE PROGRAM.] (a) The oversight council may establish a victims' assistance program to assist victims of economic crimes and provide prevention and awareness programs. The oversight council may retain the services of not-for-profit organizations to assist in the development and delivery systems in aiding victims of financial crime. The program may not provide any financial assistance to victims, but may assist victims in obtaining police assistance and advise victims in how to protect personal accounts and identities. Services may include a victim toll-free telephone number, fax number, Web site, Monday through Friday telephone service, e-mail response, and interfaces to other helpful Web sites. Victims' information compiled are governed under chapter 13.

(b) The oversight council may post or communicate through public service announcements in newspapers, radio, television, cable access, billboards, Internet, Web sites, and other normal advertising channels, a financial reward of up to $2,000 for tips leading to the apprehension and successful prosecution of individuals committing economic crime. All rewards must meet the oversight council's standards. The release of funds must be made to an individual whose information leads to the apprehension and prosecution of offenders committing economic or financial crimes against citizens or businesses in Minnesota. All rewards paid to an individual must be reported to the Department of Revenue along with the individual's Social Security number.

Subd. 9. [OVERSIGHT COUNCIL AND TASK FORCE IS PERMANENT.] Notwithstanding section 15.059, this section does not expire.

Subd. 10. [FUNDING.] The oversight council may accept lawful grants and in-kind contributions from any federal, state, or local source or legal business or individual not funded by this section for general operation support, including personnel costs. These grants or in-kind contributions are not to be directed toward the case of a particular victim or business. The oversight council's fiscal agent shall handle all funds approved by the oversight council, including in-kind contributions.

Subd. 11. [FORFEITURE.] Property seized by the task force is subject to forfeiture pursuant to

sections 609.531, 609.5312, 609.5313, and 609.5315 if ownership cannot be established. The council shall receive the proceeds from the sale of all property properly seized and forfeited.

Subd. 12. [TRANSFER EQUIPMENT FROM CURRENT TASK FORCE.] All equipment possessed by the task force described in Minnesota Statutes 2004, section 299A.68, is transferred to the oversight council for use by the task force described in this section.

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

Sec. 6. [299A.78] [STATEWIDE HUMAN TRAFFICKING ASSESSMENT.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 299A.78 to 299A.785, the following definitions apply:

(a) "Commissioner" means the commissioner of the Department of Public Safety.

(b) "Nongovernmental organizations" means nonprofit, nongovernmental organizations that provide legal, social, or other community services.

(c) "Blackmail" has the meaning given in section 609.281, subdivision 2.

(d) "Debt bondage" has the meaning given in section 609.281, subdivision 3.

(e) "Forced labor or services" has the meaning given in section 609.281, subdivision 4.

(f) "Labor trafficking" has the meaning given in section 609.281, subdivision 5.

(g) "Labor trafficking victim" has the meaning given in section 609.281, subdivision 6.

(h) "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.

(i) "Sex trafficking victim" has the meaning given in section 609.321, subdivision 7b.

(j) "Trafficking" includes "labor trafficking" and "sex trafficking."

(k) "Trafficking victim" includes "labor trafficking victim" and "sex trafficking victim."

Subd. 2. [GENERAL DUTIES.] The commissioner of public safety, in cooperation with local authorities, shall collect, share, and compile trafficking data among government agencies to assess the nature and extent of trafficking in Minnesota.

Subd. 3. [OUTSIDE SERVICES.] As provided for in section 15.061, the commissioner of public safety may contract with professional or technical services in connection with the duties to be performed under section 299A.785. The commissioner may also contract with other outside organizations to assist with the duties to be performed under section 299A.785.

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

Sec. 7. [299A.785] [TRAFFICKING STUDY.]

Subdivision 1. [INFORMATION TO BE COLLECTED.] The commissioner shall elicit the cooperation and assistance of government agencies and nongovernmental organizations as appropriate to assist in the collection of trafficking data. The commissioner shall direct the appropriate authorities in each agency and organization to make best efforts to collect information relevant to tracking progress on trafficking. The information to be collected may include, but is not limited to:

(1) the numbers of arrests, prosecutions, and successful convictions of traffickers and those committing trafficking related crimes, including, but not limited to, the following offenses: 609.27 (coercion); 609.282 (labor trafficking); 609.283 (unlawful conduct with respect to documents in furtherance of labor or sex trafficking); 609.321 (promotion of prostitution); 609.322 (solicitation of prostitution); 609.324 (other prostitution crimes); 609.33 (disorderly house); 609.352 (solicitation of a child); and 617.245 and 617.246 (use of minors in sexual performance);

(2) statistics on the number of trafficking victims, including demographics, method of recruitment, and method of discovery;

(3) trafficking routes and patterns, states or country of origin, transit states or countries;

(4) method of transportation, motor vehicles, aircraft, watercraft, or by foot if any transportation took place; and

(5) social factors that contribute to and foster trafficking, especially trafficking of women and children.

Subd. 2. [REPORT AND ANNUAL PUBLICATION.] (a) By September 1, 2006, the commissioner of public safety shall report to the chairs of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding a summary of its findings. This report shall include, to the extent possible, the information to be collected in subdivision 1 and any other information the commissioner finds relevant to the issue of trafficking in Minnesota.

(b) The commissioner shall gather, compile, and publish annually statistical data on the extent and nature of trafficking in Minnesota. This annual publication shall be available to the public and include, to the extent possible, the information to be collected in subdivision 1 and any other information the commissioner finds relevant to the issue of trafficking in Minnesota.

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

Sec. 8. Minnesota Statutes 2004, section 299C.10, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED FINGERPRINTING.] (a) Sheriffs, peace officers, and community corrections agencies operating secure juvenile detention facilities shall take or cause to be taken immediately finger and thumb prints, photographs, distinctive physical mark identification data, information on any known aliases or street names, and other identification data requested or required by the superintendent of the bureau, of the following:

(1) persons arrested for, appearing in court on a charge of, or convicted of a felony, gross misdemeanor, or targeted misdemeanor;

(2) juveniles arrested for, appearing in court on a charge of, adjudicated delinquent for, or alleged to have committed felonies or gross misdemeanors as distinguished from those committed by adult offenders;

(3) persons reasonably believed by the arresting officer to be fugitives from justice;

(4) persons in whose possession, when arrested, are found concealed firearms or other dangerous weapons, burglar tools or outfits, high-power explosives, or articles, machines, or appliances usable for an unlawful purpose and reasonably believed by the arresting officer to be intended for such purposes; ~~and~~

(5) juveniles referred by a law enforcement agency to a diversion program for a felony or gross misdemeanor offense; and

(6) persons currently involved in the criminal justice process, on probation, on parole, or in custody for the offenses in suspense whom the superintendent of the bureau identifies as being the subject of a court disposition record which cannot be linked to an arrest record, and whose fingerprints are necessary in order to maintain and ensure the accuracy of the bureau's criminal history files, to reduce the number of suspense files, or to comply with the mandates of section 299C.111, relating to the reduction of the number of suspense files. This duty to obtain fingerprints for the offenses in suspense at the request of the bureau shall include the requirement that fingerprints be taken in post-arrest interviews; while making court appearances; while in custody; or while on any form of probation, diversion, or supervised release.

(b) Unless the superintendent of the bureau requires a shorter period, within 24 hours the

fingerprint records and other identification data specified under paragraph (a) must be forwarded to the bureau on such forms and in such manner as may be prescribed by the superintendent.

(c) Prosecutors, courts, and probation officers and their agents, employees, and subordinates, shall attempt to ensure that the required identification data is taken on a person described in paragraph (a). Law enforcement may take fingerprints of an individual who is presently on probation.

(d) For purposes of this section, a targeted misdemeanor is a misdemeanor violation of section 169A.20 (driving while impaired), 518B.01 (order for protection violation), 609.224 (fifth degree assault), 609.2242 (domestic assault), 609.746 (interference with privacy), 609.748 (harassment or restraining order violation), or 617.23 (indecent exposure).

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

Sec. 9. Minnesota Statutes 2004, section 299C.10, is amended by adding a subdivision to read:

Subd. 1a. [COURT DISPOSITION RECORD IN SUSPENSE; FINGERPRINTING.] The superintendent of the bureau shall inform a prosecuting authority that a person prosecuted by that authority is the subject of a court disposition record in suspense which requires fingerprinting under this section. Upon being notified by the superintendent or otherwise learning of the suspense status of a court disposition record, any prosecuting authority may bring a motion in district court to compel the taking of the person's fingerprints upon a showing to the court that the person is the subject of the court disposition record in suspense.

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

Sec. 10. Minnesota Statutes 2004, section 299C.14, is amended to read:

299C.14 [INFORMATION ON RELEASED PRISONER.]

It shall be the duty of the officials having charge of the penal institutions of the state or the release of prisoners therefrom to furnish to the bureau, as the superintendent may require, finger and thumb prints, photographs, distinctive physical mark identification data, other identification data, modus operandi reports, and criminal records of prisoners heretofore, now, or hereafter confined in such penal institutions, together with the period of their service and the time, terms, and conditions of their discharge. This duty to furnish information includes, but is not limited to, requests for fingerprints as the superintendent of the bureau deems necessary to maintain and ensure the accuracy of the bureau's criminal history files, to reduce the number of suspense files, or to comply with the mandates of section 299C.111 relating to the reduction of the number of suspense files where a disposition record is received that cannot be linked to an arrest record.

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

Sec. 11. Minnesota Statutes 2004, section 299C.145, subdivision 3, is amended to read:

Subd. 3. [AUTHORITY TO ENTER OR RETRIEVE DATA.] Only ~~law enforcement~~ criminal justice agencies, as defined in section 299C.46, subdivision 2, may submit data to and obtain data from the distinctive physical mark identification system.

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

Sec. 12. Minnesota Statutes 2004, section 299C.65, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP, DUTIES.] (a) The Criminal and Juvenile Justice Information Policy Group consists of the commissioner of corrections, the commissioner of public safety, the commissioner of administration, the commissioner of finance, ~~and~~ four members of the judicial branch appointed by the chief justice of the Supreme Court, and the chair and first vice chair of the Criminal and Juvenile Justice Information Task Force. The policy group may appoint additional, nonvoting members as necessary from time to time.

(b) The commissioner of public safety is designated as the chair of the policy group. The

commissioner and the policy group have overall responsibility for the successful completion of statewide criminal justice information system integration (CriMNet). The policy group may hire a ~~program manager~~ an executive director to manage the CriMNet projects and to be responsible for the day-to-day operations of CriMNet. The executive director shall serve at the pleasure of the policy group in unclassified service. The policy group must ensure that generally accepted project management techniques are utilized for each CriMNet project, including:

(1) clear sponsorship;

(2) scope management;

(3) project planning, control, and execution;

(4) continuous risk assessment and mitigation;

(5) cost management;

(6) quality management reviews;

(7) communications management; ~~and~~

(8) proven methodology; and

(9) education and training.

(c) Products and services for CriMNet project management, system design, implementation, and application hosting must be acquired using an appropriate procurement process, which includes:

(1) a determination of required products and services;

(2) a request for proposal development and identification of potential sources;

(3) competitive bid solicitation, evaluation, and selection; and

(4) contract administration and close-out.

(d) The policy group shall study and make recommendations to the governor, the Supreme Court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on gross misdemeanor-level and felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

(10) the impact of integrated criminal justice information systems on individual privacy rights;

(11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes;

(12) the collection of data on race and ethnicity in criminal justice information systems;

(13) the development of a tracking system for domestic abuse orders for protection;

(14) processes for expungement, correction of inaccurate records, destruction of records, and other matters relating to the privacy interests of individuals; and

(15) the development of a database for extended jurisdiction juvenile records and whether the records should be public or private and how long they should be retained.

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

Sec. 13. Minnesota Statutes 2004, section 299C.65, subdivision 2, is amended to read:

Subd. 2. [~~REPORT,~~ TASK FORCE.] ~~(a) The policy group shall file an annual report with the governor, Supreme Court, and chairs and ranking minority members of the senate and house committees and divisions with jurisdiction over criminal justice funding and policy by December 1 of each year.~~

~~(b) The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently. To assist them in developing their recommendations,~~ The policy group shall appoint a task force ~~consisting~~ to assist them in their duties. The task force shall monitor, review, and report to the policy group on CriMNet-related projects and provide oversight to ongoing operations as directed by the policy group. The task force shall consist of ~~its members or their designees and~~ the following ~~additional~~ members:

(1) ~~the director of the Office of Strategic and Long-Range Planning;~~

~~(2)~~ two sheriffs recommended by the Minnesota Sheriffs Association;

~~(3)~~ (2) two police chiefs recommended by the Minnesota Chiefs of Police Association;

~~(4)~~ (3) two county attorneys recommended by the Minnesota County Attorneys Association;

~~(5)~~ (4) two city attorneys recommended by the Minnesota League of Cities;

~~(6)~~ (5) two public defenders appointed by the Board of Public Defense;

~~(7)~~ (6) two district judges appointed by the Conference of Chief Judges, one of whom is currently assigned to the juvenile court;

~~(8)~~ (7) two community corrections administrators recommended by the Minnesota Association of Counties, one of whom represents a community corrections act county;

~~(9)~~ (8) two probation officers;

~~(10)~~ (9) four public members, one of whom has been a victim of crime, and two who are representatives of the private business community who have expertise in integrated information systems;

~~(11)~~ (10) two court administrators;

~~(12)~~ (11) one member of the house of representatives appointed by the speaker of the house;

~~(13)~~ (12) one member of the senate appointed by the majority leader;

~~(14)~~ (13) the attorney general or a designee;

~~(15) the commissioner of administration or a designee;~~

~~(16)~~ (14) ~~an individual~~ two individuals recommended by the Minnesota League of Cities, one of whom works or resides in greater Minnesota and one of whom works or resides in the seven county metropolitan area; ~~and~~

~~(17)~~ (15) ~~an individual~~ two individuals recommended by the Minnesota Association of Counties, one of whom works or resides in greater Minnesota and one of whom works or resides in the seven county metropolitan area;

(16) the director of the Sentencing Guidelines Commission;

(17) one member appointed by the commissioner of public safety;

(18) one member appointed by the commissioner of corrections;

(19) one member appointed by the commissioner of administration; and

(20) one member appointed by the chief justice of the Supreme Court.

In making these appointments, the appointing authority shall select members with expertise in integrated data systems or best practices.

~~(c)~~ The commissioner of public safety may appoint additional, nonvoting members to the task force as necessary from time to time.

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

Sec. 14. Minnesota Statutes 2004, section 299C.65, is amended by adding a subdivision to read:

Subd. 3a. [REPORT.] The policy group, with the assistance of the task force, shall file an annual report with the governor, Supreme Court, and chairs and ranking minority members of the senate and house committees and divisions with jurisdiction over criminal justice funding and policy by January 15 of each year. The report must provide the following:

(1) status and review of current integration efforts and projects;

(2) recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently; and

(3) summary of the activities of the policy group and task force.

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

Sec. 15. Minnesota Statutes 2004, section 299C.65, subdivision 5, is amended to read:

Subd. 5. [REVIEW OF FUNDING AND GRANT REQUESTS.] (a) The Criminal and Juvenile Justice Information Policy Group shall review the funding requests for criminal justice information systems from state, county, and municipal government agencies. The policy group shall review the requests for compatibility to statewide criminal justice information system standards. The review shall be forwarded to the chairs and ranking minority members of the house and senate committees and divisions with jurisdiction over criminal justice funding and policy.

(b) The ~~policy group shall also review funding requests for criminal justice information systems grants to be made by the commissioner of public safety as provided in this section. Within the limits of available appropriations, the commissioner of public safety shall make grants for projects that have been approved by the policy group.~~ CriMNet program office, in consultation

with the Criminal and Juvenile Justice Information Task Force and with the approval of the policy group, shall create the requirements for any grant request and determine the integration priorities for the grant period. The CriMNet program office shall also review the requests submitted for compatibility to statewide criminal justice information systems standards.

(c) ~~If a funding request is for development of a comprehensive criminal justice information integration plan, the policy group shall ensure that the request contains the components specified in subdivision 6. If a funding request is for implementation of a plan or other criminal justice information systems project, the policy group shall ensure that:~~

~~(1) the government agency has adopted a comprehensive plan that complies with subdivision 6;~~

~~(2) the request contains the components specified in subdivision 7; and~~

~~(3) the request demonstrates that it is consistent with the government agency's comprehensive plan.~~ The task force shall review funding requests for criminal justice information systems grants and make recommendations to the policy group. The policy group shall review the recommendations of the task force and shall make a final recommendation for criminal justice information systems grants to be made by the commissioner of public safety. Within the limits of available state appropriations and federal grants, the commissioner of public safety shall make grants for projects that have been recommended by the policy group.

(d) The policy group may approve grants only if the applicant provides an appropriate share of matching funds as determined by the policy group to help pay up to one-half of the costs of the grant request. The matching requirement must be constant for all counties. The policy group shall adopt policies concerning the use of in-kind resources to satisfy the match requirement and the sources from which matching funds may be obtained. Local operational or technology staffing costs may be considered as meeting this match requirement. Each grant recipient shall certify to the policy group that it has not reduced funds from local, county, federal, or other sources which, in the absence of the grant, would have been made available to the grant recipient to improve or integrate criminal justice technology.

(e) All grant recipients shall submit to the CriMNet program office all requested documentation including grant status, financial reports, and a final report evaluating how the grant funds improved the agency's criminal justice integration priorities. The CriMNet program office shall establish the recipient's reporting dates at the time funds are awarded.

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

Sec. 16. Minnesota Statutes 2004, section 326.3384, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITION.] No license holder or employee of a license holder shall, in a manner that implies that the person is an employee or agent of a governmental agency, display on a badge, identification card, emblem, vehicle, uniform, stationery, or in advertising for private detective or protective agent services:

(1) the words "public safety," "police," "constable," "highway patrol," "state patrol," "sheriff," "trooper," or "law enforcement"; or

(2) the name of a municipality, county, state, or of the United States, or any governmental subdivision thereof.

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

Sec. 17. [629.406] [MAINTENANCE OF BOOKING RECORDINGS.]

When a law enforcement agency elects to produce an electronic recording of any portion of the arrest, booking, or testing process in connection with the arrest of a person, the agency must maintain the recording for a minimum of 30 days after the date the person was booked.

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

Sec. 18. [REPEALER.]

(a) Minnesota Statutes 2004, sections 299A.64; 299A.65; and 299A.66, are repealed.

(b) Minnesota Statutes 2004, sections 299A.68; and 299C.65, subdivisions 3, 4, 6, 7, 8, 8a, and 9, are repealed.

[EFFECTIVE DATE.] Paragraph (a) is effective January 1, 2006. Paragraph (b) is effective July 1, 2005.

ARTICLE 12

DNA COLLECTION

Section 1. Minnesota Statutes 2004, section 13.6905, subdivision 17, is amended to read:

Subd. 17. [DNA EVIDENCE.] DNA identification data maintained by the Bureau of Criminal Apprehension are governed by ~~section~~ sections 299C.11 and 299C.155.

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

Sec. 2. Minnesota Statutes 2004, section 299C.03, is amended to read:

299C.03 [SUPERINTENDENT; RULES.]

The superintendent, with the approval of the commissioner of public safety, from time to time, shall make such rules and adopt such measures as the superintendent deems necessary, within the provisions and limitations of sections 299C.03 to 299C.08, 299C.10, 299C.105, 299C.11, 299C.17, 299C.18, and 299C.21, to secure the efficient operation of the bureau. The bureau shall cooperate with the respective sheriffs, constables, marshals, police, and other peace officers of the state in the detection of crime and the apprehension of criminals throughout the state, and shall have the power to conduct such investigations as the superintendent, with the approval of the commissioner of public safety, may deem necessary to secure evidence which may be essential to the apprehension and conviction of alleged violators of the criminal laws of the state. The various members of the bureau shall have and may exercise throughout the state the same powers of arrest possessed by a sheriff, but they shall not be employed to render police service in connection with strikes and other industrial disputes.

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

Sec. 3. Minnesota Statutes 2004, section 299C.08, is amended to read:

299C.08 [OATH OF SUPERINTENDENT AND EMPLOYEES.]

The superintendent and each employee in the bureau whom the superintendent shall designate, before entering upon the performance of duties under sections 299C.03 to 299C.08, 299C.10, 299C.105, 299C.11, 299C.17, 299C.18, and 299C.21, shall take the usual oath.

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

Sec. 4. [299C.105] [DNA DATA REQUIRED.]

Subdivision 1. [REQUIRED COLLECTION OF BIOLOGICAL SPECIMEN FOR DNA TESTING.] (a) Sheriffs, peace officers, and community corrections agencies operating secure juvenile detention facilities shall take or cause to be taken biological specimens for the purpose of DNA analysis as defined in section 299C.155, of the following:

(1) persons who have appeared in court and have had a judicial probable cause determination on a charge of committing, or persons having been convicted of or attempting to commit, any of the following:

(i) murder under section 609.185, 609.19, or 609.195;

(ii) manslaughter under section 609.20 or 609.205;

(iii) assault under section 609.221, 609.222, or 609.223;

(iv) robbery under section 609.24 or aggravated robbery under section 609.245;

(v) kidnapping under section 609.25;

(vi) false imprisonment under section 609.255;

(vii) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453;

(viii) incest under section 609.365;

(ix) burglary under section 609.582, subdivision 1; or

(x) indecent exposure under section 617.23, subdivision 3;

(2) persons sentenced as patterned sex offenders under section 609.108; or

(3) juveniles who have appeared in court and have had a judicial probable cause determination on a charge of committing, or juveniles having been adjudicated delinquent for committing or attempting to commit, any of the following:

(i) murder under section 609.185, 609.19, or 609.195;

(ii) manslaughter under section 609.20 or 609.205;

(iii) assault under section 609.221, 609.222, or 609.223;

(iv) robbery under section 609.24 or aggravated robbery under section 609.245;

(v) kidnapping under section 609.25;

(vi) false imprisonment under section 609.255;

(vii) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453;

(viii) incest under section 609.365;

(ix) burglary under section 609.582, subdivision 1; or

(x) indecent exposure under section 617.23, subdivision 3.

(b) Unless the superintendent of the bureau requires a shorter period, within 72 hours the biological specimen required under paragraph (a) must be forwarded to the bureau in such a manner as may be prescribed by the superintendent.

(c) Prosecutors, courts, and probation officers shall attempt to ensure that the biological specimen is taken on a person described in paragraph (a).

Subd. 2. [LAW ENFORCEMENT TRAINING; DUTIES.] (a) The persons who collect the biological specimens required under subdivision 1 must be trained to bureau-established standards in the proper method of collecting and transmitting biological specimens.

(b) A law enforcement officer who seeks to collect a biological specimen from a juvenile pursuant to subdivision 1 must notify the juvenile's parent or guardian prior to collecting the biological specimen.

Subd. 3. [BUREAU DUTY.] (a) The bureau shall destroy the biological specimen and return all records to a person who submitted a biological specimen under subdivision 1 but who was found not guilty of a felony. Upon the request of a person who submitted a biological specimen

under subdivision 1 but where the charge against the person was later dismissed, the bureau shall destroy the person's biological specimen and return all records to the individual.

(b) If the bureau destroys a biological specimen under paragraph (a), the bureau shall also remove the person's information from the bureau's combined DNA index system and return all related records, and all copies or duplicates of them.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to persons arrested on or after that date.

Sec. 5. Minnesota Statutes 2004, section 299C.11, is amended to read:

299C.11 [IDENTIFICATION DATA FURNISHED TO BUREAU.]

Subdivision 1. [IDENTIFICATION DATA OTHER THAN DNA.] (a) Each sheriff and chief of police shall furnish the bureau, upon such form as the superintendent shall prescribe, with such finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data as may be requested or required by the superintendent of the bureau, which must be taken under the provisions of section 299C.10. In addition, sheriffs and chiefs of police shall furnish this identification data to the bureau for individuals found to have been convicted of a felony, gross misdemeanor, or targeted misdemeanor, within the ten years immediately preceding their arrest.

(b) No petition under chapter 609A is required if the person has not been convicted of any felony or gross misdemeanor, either within or without the state, within the period of ten years immediately preceding the determination of all pending criminal actions or proceedings in favor of the arrested person, and either of the following occurred:

(1) all charges were dismissed prior to a determination of probable cause; or

(2) the prosecuting authority declined to file any charges and a grand jury did not return an indictment.

Where these conditions are met, the bureau or agency shall, upon demand, return to the arrested person finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data, and all copies and duplicates of them.

(c) Except as otherwise provided in paragraph (b), upon the determination of all pending criminal actions or proceedings in favor of the arrested person, and the granting of the petition of the arrested person under chapter 609A, the bureau shall seal finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data, and all copies and duplicates of them if the arrested person has not been convicted of any felony or gross misdemeanor, either within or without the state, within the period of ten years immediately preceding such determination.

~~(d)~~ Subd. 2. [DNA SAMPLES; LAW ENFORCEMENT DUTIES.] (a) Each sheriff and chief of police shall furnish the bureau, in such form as the superintendent shall prescribe, with the biological specimens required to be taken under section 299C.105.

(b) DNA samples and DNA records of the arrested person obtained through authority other than section 299C.105 shall not be returned, sealed, or destroyed as to a charge supported by probable cause.

~~(e)~~ Subd. 3. [DEFINITIONS.] For purposes of this section:

(1) "determination of all pending criminal actions or proceedings in favor of the arrested person" does not include:

(i) the sealing of a criminal record pursuant to section 152.18, subdivision 1, 242.31, or chapter 609A;

(ii) the arrested person's successful completion of a diversion program;

(iii) an order of discharge under section 609.165; or

(iv) a pardon granted under section 638.02; and

(2) "targeted misdemeanor" has the meaning given in section 299C.10, subdivision 1.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to offenders arrested on or after that date.

Sec. 6. Minnesota Statutes 2004, section 299C.155, is amended to read:

299C.155 [STANDARDIZED EVIDENCE COLLECTION; DNA ANALYSIS.]

Subdivision 1. [DEFINITION.] As used in this section, "DNA analysis" means the process through which deoxyribonucleic acid (DNA) in a human biological specimen is analyzed and compared with DNA from another human biological specimen for identification purposes.

Subd. 2. [UNIFORM EVIDENCE COLLECTION.] The bureau shall develop uniform procedures and protocols for collecting evidence in cases of alleged or suspected criminal sexual conduct, including procedures and protocols for the collection and preservation of human biological specimens for DNA analysis. Law enforcement agencies and medical personnel who conduct evidentiary exams shall use the uniform procedures and protocols in their investigation of criminal sexual conduct offenses. The uniform procedures and protocols developed under this subdivision are not subject to the rulemaking provisions of chapter 14.

Subd. 3. [DNA ANALYSIS AND DATA BANK.] The bureau shall adopt uniform procedures and protocols to maintain, preserve, and analyze human biological specimens for DNA. The bureau shall establish a centralized system to cross-reference data obtained from DNA analysis. Data contained on the bureau's centralized system is private data on individuals, as that term is defined in section 13.02. The bureau's centralized system may only be accessed by authorized law enforcement personnel and used solely for law enforcement identification purposes. The remedies in section 13.08 apply to a violation of this subdivision. The uniform procedures and protocols developed under this subdivision are not subject to the rulemaking provisions of chapter 14.

Subd. 4. [RECORD.] The bureau shall perform DNA analysis and make data obtained available to law enforcement officials in connection with criminal investigations in which human biological specimens have been recovered. Upon request, the bureau shall also make the data available to the prosecutor and the subject of the data in any subsequent criminal prosecution of the subject. The results of the bureau's DNA analysis and related records are private data on individuals, as that term is defined in section 13.02, and may only be used for law enforcement identification purposes. The remedies in section 13.08 apply to a violation of this subdivision.

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

Sec. 7. Minnesota Statutes 2004, section 299C.21, is amended to read:

299C.21 [PENALTY ON LOCAL OFFICER REFUSING INFORMATION.]

If any public official charged with the duty of furnishing to the bureau fingerprint records, biological specimens, reports, or other information required by sections 299C.06, 299C.10, 299C.105, 299C.11, 299C.17, shall neglect or refuse to comply with such requirement, the bureau, in writing, shall notify the state, county, or city officer charged with the issuance of a warrant for the payment of the salary of such official. Upon the receipt of the notice the state, county, or city official shall withhold the issuance of a warrant for the payment of the salary or other compensation accruing to such officer for the period of 30 days thereafter until notified by the bureau that such suspension has been released by the performance of the required duty.

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

Sec. 8. [590.10] [PRESERVATION OF EVIDENCE.]

Subdivision 1. [PRESERVATION.] Notwithstanding any other provision of law, all appropriate governmental entities shall retain any biological evidence relating to the identification of a defendant used to secure a conviction in a criminal case until expiration of sentence unless earlier disposition is authorized by court order after notice to the defendant and defense counsel. No order for earlier disposition of this evidence shall be issued if the defendant or defense counsel objects.

The governmental entity need retain only the portion of such evidence as was used to obtain an accurate biological sample used to obtain a conviction. If the size of the biological sample requires that it be consumed in analysis, the Minnesota Rules of Criminal Procedure shall apply. If evidence is intentionally destroyed after the filing of a petition under section 590.01, subdivision 1a, the court may impose appropriate sanctions on the responsible party or parties.

Subd. 2. [DEFINITION.] For purposes of this section, "biological evidence" means:

(1) the samples obtained in a sexual assault examination kit; or

(2) any item that contains blood, semen, hair, saliva, skin, tissue, or other identifiable biological material present on physical evidence or preserved on a slide or swab if such evidence relates to the identification of the defendant.

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

Sec. 9. Minnesota Statutes 2004, section 609.117, is amended to read:

609.117 [DNA ANALYSIS OF CERTAIN OFFENDERS REQUIRED.]

Subdivision 1. [UPON SENTENCING.] If an offender has not already done so, the court shall order an offender to provide a biological specimen for the purpose of DNA analysis as defined in section 299C.155 when:

(1) the court sentences a person charged with ~~violating or attempting to violate any of the following,~~ committing or attempting to commit a felony offense and the person is convicted of that offense or of any offense arising out of the same set of circumstances~~:~~

~~(i) murder under section 609.185, 609.19, or 609.195;~~

~~(ii) manslaughter under section 609.20 or 609.205;~~

~~(iii) assault under section 609.221, 609.222, or 609.223;~~

~~(iv) robbery under section 609.24 or aggravated robbery under section 609.245;~~

~~(v) kidnapping under section 609.25;~~

~~(vi) false imprisonment under section 609.255;~~

~~(vii) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, or 609.3451, subdivision 3;~~

~~(viii) incest under section 609.365;~~

~~(ix) burglary under section 609.582, subdivision 1; or~~

~~(x) indecent exposure under section 617.23, subdivision 3;~~

~~(2) the court sentences a person as a patterned sex offender under section 609.108~~; or

~~(3)~~ (2) the juvenile court adjudicates a person a delinquent child who is ~~the subject of a delinquency petition for violating or attempting to violate any of the following, and the delinquency adjudication is based on a violation of one of those sections or of any offense arising out of the same set of circumstances:~~

~~(i) murder under section 609.185, 609.19, or 609.195;~~

~~(ii) manslaughter under section 609.20 or 609.205;~~

~~(iii) assault under section 609.221, 609.222, or 609.223;~~

~~(iv) robbery under section 609.24 or aggravated robbery under section 609.245;~~

~~(v) kidnapping under section 609.25;~~

~~(vi) false imprisonment under section 609.255;~~

~~(vii) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, or 609.3451, subdivision 3;~~

~~(viii) incest under section 609.365;~~

~~(ix) burglary under section 609.582, subdivision 1; or~~

~~(x) indecent exposure under section 617.23, subdivision 3~~ petitioned for committing or attempting to commit a felony offense and is adjudicated delinquent for that offense or any offense arising out of the same set of circumstances.

The biological specimen or the results of the analysis shall be maintained by the Bureau of Criminal Apprehension as provided in section 299C.155.

Subd. 2. [BEFORE RELEASE.] The commissioner of corrections or local corrections authority shall order a person to provide a biological specimen for the purpose of DNA analysis before completion of the person's term of imprisonment when the person has not provided a biological specimen for the purpose of DNA analysis and the person:

(1) ~~is currently serving a term of imprisonment for or has a past conviction for violating or attempting to violate any of the following or a similar law of another state or the United States or~~ was initially charged with ~~violating one of the following sections or a similar law of another state or the United States and~~ committing or attempting to commit a felony offense and was convicted of ~~another~~ that offense or of any offense arising out of the same set of circumstances~~:~~

~~(i) murder under section 609.185, 609.19, or 609.195;~~

~~(ii) manslaughter under section 609.20 or 609.205;~~

~~(iii) assault under section 609.221, 609.222, or 609.223;~~

~~(iv) robbery under section 609.24 or aggravated robbery under section 609.245;~~

~~(v) kidnapping under section 609.25;~~

~~(vi) false imprisonment under section 609.255;~~

~~(vii) criminal sexual conduct under section 609.342, 609.343, 609.344, 609.345, or 609.3451, subdivision 3;~~

~~(viii) incest under section 609.365;~~

~~(ix) burglary under section 609.582, subdivision 1; or~~

~~(x) indecent exposure under section 617.23, subdivision 3; or~~

~~(2) was sentenced as a patterned sex offender under section 609.108, and committed to the custody of the commissioner of corrections~~, or the person has a past felony conviction in this or any other state; or

~~(3)~~ (2) is serving a term of imprisonment in this state under a reciprocal agreement although convicted in another state of ~~an offense described in this subdivision or a similar law of the United~~

~~States or any other state~~ committing or attempting to commit a felony offense or of any offense arising out of the same set of circumstances if the person was initially charged with committing or attempting to commit a felony offense. The commissioner of corrections or local corrections authority shall forward the sample to the Bureau of Criminal Apprehension.

Subd. 3. [OFFENDERS FROM OTHER STATES.] When the state accepts an offender from another state under the interstate compact authorized by section 243.16, the acceptance is conditional on the offender providing a biological specimen for the purposes of DNA analysis as defined in section 299C.155, if the offender was ~~convicted of an offense described in subdivision 1 or a similar law of the United States or any other state~~ initially charged with committing or attempting to commit a felony offense and was convicted of that offense or of any offense arising out of the same set of circumstances. The specimen must be provided under supervision of staff from the Department of Corrections or a Community Corrections Act county within 15 business days after the offender reports to the supervising agent. The cost of obtaining the biological specimen is the responsibility of the agency providing supervision.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to offenders sentenced, released from incarceration, or accepted for supervision on or after that date.

Sec. 10. Minnesota Statutes 2004, section 609A.02, subdivision 3, is amended to read:

Subd. 3. [CERTAIN CRIMINAL PROCEEDINGS NOT RESULTING IN A CONVICTION.] A petition may be filed under section 609A.03 to seal all records relating to an arrest, indictment or information, trial, or verdict if the records are not subject to section 299C.11, subdivision 1, paragraph (b), and if all pending actions or proceedings were resolved in favor of the petitioner. For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the petitioner.

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

Sec. 11. Minnesota Statutes 2004, section 609A.03, subdivision 7, is amended to read:

Subd. 7. [LIMITATIONS OF ORDER.] (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105, shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) an expunged record may be opened for purposes of a criminal investigation, prosecution, or sentencing, upon an ex parte court order; and

(2) an expunged record of a conviction may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order.

Upon request by law enforcement, prosecution, or corrections authorities, an agency or jurisdiction subject to an expungement order shall inform the requester of the existence of a sealed record and of the right to obtain access to it as provided by this paragraph. For purposes of this section, a "criminal justice agency" means courts or a government agency that performs the administration of criminal justice under statutory authority.

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

Sec. 12. [REPEALER.]

Minnesota Statutes 2004, section 609.119, is repealed.

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

ARTICLE 13

CORRECTIONS

Section 1. Minnesota Statutes 2004, section 16C.09, is amended to read:

16C.09 [PROCEDURE FOR SERVICE CONTRACTS.]

(a) Before entering into or approving a service contract, the commissioner must determine, at least, that:

(1) no current state employee is able and available to perform the services called for by the contract;

(2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities and there is statutory authority to enter into the contract;

(3) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;

(4) the contractor and agents are not employees of the state;

(5) the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed; and

(6) the combined contract and amendments will not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless otherwise provided for by law. The term of the original contract must not exceed two years, unless the commissioner determines that a longer duration is in the best interest of the state.

(b) For purposes of paragraph (a), clause (1), employees are available if qualified and:

(1) are already doing the work in question; or

(2) are on layoff status in classes that can do the work in question.

An employee is not available if the employee is doing other work, is retired, or has decided not to do the work in question.

(c) This section does not apply to an agency's use of inmates pursuant to sections 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

(1) community service; or

(2) conservation or maintenance services on lands under the jurisdiction and control of the state.

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

Sec. 2. Minnesota Statutes 2004, section 43A.047, is amended to read:

43A.047 [CONTRACTED SERVICES.]

(a) Executive agencies, including the Minnesota State Colleges and Universities system, must demonstrate that they cannot use available staff before hiring outside consultants or services. If use of consultants is necessary, agencies are encouraged to negotiate contracts that will involve permanent staff, so as to upgrade and maximize training of state employees.

(b) If agencies reduce operating budgets, agencies must give priority to reducing spending on professional and technical service contracts before laying off permanent employees.

(c) This section does not apply to an agency's use of inmates pursuant to sections 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

(1) community service; or

(2) conservation or maintenance services on lands under the jurisdiction and control of the state.

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

Sec. 3. [241.026] [CORRECTIONAL OFFICERS DISCIPLINE PROCEDURES.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Correctional officer" and "officer" mean a person employed by the state, a state correctional facility, or a local correctional or detention facility in a security capacity.

(c) "Formal statement" means the questioning of an officer in the course of obtaining a recorded, stenographic, or signed statement to be used as evidence in a disciplinary proceeding against the officer.

Subd. 2. [APPLICABILITY.] The procedures and provisions of this section apply to state and local correctional authorities.

Subd. 3. [GOVERNING FORMAL STATEMENT PROCEDURES.] The formal statement of an officer must be taken according to subdivision 4.

Subd. 4. [PLACE OF FORMAL STATEMENT.] The formal statement must be taken at a facility of the employing or investigating agency or at a place agreed to by the investigating individual and the investigated officer.

Subd. 5. [ADMISSIONS.] Before an officer's formal statement is taken, the officer shall be advised in writing or on the record that admissions made in the course of the formal statement may be used as evidence of misconduct or as a basis for discipline.

Subd. 6. [DISCLOSURE OF FINANCIAL RECORDS.] No employer may require an officer to produce or disclose the officer's personal financial records except pursuant to a valid search warrant or subpoena.

Subd. 7. [RELEASE OF PHOTOGRAPHS.] No state or local correctional facility or governmental unit may publicly release photographs of an officer without the written permission of the officer, except that the facility or unit may display a photograph of an officer to a prospective witness as part of an agency or unit investigation.

Subd. 8. [DISCIPLINARY LETTER.] No disciplinary letter or reprimand may be included in an officer's personnel record unless the officer has been given a copy of the letter or reprimand.

Subd. 9. [RETALIATORY ACTION PROHIBITED.] No officer may be discharged, disciplined, or threatened with discharge or discipline as retaliation for or solely by reason of the officer's exercise of the rights provided by this section.

Subd. 10. [RIGHTS NOT REDUCED.] The rights of officers provided by this section are in addition to and do not diminish the rights and privileges of officers that are provided under an applicable collective bargaining agreement or any other applicable law.

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

Sec. 4. Minnesota Statutes 2004, section 243.1606, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The Advisory Council on Interstate Adult Offender Supervision consists of the following individuals or their designees:

(1) the governor;

(2) the chief justice of the Supreme Court;

(3) two senators, one from the majority and the other from the minority party, selected by the Subcommittee on Committees of the senate Committee on Rules and Administration;

(4) two representatives, one from the majority and the other from the minority party, selected by the house speaker;

(5) the compact administrator, selected as provided in section 243.1607; ~~and~~

(6) the executive director of the Center for Crime Victim Services; and

(7) other members as appointed by the commissioner of corrections.

The council may elect a chair from among its members.

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

Sec. 5. Minnesota Statutes 2004, section 243.24, subdivision 2, is amended to read:

Subd. 2. [CHIEF EXECUTIVE OFFICER TO INCREASE FUND TO $100.] If the fund standing to the credit of the prisoner on the prisoner's leaving the facility by discharge, supervised release, or on parole be less than $100, the warden or chief executive officer is directed to pay out of the current expense fund of the facility sufficient funds to make the total of said earnings the sum of $100. Offenders who have previously received the $100 upon their initial release from incarceration will not receive the $100 on any second or subsequent release from incarceration for that offense. Offenders who were sentenced as short-term offenders under section 609.105 shall not receive gate money.

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

Sec. 6. [244.055] [CONDITIONAL RELEASE OF NONVIOLENT CONTROLLED SUBSTANCE OFFENDERS; OPPORTUNITY FOR DRUG TREATMENT.]

Subdivision 1. [CONDITIONAL RELEASE AUTHORITY.] The commissioner of corrections has the authority to release offenders committed to the commissioner's custody who meet the requirements of this section and of any rules adopted by the commissioner.

Subd. 2. [CONDITIONAL RELEASE OF CERTAIN NONVIOLENT CONTROLLED SUBSTANCE OFFENDERS.] An offender who has been committed to the commissioner's custody may petition the commissioner for conditional release from prison before the offender's scheduled supervised release date or target release date if:

(1) the offender is serving a sentence for violating section 152.021, subdivision 2 or 2a; 152.022, subdivision 2; 152.023; 152.024; or 152.025;

(2) the offender committed the crime as a result of a controlled substance addiction, and not primarily for profit;

(3) the offender has served at least 36 months or one-half of the offender's term of imprisonment, whichever is less;

(4) the offender successfully completed a chemical dependency treatment program of the type described in this section while in prison;

(5) the offender has not previously been conditionally released under this section; and

(6) the offender has not within the past ten years been convicted or adjudicated delinquent for a violent crime as defined in section 609.1095 other than the current conviction for the controlled substance offense.

Subd. 3. [OFFER OF CHEMICAL DEPENDENCY TREATMENT.] The commissioner shall offer all offenders meeting the criteria described in subdivision 2, clauses (1), (2), (5), and (6), the opportunity to begin a suitable chemical dependency treatment program of the type described in this section within 160 days after the offender's term of imprisonment begins or as soon after 160 days as possible.

Subd. 4. [CHEMICAL DEPENDENCY TREATMENT PROGRAM COMPONENTS.] (a) The chemical dependency treatment program described in subdivisions 2 and 3 must:

(1) contain a highly structured daily schedule for the offender;

(2) contain individualized educational programs designed to improve the basic educational skills of the offender and to provide vocational training, if appropriate;

(3) contain programs designed to promote the offender's self-worth and the offender's acceptance of responsibility for the consequences of the offender's own decisions;

(4) be licensed by the Department of Human Services and designed to serve the inmate population; and

(5) require that each offender submit to a chemical use assessment and that the offender receive the appropriate level of treatment as indicated by the assessment.

(b) The commissioner shall expel from the chemical dependency treatment program, any offender who:

(1) commits a material violation of, or repeatedly fails to follow the rules of the program;

(2) commits any criminal offense while in the program; or

(3) presents any risk to other inmates based on the offender's behavior or attitude.

Subd. 5. [ADDITIONAL REQUIREMENTS.] To be eligible for release under this section, an offender shall sign a written contract with the commissioner agreeing to comply with the requirements of this section and the conditions imposed by the commissioner. In addition to other items, the contract must specifically refer to the term of imprisonment extension in subdivision 6. In addition, the offender shall agree to submit to random drug and alcohol tests and electronic or home monitoring as determined by the commissioner or the offender's supervising agent. The commissioner may impose additional requirements on the offender that are necessary to carry out the goals of this section.

Subd. 6. [EXTENSION OF TERM OF IMPRISONMENT FOR OFFENDERS WHO FAIL IN TREATMENT.] When an offender fails to successfully complete the chemical dependency treatment program under this section, the commissioner shall add the time that the offender was participating in the program to the offender's term of imprisonment. However, the offender's term of imprisonment may not be extended beyond the offender's executed sentence.

Subd. 7. [RELEASE PROCEDURES.] The commissioner may deny conditional release to an offender under this section if the commissioner determines that the offender's release may reasonably pose a danger to the public or an individual. In making this determination, the commissioner shall follow the procedures contained in section 244.05, subdivision 5, and the rules adopted by the commissioner under that subdivision. The commissioner shall consider whether the offender was involved in criminal gang activity during the offender's prison term. The commissioner shall also consider the offender's custody classification and level of risk of violence and the availability of appropriate community supervision for the offender. Conditional release granted under this section continues until the offender's sentence expires, unless release is rescinded under subdivision 8. The commissioner may not grant conditional release unless a release plan is in place for the offender that addresses, at a minimum, plans for aftercare, community-based chemical dependency treatment, gaining employment, and securing housing.

Subd. 8. [CONDITIONAL RELEASE.] The conditions of release granted under this section are governed by the statutes and rules governing supervised release under this chapter, except that release may be rescinded without hearing by the commissioner if the commissioner determines that continuation of the conditional release poses a danger to the public or to an individual. If the commissioner rescinds an offender's conditional release, the offender shall be returned to prison and shall serve the remaining portion of the offender's sentence.

Subd. 9. [OFFENDERS SERVING OTHER SENTENCES.] An offender who is serving both a sentence for an offense described in subdivision 2 and an offense not described in subdivision 2, is not eligible for release under this section unless the offender has completed the offender's full term of imprisonment for the other offense.

Subd. 10. [NOTICE.] Upon receiving an offender's petition for release under subdivision 2, the commissioner shall notify the prosecuting authority responsible for the offender's conviction and the sentencing court. The commissioner shall give the authority and court a reasonable opportunity to comment on the offender's potential release. This subdivision applies only to offenders sentenced before July 1, 2005.

Subd. 11. [SUNSET.] This section expires July 1, 2007.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to persons in prison on or after that date.

Sec. 7. Minnesota Statutes 2004, section 244.18, subdivision 2, is amended to read:

Subd. 2. [LOCAL CORRECTIONAL FEES.] A local correctional agency may establish a schedule of local correctional fees to charge persons ~~convicted of a crime and~~ under the supervision and control of the local correctional agency to defray costs associated with correctional services. The local correctional fees on the schedule must be reasonably related to defendants' abilities to pay and the actual cost of correctional services.

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

Sec. 8. Minnesota Statutes 2004, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the Bureau of Criminal Apprehension, the Minnesota Division of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department, the Suburban Hennepin Regional Park District park rangers, the Department of Natural Resources Division of Enforcement, the University of Minnesota Police Department, the Department of Corrections' Fugitive Apprehension Unit, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter, chapter 152, or chapter 624;

(2) for driver's license or identification card transactions: any violation of section 171.22; and

(3) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4,

5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 609.895; 617.246; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

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

Sec. 9. Minnesota Statutes 2004, section 609.5311, subdivision 2, is amended to read:

Subd. 2. [ASSOCIATED PROPERTY.] (a) All property, real and personal, that has been used, or is intended for use, or has in any way facilitated, in whole or in part, the manufacturing, compounding, processing, delivering, importing, cultivating, exporting, transporting, or exchanging of contraband or a controlled substance that has not been lawfully manufactured, distributed, dispensed, and acquired is subject to forfeiture under this section, except as provided in subdivision 3.

(b) The Department of Corrections' Fugitive Apprehension Unit shall not seize real property for the purposes of forfeiture under paragraph (a).

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

Sec. 10. Minnesota Statutes 2004, section 609.5311, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON FORFEITURE OF CERTAIN PROPERTY ASSOCIATED WITH CONTROLLED SUBSTANCES.] (a) A conveyance device is subject to forfeiture under this section only if the retail value of the controlled substance is $25 or more and the conveyance device is associated with a felony-level controlled substance crime.

(b) Real property is subject to forfeiture under this section only if the retail value of the controlled substance or contraband is $1,000 or more.

(c) Property used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the use or intended use of the property as described in subdivision 2.

(d) Property is subject to forfeiture under this section only if its owner was privy to the use or intended use described in subdivision 2, or the unlawful use or intended use of the property otherwise occurred with the owner's knowledge or consent.

(e) Forfeiture under this section of a conveyance device or real property encumbered by a bona fide security interest is subject to the interest of the secured party unless the secured party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(f) Forfeiture under this section of real property is subject to the interests of a good faith purchaser for value unless the purchaser had knowledge of or consented to the act or omission upon which the forfeiture is based.

(g) Notwithstanding paragraphs (d), (e), and (f), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the unlawful use or intended use of the property if: (1) the owner or secured party took reasonable steps to terminate use of the property by the offender; or (2) the property is real property owned by the parent of the offender, unless the parent actively participated in, or knowingly acquiesced to, a violation of chapter 152, or the real property constitutes proceeds derived from or traceable to a use described in subdivision 2.

(h) The Department of Correction's Fugitive Apprehension Unit shall not seize a conveyance device or real property, for the purposes of forfeiture under paragraphs (a) to (g).

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

Sec. 11. Minnesota Statutes 2004, section 609.5312, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO FORFEITURE.] (a) All personal property is subject to forfeiture if it was used or intended for use to commit or facilitate the commission of a designated offense. All money and other property, real and personal, that represent proceeds of a designated offense, and all contraband property, are subject to forfeiture, except as provided in this section.

(b) The Department of Corrections' Fugitive Apprehension Unit shall not seize real property for the purposes of forfeiture under paragraph (a).

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

Sec. 12. Minnesota Statutes 2004, section 609.5312, subdivision 3, is amended to read:

Subd. 3. [VEHICLE FORFEITURE FOR PROSTITUTION OFFENSES.] (a) A motor vehicle is subject to forfeiture under this subdivision if it was used to commit or facilitate, or used during the commission of, a violation of section 609.324 or a violation of a local ordinance substantially similar to section 609.324. A motor vehicle is subject to forfeiture under this subdivision only if the offense is established by proof of a criminal conviction for the offense. Except as otherwise provided in this subdivision, a forfeiture under this subdivision is governed by sections 609.531, 609.5312, and 609.5313.

(b) When a motor vehicle subject to forfeiture under this subdivision is seized in advance of a judicial forfeiture order, a hearing before a judge or referee must be held within 96 hours of the seizure. Notice of the hearing must be given to the registered owner within 48 hours of the seizure. The prosecuting authority shall certify to the court, at or in advance of the hearing, that it has filed or intends to file charges against the alleged violator for violating section 609.324 or a local ordinance substantially similar to section 609.324. After conducting the hearing, the court shall order that the motor vehicle be returned to the owner if:

(1) the prosecutor has failed to make the certification required by paragraph (b);

(2) the owner of the motor vehicle has demonstrated to the court's satisfaction that the owner has a defense to the forfeiture, including but not limited to the defenses contained in subdivision 2; or

(3) the court determines that seizure of the vehicle creates or would create an undue hardship for members of the owner's family.

(c) If the defendant is acquitted or prostitution charges against the defendant are dismissed, neither the owner nor the defendant is responsible for paying any costs associated with the seizure or storage of the vehicle.

(d) A vehicle leased or rented under section 168.27, subdivision 4, for a period of 180 days or less is not subject to forfeiture under this subdivision.

(e) For purposes of this subdivision, seizure occurs either:

(1) at the date at which personal service of process upon the registered owner is made; or

(2) at the date when the registered owner has been notified by certified mail at the address listed in the Minnesota Department of Public Safety computerized motor vehicle registration records.

(f) The Department of Corrections' Fugitive Apprehension Unit shall not participate in paragraphs (a) to (e).

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

Sec. 13. Minnesota Statutes 2004, section 609.5312, subdivision 4, is amended to read:

Subd. 4. [VEHICLE FORFEITURE FOR FLEEING A PEACE OFFICER.] (a) A motor

vehicle is subject to forfeiture under this subdivision if it was used to commit a violation of section 609.487 and endanger life or property. A motor vehicle is subject to forfeiture under this subdivision only if the offense is established by proof of a criminal conviction for the offense. Except as otherwise provided in this subdivision, a forfeiture under this subdivision is governed by sections 609.531, 609.5312, 609.5313, and 609.5315, subdivision 6.

(b) When a motor vehicle subject to forfeiture under this subdivision is seized in advance of a judicial forfeiture order, a hearing before a judge or referee must be held within 96 hours of the seizure. Notice of the hearing must be given to the registered owner within 48 hours of the seizure. The prosecuting authority shall certify to the court, at or in advance of the hearing, that it has filed or intends to file charges against the alleged violator for violating section 609.487. After conducting the hearing, the court shall order that the motor vehicle be returned to the owner if:

(1) the prosecutor has failed to make the certification required by this paragraph;

(2) the owner of the motor vehicle has demonstrated to the court's satisfaction that the owner has a defense to the forfeiture, including but not limited to the defenses contained in subdivision 2; or

(3) the court determines that seizure of the vehicle creates or would create an undue hardship for members of the owner's family.

(c) If the defendant is acquitted or the charges against the defendant are dismissed, neither the owner nor the defendant is responsible for paying any costs associated with the seizure or storage of the vehicle.

(d) A vehicle leased or rented under section 168.27, subdivision 4, for a period of 180 days or less is not subject to forfeiture under this subdivision.

(e) A motor vehicle that is an off-road recreational vehicle as defined in section 169A.03, subdivision 16, or a motorboat as defined in section 169A.03, subdivision 13, is not subject to paragraph (b).

(f) For purposes of this subdivision, seizure occurs either:

(1) at the date at which personal service of process upon the registered owner is made; or

(2) at the date when the registered owner has been notified by certified mail at the address listed in the Minnesota Department of Public Safety computerized motor vehicle registration records.

(g) The Department of Corrections' Fugitive Apprehension Unit shall not seize a motor vehicle for the purposes of forfeiture under paragraphs (a) to (f).

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

Sec. 14. Minnesota Statutes 2004, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO ADMINISTRATIVE FORFEITURE; PRESUMPTION.] (a) The following are presumed to be subject to administrative forfeiture under this section:

(1) all money, precious metals, and precious stones found in proximity to:

(i) controlled substances;

(ii) forfeitable drug manufacturing or distributing equipment or devices; or

(iii) forfeitable records of manufacture or distribution of controlled substances;

(2) all conveyance devices containing controlled substances with a retail value of $100 or more if possession or sale of the controlled substance would be a felony under chapter 152; and

(3) all firearms, ammunition, and firearm accessories found:

(i) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;

(ii) on or in proximity to a person from whom a felony amount of controlled substance is seized; or

(iii) on the premises where a controlled substance is seized and in proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152.

(4) The Department of Corrections' Fugitive Apprehension Unit shall not seize items listed in clauses (2) and (3) for the purposes of forfeiture.

(b) A claimant of the property bears the burden to rebut this presumption.

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

Sec. 15. Minnesota Statutes 2004, section 609.5317, subdivision 1, is amended to read:

Subdivision 1. [RENTAL PROPERTY.] (a) When contraband or a controlled substance manufactured, distributed, or acquired in violation of chapter 152 is seized on residential rental property incident to a lawful search or arrest, the county attorney shall give the notice required by this subdivision to (1) the landlord of the property or the fee owner identified in the records of the county assessor, and (2) the agent authorized by the owner to accept service pursuant to section 504B.181. The notice is not required during an ongoing investigation. The notice shall state what has been seized and specify the applicable duties and penalties under this subdivision. The notice shall state that the landlord who chooses to assign the right to bring an eviction action retains all rights and duties, including removal of a tenant's personal property following issuance of the writ of restitution and delivery of the writ to the sheriff for execution. The notice shall also state that the landlord may contact the county attorney if threatened by the tenant. Notice shall be sent by certified letter, return receipt requested, within 30 days of the seizure. If receipt is not returned, notice shall be given in the manner provided by law for service of summons in a civil action.

(b) Within 15 days after notice of the first occurrence, the landlord shall bring, or assign to the county attorney of the county in which the real property is located, the right to bring an eviction action against the tenant. The assignment must be in writing on a form prepared by the county attorney. Should the landlord choose to assign the right to bring an eviction action, the assignment shall be limited to those rights and duties up to and including delivery of the writ of restitution to the sheriff for execution.

(c) Upon notice of a second occurrence on any residential rental property owned by the same landlord in the same county and involving the same tenant, and within one year after notice of the first occurrence, the property is subject to forfeiture under sections 609.531, 609.5311, 609.5313, and 609.5315, unless an eviction action has been commenced as provided in paragraph (b) or the right to bring an eviction action was assigned to the county attorney as provided in paragraph (b). If the right has been assigned and not previously exercised, or if the county attorney requests an assignment and the landlord makes an assignment, the county attorney may bring an eviction action rather than an action for forfeiture.

(d) The Department of Corrections' Fugitive Apprehension Unit shall not seize real property for the purposes of forfeiture as described in paragraphs (a) to (c).

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

Sec. 16. Minnesota Statutes 2004, section 609.5318, subdivision 1, is amended to read:

Subdivision 1. [MOTOR VEHICLES SUBJECT TO FORFEITURE.] (a) A motor vehicle is subject to forfeiture under this section if the prosecutor establishes by clear and convincing evidence that the vehicle was used in a violation of section 609.66, subdivision 1e. The prosecutor need not establish that any individual was convicted of the violation, but a conviction of the owner

for a violation of section 609.66, subdivision 1e, creates a presumption that the vehicle was used in the violation.

(b) The Department of Corrections' Fugitive Apprehension Unit shall not seize a motor vehicle for the purposes of forfeiture under paragraph (a).

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

Sec. 17. Minnesota Statutes 2004, section 631.425, subdivision 4, is amended to read:

Subd. 4. [CONFINEMENT WHEN NOT EMPLOYED.] Unless the court otherwise directs, the sheriff or local correctional agency may electronically monitor or confine in jail each inmate ~~must be confined in jail~~ during the time the inmate is not employed, or, if the inmate is employed, between the times of employment. The sheriff may not electronically monitor an offender who is sentenced for an offense within the definition of domestic abuse under section 518B.01, subdivision 2, unless the court directs otherwise. The sheriff may assess the cost of electronic monitoring on the offender.

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

Sec. 18. Minnesota Statutes 2004, section 641.21, is amended to read:

641.21 [JAIL, ADVICE AS TO CONSTRUCTION.]

When any county board determines to purchase, lease or erect a new jail, or to repair an existing one at an expense of more than ~~$5,000~~ $15,000, it shall pass a resolution to that effect, and transmit a copy thereof to the commissioner of corrections, who, within 30 days thereafter, shall transmit to that county board the advice and suggestions in reference to the purchase, lease or construction thereof as the commissioner deems proper.

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

Sec. 19. [MCF-FARIBAULT DEDICATION OF SPACE.]

While planning, designing, and constructing new facilities on the campus of the Minnesota Correctional Facility in Faribault, the commissioner of corrections shall designate a space on the campus sufficient in size to build one additional prison building. This space must be preserved and designated for the benefit of Rice County for the future construction of a county correctional facility.

[EFFECTIVE DATE.] This section is effective the day following final enactment and expires on July 1, 2015.

Sec. 20. [REPEALER.]

Minnesota Statutes 2004, section 243.162, is repealed.

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

ARTICLE 14

COURTS AND PUBLIC DEFENDER

Section 1. Minnesota Statutes 2004, section 2.722, subdivision 1, is amended to read:

Subdivision 1. [DESCRIPTION.] Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, Le Sueur, McLeod, Scott, and Sibley; 33 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; 26 judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; 23 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; 60 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; 16 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; 15 judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; ~~25~~ 27 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; 11 judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahnomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; 22 judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls; and

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; ~~41~~ 43 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district.

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

Sec. 2. Minnesota Statutes 2004, section 253B.08, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR COMMITMENT HEARING.] The hearing on the commitment petition shall be held within 14 days from the date of the filing of the petition, except that the hearing on a commitment petition pursuant to section 253B.185 shall be held within 90 days from the date of the filing of the petition. For good cause shown, the court may extend the time of hearing up to an additional 30 days. The proceeding shall be dismissed if the proposed patient has not had a hearing on a commitment petition within the allowed time. The proposed patient, or the head of the treatment facility in which the person is held, may demand in writing at any time that the hearing be held immediately. Unless the hearing is held within five days of the date of the demand, exclusive of Saturdays, Sundays and legal holidays, the petition shall be automatically discharged if the patient is being held in a treatment facility pursuant to court order. For good cause shown, the court may extend the time of hearing on the demand for an additional ten days.

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

Sec. 3. Minnesota Statutes 2004, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~$235~~ $240.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~$235~~ $240.

The party requesting a trial by jury shall pay $75.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, $10, and $5 for an uncertified copy.

(3) Issuing a subpoena, $12 for each name.

(4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, $55.

(5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, $40.

(6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, $30.

(7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, $5.

(8) Certificate as to existence or nonexistence of judgments docketed, $5 for each name certified to.

(9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, $5.

(10) For the filing of each partial, final, or annual account in all trusteeships, $40.

(11) For the deposit of a will, $20.

(12) For recording notary commission, $100, of which, notwithstanding subdivision 1a, paragraph (b), $80 must be forwarded to the commissioner of finance to be deposited in the state treasury and credited to the general fund.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the Supreme Court.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of $75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents.

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

Sec. 4. Minnesota Statutes 2004, section 357.021, subdivision 6, is amended to read:

Subd. 6. [SURCHARGES ON CRIMINAL AND TRAFFIC OFFENDERS.] (a) Except as provided in this paragraph, the court shall impose and the court administrator shall collect a ~~$60~~ $72 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of a law or ordinance relating to vehicle parking, for which there shall be a ~~$3~~ $4 surcharge. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional $1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, ~~other~~

~~than~~ including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the $1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) If the court fails to impose a surcharge as required by this subdivision, the court administrator shall show the imposition of the surcharge, collect the surcharge and correct the record.

(c) The court may not waive payment of the surcharge required under this subdivision. Upon a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family, the sentencing court may authorize payment of the surcharge in installments.

(d) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of finance.

(e) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the commissioner of finance.

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

Sec. 5. Minnesota Statutes 2004, section 357.021, subdivision 7, is amended to read:

Subd. 7. [DISBURSEMENT OF SURCHARGES BY COMMISSIONER OF FINANCE.] (a) Except as provided in paragraphs (b), (c), and (d), the commissioner of finance shall disburse surcharges received under subdivision 6 and section 97A.065, subdivision 2, as follows:

(1) one percent shall be credited to the game and fish fund to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws;

(2) 39 percent shall be credited to the peace officers training account in the special revenue fund; and

(3) 60 percent shall be credited to the general fund.

(b) The commissioner of finance shall credit $3 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of finance shall credit ~~$32~~ $44 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, and the ~~$3~~ $4 parking surcharge, to the general fund.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional $1 surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall ~~withhold $1 from each surcharge collected under subdivision 6. The court administrator must use the withheld funds solely to fund the petty misdemeanor diversion program administered by the Ramsey County Violations Bureau. The court administrator must transfer any unencumbered portion of the funds received under this subdivision to the commissioner of finance for distribution according to paragraphs (a) to (c)~~ transmit the surcharge to the commissioner of finance. The $1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

[EFFECTIVE DATE.] The changes to paragraph (c) are effective July 1, 2005. The changes to paragraph (d) are effective either the day after the governing body of Ramsey County authorizes imposition of the surcharge, or July 1, 2005, whichever is the later date, and applies to convictions on or after that date.

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

357.18 [COUNTY RECORDER.]

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

(1) for indexing and recording any deed or other instrument ~~$1 for each page of an instrument, with a minimum fee of $15~~ a fee of $46; $10.50 shall be paid to the state treasury and credited to the general fund; $10 shall be deposited in the technology fund pursuant to subdivision 3; and $25.50 to the county general fund;

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

(3) for certified copies of any records or papers, ~~$1 for each page of an instrument with a minimum fee of $5~~ $10;

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

(5) for an abstract of title, the fees shall be determined by resolution of the county board duly adopted upon the recommendation of the county recorder, and the fees shall not exceed ~~$5~~ $10 for every entry, ~~$50~~ $100 for abstract certificate, $1 per page for each exhibit included within an abstract as a part of an abstract entry, and ~~$2~~ $5 per name for each required name search certification;

~~(5)~~ (6) for a copy of an official plat filed pursuant to section 505.08, the fee shall be ~~$9.50~~ $10 and an additional ~~50 cents~~ $5 shall be charged for the certification of each plat;

~~(6)~~ (7) for filing an amended floor plan in accordance with chapter 515, an amended condominium plat in accordance with chapter 515A, or a common interest community plat or amendment complying with section 515B.2-110, subsection (c), the fee shall be 50 cents per apartment or unit with a minimum fee of ~~$30~~ $50;

~~(7)~~ (8) for a copy of a floor plan filed pursuant to chapter 515, a copy of a condominium plat filed in accordance with chapter 515A, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be $1 for each page of the floor plan, condominium plat or common interest community plat with a minimum fee of $10;

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

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

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

Subd. 2. [FEES FOR RECORDING INSTRUMENTS IN COUNTY RECORDER OFFICE.] Notwithstanding the provisions of any ~~general or~~ special law to the contrary, the ~~fees prescribed by this section shall govern the filing or recording of all instruments in the office of the county~~

~~recorder~~ established fees pursuant to subdivision 1 shall be the fee charged in all counties for the specified service, other than Uniform Commercial Code documents, and documents filed or recorded pursuant to sections 270.69, subdivision 2, paragraph (c), 272.481 to 272.488, 277.20, and 386.77.

~~Subd. 3. [SURCHARGE.] In addition to the fees imposed in subdivision 1, a $4.50 surcharge shall be collected: on each fee charged under subdivision 1, clauses (1) and (6), and for each abstract certificate under subdivision 1, clause (4). Fifty cents of each surcharge shall be retained by the county to cover its administrative costs and $4 shall be paid to the state treasury and credited to the general fund.~~

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

Subd. 5. [VARIANCE FROM STANDARDS.] A document ~~that does not~~ should conform to the standards in section 507.093, paragraph (a), ~~shall not be recorded except upon payment of an additional fee of $10 per document~~ but should not be rejected unless the document is not legible or cannot be archived. This subdivision applies only to documents dated after July 31, 1997, and does not apply to Minnesota uniform conveyancing blanks ~~contained in the book of forms~~ on file in the office of the commissioner of commerce provided for under section 507.09, certified copies, or any other form provided for under Minnesota Statutes.

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

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

Sec. 7. [357.182] [COUNTY FEES AND RECORDING STANDARDS FOR THE RECORDING OF REAL ESTATE DOCUMENTS.]

Subdivision 1. [APPLICATION.] Unless otherwise specified in this section and notwithstanding any other law to the contrary, effective August 1, 2005, this section applies to each county in Minnesota. Documents presented for recording within 60 days after the effective date of this section and that are acknowledged, sworn to before a notary, or certified before the effective date of this section must not be rejected for failure to include the new filing fee.

Subd. 2. [FEE RESTRICTIONS.] Notwithstanding any local law or ordinance to the contrary, no county may charge or collect any fee, special or otherwise, or however described, other than a fee denominated or prescribed by state law, for any service, task, or step performed by any county officer or employee in connection with the receipt, recording, and return of any recordable instrument by the county recorder or registrar of titles, whether received by mail, in person, or by electronic delivery, including, but not limited to, opening mail; handling, transferring, or transporting the instrument; certifying no delinquent property taxes; payment of state deed tax, mortgage registry tax, or conservation fee; recording of approved plats, subdivision splits, or combinations; or any other prerequisites to recording, and returning the instrument by regular mail or in person to the person identified in the instrument for that purpose.

Subd. 3. [RECORDING REQUIREMENTS.] Each county recorder and registrar of titles shall, within 15 business days after any instrument in recordable form accompanied by payment of applicable fees by customary means is delivered to the county for recording or is otherwise received by the county recorder or registrar of titles for that purpose, record and index the instrument in the manner provided by law and return it by regular mail or in person to the person identified in the instrument for that purpose, if the instrument does not require certification of no-delinquent taxes, payment of state deed tax, mortgage registry tax, or conservation fee. Each

county must establish a policy for the timely handling of instruments that require certification of no-delinquent taxes, payment of state deed tax, mortgage registry tax, or conservation fee and that policy may allow up to an additional five business days at the request of the office or offices responsible to complete the payment and certification process.

For calendar years 2009 and 2010, the maximum time allowed for completion of the recording process for documents presented in recordable form will be 15 business days.

For calendar year 2011 and thereafter, the maximum time allowed for completion of the recording process for documents presented in recordable form will be ten business days.

Instruments recorded electronically must be returned no later than five business days after receipt by the county in a recordable format.

Subd. 4. [COMPLIANCE WITH RECORDING REQUIREMENTS.] For calendar year 2007, a county is in compliance with the recording requirements prescribed by subdivision 3 if at least 60 percent of all recordable instruments described in subdivision 3 and received by the county in that year are recorded and returned within the time limits prescribed in subdivision 3. In calendar year 2008, at least 70 percent of all recordable instruments must be recorded and returned in compliance with the recording requirements; for calendar year 2009, at least 80 percent of all recordable instruments must be recorded and returned in compliance with the recording requirements; and for calendar year 2010 and later years, at least 90 percent of all recordable instruments must be recorded and returned in compliance with the recording requirements.

Subd. 5. [TEMPORARY SUSPENSION OF COMPLIANCE WITH RECORDING REQUIREMENTS.] Compliance with the requirements of subdivision 4 may be suspended for up to six months when a county undertakes material enhancements to its systems for receipt, handling, paying of deed and mortgage tax and conservation fees, recording, indexing, certification, and return of instruments. The six-month suspension may be extended for up to an additional six months if a county board finds by resolution that the additional time is necessary because of the difficulties of implementing the enhancement.

Subd. 6. [CERTIFICATION OF COMPLIANCE WITH RECORDING REQUIREMENTS.] Effective beginning in 2007 for the 2008 county budget and in each year thereafter, the county recorder and registrar of titles for each county shall file with the county commissioners, as part of their budget request, a report that establishes the status for the previous year of their compliance with the requirements established in subdivision 3. If the office has not achieved compliance with the recording requirements, the report must include an explanation of the failure to comply, recommendations by the recorder or registrar to cure the noncompliance and to prevent a reoccurrence, and a proposal identifying actions, deadlines, and funding necessary to bring the county into compliance.

Subd. 7. [RESTRICTION ON USE OF RECORDING FEES.] Notwithstanding any law to the contrary, for county budgets adopted after January 1, 2006, each county shall segregate the additional unallocated fee authorized by sections 357.18, 508.82, and 508A.82 from the application of the provisions of chapters 386, 507, 508, and 508A, in an appropriate account. This money is available as authorized by the Board of County Commissioners for supporting enhancements to the recording process, including electronic recording, to fund compliance efforts specified in subdivision 5 and for use in undertaking data integration and aggregation projects. Money remains in the account until expended for any of the authorized purposes set forth in this subdivision. This money must not be used to supplant the normal operating expenses for the office of county recorder or registrar of titles.

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

Sec. 8. Minnesota Statutes 2004, section 505.08, subdivision 2, is amended to read:

Subd. 2. [PUBLIC CERTIFIED COPIES.] The copies of the official plat or of the exact reproducible copy shall be compared and certified to by the county recorder in the manner in which certified copies of records are issued in the recorder's office, and the copy thereof shall be

bound in a proper volume for the use of the general public and anyone shall have access to and may inspect such certified copy at their pleasure. When the plat includes both registered and nonregistered land two copies thereof shall be so certified and bound, one for such general public use in each of the offices of the county recorder and registrar of titles; provided, however, that only one such copy so certified and bound shall be provided for general public use in those counties wherein the office quarters of the county recorder and registrar of titles are one and the same. When the copy, or any part thereof, shall become unintelligible from use or wear or otherwise, at the request of the county recorder it shall be the duty of the county surveyor to make a reproduction copy of the official plat, or the exact transparent reproducible copy under the direct supervision of the county recorder, who shall compare the copy, certify that it is a correct copy thereof, by proper certificate as above set forth, and it shall be bound in the volume, and under the page, and in the place of the discarded copy. In counties not having a county surveyor the county recorder shall employ a licensed land surveyor to make such reproduction copy, at the expense of the county. The county recorder shall receive as a fee for filing these plats, as aforesaid described, ~~50 cents per lot, but shall receive not less than $30 for any plat filed in the recorder's office~~ pursuant to section 357.18, subdivision 1. Reproductions from the exact transparent reproducible copy shall be available to any person upon request and the cost of such reproductions shall be paid by the person making such request. If a copy of the official plat is requested the county recorder shall prepare it and duly certify that it is a copy of the official plat and the cost of such copy shall be paid by the person making such request.

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

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

508.82 [~~REGISTRAR'S~~ REGISTRAR OF TITLES' FEES.]

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

(1) of the fees provided herein, ~~five percent~~ $1.50 of the fees collected under clauses (3), ~~(5), (11), (13),~~ (4), (10), (12), (14), (16), and (17), for filing or memorializing shall be paid to the ~~commissioner of finance~~ state treasury pursuant to section 508.75 and credited to the general fund; ~~plus a $4.50 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2), (3), (5), (11), (13), (14), (16), and (17), with 50 cents of this surcharge to be retained by the county to cover its administrative costs, and $4 to be paid to the state treasury and credited to the general fund;~~

(2) for registering a first certificate of title, including issuing a copy of it, ~~$30~~ $46. Pursuant to clause (1), distribution of this fee is as follows:

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

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

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

(3) for registering each instrument transferring the fee simple title for which a new certificate of title is issued and for the registration of the new certificate of title, including a copy of it, ~~$30~~ $46. Pursuant to clause (1), distribution of this fee is as follows:

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

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

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

(4) ~~for issuance of a CECT pursuant to section 508.351, $15;~~

~~(5)~~ for the entry of each memorial on a certificate, ~~$15~~ $46. For multiple certificate entries, $20 thereafter. Pursuant to clause (1), distribution of this fee is as follows:

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

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

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

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

~~(6)~~ (5) for issuing each residue certificate, ~~$20~~ $40;

~~(7)~~ (6) for exchange certificates, ~~$10~~ $20 for each certificate canceled and ~~$10~~ $20 for each new certificate issued;

~~(8)~~ (7) for each certificate showing condition of the register, ~~$10~~ $50;

~~(9)~~ (8) for any certified copy of any instrument or writing on file or recorded in the ~~registrar's~~ registrar of titles' office, ~~the same fees allowed by law to county recorders for like services~~ $10;

~~(10)~~ (9) for a noncertified copy of any certificate of title, other than the copies issued under clauses (2) and (3), any instrument or writing on file or recorded in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

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

(11) for filing two copies of any plat in the office of the registrar, ~~$30~~ $56. Pursuant to clause (1), distribution of this fee is as follows:

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

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

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

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

(13) for filing an amendment to a declaration in accordance with chapter 515, ~~$10~~ $46 for each certificate upon which the document is registered and ~~$30~~ for multiple certificate entries, $20 thereafter; $56 for an amended floor plan filed in accordance with chapter 515;. Pursuant to clause (1), distribution of this fee is as follows:

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

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

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

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

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

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

~~(14)~~ (15) for filing an amendment to a common interest community declaration and plat or amendment complying with section 515B.2-110, subsection (c), ~~$10~~ $46 for each certificate upon which the document is registered and ~~$30~~ for multiple certificate entries, $20 thereafter and $56 for the filing of the condominium or common interest community plat or amendment. Pursuant to clause (1), distribution of this fee is as follows:

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

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

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

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

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

~~(15)~~ (16) for a copy of a condominium floor plan filed in accordance with chapter 515, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be $1 for each page of the floor plan or common interest community plat with a minimum fee of $10;

~~(16)~~ (17) for the filing of a certified copy of a plat of the survey pursuant to section 508.23 or 508.671, ~~$10~~ $46. Pursuant to clause (1), distribution of this fee is as follows:

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

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

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

~~(17)~~ (18) for filing a registered land survey in triplicate in accordance with section 508.47, subdivision 4, ~~$30~~ $56. Pursuant to clause (1), distribution of this fee is as follows:

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

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

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

~~(18)~~ (19) for furnishing a certified copy of a registered land survey in accordance with section 508.47, subdivision 4, ~~$10~~ $15.

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

Subd. 2. [VARIANCE FROM STANDARDS.] A document ~~that does not~~ should conform to the standards in section 507.093, paragraph (a), ~~shall not be filed except upon payment of an additional fee of $10 per document~~ but should not be rejected unless the document is not legible or cannot be archived. This subdivision applies only to documents dated after July 31, 1997, and does not apply to Minnesota uniform conveyancing blanks ~~contained in the book of forms~~ on file in the office of the commissioner of commerce provided for under section 507.09, certified copies, or any other form provided for under Minnesota Statutes.

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

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

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

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

(1) of the fees provided herein, ~~five percent~~ $1.50 of the fees collected under clauses (3), (5),

(11), (13), ~~(14)~~ (15), and ~~(17)~~, (18) for filing or memorializing shall be paid to the ~~commissioner of finance~~ state treasury pursuant to section 508.75 and credited to the general fund; ~~plus a $4.50 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2), (3), (5), (11), (13), (14), and (17), with 50 cents of this surcharge to be retained by the county to cover its administrative costs, and $4 to be paid to the state treasury and credited to the general fund;~~

(2) for registering a first CPT, including issuing a copy of it, ~~$30;~~ $46. Pursuant to clause (1), distribution of the fee is as follows:

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

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

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

(3) for registering each instrument transferring the fee simple title for which a new CPT is issued and for the registration of the new CPT, including a copy of it, ~~$30;~~ $46. Pursuant to clause (1), distribution of the fee is as follows:

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

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

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

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

(5) for the entry of each memorial on a CPT, ~~$15;~~ $46; for multiple certificate entries, $20 thereafter. Pursuant to clause (1), distribution of the fee is as follows:

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

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

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

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

(6) for issuing each residue CPT, ~~$20~~ $40;

(7) for exchange CPTs or combined certificates of title, ~~$10~~ $20 for each CPT and certificate of title canceled and ~~$10~~ $20 for each new CPT or combined certificate of title issued;

(8) for each CPT showing condition of the register, ~~$10~~ $50;

(9) for any certified copy of any instrument or writing on file or recorded in the ~~registrar's~~ registrar of titles' office, ~~the same fees allowed by law to county recorders for like services~~ $10;

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

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

(12) for filing two copies of any plat in the office of the registrar, ~~$30;~~ $56. Pursuant to clause (1), distribution of the fee is as follows:

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

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

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

~~(12)~~ (13) for any other service under sections 508A.01 to 508A.85, the fee the court shall determine;

~~(13)~~ (14) for filing an amendment to a declaration in accordance with chapter 515, ~~$10~~ $46 for each certificate upon which the document is registered and ~~$30~~ for multiple certificate entries, $20 thereafter; $56 for an amended floor plan filed in accordance with chapter 515~~;~~. Pursuant to clause (1), distribution of the fee is as follows:

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

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

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

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

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

~~(14)~~ (15) for issuance of a CECT pursuant to section 508.351, $40;

(16) for filing an amendment to a common interest community declaration and plat or amendment complying with section 515B.2-110, subsection (c), and issuing a CECT if required, ~~$10~~ $46 for each certificate upon which the document is registered and ~~$30~~ for multiple certificate entries, $20 thereafter; $56 for the filing of the condominium or common interest community plat or amendment~~;~~. Pursuant to clause (1), distribution of the fee is as follows:

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

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

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

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

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

~~(15)~~ (17) for a copy of a condominium floor plan filed in accordance with chapter 515, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be $1 for each page of the floor plan, or common interest community plat with a minimum fee of $10;

~~(16)~~ (18) in counties in which the compensation of the examiner of titles is paid in the same manner as the compensation of other county employees, for each parcel of land contained in the application for a CPT, as the number of parcels is determined by the examiner, a fee which is reasonable and which reflects the actual cost to the county, established by the board of county commissioners of the county in which the land is located;

~~(17)~~ (19) for filing a registered land survey in triplicate in accordance with section 508A.47, subdivision 4, ~~$30; and~~ $56. Pursuant to clause (1), distribution of the fee is as follows:

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

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

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

~~(18)~~ (20) for furnishing a certified copy of a registered land survey in accordance with section 508A.47, subdivision 4, ~~$10~~ $15.

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

Subd. 2. [VARIANCE FROM STANDARDS.] A document ~~that does not~~ should conform to the standards in section 507.093, paragraph (a), ~~shall not be filed except upon payment of an additional fee of $10 per document~~ but should not be rejected unless the document is not legible or cannot be archived. This subdivision applies only to documents dated after July 31, 1997, and does not apply to Minnesota uniform conveyancing blanks ~~contained in the book of forms~~ on file in the office of the commissioner of commerce provided for under section 507.09, certified copies, or any other form provided for under Minnesota Statutes.

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

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

515B.1-116 [RECORDING.]

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

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

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

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

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

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

order for an instrument to be accepted and recorded under the preceding sentence, the instrument must not create or change unit or common area boundaries.

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

Sec. 12. Minnesota Statutes 2004, section 590.01, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Except at a time when direct appellate relief is available, a person convicted of a crime, who claims that:

(1) the conviction obtained or the sentence or other disposition made violated the person's rights under the Constitution or laws of the United States or of the state; or

(2) scientific evidence not available at trial, obtained pursuant to a motion granted under subdivision 1a, establishes the petitioner's actual innocence;

may commence a proceeding to secure relief by filing a petition in the district court in the county in which the conviction was had to vacate and set aside the judgment and to discharge the petitioner or to resentence the petitioner or grant a new trial or correct the sentence or make other disposition as may be appropriate. A petition for postconviction relief after a direct appeal has been completed may not be based on grounds that could have been raised on direct appeal of the conviction or sentence. Nothing contained herein shall prevent the Supreme Court or the Court of Appeals, upon application by a party, from granting a stay of a case on appeal for the purpose of allowing an appellant to apply to the district court for an evidentiary hearing under the provisions of this chapter. The proceeding shall conform with sections 590.01 to 590.06.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 13. Minnesota Statutes 2004, section 590.01, is amended by adding a subdivision to read:

Subd. 4. [TIME LIMIT.] (a) No petition for postconviction relief may be filed more than two years after the later of:

(1) the entry of judgment of conviction or sentence if no direct appeal is filed; or

(2) an appellate court's disposition of petitioner's direct appeal.

(b) Notwithstanding paragraph (a), a court may hear a petition for postconviction relief if:

(1) the petitioner establishes that a physical disability or mental disease precluded a timely assertion of the claim;

(2) the petitioner alleges the existence of newly discovered evidence, including scientific evidence, that could not have been ascertained by the exercise of due diligence by the petitioner or petitioner's attorney within the two-year time period for filing a postconviction petition, and the evidence is not cumulative to evidence presented at trial, is not for impeachment purposes, and establishes by a clear and convincing standard that the petitioner is innocent of the offense or offenses for which the petitioner was convicted;

(3) the petitioner asserts a new interpretation of federal or state constitutional or statutory law by either the United States Supreme Court or a Minnesota appellate court and the petitioner establishes that this interpretation is retroactively applicable to the petitioner's case;

(4) the petition is brought pursuant to subdivision 3; or

(5) the petitioner establishes to the satisfaction of the court that the petition is not frivolous and is in the interests of justice.

(c) Any petition invoking an exception provided in paragraph (b) must be filed within two years of the date the claim arises.

[EFFECTIVE DATE.] This section is effective August 1, 2005. Any person whose conviction

became final before August 1, 2005, shall have two years after the effective date of this act to file a petition for postconviction relief.

Sec. 14. Minnesota Statutes 2004, section 609.115, is amended by adding a subdivision to read:

Subd. 2a. [SENTENCING WORKSHEET; SENTENCING GUIDELINES COMMISSION.] If the defendant has been convicted of a felony, including a felony for which a mandatory life sentence is required by law, the court shall cause a sentencing worksheet as provided in subdivision 1 to be completed and forwarded to the Sentencing Guidelines Commission.

For the purpose of this section, "mandatory life sentence" means a sentence under section 609.106, subdivision 2; 609.109, subdivision 3; 609.185; 609.3455; or 609.385, subdivision 2, and governed by section 244.05.

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

Sec. 15. Minnesota Statutes 2004, section 611.272, is amended to read:

611.272 [ACCESS TO GOVERNMENT DATA.]

The district public defender, the state public defender, or an attorney working for a public defense corporation under section 611.216 has access to the criminal justice data communications network described in section 299C.46, as provided in this section. Access to data under this section is limited to data ~~regarding the public defender's own client as~~ necessary to prepare criminal cases in which the public defender has been appointed~~, including~~ as follows:

(1) access to data about witnesses in a criminal case shall be limited to records of criminal convictions; and

(2) access to data regarding the public defender's own client which includes, but is not limited to, criminal history data under section 13.87; juvenile offender data under section 299C.095; warrant information data under section 299C.115; incarceration data under section 299C.14; conditional release data under section 299C.147; and diversion program data under section 299C.46, subdivision 5.

The public defender has access to data under this section, whether accessed via CriMNet or other methods. The public defender does not have access to law enforcement active investigative data under section 13.82, subdivision 7; data protected under section 13.82, subdivision 17; ~~or~~ confidential arrest warrant indices data under section 13.82, subdivision 19; or data systems maintained by a prosecuting attorney. The public defender has access to the data at no charge, except for the monthly network access charge under section 299C.46, subdivision 3, paragraph (b), and a reasonable installation charge for a terminal. Notwithstanding section 13.87, subdivision 3; 299C.46, subdivision 3, paragraph (b); 299C.48, or any other law to the contrary, there shall be no charge to public defenders for Internet access to the criminal justice data communications network.

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

Sec. 16. [611.273] [SURPLUS PROPERTY.]

Notwithstanding the provisions of Minnesota Statutes, sections 15.054 and 16C.23, the Board of Public Defense, in its sole discretion, may provide surplus computers to its part-time employees for their use.

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

Sec. 17. Minnesota Statutes 2004, section 626.04, is amended to read:

626.04 [PROPERTY; SEIZURE, KEEPING, AND DISPOSAL.]

(a) When any officer seizes, with or without warrant, any property or thing, it shall be safely

kept by direction of the court as long as necessary for the purpose of being produced as evidence on any trial. If the owner of the property makes a written request to the seizing officer's agency for return of the property, and the property has not been returned within 48 hours of the request, excluding Saturday, Sunday, or legal holidays, the person whose property has been seized may file a petition for the return of the property in the district court in the district in which the property was seized. The court administrator shall provide a form for use as a petition under this section. A filing fee, equal to the civil motion filing fee, shall be required for filing the petition. The district court shall send a copy of the petition to the agency acting as custodian of the property with at least ten days notice of a hearing date. A hearing on the petition shall be held within 30 days of filing unless good cause is shown for an extension of time. The determination of the petition must be without jury trial and by a simple and informal procedure. At the hearing, the court may receive relevant evidence on any issue of fact necessary to the decision on the petition without regard to whether the evidence would be admissible under the Minnesota Rules of Evidence. The court shall allow if requested, or on its own motion may require, the custodian or the custodian's designee to summarize the status and progress of an ongoing investigation that led to the seizure. Any such summary shall be done ex parte and only the custodian, the custodian's designee, and their attorneys may be present with the court and court staff. The court shall seal the ex parte record. After a hearing, the court shall not order the return if it finds that:

(1) the property is being held in good faith as potential evidence in any matter, charged or uncharged;

(2) the property may be subject to forfeiture proceedings;

(3) the property is contraband or may contain contraband; or

(4) the property is subject to other lawful retention.

(b) The court shall make findings on each of these issues as part of its order. If the property is ordered returned, the petitioner shall not be liable for any storage costs incurred from the date the petition was filed. If the petition is denied, the court may award reasonable costs and attorney fees. After the trial for which the property was being held as potential evidence, and the expiration date for all associated appeals, the property or thing shall, unless otherwise subject to lawful detention, be returned to its owner or any other person entitled to possess it. Any property or thing seized may be destroyed or otherwise disposed of under the direction of the court. Any money found in gambling devices when seized shall be paid into the county treasury. If the gambling devices are seized by a police officer of a municipality, the money shall be paid into the treasury of the municipality.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to property seized on or after that date.

Sec. 18. [COLLATERAL SANCTIONS CROSS-REFERENCES; CREATION OF A NEW CHAPTER.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "automatically" means either by operation of law or by the mandated action of a designated official or agency; and

(2) "collateral sanction" means a legal penalty, disability, or disadvantage, however denominated, that is imposed on a person automatically when that person is convicted of or found to have committed a crime, even if the sanction is not included in the sentence. Collateral sanction does not include:

(i) a direct consequence of the crime such as a criminal fine, restitution, or incarceration; or

(ii) a requirement imposed by the sentencing court or other designated official or agency that the convicted person provide a biological specimen for DNA analysis, provide fingerprints, or submit to any form of assessment or testing.

Subd. 2. [REVISOR INSTRUCTION.] The revisor of statutes shall create a new chapter in Minnesota Statutes that contains cross-references to Minnesota laws imposing collateral sanctions. The revisor shall create a structure within this new chapter that categorizes these laws in a useful way to users and provides them with quick access to the cross-referenced laws. The revisor may consider, but is not limited to, using the following categories in the new chapter:

(1) collateral sanctions relating to employment and occupational licensing;

(2) collateral sanctions relating to driving and motor vehicles;

(3) collateral sanctions relating to public safety;

(4) collateral sanctions relating to eligibility for services and benefits;

(5) collateral sanctions relating to property rights;

(6) collateral sanctions relating to civil rights and remedies; and

(7) collateral sanctions relating to recreational activities.

If possible, the revisor shall locate the new chapter in proximity to Minnesota Statutes, chapter 609, the Minnesota Criminal Code.

Subd. 3. [CAUTIONARY LANGUAGE.] The revisor shall include appropriate cautionary language at the beginning of the new chapter that notifies users of the following types of issues:

(1) that the list of collateral sanctions laws contained in the chapter is intended to be comprehensive but is not necessarily complete;

(2) that the inclusion or exclusion of a collateral sanction in the chapter is not intended to have any substantive legal effect;

(3) that the cross-references used in the chapter are intended solely to indicate the contents of the cross-referenced section or subdivision and are not part of the cross-referenced statute;

(4) that the cross-references are not substantive and may not be used to construe or limit the meaning of any statutory language; and

(5) that users must consult the language of each cross-referenced law to fully understand the scope and effect of the collateral sanction it imposes.

Subd. 4. [CONSULTATION WITH LEGISLATORS AND LEGISLATIVE STAFF.] The revisor shall consult with legislative staff and the chairs and ranking minority members of the senate and house committees having jurisdiction over criminal justice matters to identify laws that impose collateral sanctions and develop the appropriate categories and cross-references to use in the new chapter.

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

Sec. 19. [REPORT OF COLLATERAL SANCTIONS LAWS.]

Each state or local governmental agency having responsibility to impose a collateral sanction shall prepare a list that identifies all of the collateral sanctions within the authority's statutory jurisdiction. The agency shall submit the list to the Office of the Revisor of Statutes no later than September 1, 2005. State and local agencies covered by this section include, but are not limited to, state agencies, the judiciary, the state Public Defender's Office, the Attorney General's Office, and county attorneys.

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

Sec. 20. [RAMSEY COUNTY COURT COMMISSIONER.]

The chief justice of the Supreme Court may assign a retired court commissioner to act in

Ramsey County as a commissioner of the district court. The commissioner may perform duties assigned by the chief judge of the judicial district with the powers provided by Minnesota Statutes, section 489.02. This section expires December 31, 2025.

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

Sec. 21. [REPEALER.]

Minnesota Statutes 2004, sections 386.30 and 624.04, are repealed.

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

ARTICLE 15

CHILD PROTECTION

Section 1. Minnesota Statutes 2004, section 259.24, subdivision 1, is amended to read:

Subdivision 1. [EXCEPTIONS.] No child shall be adopted without the consent of the child's parents and the child's guardian, if there be one, except in the following instances:

(a) Consent shall not be required of a parent not entitled to notice of the proceedings.

(b) Consent shall not be required of a parent who has abandoned the child, or of a parent who has lost custody of the child through a divorce decree or a decree of dissolution, and upon whom notice has been served as required by section 259.49.

(c) Consent shall not be required of a parent whose parental rights to the child have been terminated by a juvenile court or who has lost custody of a child through a final commitment of the juvenile court or through a decree in a prior adoption proceeding.

(d) If there be no parent or guardian qualified to consent to the adoption, the consent ~~may~~ shall be given by the commissioner. After the court accepts a parent's consent to the adoption under section 260C.201, subdivision 11, consent by the commissioner or commissioner's delegate is also necessary. Agreement to the identified prospective adoptive parent by the responsible social services agency under section 260C.201, subdivision 11, does not constitute the required consent.

(e) The commissioner or agency having authority to place a child for adoption pursuant to section 259.25, subdivision 1, shall have the exclusive right to consent to the adoption of such child. The commissioner or agency shall make every effort to place siblings together for adoption. Notwithstanding any rule to the contrary, the commissioner may delegate the right to consent to the adoption or separation of siblings, if it is in the child's best interest, to a local social services agency.

Sec. 2. Minnesota Statutes 2004, section 259.24, subdivision 2a, is amended to read:

Subd. 2a. [TIME OF CONSENT; NOTICE OF INTENT TO CONSENT TO ADOPTION.] (a) Not sooner than 72 hours after the birth of a child and not later than 60 days after the child's placement in a prospective adoptive home, a person whose consent is required under this section shall execute a consent.

(b) Unless all birth parents from whom consent is required under this section are involved in making the adoptive placement and intend to consent to the adoption, a birth parent who intends to execute a consent to an adoption must give notice to the child's other birth parent of the intent to consent to the adoption prior to or within 72 hours following the placement of the child, if the other birth parent's consent to the adoption is required under subdivision 1. The birth parent who receives notice shall have 60 days after the placement of the child to either consent or refuse to consent to the adoption. If the birth parent who receives notice fails to take either of these actions, that parent shall be deemed to have irrevocably consented to the child's adoption. The notice provisions of chapter 260C and the rules of juvenile protection procedure shall apply to both parents when the consent to adopt is executed under section 260C.201, subdivision 11.

(c) When notice is required under this subdivision, it shall be provided to the other birth parent according to the Rules of Civil Procedure for service of a summons and complaint.

Sec. 3. Minnesota Statutes 2004, section 259.24, subdivision 5, is amended to read:

Subd. 5. [EXECUTION.] All consents to an adoption shall be in writing, executed before two competent witnesses, and acknowledged by the consenting party. In addition, all consents to an adoption, except those by the commissioner, the commissioner's agent, a licensed child-placing agency, an adult adoptee, or the child's parent in a petition for adoption by a stepparent, shall be executed before a representative of the commissioner, the commissioner's agent, or a licensed child-placing agency. All consents by a parent:

(1) shall contain notice to the parent of the substance of subdivision 6a, providing for the right to withdraw consent unless the parent will not have the right to withdraw consent because consent was executed under section 260C.201, subdivision 11, following proper notice that consent given under that provision is irrevocable upon acceptance by the court as provided in subdivision 6a; and

(2) shall contain the following written notice in all capital letters at least one-eighth inch high:

"This agency will submit your consent to adoption to the court. The consent itself does not terminate your parental rights. Parental rights to a child may be terminated only by an adoption decree or by a court order terminating parental rights. Unless the child is adopted or your parental rights are terminated, you may be asked to support the child."

Consents shall be filed in the adoption proceedings at any time before the matter is heard provided, however, that a consent executed and acknowledged outside of this state, either in accordance with the law of this state or in accordance with the law of the place where executed, is valid.

Sec. 4. Minnesota Statutes 2004, section 259.24, subdivision 6a, is amended to read:

Subd. 6a. [WITHDRAWAL OF CONSENT.] Except for consents executed under section 260C.201, subdivision 11, a parent's consent to adoption may be withdrawn for any reason within ten working days after the consent is executed and acknowledged. Written notification of withdrawal of consent must be received by the agency to which the child was surrendered no later than the tenth working day after the consent is executed and acknowledged. On the day following the tenth working day after execution and acknowledgment, the consent shall become irrevocable, except upon order of a court of competent jurisdiction after written findings that consent was obtained by fraud. A consent to adopt executed under section 260C.201, subdivision 11, is irrevocable upon proper notice to both parents of the effect of a consent to adopt and acceptance by the court, except upon order of the same court after written findings that the consent was obtained by fraud. In proceedings to determine the existence of fraud, the adoptive parents and the child shall be made parties. The proceedings shall be conducted to preserve the confidentiality of the adoption process. There shall be no presumption in the proceedings favoring the birth parents over the adoptive parents.

Sec. 5. Minnesota Statutes 2004, section 260C.201, subdivision 11, is amended to read:

Subd. 11. [REVIEW OF COURT-ORDERED PLACEMENTS; PERMANENT PLACEMENT DETERMINATION.] (a) This subdivision and subdivision 11a do not apply in cases where the child is in placement due solely to the child's developmental disability or emotional disturbance, where legal custody has not been transferred to the responsible social services agency, and where the court finds compelling reasons under section 260C.007, subdivision 8, to continue the child in foster care past the time periods specified in this subdivision. Foster care placements of children due solely to their disability are governed by section 260C.141, subdivision 2b. In all other cases where the child is in foster care or in the care of a noncustodial parent under subdivision 1, the court shall conduct a hearing to determine the permanent status of a child not later than 12 months after the child is placed in foster care or in the care of a noncustodial parent.

For purposes of this subdivision, the date of the child's placement in foster care is the earlier of the first court-ordered placement or 60 days after the date on which the child has been voluntarily

placed in foster care by the child's parent or guardian. For purposes of this subdivision, time spent by a child under the protective supervision of the responsible social services agency in the home of a noncustodial parent pursuant to an order under subdivision 1 counts towards the requirement of a permanency hearing under this subdivision or subdivision 11a.

For purposes of this subdivision, 12 months is calculated as follows:

(1) during the pendency of a petition alleging that a child is in need of protection or services, all time periods when a child is placed in foster care or in the home of a noncustodial parent are cumulated;

(2) if a child has been placed in foster care within the previous five years under one or more previous petitions, the lengths of all prior time periods when the child was placed in foster care within the previous five years are cumulated. If a child under this clause has been in foster care for 12 months or more, the court, if it is in the best interests of the child and for compelling reasons, may extend the total time the child may continue out of the home under the current petition up to an additional six months before making a permanency determination.

(b) Unless the responsible social services agency recommends return of the child to the custodial parent or parents, not later than 30 days prior to this hearing, the responsible social services agency shall file pleadings in juvenile court to establish the basis for the juvenile court to order permanent placement of the child according to paragraph (d). Notice of the hearing and copies of the pleadings must be provided pursuant to section 260C.152. If a termination of parental rights petition is filed before the date required for the permanency planning determination and there is a trial under section 260C.163 scheduled on that petition within 90 days of the filing of the petition, no hearing need be conducted under this subdivision.

(c) At the conclusion of the hearing, the court shall order the child returned to the care of the parent or guardian from whom the child was removed or order a permanent placement in the child's best interests. The "best interests of the child" means all relevant factors to be considered and evaluated. Transfer of permanent legal and physical custody, termination of parental rights, or guardianship and legal custody to the commissioner through a consent to adopt are preferred permanency options for a child who cannot return home.

(d) If the child is not returned to the home, the court must order one of the following dispositions:

(1) permanent legal and physical custody to a relative in the best interests of the child according to the following conditions:

(i) an order for transfer of permanent legal and physical custody to a relative shall only be made after the court has reviewed the suitability of the prospective legal and physical custodian;

(ii) in transferring permanent legal and physical custody to a relative, the juvenile court shall follow the standards applicable under this chapter and chapter 260, and the procedures set out in the juvenile court rules;

(iii) an order establishing permanent legal and physical custody under this subdivision must be filed with the family court;

(iv) a transfer of legal and physical custody includes responsibility for the protection, education, care, and control of the child and decision making on behalf of the child;

(v) the social services agency may bring a petition or motion naming a fit and willing relative as a proposed permanent legal and physical custodian. The commissioner of human services shall annually prepare for counties information that must be given to proposed custodians about their legal rights and obligations as custodians together with information on financial and medical benefits for which the child is eligible; and

(vi) the juvenile court may maintain jurisdiction over the responsible social services agency, the parents or guardian of the child, the child, and the permanent legal and physical custodian for

purposes of ensuring appropriate services are delivered to the child and permanent legal custodian or for the purpose of ensuring conditions ordered by the court related to the care and custody of the child are met;

(2) termination of parental rights according to the following conditions:

(i) unless the social services agency has already filed a petition for termination of parental rights under section 260C.307, the court may order such a petition filed and all the requirements of sections 260C.301 to 260C.328 remain applicable; and

(ii) an adoption completed subsequent to a determination under this subdivision may include an agreement for communication or contact under section 259.58;

(3) long-term foster care according to the following conditions:

(i) the court may order a child into long-term foster care only if it finds compelling reasons that neither an award of permanent legal and physical custody to a relative, nor termination of parental rights is in the child's best interests; and

(ii) further, the court may only order long-term foster care for the child under this section if it finds the following:

(A) the child has reached age 12 and reasonable efforts by the responsible social services agency have failed to locate an adoptive family for the child; or

(B) the child is a sibling of a child described in subitem (A) and the siblings have a significant positive relationship and are ordered into the same long-term foster care home;

(4) foster care for a specified period of time according to the following conditions:

(i) foster care for a specified period of time may be ordered only if:

(A) the sole basis for an adjudication that the child is in need of protection or services is the child's behavior;

(B) the court finds that foster care for a specified period of time is in the best interests of the child; and

(C) the court finds compelling reasons that neither an award of permanent legal and physical custody to a relative, nor termination of parental rights is in the child's best interests;

(ii) the order does not specify that the child continue in foster care for any period exceeding one year; or

(5) guardianship and legal custody to the commissioner of human services under the following procedures and conditions:

(i) there is an identified prospective adoptive home that has agreed to adopt the child and agreed to by the responsible social services agency having legal custody of the child pursuant to court order under this section and the court accepts the parent's voluntary consent to adopt under section 259.24;

(ii) if the court accepts a consent to adopt in lieu of ordering one of the other enumerated permanency dispositions, the court must review the matter at least every 90 days. The review will address the reasonable efforts of the agency to achieve a finalized adoption;

(iii) a consent to adopt under this clause vests all legal authority regarding the child, including guardianship and legal custody of the child, with the commissioner of human services as if the child were a state ward after termination of parental rights;

(iv) the court must forward a copy of the consent to adopt, together with a certified copy of the order transferring guardianship and legal custody to the commissioner, to the commissioner; ~~and~~

(v) if an adoption is not finalized by the identified prospective adoptive parent within 12 months of the execution of the consent to adopt under this clause, the commissioner of human services or the commissioner's delegate shall pursue adoptive placement in another home unless the commissioner certifies that the failure to finalize is not due to either an action or a failure to act by the prospective adoptive parent; and

(vi) notwithstanding item (v), the commissioner of human services or the commissioner's designee must pursue adoptive placement in another home as soon as the commissioner or commissioner's designee determines that finalization of the adoption with the identified prospective adoptive parent is not possible, that the identified prospective adoptive parent is not willing to adopt the child, that the identified prospective adoptive parent is not cooperative in completing the steps necessary to finalize the adoption, or upon the commissioner's determination to withhold consent to the adoption.

(e) In ordering a permanent placement of a child, the court must be governed by the best interests of the child, including a review of the relationship between the child and relatives and the child and other important persons with whom the child has resided or had significant contact.

(f) Once a permanent placement determination has been made and permanent placement has been established, further court reviews are necessary if:

(1) the placement is long-term foster care or foster care for a specified period of time;

(2) the court orders further hearings because it has retained jurisdiction of a transfer of permanent legal and physical custody matter;

(3) an adoption has not yet been finalized; or

(4) there is a disruption of the permanent or long-term placement.

(g) Court reviews of an order for long-term foster care, whether under this section or section 260C.317, subdivision 3, paragraph (d), or foster care for a specified period of time must be conducted at least yearly and must review the child's out-of-home placement plan and the reasonable efforts of the agency to:

(1) identify a specific long-term foster home for the child or a specific foster home for the time the child is specified to be out of the care of the parent, if one has not already been identified;

(2) support continued placement of the child in the identified home, if one has been identified;

(3) ensure appropriate services are provided to the child during the period of long-term foster care or foster care for a specified period of time;

(4) plan for the child's independence upon the child's leaving long-term foster care living as required under section 260C.212, subdivision 1; and

(5) where placement is for a specified period of time, a plan for the safe return of the child to the care of the parent.

(h) An order under this subdivision must include the following detailed findings:

(1) how the child's best interests are served by the order;

(2) the nature and extent of the responsible social service agency's reasonable efforts, or, in the case of an Indian child, active efforts to reunify the child with the parent or parents;

(3) the parent's or parents' efforts and ability to use services to correct the conditions which led to the out-of-home placement; and

(4) whether the conditions which led to the out-of-home placement have been corrected so that the child can return home.

(i) An order for permanent legal and physical custody of a child may be modified under sections 518.18 and 518.185. The social services agency is a party to the proceeding and must receive notice. A parent may only seek modification of an order for long-term foster care upon motion and a showing by the parent of a substantial change in the parent's circumstances such that the parent could provide appropriate care for the child and that removal of the child from the child's permanent placement and the return to the parent's care would be in the best interest of the child.

(j) The court shall issue an order required under this section within 15 days of the close of the proceedings. The court may extend issuing the order an additional 15 days when necessary in the interests of justice and the best interests of the child.

Sec. 6. [260C.209] [BACKGROUND CHECKS.]

Subdivision 1. [SUBJECTS.] The responsible social services agency must conduct a background check under this section of the following:

(1) a noncustodial parent or nonadjudicated parent who is being assessed for purposes of providing day-to-day care of a child temporarily or permanently under section 260C.212, subdivision 4, and any member of the parent's household who is over the age of 13 when there is a reasonable cause to believe that the parent or household member over age 13 has a criminal history or a history of maltreatment of a child or vulnerable adult which would endanger the child's health, safety, or welfare;

(2) an individual whose suitability for relative placement under section 260C.212, subdivision 5, is being determined, and any member of the relative's household who is over the age of 13 when: (i) the relative must be licensed for foster care; or (ii) the agency must conduct a background study under section 259.53, subdivision 2; or (iii) the agency has reasonable cause to believe the relative or household member over the age of 13 has a criminal history which would not make transfer of permanent legal and physical custody to the relative under section 260C.201, subdivision 11, in the child's best interest; and

(3) a parent, following an out-of-home placement, when the responsible social service agency has reasonable cause to believe that the parent has been convicted of a crime directly related to the parent's capacity to maintain the child's health, safety, or welfare; or the parent is the subject of an open investigation of, or has been the subject of a substantiated allegation of, child or vulnerable-adult maltreatment within the past ten years.

"Reasonable cause" means that the agency has received information or a report from the subject or a third person that creates an articulable suspicion that the individual has a history that may pose a risk to the health, safety, or welfare of the child. The information or report must be specific to the potential subject of the background check and shall not be based on the race, religion, ethnic background, age, class, or lifestyle of the potential subject.

Subd. 2. [GENERAL PROCEDURES.] (a) When conducting a background check under subdivision 1, the agency may require the individual being assessed to provide sufficient information to ensure an accurate assessment under this section, including:

(1) the individual's first, middle, and last name and all other names by which the individual has been known;

(2) home address, zip code, city, county, and state of residence for the past ten years;

(3) sex;

(4) date of birth; and

(5) driver's license number or state identification number.

(b) When notified by the responsible social services agency that it is conducting an assessment under this section, the Bureau of Criminal Apprehension, commissioners of health and human

services, law enforcement, and county agencies must provide the responsible social services agency or county attorney with the following information on the individual being assessed: criminal history data, reports about the maltreatment of adults substantiated under section 626.557, and reports of maltreatment of minors substantiated under section 626.556.

Subd. 3. [MULTISTATE INFORMATION.] (a) For any assessment completed under this section, if the responsible social services agency has reasonable cause to believe that the individual is a multistate offender, the individual must provide the responsible social services agency or the county attorney with a set of classifiable fingerprints obtained from an authorized law enforcement agency. The responsible social services agency or county attorney may obtain criminal history data from the National Criminal Records Repository by submitting the fingerprints to the Bureau of Criminal Apprehension.

(b) For purposes of this subdivision, the responsible social services agency has reasonable cause when, but not limited to:

(1) information from the Bureau of Criminal Apprehension indicates that the individual is a multistate offender;

(2) information from the Bureau of Criminal Apprehension indicates that multistate offender status is undetermined;

(3) the social services agency has received a report from the individual or a third party indicating that the individual has a criminal history in a jurisdiction other than Minnesota; or

(4) the individual is or has been a resident of a state other than Minnesota at any time during the prior ten years.

Subd. 4. [NOTICE UPON RECEIPT.] The responsible social services agency must provide the subject of the background study with the results of the study under this section within 15 business days of receipt or at least 15 days prior to the hearing at which the results will be presented, whichever comes first. The subject may provide written information to the agency that the results are incorrect and may provide additional or clarifying information to the agency and to the court through a party to the proceeding. This provision does not apply to any background study conducted under chapters 245A and 245C.

Sec. 7. Minnesota Statutes 2004, section 260C.212, subdivision 4, is amended to read:

Subd. 4. [RESPONSIBLE SOCIAL SERVICE AGENCY'S DUTIES FOR CHILDREN IN PLACEMENT.] (a) When a child is in placement, the responsible social services agency shall make diligent efforts to identify, locate, and, where appropriate, offer services to both parents of the child.

(1) ~~If~~ The responsible social services agency shall assess whether a noncustodial or nonadjudicated parent is willing and capable of providing for the day-to-day care of the child temporarily or permanently. An assessment under this clause may include, but is not limited to, obtaining information under section 260C.209. If after assessment, the responsible social services agency determines that a noncustodial or nonadjudicated parent is willing and capable of providing day-to-day care of the child, the responsible social services agency may seek authority from the custodial parent or the court to have that parent assume day-to-day care of the child. If a parent is not an adjudicated parent, the responsible social services agency shall require the nonadjudicated parent to cooperate with paternity establishment procedures as part of the case plan.

(2) If, after assessment, the responsible social services agency determines that the child cannot be in the day-to-day care of either parent, the agency shall:

(i) prepare an out-of-home placement plan addressing the conditions that each parent must meet before the child can be in that parent's day-to-day care; and

(ii) provide a parent who is the subject of a background study under section 260C.209 15 days'

notice that it intends to use the study to recommend against putting the child with that parent, as well as the notice provided in section 260C.209, subdivision 4, and the court shall afford the parent an opportunity to be heard concerning the study.

The results of a background study of a noncustodial parent shall not be used by the agency to determine that the parent is incapable of providing day-to-day care of the child unless the agency reasonably believes that placement of the child into the home of that parent would endanger the child's health, safety, or welfare.

(3) If, after the provision of services following an out-of-home placement plan under this section, the child cannot return to the care of the parent from whom the child was removed or who had legal custody at the time the child was placed in foster care, the agency may petition on behalf of a noncustodial parent to establish legal custody with that parent under section 260C.201, subdivision 11. If paternity has not already been established, it may be established in the same proceeding in the manner provided for under chapter 257.

(4) The responsible social services agency may be relieved of the requirement to locate and offer services to both parents by the juvenile court upon a finding of good cause after the filing of a petition under section 260C.141.

(b) The responsible social services agency shall give notice to the parent or parents or guardian of each child in a residential facility, other than a child in placement due solely to that child's developmental disability or emotional disturbance, of the following information:

(1) that residential care of the child may result in termination of parental rights or an order permanently placing the child out of the custody of the parent, but only after notice and a hearing as required under chapter 260C and the juvenile court rules;

(2) time limits on the length of placement and of reunification services, including the date on which the child is expected to be returned to and safely maintained in the home of the parent or parents or placed for adoption or otherwise permanently removed from the care of the parent by court order;

(3) the nature of the services available to the parent;

(4) the consequences to the parent and the child if the parent fails or is unable to use services to correct the circumstances that led to the child's placement;

(5) the first consideration for placement with relatives;

(6) the benefit to the child in getting the child out of residential care as soon as possible, preferably by returning the child home, but if that is not possible, through a permanent legal placement of the child away from the parent;

(7) when safe for the child, the benefits to the child and the parent of maintaining visitation with the child as soon as possible in the course of the case and, in any event, according to the visitation plan under this section; and

(8) the financial responsibilities and obligations, if any, of the parent or parents for the support of the child during the period the child is in the residential facility.

(c) The responsible social services agency shall inform a parent considering voluntary placement of a child who is not developmentally disabled or emotionally disturbed of the following information:

(1) the parent and the child each has a right to separate legal counsel before signing a voluntary placement agreement, but not to counsel appointed at public expense;

(2) the parent is not required to agree to the voluntary placement, and a parent who enters a voluntary placement agreement may at any time request that the agency return the child. If the parent so requests, the child must be returned within 24 hours of the receipt of the request;

(3) evidence gathered during the time the child is voluntarily placed may be used at a later time as the basis for a petition alleging that the child is in need of protection or services or as the basis for a petition seeking termination of parental rights or other permanent placement of the child away from the parent;

(4) if the responsible social services agency files a petition alleging that the child is in need of protection or services or a petition seeking the termination of parental rights or other permanent placement of the child away from the parent, the parent would have the right to appointment of separate legal counsel and the child would have a right to the appointment of counsel and a guardian ad litem as provided by law, and that counsel will be appointed at public expense if they are unable to afford counsel; and

(5) the timelines and procedures for review of voluntary placements under subdivision 3, and the effect the time spent in voluntary placement on the scheduling of a permanent placement determination hearing under section 260C.201, subdivision 11.

(d) When an agency accepts a child for placement, the agency shall determine whether the child has had a physical examination by or under the direction of a licensed physician within the 12 months immediately preceding the date when the child came into the agency's care. If there is documentation that the child has had an examination within the last 12 months, the agency is responsible for seeing that the child has another physical examination within one year of the documented examination and annually in subsequent years. If the agency determines that the child has not had a physical examination within the 12 months immediately preceding placement, the agency shall ensure that the child has an examination within 30 days of coming into the agency's care and once a year in subsequent years.

ARTICLE 16
CRIMINAL SENTENCING POLICY

Section 1. Minnesota Statutes 2004, section 244.09, subdivision 5, is amended to read:

Subd. 5. [PROMULGATION OF SENTENCING GUIDELINES.] The commission shall promulgate Sentencing Guidelines for the district court. The guidelines shall be based on reasonable offense and offender characteristics. The guidelines promulgated by the commission shall be advisory to the district court and shall establish:

(1) The circumstances under which imprisonment of an offender is proper; and

(2) A presumptive, fixed sentence for offenders for whom imprisonment is proper, based on each appropriate combination of reasonable offense and offender characteristics. The guidelines ~~may~~ shall provide for an increase ~~or~~ of 20 percent and a decrease of ~~up to~~ 15 percent in the presumptive, fixed sentence.

The Sentencing Guidelines promulgated by the commission may also establish appropriate sanctions for offenders for whom imprisonment is not proper. Any guidelines promulgated by the commission establishing sanctions for offenders for whom imprisonment is not proper shall make specific reference to noninstitutional sanctions, including but not limited to the following: payment of fines, day fines, restitution, community work orders, work release programs in local facilities, community based residential and nonresidential programs, incarceration in a local correctional facility, and probation and the conditions thereof.

Although the Sentencing Guidelines are advisory to the district court, the court shall follow the procedures of the guidelines when it pronounces sentence in a proceeding to which the guidelines apply by operation of statute. Sentencing pursuant to the Sentencing Guidelines is not a right that accrues to a person convicted of a felony; it is a procedure based on state public policy to maintain uniformity, proportionality, rationality, and predictability in sentencing.

In establishing and modifying the Sentencing Guidelines, the primary consideration of the commission shall be public safety. The commission shall also consider current sentencing and release practices; correctional resources, including but not limited to the capacities of local and state correctional facilities; and the long-term negative impact of the crime on the community.

The provisions of sections 14.001 to 14.69 do not apply to the promulgation of the Sentencing Guidelines, and the Sentencing Guidelines, including severity levels and criminal history scores, are not subject to review by the legislative commission to review administrative rules. However, the commission shall adopt rules pursuant to sections 14.001 to 14.69 which establish procedures for the promulgation of the Sentencing Guidelines, including procedures for the promulgation of severity levels and criminal history scores, and these rules shall be subject to review by the legislative coordinating commission.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2004, section 244.09, subdivision 11, is amended to read:

Subd. 11. [MODIFICATION.] The commission shall meet as necessary for the purpose of modifying and improving the guidelines. Any modification which amends the Sentencing Guidelines grid, including severity levels and criminal history scores, or which would result in the reduction of any sentence or in the early release of any inmate, with the exception of a modification mandated or authorized by the legislature or relating to a crime created or amended by the legislature in the preceding session, shall be submitted to the legislature by January ~~1~~ 15 of any year in which the commission wishes to make the change and shall be effective on August 1 of that year, unless the legislature by law provides otherwise. All other modifications shall take effect according to the procedural rules of the commission. On or before January ~~1~~ 15 of each year, the commission shall submit a written report to the committees of the senate and the house of representatives with jurisdiction over criminal justice policy that identifies and explains all modifications made during the preceding 12 months and all proposed modifications that are being submitted to the legislature that year.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to reports submitted on or after that date.

Sec. 3. Minnesota Statutes 2004, section 244.10, is amended by adding a subdivision to read:

Subd. 4. [AGGRAVATED DEPARTURES.] In bringing a motion for an aggravated sentence, the state is not limited to factors specified in the Sentencing Guidelines provided the state provides reasonable notice to the defendant and the district court prior to sentencing of the factors on which the state intends to rely.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to sentencing hearings, resentencing hearings, and sentencing departures sought on or after that date. This section expires February 1, 2007.

Sec. 4. Minnesota Statutes 2004, section 244.10, is amended by adding a subdivision to read:

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

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

(1) would be admissible as part of the trial on the elements of the offense; or

(2) would not result in unfair prejudice to the defendant.

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

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

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

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

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

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to sentencing hearings, resentencing hearings, and sentencing departures sought on or after that date. This section expires February 1, 2007.

Sec. 5. Minnesota Statutes 2004, section 244.10, is amended by adding a subdivision to read:

Subd. 6. [DEFENDANTS TO PRESENT EVIDENCE AND ARGUMENT.] In either a unitary or bifurcated trial under subdivision 5, a defendant shall be allowed to present evidence and argument to the jury or factfinder regarding whether facts exist that would justify an aggravated durational departure. A defendant is not allowed to present evidence or argument to the jury or factfinder regarding facts in support of a mitigated departure during the trial, but may present evidence and argument in support of a mitigated departure to the judge as factfinder during a sentencing hearing.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to sentencing hearings, resentencing hearings, and sentencing departures sought on or after that date. This section expires February 1, 2007.

Sec. 6. Minnesota Statutes 2004, section 244.10, is amended by adding a subdivision to read:

Subd. 7. [WAIVER OF JURY DETERMINATION.] The defendant may waive the right to a jury determination of whether facts exist that would justify an aggravated sentence. Upon receipt of a waiver of a jury trial on this issue, the district court shall determine beyond a reasonable doubt whether the factors in support of the state's motion for aggravated departure exist.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to sentencing hearings, resentencing hearings, and sentencing departures sought on or after that date. This section expires February 1, 2007.

Sec. 7. Minnesota Statutes 2004, section 244.10, is amended by adding a subdivision to read:

Subd. 8. [NOTICE OF INFORMATION REGARDING PREDATORY OFFENDERS.] (a) Subject to paragraph (b), in any case in which a person is convicted of an offense and the presumptive sentence under the Sentencing Guidelines is commitment to the custody of the commissioner of corrections, if the court grants a dispositional departure and stays imposition or execution of sentence, the probation or court services officer who is assigned to supervise the offender shall provide in writing to the following the fact that the offender is on probation and the terms and conditions of probation:

(1) a victim of and any witnesses to the offense committed by the offender, if the victim or the witness has requested notice; and

(2) the chief law enforcement officer in the area where the offender resides or intends to reside.

The law enforcement officer, in consultation with the offender's probation officer, may provide all or part of this information to any of the following agencies or groups the offender is likely to encounter: public and private educational institutions, day care establishments, and establishments or organizations that primarily serve individuals likely to be victimized by the offender.

The probation officer is not required under this subdivision to provide any notice while the offender is placed or resides in a residential facility that is licensed under section 241.021 or 245A.02, subdivision 14, if the facility staff is trained in the supervision of sex offenders.

(b) Paragraph (a) applies only to offenders required to register under section 243.166, as a result of the conviction.

(c) The notice authorized by paragraph (a) shall be limited to data classified as public under section 13.84, subdivision 6, unless the offender provides informed consent to authorize the release of nonpublic data or unless a court order authorizes the release of nonpublic data.

(d) Nothing in this subdivision shall be interpreted to impose a duty on any person to use any information regarding an offender about whom notification is made under this subdivision.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2004, section 244.10, is amended by adding a subdivision to read:

Subd. 9. [COMPUTATION OF CRIMINAL HISTORY SCORE.] If the defendant contests the existence of or factual basis for a prior conviction in the calculation of the defendant's criminal history score, proof of it is established by competent and reliable evidence, including a certified court record of the conviction.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2004, section 609.109, subdivision 4, is amended to read:

Subd. 4. [MANDATORY 30-YEAR SENTENCE.] (a) The court shall commit a person to the commissioner of corrections for not less than 30 years, notwithstanding the statutory maximum sentence under section 609.343, if:

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); or 609.343, subdivision 1, clause (c), (d), (e), or (f); and

(2) the ~~court~~ factfinder determines ~~on the record at the time of sentencing~~ that:

(i) the crime involved an aggravating factor that would provide grounds for an upward departure under the Sentencing Guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions; and

(ii) the person has a previous sex offense conviction under section 609.342, 609.343, or 609.344.

(b) Notwithstanding subdivision 2 and sections 609.342, subdivision 3; and 609.343, subdivision 3, the court may not stay imposition or execution of the sentence required by this subdivision.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2004, section 609.109, subdivision 6, is amended to read:

Subd. 6. [MINIMUM DEPARTURE FOR SEX OFFENDERS.] The court shall sentence a person to at least twice the presumptive sentence recommended by the Sentencing Guidelines if:

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); 609.343, subdivision 1, clause (c), (d), (e), or (f); or 609.344, subdivision 1, clause (c) or (d); and

(2) the ~~court~~ factfinder determines ~~on the record at the time of sentencing~~ that the crime involved an aggravating factor that would provide grounds for an upward departure under the Sentencing Guidelines.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2004, section 609.1095, subdivision 2, is amended to read:

Subd. 2. [INCREASED SENTENCES FOR DANGEROUS OFFENDER WHO COMMITS A THIRD VIOLENT CRIME.] Whenever a person is convicted of a violent crime that is a felony, and the judge is imposing an executed sentence based on a Sentencing Guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive imprisonment sentence up to the statutory maximum sentence if the offender was at least 18 years old at the time the felony was committed, and:

(1) the court determines on the record at the time of sentencing that the offender has two or more prior convictions for violent crimes; and

(2) the ~~court finds~~ factfinder determines that the offender is a danger to public safety ~~and specifies on the record the basis for the finding, which may include:~~. The factfinder may base its determination that the offender is a danger to public safety on the following factors:

(i) the offender's past criminal behavior, such as the offender's high frequency rate of criminal activity or juvenile adjudications, or long involvement in criminal activity including juvenile adjudications; or

(ii) the fact that the present offense of conviction involved an aggravating factor that would justify a durational departure under the Sentencing Guidelines.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2004, section 609.1095, subdivision 4, is amended to read:

Subd. 4. [INCREASED SENTENCE FOR OFFENDER WHO COMMITS A SIXTH FELONY.] Whenever a person is convicted of a felony, and the judge is imposing an executed sentence based on a Sentencing Guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive sentence up to the statutory maximum sentence if the ~~judge finds and specifies on the record~~ factfinder determines that the offender has five or more prior felony convictions and that the present offense is a felony that was committed as part of a pattern of criminal conduct.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 13. [REVISOR INSTRUCTION.]

The revisor of statutes is instructed to include a reference next to the repealer of Minnesota Statutes, section 244.10, subdivisions 2a and 3, to inform the reader that the subdivisions have been renumbered and to include the new subdivision numbers.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 14. [CERTAIN MINNESOTA SENTENCING GUIDELINES COMMISSION RECOMMENDATIONS ADOPTED; OTHERS REJECTED.]

The following modifications proposed by the Minnesota Sentencing Guidelines Commission in its January 2005 report to the legislature are adopted and take effect on August 1, 2005:

(1) those described as A. and B. in "I. Modifications Related to Blakely Decision" on pages 11 to 17 of the report; and

(2) those described as "II. Other Adopted Modifications" on page 19 of the report.

The following modifications are rejected and do not go into effect:

(1) those described as C. in "I. Modifications Related to Blakely Decision" on pages 17 and 18 of the report; and

(2) those described as "III. Adopted Modifications Related to Sex Offenses" on pages 20 to 42 of the report.

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

Sec. 15. [INSTRUCTION TO SENTENCING GUIDELINES COMMISSION.]

The Sentencing Guidelines Commission shall make changes to the sentencing range within individual cells in the sentencing grid consistent with the changes made in section 1.

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

Sec. 16. [REPEALER.]

Minnesota Statutes 2004, section 244.10, subdivisions 2a and 3, are repealed.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

ARTICLE 17
GENERAL CRIMINAL PROVISIONS

Section 1. Minnesota Statutes 2004, section 152.02, subdivision 4, is amended to read:

Subd. 4. [SCHEDULE III.] The following items are listed in Schedule III:

(1) Any material, compound, mixture, or preparation which contains any quantity of Amphetamine, its salts, optical isomers, and salts of its optical isomers; Phenmetrazine and its salts; Methamphetamine, its salts, isomers, and salts of isomers; Methylphenidate; and which is required by federal law to be labeled with the symbol prescribed by 21 Code of Federal Regulations Section 1302.03 and in effect on February 1, 1976 designating that the drug is listed as a Schedule III controlled substance under federal law.

(2) Any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a depressant effect on the central nervous system:

(a) Any compound, mixture, or preparation containing amobarbital, secobarbital, pentobarbital or any salt thereof and one or more other active medicinal ingredients which are not listed in any schedule.

(b) Any suppository dosage form containing amobarbital, secobarbital, pentobarbital, or any salt of any of these drugs and approved by the food and drug administration for marketing only as a suppository.

(c) Any substance which contains any quantity of a derivative of barbituric acid, or any salt of a derivative of barbituric acid, except those substances which are specifically listed in other schedules: Chlorhexadol; Glutethimide; Lysergic acid; Lysergic acid amide; Methyprylon; Sulfondiethylmethane; Sulfonethylmethane; Sulfonmethane.

(d) Gamma hydroxybutyrate, any salt, compound, derivative, or preparation of gamma hydroxybutyrate, including any isomers, esters, and ethers and salts of isomers, esters, and ethers of gamma hydroxybutyrate whenever the existence of such isomers, esters, and salts is possible within the specific chemical designation.

(3) Any material, compound, mixture, or preparation which contains any quantity of the following substances having a potential for abuse associated with a stimulant effect on the central nervous system:

(a) Benzphetamine

(b) Chlorphentermine

(c) Clortermine

(d) Mazindol

(e) Phendimetrazine.

(4) Nalorphine.

(5) Any material, compound, mixture, or preparation containing limited quantities of any of the following narcotic drugs, or any salts thereof:

(a) Not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with an equal or greater quantity of an isoquinoline alkaloid of opium.

(b) Not more than 1.80 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(c) Not more than 300 milligrams of dihydrocodeinone per 100 milliliters or not more than 15 milligrams per dosage unit, with a fourfold or greater quantity of an isoquinoline alkaloid of opium.

(d) Not more than 300 milligrams of dihydrocodeinone per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(e) Not more than 1.80 grams of dihydrocodeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(f) Not more than 300 milligrams of ethylmorphine per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(g) Not more than 500 milligrams of opium per 100 milliliters or per 100 grams, or not more than 25 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(h) Not more than 50 milligrams of morphine per 100 milliliters or per 100 grams with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(6) Anabolic steroids, which, for purposes of this subdivision, means any drug or hormonal substance, chemically and pharmacologically related to testosterone, other than estrogens, progestins, corticosteroids, and dehydroepiandrosterone, and includes: androstanediol; androstanedione; androstenediol; androstenedione; bolasterone; boldenone; calusterone; chlorotestosterone; chorionic gonadotropin; clostebol; dehydrochloromethyltestosterone; (triangle)1-dihydrotestosterone; 4-dihydrotestosterone; drostanolone; ethylestrenol; fluoxymesterone; formebolone; furazabol; human growth hormones; 13b-ethyl-17a-hydroxygon-4-en-3-one; 4-hydroxytestosterone; 4-hydroxy-19-nortestosterone; mestanolone; mesterolone; methandienone; methandranone; methandriol; methandrostenolone; methenolone; 17a-methyl-3b, 17b-dihydroxy-5a-androstane; 17a-methyl-3a, 17b-dihydroxy-5a-androstane; 17a-methyl-3b, 17b-dihydroxyandrost-4-ene; 17a-methyl-4-hydroxynandrolone; methyldienolone; methyltrienolone; methyltestosterone; mibolerone; 17a-methyl-(triangle)1-dihydrotestosterone; nandrolone; nandrolone phenpropionate; norandrostenediol; norandrostenedione; norbolethone; norclostebol; norethandrolone; normethandrolone; oxandrolone; oxymesterone; oxymetholone; stanolone; stanozolol; stenbolone; testolactone; testosterone; testosterone propionate; tetrahydrogestrinone; trenbolone; and any salt, ester, or ether of a drug or substance described in this paragraph. Anabolic steroids are not included if they are: (i) expressly intended for administration through implants to cattle or other nonhuman species; and (ii) approved by the United States Food and Drug Administration for that use.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2004, section 152.02, subdivision 5, is amended to read:

Subd. 5. [SCHEDULE IV.] ~~(a)~~ The following items are listed in Schedule IV: ~~Anabolic substances;~~ Barbital; Butorphanol; Carisoprodol; Chloral betaine; Chloral hydrate; Chlordiazepoxide; Clonazepam; Clorazepate; Diazepam; Diethylpropion; Ethchlorvynol; Ethinamate; Fenfluramine; Flurazepam; Mebutamate; Methohexital; Meprobamate except when in combination with the following drugs in the following or lower concentrations: conjugated estrogens, 0.4 mg; tridihexethyl chloride, 25mg; pentaerythritol tetranitrate, 20 mg; Methylphenobarbital; Oxazepam; Paraldehyde; Pemoline; Petrichloral; Phenobarbital; and Phentermine.

~~(b) For purposes of this subdivision, "anabolic substances" means the naturally occurring androgens or derivatives of androstane (androsterone and testosterone); testosterone and its esters, including, but not limited to, testosterone propionate, and its derivatives, including, but not limited to, methyltestosterone and growth hormones, except that anabolic substances are not included if they are: (1) expressly intended for administration through implants to cattle or other nonhuman species; and (2) approved by the United States Food and Drug Administration for that use.~~

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 3. [171.175] [SUSPENSION; THEFT OF GASOLINE OFFENSE.]

Subdivision 1. [THEFT OF GASOLINE.] The commissioner of public safety shall suspend for 30 days the license of any person convicted or juvenile adjudicated delinquent for theft of gasoline under section 609.52, subdivision 2, clause (1).

Subd. 2. [DEFINITION.] For the purposes of this section, "gasoline" has the meaning given it in section 296A.01, subdivision 23.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2004, section 343.31, is amended to read:

343.31 [ANIMAL FIGHTS ~~PROHIBITED~~ AND POSSESSION OF FIGHTING ANIMALS.]

Subdivision 1. [PENALTY FOR ANIMAL FIGHTING; ATTENDING ANIMAL FIGHT.] ~~Any~~ A person who:

(1) promotes ~~or~~, engages in, or is employed ~~at~~ in the activity of cockfighting, dogfighting, or violent pitting of one domestic animal against another of the same or a different kind; ~~or~~

(2) receives money for the admission of ~~any~~ a person to ~~any~~ a place used, or about to be used, for that activity; ~~or~~

(3) willfully permits ~~any~~ a person to enter or use for that activity premises of which the permitter is the owner, agent, or occupant; or

(4) uses, trains, or possesses a dog or other animal for the purpose of participating in, engaging in, or promoting that activity

is guilty of a felony. ~~Any~~ A person who purchases a ticket of admission or otherwise gains admission to that activity is guilty of a misdemeanor.

Subd. 2. [PRESUMPTION OF TRAINING A FIGHTING DOG.] There is a rebuttable presumption that a dog has been trained or is being trained to fight if:

(1) the dog exhibits fresh wounds, scarring, or other indications that the dog has been or will be used for fighting; and

(2) the person possesses training apparatus, paraphernalia, or drugs known to be used to prepare dogs to be fought.

This presumption may be rebutted by a preponderance of the evidence.

Subd. 3. [PRESUMPTION OF TRAINING FIGHTING BIRDS.] There is a rebuttable presumption that a bird has been trained or is being trained to fight if:

(1) the bird exhibits fresh wounds, scarring, or other indications that the bird has been or will be used for fighting; or

(2) the person possesses training apparatus, paraphernalia, or drugs known to be used to prepare birds to be fought.

This presumption may be rebutted by a preponderance of the evidence.

Subd. 4. [PEACE OFFICER DUTIES.] Animals described in subdivisions 2 and 3 are dangerous weapons and constitute an immediate danger to the safety of humans. A peace officer or animal control authority may remove, shelter, and care for an animal found in the circumstances described in subdivision 2 or 3. If necessary, a peace officer or animal control authority may deliver the animal to another person to be sheltered and cared for. In all cases, the peace officer or animal control authority must immediately notify the owner, if known, as provided in subdivision 5. The peace officer, animal control authority, or other person assuming care of the animal shall have a lien on it for the actual cost of care and keeping of the animal. If the owner or custodian is unknown and cannot by reasonable effort be ascertained, or does not, within ten days after notice, redeem the animal by paying the expenses authorized by this subdivision, the animal may be disposed of as provided in subdivision 5.

Subd. 5. [DISPOSITION.] (a) An animal taken into custody under subdivision 4 may be humanely disposed of at the discretion of the jurisdiction having custody of the animal ten days after the animal is taken into custody, if the procedures in paragraph (c) are followed.

(b) The owner of an animal taken into custody under subdivision 4 may prevent disposition of the animal by posting security in an amount sufficient to provide for the actual costs of care and keeping of the animal. The security must be posted within ten days of the seizure inclusive of the date of the seizure. If, however, a hearing is scheduled within ten days of the seizure, the security amount must be posted prior to the hearing.

(c)(1) The authority taking custody of an animal under subdivision 4 must give notice of this section by delivering or mailing it to the owner of the animal, posting a copy of it at the place where the animal is taken into custody, or delivering it to a person residing on the property and telephoning, if possible. The notice must include:

(i) a description of the animal seized; the authority and purpose for the seizure; the time, place, and circumstances under which the animal was seized; and the location, address, and telephone number of a contact person who knows where the animal is kept;

(ii) a statement that the owner of the animal may post security to prevent disposition of the animal and may request a hearing concerning the seizure and impoundment and that failure to do so within ten days of the date of the notice will result in disposition of the animal; and

(iii) a statement that all actual costs of the care, keeping, and disposal of the animal are the responsibility of the owner of the animal, except to the extent that a court or hearing officer finds that the seizure or impoundment was not substantially justified by law. The notice must also include a form that can be used by a person claiming an interest in the animal for requesting a hearing.

(2) The owner may request a hearing within ten days of the date of the seizure. If requested, a hearing must be held within five business days of the request to determine the validity of the impoundment. The municipality taking custody of the animal or the municipality from which the animal was seized may either (i) authorize a licensed veterinarian with no financial interest in the matter or professional association with either party, or (ii) use the services of a hearing officer to conduct the hearing. An owner may appeal the hearing officer's decision to the district court within five days of the notice of the decision.

(3) The judge or hearing officer may authorize the return of the animal if the judge or hearing officer finds that (i) the animal is physically fit; (ii) the person claiming an interest in the animal can and will provide the care required by law for the animal; and (iii) the animal has not been used for violent pitting or fighting.

(4) The person claiming an interest in the animal is liable for all actual costs of care, keeping, and disposal of the animal, except to the extent that a court or hearing officer finds that the seizure or impoundment was not substantially justified by law. The costs must be paid in full or a mutually satisfactory arrangement for payment must be made between the municipality and the person claiming an interest in the animal before the return of the animal to the person.

Subd. 6. [PHOTOGRAPHS.] (a) Photographs of animals seized during an investigation are competent evidence if the photographs are admissible into evidence under all the rules of law governing the admissibility of photographs into evidence. A satisfactorily identified photographic record is as admissible in evidence as the animal itself.

(b) A photograph must be accompanied by a written description of the animals seized, the name of the owner of the animals seized, the date of the photograph, and the name, address, organization, and signature of the photographer.

Subd. 7. [VETERINARY INVESTIGATIVE REPORT.] (a) A report completed by a Minnesota licensed veterinarian following an examination of an animal seized during an investigation is competent evidence. A satisfactorily identified veterinary investigative report is as admissible in evidence as the animal itself.

(b) The veterinary investigative report may contain a written description of the animal seized, the medical evaluation of the physical findings, the prognosis for recovery, and the date of the examination and must contain the name, address, veterinary clinic, and signature of the veterinarian performing the examination.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2004, section 518B.01, subdivision 22, is amended to read:

Subd. 22. [~~VIOLATION OF A~~ DOMESTIC ABUSE NO CONTACT ORDER.] (a) A domestic abuse no contact order is an order issued by a court against a defendant in a criminal proceeding for:

(1) domestic abuse;

(2) harassment or stalking charged under section 609.749 and committed against a family or household member;

(3) violation of an order for protection charged under subdivision 14; or

(4) violation of a prior domestic abuse no contact order charged under this subdivision.

It includes pretrial orders before final disposition of the case and probationary orders after sentencing.

(b) A person who knows of the existence of a domestic abuse no contact order issued against the person and violates the order is guilty of a misdemeanor.

(c) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated a domestic abuse no contact order, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 6. Minnesota Statutes 2004, section 604.15, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING.] (a) The owner of a vehicle that receives motor fuel that was not paid for is liable to the retailer for the price of the motor fuel received and a service charge of ~~up to $20, or the actual costs of collection not to exceed~~ $30. This charge may be imposed immediately upon the mailing of the notice under subdivision 3, if notice of the service charge was conspicuously displayed on the premises from which the motor fuel was received. The notice must include a statement that additional civil penalties will be imposed if payment is not received within 30 days. Only one service charge may be imposed under this paragraph for each incident. If a law enforcement agency obtains payment for the motor fuel on behalf of the retailer, the service charge may be retained by the law enforcement agency for its expenses.

(b) If the price of the motor fuel received is not paid within 30 days after the retailer has mailed notice under subdivision 3, the owner is liable to the retailer for the price of the motor fuel received, the service charge as provided in paragraph (a), plus a civil penalty not to exceed $100 or the price of the motor fuel, whichever is greater. In determining the amount of the penalty, the court shall consider the amount of the fuel taken and the reason for the nonpayment. The retailer shall also be entitled to:

(1) interest at the legal rate for judgments under section 549.09 from the date of nonpayment; and

(2) reasonable attorney fees, but not to exceed $500.

The civil penalty may not be imposed until 30 days after the mailing of the notice under subdivision 3.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and applies to acts committed on or after that date.

Sec. 7. Minnesota Statutes 2004, section 604.15, is amended by adding a subdivision to read:

Subd. 5. [NOT A BAR TO CRIMINAL LIABILITY.] Civil liability under this section does not preclude criminal liability under applicable law.

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

Sec. 8. Minnesota Statutes 2004, section 609.02, subdivision 16, is amended to read:

Subd. 16. [QUALIFIED DOMESTIC VIOLENCE-RELATED OFFENSE.] "Qualified domestic violence-related offense" includes the following offenses: sections 518B.01, subdivision 14 (violation of domestic abuse order for protection); 609.221 (first-degree assault); 609.222 (second-degree assault); 609.223 (third-degree assault); 609.2231 (fourth-degree assault); 609.224 (fifth-degree assault); 609.2242 (domestic assault); 609.2247 (domestic assault by strangulation); 609.342 (first-degree criminal sexual conduct); 609.343 (second-degree criminal sexual conduct); 609.344 (third-degree criminal sexual conduct); 609.345 (fourth-degree criminal sexual conduct); 609.377 (malicious punishment of a child); 609.713 (terroristic threats); 609.748, subdivision 6 (violation of harassment restraining order); and 609.749 (harassment/stalking); and similar laws of other states, the United States, the District of Columbia, tribal lands, and United States territories.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2004, section 609.106, subdivision 2, is amended to read:

Subd. 2. [LIFE WITHOUT RELEASE.] The court shall sentence a person to life imprisonment without possibility of release under the following circumstances:

(1) the person is convicted of first degree murder under section 609.185, paragraph (a), clause (1), (2), (4), or (7);

(2) the person is convicted of committing first degree murder in the course of a kidnapping under section 609.185, clause (3); or

(3) the person is convicted of first degree murder under section 609.185, clause ~~(1),~~ (3), (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2004, section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.]

(a) Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit burglary, aggravated robbery, kidnapping, arson in the first or second degree, a drive-by shooting, tampering with a witness in the first degree, escape from custody, or any felony violation of chapter 152 involving the unlawful sale of a controlled substance;

(4) causes the death of a peace officer or a guard employed at a Minnesota state or local correctional facility, with intent to effect the death of that person or another, while the peace officer or guard is engaged in the performance of official duties;

(5) causes the death of a minor while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon ~~the~~ a child and the death occurs under circumstances manifesting an extreme indifference to human life;

(6) causes the death of a human being while committing domestic abuse, when the perpetrator has engaged in a past pattern of domestic abuse upon the victim or upon another family or household member and the death occurs under circumstances manifesting an extreme indifference to human life; or

(7) causes the death of a human being while committing, conspiring to commit, or attempting to commit a felony crime to further terrorism and the death occurs under circumstances manifesting an extreme indifference to human life.

(b) For purposes of paragraph (a), clause (5), "child abuse" means an act committed against a minor victim that constitutes a violation of the following laws of this state or any similar laws of the United States or any other state: section 609.221; 609.222; 609.223; 609.224; 609.2242; 609.342; 609.343; 609.344; 609.345; 609.377; 609.378; or 609.713.

(c) For purposes of paragraph (a), clause (6), "domestic abuse" means an act that:

(1) constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.2242, 609.342, 609.343, 609.344, 609.345, 609.713, or any similar laws of the United States or any other state; and

(2) is committed against the victim who is a family or household member as defined in section 518B.01, subdivision 2, paragraph (b).

(d) For purposes of paragraph (a), clause (7), "further terrorism" has the meaning given in section 609.714, subdivision 1.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2004, section 609.2231, is amended by adding a subdivision to read:

Subd. 3a. [SECURE TREATMENT FACILITY PERSONNEL.] (a) As used in this subdivision, "secure treatment facility" has the meaning given in section 253B.02, subdivision 18a.

(b) Whoever, while committed under section 253B.185 or Minnesota Statutes 1992, section 526.10, commits either of the following acts against an employee or other individual who provides care or treatment at a secure treatment facility while the person is engaged in the performance of a duty imposed by law, policy, or rule is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $4,000, or both:

(1) assaults the person and inflicts demonstrable bodily harm; or

(2) intentionally throws or otherwise transfers bodily fluids or feces at or onto the person.

(c) The court shall commit a person convicted of violating paragraph (b) to the custody of the commissioner of corrections for not less than a year and a day. The court may not, on its own motion or the prosecutor's motion, sentence a person without regard to this paragraph. A person convicted and sentenced as required by this paragraph is not eligible for probation, parole, discharge, work release, or supervised release, until that person has served the full term of imprisonment as provided by law, notwithstanding the provisions of sections 241.26, 242.19, 243.05, 244.04, 609.12, and 609.135.

(d) Notwithstanding the statutory maximum sentence provided in paragraph (b), when a court sentences a person to the custody of the commissioner of corrections for a violation of paragraph (b), the court shall provide that after the person has completed the sentence imposed, the commissioner shall place the person on conditional release for five years. The terms of conditional release are governed by sections 244.05 and 609.109.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2004, section 609.2242, subdivision 3, is amended to read:

Subd. 3. [DOMESTIC ASSAULTS; FIREARMS.] (a) When a person is convicted of a violation of this section or section 609.221, 609.222, 609.223, ~~or~~ 609.224, or 609.2247, the court shall determine and make written findings on the record as to whether:

(1) the assault was committed against a family or household member, as defined in section 518B.01, subdivision 2;

(2) the defendant owns or possesses a firearm; and

(3) the firearm was used in any way during the commission of the assault.

(b) If the court determines that the assault was of a family or household member, and that the offender owns or possesses a firearm and used it in any way during the commission of the assault, it shall order that the firearm be summarily forfeited under section 609.5316, subdivision 3.

(c) When a person is convicted of assaulting a family or household member and is determined by the court to have used a firearm in any way during commission of the assault, the court may order that the person is prohibited from possessing any type of firearm for any period longer than three years or for the remainder of the person's life. A person who violates this paragraph is guilty of a gross misdemeanor. At the time of the conviction, the court shall inform the defendant whether and for how long the defendant is prohibited from possessing a firearm and that it is a gross misdemeanor to violate this paragraph. The failure of the court to provide this information to

a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(d) Except as otherwise provided in paragraph (c), when a person is convicted of a violation of this section or section 609.224 and the court determines that the victim was a family or household member, the court shall inform the defendant that the defendant is prohibited from possessing a pistol for three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the gross misdemeanor penalty to that defendant.

(e) Except as otherwise provided in paragraph (c), a person is not entitled to possess a pistol if the person has been convicted after August 1, 1992, of domestic assault under this section or assault in the fifth degree under section 609.224 and the assault victim was a family or household member as defined in section 518B.01, subdivision 2, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of this section or section 609.224. Property rights may not be abated but access may be restricted by the courts. A person who possesses a pistol in violation of this paragraph is guilty of a gross misdemeanor.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 13. [609.2247] [DOMESTIC ASSAULT BY STRANGULATION.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given.

(b) "Family or household members" has the meaning given in section 518B.01, subdivision 2.

(c) "Strangulation" means intentionally impeding normal breathing or circulation of the blood by applying pressure on the throat or neck or by blocking the nose or mouth of another person.

Subd. 2. [CRIME.] Unless a greater penalty is provided elsewhere, whoever assaults a family or household member by strangulation is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $5,000, or both.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2004, section 609.229, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) If the crime committed in violation of subdivision 2 is a felony, the statutory maximum for the crime is five years longer than the statutory maximum for the underlying crime. If the crime committed in violation of subdivision 2 is a felony, and the victim of the crime is a child under the age of 18 years, the statutory maximum for the crime is ten years longer than the statutory maximum for the underlying crime.

(b) If the crime committed in violation of subdivision 2 is a misdemeanor, the person is guilty of a gross misdemeanor.

(c) If the crime committed in violation of subdivision 2 is a gross misdemeanor, the person is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $15,000, or both.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 15. [609.281] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] As used in sections 609.281 to 609.284, the following terms have the meanings given.

Subd. 2. [BLACKMAIL.] "Blackmail" means a threat to expose any fact or alleged fact tending to cause shame or to subject any person to hatred, contempt, or ridicule.

Subd. 3. [DEBT BONDAGE.] "Debt bondage" means the status or condition of a debtor arising from a pledge by the debtor of the debtor's personal services or those of a person under the debtor's control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

Subd. 4. [FORCED LABOR OR SERVICES.] "Forced labor or services" means labor or services that are performed or provided by another person and are obtained or maintained through an actor's:

(1) threat, either implicit or explicit, scheme, plan, or pattern, or other action intended to cause a person to believe that, if the person did not perform or provide the labor or services, that person or another person would suffer bodily harm or physical restraint;

(2) physically restraining or threatening to physically restrain a person;

(3) abuse or threatened abuse of the legal process;

(4) knowingly destroying, concealing, removing, confiscating, or possessing any actual or purported passport or other immigration document, or any other actual or purported government identification document, of another person; or

(5) use of blackmail.

Subd. 5. [LABOR TRAFFICKING.] "Labor trafficking" means the recruitment, transportation, transfer, harboring, enticement, provision, obtaining, or receipt of a person by any means, whether a United States citizen or foreign national, for the purpose of:

(1) debt bondage or forced labor or services;

(2) slavery or practices similar to slavery; or

(3) the removal of organs through the use of coercion or intimidation.

Subd. 6. [LABOR TRAFFICKING VICTIM.] "Labor trafficking victim" means a person subjected to the practices in subdivision 5.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 16. [609.282] [LABOR TRAFFICKING.]

Whoever knowingly engages in the labor trafficking of another is guilty of a crime and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $30,000, or both. In a prosecution under this section the consent or age of the victim is not a defense.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 17. [609.283] [UNLAWFUL CONDUCT WITH RESPECT TO DOCUMENTS IN FURTHERANCE OF LABOR OR SEX TRAFFICKING.]

Unless the person's conduct constitutes a violation of section 609.282, a person who knowingly destroys, conceals, removes, confiscates, or possesses any actual or purported passport or other immigration document, or any other actual or purported government identification document, of another person:

(1) in the course of a violation of section 609.282 or 609.322;

(2) with intent to violate section 609.282 or 609.322; or

(3) to prevent or restrict or to attempt to prevent or restrict, without lawful authority, a person's liberty to move or travel, in order to maintain the labor or services of that person, when the person is or has been a victim of a violation of section 609.282 or 609.322;

is guilty of a crime and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both. In a prosecution under this section the consent or age of the victim is not a defense.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 18. [609.284] [LABOR OR SEX TRAFFICKING CRIMES; DEFENSES; CIVIL LIABILITY; CORPORATE LIABILITY.]

Subdivision 1. [CONSENT OR AGE OF VICTIM NOT A DEFENSE.] In an action under this section the consent or age of the victim is not a defense.

Subd. 2. [CIVIL LIABILITY.] A labor trafficking victim may bring a cause of action against a person who violates section 609.282 or 609.283. The court may award damages, including punitive damages, reasonable attorney fees, and other litigation costs reasonably incurred by the victim. This remedy is in addition to potential criminal liability.

Subd. 3. [CORPORATE LIABILITY.] If a corporation or other business enterprise is convicted of violating section 609.282, 609.283, or 609.322, in addition to the criminal penalties described in those sections and other remedies provided elsewhere in law, the court may, when appropriate:

(1) order its dissolution or reorganization;

(2) order the suspension or revocation of any license, permit, or prior approval granted to it by a state agency; or

(3) order the surrender of its charter if it is organized under Minnesota law or the revocation of its certificate to conduct business in Minnesota if it is not organized under Minnesota law.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 19. Minnesota Statutes 2004, section 609.321, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of sections 609.321 to ~~609.324~~ 609.325, the following terms have the meanings given.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 20. Minnesota Statutes 2004, section 609.321, subdivision 7, is amended to read:

Subd. 7. [PROMOTES THE PROSTITUTION OF AN INDIVIDUAL.] "Promotes the prostitution of an individual" means any of the following wherein the person knowingly:

(1) solicits or procures patrons for a prostitute; or

(2) provides, leases or otherwise permits premises or facilities owned or controlled by the person to aid the prostitution of an individual; or

(3) owns, manages, supervises, controls, keeps or operates, either alone or with others, a place of prostitution to aid the prostitution of an individual; or

(4) owns, manages, supervises, controls, operates, institutes, aids or facilitates, either alone or with others, a business of prostitution to aid the prostitution of an individual; or

(5) admits a patron to a place of prostitution to aid the prostitution of an individual; ~~or~~

(6) transports an individual from one point within this state to another point either within or without this state, or brings an individual into this state to aid the prostitution of the individual; or

(7) engages in the sex trafficking of an individual.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 21. Minnesota Statutes 2004, section 609.321, is amended by adding a subdivision to read:

Subd. 7a. [SEX TRAFFICKING.] "Sex trafficking" means receiving, recruiting, enticing, harboring, providing, or obtaining by any means an individual to aid in the prostitution of the individual.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2004, section 609.321, is amended by adding a subdivision to read:

Subd. 7b. [SEX TRAFFICKING VICTIM.] "Sex trafficking victim" means a person subjected to the practices in subdivision 7a.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 23. Minnesota Statutes 2004, section 609.321, subdivision 12, is amended to read:

Subd. 12. [PUBLIC PLACE.] A "public place" means a public street or sidewalk, a pedestrian skyway system as defined in section 469.125, subdivision 4, a hotel, motel, or other place of public accommodation, ~~or~~ a place licensed to sell intoxicating liquor, wine, nonintoxicating malt beverages, or food, or a motor vehicle located on a public street, alley, or parking lot ordinarily used by or available to the public though not used as a matter of right and a driveway connecting such a parking lot with a street or highway.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to crimes committed on or after that date.

Sec. 24. [609.3243] [LOITERING WITH INTENT TO PARTICIPATE IN PROSTITUTION.]

A person who loiters in a public place with intent to participate in prostitution is guilty of a misdemeanor.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 25. Minnesota Statutes 2004, section 609.325, is amended by adding a subdivision to read:

Subd. 4. [AFFIRMATIVE DEFENSE.] It is an affirmative defense to a charge under section 609.324 if the defendant proves by a preponderance of the evidence that the defendant is a labor trafficking victim, as defined in section 609.281, or a sex trafficking victim, as defined in section 609.321, and that the defendant committed the act only under compulsion by another who by explicit or implicit threats created a reasonable apprehension in the mind of the defendant that if the defendant did not commit the act, the person would inflict bodily harm upon the defendant.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 26. Minnesota Statutes 2004, section 609.485, subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Whoever does any of the following may be sentenced as provided in subdivision 4:

(1) escapes while held pursuant to a lawful arrest, in lawful custody on a charge or conviction of a crime, or while held in lawful custody on an allegation or adjudication of a delinquent act;

(2) transfers to another, who is in lawful custody on a charge or conviction of a crime, or introduces into an institution in which the latter is confined, anything usable in making such escape, with intent that it shall be so used;

(3) having another in lawful custody on a charge or conviction of a crime, intentionally permits the other to escape;

(4) escapes while in a facility designated under section 253B.18, subdivision 1, pursuant to a court commitment order after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a. Notwithstanding section 609.17, no person may be charged with or convicted of an attempt to commit a violation of this clause; ~~or~~

(5) escapes while in a facility designated under section 253B.18, subdivision 1, pursuant to a court commitment order under section 253B.185 or Minnesota Statutes 1992, section 526.10; or

(6) escapes while on pass status or provisional discharge according to section 253B.18.

For purposes of clause (1), "escapes while held in lawful custody" includes absconding from electronic monitoring or absconding after removing an electronic monitoring device from the person's body.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 27. Minnesota Statutes 2004, section 609.485, subdivision 4, is amended to read:

Subd. 4. [SENTENCE.] (a) Except as otherwise provided in subdivision 3a, whoever violates this section may be sentenced as follows:

(1) if the person who escapes is in lawful custody for a felony, to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both;

(2) if the person who escapes is in lawful custody after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a, or pursuant to a court commitment order under section 253B.185 or Minnesota Statutes 1992, section 526.10, to imprisonment for not more than one year and one day or to payment of a fine of not more than $3,000, or both; ~~or~~

(3) if the person who escapes is in lawful custody for a gross misdemeanor or misdemeanor, or if the person who escapes is in lawful custody on an allegation or adjudication of a delinquent act, to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both; or

(4) if the person who escapes is under civil commitment under sections 253B.18 and 253B.185, to imprisonment for not more than one year and one day or to payment of a fine of not more than $3,000, or both.

(b) If the escape was a violation of subdivision 2, clause (1), (2), or (3), and was effected by violence or threat of violence against a person, the sentence may be increased to not more than twice those permitted in paragraph (a), clauses (1) and (3).

(c) Unless a concurrent term is specified by the court, a sentence under this section shall be consecutive to any sentence previously imposed or which may be imposed for any crime or offense for which the person was in custody when the person escaped.

(d) Notwithstanding paragraph (c), if a person who was committed to the commissioner of corrections under section 260B.198 escapes from the custody of the commissioner while 18 years of age, the person's sentence under this section shall commence on the person's 19th birthday or

on the person's date of discharge by the commissioner of corrections, whichever occurs first. However, if the person described in this clause is convicted under this section after becoming 19 years old and after having been discharged by the commissioner, the person's sentence shall commence upon imposition by the sentencing court.

(e) Notwithstanding paragraph (c), if a person who is in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age escapes from a local juvenile correctional facility, the person's sentence under this section begins on the person's 19th birthday or on the person's date of discharge from the jurisdiction of the juvenile court, whichever occurs first. However, if the person described in this paragraph is convicted after becoming 19 years old and after discharge from the jurisdiction of the juvenile court, the person's sentence begins upon imposition by the sentencing court.

(f) Notwithstanding paragraph (a), any person who escapes or absconds from electronic monitoring or removes an electric monitoring device from the person's body is guilty of a crime and shall be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than $3,000, or both. A person in lawful custody for a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, 609.221, 609.222, 609.223, 609.2231, 609.342, 609.343, 609.344, 609.345, or 609.3451 who escapes or absconds from electronic monitoring or removes an electronic monitoring device while under sentence may be sentenced to imprisonment for not more than five years or to a payment of a fine of not more than $10,000, or both.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 28. Minnesota Statutes 2004, section 609.487, is amended by adding a subdivision to read:

Subd. 6. [FLEEING, OTHER THAN VEHICLE.] Whoever, for the purpose of avoiding arrest, detention, or investigation, or in order to conceal or destroy potential evidence related to the commission of a crime, attempts to evade or elude a peace officer, who is acting in the lawful discharge of an official duty, by means of running, hiding, or by any other means except fleeing in a motor vehicle, is guilty of a misdemeanor.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 29. Minnesota Statutes 2004, section 609.50, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] Whoever intentionally does any of the following may be sentenced as provided in subdivision 2:

(1) obstructs, hinders, or prevents the lawful execution of any legal process, civil or criminal, or apprehension of another on a charge or conviction of a criminal offense;

(2) obstructs, resists, or interferes with a peace officer while the officer is engaged in the performance of official duties;

(3) interferes with or obstructs ~~the prevention or extinguishing of a fire, or disobeys the lawful order of~~ a firefighter ~~present at the fire~~ while the firefighter is engaged in the performance of official duties; ~~or~~

(4) interferes with or obstructs a member of an ambulance service personnel crew, as defined in section 144E.001, subdivision 3a, who is providing, or attempting to provide, emergency care; or

(5) by force or threat of force endeavors to obstruct any employee of the Department of Revenue while the employee is lawfully engaged in the performance of official duties for the purpose of deterring or interfering with the performance of those duties.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 30. Minnesota Statutes 2004, section 609.505, is amended to read:

609.505 [FALSELY REPORTING CRIME.]

Subdivision 1. [FALSE REPORTING.] Whoever informs a law enforcement officer that a crime has been committed or otherwise provides information to an on-duty peace officer, knowing that the person is a peace officer, regarding the conduct of others, knowing that it is false and intending that the officer shall act in reliance upon it, is guilty of a misdemeanor. A person who is convicted a second or subsequent time under this section is guilty of a gross misdemeanor.

Subd. 2. [REPORTING POLICE MISCONDUCT.] (a) Whoever informs, or causes information to be communicated to, a peace officer, whose responsibilities include investigating or reporting police misconduct, that a peace officer, as defined in section 626.84, subdivision 1, paragraph (c), has committed an act of police misconduct, knowing that the information is false, is guilty of a crime and may be sentenced as follows:

(1) up to the maximum provided for a misdemeanor if the false information does not allege a criminal act; or

(2) up to the maximum provided for a gross misdemeanor if the false information alleges a criminal act.

(b) The court shall order any person convicted of a violation of this subdivision to make full restitution of all reasonable expenses incurred in the investigation of the false allegation unless the court makes a specific written finding that restitution would be inappropriate under the circumstances. A restitution award may not exceed $3,000.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 31. Minnesota Statutes 2004, section 609.52, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING THEFT.] Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) with or without having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody, or title to property of or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(i) the issuance of a check, draft, or order for the payment of money, except a forged check as defined in section 609.631, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(ii) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

(iii) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or

(iv) the preparation or filing of a claim for reimbursement for providing treatment or supplies

required to be furnished to an employee under section 176.135 which intentionally and falsely states the costs of or actual treatment or supplies provided; or

(v) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 for treatment or supplies that the provider knew were medically unnecessary, inappropriate, or excessive; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and:

(i) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to the owner; or

(ii) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(iii) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who:

(i) with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof; or

(ii) sells, conveys, or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease or rental contract with intent to deprive the lessor of possession thereof; or

(iii) does not return the property to the lessor at the end of the lease or rental term, plus agreed upon extensions, with intent to wrongfully deprive the lessor of possession of the property; or

(iv) returns the property to the lessor at the end of the lease or rental term, plus agreed upon extensions, but does not pay the lease or rental charges agreed upon in the written instrument, with intent to wrongfully deprive the lessor of the agreed upon charges.

For the purposes of items (iii) and (iv), the value of the property must be at least $100. Evidence that a lessee used a false, fictitious, or not current name, address, or place of employment in obtaining the property or fails or refuses to return the property or pay the rental contract charges to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the

United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes, or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes, or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal, or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property knowing or having reason to know that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by:

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or other connection; or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law 94-553, section 107; or

(13) except as provided in paragraphs (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio, or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

(i) made or was aware of the connection; and

(ii) was aware that the connection was unauthorized; or

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it; or

(17) takes or drives a motor vehicle without the consent of the owner or an authorized agent of the owner, knowing or having reason to know that the owner or an authorized agent of the owner did not give consent.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 32. Minnesota Statutes 2004, section 609.527, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given them in this subdivision.

(b) "Direct victim" means any person or entity described in section 611A.01, paragraph (b), whose identity has been transferred, used, or possessed in violation of this section.

(c) "False pretense" means any false, fictitious, misleading, or fraudulent information or pretense or pretext depicting or including or deceptively similar to the name, logo, Web site address, e-mail address, postal address, telephone number, or any other identifying information of a for-profit or not-for-profit business or organization or of a government agency, to which the user has no legitimate claim of right.

(d) "Identity" means any name, number, or data transmission that may be used, alone or in conjunction with any other information, to identify a specific individual or entity, including any of the following:

(1) a name, Social Security number, date of birth, official government-issued driver's license or identification number, government passport number, or employer or taxpayer identification number;

(2) unique electronic identification number, address, account number, or routing code; or

(3) telecommunication identification information or access device.

~~(d)~~ (e) "Indirect victim" means any person or entity described in section 611A.01, paragraph (b), other than a direct victim.

~~(e)~~ (f) "Loss" means value obtained, as defined in section 609.52, subdivision 1, clause (3), and expenses incurred by a direct or indirect victim as a result of a violation of this section.

~~(f)~~ (g) "Unlawful activity" means:

(1) any felony violation of the laws of this state or any felony violation of a similar law of another state or the United States; and

(2) any nonfelony violation of the laws of this state involving theft, theft by swindle, forgery, fraud, or giving false information to a public official, or any nonfelony violation of a similar law of another state or the United States.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 33. Minnesota Statutes 2004, section 609.527, subdivision 3, is amended to read:

Subd. 3. [PENALTIES.] A person who violates subdivision 2 may be sentenced as follows:

(1) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is $250 or less, the person may be sentenced as provided in section 609.52, subdivision 3, clause (5);

(2) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is more than $250 but not more than $500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (4);

(3) if the offense involves two or three direct victims or the total, combined loss to the direct and indirect victims is more than $500 but not more than $2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (3);

(4) if the offense involves more than three but not more than seven direct victims, or if the total combined loss to the direct and indirect victims is more than $2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (2); and

(5) if the offense involves eight or more direct victims,; or if the total, combined loss to the direct and indirect victims is more than $35,000,; or if the offense is related to possession or distribution of pornographic work in violation of section 617.246 or 617.247; the person may be sentenced as provided in section 609.52, subdivision 3, clause (1).

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 34. Minnesota Statutes 2004, section 609.527, subdivision 4, is amended to read:

Subd. 4. [RESTITUTION; ITEMS PROVIDED TO VICTIM.] (a) A direct or indirect victim of an identity theft crime shall be considered a victim for all purposes, including any rights that accrue under chapter 611A and rights to court-ordered restitution.

(b) The court shall order a person convicted of violating subdivision 2 to pay restitution of not less than $1,000 to each direct victim of the offense.

(c) Upon the written request of a direct victim or the prosecutor setting forth with specificity the facts and circumstances of the offense in a proposed order, the court shall provide to the victim, without cost, a certified copy of the complaint filed in the matter, the judgment of conviction, and an order setting forth the facts and circumstances of the offense.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 35. Minnesota Statutes 2004, section 609.527, is amended by adding a subdivision to read:

Subd. 5a. [CRIME OF ELECTRONIC USE OF FALSE PRETENSE TO OBTAIN IDENTITY.] (a) A person who, with intent to obtain the identity of another, uses a false pretense in an e-mail to another person or in a Web page, electronic communication, advertisement, or any other communication on the Internet, is guilty of a crime.

(b) Whoever commits such offense may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

(c) In a prosecution under this subdivision, it is not a defense that:

(1) the person committing the offense did not obtain the identity of another;

(2) the person committing the offense did not use the identity; or

(3) the offense did not result in financial loss or any other loss to any person.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 36. Minnesota Statutes 2004, section 609.527, subdivision 6, is amended to read:

Subd. 6. [VENUE.] Notwithstanding anything to the contrary in section 627.01, an offense committed under subdivision 2 or 5a may be prosecuted in:

(1) the county where the offense occurred; ~~or~~

(2) the county of residence or place of business of the direct victim or indirect victim; or

(3) in the case of a violation of subdivision 5a, the county of residence of the person whose identity was obtained or sought.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 37. Minnesota Statutes 2004, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the Bureau of Criminal Apprehension, the Minnesota Division of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department, the Suburban Hennepin Regional Park District park rangers, the Department of Natural Resources Division of Enforcement, the University of Minnesota Police Department, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter, chapter 152, or chapter 624;

(2) for driver's license or identification card transactions: any violation of section 171.22; and

(3) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.282; 609.283; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.352; 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 38. Minnesota Statutes 2004, section 609.5312, is amended by adding a subdivision to read:

Subd. 1a. [COMPUTERS AND RELATED PROPERTY SUBJECT TO FORFEITURE.] (a) As used in this subdivision, "property" has the meaning given in section 609.87, subdivision 6.

(b) When a computer or a component part of a computer is used or intended for use to commit or facilitate the commission of a designated offense, the computer and all software, data, and other property contained in the computer are subject to forfeiture unless prohibited by the Privacy Protection Act, United States Code, title 42, sections 2000aa to 2000aa-12, or other state or federal law.

(c) Regardless of whether a forfeiture action is initiated following the lawful seizure of a computer and related property, if the appropriate agency returns hardware, software, data, or other property to the owner, the agency may charge the owner for the cost of separating contraband from the computer or other property returned, including salary and contract costs. The agency may not charge these costs to an owner of a computer or related property who was not privy to the act or omission upon which the seizure was based, or who did not have knowledge of or consent to the act or omission, if the owner:

(1) requests from the agency copies of specified legitimate data files and provides sufficient storage media; or

(2) requests the return of a computer or other property less data storage devices on which contraband resides.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 39. Minnesota Statutes 2004, section 609.5315, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION.] (a) Subject to paragraph (b), if the court finds under section 609.5313, 609.5314, or 609.5318 that the property is subject to forfeiture, it shall order the appropriate agency to do one of the following:

(1) unless a different disposition is provided under clause (3) or (4), either destroy firearms, ammunition, and firearm accessories that the agency decides not to use for law enforcement purposes under clause (8), or sell them to federally licensed firearms dealers, as defined in section 624.7161, subdivision 1, and distribute the proceeds under subdivision 5 or 5b;

(2) sell property that is not required to be destroyed by law and is not harmful to the public and distribute the proceeds under subdivision 5 or 5b;

(3) sell antique firearms, as defined in section 624.712, subdivision 3, to the public and distribute the proceeds under subdivision 5 or 5b;

(4) destroy or use for law enforcement purposes semiautomatic military-style assault weapons, as defined in section 624.712, subdivision 7;

(5) take custody of the property and remove it for disposition in accordance with law;

(6) forward the property to the federal drug enforcement administration;

(7) disburse money as provided under subdivision 5 or 5b; or

(8) keep property other than money for official use by the agency and the prosecuting agency.

(b) Notwithstanding paragraph (a), the Hennepin or Ramsey county sheriff may not sell firearms, ammunition, or firearms accessories if the policy is disapproved by the applicable county board.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 40. Minnesota Statutes 2004, section 609.5315, is amended by adding a subdivision to read:

Subd. 5b. [DISPOSITION OF CERTAIN FORFEITED PROCEEDS; TRAFFICKING OF PERSONS; REPORT REQUIRED.] (a) For forfeitures resulting from violations of section 609.282, 609.283, or 609.322, the money or proceeds from the sale of forfeited property, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be distributed as follows:

(1) 40 percent of the proceeds must be forwarded to the appropriate agency for deposit as a supplement to the agency's operating fund or similar fund for use in law enforcement;

(2) 20 percent of the proceeds must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes; and

(3) the remaining 40 percent of the proceeds must be forwarded to the commissioner of public safety and are appropriated to the commissioner for distribution to crime victims services organizations that provide services to victims of trafficking offenses.

(b) By February 15 of each year, the commissioner of public safety shall report to the chairs and ranking minority members of the senate and house committees or divisions having jurisdiction over criminal justice funding on the money collected under paragraph (a), clause (3). The report must indicate the following relating to the preceding calendar year:

(1) the amount of money appropriated to the commissioner;

(2) how the money was distributed by the commissioner; and

(3) what the organizations that received the money did with it.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 41. Minnesota Statutes 2004, section 609.605, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR.] (a) The following terms have the meanings given them for purposes of this section.

(i) "Premises" means real property and any appurtenant building or structure.

(ii) "Dwelling" means the building or part of a building used by an individual as a place of residence on either a full-time or a part-time basis. A dwelling may be part of a multidwelling or multipurpose building, or a manufactured home as defined in section 168.011, subdivision 8.

(iii) "Construction site" means the site of the construction, alteration, painting, or repair of a building or structure.

(iv) "Owner or lawful possessor," as used in paragraph (b), clause (9), means the person on whose behalf a building or dwelling is being constructed, altered, painted, or repaired and the general contractor or subcontractor engaged in that work.

(v) "Posted," as used:

(A) in clause (9), means the placement of a sign at least 11 inches square in a conspicuous place on the exterior of the building that is under construction, alteration, or repair, and additional signs in at least two conspicuous places for each ten acres being protected. The sign must carry an appropriate notice and the name of the person giving the notice, followed by the word "owner" if the person giving the notice is the holder of legal title to the land on which the construction site is located or by the word "occupant" if the person giving the notice is not the holder of legal title but is a lawful occupant of the land; and

(B) in clause (10), means the placement of signs that:

(I) state "no trespassing" or similar terms;

(II) display letters at least two inches high;

(III) state that Minnesota law prohibits trespassing on the property; and

(IV) are posted in a conspicuous place and at intervals of 500 feet or less.

(vi) "Business licensee," as used in paragraph (b), clause (9), includes a representative of a building trades labor or management organization.

(vii) "Building" has the meaning given in section 609.581, subdivision 2.

(b) A person is guilty of a misdemeanor if the person intentionally:

(1) permits domestic animals or fowls under the actor's control to go on the land of another within a city;

(2) interferes unlawfully with a monument, sign, or pointer erected or marked to designate a point of a boundary, line or a political subdivision, or of a tract of land;

(3) trespasses on the premises of another and, without claim of right, refuses to depart from the premises on demand of the lawful possessor;

(4) occupies or enters the dwelling or locked or posted building of another, without claim of right or consent of the owner or the consent of one who has the right to give consent, except in an emergency situation;

(5) enters the premises of another with intent to take or injure any fruit, fruit trees, or vegetables growing on the premises, without the permission of the owner or occupant;

(6) enters or is found on the premises of a public or private cemetery without authorization during hours the cemetery is posted as closed to the public;

(7) returns to the property of another with the intent to abuse, disturb, or cause distress in or threaten another, after being told to leave the property and not to return, if the actor is without claim of right to the property or consent of one with authority to consent;

(8) returns to the property of another within ~~30 days~~ one year after being told to leave the property and not to return, if the actor is without claim of right to the property or consent of one with authority to consent; ~~or~~

(9) enters the locked or posted construction site of another without the consent of the owner or lawful possessor, unless the person is a business licensee; or

(10) enters the locked or posted aggregate mining site of another without the consent of the owner or lawful possessor, unless the person is a business licensee.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 42. Minnesota Statutes 2004, section 609.605, subdivision 4, is amended to read:

Subd. 4. [TRESPASSES ON SCHOOL PROPERTY.] (a) It is a misdemeanor for a person to enter or be found in a public or nonpublic elementary, middle, or secondary school building unless the person:

(1) is an enrolled student in, a parent or guardian of an enrolled student in, or an employee of the school or school district;

(2) has permission or an invitation from a school official to be in the building;

(3) is attending a school event, class, or meeting to which the person, the public, or a student's family is invited; or

(4) has reported the person's presence in the school building in the manner required for visitors to the school.

(b) It is a misdemeanor for a person to be on the roof of a public or nonpublic elementary, middle, or secondary school building unless the person has permission from a school official to be on the roof of the building.

(c) It is a gross misdemeanor for a group of three or more persons to enter or be found in a public or nonpublic elementary, middle, or secondary school building unless one of the persons:

(1) is an enrolled student in, a parent or guardian of an enrolled student in, or an employee of the school or school district;

(2) has permission or an invitation from a school official to be in the building;

(3) is attending a school event, class, or meeting to which the person, the public, or a student's family is invited; or

(4) has reported the person's presence in the school building in the manner required for visitors to the school.

~~(c)~~ (d) It is a misdemeanor for a person to enter or be found on school property within ~~six months~~ one year after being told by the school principal or the principal's designee to leave the property and not to return, unless the principal or the principal's designee has given the person permission to return to the property. As used in this paragraph, "school property" has the meaning given in section 152.01, subdivision 14a, clauses (1) and (3).

~~(d)~~ (e) A school principal or a school employee designated by the school principal to maintain order on school property, who has reasonable cause to believe that a person is violating this subdivision may detain the person in a reasonable manner for a reasonable period of time pending the arrival of a peace officer. A school principal or designated school employee is not civilly or criminally liable for any action authorized under this paragraph if the person's action is based on reasonable cause.

~~(e)~~ (f) A peace officer may arrest a person without a warrant if the officer has probable cause to believe the person violated this subdivision within the preceding four hours. The arrest may be made even though the violation did not occur in the peace officer's presence.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 43. Minnesota Statutes 2004, section 609.746, subdivision 1, is amended to read:

Subdivision 1. [SURREPTITIOUS INTRUSION; OBSERVATION DEVICE.] (a) A person is guilty of a gross misdemeanor who:

(1) enters upon another's property;

(2) surreptitiously gazes, stares, or peeps in the window or any other aperture of a house or place of dwelling of another; and

(3) does so with intent to intrude upon or interfere with the privacy of a member of the household.

(b) A person is guilty of a gross misdemeanor who:

(1) enters upon another's property;

(2) surreptitiously installs or uses any device for observing, photographing, recording, amplifying, or broadcasting sounds or events through the window or any other aperture of a house or place of dwelling of another; and

(3) does so with intent to intrude upon or interfere with the privacy of a member of the household.

(c) A person is guilty of a gross misdemeanor who:

(1) surreptitiously gazes, stares, or peeps in the window or other aperture of a sleeping room in a hotel, as defined in section 327.70, subdivision 3, a tanning booth, or other place where a reasonable person would have an expectation of privacy and has exposed or is likely to expose their intimate parts, as defined in section 609.341, subdivision 5, or the clothing covering the immediate area of the intimate parts; and

(2) does so with intent to intrude upon or interfere with the privacy of the occupant.

(d) A person is guilty of a gross misdemeanor who:

(1) surreptitiously installs or uses any device for observing, photographing, recording, amplifying, or broadcasting sounds or events through the window or other aperture of a sleeping room in a hotel, as defined in section 327.70, subdivision 3, a tanning booth, or other place where

a reasonable person would have an expectation of privacy and has exposed or is likely to expose their intimate parts, as defined in section 609.341, subdivision 5, or the clothing covering the immediate area of the intimate parts; and

(2) does so with intent to intrude upon or interfere with the privacy of the occupant.

(e) A person is guilty of a ~~gross misdemeanor~~ felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $5,000, or both, if the person:

(1) violates this subdivision after a previous conviction under this subdivision or section 609.749; or

(2) violates this subdivision against a minor under the age of ~~16~~ 18, knowing or having reason to know that the minor is present.

(f) Paragraphs (b) and (d) do not apply to law enforcement officers or corrections investigators, or to those acting under their direction, while engaged in the performance of their lawful duties. Paragraphs (c) and (d) do not apply to conduct in: (1) a medical facility; or (2) a commercial establishment if the owner of the establishment has posted conspicuous signs warning that the premises are under surveillance by the owner or the owner's employees.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 44. Minnesota Statutes 2004, section 609.748, subdivision 2, is amended to read:

Subd. 2. [RESTRAINING ORDER; JURISDICTION.] A person who is a victim of harassment may seek a restraining order from the district court in the manner provided in this section. The parent ~~or~~, guardian, or stepparent of a minor who is a victim of harassment may seek a restraining order from the district court on behalf of the minor.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 45. Minnesota Statutes 2004, section 609.748, subdivision 3a, is amended to read:

Subd. 3a. [FILING FEE; COST OF SERVICE.] The filing fees for a restraining order under this section are waived for the petitioner if the petition alleges acts that would constitute a violation of section 609.749, subdivision 2 or 3, or sections 609.342 to 609.3451. The court administrator and the sheriff of any county in this state shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when the sheriff is unavailable or if service is made by publication. The court may direct a respondent to pay to the court administrator the petitioner's filing fees and reasonable costs of service of process if the court determines that the respondent has the ability to pay the petitioner's fees and costs.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 46. Minnesota Statutes 2004, section 609.749, subdivision 2, is amended to read:

Subd. 2. [HARASSMENT AND STALKING CRIMES.] (a) A person who harasses another by committing any of the following acts is guilty of a gross misdemeanor:

(1) directly or indirectly manifests a purpose or intent to injure the person, property, or rights of another by the commission of an unlawful act;

(2) stalks, follows, monitors, or pursues another, whether in person or through technological or other means;

(3) returns to the property of another if the actor is without claim of right to the property or consent of one with authority to consent;

(4) repeatedly makes telephone calls, or induces a victim to make telephone calls to the actor, whether or not conversation ensues;

(5) makes or causes the telephone of another repeatedly or continuously to ring;

(6) repeatedly mails or delivers or causes the delivery by any means, including electronically, of letters, telegrams, messages, packages, or other objects; or

(7) knowingly makes false allegations against a peace officer concerning the officer's performance of official duties with intent to influence or tamper with the officer's performance of official duties.

(b) The conduct described in paragraph (a), clauses (4) and (5), may be prosecuted at the place where any call is either made or received or, additionally in the case of wireless or electronic communication, where the actor or victim resides. The conduct described in paragraph (a), clause (2), may be prosecuted where the actor or victim resides. The conduct described in paragraph (a), clause (6), may be prosecuted where any letter, telegram, message, package, or other object is either sent or received or, additionally in the case of wireless or electronic communication, where the actor or victim resides.

(c) A peace officer may not make a warrantless, custodial arrest of any person for a violation of paragraph (a), clause (7).

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 47. Minnesota Statutes 2004, section 609.763, subdivision 3, is amended to read:

Subd. 3. [AGGREGATION; JURISDICTION.] In a prosecution under this section, the dollar amounts ~~obtained~~ involved in violation of subdivision 1 within any 12-month period may be aggregated and the defendant charged accordingly. When two or more offenses are committed by the same person in two or more counties, the defendant may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this subdivision.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 48. Minnesota Statutes 2004, section 609.79, subdivision 2, is amended to read:

Subd. 2. [VENUE.] The offense may be prosecuted either at the place where the call is made or where it is received or, additionally in the case of wireless or electronic communication, where the sender or receiver resides.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 49. Minnesota Statutes 2004, section 609.795, is amended by adding a subdivision to read:

Subd. 3. [VENUE.] The offense may be prosecuted either at the place where the letter, telegram, or package is sent or received or, alternatively in the case of wireless electronic communication, where the sender or receiver resides.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 50. [609.849] [RAILROAD THAT OBSTRUCTS TREATMENT OF AN INJURED WORKER.]

(a) It shall be unlawful for a railroad or person employed by a railroad negligently or intentionally to:

(1) deny, delay, or interfere with medical treatment or first aid treatment to an employee of a railroad who has been injured during employment; or

(2) discipline, harass, or intimidate an employee to discourage the employee from receiving medical attention or threaten to discipline an employee who has been injured during employment for requesting medical treatment or first aid treatment.

(b) Nothing in this section shall deny a railroad company or railroad employee from making a reasonable inquiry of an injured employee about the circumstance of an injury in order to gather information necessary to identify a safety hazard.

(c) It is not a violation under this section for a railroad company or railroad employee to enforce safety regulations.

(d) A railroad or a person convicted of a violation of paragraph (a), clause (1) or (2), is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 51. [609.896] [CRIMINAL USE OF REAL PROPERTY.]

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

(a) "Audiovisual recording function" means the capability of a device to record or transmit a motion picture or any part of a motion picture by means of any technology now known or later developed.

(b) "Convicted" includes a conviction for a similar offense under the law of another state or the federal government.

(c) "Motion picture theater" means a movie theater, screening room, or other venue when used primarily for the exhibition of a motion picture.

Subd. 2. [CRIME.] (a) Any person in a motion picture theater while a motion picture is being exhibited who knowingly operates an audiovisual recording function of a device without the consent of the owner or lessee of the motion picture theater is guilty of criminal use of real property.

(b) If a person is convicted of a first offense, it is a misdemeanor.

(c) If a person is convicted of a second offense, it is a gross misdemeanor.

(d) If a person is convicted of a third or subsequent offense, it is a felony and the person may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $4,000, or both.

Subd. 3. [DETAINING SUSPECTS.] An owner or lessee of a motion picture theater is a merchant for purposes of section 629.366.

Subd. 4. [EXCEPTION.] This section does not prevent any lawfully authorized investigative, law enforcement protective, or intelligence gathering employee or agent of the state or federal government from operating any audiovisual recording device in a motion picture theater where a motion picture is being exhibited, as part of lawfully authorized investigative, law enforcement protective, or intelligence gathering activities.

Subd. 5. [NOT PRECLUDE ALTERNATIVE PROSECUTION.] Nothing in this section prevents prosecution under any other provision of law.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 52. Minnesota Statutes 2004, section 628.26, is amended to read:

628.26 [LIMITATIONS.]

(a) Indictments or complaints for any crime resulting in the death of the victim may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for a violation of section 609.25 may be found or made at any time after the commission of the offense.

(c) Indictments or complaints for violation of section 609.282 may be found or made at any time after the commission of the offense if the victim was under the age of 18 at the time of the offense.

(d) Indictments or complaints for violation of section 609.282 where the victim was 18 years of age or older at the time of the offense, or 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

~~(d)~~ (e) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, shall be found or made and filed in the proper court within nine years after the commission of the offense or, if the victim failed to report the offense within this limitation period, within three years after the offense was reported to law enforcement authorities.

~~(e)~~ (f) Notwithstanding the limitations in paragraph ~~(d)~~ (e), indictments or complaints for violation of sections 609.342 to 609.344 may be found or made and filed in the proper court at any time after commission of the offense, if physical evidence is collected and preserved that is capable of being tested for its DNA characteristics. If this evidence is not collected and preserved and the victim was 18 years old or older at the time of the offense, the prosecution must be commenced within nine years after the commission of the offense.

~~(f)~~ (g) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause (3), item (iii), shall be found or made and filed in the proper court within six years after the commission of the offense.

~~(g)~~ (h) Indictments or complaints for violation of section 609.52, subdivision 2, clause (3), items (i) and (ii), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than $35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(h)~~ (i) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(i)~~ (j) Indictments or complaints for violation of sections 609.561 to 609.563, shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(j)~~ (k) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

~~(k)~~ (l) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

~~(l)~~ (m) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

~~(m)~~ (n) The limitations periods contained in this section shall not include any period of time during which physical evidence relating to the offense was undergoing DNA analysis, as defined in section 299C.155, unless the defendant demonstrates that the prosecuting or law enforcement agency purposefully delayed the DNA analysis process in order to gain an unfair advantage.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 53. [REPEALER.]

Minnesota Statutes 2004, section 609.725, is repealed.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

ARTICLE 18
DWI AND TRAFFIC SAFETY POLICY

Section 1. Minnesota Statutes 2004, section 169.06, is amended by adding a subdivision to read:

Subd. 5b. [POSSESSION OF OVERRIDE DEVICE.] (a) For purposes of this subdivision, "traffic signal-override device" means a device located in a motor vehicle that permits activation of a traffic signal-override system described in subdivision 5a.

(b) No person may operate a motor vehicle that contains a traffic signal-override device, other than:

(1) an authorized emergency vehicle described in section 169.01, subdivision 5, clause (1), (2), or (3);

(2) a vehicle, including a rail vehicle, engaged in providing bus rapid transit service or light rail transit service;

(3) a signal maintenance vehicle of a road authority; or

(4) a vehicle authorized to contain such a device by order of the commissioner of public safety.

(c) No person may possess a traffic signal-override device, other than:

(1) a person authorized to operate a vehicle described in paragraph (b), clauses (1) and (2), but only for use in that vehicle;

(2) a person authorized by a road authority to perform signal maintenance, while engaged in such maintenance; or

(3) a person authorized by order of the commissioner of public safety to possess a traffic signal-override device, but only to the extent authorized in the order.

(d) A violation of this subdivision is a misdemeanor.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2004, section 169A.275, subdivision 1, is amended to read:

Subdivision 1. [SECOND OFFENSE.] (a) The court shall sentence a person who is convicted of a violation of section 169A.20 (driving while impaired) within ten years of a qualified prior impaired driving incident to either:

(1) a minimum of 30 days of incarceration, at least 48 hours of which must be served ~~consecutively~~ in a local correctional facility; or

(2) eight hours of community work service for each day less than 30 days that the person is ordered to serve in a local correctional facility.

Notwithstanding section 609.135 (stay of imposition or execution of sentence), the penalties in this paragraph must be executed, unless the court departs from the mandatory minimum sentence under paragraph (b) or (c).

(b) Prior to sentencing, the prosecutor may file a motion to have a defendant described in

paragraph (a) sentenced without regard to the mandatory minimum sentence established by 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 paragraph (a).

(c) The court may, on its own motion, sentence a defendant described in paragraph (a) without regard to the mandatory minimum sentence established by 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 paragraph (a) if the defendant is sentenced to probation and ordered to participate in a program established under section 169A.74 (pilot programs of intensive probation for repeat DWI offenders).

(d) When any portion of the sentence required by paragraph (a) 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 paragraph (a) 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.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2004, section 169A.52, subdivision 4, is amended to read:

Subd. 4. [TEST FAILURE; LICENSE REVOCATION.] (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired) and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in schedule I or II, other than marijuana or tetrahydrocannabinols, then the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege:

(1) for a period of 90 days;

(2) if the person is under the age of 21 years, for a period of six months;

(3) for a person with a qualified prior impaired driving incident within the past ten years, for a period of 180 days; or

(4) if the test results indicate an alcohol concentration of 0.20 or more, for twice the applicable period in clauses (1) to (3).

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165 (commercial driver's license disqualification).

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension, or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 and that the person submitted to a test. Upon receipt of both certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

[EFFECTIVE DATE.] This section is effective August 1, 2006, and applies to blood and urine test samples analyzed on or after that date.

Sec. 4. Minnesota Statutes 2004, section 169A.53, subdivision 3, is amended to read:

Subd. 3. [JUDICIAL HEARING; ISSUES, ORDER, APPEAL.] (a) A judicial review hearing under this section must be before a district judge in any county in the judicial district where the alleged offense occurred. The hearing is to the court and may be conducted at the same time and in the same manner as hearings upon pretrial motions in the criminal prosecution under section 169A.20 (driving while impaired), if any. The hearing must be recorded. The commissioner shall appear and be represented by the attorney general or through the prosecuting authority for the jurisdiction involved. The hearing must be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the locations within the judicial district where terms of district court are held.

(b) The scope of the hearing is limited to the issues in clauses (1) to (10):

(1) Did the peace officer have probable cause to believe the person was driving, operating, or in physical control of a motor vehicle or commercial motor vehicle in violation of section 169A.20 (driving while impaired)?

(2) Was the person lawfully placed under arrest for violation of section 169A.20?

(3) Was the person involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death?

(4) Did the person refuse to take a screening test provided for by section 169A.41 (preliminary screening test)?

(5) If the screening test was administered, did the test indicate an alcohol concentration of 0.08 or more?

(6) At the time of the request for the test, did the peace officer inform the person of the person's rights and the consequences of taking or refusing the test as required by section 169A.51, subdivision 2?

(7) Did the person refuse to permit the test?

(8) If a test was taken by a person driving, operating, or in physical control of a motor vehicle, did the test results indicate at the time of testing:

(i) an alcohol concentration of 0.08 or more; or

(ii) the presence of a controlled substance listed in schedule I or II, other than marijuana or tetrahydrocannabinols?

(9) If a test was taken by a person driving, operating, or in physical control of a commercial motor vehicle, did the test results indicate an alcohol concentration of 0.04 or more at the time of testing?

(10) Was the testing method used valid and reliable and were the test results accurately evaluated?

(c) It is an affirmative defense for the petitioner to prove that, at the time of the refusal, the petitioner's refusal to permit the test was based upon reasonable grounds.

(d) Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses, and certificates are admissible as substantive evidence.

(e) The court shall order that the revocation or disqualification be either rescinded or sustained and forward the order to the commissioner. The court shall file its order within 14 days following the hearing. If the revocation or disqualification is sustained, the court shall also forward the person's driver's license or permit to the commissioner for further action by the commissioner if the license or permit is not already in the commissioner's possession.

(f) Any party aggrieved by the decision of the reviewing court may appeal the decision as provided in the Rules of Appellate Procedure.

(g) The civil hearing under this section shall not give rise to an estoppel on any issues arising from the same set of circumstances in any criminal prosecution.

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

Sec. 5. Minnesota Statutes 2004, section 169A.60, subdivision 10, is amended to read:

Subd. 10. [PETITION FOR JUDICIAL REVIEW.] (a) Within 30 days following receipt of a notice and order of impoundment under this section, a person may petition the court for review. The petition must include proof of service of a copy of the petition on the commissioner. The petition must include the petitioner's date of birth, driver's license number, and date of the plate impoundment violation, as well as the name of the violator and the law enforcement agency that issued the plate impoundment order. The petition must state with specificity the grounds upon which the petitioner seeks rescission of the order for impoundment. The petition may be combined with any petition filed under section 169A.53 (administrative and judicial review of license revocation).

(b) Except as otherwise provided in this section, the judicial review and hearing are governed by section 169A.53 and must take place at the same time as any judicial review of the person's license revocation under section 169A.53. The filing of the petition does not stay the impoundment order. The reviewing court may order a stay of the balance of the impoundment period if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. The court shall order either that the impoundment be rescinded or sustained, and forward the order to the commissioner. The court shall file its order within 14 days following the hearing.

(c) In addition to the issues described in section 169A.53, subdivision 3 (judicial review of license revocation), the scope of a hearing under this subdivision is limited to:

(1) ~~whether the violator owns, is the registered owner of, possesses, or has access to the vehicle used in the plate impoundment violation;~~

~~(2) whether a member of the violator's household has a valid driver's license, the violator or registered owner has a limited license issued under section 171.30, the registered owner is not the violator, and the registered owner has a valid or limited driver's license, or a member of the registered owner's household has a valid driver's license; and~~

(~~3~~) if the impoundment is based on a plate impoundment violation described in subdivision 1, paragraph (~~c~~) (d), clause (3) or (4), whether the peace officer had probable cause to believe the violator committed the plate impoundment violation and whether the evidence demonstrates that the plate impoundment violation occurred; and

(2) for all other cases, whether the peace officer had probable cause to believe the violator committed the plate impoundment violation.

(d) In a hearing under this subdivision, the following records are admissible in evidence:

(1) certified copies of the violator's driving record; and

(2) certified copies of vehicle registration records bearing the violator's name.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

Sec. 6. Minnesota Statutes 2004, section 169A.60, subdivision 11, is amended to read:

Subd. 11. [RESCISSION OF REVOCATION; AND DISMISSAL OR ACQUITTAL; NEW PLATES.] If:

(1) the driver's license revocation that is the basis for an impoundment order is rescinded; and

(2) the charges for the plate impoundment violation have been dismissed with prejudice~~;~~ or

(~~3~~) the violator has been acquitted of the plate impoundment violation;

then the registrar of motor vehicles shall issue new registration plates for the vehicle at no cost, when the registrar receives an application that includes a copy of the order rescinding the driver's license revocation~~,~~ and either the order dismissing the charges~~,~~ or the judgment of acquittal.

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

Sec. 7. Minnesota Statutes 2004, section 169A.63, subdivision 8, is amended to read:

Subd. 8. [ADMINISTRATIVE FORFEITURE PROCEDURE.] (a) A motor vehicle used to commit a designated offense or used in conduct resulting in a designated license revocation is subject to administrative forfeiture under this subdivision.

(b) When a motor vehicle is seized under subdivision 2, or within a reasonable time after seizure, the appropriate agency shall serve the driver or operator of the vehicle with a notice of the seizure and intent to forfeit the vehicle. Additionally, when a motor vehicle is seized under subdivision 2, or within a reasonable time after that, all persons known to have an ownership, possessory, or security interest in the vehicle must be notified of the seizure and the intent to forfeit the vehicle. For those vehicles required to be registered under chapter 168, the notification to a person known to have a security interest in the vehicle is required only if the vehicle is registered under chapter 168 and the interest is listed on the vehicle's title. Notice mailed by certified mail to the address shown in Department of Public Safety records is sufficient notice to the registered owner of the vehicle. For motor vehicles not required to be registered under chapter 168, notice mailed by certified mail to the address shown in the applicable filing or registration for the vehicle is sufficient notice to a person known to have an ownership, possessory, or security interest in the vehicle. Otherwise, notice may be given in the manner provided by law for service of a summons in a civil action.

(c) The notice must be in writing and contain:

(1) a description of the vehicle seized;

(2) the date of seizure; and

(3) notice of the right to obtain judicial review of the forfeiture and of the procedure for obtaining that judicial review, printed in English, Hmong, and Spanish. Substantially the following language must appear conspicuously: "IF YOU DO NOT DEMAND JUDICIAL REVIEW EXACTLY AS PRESCRIBED IN MINNESOTA STATUTES, SECTION 169A.63, SUBDIVISION 8, YOU LOSE THE RIGHT TO A JUDICIAL DETERMINATION OF THIS FORFEITURE AND YOU LOSE ANY RIGHT YOU MAY HAVE TO THE ABOVE-DESCRIBED PROPERTY. YOU MAY NOT HAVE TO PAY THE FILING FEE FOR THE DEMAND IF DETERMINED YOU ARE UNABLE TO AFFORD THE FEE. IF THE PROPERTY IS WORTH $7,500 OR LESS, YOU MAY FILE YOUR CLAIM IN CONCILIATION COURT. YOU DO NOT HAVE TO PAY THE CONCILIATION COURT FILING FEE IF THE PROPERTY IS WORTH LESS THAN $500."

(d) Within 30 days following service of a notice of seizure and forfeiture under this subdivision, a claimant may file a demand for a judicial determination of the forfeiture. The demand must be in the form of a civil complaint and must be filed with the court administrator in the county in which the seizure occurred, together with proof of service of a copy of the complaint on the prosecuting authority having jurisdiction over the forfeiture~~,~~ and the appropriate agency that initiated the forfeiture, including the standard filing fee for civil actions unless the petitioner has the right to sue in forma pauperis under section 563.01. If the value of the seized property is $7,500 or less, the claimant may file an action in conciliation court for recovery of the seized vehicle. A copy of the conciliation court statement of claim must be served personally or by mail on the prosecuting authority having jurisdiction over the forfeiture, as well as on the appropriate agency that initiated the forfeiture, within 30 days following service of the notice of seizure and forfeiture under this subdivision. If the value of the seized property is less than $500, the claimant does not have to pay the conciliation court filing fee.

No responsive pleading is required of the prosecuting authority and no court fees may be charged for the prosecuting authority's appearance in the matter. The prosecuting authority may appear for the appropriate agency. Pleadings, filings, and methods of service are governed by the Rules of Civil Procedure.

(e) The complaint must be captioned in the name of the claimant as plaintiff and the seized vehicle as defendant, and must state with specificity the grounds on which the claimant alleges the vehicle was improperly seized, the claimant's interest in the vehicle seized, and any affirmative defenses the claimant may have. Notwithstanding any law to the contrary, an action for the return of a vehicle seized under this section may not be maintained by or on behalf of any person who has been served with a notice of seizure and forfeiture unless the person has complied with this subdivision.

(f) If the claimant makes a timely demand for a judicial determination under this subdivision, the forfeiture proceedings must be conducted as provided under subdivision 9.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to forfeiture actions initiated on or after that date.

Sec. 8. Minnesota Statutes 2004, section 169A.70, subdivision 3, is amended to read:

Subd. 3. [ASSESSMENT REPORT.] (a) The assessment report must be on a form prescribed by the commissioner and shall contain an evaluation of the convicted defendant concerning the defendant's prior traffic and criminal record, characteristics and history of alcohol and chemical use problems, and amenability to rehabilitation through the alcohol safety program. The report is classified as private data on individuals as defined in section 13.02, subdivision 12.

(b) The assessment report must include:

(1) a diagnosis of the nature of the offender's chemical and alcohol involvement;

(2) an assessment of the severity level of the involvement;

(3) a recommended level of care for the offender in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3 (chemical dependency treatment rules);

(4) an assessment of the offender's placement needs;

~~(2)~~ (5) recommendations for other appropriate remedial action or care, including aftercare services in section 254B.01, subdivision 3, that may consist of educational programs, one-on-one counseling, a program or type of treatment that addresses mental health concerns, or a combination of them; ~~or~~ and

~~(3)~~ (6) a specific explanation why no level of care or action was recommended, if applicable.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to chemical use assessments made on or after that date.

Sec. 9. Minnesota Statutes 2004, section 169A.70, is amended by adding a subdivision to read:

Subd. 6. [METHOD OF ASSESSMENT.] (a) As used in this subdivision, "collateral contact" means an oral or written communication initiated by an assessor for the purpose of gathering information from an individual or agency, other than the offender, to verify or supplement information provided by the offender during an assessment under this section. The term includes contacts with family members and criminal justice agencies.

(b) An assessment conducted under this section must include at least one personal interview with the offender designed to make a determination about the extent of the offender's past and present chemical and alcohol use or abuse. It must also include collateral contacts and a review of relevant records or reports regarding the offender including, but not limited to, police reports, arrest reports, driving records, chemical testing records, and test refusal records. If the offender

has a probation officer, the officer must be the subject of a collateral contact under this subdivision. If an assessor is unable to make collateral contacts, the assessor shall specify why collateral contacts were not made.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to chemical use assessments made on or after that date.

Sec. 10. Minnesota Statutes 2004, section 169A.70, is amended by adding a subdivision to read:

Subd. 7. [PRECONVICTION ASSESSMENT.] (a) The court may not accept a chemical use assessment conducted before conviction as a substitute for the assessment required by this section unless the court ensures that the preconviction assessment meets the standards described in this section.

(b) If the commissioner of public safety is making a decision regarding reinstating a person's driver's license based on a chemical use assessment, the commissioner shall ensure that the assessment meets the standards described in this section.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to chemical use assessments made on or after that date.

Sec. 11. Minnesota Statutes 2004, section 171.09, is amended to read:

171.09 [DRIVING RESTRICTIONS; AUTHORITY, VIOLATIONS.]

Subdivision 1. [AUTHORITY; VIOLATIONS.] (a) The commissioner shall have the authority, when good cause appears, to impose restrictions suitable to the licensee's driving ability or such other restrictions applicable to the licensee as the commissioner may determine to be appropriate to assure the safe operation of a motor vehicle by the licensee. The commissioner may, upon receiving satisfactory evidence of any violation of the restrictions of the license, suspend or revoke the license. A license suspension under this section is subject to section 171.18, subdivisions 2 and 3.

(b) A person who drives, operates, or is in physical control of a motor vehicle while in violation of the restrictions imposed in a restricted driver's license issued to that person under paragraph (a) is guilty of a crime as follows:

(1) if the restriction relates to the possession or consumption of alcohol or controlled substances, the person is guilty of a gross misdemeanor; or

(2) if the restriction relates to another matter, the person is guilty of a misdemeanor.

Subd. 2. [NO-ALCOHOL RESTRICTION.] (a) Upon proper application by a person having a valid driver's license containing the restriction that the person must consume no alcohol and whose driving record contains no impaired driving incident within the past ten years, the commissioner must issue to the person a duplicate driver's license that does not show that restriction. Such issuance of a duplicate license does not rescind the no-alcohol restriction on the recipient's driving record. "Impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

(b) Upon the issuance of a duplicate license to a person under paragraph (a), the no-alcohol restriction on the person's driving record is classified as private data on individuals, as defined in section 13.02, subdivision 12, but may be provided to requesting law enforcement agencies, probation and parole agencies, and courts.

[EFFECTIVE DATE.] This section is effective July 1, 2005, and expires on July 1, 2006.

Sec. 12. Minnesota Statutes 2004, section 171.20, subdivision 4, is amended to read:

Subd. 4. [REINSTATEMENT FEE.] (a) Before the license is reinstated, (1) a person whose driver's license has been suspended under section 171.16, ~~subdivision~~ subdivisions 2 and 3;

171.18~~, except subdivision 1, clause (10)~~; or 171.182, or who has been disqualified from holding a commercial driver's license under section 171.165, and (2) a person whose driver's license has been suspended under section 171.186 and who is not exempt from such a fee, must pay a fee of $20.

(b) Before the license is reinstated, a person whose license has been suspended under sections 169.791 to 169.798 must pay a $20 reinstatement fee.

(c) When fees are collected by a licensing agent appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fee and surcharge must be deposited in an approved state depository as directed under section 171.061, subdivision 4.

(d) Reinstatement fees collected under paragraph (a) for suspensions under sections 171.16, subdivision 3, and 171.18, subdivision 1, clause (10), shall be deposited in the special revenue fund and are appropriated to the Peace Officer Standards and Training Board for peace officer training reimbursement to local units of government.

(e) A suspension may be rescinded without fee for good cause.

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

Sec. 13. Minnesota Statutes 2004, section 171.26, is amended to read:

171.26 [MONEY CREDITED TO FUNDS.]

All money received under this chapter must be paid into the state treasury and credited to the trunk highway fund, except as provided in sections 171.06, subdivision 2a; 171.07, subdivision 11, paragraph (g); 171.12, subdivision 8; 171.20, subdivision 4, paragraph (d); and 171.29, subdivision 2, paragraph (b).

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

Sec. 14. Minnesota Statutes 2004, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. [OTHER WAITING PERIODS.] Notwithstanding subdivision 2, a limited license shall not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a violation of section 169A.20, sections 169A.50 to 169A.53, or a statute or ordinance from another state in conformity with either of those sections;

(2) 90 days, to a person who submitted to testing under sections 169A.50 to 169A.53 if the person's license or privilege has been revoked or suspended for a second violation within ten years or a third or subsequent violation of section 169A.20, sections 169A.50 to 169A.53, or a statute or ordinance from another state in conformity with either of those sections;

(3) 180 days, to a person who refused testing under sections 169A.50 to 169A.53 if the person's license or privilege has been revoked or suspended for a second violation within ten years or a third or subsequent violation of sections 169A.20, 169A.50 to 169A.53, or a statute or ordinance from another state in conformity with either of those sections; or

(4) one year, to a person whose license or privilege has been revoked or suspended for committing manslaughter resulting from the operation of a motor vehicle, committing criminal vehicular homicide or injury under section 609.21, or violating a statute or ordinance from another state in conformity with either of those offenses.

Sec. 15. [STATEWIDE DWI TASK FORCE STUDY; DRIVER'S LICENSE SANCTIONS.]

The Statewide DWI Task Force is requested to review and make recommendations on issues related to the "no-alcohol" restriction on a driver's license, commonly known as the "B-Card" license, including whether the restriction should be removed after a ten-year or greater period of

compliance, whether the restrictions should remain on the driver's record but not on the actual driver's license, and any other related issues. The task force may consult with knowledgeable parties when conducting the review. If the DWI Task Force completes the review, it is requested to submit its recommendations to the chairs and ranking minority members of the senate and house committees having jurisdiction over criminal justice policy by January 15, 2006.

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

Sec. 16. [REPEALER.]

Laws 2004, chapter 283, section 14, is repealed.

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

Delete the title and insert:

"A bill for an act relating to public safety; appropriating money for the courts, public defenders, public safety, corrections, and other criminal justice agencies; establishing, funding, modifying, and regulating public safety, criminal justice, judiciary, law enforcement, corrections, and crime victim services, policies, programs, duties, activities, or practices; requiring studies and reports; imposing criminal and civil penalties; setting or increasing fines, surcharges, and fees; implementing comprehensive sex offender and methamphetamine policies; amending Minnesota Statutes 2004, sections 2.722, subdivision 1; 13.6905, subdivision 17; 13.82, by adding a subdivision; 13.871, subdivision 5; 14.03, subdivision 3; 16C.09; 43A.047; 84.362; 116L.30; 144A.135; 152.01, subdivision 10; 152.02, subdivisions 4, 5, 6, by adding a subdivision; 152.021, subdivisions 2a, 3; 152.027, subdivisions 1, 2; 152.135, subdivision 2; 168A.05, subdivision 3; 169.06, by adding a subdivision; 169.71, subdivision 1; 169A.275, subdivision 1; 169A.52, subdivision 4; 169A.53, subdivision 3; 169A.60, subdivisions 10, 11; 169A.63, subdivision 8; 169A.70, subdivision 3, by adding subdivisions; 171.09; 171.20, subdivision 4; 171.26; 171.30, subdivision 2a; 214.04, subdivision 1; 216D.08, subdivisions 1, 2; 231.08, subdivision 5, as added; 237.70, subdivision 7; 241.06; 241.67, subdivisions 3, 7, 8; 242.195, subdivision 1; 243.1606, subdivision 1; 243.166; 243.167; 243.24, subdivision 2; 244.04, subdivision 1; 244.05, subdivisions 2, 4, 5, 6, 7; 244.052, subdivisions 3, 4, by adding subdivisions; 244.09, subdivisions 5, 11; 244.10, subdivision 2a, by adding subdivisions; 244.18, subdivision 2; 245C.13, subdivision 2; 245C.15, subdivision 1; 245C.17, subdivisions 1, 2, 3; 245C.22, by adding a subdivision; 245C.24, subdivision 2; 246.13; 253B.08, subdivision 1; 253B.18, subdivisions 4a, 5, by adding a subdivision; 259.11; 259.24, subdivisions 1, 2a, 5, 6a; 260C.171, by adding a subdivision; 260C.201, subdivision 11; 260C.212, subdivision 4; 282.04, subdivision 2; 299A.38, subdivisions 2, 2a, 3; 299A.465, by adding subdivisions; 299C.03; 299C.08; 299C.093; 299C.095, subdivision 1; 299C.10, subdivision 1, by adding a subdivision; 299C.11; 299C.14; 299C.145, subdivision 3; 299C.155; 299C.21; 299C.65, subdivisions 1, 2, 5, by adding a subdivision; 299F.011, subdivision 7; 299F.014; 299F.05; 299F.051, subdivision 4; 299F.06, subdivision 1; 299F.19, subdivisions 1, 2; 299F.362, subdivisions 3, 4; 326.3382, by adding a subdivision; 326.3384, subdivision 1; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.311; 340A.404, subdivision 12; 340A.408, subdivision 4; 340A.414, subdivision 6; 340A.504, subdivisions 3, 7; 343.31; 357.021, subdivisions 2, 6, 7; 357.18; 403.02, subdivisions 7, 13, 17, by adding a subdivision; 403.025, subdivisions 3, 7; 403.05, subdivision 3; 403.07, subdivision 3; 403.08, subdivision 10; 403.11, subdivisions 1, 3, 3a; 403.113, subdivision 1; 403.21, subdivision 8; 403.27, subdivisions 1, 3; 403.30, subdivision 1; 505.08, subdivision 2; 508.82; 508A.82; 515B.1-116; 518B.01, subdivision 22, by adding a subdivision; 590.01, subdivision 1, by adding a subdivision; 604.15, subdivision 2, by adding a subdivision; 609.02, subdivision 16; 609.106, subdivision 2; 609.108, subdivisions 1, 3, 4, 6, 7; 609.109, subdivisions 2, 4, 5, 6, 7; 609.1095, subdivisions 1, 2, 4; 609.115, by adding a subdivision; 609.117; 609.1351; 609.185; 609.2231, by adding a subdivision; 609.2242, subdivision 3; 609.229, subdivision 3; 609.321, subdivisions 1, 7, 12, by adding subdivisions; 609.325, by adding a subdivision; 609.341, subdivision 14, by adding a subdivision; 609.342, subdivisions 2, 3; 609.343, subdivisions 2, 3; 609.344, subdivisions 2, 3; 609.345, subdivisions 2, 3; 609.3452, subdivision 1; 609.347; 609.3471; 609.348; 609.353; 609.485, subdivisions 2, 4; 609.487, by adding a subdivision; 609.50, subdivision 1; 609.505; 609.52, subdivision 2; 609.527, subdivisions 1, 3, 4, 6, by adding a subdivision; 609.531, subdivision 1; 609.5311, subdivisions 2,

3; 609.5312, subdivisions 1, 3, 4, by adding a subdivision; 609.5314, subdivision 1; 609.5315, subdivision 1, by adding a subdivision; 609.5317, subdivision 1; 609.5318, subdivision 1; 609.605, subdivisions 1, 4; 609.746, subdivision 1; 609.748, subdivisions 2, 3a, by adding a subdivision; 609.749, subdivision 2; 609.763, subdivision 3; 609.79, subdivision 2; 609.795, by adding a subdivision; 609A.02, subdivision 3; 609A.03, subdivision 7; 611.272; 611A.01; 611A.036; 611A.19; 611A.53, subdivision 1b; 617.81, subdivision 4; 617.85; 624.22, subdivision 1; 626.04; 626.556, subdivision 3; 626.557, subdivision 14; 628.26; 631.045; 631.425, subdivision 4; 641.21; proposing coding for new law in Minnesota Statutes, chapters 35; 152; 171; 237; 241; 244; 260C; 299A; 299C; 357; 403; 446A; 590; 609; 611; 629; repealing Minnesota Statutes 2004, sections 18C.005, subdivisions 1a, 35a; 18C.201, subdivisions 6, 7; 18D.331, subdivision 5; 69.011, subdivision 5; 243.162; 243.166, subdivisions 1, 8; 244.10, subdivisions 2a, 3; 246.017, subdivision 1; 299A.64; 299A.65; 299A.66; 299A.68; 299C.65, subdivisions 3, 4, 6, 7, 8, 8a, 9; 299F.011, subdivision 4c; 299F.015; 299F.10; 299F.11; 299F.12; 299F.13; 299F.14; 299F.15; 299F.16; 299F.17; 299F.361; 299F.451; 299F.452; 386.30; 403.30, subdivision 3; 609.108, subdivision 2; 609.109, subdivision 7; 609.119; 609.725; 624.04; Laws 2004, chapter 283, section 14."

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

House Conferees: (Signed) Steve Smith, Jeff Johnson, Scott Newman, Mary Murphy, Debra Hilstrom

Senate Conferees: (Signed) Jane B. Ranum, Leo T. Foley, Wesley J. Skoglund, Thomas M. Neuville, Julie A. Rosen

Senator Ranum moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 62 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Nienow	Saxhaug
Bachmann	Hann	Larson	Olson	Scheid
Belanger	Higgins	LeClair	Ortman	Senjem
Berglin	Hottinger	Limmer	Ourada	Skoglund
Betzold	Johnson, D.E.	Lourey	Pappas	Solon
Cohen	Johnson, D.J.	Marko	Pariseau	Sparks
Day	Jungbauer	Marty	Pogemiller	Stumpf
Dibble	Kelley	McGinn	Ranum	Vickerman
Dille	Kierlin	Metzen	Reiter	Wergin
Fischbach	Kiscaden	Michel	Rest	Wiger
Foley	Kleis	Moua	Robling	
Frederickson	Koering	Murphy	Rosen	
Gaither	Kubly	Neuville	Ruud	

Those who voted in the negative were:

Bakk	Sams	Skoe	Tomassoni

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1816:

H.F. No. 1816: A bill for an act relating to human services; extending coverage of certain mental health services; changing certain civil commitment provisions; establishing a task force to study disposition of persons committed as sexually dangerous or sexual psychopathic personality; requiring a report; amending Minnesota Statutes 2004, sections 148C.11, subdivision 1; 253B.02, subdivisions 7, 9; 253B.05, subdivision 2; 256.9693; 256B.0624, by adding a subdivision; 260C.141, subdivision 2; 260C.193, subdivision 2; 260C.201, subdivisions 1, 2; 260C.205; 260C.212, subdivision 1; 609.2231, subdivision 3; repealing Laws 2001, First Special Session chapter 9, article 9, section 52; Laws 2002, chapter 335, section 4.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Emmer, Bradley and Huntley have been appointed as such committee on the part of the House.

House File No. 1816 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

Senator Berglin moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1816, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12, Senator Neuville moved that the following members be excused for a Conference Committee on S.F. No. 630 from 4:15 to 5:30 p.m.:

Senators Neuville, Berglin and Betzold. The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 118.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 118: A bill for an act relating to civil actions; prohibiting actions against certain persons for weight gain as a result of consuming certain foods; proposing coding for new law in Minnesota Statutes, chapter 604.

Senator Johnson, D.E. moved that H.F. No. 118 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1780.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 473, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 473 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 473

A bill for an act relating to creditors' remedies; exempting certain jewelry from attachment, garnishment, or sale; amending Minnesota Statutes 2004, section 550.37, subdivision 4.

May 21, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 473, 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. 473 be further amended as follows:

Page 1, line 17, delete "wedding" and after "symbols" insert "of marriage exchanged between the debtor and spouse at the time of the marriage and"

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

House Conferees: (Signed) Mark Olson, Scott Newman, John Lesch

Senate Conferees: (Signed) Betsy L. Wergin, Satveer Chaudhary, Linda Scheid

Senator Wergin moved that the foregoing recommendations and Conference Committee Report on H.F. No. 473 be now adopted, and that the bill be repassed as amended by the Conference

Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 473 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hann	Larson	Ortman	Scheid
Bachmann	Higgins	LeClair	Ourada	Senjem
Bakk	Hottinger	Limmer	Pappas	Skoe
Belanger	Johnson, D.E.	Lourey	Pariseau	Skoglund
Cohen	Johnson, D.J.	Marko	Pogemiller	Solon
Day	Jungbauer	Marty	Ranum	Sparks
Dibble	Kelley	McGinn	Reiter	Stumpf
Dille	Kierlin	Metzen	Rest	Tomassoni
Fischbach	Kiscaden	Michel	Robling	Vickerman
Foley	Kleis	Moua	Rosen	Wergin
Frederickson	Koering	Murphy	Ruud	Wiger
Gaither	Kubly	Nienow	Sams	
Gerlach	Langseth	Olson	Saxhaug	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 894, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 894 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 894

A bill for an act relating to waters; modifying authority for public waters inventory; modifying public waters work permit and water use permit provisions; modifying enforcement authority; modifying a restriction on private land sale in Scott County; amending Minnesota Statutes 2004, sections 103G.201; 103G.2372, subdivision 1; 103G.245, subdivision 4; 103G.251, subdivision 2; 103G.301, subdivision 2; Laws 2003, First Special Session chapter 13, section 25.

May 22, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 894, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: (Signed) Raymond Cox, Tom Hackbarth, David Dill

Senate Conferees: (Signed) Dennis R. Frederickson, Thomas M. Bakk, Tom Saxhaug

Senator Frederickson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 894 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 894 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 58 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	LeClair	Ortman	Saxhaug
Bachmann	Hottinger	Limmer	Ourada	Scheid
Belanger	Johnson, D.E.	Lourey	Pappas	Senjem
Day	Johnson, D.J.	Marko	Pariseau	Skoglund
Dibble	Jungbauer	Marty	Pogemiller	Solon
Dille	Kelley	McGinn	Ranum	Sparks
Fischbach	Kierlin	Metzen	Reiter	Stumpf
Foley	Kiscaden	Michel	Rest	Vickerman
Frederickson	Kleis	Moua	Robling	Wergin
Gaither	Kubly	Murphy	Rosen	Wiger
Gerlach	Langseth	Nienow	Ruud	
Hann	Larson	Olson	Sams	

Those who voted in the negative were:

Bakk	Koering	Skoe	Tomassoni

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 987 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 987 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 987

A bill for an act relating to child safety; prohibiting the sale and commercial use of certain cribs; providing enforcement; proposing coding for new law in Minnesota Statutes, chapters 245A; 325F.

May 21, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 987, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 987 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [245A.146] [CRIB USE IN LICENSED CHILD CARE SETTINGS.]

Subdivision 1. [CONSUMER PRODUCT SAFETY WEB LINK.] The commissioner shall maintain a link from the licensing division Web site to the United States Consumer Product Safety Commission Web site that addresses crib safety information.

Subd. 2. [DOCUMENTATION REQUIREMENT FOR LICENSE HOLDERS.] (a) Effective January 1, 2006, all licensed child care providers must maintain the following documentation for every crib used by or that is accessible to any child in care:

(1) the crib's brand name; and

(2) the crib's model number.

(b) Any crib for which the license holder does not have the documentation required under paragraph (a) must not be used by or be accessible to children in care.

Subd. 3. [LICENSE HOLDER CERTIFICATION OF CRIBS.] (a) Annually, from the date printed on the license, all license holders shall check all their cribs' brand names and model numbers against the United States Consumer Product Safety Commission Web site listing of unsafe cribs.

(b) The license holder shall maintain written documentation to be reviewed on site for each crib showing that the review required in paragraph (a) has been completed, and which of the following conditions applies:

(1) the crib was not identified as unsafe on the United States Consumer Product Safety Commission Web site;

(2) the crib was identified as unsafe on the United States Consumer Product Safety Commission Web site, but the license holder has taken the action directed by the United States Consumer Product Safety Commission to make the crib safe; or

(3) the crib was identified as unsafe on the United States Consumer Product Safety Commission Web site, and the license holder has removed the crib so that it is no longer used by or accessible to children in care.

(c) Documentation of the review completed under this subdivision shall be maintained by the license holder on site and made available to parents of children in care and the commissioner.

Subd. 4. [CRIB SAFETY STANDARDS AND INSPECTION.] (a) On at least a monthly basis, the license holder shall perform safety inspections of every crib used by or that is accessible to any child in care, and must document the following:

(1) no corner posts extend more than 1/16 of an inch;

(2) no spaces between side slats exceed 2.375 inches;

(3) no mattress supports can be easily dislodged from any point of the crib;

(4) no cutout designs are present on end panels;

(5) no heights of the rail and end panel are less than 26 inches when measured from the top of the rail or panel in the highest position to the top of the mattress support in its lowest position;

(6) no heights of the rail and end panel are less than nine inches when measured from the top of the rail or panel in its lowest position to the top of the mattress support in its highest position;

(7) no screws, bolts, or hardware are loose or not secured, and there is no use of woodscrews in components that are designed to be assembled and disassembled by the crib owner;

(8) no sharp edges, points, or rough surfaces are present;

(9) no wood surfaces are rough, splintered, split, or cracked;

(10) there are no tears in mesh of fabric sides in non-full-size cribs;

(11) no mattress pads in non-full-size mesh or fabric cribs exceed one inch; and

(12) no gaps between the mattress and any sides of the crib are present.

(b) Upon discovery of any unsafe condition identified by the license holder during the safety inspection required under paragraph (a), the license holder shall immediately remove the crib from use and ensure that the crib is not accessible to children in care, and as soon as practicable, but not more than two business days after the inspection, remove the crib from the area where child care services are routinely provided for necessary repairs or to destroy the crib.

(c) Documentation of the inspections and actions taken with unsafe cribs required in paragraphs (a) and (b) shall be maintained on site by the license holder and made available to parents of children in care and the commissioner.

Subd. 5. [COMMISSIONER INSPECTION.] During routine licensing inspections, and when investigating complaints regarding alleged violations of this section, the commissioner shall review the provider's documentation required under subdivisions 3 and 4.

Subd. 6. [FAILURE TO COMPLY.] The commissioner may issue a licensing action under section 245A.06 or 245A.07 if a license holder fails to comply with the requirements of this section.

Sec. 2. [325F.171] [CRIB SAFETY.]

Subdivision 1. [DEFINITIONS.] (a) "Commercial user" means any person who deals in cribs or who otherwise by one's occupation holds oneself out as having knowledge or skill peculiar to cribs, or any person who is in the business of remanufacturing, retrofitting, selling, leasing, subletting, or otherwise placing cribs in the stream of commerce.

(b) "Infant" means any person less than 35 inches tall and less than three years of age.

(c) "Crib" means a bed or containment designed to accommodate an infant.

(d) "Full-size crib" means a full-size crib as defined in the Code of Federal Regulations, title 16, section 1508.3, regarding the requirements for full-size cribs.

(e) "Non-full-size crib" means a non-full-size crib as defined in the Code of Federal Regulations, title 16, section 1509.2, regarding the requirements for non-full-size cribs.

(f) "Place in the stream of commerce" means to sell, offer for sale, give away, offer to give away, or allow to use.

Subd. 2. [UNSAFE CRIBS PROHIBITED.] (a) No commercial user may remanufacture, retrofit, sell, contract to sell or resell, lease, sublet, or otherwise place any unsafe crib in the stream of commerce on or after January 1, 2006.

(b) On or after January 1, 2006, no person operating a hotel, motel, or lodging establishment

shall provide any unsafe crib to any guest, either with or without charge, for use during the guest's stay. For the purposes of this paragraph, "hotel," "motel," and "lodging establishment" have the meanings given them in section 157.15.

(c) A crib is presumed to be unsafe for purposes of this section if it does not conform to the standards endorsed or established by the United States Consumer Product Safety Commission, including but not limited to the Code of Federal Regulations, title 16, and ASTM International, as follows:

(1) Code of Federal Regulations, title 16, part 1508, and any regulations adopted to amend or supplement the regulations;

(2) Code of Federal Regulations, title 16, part 1509, and any regulations adopted to amend or supplement the regulations;

(3) Code of Federal Regulations, title 16, part 1303, and any regulations adopted to amend or supplement the regulations;

(4) the following standards and specifications of ASTM International for corner posts of baby cribs and structural integrity of baby cribs:

(i) ASTM F 966 (corner post standard);

(ii) ASTM F 1169 (structural integrity of full-size baby cribs);

(iii) ASTM F 1822 (non-full-size cribs).

(d) A crib is exempt from the provisions of this section if it is not intended for use by an infant; and at the time of selling, contracting to resell, leasing, subletting or otherwise placing the crib in the stream of commerce, the commercial user attaches a written notice to the crib declaring that it is not intended to be used for an infant and is unsafe for use by an infant. A commercial user who complies with this paragraph is not liable for use of the crib contrary to the notice provided.

Subd. 3. [RETROFITS.] (a) An unsafe crib, as determined under subdivision 2, may be retrofitted if the retrofit has been approved by the United States Consumer Product Safety Commission. A retrofitted crib may be sold if it is accompanied at the time of sale by a notice stating that it is safe to use for a child under three years of age. The commercial user is responsible for ensuring that the notice is present with the retrofitted crib at the time of sale. The notice must include:

(1) a description of the original problem that made the crib unsafe;

(2) a description of the retrofit that explains how the original problem was eliminated and declares that the crib is now safe to use for a child under three years of age; and

(3) the name and address of the commercial user who accomplished the retrofit certifying that the work was done along with the name and model number of the crib.

(b) A retrofit is exempt from this section if:

(1) the retrofit is for a crib that requires assembly by the consumer, the approved retrofit is provided with the product by the commercial user, and the retrofit is accompanied at the time of sale by instructions explaining how to apply the retrofit; or

(2) the seller of a previously unsold product accomplishes the retrofit prior to sale.

Subd. 4. [EXCEPTION.] A commercial user does not violate this section if the crib placed in the stream of commerce by the commercial user was not included on the consumer product safety commission's list during the entire 14-day period before this placement.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective January 1, 2006. Section 2 is effective January 1, 2006."

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

House Conferees: (Signed) Katie Sieben, Tim Wilkin, Bob Gunther

Senate Conferees: (Signed) Ellen R. Anderson, Linda Scheid, William V. Belanger, Jr.

Senator Anderson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 987 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 987 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 58 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Hann	Langseth	Ourada	Senjem
Bachmann	Higgins	Lourey	Pappas	Skoe
Bakk	Hottinger	Marko	Pariseau	Skoglund
Belanger	Johnson, D.E.	Marty	Pogemiller	Solon
Cohen	Johnson, D.J.	McGinn	Ranum	Sparks
Day	Jungbauer	Metzen	Rest	Stumpf
Dibble	Kelley	Michel	Robling	Tomassoni
Dille	Kierlin	Moua	Rosen	Vickerman
Fischbach	Kiscaden	Murphy	Ruud	Wergin
Foley	Kleis	Nienow	Sams	Wiger
Frederickson	Koering	Olson	Saxhaug	
Gaither	Kubly	Ortman	Scheid	

Those who voted in the negative were:

Gerlach	LeClair	Reiter

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Johnson, D.E. moved that H.F. No. 1528 be taken from the table. The motion prevailed.

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

SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1528 and that the rules of the Senate be so far suspended as to give H.F. No. 1528 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1528 was read the second time.

H.F. No. 1528 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hann	LeClair	Ourada	Skoe
Bachmann	Higgins	Limmer	Pappas	Skoglund
Bakk	Hottinger	Lourey	Pariseau	Solon
Belanger	Johnson, D.E.	Marko	Pogemiller	Sparks
Cohen	Johnson, D.J.	Marty	Ranum	Stumpf
Day	Jungbauer	McGinn	Reiter	Tomassoni
Dibble	Kelley	Metzen	Rest	Vickerman
Dille	Kierlin	Michel	Robling	Wergin
Fischbach	Kiscaden	Moua	Rosen	Wiger
Foley	Kleis	Murphy	Ruud	
Frederickson	Koering	Nienow	Sams	
Gaither	Kubly	Olson	Saxhaug	
Gerlach	Langseth	Ortman	Scheid	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Sparks moved that S.F. No. 1380, No. 54 on General Orders, be stricken and laid on the table. The motion prevailed.

SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2279 and that the rules of the Senate be so far suspended as to give H.F. No. 2279, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 2279: A bill for an act relating to the city of Cologne; providing exemption to wetland replacement requirements.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Ortman	Saxhaug
Bachmann	Hann	LeClair	Ourada	Scheid
Bakk	Higgins	Lourey	Pappas	Senjem
Belanger	Hottinger	Marko	Pariseau	Skoe
Cohen	Johnson, D.E.	Marty	Pogemiller	Skoglund
Day	Johnson, D.J.	McGinn	Ranum	Solon
Dibble	Jungbauer	Metzen	Reiter	Sparks
Dille	Kierlin	Michel	Rest	Stumpf
Fischbach	Kiscaden	Moua	Robling	Tomassoni
Foley	Kleis	Murphy	Rosen	Vickerman
Frederickson	Koering	Nienow	Ruud	Wergin
Gaither	Kubly	Olson	Sams	Wiger

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDERS

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. No. 974, S.F. No. 2093, H.F. Nos. 2133, 986, 221 and 973.

SPECIAL ORDER

H.F. No. 974: A bill for an act relating to public safety; providing that a peace officer may operate any vehicle or combination of vehicles; making clarifying changes; amending Minnesota Statutes 2004, section 171.02, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Ourada	Senjem
Bachmann	Hann	LeClair	Pappas	Skoe
Bakk	Higgins	Lourey	Pariseau	Skoglund
Belanger	Hottinger	Marko	Pogemiller	Solon
Cohen	Johnson, D.E.	Marty	Ranum	Sparks
Day	Johnson, D.J.	Metzen	Reiter	Stumpf
Dibble	Jungbauer	Michel	Rest	Tomassoni
Dille	Kierlin	Moua	Robling	Vickerman
Fischbach	Kiscaden	Murphy	Ruud	Wergin
Foley	Kleis	Nienow	Sams	Wiger
Frederickson	Koering	Olson	Saxhaug	
Gaither	Kubly	Ortman	Scheid	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2093: A bill for an act relating to commerce; modifying definition of "wage"; regulating payroll cards and payroll accounts; amending Minnesota Statutes 2004, section 177.23, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 177.

Senator Sparks moved to amend S.F. No. 2093 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 177.23, subdivision 4, is amended to read:

Subd. 4. [WAGE.] "Wage" means compensation due to an employee by reason of employment, payable in:

(1) legal tender of the United States~~,~~;

(2) check on banks convertible into cash on demand at full face value ~~or~~,;

(3) except for instances of written objection to the employer by the employee, direct deposit to the employee's choice of demand deposit account; or

(4) an electronic fund transfer to a payroll card account that meets all of the requirements of section 177.255, subject to allowances permitted by rules of the department under section 177.28.

Sec. 2. [177.255] [PAYROLL CARD ACCOUNTS.]

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

(a) "Payroll card" means a card issued to an employee by an employer or other payroll card issuer to access funds from the employee's employee payroll card account.

(b) "Payroll card account" means an agreement providing that an employer pays each participating employee's wages by making an electronic fund transfer to an account, and participating employees receive a payroll card to access their funds.

(c) "Payroll card issuer" means an employer that issues a payroll card to an employee or a bank or other entity that issues a payroll card to an employee on behalf of the employer.

(d) "Offers a payroll card" includes both the direct offers by the employer and the employer distribution to employees of material describing a payroll card program prepared by a payroll card issuer other than the employer.

(e) "Free" means no fee is deducted from an employee's payroll card account or charged to the employee by the employer or the payroll card issuer.

(f) "Fee" means any and all fees, charges, surcharges, or costs.

Subd. 2. [FILING.] A payroll card issuer must file with the commissioner a notice containing:

(1) the entity's true name;

(2) any other names under which the entity conducts business;

(3) the entity's address, which may not be a post office box; and

(4) the entity's telephone number.

Subd. 3. [OWNERSHIP OF WAGES.] Wages paid by electronic funds transferred to an employee's payroll card account must be owned by the employee.

Subd. 4. [AVAILABILITY OF WAGES.] An employee who chooses to be paid wages by electronic fund transfer to a payroll card account must be permitted to withdraw by a free transaction from the employee's payroll card account, an amount up to and including the total amount of the employee's entire net pay, as stated on the employee's earnings statement. The free transaction must be available to the employee on and after the employee's regular payday.

Subd. 5. [WRITTEN DISCLOSURE.] When offering an employee the option of being paid wages by electronic fund transfer to a payroll card account, the employer shall provide to the employee written disclosure in plain language of all the employee's wage payment options. The written disclosure shall state the terms and conditions of the payroll card account option, including, but not limited to, the requirements set forth in this section and a complete itemized list of all fees that may be deducted from the employee's payroll card account by the employer or card issuer. The disclosure must also state that third parties may assess transaction fees in addition to the fees assessed by the employee's payroll card issuer or issuers. For fees that may be deducted or charged by the employer or payroll card issuer, the dollar amount of each fee must be stated. A copy of the written disclosure must be provided to the employee.

Subd. 6. [WRITTEN CONSENT.] The employer may initiate payment of wages to an employee by electronic fund transfer to a payroll card account only after the employee has voluntarily consented in writing to that method of payment. Consent to payment of wages by electronic fund transfer to a payroll card account shall not be a condition of hire or of continued employment. The written consent signed by the employee must include the terms and conditions

of the payroll card account option as provided in subdivision 5. A copy of the signed written consent must be provided to the employee and be retained by the employer.

Subd. 7. [TRANSACTIONS; STATEMENTS; FEES.] The employer shall provide to the employee, upon the employee's written or oral request, one free transaction history each month that includes all deposits, withdrawals, deductions, or charges by any entity from or to the employee's payroll card account.

Subd. 8. [NO LINK TO CREDIT.] The payroll card or payroll card account shall not be linked to any form of credit including, but not limited to, a loan against future pay or a cash advance on future pay.

Subd. 9. [PERSONAL INFORMATION.] Unless the employee consents in writing to the use, information generated by the employee's possession or use of a payroll card or payroll card account may only be used to process transactions and administer the payroll card and the payroll card account.

Subd. 10. [LANGUAGES OTHER THAN ENGLISH.] An employer who offers a payroll card account option to an employee using materials in a language other than English, shall provide the written disclosure and written consent required by subdivisions 5 and 6, and all payroll card account agreements in that other language.

Subd. 11. [CHANGE OF WAGE PAYMENT METHOD.] An employee who is being paid wages by electronic fund transfer to a payroll card account may request to be paid wages by another method that is allowed by law. Upon the employee's request to change the wage payment method, the employer shall provide a form on which the employee shall indicate the change. The employer shall, within 14 days of the employee's request, begin payment by a different allowable method.

Subd. 12. [LIMITATION ON EMPLOYER FEES.] An employer may not charge an employee initiation, participation, loading, or other fees to receive wages payable in an electronic fund transfer to a payroll card account.

Subd. 13. [PROHIBITED DEDUCTIONS AND CHARGES.] Fees imposed by the employer or payroll card issuer that were not disclosed to the employee shall not be deducted from the employee's payroll card account or charged to the employee. Inactivity or dormancy fees shall not be deducted from an employee's payroll card account or charged to the employee.

Subd. 14. [VIOLATIONS; PENALTY.] A violation of this section is subject to the penalty provided in section 177.32, subdivision 1.

Sec. 3. [STUDY; REPORT.]

By February 15, 2007, the commissioner of labor and industry must report to the chairs of the house and senate committees with jurisdiction over jobs and economic development on the use of payroll cards.

Sec. 4. [EFFECTIVE DATE; TERMINATION.]

This act is effective the day following final enactment. The amendments made by section 1, and sections 2 and 3 expire May 31, 2007."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2093 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Ourada	Scheid
Bachmann	Hann	LeClair	Pappas	Senjem
Bakk	Higgins	Lourey	Pariseau	Skoe
Belanger	Hottinger	Marko	Pogemiller	Skoglund
Cohen	Johnson, D.E.	McGinn	Ranum	Solon
Day	Johnson, D.J.	Metzen	Reiter	Sparks
Dibble	Jungbauer	Michel	Rest	Stumpf
Dille	Kierlin	Moua	Robling	Tomassoni
Fischbach	Kiscaden	Murphy	Rosen	Vickerman
Foley	Kleis	Nienow	Ruud	Wergin
Frederickson	Koering	Olson	Sams	Wiger
Gaither	Kubly	Ortman	Saxhaug	

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

SPECIAL ORDER

H.F. No. 2133: A bill for an act relating to state government; authorizing lease of certain state property under specified conditions.

Senator Reiter moved that the amendment made to H.F. No. 2133 by the Committee on Rules and Administration in the report adopted May 16, 2005, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2133 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hann	Larson	Ourada	Senjem
Bachmann	Higgins	LeClair	Pappas	Skoe
Bakk	Hottinger	Limmer	Pariseau	Skoglund
Belanger	Johnson, D.E.	Lourey	Pogemiller	Solon
Cohen	Johnson, D.J.	Marko	Ranum	Sparks
Day	Jungbauer	McGinn	Reiter	Stumpf
Dibble	Kelley	Metzen	Rest	Tomassoni
Dille	Kierlin	Michel	Robling	Vickerman
Fischbach	Kiscaden	Moua	Rosen	Wergin
Foley	Kleis	Murphy	Ruud	Wiger
Frederickson	Koering	Nienow	Sams	
Gaither	Kubly	Olson	Saxhaug	
Gerlach	Langseth	Ortman	Scheid	

So the bill passed and its title was agreed to.

SPECIAL ORDER

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

Senator Scheid moved that the amendment made to H.F. No. 986 by the Committee on Rules and Administration in the report adopted May 21, 2005, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 986 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Olson	Sams
Bachmann	Higgins	Larson	Ortman	Saxhaug
Bakk	Hottinger	LeClair	Ourada	Scheid
Belanger	Johnson, D.E.	Limmer	Pappas	Senjem
Cohen	Johnson, D.J.	Lourey	Pariseau	Skoe
Day	Jungbauer	Marty	Pogemiller	Skoglund
Dibble	Kelley	McGinn	Ranum	Solon
Dille	Kierlin	Metzen	Reiter	Sparks
Fischbach	Kiscaden	Michel	Rest	Stumpf
Foley	Kleis	Moua	Robling	Tomassoni
Frederickson	Koering	Murphy	Rosen	Vickerman
Gaither	Kubly	Nienow	Ruud	Wiger

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 221: A bill for an act relating to civil actions; regulating liability on land used for recreational purposes; modifying the definition of recreational purpose; amending Minnesota Statutes 2004, section 604A.21, subdivision 5.

Senator Reiter moved that the amendment made to H.F. No. 221 by the Committee on Rules and Administration in the report adopted May 21, 2005, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Hann moved to amend H.F. No. 221 as follows:

Page 1, after line 6, insert:

"Section 1. [604.17] [WEIGHT GAIN CIVIL LIABILITY.]

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

(b) "Food" means articles used for food or drink for human consumption and articles used for components of any such article. It does not include tobacco or tobacco products.

(c) "Long-term consumption" means the cumulative effect of the consumption of food or nonalcoholic beverages, and not the effect of a single instance of consumption.

(d) "Party" means an individual, corporation, company, association, firm, partnership, society, joint stock company, or any other entity, including any governmental entity.

Subd. 2. [IMMUNITY FROM CIVIL LIABILITY.] A producer, grower, manufacturer, packer, distributor, carrier, holder, marketer, or seller of a food or nonalcoholic beverage intended for human consumption, or an association of one or more of such entities, shall not be subject to civil liability based on any individual's or group of individuals' purchase or consumption of food or nonalcoholic beverages in cases where liability arises from weight gain, obesity, or a health condition associated with weight gain or obesity and resulting from the individual's or group of individuals' long-term purchase or consumption of a food or nonalcoholic beverage.

Subd. 3. [ACTIONS PERMITTED.] Subdivision 2 does not apply to a claim of weight gain or obesity that is based on:

(1) a material violation of an adulteration or misbranding requirement prescribed by state or federal statute, rule, or regulation and the claimed injury was proximately caused by the violation; or

(2) any other material violation of federal or state law applicable to the manufacturing,

marketing, distribution, advertising, labeling, or sale of food, if the violation is knowing and willful, and the claimed injury was proximately caused by the violation."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Marty questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

H.F. No. 221 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 32 and nays 26, as follows:

Those who voted in the affirmative were:

Bachmann	Gaither	LeClair	Olson	Scheid
Belanger	Gerlach	Limmer	Ortman	Stumpf
Day	Hann	Lourey	Ourada	Wergin
Dibble	Johnson, D.J.	Marty	Pariseau	Wiger
Dille	Jungbauer	McGinn	Reiter	
Fischbach	Kierlin	Michel	Robling	
Frederickson	Kleis	Nienow	Ruud	

Those who voted in the negative were:

Anderson	Koering	Murphy	Sams	Sparks
Bakk	Kubly	Pappas	Saxhaug	Tomassoni
Foley	Langseth	Pogemiller	Senjem	
Hottinger	Larson	Ranum	Skoe	
Johnson, D.E.	Marko	Rest	Skoglund	
Kelley	Moua	Rosen	Solon	

So the bill failed to pass.

SPECIAL ORDER

H.F. No. 973: A bill for an act relating to employee relations; modifying state employment provisions; amending Minnesota Statutes 2004, sections 43A.10, subdivision 6a; 43A.15, subdivision 3; 43A.31, by adding a subdivision.

Senator Robling moved that the amendment made to H.F. No. 973 by the Committee on Rules and Administration in the report adopted May 18, 2005, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 973 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hann	Larson	Ourada	Scheid
Bakk	Hottinger	LeClair	Pappas	Senjem
Belanger	Johnson, D.E.	Limmer	Pariseau	Skoe
Day	Johnson, D.J.	Lourey	Pogemiller	Skoglund
Dibble	Jungbauer	Marko	Ranum	Solon
Dille	Kelley	Marty	Rest	Sparks
Fischbach	Kierlin	Michel	Robling	Stumpf
Foley	Kleis	Moua	Rosen	Tomassoni
Frederickson	Koering	Murphy	Ruud	Wergin
Gaither	Kubly	Nienow	Sams	Wiger
Gerlach	Langseth	Olson	Saxhaug	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1555 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1555

A bill for an act relating to gambling; amending various provisions relating to lawful gambling; amending and providing definitions; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2004, sections 349.12, subdivisions 5, 25, 33, by adding subdivisions; 349.15, subdivision 1; 349.151, subdivisions 4, 4b; 349.152, subdivision 2; 349.153; 349.155, subdivision 3; 349.16, subdivisions 2, 8; 349.161, subdivision 5; 349.162, subdivisions 1, 4, 5; 349.163, subdivision 3; 349.1635, subdivision 4; 349.166, subdivisions 1, 2; 349.167, subdivision 1; 349.168, subdivision 8; 349.17, subdivisions 5, 7; 349.1711, subdivision 1; 349.173; 349.18, subdivision 1; 349.19, subdivisions 4, 5, 10; 349.211, subdivision 2c; 349.2125, subdivision 1; 349.213; 609.75, subdivision 1; repealing Minnesota Statutes 2004, sections 349.162, subdivision 3; 349.164; 349.17, subdivision 1.

May 23, 2005

The Honorable James P. Metzen
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1555, 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. 1555 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LAWFUL GAMBLING

Section 1. Minnesota Statutes 2004, section 349.12, is amended by adding a subdivision to read:

Subd. 3c. [BAR BINGO.] "Bar bingo" is a bingo occasion conducted at a permitted premises in an area where intoxicating liquor or 3.2 percent malt beverages are sold and where the licensed organization conducts another form of lawful gambling.

Sec. 2. Minnesota Statutes 2004, section 349.12, subdivision 5, is amended to read:

Subd. 5. [BINGO OCCASION.] "Bingo occasion" means a single gathering or session at which a series of one or more successive bingo games is played. There is no limit on the number of games conducted during a bingo occasion but a bingo occasion must not last longer than eight consecutive hours.

Sec. 3. Minnesota Statutes 2004, section 349.12, is amended by adding a subdivision to read:

Subd. 7a. [CHARITABLE CONTRIBUTION.] "Charitable contribution" means one or more of the lawful purposes expenditures under section 349.12, subdivision 25, paragraph (a), clauses (1) to (7), (10), (11), (13) to (15), and (19).

Sec. 4. Minnesota Statutes 2004, section 349.12, is amended by adding a subdivision to read:

Subd. 12a. [ELECTRONIC BINGO DEVICE.] "Electronic bingo device" means an electronic device used by a bingo player to monitor bingo paper sheets purchased at the time and place of an organization's bingo occasion and which (1) provides a means for bingo players to input numbers announced by a bingo caller; (2) compares the numbers entered by the player to the bingo faces previously stored in the memory of the device; and (3) identifies a winning bingo pattern. Electronic bingo device does not mean any device into which coin, currency, or tokens are inserted to activate play.

Sec. 5. Minnesota Statutes 2004, section 349.12, subdivision 25, is amended to read:

Subd. 25. [LAWFUL PURPOSE.] (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15a, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to or expenditure for goods and services for an individual or family suffering from poverty, homelessness, or ~~physical or mental~~ disability, which is used to relieve the effects of that ~~poverty, homelessness, or disability~~ suffering;

(3) ~~a contribution to an individual for treatment for delayed posttraumatic stress syndrome or~~ a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of ~~compulsive~~ problem gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize ~~humanitarian or~~ military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services; ~~or~~

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to $35 per diem; or

(iv) active military personnel and their immediate family members in need of support services;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1, 4, 5, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on permitted gambling premises ~~wholly~~ owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code~~, not to exceed:~~

~~(i) for premises used for bingo, the amount that an organization may expend under board rules on rent for bingo; and~~

~~(ii) $35,000 per year for premises used for other forms of lawful gambling~~;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) payment of the reasonable costs of an audit required in section 297E.06, subdivision 4, provided the annual audit is filed in a timely manner with the Department of Revenue and paid prior to June 30, 2006;

~~(13) a contribution to or expenditure on a wildlife management project that benefits the public at-large, provided that the state agency with authority over that wildlife management project approves the project before the contribution or expenditure is made;~~

~~(14) expenditures, approved by the commissioner of natural resources, by an organization for grooming and maintaining snowmobile trails and all-terrain vehicle trails that are (1) grant-in-aid trails established under section 85.019, or (2) other trails open to public use, including purchase or lease of equipment for this purpose;~~

(13) a contribution to or expenditure on projects or activities approved by the commissioner of natural resources for:

(i) wildlife management projects that benefit the public at large;

(ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and 84.927 and other trails open to public use, including purchase or lease of equipment for this purpose; and

(iii) supplies and materials for safety training and educational programs coordinated by the Department of Natural Resources including the Enforcement Division;

~~(15)~~ (14) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;

~~(16)~~ (15) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

~~(17)~~ (16) an expenditure by a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veterans organization;

~~(18)~~ (17) expenditure by a licensed veterans organization of up to $5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service. No more than $5,000 can be expended in total per calendar year under this clause by all licensed veterans organizations sharing the same veterans post home; ~~or~~

~~(19)~~ (18) payment of fees authorized under this chapter imposed by the state of Minnesota to conduct lawful gambling in Minnesota; or

(19) a contribution or expenditure to honor an individual's humanitarian service as demonstrated through philanthropy or volunteerism to the United States, this state, or local community.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or ~~natural disaster~~ catastrophe, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced; or (v) with respect to an expenditure to bring an existing building into compliance with the Americans with Disabilities Act under item (ii), an organization has the option to apply the amount of the board-approved expenditure to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund.

[EFFECTIVE DATE.] The effective date for paragraph (a), clause (9), is January 1, 2006. All other changes in this section are effective the day following final enactment.

Sec. 6. Minnesota Statutes 2004, section 349.12, subdivision 33, is amended to read:

Subd. 33. [RAFFLE.] "Raffle" means a game in which a participant buys a ticket ~~for a chance at a prize with the winner determined by a random drawing to take place at a location and date printed upon the ticket~~ or other certificate of participation in an event where the prize determination is based on a method of random selection and all entries have an equal chance of selection. The ticket or certificate of participation must include the location, date, and time of the selection of the winning entries.

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

Sec. 7. Minnesota Statutes 2004, section 349.15, subdivision 1, is amended to read:

Subdivision 1. [EXPENDITURE RESTRICTIONS.] Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership. Provided that

no more than 70 percent of the gross profit less the tax imposed under section 297E.02, subdivision 1, from bingo, and no more than ~~55~~ 60 percent of the gross profit from other forms of lawful gambling, may be expended biennially during the term of the license for allowable expenses related to lawful gambling. For licenses issued after June 30, 2006, compliance with this subdivision will be measured on a biennial basis that is concurrent with the term of the license. Compliance with this subdivision is a condition for the renewal of any license beginning on July 1, 2008.

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

Sec. 8. Minnesota Statutes 2004, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:

(1) to regulate lawful gambling to ensure it is conducted in the public interest;

(2) to issue licenses to organizations, distributors, distributor salespersons, ~~bingo halls,~~ manufacturers, linked bingo game providers, and gambling managers;

(3) to collect and deposit license, permit, and registration fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and linked bingo game providers~~, and bingo halls~~ to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to report annually to the governor and legislature a financial summary for each licensed organization identifying the gross receipts, prizes paid, allowable expenses, lawful purpose expenditures including charitable contributions and all taxes and fees as per section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), and the percentage of annual gross profit used for lawful purposes;

(10) to impose civil penalties of not more than $500 per violation on organizations, distributors, distributor salespersons, manufacturers, ~~bingo halls,~~ linked bingo game providers, and gambling managers for failure to comply with any provision of this chapter or any rule or order of the board;

~~(10)~~ (11) to issue premises permits to organizations licensed to conduct lawful gambling;

~~(11)~~ (12) to delegate to the director the authority to issue or deny license and premises permit applications and renewals under criteria established by the board;

~~(12)~~ (13) to delegate to the director the authority to approve or deny fund loss requests, contribution of gambling funds to another licensed organization, and property expenditure requests under criteria established by the board;

(14) to suspend or revoke licenses and premises permits of organizations, distributors, distributor salespersons, manufacturers, ~~bingo halls,~~ linked bingo game providers, or gambling managers as provided in this chapter;

(15) to approve or deny requests from licensees for:

(i) waivers from fee requirements as provided in section 349.16, subdivision 6; and

(ii) variances from Gambling Control Board rules under section 14.055; and

~~(13)~~ (16) to register employees of organizations licensed to conduct lawful gambling;

~~(14)~~ (17) to require fingerprints from persons determined by board rule to be subject to fingerprinting;

~~(15)~~ (18) to delegate to a compliance review group of the board the authority to investigate alleged violations, issue consent orders, and initiate contested cases on behalf of the board;

~~(16)~~ (19) to order organizations, distributors, distributor salespersons, manufacturers, ~~bingo halls,~~ linked bingo game providers, and gambling managers to take corrective actions; and

~~(17)~~ (20) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) The board, or director if authorized to act on behalf of the board, may by citation assess any organization, distributor, ~~employee eligible to make sales on behalf of a~~ distributor salesperson, manufacturer, ~~bingo hall licensee,~~ linked bingo game provider, or gambling manager a civil penalty of not more than $500 per violation for a failure to comply with any provision of this chapter or any rule adopted or order issued by the board. Any organization, distributor, ~~bingo hall licensee~~ distributor salesperson, gambling manager, linked bingo game provider, or manufacturer assessed a civil penalty under this paragraph may request a hearing before the board. Appeals of citations imposing a civil penalty are not subject to the provisions of the Administrative Procedure Act.

(c) All penalties received by the board must be deposited in the general fund.

(d) All fees imposed by the board under sections 349.16 to 349.167 must be deposited in the state treasury and credited to a lawful gambling regulation account in the special revenue fund. Receipts in this account are available for the operations of the board up to the amount authorized in biennial appropriations from the legislature.

Sec. 9. Minnesota Statutes 2004, section 349.151, subdivision 4b, is amended to read:

Subd. 4b. [PULL-TAB SALES FROM DISPENSING DEVICES.] (a) The board may by rule authorize but not require the use of pull-tab dispensing devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of pull-tab dispensing devices on any permitted premises to three; and

(2) must limit the use of pull-tab dispensing devices to a permitted premises which is (i) a licensed premises for on-sales of intoxicating liquor or 3.2 percent malt beverages; or (ii) a ~~licensed bingo hall that allows gambling only by~~ premises where bingo is conducted and admission is restricted to persons 18 years or older.

(c) Notwithstanding rules adopted under paragraph (b), pull-tab dispensing devices may be used in establishments licensed for the off-sale of intoxicating liquor, other than drugstores and general food stores licensed under section 340A.405, subdivision 1.

Sec. 10. Minnesota Statutes 2004, section 349.151, is amended by adding a subdivision to read:

Subd. 4c. [ELECTRONIC BINGO.] (a) The board may by rule authorize but not require the use of electronic bingo devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of bingo faces that can be played using an electronic bingo device to 36;

(2) must require that an electronic bingo device be used with corresponding bingo paper sheets;

(3) must require that the electronic bingo device site system have dial-up capability to permit the board to remotely monitor the operation of the device and the internal accounting systems; and

(4) must prohibit the price of a face played on an electronic bingo device from being less than the price of a face on a bingo paper sheet sold at the same occasion.

Sec. 11. Minnesota Statutes 2004, section 349.152, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF DIRECTOR.] The director has the following duties:

(1) to carry out gambling policy established by the board;

(2) to employ and supervise personnel of the board;

(3) to advise and make recommendations to the board on rules, policy, and legislative initiatives;

(4) to approve or deny operational requests from licensees as delegated by the board;

(5) to issue licenses and premises permits as authorized by the board;

~~(5)~~ (6) to issue cease and desist orders;

~~(6)~~ (7) to make recommendations to the board on license issuance, denial, censure, suspension and revocation, civil penalties, and corrective action the board imposes;

~~(7)~~ (8) to ensure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees;

~~(8)~~ (9) to conduct investigations, inspections, compliance reviews, and audits under this chapter; and

~~(9)~~ (10) to issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to an investigation, compliance review, or audit the director is authorized to conduct.

Sec. 12. Minnesota Statutes 2004, section 349.153, is amended to read:

349.153 [CONFLICT OF INTEREST.]

(a) A person may not serve on the board, be the director, or be an employee of the board who has an interest in any corporation, association, limited liability company, or partnership that is licensed by the board as a distributor, manufacturer, or linked bingo game provider~~, or bingo hall~~ under section 349.164.

(b) A member of the board, the director, or an employee of the board may not accept employment with, receive compensation directly or indirectly from, or enter into a contractual relationship with an organization that conducts lawful gambling, a distributor, a linked bingo game provider, ~~a bingo hall,~~ or a manufacturer while employed with or a member of the board or within one year after terminating employment with or leaving the board.

(c) A distributor, ~~bingo hall,~~ manufacturer, linked bingo game provider, or organization licensed to conduct lawful gambling may not hire a former employee, director, or member of the Gambling Control Board for one year after the employee, director, or member has terminated employment with or left the Gambling Control Board.

Sec. 13. Minnesota Statutes 2004, section 349.155, subdivision 3, is amended to read:

Subd. 3. [MANDATORY DISQUALIFICATIONS.] (a) In the case of licenses for manufacturers, distributors, distributor salespersons, ~~bingo halls,~~ linked bingo game providers, and gambling managers, the board may not issue or renew a license under this chapter, and shall

revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, or person in a supervisory or management position of the applicant or licensee:

(1) has ever been convicted of a felony or a crime involving gambling;

(2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(3) is or has ever been connected with or engaged in an illegal business;

(4) owes $500 or more in delinquent taxes as defined in section 270.72;

(5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or

(6) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this paragraph are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) In the case of licenses for organizations, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the organization, or an officer or member of the governing body of the organization:

(1) has been convicted of a felony or gross misdemeanor ~~within the five years before the issuance or renewal of the license~~ involving theft or fraud;

(2) has ever been convicted of a crime involving gambling; or

(3) has had a license issued by the board or director permanently revoked for violation of law or board rule.

Sec. 14. Minnesota Statutes 2004, section 349.16, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF GAMBLING LICENSES.] (a) Licenses authorizing organizations to conduct lawful gambling may be issued by the board to organizations meeting the qualifications in paragraphs (b) to (h) if the board determines that the license is consistent with the purpose of sections 349.11 to 349.22.

(b) The organization must have been in existence for the most recent three years preceding the license application as a registered Minnesota nonprofit corporation or as an organization designated as exempt from the payment of income taxes by the Internal Revenue Code.

(c) The organization at the time of licensing must have at least 15 active members.

(d) The organization must not be in existence solely for the purpose of conducting gambling.

(e) The organization has identified in its license application the lawful purposes on which it proposes to expend net profits from lawful gambling and has identified an annual goal for charitable contributions, expressed as a percentage of gross profits.

(f) The organization has identified on its license application a gambling manager and certifies that the manager is qualified under this chapter.

(g) The organization must not, in the opinion of the board after consultation with the commissioner of revenue, be seeking licensing primarily for the purpose of evading or reducing the tax imposed by section 297E.02, subdivision 6.

(h) The organization has not exceeded the expenditure restrictions imposed under section 349.15, subdivision 1, or if the organization has exceeded the expenditure restrictions under section 349.15, subdivision 1, the organization has reimbursed any excess expenses from nongambling funds.

Sec. 15. Minnesota Statutes 2004, section 349.16, subdivision 8, is amended to read:

Subd. 8. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations ~~or bingo halls~~ applying for or renewing a premises permit ~~or a bingo hall license~~. An investigation fee may not exceed the following limits:

(1) for cities of the first class, $500;

(2) for cities of the second class, $250;

(3) for all other cities, $100; and

(4) for counties, $375.

Sec. 16. Minnesota Statutes 2004, section 349.161, subdivision 5, is amended to read:

Subd. 5. [PROHIBITION.] (a) No distributor, distributor salesperson, or other employee of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor, may: (1) be involved in the conduct of lawful gambling by an organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state by an organization.

(c) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may provide an employee or agent of the organization any compensation, gift, gratuity, premium, or other thing of value greater than $25 per organization in a calendar year.

(e) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor or distributor salesperson is being used in the conduct of lawful gambling.

~~(e)~~ (f) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.

~~(f)~~ (g) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

~~(g)~~ (h) No distributor or distributor salesperson may purchase gambling equipment for resale to a person for use within the state from any person not licensed as a manufacturer under section 349.163, except for gambling equipment returned from an organization licensed under section 349.16, or exempt or excluded from licensing under section 349.166.

~~(h)~~ (i) No distributor or distributor salesperson may sell gambling equipment to any person for use in Minnesota other than (i) a licensed organization or organization excluded or exempt from licensing, or (ii) the governing body of an Indian tribe.

~~(i)~~ (j) No distributor or distributor salesperson may sell or otherwise provide a pull-tab or tipboard deal with the symbol required by section 349.163, subdivision 5, paragraph ~~(h)~~ (d), visible on the flare to any person other than in Minnesota to a licensed organization or organization exempt from licensing.

Sec. 17. Minnesota Statutes 2004, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [~~STAMP~~ REGISTRATION REQUIRED.] ~~(a)~~ A distributor may not sell, transfer, furnish, or otherwise provide to a person, and no person may purchase, borrow, accept, or acquire from a distributor gambling equipment for use within the state unless the equipment has been registered with the board ~~and has a registration stamp affixed, except for gambling equipment not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8. Each stamp must bear a registration number assigned by the board.~~

~~(b) A manufacturer must return all unused registration stamps in its possession to the board by February 1, 1995. No manufacturer may possess unaffixed registration stamps after February 1, 1995.~~

~~(c) After February 1, 1996, no person may possess any unplayed pull-tab or tipboard deals with a registration stamp affixed to the flare or any unplayed paddleticket cards with a registration stamp affixed to the master flare. This paragraph does not apply to unplayed pull-tab or tipboard deals with a registration stamp affixed to the flare, or to unplayed paddleticket cards with a registration stamp affixed to the master flare, if the deals or cards are identified on a list of existing inventory submitted by a licensed organization or a licensed distributor, in a format prescribed by the commissioner of revenue, to the commissioner of revenue on or before February 1, 1996~~ or the Department of Revenue in a manner prescribed by the board or the Department of Revenue. Gambling equipment kept in violation of this ~~paragraph~~ subdivision is contraband under section 349.2125.

Sec. 18. Minnesota Statutes 2004, section 349.162, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) No person other than a licensed distributor ~~or licensed manufacturer~~ may possess unaffixed registration stamps issued by the board for the purpose of registering gambling equipment.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been ~~stamped and~~ registered.

(c) On and after January 1, 1991, no distributor may:

(1) sell a bingo hard card or paper sheet that does not bear an individual number; or

(2) sell a package of bingo paper sheets that does not contain bingo paper sheets in numerical order.

Sec. 19. Minnesota Statutes 2004, section 349.162, subdivision 5, is amended to read:

Subd. 5. [SALES FROM FACILITIES.] (a) All gambling equipment purchased or possessed by a licensed distributor for resale to any person for use in Minnesota must, prior to the equipment's resale, be unloaded into a storage facility located in Minnesota which the distributor owns or leases; and which has been registered, in advance and in writing, with the Division of Alcohol and Gambling Enforcement as a storage facility of the distributor. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a storage facility which has been registered with the Division of Alcohol and Gambling Enforcement. No gambling equipment may be moved from the facility unless the gambling equipment has been first registered with the board~~, except for gambling equipment not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8~~ or the Department of Revenue.

(b) Notwithstanding section 349.163, subdivisions 5, 6, and 8, a licensed manufacturer may ship into Minnesota approved or unapproved gambling equipment if the licensed manufacturer ships the gambling equipment to a Minnesota storage facility that is: (1) owned or leased by the licensed manufacturer; and (2) registered, in advance and in writing, with the Division of Alcohol and Gambling Enforcement as a manufacturer's storage facility. No gambling equipment may be shipped into Minnesota to the manufacturer's registered storage facility unless the shipment of the gambling equipment is reported to the Department of Revenue in a manner prescribed by the

department. No gambling equipment may be moved from the storage facility unless the gambling equipment is sold to a licensed distributor and is otherwise in conformity with this chapter, is shipped to an out-of-state site and the shipment is reported to the Department of Revenue in a manner prescribed by the department, or is otherwise sold and shipped as permitted by board rule.

(c) All storage facilities owned, leased, used, or operated by a licensed distributor or manufacturer may be entered upon and inspected by the employees of the Division of Alcohol and Gambling Enforcement, the Division of Alcohol and Gambling Enforcement director's authorized representatives, employees of the Gambling Control Board or its authorized representatives, employees of the Department of Revenue, or authorized representatives of the director of the Division of Special Taxes of the Department of Revenue during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a manufacturer's or distributor's licenses and permits issued under this chapter.

(d) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than the manufacturing plant of a licensed manufacturer or a registered storage facility are contraband under section 349.2125. This paragraph does not apply:

(1) to unregistered gambling equipment being transported in interstate commerce between locations outside this state, if the interstate shipment is verified by a bill of lading or other valid shipping document; and

(2) to gambling equipment ~~not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8~~ registered with the Department of Revenue for distribution to the tribal casinos.

Sec. 20. Minnesota Statutes 2004, section 349.163, subdivision 3, is amended to read:

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

(1) sell gambling equipment for use or resale within the state to any person not licensed as a distributor, except that gambling equipment used exclusively in a linked bingo game may be sold to a licensed linked bingo provider; or

(2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use or resale in this state.

(b) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.

(c) A manufacturer may not sell or otherwise provide a pull-tab or tipboard deal with the symbol required by subdivision 5, paragraph ~~(h)~~ (d), imprinted on the flare to any person other than a licensed distributor unless the manufacturer first renders the symbol permanently invisible.

Sec. 21. Minnesota Statutes 2004, section 349.1635, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) Except for services associated exclusively with a linked bingo game, a linked bingo game provider may not participate or assist in the conduct of lawful gambling by an organization. No linked bingo game provider may:

(1) ~~also be licensed as a bingo hall or~~ hold any financial or managerial interest in a premises leased for the conduct of bingo ~~hall~~;

(2) also be licensed as a distributor or hold any financial or managerial interest in a distributor;

(3) sell or lease linked bingo game equipment to any person not licensed as an organization;

(4) purchase gambling equipment to be used exclusively in a linked bingo game from any person not licensed as a manufacturer under section 349.163; and

(5) provide an organization, a lessor of gambling premises, or an appointed official any compensation, gift, gratuity, premium, or contribution.

(b) Employees of the board and the Division of Alcohol and Gambling Enforcement may inspect the books, records, inventory, and business premises of a licensed linked bingo game provider without notice during the normal business hours of the linked bingo game provider. The board may charge a linked bingo game provider for the actual cost of conducting scheduled or unscheduled inspections of the licensee's facilities.

Sec. 22. Minnesota Statutes 2004, section 349.166, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIONS.] (a) Bingo, with the exception of linked bingo games, may be conducted without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, subdivisions 1, 4, and 5; 349.18, subdivision 1; and 349.19, if it is conducted:

(1) by an organization in connection with a county fair, the state fair, or a civic celebration and is not conducted for more than 12 consecutive days and is limited to no more than four separate applications for activities applied for and approved in a calendar year; or

(2) by an organization that conducts four or fewer bingo occasions in a calendar year.

An organization that holds a license to conduct lawful gambling under this chapter may not conduct bingo under this subdivision.

(b) Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization if the prizes for a single bingo game do not exceed $10, total prizes awarded at a single bingo occasion do not exceed $200, no more than two bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, and a manager is appointed to supervise the bingo. Bingo conducted under this paragraph is exempt from sections 349.11 to 349.23, and the board may not require an organization that conducts bingo under this paragraph, or the manager who supervises the bingo, to register or file a report with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

(c) Raffles may be conducted by an organization without ~~a license and without complying with sections 349.154 to 349.165 and 349.167 to 349.213~~ registering with the board if the value of all raffle prizes awarded by the organization in a calendar year does not exceed $1,500.

(d) Except as provided in paragraph (b), the organization must maintain all required records of excluded gambling activity for 3-1/2 years.

Sec. 23. Minnesota Statutes 2004, section 349.166, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] (a) Lawful gambling, with the exception of linked bingo games, may be conducted by an organization without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, subdivisions 4 and 5; 349.18, subdivision 1; and 349.19 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than $50,000 in prizes for lawful gambling in a calendar year;

(3) the organization pays a fee of $50 to the board, notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, or 60 days for an occasion held in the case of a city of the first class, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single-page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) If the organization fails to file a timely report as required by paragraph (a), clause (3) or (6), the board shall not issue any authorization, license, or permit to the organization to conduct lawful gambling on an exempt, excluded, or licensed basis until the report has been filed and the organization may be subject to penalty as determined by the board.

(c) Merchandise prizes must be valued at their fair market value.

(d) Organizations that qualify to conduct exempt raffles under paragraph (a), are exempt from section 349.173, paragraph (b), clause (2), if the raffle tickets are sold only in combination with an organization's membership or a ticket for an organization's membership dinner and are not included with any other raffle conducted under the exempt permit.

(e) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

~~(e)~~ (f) An organization that is exempt from taxation on purchases of pull-tabs and tipboards under section 297E.02, subdivision 4, paragraph (b), clause (4), must return to the distributor any tipboard or pull-tab deal no part of which is used at the lawful gambling occasion for which it was purchased by the organization.

~~(f)~~ (g) The organization must maintain all required records of exempt gambling activity for 3-1/2 years.

Sec. 24. Minnesota Statutes 2004, section 349.167, subdivision 1, is amended to read:

Subdivision 1. [GAMBLING MANAGER REQUIRED.] (a) All lawful gambling conducted by a licensed organization must be under the supervision of a gambling manager. A gambling manager designated by an organization to supervise lawful gambling is responsible for the gross receipts of the organization and for its conduct in compliance with all laws and rules. A person designated as a gambling manager shall maintain a ~~fidelity~~ dishonesty bond in the sum of $10,000 in favor of the organization conditioned on the faithful performance of the manager's duties. The terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation.

(b) A person may not act as a gambling manager for more than one organization.

(c) An organization may not conduct lawful gambling without having a gambling manager.

(d) An organization may not have more than one gambling manager at any time.

Sec. 25. Minnesota Statutes 2004, section 349.168, subdivision 8, is amended to read:

Subd. 8. [PERCENTAGE OF GROSS PROFIT PAID.] (a) A licensed organization may pay a percentage of the gross profit from raffle ticket sales to a nonprofit organization that sells raffle tickets for the licensed organization.

(b) A licensed organization may compensate an employee of the organization for the sale of gambling equipment at a bar operation if the frequency of the activity is one day or less per week and the games are limited to 32 chances or less per game. For purposes of this paragraph, an employee must not be a lessor, employee of the lessor, or an immediate family member of the lessor.

Sec. 26. Minnesota Statutes 2004, section 349.17, subdivision 5, is amended to read:

Subd. 5. [BINGO CARDS AND SHEETS.] (a) The board shall by rule require that all licensed organizations: (1) conduct bingo only using liquid daubers on bingo paper sheets that bear an

individual number recorded by the distributor or linked bingo game provider; and (2) use each bingo paper sheet for no more than one bingo occasion. In lieu of the requirements of clause (2), a licensed organization may electronically record the sale of each bingo hard card or paper sheet at each bingo occasion using an electronic recording system approved by the board.

(b) The requirements of paragraph (a) shall only apply to a licensed organization that received gross receipts from bingo in excess of $150,000 in the organization's last fiscal year.

Sec. 27. Minnesota Statutes 2004, section 349.17, subdivision 7, is amended to read:

Subd. 7. [~~NOON HOUR~~ BAR BINGO.] ~~Notwithstanding subdivisions 1 and 3,~~ An organization may conduct bar bingo subject to the following restrictions:

(1) ~~the bingo is conducted only between the hours of 11:00 a.m. and 2:00 p.m.;~~

~~(2)~~ the bingo is conducted at a site the organization owns or leases and which has a license for the sale of intoxicating beverages on the premises under chapter 340A;

~~(3) the bingo is limited to one progressive bingo game per site as defined by section 349.211, subdivision 2;~~

~~(4)~~ (2) the bingo is conducted using only bingo paper sheets purchased from a licensed distributor;

~~(5) if the premises are leased, the~~ (3) no rent may ~~not exceed $25 per day for each day bingo is conducted~~ be paid for a bar bingo occasion; and

~~(6)~~ (4) linked bingo games may not be conducted at a ~~noon hour~~ bar bingo occasion.

Sec. 28. Minnesota Statutes 2004, section 349.1711, subdivision 1, is amended to read:

Subdivision 1. [SALE OF TICKETS.] Tipboard games must be played using only tipboard tickets that are either (1) attached to a placard and arranged in columns or rows, or (2) separate from the placard and contained in a receptacle while the game is in play. The placard serves as the game flare. The placard must contain a seal that conceals the winning number or symbol. When a tipboard ticket is purchased and opened from a game containing more than 32 tickets, each player having a tipboard ticket with one or more predesignated numbers or symbols must sign the placard at the line indicated by the number or symbol on the tipboard ticket.

Sec. 29. Minnesota Statutes 2004, section 349.173, is amended to read:

349.173 [CONDUCT OF RAFFLES.]

(a) Raffle tickets or certificates of participation at a minimum must list the three most expensive prizes to be awarded. If additional prizes will be awarded ~~that are not contained on the raffle ticket, the raffle ticket must contain the statement "A complete list of additional prizes is available upon request.",~~ a complete list of additional prizes must be publicly posted at the event and copies of the complete prize list made available upon request. Notwithstanding section 349.12, subdivision 33, raffles conducted under the exemptions in section 349.166 may use tickets that contain only the sequential number of the raffle ticket and no other information if the organization makes a list of prizes and a statement of other relevant information required by rule available to persons purchasing tickets and if tickets are only sold at the event and on the date when the tickets are drawn.

(b) Raffles must be conducted in a manner that ensures:

(1) all entries in the raffle have an equal chance of selection;

(2) entry in the raffle is not conditioned upon any other purchase;

(3) the method of selection is conducted in a public forum;

(4) the method of selection cannot be manipulated or based on the outcome of an event not under the control of the organization;

(5) physical presence at the raffle is not a requirement to win; and

(6) all sold and unsold tickets or certificates of participation are accounted for.

(c) Methods of selecting winning entries from a raffle other than prescribed in rule may be used with the prior written approval of the board.

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

Sec. 30. Minnesota Statutes 2004, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED; RENT LIMITATIONS.] (a) An organization may conduct lawful gambling only on premises it owns or leases. Leases must be on a form prescribed by the board. Except for leases entered into before August 1, 1994, the term of the lease may not begin before the effective date of the premises permit and must expire on the same day that the premises permit expires. Leases approved by the board must specify that the board may authorize an organization to withhold rent from a lessor for a period of up to 90 days if the board determines that illegal gambling occurred on the premises and that the lessor or its employees participated in the illegal gambling or knew of the gambling and did not take prompt action to stop the gambling. The lease must authorize the continued tenancy of the organization without the payment of rent during the time period determined by the board under this paragraph. Copies of all leases must be made available to employees of the board and the Division of Alcohol and Gambling Enforcement on request. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for bingo. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

(b) Rent paid by an organization for leased premises for the conduct of pull-tabs, tipboards, and paddlewheels is subject to the following limits:

(1) for booth operations, including booth operations where a pull-tab dispensing device is located, booth operations where a bar operation is also conducted, and booth operations where both a pull-tab dispensing device is located and a bar operation is also conducted, the maximum rent is:

(i) in any month where the organization's gross profit at those premises does not exceed $4,000, up to $400; and

(ii) in any month where the organization's gross profit at those premises exceeds $4,000, up to $400 plus not more than ten percent of the gross profit for that month in excess of $4,000;

(2) for bar operations, including bar operations where a pull-tab dispensing device is located but not including bar operations subject to clause (1), and for locations where only a pull-tab dispensing device is located:

(i) in any month where the organization's gross profit at those premises does not exceed $1,000, up to $200; and

(ii) in any month where the organization's gross profit at those premises exceeds $1,000, up to $200 plus not more than 20 percent of the gross profit for that month in excess of $1,000;

(3) a lease not governed by clauses (1) and (2) must be approved by the board before becoming effective;

(4) total rent paid to a lessor from all organizations from leases governed by clause (1) may not exceed $1,750 per month. Total rent paid to a lessor from all organizations from leases governed by clause (2) may not exceed $2,500 per month.

(c) Rent paid by an organization for leased premises for the conduct of bingo is subject to either of the following limits at the option of the parties to the lease:

(1) not more than ten percent of the monthly gross profit from all lawful gambling activities held during bingo occasions excluding bar bingo or at a rate based on a cost per square foot not to exceed 110 percent of a comparable cost per square foot for leased space as approved by the director; and

(2) no rent may be paid for bar bingo.

(d) Amounts paid as rent under leases are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including, but not limited to, trash removal, janitorial and cleaning services, snow removal, lawn services, electricity, heat, security, security monitoring, storage, other utilities or services, and, in the case of bar operations, cash shortages, unless approved by the director. Any other expenditure made by an organization that is related to a leased premises must be approved by the director. An organization may not provide any compensation or thing of value to a lessor or the lessor's employees from any fund source other than its gambling account. Rent payments may not be made to an individual.

~~(d)~~ (e) Notwithstanding paragraph (b), an organization may pay a lessor for food or beverages or meeting room rental if the charge made is comparable to similar charges made to other individuals or groups.

~~(e)~~ (f) No person, distributor, manufacturer, lessor, linked bingo game provider, or organization other than the licensed organization leasing the space may conduct any activity other than the sale or serving of food and beverages on the leased premises during times when lawful gambling is being conducted on the premises.

~~(f)~~ (g) At a site where the leased premises consists of an area on or behind a bar at which alcoholic beverages are sold and employees of the lessor are employed by the organization as pull-tab sellers at the site, pull-tabs and tipboard tickets may be sold and redeemed by those employees at any place on or behind the bar, but the tipboards and receptacles for pull-tabs and cash drawers for lawful gambling receipts must be maintained only within the leased premises.

~~(g)~~ (h) Employees of a lessor or employees of an organization may participate in lawful gambling on the premises provided (1) if pull-tabs or tipboards are sold, the organization voluntarily posts, or is required to post, the major prizes as specified in section 349.172; and (2) any employee ~~of the lessor~~ participating in lawful gambling is not a gambling employee for the organization conducting lawful gambling on the premises.

~~(h)~~ (i) A gambling employee may purchase pull-tabs or tipboards at the site of the employee's place of employment provided:

(1) the organization voluntarily posts, or is required to post, the major prizes for pull-tab or tipboard games as specified in section 349.172; and

(2) the employee is not involved in the sale of pull-tabs or tipboards at that site.

~~(i)~~ (j) At a leased site where an organization uses a paddlewheel consisting of 30 numbers or less or a tipboard consisting of 30 tickets or less, tickets may be sold throughout the permitted premises, but winning tickets must be redeemed, the paddlewheel must be located, and the tipboard seal must be opened within the leased premises.

~~(j)~~ (k) A member of the lessor's immediate family may not be a compensated employee of an organization leasing space at the premises. For purposes of this paragraph, a "member of the immediate family" is a spouse, parent, child, or sibling.

Sec. 31. Minnesota Statutes 2004, section 349.19, subdivision 4, is amended to read:

Subd. 4. [DISCREPANCIES.] If at a bingo occasion a discrepancy of more than ~~$20~~ $50 is found between the gross receipts as reported by the checkers and the gross receipts determined by adding the cash receipts, the discrepancy must be reported to the board within five days of the bingo occasion.

Sec. 32. Minnesota Statutes 2004, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the Department of Revenue and to its membership monthly, or quarterly in the case of a licensed organization which does not report more than $1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. The report must include a reconciliation of the organization's profit carryover with its cash balance on hand. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. The organization must report annually to its membership and annually file with the board a financial summary report in a format prescribed by the board that identifies the organization's receipts and use of lawful gambling proceeds, including:

(1) gross receipts;

(2) prizes paid;

(3) allowable expenses;

(4) lawful purpose expenditures, including annual totals for types of charitable contributions and all taxes and fees as per section 349.12, subdivision 25, paragraph (a), clauses (8) and (18);

(5) the percentage of annual gross profits used for charitable contributions; and

(6) the percentage of annual gross profits used for all taxes and fees as per section 349.12, subdivision 25, paragraph (a), clauses (8) and (18).

Sec. 33. Minnesota Statutes 2004, section 349.19, subdivision 10, is amended to read:

Subd. 10. [PULL-TAB RECORDS.] (a) The board shall by rule require a licensed organization to require each winner of a pull-tab prize of $50 or more to present identification in the form of a driver's license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracing of the winner. The rule must require the organization to retain winning pull-tabs of $50 or more, and the identification of the winner of the pull-tab, for 3-1/2 years.

(b) An organization must maintain separate cash banks for each deal of pull-tabs unless (1) two or more deals are commingled in a ~~single receptacle~~ pull-tab dispensing device, or (2) the organization uses a cash register, of a type approved by the board, which records all sales of pull-tabs by separate deals.

(c) The board shall:

(1) by rule adopt minimum technical standards for cash registers that may be used by organizations, and shall approve for use by organizations any cash register that meets the standards~~.~~; and

(2) before allowing an organization to use a cash register that commingles receipts from several different pull-tab games in play, adopt rules that define how cash registers may be used and that establish a procedure for organizations to reconcile all pull-tab games in play at the end of each month.

Sec. 34. Minnesota Statutes 2004, section 349.211, subdivision 2c, is amended to read:

Subd. 2c. [TIPBOARD PRIZES.] The maximum prize which may be awarded for a tipboard ticket is ~~$500~~ $599, not including any cumulative or carryover prizes. Cumulative or carryover prizes in tipboard games shall not exceed $2,500.

Sec. 35. Minnesota Statutes 2004, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals or paddleticket cards not ~~stamped or~~ bar coded in accordance with this chapter or chapter 297E;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization~~, whether stamped or unstamped~~;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce between locations outside this state, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clauses (1) and (12);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter;

(10) any gambling equipment kept in violation of section 349.18;

(11) any gambling equipment not in conformity with law or board rule;

(12) any pull-tab or tipboard deal in the possession of a person other than a licensed distributor or licensed manufacturer for which the person, upon demand of a licensed peace officer or authorized agent of the commissioner of revenue or director of alcohol and gambling enforcement, does not immediately produce for inspection the invoice or a true and correct copy of the invoice for the acquisition of the deal from a licensed distributor;

(13) any pull-tab or tipboard deals or portions of deals on which the tax imposed under chapter 297E has not been paid; and

(14) any device prohibited by section 609.76, subdivisions 4 to 6.

Sec. 36. Minnesota Statutes 2004, section 349.213, is amended to read:

349.213 [LOCAL AUTHORITY.]

Subdivision 1. [LOCAL REGULATION.] (a) A statutory or home rule city or county has the authority to adopt more stringent regulation of lawful gambling within its jurisdiction, including the prohibition of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.166. The fee for a permit issued under this subdivision may not exceed $100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors or linked bingo game providers licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent per year from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are gross profits less amounts expended for allowable expenses and paid in taxes assessed on lawful gambling. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 8, or 297E.02; provided, however, that an ordinance requirement that such organizations must contribute ten percent per year of their net profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction to a fund administered and regulated by the responsible local unit of government without cost to such fund, for

disbursement by the responsible local unit of government of the receipts for (i) lawful purposes, or (ii) police, fire, and other emergency or public safety-related services, equipment, and training, excluding pension obligations, is not considered an expenditure to the city or county nor a tax under section 297E.02, and is valid and lawful. A city or county making expenditures authorized under this paragraph must by March 15 of each year file a report with the board, on a form the board prescribes, that lists all such revenues collected and expenditures for the previous calendar year.

(b) A statutory or home rule city or county may by ordinance require that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance must be limited to lawful purpose expenditures of gross profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction, must define the city's or county's trade area, and must specify the percentage of lawful purpose expenditures which must be expended within the trade area. A trade area defined by a city under this subdivision must include each city and township contiguous to the defining city.

(c) A more stringent regulation or prohibition of lawful gambling adopted by a political subdivision under this subdivision must apply equally to all forms of lawful gambling within the jurisdiction of the political subdivision, except a political subdivision may prohibit the use of paddlewheels.

Subd. 2. [LOCAL APPROVAL.] Before issuing or renewing a premises permit ~~or bingo hall license~~, the board must notify the city council of the statutory or home rule city in which the organization's premises ~~or the bingo hall~~ is located or, if the premises ~~or hall~~ is located outside a city, the county board of the county and the town board of the town where the premises ~~or hall~~ is located. The board may require organizations ~~or bingo halls~~ to notify the appropriate local government at the time of application. This required notification is sufficient to constitute the notice required by this subdivision. The board may not issue or renew a premises permit ~~or bingo hall license~~ unless the organization submits a resolution from the city council or county board approving the premises permit ~~or bingo hall license~~. The resolution must have been adopted within 90 days of the date of application for the new or renewed permit or license.

Subd. 3. [LOCAL GAMBLING TAX.] A statutory or home rule charter city that has one or more licensed organizations operating lawful gambling, and a county that has one or more licensed organizations outside incorporated areas operating lawful gambling, may impose a local gambling tax on each licensed organization within the city's or county's jurisdiction. The tax may be imposed only if the amount to be received by the city or county is necessary to cover the costs incurred by the city or county to regulate lawful gambling. The tax imposed by this subdivision may not exceed three percent per year of the gross receipts of a licensed organization from all lawful gambling less prizes actually paid out by the organization. A city or county may not use money collected under this subdivision for any purpose other than to regulate lawful gambling. All documents pertaining to site inspections, fines, penalties, or other corrective action involving local lawful gambling regulation must be shared with the board within 30 days of filing at the city or county of jurisdiction. A tax imposed under this subdivision is in lieu of all other local taxes and local investigation fees on lawful gambling. A city or county that imposes a tax under this subdivision shall annually, by March 15, file a report with the board in a form prescribed by the board showing (1) the amount of revenue produced by the tax during the preceding calendar year, and (2) the use of the proceeds of the tax.

Sec. 37. Minnesota Statutes 2004, section 609.75, subdivision 1, is amended to read:

Subdivision 1. [LOTTERY.] (a) A lottery is a plan which provides for the distribution of money, property or other reward or benefit to persons selected by chance from among participants some or all of whom have given a consideration for the chance of being selected. A participant's payment for use of a 900 telephone number or another means of communication that results in payment to the sponsor of the plan constitutes consideration under this paragraph.

(b) An in-package chance promotion is not a lottery if all of the following are met:

(1) participation is available, free and without purchase of the package, from the retailer or by mail or toll-free telephone request to the sponsor for entry or for a game piece;

(2) the label of the promotional package and any related advertising clearly states any method of participation and the scheduled termination date of the promotion;

(3) the sponsor on request provides a retailer with a supply of entry forms or game pieces adequate to permit free participation in the promotion by the retailer's customers;

(4) the sponsor does not misrepresent a participant's chances of winning any prize;

(5) the sponsor randomly distributes all game pieces and maintains records of random distribution for at least one year after the termination date of the promotion;

(6) all prizes are randomly awarded if game pieces are not used in the promotion; and

(7) the sponsor provides on request of a state agency a record of the names and addresses of all winners of prizes valued at $100 or more, if the request is made within one year after the termination date of the promotion.

(c) Except as provided by section 349.40, acts in this state in furtherance of a lottery conducted outside of this state are included notwithstanding its validity where conducted.

(d) The distribution of property, or other reward or benefit by an employer to persons selected by chance from among participants ~~who~~, all of whom:

(1) have made a contribution through a payroll or pension deduction campaign to a registered combined charitable organization, within the meaning of section 309.501; or

(2) have paid other consideration to the employer entirely for the benefit of such a registered combined charitable organization, as a precondition to the chance of being selected, is not a lottery if:

~~(1)~~ (i) all of the persons eligible to be selected are employed by or retirees of the employer; and

~~(2)~~ (ii) the cost of the property or other reward or benefit distributed and all costs associated with the distribution are borne by the employer.

Sec. 38. [REPEALER.]

Minnesota Statutes 2004, sections 349.162, subdivision 3; 349.164; and 349.17, subdivision 1, are repealed.

ARTICLE 2
LOTTERY SERVICE BUSINESS

Section 1. [299L.09] [LOTTERY SERVICE BUSINESS.]

Subdivision 1. [DEFINITION.] For purposes of this section:

(a) A "lottery service business" is a commercial enterprise that for a fee or commission purchases lottery tickets on behalf of customers or subscribers.

(b) "Division" means the Division of Alcohol and Gambling Enforcement in the Department of Public Safety.

(c) "Commissioner" means the commissioner of public safety acting through the division.

(d) "Disqualifying offense" means any felony, gross misdemeanor, and any criminal offense involving fraud, misrepresentation, or deceit.

Subd. 2. [REQUIRED STATEMENTS.] (a) All print advertising in any medium published by or on behalf of a lottery service business, and all print communications intended to solicit

members, including Internet solicitations, for each lottery pool or subscription service offered, must contain a clear and prominent statement that discloses to the subscriber, either in print or in electronic format, a statement that describes how much of each subscriber's fees are used to buy tickets.

(b) All advertising and solicitation described in paragraph (a) must contain the following statement in clear and readable type: "This business is not affiliated with and is not an agent of the Minnesota State Lottery."

Subd. 3. [PROHIBITIONS.] (a) A lottery service business may not accept as a customer or subscriber any person under age 18, or make a payment of lottery winnings to a person under age 18.

(b) Except as necessary for the lottery service business to fill a pool, a lottery service business and any officer, director, or employee of the business may not have any stake or own any shares in any lottery pool it creates for customers or subscribers.

Subd. 4. [LOTTERY PRIZE ACCOUNT.] A lottery service business must deposit all money received as winnings from lottery tickets bought for or on behalf of customers or subscribers into a lottery prize account that it maintains separately from all other accounts of the business. The business may expend money from the account, including interest thereon, only to pay winnings to customers or subscribers and to make payments required under subdivision 5.

Subd. 5. [UNCLAIMED PRIZES.] (a) A lottery service business must make all good-faith efforts to distribute money in its lottery prize account to customers and subscribers entitled thereto.

(b) Any prizewinning money deposited in the lottery prize account that has not been distributed to customers or subscribers as winnings within one year after the date of the drawing becomes an unclaimed prize. On July 1 of each year, a lottery service business must transmit all unclaimed prizes, including all interest earned thereon while the prize was in the lottery prize account, to the commissioner. The commissioner shall deposit all payments under this subdivision in the general fund. This subdivision does not apply if the amount of prizewinning money in the account is less than $25.

Subd. 6. [BOOKS AND RECORDS.] A lottery service business must keep a complete accounting and all records necessary to show fully the lottery service business's lottery transactions, including incoming revenue, tickets purchased, and winnings distributed.

[EFFECTIVE DATE.] This section is effective August 1, 2005.

ARTICLE 3
VIDEO GAME OF CHANCE

Section 1. Minnesota Statutes 2004, section 609.75, subdivision 8, is amended to read:

Subd. 8. [VIDEO GAME OF CHANCE.] A video game of chance is a game or device that simulates one or more games commonly referred to as poker, blackjack, craps, hi-lo, roulette, or other common gambling forms, though not offering any type of pecuniary award or gain to players. The term also includes any video game having one or more of the following characteristics:

(1) it is primarily a game of chance, and has no substantial elements of skill involved;

(2) it awards game credits or replays and contains a meter or device that records unplayed credits or replays. A video game that simulates horse racing that does not involve a prize payout is not a video game of chance.

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

ARTICLE 4
SOCIAL SKILL GAME

Section 1. Minnesota Statutes 2004, section 609.761, subdivision 3, is amended to read:

Subd. 3. [SOCIAL SKILL GAME.] Sections 609.755 and 609.76 do not prohibit tournaments or contests that satisfy all of the following requirements:

(1) the tournament or contest consists of the card games of chance commonly known as cribbage, skat, sheephead, bridge, euchre, pinochle, gin, 500, smear, Texas hold'em, or whist;

(2) the tournament or contest does not provide any direct financial benefit to the promoter or organizer; ~~and~~

(3) the ~~sum~~ value of all prizes awarded for each tournament or contest does not exceed $200; and

(4) for a tournament or contest involving Texas hold'em:

(i) no person under 18 years of age may participate;

(ii) the payment of an entry fee or other consideration for participating is prohibited;

(iii) the value of all prizes awarded to an individual winner of a tournament or contest at a single location may not exceed $200 each day; and

(iv) the organizer or promoter must ensure that reasonable accommodations are made for players with disabilities. Accommodations to the table and the cards shall include the announcement of the cards visible to the entire table and the use of Braille cards for players who are blind.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to acts committed on or after that date."

Delete the title and insert:

"A bill for an act relating to gambling; amending various provisions relating to lawful gambling; amending and providing definitions; making technical, clarifying, and conforming changes; providing for electronic bingo; regulating lottery service businesses; authorizing certain video games of chance and social skill games; amending Minnesota Statutes 2004, sections 349.12, subdivisions 5, 25, 33, by adding subdivisions; 349.15, subdivision 1; 349.151, subdivisions 4, 4b, by adding a subdivision; 349.152, subdivision 2; 349.153; 349.155, subdivision 3; 349.16, subdivisions 2, 8; 349.161, subdivision 5; 349.162, subdivisions 1, 4, 5; 349.163, subdivision 3; 349.1635, subdivision 4; 349.166, subdivisions 1, 2; 349.167, subdivision 1; 349.168, subdivision 8; 349.17, subdivisions 5, 7; 349.1711, subdivision 1; 349.173; 349.18, subdivision 1; 349.19, subdivisions 4, 5, 10; 349.211, subdivision 2c; 349.2125, subdivision 1; 349.213; 609.75, subdivisions 1, 8; 609.761, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299L; repealing Minnesota Statutes 2004, sections 349.162, subdivision 3; 349.164; 349.17, subdivision 1."

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

Senate Conferees: (Signed) Ann H. Rest, Jim Vickerman, Dave Kleis

House Conferees: (Signed) Tom Hackbarth, Andrew Westerberg, Paul Thissen

Senator Rest moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1555 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1555 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Hann	LeClair	Pariseau	Skoe
Bachmann	Hottinger	Limmer	Pogemiller	Skoglund
Bakk	Johnson, D.E.	Lourey	Ranum	Solon
Belanger	Johnson, D.J.	Marko	Reiter	Sparks
Day	Jungbauer	McGinn	Rest	Stumpf
Dibble	Kelley	Michel	Robling	Tomassoni
Dille	Kierlin	Murphy	Rosen	Wergin
Fischbach	Kleis	Nienow	Ruud	Wiger
Foley	Koering	Olson	Sams	
Frederickson	Kubly	Ortman	Saxhaug	
Gaither	Langseth	Ourada	Scheid	
Gerlach	Larson	Pappas	Senjem	

Those who voted in the negative were:

Marty	Moua

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated S.F. No. 2121 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2121: A bill for an act relating to public safety; modifying motor vehicle, traffic regulation, and driver's license provisions relating to commercial motor vehicles; making technical and clarifying changes; modifying definitions of recreational vehicle, motor home, state, and tank vehicle; prohibiting issuance of identification card to holder of driving instruction permit; modifying driver's license classifications, restrictions, exceptions, and exemptions; modifying driver records provisions; incorporating federal regulations; amending Minnesota Statutes 2004, sections 168.011, subdivision 25; 169.01, subdivisions 75, 76; 169A.52, subdivision 3; 171.01, subdivisions 22, 35, 47, by adding a subdivision; 171.02; 171.03; 171.04, subdivision 2; 171.09; 171.12, subdivision 3; 171.165, subdivisions 1, 2, 6; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2004, sections 169.99, subdivision 1b; 171.12, subdivision 6; 171.165, subdivisions 3, 4, 4a, 4b; Minnesota Rules, part 7503.2400.

Senator Murphy moved to amend S.F. No. 2121 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 13.44, subdivision 3, is amended to read:

Subd. 3. [REAL PROPERTY; APPRAISAL DATA.] (a) [CONFIDENTIAL OR PROTECTED NONPUBLIC DATA.] Estimated or appraised values of individual parcels of real property ~~which~~ that are made by personnel of the state~~, its agencies and departments,~~ or a political subdivision or by independent appraisers acting for the state~~, its agencies and departments,~~ or a political subdivision for the purpose of selling or acquiring land through purchase or condemnation are classified as confidential data on individuals or protected nonpublic data.

(b) [PRIVATE OR NONPUBLIC DATA.] Appraised values of individual parcels of real property that are made by appraisers working for fee owners or contract purchasers who have received an offer to purchase their property from the state or a political subdivision are classified as private data on individuals or nonpublic data.

(c) [PUBLIC DATA.] The data made confidential or protected nonpublic ~~by the provisions of~~

under paragraph (a) ~~shall~~ or made private or nonpublic under paragraph (b) become public upon the occurrence of any of the following:

(1) ~~the negotiating parties exchange appraisals;~~

~~(2)~~ the data are submitted to a court-appointed condemnation commissioner;

~~(3)~~ (2) the data are presented in court in condemnation proceedings; or

~~(4)~~ (3) the negotiating parties enter into an agreement for the purchase and sale of the property~~; or~~

~~(5) the data are submitted to the owner under section 117.036~~.

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

Sec. 2. Minnesota Statutes 2004, section 16B.49, is amended to read:

16B.49 [CENTRAL MAILING SYSTEM.]

(a) The commissioner shall maintain and operate for state agencies, departments, institutions, and offices a central mail handling unit. Official, outgoing mail for units in St. Paul must be delivered unstamped to the unit. The unit shall also operate an interoffice mail distribution system. The department may add personnel and acquire equipment that may be necessary to operate the unit efficiently and cost-effectively. Account must be kept of the postage required on that mail, which is then a proper charge against the agency delivering the mail. To provide funds for the payment of postage, each agency shall make advance payments to the commissioner sufficient to cover its postage obligations for at least 60 days. For purposes of this section, the Minnesota State Colleges and Universities is a state agency.

(b) Notwithstanding paragraph (a) or section 16C.09, the commissioner may approve the performance of mail-related functions by an agency outside the state's central mail-handling unit if the agency demonstrates it furthers program effectiveness, better use of services, greater efficiency, or greater economy in state government.

Sec. 3. Minnesota Statutes 2004, section 117.036, is amended to read:

117.036 [APPRAISAL AND NEGOTIATION REQUIREMENTS APPLICABLE TO ACQUISITION OF PROPERTY FOR TRANSPORTATION PURPOSES.]

Subdivision 1. [APPLICATION.] This section applies to the acquisition of property for public highways, streets, roads, alleys, airports, mass transit facilities, or for other transportation facilities or purposes.

Subd. 2. [APPRAISAL.] (a) Before ~~commencing an eminent domain proceeding under this chapter~~ the commissioner of transportation acquires an interest in real property under this chapter, or before any other acquiring authority commences an eminent domain proceeding under this chapter, the acquiring authority must obtain at least one appraisal for the property proposed to be acquired. In making the appraisal, the appraiser must confer with one or more of the fee owners or contract purchasers of the property, if reasonably possible. Notwithstanding section 13.44 or any other law to the contrary, the acquiring authority must provide the fee owner or contract purchaser with a copy of the appraisal at least 20 days before presenting a petition under section 117.055, ~~the acquiring authority must provide the owner with a copy of the appraisal~~ and inform the ~~owner of the owner's~~ fee owner or contract purchaser of the right to obtain an appraisal under this section. Upon request, the acquiring authority must make available to the fee owner or contract purchaser all appraisals of the property.

(b) The fee owner or contract purchaser may obtain an appraisal by a qualified appraiser of the property proposed to be acquired. The fee owner or contract purchaser is entitled to reimbursement for the reasonable costs of the appraisal from the acquiring authority up to a maximum of $1,500 ~~within 30 days after the~~ if the fee owner or contract purchaser:

(1) submits to the acquiring authority a copy of the appraisal and the information necessary for reimbursement~~, provided that the owner does so~~;

(2) requests reimbursement within ~~60~~ 90 days after ~~the owner receives~~ receiving the appraisal from the authority under paragraph (a) and at least 30 days before a condemnation commissioners' hearing; and

(3) ensures that the appraisal is conducted in accordance with the Uniform Standards of Professional Appraisal Practice.

The acquiring authority must pay the reimbursement to the fee owner or contract purchaser within 30 days after receiving a copy of the appraisal and the reimbursement information. Upon agreement between the acquiring authority and either the fee owner or contract purchaser, the acquiring authority may pay the reimbursement up to $1,500 directly to the appraiser.

Subd. 3. [NEGOTIATION.] In addition to the appraisal requirements under subdivision 2, before commencing an eminent domain proceeding, the acquiring authority must make a good faith attempt to negotiate personally with the fee owner or contract purchaser of the property in order to acquire the property by direct purchase instead of the use of eminent domain proceedings. In making this negotiation, the acquiring authority must consider the appraisals in its possession, including any appraisal obtained and furnished by the fee owner or contract purchaser if available, and other information that may be relevant to a determination of damages under this chapter.

Subd. 4. [CONDEMNATION COMMISSIONERS' HEARING.] (a) Notwithstanding section 13.44, an owner's appraisal may not be used or considered in a condemnation commissioners' hearing conducted under section 117.085, nor may the owner's appraiser testify, unless a copy of the owner's appraiser's written report is provided to the acquiring authority at least five days before the hearing.

(b) Notwithstanding section 13.44, the acquiring authority's appraisal may not be used or considered in a condemnation commissioners' hearing conducted under section 117.085, nor may the acquiring authority's appraiser testify, unless a copy of the acquiring authority's appraiser's written report is provided to the owner or contract purchaser at least five days before the hearing.

Sec. 4. Minnesota Statutes 2004, section 160.93, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] No person may operate a single-occupant vehicle in a designated high-occupancy vehicle lane except in compliance with the requirements of the commissioner. The commissioner shall designate off-peak hours, during which user fees may not be charged for the use of high-occupancy vehicle lanes that are not separated by a physical barrier from unrestricted lanes. A person who violates this subdivision is guilty of a petty misdemeanor and is subject to sections 169.89, subdivisions 1, 2, and 4, and 169.891 and any other provision of chapter 169 applicable to the commission of a petty misdemeanor traffic offense.

Sec. 5. [160.94] [USE OF HIGHWAY LANES BY HYBRID VEHICLES.]

Subdivision 1. [HYBRID VEHICLE.] For the purposes of this section, "hybrid vehicle" means a motor vehicle that:

(1) has a hybrid propulsion system that operates both with an internal combustion engine and on electric propulsion;

(2) has a fuel efficiency of greater than 28 miles per gallon in highway use and 33 miles per gallon in city use, as certified by the United States Environmental Protection Agency; and

(3) conforms to any requirements for such a vehicle in federal law or regulation.

Subd. 2. [USE OF HOV LANES BY HYBRID VEHICLES.] Unless otherwise prohibited by federal law or regulation, and with the approval of the Federal Highway Administration, the commissioner shall:

(1) allow an operator of a single-occupant, hybrid vehicle to use any high-occupancy vehicle lane on the trunk highway system, regardless of occupancy requirements established for other types of vehicles; and

(2) allow the operator of a hybrid vehicle to use a lane of a trunk highway, other than a toll bridge, on which a toll is imposed for certain vehicles, without payment of such a toll.

Subd. 3. [DECALS.] The commissioner shall issue to the owner of a hybrid vehicle upon request of the owner and upon payment of a fee of $15, a distinctive decal or other identifier to be affixed to the vehicle, clearly identifying the vehicle as a hybrid vehicle. A person operating a vehicle lawfully displaying such a decal has the privileges granted by the commissioner under subdivision 2.

Subd. 4. [VIOLATION.] A person may not operate a vehicle that displays a decal or other identifier issued under this section in a high-occupancy vehicle lane or toll lane if that decal or identifier was not issued for that vehicle. A violation of this subdivision is a misdemeanor.

Subd. 5. [EXPIRATION.] This section expires July 31, 2007.

Sec. 6. Minnesota Statutes 2004, section 161.14, is amended by adding a subdivision to read:

Subd. 51. [VETERANS MEMORIAL BRIDGE.] The interstate bridge on marked Trunk Highway 10 connecting the city of Moorhead with the city of Fargo, North Dakota, is named and designated as the Veterans Memorial Bridge. The commissioner of transportation shall adopt a suitable marking design to mark this bridge and erect appropriate signs, subject to section 161.139.

Sec. 7. Minnesota Statutes 2004, section 162.02, subdivision 2, is amended to read:

Subd. 2. [RULES; ADVISORY COMMITTEE.] (a) The rules shall be made and promulgated by the commissioner acting with the advice of a committee ~~which shall be~~ selected by the several county boards acting through the officers of the statewide association of county commissioners. The committee shall be composed of nine members so selected that each member shall be from a different state highway construction district. Not more than five of the nine members of the committee shall be county commissioners. The remaining members shall be county highway engineers. In the event that agreement cannot be reached on any rule, the commissioner's determination shall be final. The rules shall be printed and copies ~~thereof shall be~~ forwarded to the county engineers of the several counties. For the purposes of this section, the expedited process for adopting rules established in section 14.389 may be used.

(b) Notwithstanding section 15.059, subdivision 5, the committee does not expire.

Sec. 8. Minnesota Statutes 2004, section 162.02, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES FROM RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall publish notice of the request in the State Register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within ~~20~~ seven days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

Sec. 9. [162.031] [CONSTRUCTION ACROSS ANOTHER COUNTY OR STATE.]

When a county state-aid highway route is so located that in order to achieve the designated

objectives the commissioner determines that it is necessary to construct the highway across a portion of another county or state, the county initiating the construction is authorized to spend county state-aid highway funds for that purpose in the same manner as other expenditures for county state-aid highway purposes are made. No part of that highway may be constructed in another county until both counties approve the construction.

Sec. 10. Minnesota Statutes 2004, section 162.09, subdivision 2, is amended to read:

Subd. 2. [RULES; ADVISORY COMMITTEE.] (a) The rules shall be made and promulgated by the commissioner acting with the advice of a committee ~~which shall be~~ selected by the governing bodies of such cities, acting through the officers of the statewide association of municipal officials. The committee shall be composed of 12 members, so selected that there shall be one member from each state highway construction district and in addition one member from each city of the first class. Not more than six members of the committee shall be elected officials of the cities. The remaining members of the committee shall be city engineers. In the event that agreement cannot be reached on any rule the commissioner's determination shall be final. The rules shall be printed and copies ~~thereof shall be~~ forwarded to the clerks and engineers of the cities. For the purposes of this section, the expedited process for adopting rules established in section 14.389 may be used.

(b) Notwithstanding section 15.059, subdivision 5, the committee does not expire.

Sec. 11. Minnesota Statutes 2004, section 162.09, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES FROM RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall publish notice of the request in the State Register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within ~~20~~ seven days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

Sec. 12. [162.091] [CONSTRUCTION ACROSS ANOTHER MUNICIPALITY OR STATE.]

When a municipal state-aid street route is so located that in order to achieve the designated objectives the commissioner determines that it is necessary to construct the street across a portion of another municipality or state, the municipality initiating the construction is authorized to spend municipal state-aid street funds for that purpose in the same manner as other expenditures for municipal state-aid street purposes are made. No part of that street may be constructed in another municipality until both municipalities approve the construction.

Sec. 13. Minnesota Statutes 2004, section 162.14, subdivision 6, is amended to read:

Subd. 6. [ADVANCES.] Any such city may make advances from any funds available to it for the purpose of expediting the construction, reconstruction, improvement, or maintenance of its municipal state-aid street system~~; provided that such advances shall not exceed the city's total estimated apportionment for the three years following the year the advance is made~~. Advances made by any such city shall be repaid out of subsequent apportionments made to such city in accordance with the commissioner's rules.

Sec. 14. Minnesota Statutes 2004, section 168.011, subdivision 3, is amended to read:

Subd. 3. [HIGHWAY.] ~~A~~ "Highway" ~~is any public thoroughfare for vehicles, including streets in cities~~ has the meaning given in section 169.01, subdivision 29.

Sec. 15. Minnesota Statutes 2004, section 168.011, subdivision 4, is amended to read:

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

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

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

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

Sec. 16. Minnesota Statutes 2004, section 168.011, subdivision 5, is amended to read:

Subd. 5. [OWNER.] "Owner" means any person~~, firm, association, or corporation~~ owning or ~~renting~~ leasing a ~~motor~~ vehicle, or having the exclusive use ~~thereof~~ of the vehicle, under a lease or otherwise, for a period ~~of~~ greater than 30 days.

Sec. 17. Minnesota Statutes 2004, section 168.011, subdivision 5a, is amended to read:

Subd. 5a. [REGISTERED OWNER.] "Registered owner" means any person, ~~firm, association, or corporation,~~ other than a secured party, having title to a ~~motor~~ vehicle. If a passenger automobile~~, as defined in subdivision 7,~~ is under lease for a term of 180 days or more, the lessee is deemed to be the registered owner, for purposes of registration only~~,~~; provided that the application for renewal of the registration of a passenger automobile ~~described in this subdivision shall be~~ is sent to the lessor.

Sec. 18. Minnesota Statutes 2004, section 168.011, subdivision 6, is amended to read:

Subd. 6. [TAX~~, FEE~~.] "Tax" ~~or "fee"~~ means the annual registration tax imposed on ~~motor~~ vehicles in lieu of all other taxes ~~thereon~~, except wheelage taxes~~, so-called,~~ which may be imposed by any city, and ~~except~~ gross earnings taxes paid by companies ~~subject or made subject thereto~~. ~~Such~~ The annual tax ~~shall be deemed~~ is both a property tax and a highway use tax and shall be on the basis of the calendar year.

Sec. 19. Minnesota Statutes 2004, section 168.011, subdivision 7, is amended to read:

Subd. 7. [PASSENGER AUTOMOBILE.] (a) "Passenger automobile" means any motor vehicle designed and used for carrying not more than 15 ~~persons~~ individuals including the driver.

(b) "Passenger automobile" does not include motorcycles, motor scooters, ~~and buses described in subdivision 9, paragraph (a), clause (2)~~ buses, or school buses.

(c) ~~For purposes of taxation only, "~~Passenger automobile~~"~~ includes pickup trucks and vans, including those vans designed to carry passengers, with a manufacturer's nominal rated carrying capacity of one ton, but does not include commuter vans as defined in section 168.126.

Sec. 20. Minnesota Statutes 2004, section 168.011, subdivision 25, is amended to read:

Subd. 25. [RECREATIONAL ~~EQUIPMENT~~ VEHICLE.] (a) "Recreational ~~equipment~~ vehicle"

means travel trailers including those ~~which~~ that telescope or fold down, chassis-mounted campers, ~~house cars,~~ motor homes, tent trailers, ~~slip-in campers,~~ and converted buses that provide temporary human living quarters. ~~A~~

(b) "Recreational vehicle" is ~~considered to provide temporary living quarters if it~~ a vehicle that:

(1) is not used as the residence of the owner or occupant;

(2) is used ~~for temporary living quarters by the owner or occupant~~ while engaged in recreational or vacation activities; and

(3) is either self-propelled or towed on the ~~public streets or~~ highways incidental to the recreational or vacation activities.

~~(b) For the purposes of this subdivision, a~~ Subd. 25a. [MOTOR HOME.] "Motor home" means a ~~unit~~ recreational vehicle designed to provide temporary living quarters~~,~~. The motor home has a living unit built into as an integral part of, or permanently attached to the chassis of, a ~~self-propelled~~ motor vehicle ~~chassis~~ or van.

(a) A motor home must contain permanently installed, independent, life-support systems ~~which~~ that meet the American National Standards Institute standard number A119.2 for recreational vehicles and provide at least four of the following facilities, two of which must be from the systems listed in clauses (1), (5), and (6): (1) a cooking facility with liquid propane gas supply, (2) a refrigerator, (3) a self-contained toilet or a toilet connected to a plumbing system with a connection for external water disposal, (4) a heating or air conditioning system separate from the motor vehicle engine, (5) a potable water supply system including a sink with a faucet either self-contained or with connections for an external source, and (6) a separate 110-125 ~~volt~~ volts electrical power supply.

(b) For purposes of this subdivision, "permanently installed" means built into or attached as an integral part of a chassis or van, and designed not to be removed except for repair or replacement. A system ~~which~~ that is readily removable or held in place by clamps or tie-downs is not permanently installed.

(c) Motor homes include ~~but are not limited to, the following~~ a:

(1) type A motor home ~~-~~, which is a raw chassis upon which is built a driver's compartment and an entire body that provides temporary living quarters as ~~defined~~ described in ~~this~~ paragraph (a);

(2) type B motor home ~~-~~, which is a ~~van-type vehicle~~ van that conforms to the ~~motor home definition~~ description in ~~this~~ paragraph (a) and has been completed or altered by ~~the~~ a final-stage manufacturer; and

(3) type C motor home ~~-~~, which is an incomplete vehicle upon which is permanently attached a body designed to provide temporary living quarters as ~~defined~~ described in ~~this~~ paragraph (a).

(d) A motor vehicle with a slip-in ~~campers are~~ camper or other removable equipment that is mounted into or on a motor vehicle ~~commonly known as a pickup truck, in the pickup box, either by bolting through the floor of the pickup box or by firmly clamping to the side of the pickup box. The vehicle may~~ is not a motor home, is not a recreational vehicle, and must not be registered as a recreational vehicle under section 168.013.

Sec. 21. Minnesota Statutes 2004, section 168.011, is amended by adding a subdivision to read:

Subd. 37. [ALL-TERRAIN VEHICLE.] "All-terrain vehicle" has the meaning given in section 84.92, subdivision 8.

Sec. 22. Minnesota Statutes 2004, section 168.011, is amended by adding a subdivision to read:

Subd. 38. [PERSON.] "Person" has the meaning given in section 168A.01, subdivision 14.

Sec. 23. Minnesota Statutes 2004, section 168.011, is amended by adding a subdivision to read:

Subd. 39. [VEHICLE.] "Vehicle" has the meaning given in section 168A.01, subdivision 24.

Sec. 24. Minnesota Statutes 2004, section 168.012, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

(f) Unmarked vehicles used by staff of the Gambling Control Board in gambling investigations

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

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

Sec. 25. Minnesota Statutes 2004, section 168.031, is amended to read:

168.031 [REGISTRATION EXEMPTION; ACTIVE MILITARY ~~-RELATED~~ SERVICE.]

(a) The motor vehicle of any person who engages in active military service ~~in time of war or other emergency declared by proper authority~~ in any branch or unit of the ~~military or naval forces of the~~ United States armed forces shall be exempt from the motor vehicle registration tax during the period of such active service and for ~~40~~ 90 days immediately thereafter if the owner ~~has filed~~, before, during, or within 90 days after completion of that active service, files with the registrar of motor vehicles a written application for exemption with such proof of military service as the registrar may have required and if the motor vehicle is not operated on a public highway within the state during the requested period of exemption, except by the owner while on furlough or leave of absence from the military.

(b) The motor vehicle of any disabled war veteran, which vehicle has been furnished free, in whole or in part, by the United States government to said disabled veteran, shall be exempt from the motor vehicle registration tax. The motor vehicle owned and registered by a former prisoner of war that bears the "EX-POW" plates is exempt from the motor vehicle registration tax.

(c) For purposes of this section, the term "active service" shall have the meaning given this term in section 190.05, subdivisions 5b and 5c, but excludes service performed exclusively for purposes of:

(1) annual training and other periodic inactive duty training for National Guard and other reserve members;

(2) special training periodically made available to National Guard and other reserve members;

(3) service performed in accordance with section 190.08, subdivision 3; and

(4) service performed as part of the active guard/reserve program pursuant to United States Code, title 32, section 502(f), or other applicable authority.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to persons serving in active military service on or after that date.

Sec. 26. Minnesota Statutes 2004, section 168.12, subdivision 2a, is amended to read:

Subd. 2a. [PERSONALIZED PLATES; RULES.] (a) Personalized license plates or, if requested for special plates issued under section 168.123 for veterans, 168.124 for medal of honor recipients, or 168.125 for former prisoners of war, applicable personalized special veterans license

plates must be issued to an applicant for registration of a passenger automobile including a passenger automobile registered as a classic car, pioneer car, collector car, or street rod; van; pickup truck as defined in section 168.011, subdivision 29, and any other truck with a manufacturer's nominal rated capacity of one ton or less and resembling a pickup truck; motorcycle including a classic motorcycle; or self-propelled recreational vehicle, upon compliance with the laws of this state relating to registration of the vehicle and upon payment of a onetime fee of $100 in addition to the registration tax required by law for the vehicle. The registrar shall designate a replacement fee fees for personalized license plates and personalized special veterans license plates issued according to section 168.123 that is are calculated to cover the cost of replacement. This fee These fees must be paid by the applicant whenever the personalized license plates are required to be replaced by law. Fees may not be charged to replace personalized special veterans license plates issued under section 168.124 or 168.125. In lieu of the numbers assigned as provided in subdivision 1, personalized license plates and personalized special veterans license plates must have imprinted on them a series of not more than seven numbers and letters in any combination and, as applicable, satisfy the design requirements of section 168.123, 168.124, or 168.125. When an applicant has once obtained personalized license plates or personalized special veterans license plates, the applicant shall have has a prior claim for similar personalized plates in the next succeeding year as long as current registration is maintained. The commissioner of public safety shall adopt rules in the manner provided by chapter 14, regulating the issuance and transfer of personalized license plates and personalized special veterans license plates. No words or combination of letters placed on personalized license these plates may be used for commercial advertising, be of an obscene, indecent, or immoral nature, or be of a nature that would offend public morals or decency. The call signals or letters of a radio or television station are not commercial advertising for the purposes of this subdivision.

(b) Notwithstanding the provisions of subdivision 1, personalized license plates and personalized special veterans license plates issued under this subdivision may be transferred to another motor vehicle described in paragraph (a) and owned or jointly owned by the applicant, upon the payment of a fee of $5, which must be paid into the state treasury and credited to the highway user tax distribution fund. The registrar may by rule provide a form for notification. A personalized license plate or personalized special veterans license plate issued for a classic car, pioneer car, collector car, street rod, or classic motorcycle may not be transferred to a vehicle not eligible for such a license plate.

(c) Notwithstanding any law to the contrary, if the personalized license plates are lost, stolen, or destroyed, the applicant may apply and shall receive duplicate license plates bearing the same combination of letters and numbers and the same design as:

(1) the former personalized license plates or personalized special veterans license plates issued according to section 168.123, upon the payment of the fee required by section 168.29; or

(2) the former personalized special veterans license plates issued according to section 168.124 or 168.125, without charge.

(d) Fees from the sale of permanent and duplicate personalized license plates must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 27. Minnesota Statutes 2004, section 168.12, subdivision 2b, is amended to read:

Subd. 2b. [FIREFIGHTERS; SPECIAL PLATES.] (a) The registrar shall issue special license plates, or a single plate in the case of a motorcycle plate, to any applicant who is both a member of a fire department receiving state aid under chapter 69 and an owner or joint owner of a passenger automobile, or a truck with a manufacturer's nominal rated capacity of one ton and resembling a pickup truck, or a motorcycle, upon payment of a fee of $10 and upon payment of the registration tax required by law for the vehicle and compliance with other laws of this state relating to registration and licensing of motor vehicles and drivers. In lieu of the identification required under subdivision 1, the special license plates shall must be inscribed with a symbol of a Maltese Cross together with five numbers. No applicant shall receive special plates for more than two sets of plates for vehicles owned or jointly owned by the applicant.

(b) Special plates issued under this subdivision may only be used during the period that the owner or joint owner of the vehicle is a member of a fire department as specified in this subdivision. When the person to whom the special plates were issued is no longer a member of a fire department or when the vehicle ownership is transferred, the special license plates ~~shall~~ must be removed from the vehicle and returned to the registrar. Upon return of the special plates, or special motorcycle plate, the owner or purchaser of the vehicle is entitled to receive regular plates, or a regular motorcycle plate, for the vehicle, as applicable, without cost for the remainder of the registration period for which the special plate or plates were issued. ~~Firefighter license plates issued pursuant to this subdivision may be transferred to another motor vehicle upon payment of $5, which fee shall be paid into the state treasury and credited to the highway user tax distribution fund.~~

(c) A special motorcycle license plate issued under this subdivision must be the same size as a standard motorcycle license plate.

(d) Upon payment of a fee of $5, plates issued under this subdivision for a passenger automobile or truck may be transferred to another passenger automobile or truck owned or jointly owned by the person to whom the plates were issued. On payment of a fee of $5, a plate issued under this subdivision for a motorcycle may be transferred to another motorcycle owned or jointly owned by the person to whom the plate was issued.

~~(c)~~ (e) The commissioner of public safety may adopt rules under the Administrative Procedure Act, sections 14.001 to 14.69, to govern the issuance and use of the special plates authorized in this subdivision.

(f) All fees from the sale or transfer of special license plates for firefighters ~~shall~~ must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 28. Minnesota Statutes 2004, section 168.123, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS; FEES.] (a) On payment of a fee of $10 for each set of two plates, or for a single plate in the case of a motorcycle plate, payment of the registration tax required by law, and compliance with other applicable laws relating to ~~the~~ vehicle registration and licensing ~~of a passenger automobile, pickup truck, van, self-propelled recreational equipment, or motorcycle~~, as applicable, the registrar shall issue:

(1) special license plates to an applicant who served in the active military service in a branch of the armed forces of the United States or of a nation or society allied with the United States in conducting a foreign war, was discharged under honorable conditions, and is an owner or joint owner of a passenger automobile, pickup truck, van, ~~or~~ self-propelled recreational equipment, or truck resembling a pickup truck and having a manufacturer's nominal rated capacity of one ton, but which is not a commercial motor vehicle as defined in section 169.01, subdivision 75; or

(2) a special motorcycle license plate as described in subdivision 2, paragraph (a), ~~or another special license plate designed by the commissioner of public safety to an applicant who is a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, and~~ (f), (h), or (i). A plate may be issued under this clause only to a person who served in the active military service in a branch of the armed forces of the United States or a nation or society allied with the United States in conducting a foreign war, was discharged under honorable conditions, ~~and~~ is an owner or joint owner of a motorcycle, and meets the criteria listed in this paragraph and in subdivision 2, paragraph (a), (f), (h), or (i). Plates issued under this clause must be the same size as standard motorcycle license plates. Special motorcycle license plates issued under this clause are not subject to section 168.1293.

(b) The additional fee of $10 is payable for each set of plates, is payable only when the plates are issued, and is not payable in a year in which tabs or stickers are issued instead of number plates. An applicant must not be issued plates for more than two ~~sets of plates for~~ vehicles listed in paragraph (a) and owned or jointly owned by the applicant.

(c) The veteran ~~shall~~ must have a certified copy of the veteran's discharge papers, indicating

character of discharge, at the time of application. If an applicant served in the active military service in a branch of the armed forces of a nation or society allied with the United States in conducting a foreign war and is unable to obtain a record of that service and discharge status, the commissioner of veterans affairs may certify the applicant as qualified for the veterans' license plates provided under this section.

(d) When issuing a set of license plates, or for a motorcycle a single license plate, under subdivision 2, paragraph (h) or (i), the commissioner shall assess a $5 surcharge to the applicant, in addition to the fee required under this section and the registration tax required by law. The revenue from the surcharge must be deposited in the highway user tax distribution fund. The commissioner shall cease to collect the surcharge when total collections from the surcharge since its inception exceed $3,500.

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

Sec. 29. Minnesota Statutes 2004, section 168.123, subdivision 2, is amended to read:

Subd. 2. [DESIGN.] The commissioner of veterans affairs shall design the special plates, subject to the approval of the registrar, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(c) For a veteran who served during World War I or World War II, the special plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number.

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(e) For a combat wounded veteran who is a recipient of the purple heart medal, the special plates must bear the inscription "COMBAT WOUNDED VET" and inscribed with a facsimile of the official purple heart medal and the letters "C" over "W" with the first letter directly over the second letter just preceding the first numeral of the special license plate number.

(f) For a Persian Gulf war veteran, the special plates must bear the inscription "GULF WAR VET" and the letters "G" and "W" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number. For the purposes of this section, "Persian Gulf war veteran" means a person who served on active duty after August 1, 1990, in a branch of the armed forces of the United States or United Nations during Operation Desert Shield, Operation Desert Storm, or other military operation in the Persian Gulf area combat zone as designated in United States Presidential Executive Order No. 12744, dated January 21, 1991.

(g) For a veteran who served in the Laos War after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "LAOS WAR VET" and the letters "L" and "V" with the

first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(h) For a veteran who is the recipient of:

(1) the Iraq Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "IRAQ WAR VET" directly below the special license plate number;

(2) the Afghanistan Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "AFGHAN WAR VET" directly below the special license plate number; or

(3) the Global War on Terrorism Expeditionary Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special license plate number.

(i) For a veteran who is the recipient of the Global War on Terrorism Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special license plate number. In addition, any member of the National Guard or other military reserves who has been ordered to federally funded state active service under United States Code, title 32, as defined in section 190.05, subdivision 5b, and who is the recipient of the Global War on Terrorism Service Medal, is eligible for the license plate described in this paragraph, irrespective of whether that person qualifies as a veteran under section 197.447.

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

Sec. 30. Minnesota Statutes 2004, section 168.123, subdivision 4, is amended to read:

Subd. 4. [PLATES TRANSFER.] (a) On payment of a fee of $5, plates issued under subdivision 1, paragraph (a), clause (1), may be transferred to another vehicle, but only if the vehicle:

(1) is a passenger automobile, pickup truck, van, ~~or~~ self-propelled recreational equipment, or one-ton truck described in subdivision 1, paragraph (a), clause (1); and

(2) is owned or jointly owned by the person to whom the plates were issued.

(b) On payment of a fee of $5, a plate issued under subdivision 1, paragraph (a), clause (2), may be transferred to another motorcycle owned or jointly owned by the person to whom the plate was issued.

Sec. 31. [168.1251] [DISABLED VETERANS OF AMERICA PLATES.]

Subdivision 1. [ISSUANCE AND DESIGN.] The registrar of motor vehicles shall issue special license plates bearing the inscription "DISABLED AMERICAN VETERAN" to an applicant who is certified in writing by the United States Department of Veterans Affairs or the state commissioner of veterans affairs as having a permanent and total service-connected disability, who complies with all laws relating to the registration and licensing of motor vehicles and drivers, and who pays a fee of $10 for each set of license plates applied for. The special license plates must be of a design and size determined by the registrar.

Subd. 2. [APPLICATION.] Application for issuance of these plates may be made only at the time of renewal or first application for registration.

Subd. 3. [TRANSFER.] On payment of a fee of $5, special plates issued under this section may be transferred to another motor vehicle owned or jointly owned by the disabled veteran upon notification to the registrar of motor vehicles.

Subd. 4. [MOTOR VEHICLE; SPECIAL DEFINITION.] For purposes of this section, "motor vehicle" means a vehicle for personal use, not used for commercial purposes, and may include a passenger automobile, van, pickup truck, motorcycle, or recreational vehicle.

Subd. 5. [FEES CREDITED.] Fees paid under this section must be credited to the highway user tax distribution fund.

Sec. 32. Minnesota Statutes 2004, section 168.1293, subdivision 5, is amended to read:

Subd. 5. [DISCONTINUANCE OF PLATE.] (a) The department shall discontinue the issuance or renewal of any special license plate if (1) fewer than 1,000 sets of those plates are currently registered at the end of the first six years during which the plates are available, or (2) fewer than 1,000 sets of those plates are currently registered at the end of any subsequent two-year period following the first six years of availability.

(b) The department may discontinue the issuance or renewal of any special license plate, and distribution of any contributions resulting from that plate, if the department determines that (1) the fund or requester receiving the contributions no longer exists, (2) the requester has stopped providing services that are authorized to be funded from the contribution proceeds, (3) the requester has requested discontinuance, or (4) contributions have been used in violation of subdivision 6.

(c) Nothing in this subdivision applies to license plates issued under section 168.123, 168.124, 168.125, 168.1251, or 168.1255.

Sec. 33. [168.1299] [SPECIAL "KNIGHTS OF COLUMBUS MEMBER" LICENSE PLATES.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The registrar shall issue special "Knights of Columbus member" license plates to an applicant who:

(1) is an owner or joint owner of a passenger automobile, pickup truck, or van;

(2) pays a fee of $10 to cover the costs of handling and manufacturing the plates;

(3) pays the registration tax required under section 168.013;

(4) pays the fees required under this chapter; and

(5) complies with laws and rules governing registration and licensing of vehicles and drivers.

Subd. 2. [DESIGN.] A special license plate under this section consists of a license plate with a unique symbol that is the recognized emblem of the Knights of Columbus. The symbol must be designed by the Knights of Columbus or a council thereof, with the approval of the commissioner. The license plate may be an embossed license plate or a generic license plate with attached decal.

Subd. 3. [APPLICABILITY OF OTHER LAW.] Section 168.1293 does not apply to license plates authorized under this section.

Sec. 34. Minnesota Statutes 2004, section 168.16, is amended to read:

168.16 [REGISTRATION TAX REFUND; APPROPRIATION.]

(a) After the registration tax upon any ~~motor~~ vehicle has been paid for any ~~year~~ registration period, refund must be made for errors made in computing the registration tax or fees and for the error on the part of an owner who may in error have registered a ~~motor~~ vehicle that was not before, nor at the time of registration, nor at any time thereafter during the ~~current past year~~ preceding registration period, subject to registration tax in this state as provided by section 168.012.

(b) Unless otherwise provided in this chapter, a claim for a refund of an overpayment of registration tax must be filed within 3-1/2 years from the date of payment.

~~The refund must be made from any fund in possession of the registrar and deducted from the registrar's monthly report to the commissioner of finance. A detailed report of the refund must accompany the report.~~

(c) The former registered owner of a transferred vehicle, by an assignment in writing endorsed upon the registration certificate and delivered to the ~~registrar~~ commissioner within the time provided in this subdivision, shall assign, except for vehicles registered under section 168.187, to the new owner the right to have the tax paid by the former registered owner accredited to the new owner who duly registers the vehicle unless the registration stickers are surrendered to the commissioner before the first day of the new registration period.

(d) Any owner ~~at~~ is entitled to a refund of the unused portion of the registration tax paid on the owner's vehicle upon filing a claim, verified by the commissioner, if the ~~time of such occurrence, whose~~ vehicle is:

(1) declared by an insurance company to be ~~a total loss due to flood or tornado damage,~~ permanently destroyed~~,~~ due to accident, fire, or an act of God as defined in section 115B.02; or

(2) sold to the federal government, the state, or a political subdivision of the state~~, shall upon filing a verified claim be entitled to a refund of the unused portion of the tax paid upon the vehicle, computed as follows:~~.

~~(1) if the vehicle is registered under the calendar year system of registration, the refund is computed pro rata by the month, 1/12 of the annual tax paid for each month of the year remaining after the month in which the plates and certificate were returned to the registrar;~~

~~(2) if the vehicle is registered under the monthly series system of registration, the amount of~~

(e) The refund ~~is~~ must be equal to ~~the sum of the amounts of~~ the ~~license fee~~ remaining registration tax attributable ~~to those months remaining in~~ for the ~~licensing~~ registration period after the month in which the plates and certificate of registration or title were returned to the ~~registrar~~ commissioner.

~~(b)~~ (f) There is hereby appropriated to the persons entitled to a refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Sec. 35. Minnesota Statutes 2004, section 168.185, is amended to read:

168.185 [USDOT NUMBERS.]

(a) An owner of a truck or truck-tractor having a gross vehicle weight of more than 10,000 pounds, as defined in section 169.01, subdivision 46, other than a farm truck that is not used in interstate commerce, shall report to the registrar at the time of registration its USDOT carrier number. A person subject to this paragraph who does not have a USDOT number shall apply for the number at the time of registration by completing a form MCS-150 Motor Carrier Identification Report, issued by the Federal Motor Carrier Safety Administration, or comparable document as determined by the registrar. The registrar shall not assign a USDOT carrier number to a vehicle owner who is not subject to this paragraph.

(b) Assigned USDOT numbers need not be displayed on the outside of the vehicle, but must be made available upon request of an authorized agent of the registrar, peace officer, other employees of the State Patrol authorized in chapter 299D, or employees of the Minnesota Department of Transportation. The vehicle owner shall notify the registrar if there is a change to the owner's USDOT number.

(c) If an owner fails to report or apply for a USDOT number, the registrar shall suspend the owner's registration.

(d) Until October 1, 2003, paragraphs (a) to (c) do not apply to an agricultural fertilizer or agricultural chemical retailer while exclusively engaged in delivering fertilizer or agricultural chemicals to a farmer for on-farm use.

Sec. 36. Minnesota Statutes 2004, section 168.27, is amended by adding a subdivision to read:

Subd. 28. [E85 LABEL.] A licensed motor vehicle dealer who offers for sale a vehicle that may be operated on E85 fuel, within the meaning of section 296A.01, subdivision 19, must affix to the vehicle a temporary label on the window or windshield that identifies the automobile as capable of operating on E85. The label must bear a logo approved by the commissioner of commerce.

Sec. 37. Minnesota Statutes 2004, section 168.31, subdivision 5, is amended to read:

Subd. 5. [REFUND.] For the ~~annual~~ registration tax paid on any vehicle before the ~~calendar year~~ registration period for which that tax was assessed, the owner of the vehicle who paid the tax ~~shall be~~ is entitled to full refund if ~~such vehicle is permanently destroyed or removed from the state before the calendar year for which the tax was paid or if it is not used at all during the calendar year for which the tax was paid, and the owner makes affidavit concerning the nonuse as provided by section 168.012~~ the registration stickers are surrendered before the first day of the new registration period.

Sec. 38. Minnesota Statutes 2004, section 168A.20, is amended by adding a subdivision to read:

Subd. 5. [SATISFACTION OF AUTOMOBILE LIEN SEVEN YEARS OLD; RELEASE.] (a) A security interest perfected under this chapter expires seven years from the perfection date for a passenger automobile, as defined in section 168.011, subdivision 7.

(b) A lien holder may notify the department in writing or in a format approved by the department during the sixth year of the lien, no later than 90 days in advance of the seven-year anniversary, if the lien will not be satisfied during this registration period and the lien must be extended up to seven additional years as requested by the lien holder.

Sec. 39. Minnesota Statutes 2004, section 169.01, subdivision 75, is amended to read:

Subd. 75. [COMMERCIAL MOTOR VEHICLE.] (a) "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

(1) has a gross vehicle weight of more than 26,000 pounds;

(2) has a towed unit with a gross vehicle weight of more than 10,000 pounds and the combination of vehicles has a combined gross vehicle weight of more than 26,000 pounds;

(3) is a bus;

(4) is of any size and is used in the transportation of hazardous materials~~, except for those vehicles having a gross vehicle weight of 26,000 pounds or less while carrying in bulk tanks a total of not more than 200 gallons of petroleum products and liquid fertilizer~~ that are required to be placarded under Code of Federal Regulations, title 49, parts 100-185; or

(5) is outwardly equipped and identified as a school bus, except for type A-I and type III school buses as defined in subdivision 6.

(b) For purposes of chapter 169A:

(1) a commercial motor vehicle does not include a farm truck, ~~fire-fighting equipment,~~ an authorized emergency vehicle, or a recreational ~~equipment~~ vehicle being operated by a person within the scope of section 171.02, subdivision 2, paragraph (b); and

(2) a commercial motor vehicle includes a vehicle capable of or designed to meet the standards described in paragraph (a), clause (2), whether or not the towed unit is attached to the truck-tractor at the time of the violation or stop.

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

Sec. 40. Minnesota Statutes 2004, section 169.01, subdivision 76, is amended to read:

Subd. 76. [HAZARDOUS MATERIALS.] "Hazardous materials" means those materials found to be hazardous for the purposes of the federal Hazardous Materials Transportation Act and that require the motor vehicle to be placarded under Code of Federal Regulations, title 49, ~~part 172, subpart F~~ parts 100-185.

Sec. 41. Minnesota Statutes 2004, section 169.01, is amended by adding a subdivision to read:

Subd. 91. [SCHOOL ZONE.] "School zone" means that section of a street or highway that abuts the grounds of a school where children have access to the street or highway from the school property or where an established school crossing is located; provided, the school advance sign prescribed by the Manual on Uniform Traffic Control Devices adopted by the commissioner of transportation pursuant to section 169.06 is in place. All signs erected by local authorities to designate speed limits in school zones must conform to the Manual on Uniform Traffic Control Devices.

Sec. 42. Minnesota Statutes 2004, section 169.06, subdivision 5, is amended to read:

Subd. 5. [TRAFFIC-CONTROL SIGNAL.] (a) Whenever traffic is controlled by traffic-control signals exhibiting different colored lights, or colored lighted arrows, successively one at a time or in combination, only the colors Green, Red, and Yellow shall be used, except for special pedestrian signals carrying a word or legend~~, and said~~. The traffic-control signal lights ~~shall~~ or colored lighted arrows indicate and apply to drivers of vehicles and pedestrians as follows:

(1) Green indication:

(i) Vehicular traffic facing a circular green signal may proceed straight through or turn right or left unless a sign at such place prohibits either ~~such~~ turn. But vehicular traffic, including vehicles turning right or left, shall yield the right-of-way to other vehicles and to pedestrians lawfully within the intersection or adjacent crosswalk at the time ~~such~~ this signal is exhibited.

(ii) Vehicular traffic facing a green arrow signal, shown alone or in combination with another indication, may cautiously enter the intersection only to make the movement indicated by ~~such~~ the arrow, or ~~such~~ other movement as ~~is~~ permitted by other indications shown at the same time. Such vehicular traffic shall yield the right-of-way to pedestrians lawfully within an adjacent crosswalk and to other traffic lawfully using the intersection.

(iii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing any green signal, except when the sole green signal is a turn arrow, may proceed across the roadway within any marked or unmarked crosswalk. Every driver of a vehicle shall yield the right-of-way to such pedestrian, except that the pedestrian shall yield the right-of-way to vehicles lawfully within the intersection at the time that the green signal indication is first shown.

(2) Steady yellow indication:

(i) Vehicular traffic facing a circular yellow signal is thereby warned that the related green movement is being terminated or that a red indication will be exhibited immediately thereafter when vehicular traffic ~~shall~~ must not enter the intersection, except for the continued movement allowed by any green arrow indication simultaneously exhibited.

(ii) Pedestrians facing a circular yellow signal, unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, are thereby advised that there is insufficient time to cross the roadway before a red indication is shown and no pedestrian shall then start to cross the roadway.

(iii) Vehicular traffic facing a steady yellow arrow signal is thereby warned that the protected vehicular movement permitted by the corresponding prior green arrow indication is being terminated.

(3) Steady red indication:

(i) Vehicular traffic facing a circular red signal alone ~~shall~~ must stop at a clearly marked stop line~~,~~ but, if none, before entering the crosswalk on the near side of the intersection~~,~~ or, if none, then before entering the intersection and shall remain standing until a green indication is shown, except as follows: (A) the driver of a vehicle ~~which is~~ stopped as close as practicable at the entrance to the crosswalk on the near side of the intersection or, if none, then at the entrance to the intersection in obedience to a red or stop signal, and with the intention of making a right turn may make ~~such~~ the right turn, after stopping, unless an official sign has been erected prohibiting such movement, but shall yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at ~~said~~ that intersection; ~~or~~ (B) the driver of a vehicle on a one-way street ~~which intersects~~ intersecting another one-way street on which traffic moves to the left shall stop in obedience to a red or stop signal and may then make a left turn into ~~said~~ the one-way street, unless an official sign has been erected prohibiting the movement, but shall yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at ~~said~~ that intersection; or (C) the driver of a vehicle on a metered ramp may proceed without stopping despite a red signal when there are no other vehicles on the ramp or on any intersecting ramp, and no vehicle passed the meter during the previous green signal.

(ii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing a steady red signal alone shall not enter the roadway.

(iii) Vehicular traffic facing a steady red arrow signal, with the intention of making a movement indicated by the arrow, ~~shall~~ must stop at a clearly marked stop line~~,~~ but, if none, before entering the crosswalk on the near side of the intersection~~,~~ or, if none, then before entering the intersection and ~~shall~~ must remain standing until a permissive signal indication permitting the movement indicated by the red arrow is displayed, except as follows: when an official sign has been erected permitting a turn on a red arrow signal, the vehicular traffic facing a red arrow signal indication is permitted to enter the intersection to turn right, or to turn left from a one-way street into a one-way street on which traffic moves to the left, after stopping, but must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(b) In the event an official traffic-control signal is erected and maintained at a place other than an intersection, the provisions of this section are applicable except those which can have no application. Any stop required ~~shall~~ must be made at a sign or marking on the pavement indicating where the stop ~~shall~~ must be made, but in the absence of any such sign or marking the stop ~~shall~~ must be made at the signal.

(c) When a traffic-control signal indication or indications placed to control a certain movement or lane are so identified by placing a sign near the indication or indications, no other traffic-control signal indication or indications within the intersection ~~shall control~~ controls vehicular traffic for ~~such~~ that movement or lane.

Sec. 43. Minnesota Statutes 2004, section 169.06, subdivision 6, is amended to read:

Subd. 6. [PEDESTRIAN CONTROL SIGNAL.] (a) Whenever special pedestrian-control signals exhibiting the words "Walk" or "Don't Walk" or symbols of a "walking person" or "upraised hand" are in place ~~such~~, the signals ~~shall~~ or symbols indicate as follows:

(1) A steady "Walk~~,~~" ~~flashing or steady. Pedestrians~~ signal or the symbol of a "walking person" indicates that a pedestrian facing ~~such~~ either of these signals may proceed across the roadway in the direction of the signal, possibly in conflict with turning vehicles. Every driver of a vehicle shall yield the right-of-way to such pedestrian except that the pedestrian shall yield the right-of-way to vehicles lawfully within the intersection at the time that either signal indication is first shown.

(2) A "Don't Walk~~,~~" signal or the symbol of an "upraised hand," flashing or steady~~. No~~, indicates that a pedestrian shall not start to cross the roadway in the direction of ~~such signals~~ either signal, but any pedestrian who has partially crossed on the "Walk" or "walking person" signal indication shall proceed to a sidewalk or safety island while the ~~"Don't Walk"~~ signal is showing.

(b) A pedestrian crossing a roadway in conformity with this section is lawfully within the intersection and, when in a crosswalk, is lawfully within the crosswalk.

Sec. 44. Minnesota Statutes 2004, section 169.09, subdivision 1, is amended to read:

Subdivision 1. [DRIVER TO STOP FOR ACCIDENT WITH ~~PERSON~~ INDIVIDUAL.] The driver of any motor vehicle involved in an accident resulting in immediately demonstrable bodily injury to or death of any ~~person~~ individual shall immediately stop the vehicle at the scene of the accident, or as close to the scene as possible~~,~~ but shall then return to and in every event~~,~~ shall remain at~~,~~ the scene of the accident, until the driver has fulfilled the requirements of this ~~chapter~~ section as to the giving of information. The stop ~~shall~~ must be made without unnecessarily obstructing traffic.

Sec. 45. Minnesota Statutes 2004, section 169.09, subdivision 2, is amended to read:

Subd. 2. [DRIVER TO STOP FOR ACCIDENT TO PROPERTY.] The driver of any motor vehicle involved in an accident to a vehicle ~~which is~~ driven or attended by any ~~person~~ individual shall immediately stop ~~such~~ the motor vehicle at the scene of ~~such~~ the accident, or as close ~~thereto~~ to the accident as possible~~,~~ but shall forthwith return to~~,~~ and in every event shall remain at~~,~~ the scene of the accident, until the driver has fulfilled the requirements of this ~~chapter~~ section as to the giving of information. ~~Every such~~ The stop ~~shall~~ must be made without unnecessarily obstructing traffic ~~more than is necessary~~.

Sec. 46. Minnesota Statutes 2004, section 169.09, subdivision 3, is amended to read:

Subd. 3. [DRIVER TO GIVE INFORMATION.] (a) The driver of any motor vehicle involved in an accident resulting in bodily injury to or death of any ~~person~~ individual, or damage to any vehicle ~~which is~~ driven or attended by any ~~person~~ individual, shall stop and give the driver's name, address, and date of birth and the registration plate number of the vehicle being driven~~, and~~. The driver shall, upon request and if available, exhibit the driver's license or permit to drive to the ~~person~~ individual struck or the driver or occupant of or ~~person~~ individual attending any vehicle collided with. The driver also shall give the information and upon request exhibit the license or permit to any ~~police~~ peace officer at the scene of the accident or who is investigating the accident. The driver shall render reasonable assistance to any ~~person~~ individual injured in the accident.

(b) If not given at the scene of the accident, the driver, within 72 hours ~~thereafter~~ after the accident, shall give ~~upon~~, on request to any ~~person~~ individual involved in the accident or to a peace officer investigating the accident, the name and address of the insurer providing ~~automobile~~ vehicle liability insurance coverage, and the local insurance agent for the insurer.

Sec. 47. Minnesota Statutes 2004, section 169.09, subdivision 4, is amended to read:

Subd. 4. [COLLISION WITH UNATTENDED VEHICLE.] The driver of any motor vehicle ~~which~~ that collides with and damages any vehicle ~~which~~ that is unattended shall immediately stop and either locate and notify the driver or owner of the vehicle of the name and address of the driver and registered owner of the vehicle striking the unattended vehicle, shall report ~~the~~ this same information to a ~~police~~ peace officer, or shall leave in a conspicuous place in or secured to the vehicle struck, a written notice giving the name and address of the driver and of the registered owner of the vehicle doing the striking.

Sec. 48. Minnesota Statutes 2004, section 169.09, subdivision 5, is amended to read:

Subd. 5. [NOTIFY OWNER OF DAMAGED PROPERTY.] The driver of any vehicle involved in an accident resulting only in damage to fixtures legally upon or adjacent to a highway shall take reasonable steps to locate and notify the owner or person in charge of ~~such~~ the property of ~~such~~ that fact ~~and~~, of the driver's name and address, and of the registration plate number of the vehicle being driven and shall, upon request and if available, exhibit the driver's ~~or chauffeur's~~ license, and make report of ~~such~~ the accident in every case. The report ~~shall~~ must be made in the same manner as a report made pursuant to subdivision 7.

Sec. 49. Minnesota Statutes 2004, section 169.09, subdivision 6, is amended to read:

Subd. 6. [~~NOTIFY POLICE~~ NOTICE OF PERSONAL INJURY.] The driver of a vehicle involved in an accident resulting in bodily injury to or death of any ~~person~~ individual shall, after compliance with ~~the provisions of~~ this section~~,~~ and by the quickest means of communication, give notice of the accident to the local police department~~,~~ if the accident occurs within a municipality, ~~or~~ to a State Patrol officer if the accident occurs on a trunk highway, or to the office of the sheriff of the county.

Sec. 50. Minnesota Statutes 2004, section 169.09, subdivision 7, is amended to read:

Subd. 7. [ACCIDENT REPORT TO COMMISSIONER.] (a) The driver of a vehicle involved in an accident resulting in bodily injury to or death of any ~~person~~ individual or total property damage to an apparent extent of $1,000 or more, shall forward a written report of the accident to the commissioner of public safety within ten days ~~thereof~~ of the accident. On the required report, the driver shall provide the commissioner with the name and policy number of the insurer providing vehicle liability insurance coverage at the time of the accident.

(b) On determining that the original report of any driver of a vehicle involved in an accident of which report must be made as provided in this section is insufficient, the commissioner of public safety may require the driver to file supplementary ~~reports~~ information.

Sec. 51. Minnesota Statutes 2004, section 169.09, subdivision 8, is amended to read:

Subd. 8. [OFFICER TO REPORT ACCIDENT TO COMMISSIONER.] A ~~law enforcement~~ peace officer who, in the regular course of duty, investigates ~~a motor vehicle~~ an accident that must be reported under this section shall, within ten days after the date of the accident, forward an electronic or written report of the accident ~~to~~ as prescribed by the commissioner of public safety.

Sec. 52. Minnesota Statutes 2004, section 169.09, subdivision 9, is amended to read:

Subd. 9. [ACCIDENT REPORT ~~FORMS~~ FORMAT.] The ~~Department~~ commissioner of public safety shall ~~prepare electronic or written forms~~ prescribe the format for the accident reports required under this section. Upon request the ~~department~~ commissioner shall ~~supply~~ make available the ~~forms~~ format to police departments, coroners, sheriffs, garages, and other suitable agencies or individuals. ~~The forms must be appropriate with respect to the persons required to make the reports and the purposes to be served.~~ The electronic or written report ~~forms~~ to be completed by ~~persons~~ individuals involved in accidents and by investigating peace officers must ~~call for sufficiently detailed information to~~ disclose ~~with reference to a traffic accident~~ the causes, existing conditions ~~then existing~~, and the ~~persons~~ individuals and vehicles involved.

Sec. 53. Minnesota Statutes 2004, section 169.09, subdivision 11, is amended to read:

Subd. 11. [CORONER TO REPORT DEATH.] Every coroner or other official performing like functions shall report in writing to the ~~Department~~ commissioner of public safety the death of any ~~person~~ individual within the coroner's jurisdiction as the result of an accident involving a ~~motor~~ vehicle and the circumstances of the accident. The report ~~shall~~ must be made within 15 days after the death.

In the case of drivers killed in ~~motor~~ vehicle accidents and of the death of pedestrians 16 years of age or older, who die within four hours after an accident, the coroner or other official performing like functions shall examine the body and shall make tests as are necessary to determine the presence and percentage concentration of alcohol, and drugs if feasible, in the blood of the victim. This information ~~shall~~ must be included in each report submitted pursuant to the provisions of this subdivision and shall be tabulated on a monthly basis by the ~~Department~~ commissioner of public safety. This information may be used only for statistical purposes ~~which~~ that do not reveal the identity of the deceased.

Sec. 54. Minnesota Statutes 2004, section 169.09, subdivision 12, is amended to read:

Subd. 12. [GARAGE TO REPORT BULLET DAMAGE.] The ~~person~~ individual in charge of any garage or repair shop to which is brought any ~~motor~~ vehicle ~~which~~ that shows evidence of having been struck by any bullet shall immediately report to the local police or sheriff and to the

commissioner of public safety within 24 hours after ~~such motor~~ the vehicle is received, giving the engine number if any, registration plate number, and the name and address of the registered owner or operator of ~~such~~ the vehicle.

Sec. 55. Minnesota Statutes 2004, section 169.09, subdivision 14, is amended to read:

Subd. 14. [PENALTIES.] (a) The driver of any vehicle who violates subdivision 1 or 6 and who did not cause the accident is punishable as follows:

(1) if the accident results in the death of any ~~person~~ individual, the driver is guilty of a felony and may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than $5,000, or both;

(2) if the accident results in great bodily harm to any ~~person~~ individual, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than two years, or to payment of a fine of not more than $4,000, or both; or

(3) if the accident results in substantial bodily harm to any ~~person~~ individual, as defined in section 609.02, subdivision 7a, the driver may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than $3,000, or both.

(b) The driver of any vehicle involved in an accident not resulting in substantial bodily harm or death who violates subdivision 1 or 6 may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than $3,000, or both.

(c) Any person who violates subdivision 2, 3, 4, 5, 7, 8, ~~10,~~ 11, or 12 is guilty of a misdemeanor.

(d) 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 violations of this section.

Sec. 56. Minnesota Statutes 2004, section 169.09, is amended by adding a subdivision to read:

Subd. 14a. [VIOLATION; PENALTY FOR OWNER OR LESSEE.] (a) If a motor vehicle is operated in violation of subdivision 1, 2, 3, 4, 5, 6, 7, or 10, the owner of the vehicle, or for a leased motor vehicle the lessee of the vehicle, is guilty of a petty misdemeanor.

(b) The owner or lessee may not be fined under paragraph (a) if (1) another person is convicted for that violation or (2) the motor vehicle was stolen at the time of the violation.

(c) Paragraph (a) does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee.

(d) Paragraph (a) does not prohibit or limit the prosecution of a motor vehicle operator for violating subdivision 1, 2, 3, 4, 5, 6, 7, or 10.

(e) A violation under paragraph (a) does not constitute grounds for revocation or suspension of the owner's or lessee's driver's license.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to offenses committed on or after that date.

Sec. 57. Minnesota Statutes 2004, section 169.09, subdivision 15, is amended to read:

Subd. 15. [DEFENSE.] It is an affirmative defense to prosecution under subdivisions 1, 2, and 6 that the driver left the scene of the accident to take any ~~person~~ individual suffering immediately demonstrable bodily injury in the accident to receive emergency medical care if the driver of the involved vehicle gives notice to a law enforcement agency as required by subdivision 6 as soon as reasonably feasible after the emergency medical care has been undertaken.

Sec. 58. Minnesota Statutes 2004, section 169.09, is amended by adding a subdivision to read:

Subd. 16. [COMMISSIONER AS AGENT FOR SERVICE OF PROCESS.] The use and operation by a resident of this state or the resident's agent, or by a nonresident or the nonresident's agent, of a motor vehicle within the state of Minnesota, is deemed an irrevocable appointment by the resident if absent from this state continuously for six months or more following an accident, or by the nonresident at any time, of the commissioner of public safety to be the resident's or nonresident's true and lawful attorney upon whom may be served all legal process in any action or proceeding against the resident or nonresident or the executor, administrator, or personal representative of the resident or nonresident growing out of the use and operation of a motor vehicle within this state, resulting in damages or loss to person or property, whether the damage or loss occurs on a highway or on abutting public or private property. This appointment is binding upon the nonresident's executor, administrator, or personal representative. The use or operation of a motor vehicle by the resident or nonresident is a signification of agreement that any process in any action against the resident or nonresident or executor, administrator, or personal representative of the resident or nonresident that is so served has the same legal force and validity as if served upon the resident or nonresident personally or on the executor, administrator, or personal representative of the resident or nonresident. Service of process must be made by serving a copy thereof upon the commissioner or by filing a copy in the commissioner's office, together with payment of a fee of $20, and is deemed sufficient service upon the absent resident or the nonresident or the executor, administrator, or personal representative of the resident or nonresident; provided that, notice of service and a copy of the process are within ten days thereafter sent by mail by the plaintiff to the defendant at the defendant's last known address and that the plaintiff's affidavit of compliance with the provisions of this chapter is attached to the summons.

Sec. 59. Minnesota Statutes 2004, section 169.09, is amended by adding a subdivision to read:

Subd. 17. [CONTINUANCE OF COURT PROCEEDING; COSTS.] The court in which the action is pending may order a continuance as may be necessary to afford the defendant reasonable opportunity to defend the action, not exceeding 90 days from the date of filing of the action in that court. The fee of $20 paid by the plaintiff to the commissioner at the time of service of the proceedings must be taxed in the plaintiff's cost if the plaintiff prevails in the suit. The commissioner shall keep a record of all processes so served, which must show the day and hour of service.

Sec. 60. Minnesota Statutes 2004, section 169.14, is amended by adding a subdivision to read:

Subd. 1a. [LICENSE REVOCATION.] The driver's license of a person who violates any speed limit established in this section, by driving in excess of 100 miles per hour, is revoked for six months under section 171.17, or for a longer minimum period of time applicable under section 169A.53, 169A.54, or 171.174.

Sec. 61. Minnesota Statutes 2004, section 169.14, subdivision 2, is amended to read:

Subd. 2. [SPEED LIMITS.] (a) Where no special hazard exists the following speeds shall be lawful, but any speeds in excess of such limits shall be prima facie evidence that the speed is not reasonable or prudent and that it is unlawful; except that the speed limit within any municipality shall be a maximum limit and any speed in excess thereof shall be unlawful:

(1) 30 miles per hour in an urban district or on a town road in a rural residential district;

(2) 65 miles per hour on noninterstate freeways and expressways, as defined in section 160.02, subdivision 19;

(3) 55 miles per hour in locations other than those specified in this section;

(4) 70 miles per hour on interstate highways outside the limits of any urbanized area with a population of greater than 50,000 as defined by order of the commissioner of transportation;

(5) 65 miles per hour on interstate highways inside the limits of any urbanized area with a population of greater than 50,000 as defined by order of the commissioner of transportation;

(6) ten miles per hour in alleys; ~~and~~

(7) 25 miles per hour in residential roadways if adopted by the road authority having jurisdiction over the residential roadway; and

(8) 25 miles per hour in school zones.

(b) A speed limit adopted under paragraph (a), clause (7), is not effective unless the road authority has erected signs designating the speed limit and indicating the beginning and end of the residential roadway on which the speed limit applies.

(c) For purposes of this subdivision, "rural residential district" means the territory contiguous to and including any town road within a subdivision or plat of land that is built up with dwelling houses at intervals of less than 300 feet for a distance of one-quarter mile or more.

(d) Notwithstanding section 609.0331 or 609.101 or other law to the contrary, a person who violates a speed limit established in this subdivision, or a speed limit designated on an appropriate sign under subdivision 4, 5, 5b, 5c, or 5e, by driving 20 miles per hour or more in excess of the applicable speed limit, is assessed an additional surcharge equal to the amount of the fine imposed for the speed violation, but not less than $25.

Sec. 62. Minnesota Statutes 2004, section 169.14, subdivision 4, is amended to read:

Subd. 4. [ESTABLISHMENT OF ZONES BY COMMISSIONER.] Except as provided in subdivision 5a, on determining upon the basis of an engineering and traffic investigation that any speed set forth in this section is greater or less than is reasonable or safe under the conditions found to exist on any trunk highway or upon any part thereof, the commissioner may erect appropriate signs designating a reasonable and safe speed limit ~~thereat~~, which ~~speed limit shall be~~ becomes effective when ~~such~~ the signs are erected there. Any ~~speeds~~ speed in excess of ~~such~~ these limits ~~shall be~~ is prima facie evidence that the speed is not reasonable or prudent and that it is unlawful; except that any speed limit within any municipality ~~shall be~~ or within any school zone is a maximum limit and any speed in excess ~~thereof shall be~~ of that limit is unlawful. On determining upon that basis that a part of the trunk highway system outside a municipality should be a zone of maximum speed limit, the commissioner may establish that part as such a zone by erecting appropriate signs showing the beginning and end of the zone, designating a reasonable and safe speed therefor, which may be different than the speed set forth in this section, and that it is a zone of maximum speed limit. The speed so designated by the commissioner within any such zone ~~shall be~~ is a maximum speed limit, and speed in excess of ~~such~~ that limit ~~shall be~~ is unlawful. The commissioner may in the same manner from time to time alter the boundary of such a zone and the speed limit therein or eliminate ~~such~~ the zone.

Sec. 63. Minnesota Statutes 2004, section 169.14, subdivision 5a, is amended to read:

Subd. 5a. [SPEED ZONING IN SCHOOL ZONE; SURCHARGE.] (a) A local ~~authorities~~ authority, with the agreement of a school board or nonpublic school administration, may establish a ~~school~~ speed limit that is less than 25 miles per hour within a school zone of a public or nonpublic school ~~upon the basis of an engineering and traffic investigation as prescribed by the commissioner of transportation~~ located on a street or highway within the jurisdiction of the local authority. The establishment of a school speed limit that is more than or less than 25 miles per hour on any trunk highway ~~shall~~ must be ~~with the consent~~ by agreement of the commissioner of transportation with the school board or, in the case of a nonpublic school, with the school's administrator. ~~Such~~ School speed limits ~~shall be~~ are in effect when children are present, going to or leaving school during opening or closing hours or during school recess periods. ~~The school speed limit shall not be lower than 15 miles per hour and shall not be more than 30 miles per hour below the established speed limit on an affected street or highway.~~

(b) The school speed limit ~~shall be~~ becomes effective upon the erection of appropriate signs designating the speed and indicating the beginning and end of the reduced speed zone. Any speed in excess of ~~such~~ the posted school speed limit is unlawful. ~~All such~~ These signs ~~shall~~ must be erected by the local authorities on those streets and highways under their respective jurisdictions and by the commissioner of transportation on trunk highways.

(c) ~~For the purpose of this subdivision, "school zone" means that section of a street or highway which abuts the grounds of a school where children have access to the street or highway from the school property or where an established school crossing is located provided the school advance sign prescribed by the manual on uniform traffic control devices adopted by the commissioner of transportation pursuant to section 169.06 is in place. All signs erected by local authorities to designate speed limits in school zones shall conform to the Manual on Uniform Control Devices.~~

~~(d)~~ Notwithstanding section 609.0331 or 609.101 or other law to the contrary, a person who violates a speed limit established under this subdivision is assessed an additional surcharge equal to the amount of the fine imposed for the violation, but not less than $25.

Sec. 64. Minnesota Statutes 2004, section 169.28, subdivision 2, is amended to read:

Subd. 2. [EXEMPT CROSSING.] (a) The commissioner may designate a crossing as an exempt crossing ~~if the crossing is~~:

(1) if the crossing is on a rail line on which service has been abandoned; ~~or~~

(2) if the crossing is on a rail line that carries fewer than five trains each year, traveling at speeds of ten miles per hour or less; or

(3) as agreed to by the operating railroad and the Department of Transportation, following a diagnostic review of the crossing.

(b) The commissioner shall direct the railroad to erect at the crossing signs bearing the word "Exempt" that conform to section 169.06. The installation or presence of an exempt sign does not relieve a driver of the duty to use due care. A train must not proceed across an exempt crossing unless a police officer is present to direct traffic or a railroad employee is on the ground to warn traffic until the train enters the crossing.

(c) A vehicle that must stop at grade crossings under subdivision 1 is not required to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad employee.

Sec. 65. Minnesota Statutes 2004, section 169.448, is amended by adding a subdivision to read:

Subd. 4. [DAY ACTIVITY CENTER BUSES.] Notwithstanding subdivision 1, a vehicle used to transport adults to and from a day activity center may be equipped with prewarning flashing amber signals and a stop-signal arm, and the operator of the vehicle may activate this equipment, under the following circumstances:

(1) the operator possesses a commercial driver's license with a school bus endorsement;

(2) the vehicle is engaged in picking up or dropping off adults at locations predesignated by the day activity center that owns or leases the bus;

(3) the vehicle is identified as a "day activity center bus" in letters at least eight inches high on the front and rear top of the bus; and

(4) the name, address, and telephone number of the owner and operator of the bus is identified on each front door of the bus in letters not less than three inches high.

The provisions of section 169.444 relating to duties of care of a motorist to a school bus, and violations thereof, apply to a vehicle described in this section when the vehicle is operated in conformity with this subdivision. The provisions of section 169.443 relating to bus driver's duties apply to a vehicle described in this section except those that by their nature have no application.

Sec. 66. [169.472] [USE OF MOBILE TELEPHONES.]

Subdivision 1. [PROHIBITION.] No person may operate a cellular or wireless telephone, whether handheld or hands free, while operating a bus, while the bus is in motion.

Subd. 2. [DEFENSE.] It is an affirmative defense against a charge of violating subdivision 1

for a person to produce evidence that the mobile telephone was used for the purpose of contacting the following in response to an emergency:

(1) a 911 or other emergency telephone number;

(2) a hospital, clinic, or doctor's office;

(3) an ambulance service provider;

(4) a fire department or law enforcement agency; or

(5) a first aid squad.

Sec. 67. Minnesota Statutes 2004, section 169.522, is amended to read:

169.522 [SLOW-MOVING VEHICLE, SIGN REQUIRED.]

Subdivision 1. [DISPLAYING EMBLEM; RULES.] (a) All animal-drawn vehicles, motorized golf carts when operated on designated roadways pursuant to section 169.045, implements of husbandry, and other machinery, including all road construction machinery, which are designed for operation at a speed of 30 miles per hour or less ~~shall~~, must display a triangular slow-moving vehicle emblem, except (1) when being used in actual construction and maintenance work and traveling within the limits of a construction area ~~which is~~ marked in accordance with ~~requirements of~~ the Manual on Uniform Traffic Control Devices, as set forth in section 169.06, or (2) for a towed implement of husbandry that is empty and that is not self-propelled, in which case it may be towed at lawful speeds greater than 30 miles per hour without removing the slow-moving vehicle emblem. The emblem ~~shall~~ must consist of a fluorescent ~~yellow-orange~~ or illuminated red-orange triangle with a dark red reflective border and be mounted so as to be visible from a distance of not less than 600 feet to the rear. When a primary power unit towing an implement of husbandry or other machinery displays a slow-moving vehicle emblem visible from a distance of 600 feet to the rear, it ~~shall~~ is not ~~be~~ necessary to display a similar emblem on the secondary unit. ~~After January 1, 1975,~~ All slow-moving vehicle emblems sold in this state ~~shall~~ must be so designed that when properly mounted they are visible from a distance of not less than 600 feet to the rear when directly in front of lawful lower beam of headlamps on a motor vehicle. The commissioner of public safety shall adopt standards and specifications for the design and position of mounting the slow-moving vehicle emblem. Such standards and specifications ~~shall~~ must be adopted by rule in accordance with the Administrative Procedure Act. ~~A violation of this section shall not be admissible evidence in any civil cause of action arising prior to January 1, 1970.~~

(b) An alternate slow-moving vehicle emblem consisting of a dull black triangle with a white reflective border may be used after obtaining a permit from the commissioner under rules of the commissioner. A person with a permit to use an alternate slow-moving vehicle emblem must:

(1) carry in the vehicle a regular slow-moving vehicle emblem and display the emblem when operating a vehicle between sunset and sunrise, and at any other time when visibility is impaired by weather, smoke, fog, or other conditions; and

(2) permanently affix to the rear of the slow-moving vehicle at least 72 square inches of reflective tape that reflects the color red.

Subd. 2. [PROHIBITION ON USE.] The use of this emblem ~~shall be~~ is restricted to the slow-moving vehicles specified in subdivision 1 and its use on any other type of vehicle or stationary object on the highway is prohibited.

Subd. 3. [DISPLAY REQUIRED.] No person shall sell, lease, rent, or operate any slow-moving vehicle, as defined in subdivision 1, except motorized golf carts and except those units designed to be completely mounted on a primary power unit, which is manufactured or assembled on or after July 1, 1967, unless ~~such~~ the vehicle is equipped with a slow-moving vehicle emblem-mounting device as specified in subdivision 1. Provided however, ~~no~~ a slow-moving vehicle ~~shall~~ must not be operated without such slow-moving vehicle emblem ~~after January 1, 1968~~.

Sec. 68. Minnesota Statutes 2004, section 169.733, is amended to read:

169.733 [WHEEL FLAPS ON TRUCK AND TRAILER.]

Subdivision 1. [VEHICLES GENERALLY.] Every truck, truck-tractor, trailer, semitrailer, pole trailer, and rear-end dump truck, excepting rear-end dump farm trucks ~~and military vehicles of the United States, shall~~ must be provided with wheel flaps or other suitable protection above and behind the rearmost wheels of the vehicle or combination of vehicles to prevent, as far as practicable, such wheels from throwing dirt, water, or other materials on the windshields of following vehicles ~~which follow~~. ~~Such~~ The flaps or protectors ~~shall~~ must be at least as wide as the tires they are protecting and ~~shall~~ have a ground clearance of not more than ~~one-fifth of the horizontal distance from the center of the rearmost axle to the flap under any conditions of loading or operation of the motor~~ nine inches from the ground when the vehicle is empty.

Subd. 2. [VEHICLE WITH CONVEYOR BELT.] For a dump truck or truck with a rigid box fastened to its frame and having a conveyor belt or chain in the bottom of the vehicle ~~which~~ that moves the cargo to the rear end of the vehicle, the flaps ~~shall~~ must be mounted as far to the rear of the vehicle as practicable and ~~shall~~ have a ground clearance of not more than 18 inches when the vehicle is loaded.

Subd. 3. [BOTTOM-DUMP VEHICLE.] In addition to meeting the requirements of subdivision 1, a bottom-dump cargo vehicle transporting sand, gravel, aggregate, dirt, lime rock, silica, or similar material must be equipped with ~~flaps that are mounted to the rear of the axles, cover the entire width of the vehicle, and~~ a center flap between the wheel flaps, which must have a ground clearance of six inches or less when the vehicle is fully loaded.

Subd. 4. [ALTERNATIVE REQUIREMENTS.] If the motor vehicle is so designed and constructed that the above requirements are accomplished by means of body construction or other means of enclosure, then no such protectors or flaps ~~shall be~~ are required.

Subd. 5. [EXTENDED FLAPS.] If the rear wheels are not covered at the top by fenders, body or other parts of the vehicle, the flap or other protective means ~~shall~~ must be extended at least to a point directly above the center of the rearmost axle.

~~Subd. 6. [LAMPS OR WIRING.] Lamps or wiring shall not be attached to fender flaps.~~

Sec. 69. Minnesota Statutes 2004, section 169.81, subdivision 3c, is amended to read:

Subd. 3c. [RECREATIONAL VEHICLE COMBINATION.] Notwithstanding subdivision 3, a recreational vehicle combination may be operated without a permit if:

(1) the combination does not consist of more than three vehicles, and the towing rating of the pickup truck is equal to or greater than the total weight of all vehicles being towed;

(2) the combination does not exceed ~~60~~ 70 feet in length;

(3) the ~~camper-semitrailer~~ middle vehicle in the combination does not exceed 28 feet in length;

(4) the operator of the combination is at least 18 years of age;

(5) the trailer carrying a watercraft, motorcycle, motorized bicycle, off-highway motorcycle, snowmobile, or all-terrain vehicle meets all requirements of law;

(6) the trailers in the combination are connected to the pickup truck and each other in conformity with section 169.82; and

(7) the combination is not operated within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, during the hours of 6:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m. on Mondays through Fridays.

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

Sec. 70. Minnesota Statutes 2004, section 169.824, subdivision 2, is amended to read:

Subd. 2. [GROSS VEHICLE WEIGHT OF ALL AXLES.] (a) Notwithstanding the provisions of section 169.85, the gross vehicle weight of all axles of a vehicle or combination of vehicles shall not exceed:

(1) 80,000 pounds for any vehicle or combination of vehicles on all state trunk highways as defined in section 160.02, subdivision 29, and for all routes designated under section 169.832, subdivision 11;

(2) 88,000 pounds for any vehicle or combination of vehicles with six or more axles while exclusively engaged in hauling livestock on all state trunk highways other than interstate highways, if the vehicle has a permit under section 169.86, subdivision 5, paragraph (k);

(3) 73,280 pounds for any vehicle or combination of vehicles with five axles or less on all routes, other than state trunk highways and routes that are designated under section 169.832, subdivision 11, except that a vehicle needing reasonable access to a terminal or facilities for food, fuel, repairs, and rest, located within three miles of a ten-ton route, may not exceed 80,000 pounds. "Terminal" means any location where freight either originates, terminates, or is handled in the transportation process, or where commercial motor carriers maintain operating facilities; and

~~(3)~~ (4) 80,000 pounds for any vehicle or combination of vehicles with six or more axles on all routes, other than state trunk highways and routes that are designated under section 169.832, subdivision 11.

(b) The maximum weights specified in this section for five consecutive axles shall not apply to a four-axle ready-mix concrete truck which was equipped with a fifth axle prior to June 1, 1981. The maximum gross weight on four or fewer consecutive axles of vehicles excepted by this clause shall not exceed any maximum weight specified for four or fewer consecutive axles in this section.

[EFFECTIVE DATE.] The language in paragraph (a), clause (2), is effective August 1, 2006.

Sec. 71. Minnesota Statutes 2004, section 169.85, subdivision 1, is amended to read:

Subdivision 1. [DRIVER TO STOP FOR WEIGHING.] (a) The driver of a vehicle that has been lawfully stopped may be required by an officer to submit the vehicle and load to a weighing by means of portable or stationary scales.

(b) In addition, the officer may require that the vehicle be driven to the nearest available scales, but only if:

(1) the distance to the scales is no further than five miles, or if the distance from the point where the vehicle is stopped to the vehicle's destination is not increased by more than ten miles as a result of proceeding to the nearest available scales; and

(2) if the vehicle is a commercial motor vehicle, no more than two other commercial motor vehicles are waiting to be inspected at the scale.

(c) Official traffic control devices as authorized by section 169.06 may be used to direct the driver to the nearest scale.

(d) When a truck weight enforcement operation is conducted by means of portable or stationary scales ~~and~~, signs giving notice of the operation ~~are~~ must be posted within the highway right-of-way and adjacent to the roadway within two miles of the operation~~,~~. The driver of a truck or combination of vehicles registered for or weighing in excess of 12,000 pounds shall proceed to the scale site and submit the vehicle to weighing and inspection.

Sec. 72. Minnesota Statutes 2004, section 169.85, subdivision 6, is amended to read:

Subd. 6. [OFFICER DEFINED.] When used in this section, the word "officer" means a ~~peace officer or~~ member of the State Patrol, an employee of the Department of Public Safety described in section 299D.06, or a peace officer or person under the officer's direction and control employed

by a local unit of government who is trained in weight enforcement by the Department of Public Safety.

Sec. 73. Minnesota Statutes 2004, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEE; PROCEEDS DEPOSITED; APPROPRIATION.] The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) $15 for each single trip permit.

(b) $36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) $60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(2) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(3) motor vehicles operating with gross weights authorized under section 169.826, subdivision 1a;

(4) special pulpwood vehicles described in section 169.863;

(5) motor vehicles bearing snowplow blades not exceeding ten feet in width; and

(6) noncommercial transportation of a boat by the owner or user of the boat.

(d) $120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes;

(4) implements of husbandry when the movement is not made according to the provisions of paragraph (i);

(5) double-deck buses;

(6) commercial boat hauling; and

(7) three-vehicle combinations consisting of two empty, newly manufactured trailers for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however, the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer only while operating on twin-trailer routes designated under section 169.81, subdivision 3, paragraph (c).

(e) For vehicles which have axle weights exceeding the weight limitations of sections 169.822 to 169.829, an additional cost added to the fees listed above. However, this paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in that paragraph, and then the additional cost is for all weight, including the allowance weight, in excess of the permitted maximum axle weight. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Weight (pounds) exceeding weight limitations on axles	Cost Per Mile For Each Group Of: Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0-2,000	.12	.05	.04
2,001-4,000	.14	.06	.05
4,001-6,000	.18	.07	.06
6,001-8,000	.21	.09	.07
8,001-10,000	.26	.10	.08
10,001-12,000	.30	.12	.09
12,001-14,000	Not permitted	.14	.11
14,001-16,000	Not permitted	.17	.12
16,001-18,000	Not permitted	.19	.15
18,001-20,000	Not permitted	Not permitted	.16
20,001-22,000	Not permitted	Not permitted	.20

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, construction equipment, machinery, and supplies. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	$200
90,001 - 100,000	$300
100,001 - 110,000	$400
110,001 - 120,000	$500
120,001 - 130,000	$600
130,001 - 140,000	$700
140,001 - 145,000	$800

If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to $120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) $85 for an annual permit to be issued for a period not to exceed 12 months, for refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828, subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) For vehicles exclusively transporting implements of husbandry, an annual permit fee of $24. A vehicle operated under a permit authorized by this paragraph may be moved at the discretion of the permit holder without prior route approval by the commissioner if:

(1) the total width of the transporting vehicle, including load, does not exceed 14 feet;

(2) the vehicle is operated only between sunrise and 30 minutes after sunset, and is not operated at any time after 12:00 noon on Sundays or holidays;

(3) the vehicle is not operated when visibility is impaired by weather, fog, or other conditions that render persons and other vehicles not clearly visible at 500 feet;

(4) the vehicle displays at the front and rear of the load or vehicle a pair of flashing amber lights, as provided in section 169.59, subdivision 4, whenever the overall width of the vehicle exceeds 126 inches; and

(5) the vehicle is not operated on a trunk highway with a surfaced roadway width of less than 24 feet unless such operation is authorized by the permit.

A permit under this paragraph authorizes movements of the permitted vehicle on an interstate highway, and movements of 75 miles or more on other highways.

(j) $300 for a motor vehicle described in section 169.8261. The fee under this paragraph must be deposited as follows:

(1) in fiscal years 2005 through 2010:

(i) the first $50,000 in each fiscal year must be deposited in the trunk highway fund for costs related to administering the permit program and inspecting and posting bridges;

(ii) all remaining money in each fiscal year must be deposited in a bridge inspection and signing account in the special revenue fund. Money in the account is appropriated to the commissioner for:

(A) inspection of local bridges and identification of local bridges to be posted, including contracting with a consultant for some or all of these functions; and

(B) erection of weight-posting signs on local bridges; and

(2) in fiscal year 2011 and subsequent years must be deposited in the trunk highway fund.

(k) $200 for an annual permit for a vehicle operating under authority of section 169.824, subdivision 2, paragraph (a), clause (2).

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

Sec. 74. [169.864] [SPECIAL PAPER PRODUCTS VEHICLE PERMIT.]

Subdivision 1. [THREE-UNIT VEHICLE.] The commissioner may issue a permit for a vehicle that meets the following requirements:

(1) is a combination of vehicles, including a truck-tractor and a semitrailer drawing one additional semitrailer, which may be equipped with an auxiliary dolly. No semitrailer used in a three-vehicle combination may have an overall length in excess of 28-1/2 feet;

(2) has a maximum gross vehicle weight of 108,000 pounds;

(3) complies with the axle weight limits in section 169.824 or with the federal bridge formula for axle groups not described in that section;

(4) complies with the tire weight limits in section 169.823 or the tire manufacturers' recommended load, whichever is less;

(5) is operated only in this state on Trunk Highway marked 2 between Grand Rapids and the port of Duluth; on Trunk Highway marked 169 between Grand Rapids and its junction with Trunk Highway marked 53; and on Trunk Highway marked 53 between Virginia and the port of Duluth; and

(6) the seasonal weight increases authorized under section 169.826, subdivision 1, do not apply.

Subd. 2. [TWO-UNIT VEHICLE.] The commissioner may issue a permit for a vehicle that meets the following requirements:

(1) is a combination of vehicles consisting of a truck-tractor and a single semitrailer that may exceed 48 feet, but not 53 feet if the distance from the kingpin to the centerline of the rear axle group of the semitrailer does not exceed 43 feet;

(2) has a maximum gross vehicle weight of 90,000 pounds;

(3) has a maximum gross vehicle weight of 98,000 pounds during the time when seasonal weight increases authorized under section 169.826, subdivision 1, are in effect;

(4) complies with the axle weight limits in section 169.824 or with the federal bridge formula for axle groups not described in that section; and

(5) complies with the tire weight limits in section 169.823 or the tire manufacturers' recommended load, whichever is less.

Subd. 3. [RESTRICTIONS.] Vehicles issued permits under subdivisions 1 and 2 must comply with the following restrictions:

(1) the vehicle must be operated in compliance with seasonal load restrictions under section 169.87;

(2) the vehicle may not be operated on the interstate highway system; and

(3) the vehicle may be operated on streets or highways under the control of local authorities only upon the approval of the local authority; however, vehicles may have reasonable access to terminals and facilities for food, fuel, repairs, and rest and for continuity of route within one mile of the national network as provided by section 169.81, subdivision 3, and by Code of Federal Regulations, title 23, part 658.19.

Subd. 4. [PERMIT FEE.] Vehicle permits issued under subdivision 1, clause (1), must be annual permits. The fee is $850 for each vehicle and must be deposited in the trunk highway fund. An amount sufficient to administer the permit program is appropriated to the commissioner for the costs of administering the permit program.

[EFFECTIVE DATE.] This section is effective the later of August 1, 2006, or the date on which the commissioner determines that building permits have been issued for the construction of a new pulp and paper manufacturing facility at Grand Rapids.

Sec. 75. Minnesota Statutes 2004, section 169.87, subdivision 4, is amended to read:

Subd. 4. [VEHICLE TRANSPORTING MILK.] Until June 1, ~~2003~~ 2007, a weight restriction imposed under subdivision 1 by the commissioner of transportation or a local road authority, or imposed by subdivision 2, does not apply to a vehicle transporting milk from the point of production to the point of first processing if, at the time the weight restriction is exceeded, the vehicle is carrying milk loaded at only one point of production. This subdivision does not authorize a vehicle described in this subdivision to exceed a weight restriction of five tons per axle by more than two tons per axle.

[EFFECTIVE DATE.] This section is effective June 1, 2005.

Sec. 76. Minnesota Statutes 2004, section 169.87, subdivision 5, is amended to read:

Subd. 5. [UTILITY VEHICLES.] (a) Weight restrictions imposed by the commissioner under ~~subdivision~~ subdivisions 1 and 2 do not apply to a two-axle or three-axle utility vehicle that does not exceed a weight of 20,000 pounds per single axle and 36,000 pounds gross vehicle weight for a two-axle vehicle or 48,000 pounds gross vehicle weight for a three-axle vehicle, if the vehicle is owned by:

(1) a public utility as defined in section 216B.02;

(2) a municipality or municipal utility that operates the vehicle for its municipal electric, gas, or water system; or

(3) a cooperative electric association organized under chapter 308A.

(b) The exemption in this subdivision applies only when the vehicle is performing service restoration or other work necessary to prevent an imminent loss of service.

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

Sec. 77. Minnesota Statutes 2004, section 169.99, subdivision 1b, is amended to read:

Subd. 1b. [SPEED.] The uniform traffic ticket must provide a blank or space wherein an officer who issues a citation for a violation of ~~section 169.14, subdivision 2, paragraph (a), clause (3),~~ a speed limit of 55 or 60 miles per hour must specify whether the speed was greater than ten miles per hour in excess of ~~the lawful speed~~ a 55 miles per hour speed limit, or more than five miles per hour in excess of a 60 miles per hour speed limit.

Sec. 78. Minnesota Statutes 2004, section 169A.52, subdivision 3, is amended to read:

Subd. 3. [TEST REFUSAL; LICENSE REVOCATION.] (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of one year even if a test was obtained pursuant to this section after the person refused to submit to testing.

(b) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall disqualify the person from operating a commercial motor vehicle ~~for a period of one year under section 171.165 (commercial driver's license disqualification)~~ and shall revoke the person's license or permit to drive or nonresident operating privilege ~~for a period of one year~~ according to the federal regulations adopted by reference in section 171.165, subdivision 2.

Sec. 79. Minnesota Statutes 2004, section 171.01, subdivision 22, is amended to read:

Subd. 22. [COMMERCIAL MOTOR VEHICLE.] "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

(1) has a gross vehicle weight of more than 26,000 pounds;

(2) has a towed unit with a gross vehicle weight of more than 10,000 pounds and the combination of vehicles has a combined gross vehicle weight of more than 26,000 pounds;

(3) is a bus;

(4) is of any size and is used in the transportation of hazardous materials~~, except for those vehicles having a gross vehicle weight of 26,000 pounds or less and carrying in bulk tanks a total of not more than 200 gallons of liquid fertilizer and petroleum products~~ that are required to be placarded under Code of Federal Regulations, title 49, parts 100-185; or

(5) is outwardly equipped and identified as a school bus, except for type III school buses defined in section 169.01, subdivision 6, clause (5).

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

Sec. 80. Minnesota Statutes 2004, section 171.01, subdivision 35, is amended to read:

Subd. 35. [HAZARDOUS MATERIALS.] "Hazardous materials" means those materials found

to be hazardous for the purposes of the federal Hazardous Materials Transportation Act and that require the motor vehicle to be placarded under Code of Federal Regulations, title 49, ~~part 172, subpart F~~ parts 100-185.

Sec. 81. Minnesota Statutes 2004, section 171.01, subdivision 47, is amended to read:

Subd. 47. [STATE.] "State" means ~~any~~ a state of the United States, ~~territory or possession of the United States,~~ the District of Columbia, ~~the Commonwealth of~~ Puerto Rico ~~or any province of the Dominion of Canada~~, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

Sec. 82. Minnesota Statutes 2004, section 171.01, is amended by adding a subdivision to read:

Subd. 48a. [TANK VEHICLE.] "Tank vehicle" means any commercial motor vehicle that is designed to transport any liquid or gaseous materials within a tank, as defined in Code of Federal Regulations, title 49, section 178.320, including a cargo tank or a portable tank as defined in Code of Federal Regulations, title 49, section 171.8, that is either permanently or temporarily attached to the vehicle or the chassis, except portable tanks having a rated capacity under 1,000 gallons.

Sec. 83. Minnesota Statutes 2004, section 171.02, is amended to read:

171.02 [LICENSES; TYPES, ENDORSEMENTS, RESTRICTIONS.]

Subdivision 1. [LICENSE REQUIRED.] Except when expressly exempted, a person shall not drive a motor vehicle upon a street or highway in this state unless the person has a license valid under this chapter for the type or class of vehicle being driven. The department shall not issue a driver's license to a person unless and until the person's license from any jurisdiction has been invalidated. The department shall provide to the issuing department of any jurisdiction, information that the licensee is now licensed in Minnesota. A person is not permitted to have more than one valid driver's license at any time. The department shall not issue to a person to whom a current Minnesota identification card has been issued a driver's license, other than ~~an instruction permit or~~ a limited license, unless the person's Minnesota identification card has been invalidated.

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] (a) Drivers' licenses ~~shall be~~ are classified according to the types of vehicles ~~which~~ that may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly.

(b) Except as provided in paragraph (c), clauses (1) and (2), of this subdivision and subdivision 2a, no class of license ~~shall be~~ is valid to operate a motorcycle, school bus, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed.

There ~~shall be~~ are four general classes of licenses as follows:

~~(b)~~ (c) Class D; valid for:

(1) operating all farm trucks ~~operated by~~ if the farm truck is:

(i) ~~the owner, (ii)~~ controlled and operated by a farmer, including operation by an immediate family member ~~of the owner, (iii)~~ or an employee of the ~~owner not primarily employed to operate the farm truck, within 150 miles of the farm, or~~ farmer;

(ii) used to transport agricultural products, farm machinery, or farm supplies, to or from a farm;

(iii) not used in the operations of a common or contract motor carrier as governed by Code of Federal Regulations, title 49, part 365; and

(iv) ~~an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site~~ used within 150 miles of the farm;

(2) notwithstanding paragraph (b), operating ~~fire trucks and emergency fire equipment~~ an authorized emergency vehicle, as defined in section 169.01, subdivision 5, whether or not in excess of 26,000 pounds gross vehicle weight~~, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck~~;

(3) operating a recreational ~~equipment~~ vehicle as defined in section 168.011, subdivision 25, that is operated for personal use;

(4) operating all single-unit vehicles except vehicles with a gross vehicle weight of more than 26,000 pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials; ~~and~~

(5) notwithstanding paragraph ~~(c)~~ (d), operating a type A school bus without a school bus endorsement if:

(i) the bus has a gross vehicle weight of 10,000 pounds or less;

(ii) the bus is designed to transport 15 or fewer passengers, including the driver; and

(iii) the requirements of subdivision 2a~~, paragraph (b),~~ are satisfied, as determined by the commissioner~~.~~;

~~The holder of a class D license may also tow~~

(6) operating any vehicle or combination of vehicles when operated by a licensed peace officer while on duty; and

(7) towing vehicles if:

(i) the towed vehicles have a gross vehicle weight of 10,000 pounds or less; or

(ii) the towed vehicles have a gross vehicle weight of more than 10,000 pounds and the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.

~~(c)~~ (d) Class C; valid for:

(1) operating class D motor vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class D vehicles; and

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.

~~(d)~~ (e) Class B; valid for:

(1) operating all ~~vehicles in~~ class C motor vehicles, class D motor vehicles, and all other single-unit motor vehicles including, with a passenger endorsement, buses~~. The holder of a class B license may tow~~; and

(2) towing only vehicles with a gross vehicle weight of 10,000 pounds or less.

~~(e)~~ (f) Class A; valid for operating any vehicle or combination of vehicles.

Subd. 2a. [~~EXCEPTIONS~~ EXCEPTION FOR CERTAIN SCHOOL BUS DRIVERS.] ~~(a) Notwithstanding subdivision 2, (1) a hazardous materials endorsement is not required to operate a vehicle having a gross vehicle weight of 26,000 pounds or less while carrying in bulk tanks a total of not more than 200 gallons of petroleum products and (2) a class C license or hazardous materials endorsement is not required to operate a farm vehicle as defined in Code of Federal Regulations, title 49, section 390.5, having a gross vehicle weight of 26,000 pounds or less while carrying in bulk tanks a total of not more than 1,500 gallons of liquid fertilizer.~~

~~(b)~~ Notwithstanding subdivision 2, paragraph (c), the holder of a class D driver's license, without a school bus endorsement, may operate a type A school bus described in subdivision 2, paragraph (b), under the following conditions:

~~(1)~~ (a) The operator is an employee of the entity that owns, leases, or contracts for the school bus and is not solely hired to provide transportation services under this ~~paragraph~~ subdivision.

~~(2)~~ (b) The operator drives the school bus only from points of origin to points of destination, not including home-to-school trips to pick up or drop off students.

~~(3)~~ (c) The operator is prohibited from using the eight-light system. Violation of this ~~clause~~ paragraph is a misdemeanor.

~~(4)~~ (d) The operator's employer has adopted and implemented a policy that provides for annual training and certification of the operator in:

~~(i)~~ (1) safe operation of the type of school bus the operator will be driving;

~~(ii)~~ (2) understanding student behavior, including issues relating to students with disabilities;

~~(iii)~~ (3) encouraging orderly conduct of students on the bus and handling incidents of misconduct appropriately;

~~(iv)~~ (4) knowing and understanding relevant laws, rules of the road, and local school bus safety policies;

~~(v)~~ (5) handling emergency situations; and

~~(vi)~~ (6) safe loading and unloading of students.

~~(5)~~ (e) A background check or background investigation of the operator has been conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03 for teachers; section 144.057 or chapter 245C for day care employees; or section 171.321, subdivision 3, for all other persons operating a type A school bus under this ~~paragraph~~ subdivision.

~~(6)~~ (f) Operators shall submit to a physical examination as required by section 171.321, subdivision 2.

~~(7)~~ (g) The operator's driver's license is verified annually by the entity that owns, leases, or contracts for the school bus.

~~(8)~~ (h) A person who sustains a conviction, as defined under section 609.02, of violating section 169A.25, 169A.26, 169A.27, 169A.31, 169A.51, or 169A.52, or a similar statute or ordinance of another state is precluded from operating a school bus for five years from the date of conviction.

~~(9)~~ (i) A person who has ever been convicted of a disqualifying offense as defined in section 171.3215, subdivision 1, paragraph (c), may not operate a school bus under this ~~paragraph~~ subdivision.

~~(10)~~ (j) A person who sustains a conviction, as defined under section 609.02, of a fourth moving offense in violation of chapter 169 is precluded from operating a school bus for one year from the date of the last conviction.

~~(11)~~ (k) Students riding the school bus must have training required under section 123B.90, subdivision 2.

~~(12)~~ (l) An operator must be trained in the proper use of child safety restraints as set forth in the National Highway Traffic Safety Administration's "Guideline for the Safe Transportation of Pre-school Age Children in School Buses."

~~(13)~~ (m) Annual certification of the requirements listed in this ~~paragraph~~ subdivision must be

maintained under separate file at the business location for each operator licensed under this ~~paragraph~~ subdivision and subdivision 2, paragraph (b), clause (5). The business manager, school board, governing body of a nonpublic school, or any other entity that owns, leases, or contracts for the school bus operating under this ~~paragraph~~ subdivision is responsible for maintaining these files for inspection.

~~(14)~~ (n) The school bus must bear a current certificate of inspection issued under section 169.451.

~~(15)~~ (o) The word "School" on the front and rear of the bus must be covered by a sign that reads "Activities" when the bus is being operated under authority of this ~~paragraph~~ subdivision.

Subd. 3. [MOTORIZED BICYCLE.] (a) ~~No~~ A motorized bicycle ~~shall~~ may not be operated on any public roadway by any person who does not possess a valid driver's license, unless the person has obtained a motorized bicycle operator's permit or motorized bicycle instruction permit from the commissioner of public safety. The operator's permit may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. The instruction permit may be issued to any person who has attained the age of 15 years and who has successfully completed an approved safety course and passed the written portion of the examination prescribed by the commissioner.

(b) This course must consist of, but is not limited to, a basic understanding of:

(1) motorized bicycles and their limitations;

(2) motorized bicycle laws and rules;

(3) safe operating practices and basic operating techniques;

(4) helmets and protective clothing;

(5) motorized bicycle traffic strategies; and

(6) effects of alcohol and drugs on motorized bicycle operators.

(c) The commissioner may ~~promulgate~~ adopt rules prescribing the content of the safety course, examination, and the information to be contained on the permits. A person operating a motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel instruction permit.

(d) The fees for motorized bicycle operator's permits are as follows:

(1) Examination and operator's permit, valid for one year	$6
(2) Duplicate	$3
(3) Renewal permit before age 21 and valid until age 21	$9
(4) Renewal permit ~~after~~ age 21 or older and valid for four years	$15
(5) Duplicate of any renewal permit	$4.50
(6) Written examination and instruction permit, valid for 30 days	$6

Subd. 4. [RESTRICTED COMMERCIAL DRIVER'S LICENSE.] (a) The commissioner may issue restricted commercial drivers' licenses and take the following actions to the extent that the actions are authorized by regulation of the United States Department of Transportation ~~entitled "Waiver for Farm-Related Service Industries" as published in the Federal Register, April 17, 1992~~ in Code of Federal Regulations, title 49, section 383.3, paragraph (f):

(1) prescribe examination requirements and other qualifications for the license;

(2) prescribe classes of vehicles that may be operated by holders of the license;

(3) specify commercial motor vehicle operation that is authorized by the license, and prohibit other commercial motor vehicle operation by holders of the license; and

(4) prescribe the period of time during which the license is valid.

(b) Restricted commercial drivers' licenses are subject to sections 171.165 and 171.166 in the same manner as other commercial drivers' licenses.

(c) Actions of the commissioner under this subdivision are not subject to sections 14.05 to 14.47 of the Administrative Procedure Act.

Subd. 5. [EXEMPTION FOR CERTAIN BACKUP SNOWPLOW DRIVERS.] Pursuant to the waiver authorization set forth in Public Law 104-59, section 345, subsection (a), paragraph (5), a person who operates a commercial motor vehicle for the purpose of removing snow or ice from a roadway by plowing, salting, or sanding is not required to hold a commercial driver's license if the person:

(1) is an employee of a local unit of government with a population of 3,000 or less;

(2) is operating within the boundaries of the local unit of government;

(3) holds a valid class D driver's license; and

(4) except in the event of a lawful strike, is temporarily replacing the employee who normally operates the vehicle but either is unable to operate the vehicle or is in need of additional assistance due to a snow emergency as determined by the local unit of government.

Sec. 84. Minnesota Statutes 2004, section 171.03, is amended to read:

171.03 [PERSONS EXEMPT.]

The following persons are exempt from license hereunder:

~~(1)~~ (a) A person in the employ or service of the United States federal government is exempt while driving or operating a motor vehicle owned by or leased to the United States federal government~~, except that only a noncivilian operator of a commercial motor vehicle owned or leased by the United States Department of Defense or the Minnesota National Guard is exempt from the requirement to possess a valid commercial motor vehicle driver's license;~~.

(b) A person in the employ or service of the United States federal government is exempt from the requirement to possess a valid class A, class B, or class C commercial driver's license while driving or operating for military purposes a commercial motor vehicle owned by or leased to the United States federal government if the person is:

(1) on active duty in the U. S. Coast Guard;

(2) on active duty in a branch of the U. S. Armed Forces, which includes the Army, Air Force, Navy, and Marine Corps;

(3) a member of a reserve component of the U. S. Armed Forces; or

(4) on active duty in the Army National Guard or Air National Guard, which includes (i) a member on full-time National Guard duty, (ii) a member undergoing part-time National Guard training, and (iii) a National Guard military technician, who is a civilian required to wear a military uniform.

The exemption provided under this paragraph does not apply to a U. S. Armed Forces Reserve technician.

~~(2)~~ (c) Any person while driving or operating any farm tractor~~,~~ or implement of husbandry temporarily ~~operated or moved~~ on a highway~~, and~~ is exempt. For purposes of this section, an

all-terrain vehicle, as defined in section 84.92, subdivision 8, an off-highway motorcycle, as defined in section 84.787, subdivision 7, and an off-road vehicle, as defined in section 84.797, subdivision 7, are not implements of husbandry~~;~~.

~~(3)~~ (d) A nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver~~;~~.

~~(4)~~ (e) A nonresident who has in immediate possession a valid commercial driver's license issued by a state or jurisdiction in ~~compliance~~ accordance with the ~~Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716~~ standards of Code of Federal Regulations, title 49, part 383, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state~~;~~ or jurisdiction is exempt.

~~(5)~~ (f) Any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, but only for a period of not more than 90 days in any calendar year, if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of ~~such~~ the nonresident~~;~~.

~~(6)~~ (g) Any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or ~~province~~ jurisdiction or by military authorities of the United States may operate a motor vehicle as a driver, but only for a period of not more than 60 days after becoming a resident of this state, without being required to have a Minnesota driver's license as provided in this chapter~~;~~.

~~(7)~~ (h) Any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued by another state or jurisdiction in ~~compliance~~ accordance with the ~~Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716~~ standards of Code of Federal Regulations, title 49, part 383, is exempt for not more than 30 days after becoming a resident of this state~~; and~~.

~~(8)~~ (i) Any person operating a snowmobile, as defined in section 84.81, is exempt.

Sec. 85. Minnesota Statutes 2004, section 171.04, subdivision 2, is amended to read:

Subd. 2. [DISQUALIFIED OPERATORS OF COMMERCIAL MOTOR VEHICLES.] During the period of disqualification, the department shall not issue a class C, class B, or class A commercial driver's license, including a limited license, to a person who has been disqualified from operating a commercial motor vehicle under section 171.165.

Sec. 86. Minnesota Statutes 2004, section 171.05, subdivision 2, is amended to read:

Subd. 2. [PERSON LESS THAN 18 YEARS OF AGE.] (a) Notwithstanding any provision in subdivision 1 to the contrary, the department may issue an instruction permit to an applicant who is 15, 16, or 17 years of age and who:

(1) has completed a course of driver education in another state, has a previously issued valid license from another state, or is enrolled in either:

(i) a public, private, or commercial driver education program that is approved by the commissioner of public safety and that includes classroom and behind-the-wheel training; or

(ii) an approved behind-the-wheel driver education program when the student is receiving full-time instruction in a home school within the meaning of sections 120A.22 and 120A.24, the student is working toward a home-school diploma, the student's status as a home-school student has been certified by the superintendent of the school district in which the student resides, and the student is taking home-classroom driver training with classroom materials approved by the commissioner of public safety;

(2) has completed the classroom phase of instruction in the driver education program;

(3) has passed a test of the applicant's eyesight;

(4) has passed a department-administered test of the applicant's knowledge of traffic laws;

(5) has completed the required application, which must be approved by (i) either parent when both reside in the same household as the minor applicant or, if otherwise, then (ii) the parent or spouse of the parent having custody or, in the event there is no court order for custody, then (iii) the parent or spouse of the parent with whom the minor is living or, if items (i) to (iii) do not apply, then (iv) the guardian having custody of the minor or, in the event a person under the age of 18 has no living father, mother, or guardian, or is married or otherwise legally emancipated, then (v) the applicant's adult spouse, adult close family member, or adult employer; provided, that the approval required by this clause contains a verification of the age of the applicant and the identity of the parent, guardian, adult spouse, adult close family member, or adult employer; and

(6) has paid the fee required in section 171.06, subdivision 2.

(b) The instruction permit is valid for ~~one year~~ two years from the date of application and may be renewed upon payment of a fee equal to the fee for issuance of an instruction permit under section 171.06, subdivision 2.

Sec. 87. Minnesota Statutes 2004, section 171.05, subdivision 2b, is amended to read:

Subd. 2b. [INSTRUCTION PERMIT USE BY PERSON UNDER AGE 18.] (a) This subdivision applies to persons who have applied for and received an instruction permit under subdivision 2.

(b) The permit holder may, with the permit in possession, operate a motor vehicle, but must be accompanied by and be under the supervision of a certified driver education instructor, the permit holder's parent or guardian, or another licensed driver age 21 or older. The supervisor must occupy the seat beside the permit holder.

(c) The permit holder may operate a motor vehicle only when every occupant under the age of 18 has a seat belt or child passenger restraint system properly fastened. A person who violates this paragraph is subject to a fine of $25. A peace officer may not issue a citation for a violation of this paragraph unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation as defined in section 171.04, subdivision 1. The commissioner shall not record a violation of this paragraph on a person's driving record.

(d) The permit holder may not operate a vehicle while communicating over, or otherwise operating, a cellular or wireless telephone, whether handheld or hands free. The permit holder may assert as an affirmative defense that the violation was made for the sole purpose of obtaining emergency assistance to prevent a crime about to be committed, or in the reasonable belief that a person's life or safety was in danger.

(e) The permit holder must maintain a driving record free of convictions for moving violations, as defined in section 171.04, subdivision 1, and free of convictions for violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53. If the permit holder drives a motor vehicle in violation of the law, the commissioner shall suspend, cancel, or revoke the permit in accordance with the statutory section violated.

Sec. 88. Minnesota Statutes 2004, section 171.055, subdivision 2, is amended to read:

Subd. 2. [USE OF PROVISIONAL LICENSE.] (a) A provisional license holder may operate a motor vehicle only when every occupant under the age of 18 has a seat belt or child passenger restraint system properly fastened. A person who violates this paragraph is subject to a fine of $25. A peace officer may not issue a citation for a violation of this paragraph unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation as defined in section 171.04. The commissioner shall not record a violation of this paragraph on a person's driving record.

(b) A provisional license holder may not operate a vehicle while communicating over, or

otherwise operating, a cellular or wireless telephone, whether handheld or hands free. The provisional license holder may assert as an affirmative defense that the violation was made for the sole purpose of obtaining emergency assistance to prevent a crime about to be committed, or in the reasonable belief that a person's life or safety was in danger.

(c) If the holder of a provisional license during the period of provisional licensing incurs (1) a conviction for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) a conviction for a crash-related moving violation, or (3) more than one conviction for a moving violation that is not crash related, the person may not be issued a driver's license until 12 consecutive months have expired since the date of the conviction or until the person reaches the age of 18 years, whichever occurs first.

Sec. 89. Minnesota Statutes 2004, section 171.07, subdivision 1, is amended to read:

Subdivision 1. [LICENSE; CONTENTS.] (a) Upon the payment of the required fee, the department shall issue to every qualifying applicant a license designating the type or class of vehicles the applicant is authorized to drive as applied for. This license must bear a distinguishing number assigned to the licensee~~,~~; the licensee's full name, date of birth, and residence address ~~and permanent mailing address if different,~~; a description of the licensee in a manner as the commissioner deems necessary~~,~~; and the usual signature of the licensee. No license is valid unless it bears the usual signature of the licensee. Every license must bear a colored photograph or an electronically produced image of the licensee.

(b) If the United States Postal Service will not deliver mail to the applicant's residence address as listed on the license, then the applicant shall provide verification from the United States Postal Service that mail will not be delivered to the applicant's residence address and that mail will be delivered to a specified alternate mailing address. When an applicant provides an alternate mailing address under this subdivision, the commissioner shall use the alternate mailing address in lieu of the applicant's residence address for all notices and mailings to the applicant.

(c) Every license issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

~~(c)~~ (d) The department shall use processes in issuing a license that prohibit, as nearly as possible, the ability to alter or reproduce a license, or prohibit the ability to superimpose a photograph or electronically produced image on a license, without ready detection.

~~(d)~~ (e) A license issued to an applicant age 65 or over must be plainly marked "senior" if requested by the applicant.

Sec. 90. Minnesota Statutes 2004, section 171.07, subdivision 3, is amended to read:

Subd. 3. [IDENTIFICATION CARD; FEE.] (a) Upon payment of the required fee, the department shall issue to every qualifying applicant a Minnesota identification card. The department may not issue a Minnesota identification card to ~~a person~~ an individual who has a driver's license, other than a limited license. The card must bear a distinguishing number assigned to the applicant; a colored photograph or an electronically produced image of the applicant; the applicant's full name, date of birth, and residence address; a description of the applicant in the manner as the commissioner deems necessary; and the usual signature of the applicant.

(b) If the United States Postal Service will not deliver mail to the applicant's residence address as listed on the Minnesota identification card, then the applicant shall provide verification from the United States Postal Service that mail will not be delivered to the applicant's residence address and that mail will be delivered to a specified alternate mailing address. When an applicant provides an alternate mailing address under this subdivision, the commissioner shall use the alternate mailing address in lieu of the applicant's residence address for all notices and mailings to the applicant.

(c) Each identification card issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

~~(c)~~ (d) Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

~~(d)~~ (e) The fee for a Minnesota identification card is 50 cents when issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2; a physically disabled person, as defined in section 169.345, subdivision 2; or, a person with mental illness, as described in section 245.462, subdivision 20, paragraph (c).

Sec. 91. Minnesota Statutes 2004, section 171.09, is amended to read:

171.09 [DRIVING RESTRICTIONS; AUTHORITY, VIOLATIONS.]

(a) The commissioner ~~shall have the authority~~, when good cause appears, ~~to~~ may impose restrictions suitable to the licensee's driving ability or ~~such~~ other restrictions applicable to the licensee as the commissioner may determine to be appropriate to assure the safe operation of a motor vehicle by the licensee. ~~The commissioner may,~~

(b) Pursuant to Code of Federal Regulations, title 49, section 383.95, if an applicant for a commercial driver's license either does not successfully complete the air brake component of the knowledge test, or does not successfully complete the skills test in a vehicle equipped with air brakes as such tests are prescribed in Code of Federal Regulations, title 49, part 384, the department shall indicate on the class C, class B, or class A commercial driver's license, if issued, that the individual is restricted from operating a commercial motor vehicle equipped with air brakes.

(c) Upon receiving satisfactory evidence of any violation of the restrictions ~~of~~ on the license, the commissioner may suspend or revoke the license. A license suspension under this section is subject to section 171.18, subdivisions 2 and 3.

~~(b)~~ (d) A person who drives, operates, or is in physical control of a motor vehicle while in violation of the restrictions imposed in a restricted driver's license issued to that person under ~~paragraph (a)~~ this section is guilty of a crime as follows:

(1) if the restriction relates to the possession or consumption of alcohol or controlled substances, the person is guilty of a gross misdemeanor; or

(2) if the restriction relates to another matter, the person is guilty of a misdemeanor.

Sec. 92. Minnesota Statutes 2004, section 171.12, subdivision 3, is amended to read:

Subd. 3. [APPLICATION AND RECORD, WHEN DESTROYED.] The department may cause applications for drivers' licenses, provisional licenses, and instruction permits, and related records, to be destroyed immediately after the period for which issued, except that:

(1) the driver's record pertaining to revocations, suspensions, cancellations, disqualifications, convictions, and accidents ~~shall be~~ is cumulative and must be kept for a period of at least five years;

(2) the driver's record pertaining to violations of a driver or vehicle out-of-service order must be kept for a period of at least ten years; and

(3) the driver's record pertaining to felony convictions in the commission of which a motor vehicle was used, to the alcohol-related offenses and licensing actions listed in section 169A.03, subdivisions 20 and 21, ~~and~~ to violations of ~~sections~~ section 169.09, to violations of section 169A.31, and to violations of section 171.24, subdivision 5, ~~shall~~ must be ~~cumulative and kept for a period of at least 15 years, except as provided in clause (3); and~~

~~(3) the driver's record pertaining to an offense, or a related licensing action, under section 169A.20, subdivision 1, clause (1) or (5), must be purged after ten years of any reference to the offense or action if (i) this offense or action involved an alcohol concentration of 0.08 or more but less than 0.10, (ii) this offense or action was a first impaired driving incident, and (iii) the driver~~

~~has incurred no other impaired driving incident during the ten-year period. For purposes of this clause, "impaired driving incident" includes any incident that may be counted as a prior impaired driving conviction or a prior impaired driving-related loss of license, as defined in section 169A.03, subdivisions 20 and 21. This clause does not apply to the driver's record of a person to whom a commercial driver's license has been issued~~ retained permanently.

Sec. 93. Minnesota Statutes 2004, section 171.12, subdivision 6, is amended to read:

Subd. 6. [CERTAIN CONVICTIONS NOT RECORDED.] (a) Except as provided in paragraph (b), the department shall not keep on the record of a driver any conviction for a violation of ~~section 169.14, subdivision 2, paragraph (a), clause (3),~~ a speed limit of 55 or 60 miles per hour unless the violation consisted of a speed greater than ten miles per hour in excess of ~~the lawful speed~~ a 55 miles per hour speed limit, or more than five miles per hour in excess of a 60 miles per hour speed limit.

(b) This subdivision does not apply to (1) a violation that occurs in a commercial motor vehicle, or (2) a violation committed by a holder of a class A, B, or C commercial driver's license, without regard to whether the violation was committed in a commercial motor vehicle or another vehicle.

Sec. 94. Minnesota Statutes 2004, section 171.12, subdivision 7, is amended to read:

Subd. 7. [PRIVACY OF ~~RESIDENCE ADDRESS~~ DATA.] (a) ~~An applicant for~~ Data on individuals provided to obtain a driver's license or a Minnesota identification card ~~may request that the applicant's residence address be classified as private data on individuals, as defined in section 13.02, subdivision 12. The commissioner shall grant the classification upon receipt of a signed statement by the individual that the classification is required for the safety of the applicant or the applicant's family, if the statement also provides a valid, existing address where the applicant consents to receive service of process. The commissioner shall use the mailing address in place of the residence address in all documents and notices pertaining to the driver's license or identification card. The residence address and any information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518.54, subdivision 9~~ is classified as provided by United States Code, title 18, section 2721, subsection (a).

(b) An applicant for a driver's license or a Minnesota identification card ~~must be informed in a clear and conspicuous manner on the forms for the issuance or renewal that~~ may consent, in writing, to the commissioner to disclose the applicant's personal information ~~may be disclosed~~ exempted by United States Code, title 18, section 2721, subsection (a), to any person who makes a request for the personal information~~, and that except for uses permitted by United States Code, title 18, section 2721, subsection (b), the applicant may prohibit disclosure of the personal information by so indicating on the form~~. If the applicant so authorizes disclosures, the commissioner shall implement the request and the information may be used.

(c) If authorized by an applicant for a driver's license or a Minnesota identification card ~~must be also informed in a clear and conspicuous manner on forms that~~, as indicated in paragraph (b), the applicant's personal information may be used, rented, or sold solely for bulk distribution by organizations for business purposes, including surveys, marketing, or solicitation. ~~The commissioner shall implement methods and procedures that enable the applicant to request that bulk surveys, marketing, or solicitation not be directed to the applicant. If the applicant so requests, the commissioner shall implement the request in a timely manner and the personal information may not be so used.~~

(d) ~~To the extent permitted by United States Code, title 18, section 2721, data on individuals provided to obtain a Minnesota identification card or a driver's license is public data on individuals and shall be disclosed as permitted by United States Code, title 18, section 2721, subsection (b).~~ An applicant for a driver's license, instruction permit, or Minnesota identification card may request that the applicant's residence address be classified as "private data on individuals," as defined in section 13.02, subdivision 12. The commissioner shall grant the classification on receipt of a signed statement by the individual that the classification is required

for the safety of the applicant or the applicant's family, if the statement also provides a valid, existing address where the applicant consents to receive service of process. The commissioner shall use the service for process mailing address in place of the residence address in all documents and notices pertaining to the driver's license, instruction permit, or Minnesota identification card. The residence address and any information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518.54, subdivision 9.

(e) A person shall not retain any information from magnetically, electronically, or otherwise scanning a driver's license, permit, or state identification card, except the document holder's name; date of birth; driver's license, permit, or state identification card number; and document expiration date. A person shall not use any of this retained information for advertising or marketing purposes. A person shall not sell and shall not otherwise disseminate the retained information to any third party for any purpose, including any marketing, advertising, or promotional activities, except that retained information may be provided under a court order or as authorized elsewhere in law.

Sec. 95. [171.162] [COMMERCIAL DRIVER'S LICENSE, RECORDS CHECK.]

As required by Code of Federal Regulations, title 49, section 383.73, before issuing a class A, class B, or class C commercial driver's license, the department shall request the applicant's complete driving record from all states where the applicant was previously licensed over the last ten years to operate any type of motor vehicle.

Sec. 96. Minnesota Statutes 2004, section 171.165, subdivision 1, is amended to read:

Subdivision 1. [~~FIRST VIOLATION~~ FEDERAL STANDARDS.] Subject to section 171.166, the commissioner shall disqualify a person from operating commercial motor vehicles ~~for one year upon receiving a record of the first conviction of the person for committing a violation of any of the following offenses while operating a commercial motor vehicle:~~

~~(1) section 169A.20 or 169A.31;~~

~~(2) section 169.09, subdivision 1 or 2;~~

~~(3) a felony, other than a felony described in subdivision 3, paragraph (a), clause (2), item (ii);~~

~~(4) driving with a revoked, suspended, canceled, denied, or disqualified commercial driver's license;~~

~~(5) causing a fatality through the negligent or criminal operation of a commercial motor vehicle; or~~

~~(6) an offense committed in another state that would be grounds for disqualification under this subdivision or subdivision 2 if committed in Minnesota~~ in accordance with the driver disqualifications and penalties in Code of Federal Regulations, title 49, part 383, subpart D and Code of Federal Regulations, title 49, section 384.219.

Sec. 97. Minnesota Statutes 2004, section 171.165, subdivision 2, is amended to read:

Subd. 2. [IMPLIED CONSENT REVOCATION.] The commissioner shall disqualify a person from operating commercial motor vehicles for ~~one year from the effective date of~~ a revocation under section 169A.52 or a statute or ordinance from another state or jurisdiction in conformity with it, ~~if the person was driving, operating, or in physical control of a commercial motor vehicle at the time of the incident on which the revocation is based~~ in accordance with the driver disqualifications and penalties in Code of Federal Regulations, title 49, part 383, subpart D.

Sec. 98. Minnesota Statutes 2004, section 171.165, subdivision 6, is amended to read:

Subd. 6. [EXEMPTIONS.] (a) A disqualification shall not be imposed under this section on a

recreational ~~equipment~~ vehicle operator, farmer, or ~~firefighter~~ authorized emergency vehicle operator operating a commercial motor vehicle within the scope of section 171.02, subdivision 2, paragraph (b).

(b) A conviction for a violation that occurred before August 1, 2005, while operating a vehicle that is not a commercial motor vehicle shall not be counted as a first or subsequent violation for purposes of determining the period for which a driver must be disqualified under this section.

Sec. 99. [171.167] [NOTICE TO COMMERCIAL DRIVER'S LICENSE INFORMATION SYSTEM.]

The department shall participate fully in the commercial driver's license information system established under the Commercial Motor Vehicle Safety Act of 1986 at United States Code, title 49, section 31309.

Sec. 100. Minnesota Statutes 2004, section 171.17, subdivision 1, is amended to read:

Subdivision 1. [OFFENSES.] (a) The department shall immediately revoke the license of a driver upon receiving a record of the driver's conviction of:

(1) manslaughter resulting from the operation of a motor vehicle or criminal vehicular homicide or injury under section 609.21;

(2) a violation of section 169A.20 or 609.487;

(3) a felony in the commission of which a motor vehicle was used;

(4) failure to stop and disclose identity and render aid, as required under section 169.09, in the event of a motor vehicle accident, resulting in the death or personal injury of another;

(5) perjury or the making of a false affidavit or statement to the department under any law relating to the ownership or operation of a motor vehicle;

(6) except as this section otherwise provides, three charges of violating within a period of 12 months any of the provisions of chapter 169 or of the rules or municipal ordinances enacted in conformance with chapter 169, for which the accused may be punished upon conviction by imprisonment;

(7) two or more violations, within five years, of the misdemeanor offense described in section 169.444, subdivision 2, paragraph (a);

(8) the gross misdemeanor offense described in section 169.444, subdivision 2, paragraph (b); ~~or~~

(9) an offense in another state that, if committed in this state, would be grounds for revoking the driver's license; or

(10) a violation of an applicable speed limit by a person driving in excess of 100 miles per hour. The person's license must be revoked for six months for a violation of this clause, or for a longer minimum period of time applicable under section 169A.53, 169A.54, or 171.174.

(b) The department shall immediately revoke the school bus endorsement of a driver upon receiving a record of the driver's conviction of the misdemeanor offense described in section 169.443, subdivision 7.

Sec. 101. Minnesota Statutes 2004, section 171.30, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS OF ISSUANCE.] (a) In any case where a person's license has been suspended under section 171.18, 171.173, or 171.186, or revoked under section 169.792, 169.797, 169A.52, 169A.54, 171.17, or 171.172, the commissioner may issue a limited license to the driver including under the following conditions:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a postsecondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

(b) The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation, and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

(c) For purposes of this subdivision, "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents.

(d) The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

(e) In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

(f) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(g) The limited license issued by the commissioner to a person under section 171.186, subdivision 4, must expire 90 days after the date it is issued. The commissioner must not issue a limited license to a person who previously has been issued a limited license under section 171.186, subdivision 4.

(h) The commissioner shall not issue a limited driver's license to any person described in section 171.04, subdivision 1, clause (6), (7), (8), (10), (11), or (14).

(i) The commissioner shall not issue a class A, class B, or class C limited license.

Sec. 102. Minnesota Statutes 2004, section 174.03, is amended by adding a subdivision to read:

Subd. 2a. [STATE AVIATION PLAN.] (a) Each revision of the state aviation system plan must comply with the Federal Aviation Administration requirements and include a supplemental chapter. The supplemental chapter must include the following:

(1) an analysis of the projected commercial aviation needs of the state over the next 20 years;

(2) a description of the present capacity, function, and levels of activity at each commercial service airport as designated by the Federal Aviation Administration, each airport that the commissioner determines is likely to become a commercial service airport in the next 20 years, and any other airport that the commissioner determines should be included by reason of commercial passenger or cargo service levels; and

(3) a description of the capacity, function, and levels of activity that each airport identified in clause (2) must have in order to carry out the plan's goal and objectives and meet the needs described under clause (1).

(b) In assessing aviation needs and the capacity, function, and level of activity at any airport, the plan must consider both commercial passenger service and cargo service.

Sec. 103. [174.032] [ADVISORY COUNCIL ON AVIATION PLANNING.]

Subdivision 1. [ADVISORY COUNCIL CREATED.] (a) The commissioner shall create an advisory council on aviation planning to advise the commissioner on the supplemental chapter of the state aviation system plan. The council consists of the following members appointed by the commissioner except where otherwise provided:

(1) one member of the Metropolitan Airports Commission;

(2) one representative of major commercial airlines;

(3) one representative of independent pilots who fly for small business;

(4) one representative of the air cargo industry;

(5) two representatives of the business community unrelated to aviation, one of whom must reside within the seven-county metropolitan area and one of whom must reside outside that area;

(6) one representative of environmental interests;

(7) one employee of the Department of Transportation's Office of Aeronautics;

(8) two representatives of neighborhoods that are significantly affected by airplane noise appointed by community representatives on the Noise Oversight Committee;

(9) one representative of tier-two airports (St. Cloud, Duluth, Willmar, and Rochester);

(10) one representative of reliever airports;

(11) one member of the senate committee having jurisdiction over transportation policy, appointed by the chair of that committee;

(12) one member of the house of representatives committee having jurisdiction over transportation policy, appointed by the chair of that committee;

(13) one representative of the local Airline Service Action Committee;

(14) one representative of the Citizens League of the Twin Cities;

(15) one representative of the Association of Minnesota Counties;

(16) one representative of the League of Minnesota Cities;

(17) one representative of the Minnesota Department of Employment and Economic Development; and

(18) one representative of the Metropolitan Council.

(b) Members of the advisory council serve at the pleasure of the appointing authority. Members shall serve without compensation.

Subd. 2. [ADVISORY COUNCIL DUTIES.] (a) The advisory council on aviation planning shall advise the commissioner on the aviation planning chapter of the state aviation system plan. The advisory council shall assist in the development of the state aviation system plan by reviewing the work and making recommendations. The state aviation system plan must consist of:

(1) an inventory of airport facilities, based aircraft and operations;

(2) a forecast of aviation activities;

(3) a needs assessment to determine improvements needed and recommendations for each airport by five-year, ten-year, and 20-year forecast periods;

(4) present and anticipated capacity needs of commercial service airports, including limitations on expanding the capacity of individual commercial service airports imposed by state or local regulations, safety or environmental concerns, and land uses near the airport that are incompatible with airport operations;

(5) the needs of Minnesota residents and businesses for passenger and cargo service, from both a statewide and regional perspective;

(6) anticipated changes in commercial aircraft types and characteristics;

(7) noise and other environmental impacts of aviation at commercial service airports;

(8) trends in the aviation and airline industries; and

(9) relationship between aviation and other forms of transportation covered by the state transportation plan.

(b) The advisory council may also make recommendations to the commissioner, the Metropolitan Airports Commission, and the legislature concerning the policy steps needed to implement the chapter.

Subd. 3. [TERM OF COUNCIL; EXPIRATION; RECONVENING.] (a) The commissioner shall appoint the first advisory council by July 1, 2005. The council shall submit any recommendations it makes to the legislature by January 15, 2006. The terms of all members of the advisory council serving on July 1, 2005, expire on January 1, 2007.

(b) The commissioner shall appoint and convene a new advisory council not less than two years before the date on which each revision of the state aviation system plan is required under section 174.03, subdivision 1a. Each such advisory council must consist of members as prescribed in subdivision 1, who shall serve on the same terms as set forth under subdivision 1. Each such advisory council expires on the date on which the revision of the state aviation system plan becomes final.

Sec. 104. Minnesota Statutes 2004, section 174.86, subdivision 5, is amended to read:

Subd. 5. [COMMUTER RAIL CORRIDOR COORDINATING COMMITTEE.] (a) A Commuter Rail Corridor Coordinating Committee shall be established to advise the commissioner on issues relating to the alternatives analysis, environmental review, advanced corridor planning, preliminary engineering, final design, implementation method, construction of commuter rail, public involvement, land use, service, and safety. The Commuter Rail Corridor Coordinating Committee shall consist of:

(1) one member representing each significant funding partner in whose jurisdiction the line or lines are located;

(2) one member appointed by each county in which the corridors are located;

(3) one member appointed by each city in which advanced corridor plans indicate that a station may be located;

(4) two members appointed by the commissioner, one of whom shall be designated by the commissioner as the chair of the committee;

(5) one member appointed by each metropolitan planning organization through which the commuter rail line may pass; ~~and~~

(6) one member appointed by the president of the University of Minnesota, if a designated corridor provides direct service to the university; and

(7) one member appointed by the commissioner who represents railroad union labor.

(b) A joint powers board existing on April 1, 1999, consisting of local governments along a commuter rail corridor, shall perform the functions set forth in paragraph (a) in place of the committee.

(c) Notwithstanding section 15.059, subdivision 5, the committee does not expire.

[EFFECTIVE DATE.] This section is effective retroactively from June 30, 2003. All actions taken in reliance on Minnesota Statutes, section 15.059 or 174.86, are ratified by the enactment of this section.

Sec. 105. Minnesota Statutes 2004, section 192.502, subdivision 2, is amended to read:

Subd. 2. [RENEWAL OF PROFESSIONAL LICENSES ~~OR CERTIFICATIONS~~, DRIVER'S LICENSE, AND MOTOR VEHICLE REGISTRATION.] (a) The renewal of a license or certificate of registration for a ~~member of the Minnesota National Guard or other military reserves~~ person who has been ordered to active military service and who is required by law to be licensed or registered in order to carry on or practice a ~~health or other~~ trade, employment, occupation, or profession in the state is governed under sections 326.55 and 326.56.

(b) The renewal of a driver's license for a person who has been ordered to active military service is governed under section 171.27.

(c) The renewal and payment of the motor vehicle registration tax for a vehicle of a person who has been ordered to active military service is governed under section 168.031.

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

Sec. 106. Minnesota Statutes 2004, section 197.65, is amended to read:

197.65 [RENEWAL OF PROFESSIONAL LICENSES ~~OR CERTIFICATIONS~~, DRIVER'S LICENSE, AND MOTOR VEHICLE REGISTRATION.]

(a) The renewal of a license or certificate of registration for a person who is serving in or has recently been separated or discharged from active military service and who is required by law to be licensed or registered in order to carry on or practice a ~~health or other~~ trade, employment, occupation, or profession in the state is governed under sections 326.55 and 326.56.

(b) The renewal of a driver's license for a person who is serving in or has recently been separated or discharged from active military service is governed under section 171.27.

(c) The renewal and payment of the motor vehicle registration tax for a vehicle of a person who is serving in or has recently been separated or discharged from active military service is governed under section 168.031.

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

Sec. 107. Minnesota Statutes 2004, section 219.166, is amended to read:

219.166 [ESTABLISHMENT OF QUIET ZONES.]

A county, statutory or home rule charter city, or town may ~~by ordinance establish a defined~~ apply to the Federal Railroad Administration for the establishment of a "quiet zone" in which the sounding of horns, whistles, or other audible warnings by locomotives is regulated or prohibited. ~~A quiet zone established under this section must consist of at least one-half mile of railroad right-of-way.~~ All quiet zones, regulations, and ordinances adopted under this section must conform to federal law and the regulations of the Federal Railroad Administration under United States Code, title 49, section 20153.

Sec. 108. Minnesota Statutes 2004, section 219.567, is amended to read:

219.567 [FAILURE TO RING BELL.]

An engineer driving a locomotive on a railway who fails ~~(1)~~ to ring the bell or sound the whistle on the locomotive, or have it rung or sounded~~, at least 80 rods from a place where the railway crosses a traveled road or street on the same level, except in cities, or (2) to continue ringing the bell or sounding the whistle at intervals until the locomotive and attached train have completely crossed the road or street,~~ in accordance with Federal Railroad Administration regulations under United States Code, title 49, section 20153, is guilty of a misdemeanor.

Sec. 109. Minnesota Statutes 2004, section 360.013, subdivision 39, is amended to read:

Subd. 39. [AIRPORT.] "Airport" means any area of land or water, except a restricted landing area, which is designed for the landing and takeoff of aircraft, whether or not facilities are provided for the shelter, surfacing, or repair of aircraft, or for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport buildings or other airport facilities, including facilities described in section 116R.02, subdivision 6, and all appurtenant rights-of-way, whether heretofore or hereafter established. The operation and maintenance of airports is an essential public service.

Sec. 110. Minnesota Statutes 2004, section 360.017, subdivision 1, is amended to read:

Subdivision 1. [CREATION; AUTHORIZED DISBURSEMENTS.] (a) There is hereby created a fund to be known as the state airports fund. The fund shall consist of all money appropriated to it, or directed to be paid into it, by the legislature.

(b) The state airports fund shall be paid out on authorization of the commissioner and shall be used:

(1) to acquire, construct, improve, maintain, and operate airports and other air navigation facilities;

(2) to assist municipalities in the acquisition, construction, improvement, and maintenance of airports and other air navigation facilities;

(3) to assist municipalities to initiate, enhance, and market scheduled air service at their airports;

(4) to promote interest and safety in aeronautics through education and information; and

(5) to pay the salaries and expenses of the Department of Transportation related to aeronautic planning, administration, and operation. All allotments of money from the state airports fund for salaries and expenses shall be approved by the commissioner of finance.

A municipality that adopts a comprehensive plan that the commissioner finds is incompatible with the state aviation plan is not eligible for assistance from the state airports fund.

Sec. 111. Minnesota Statutes 2004, section 360.065, is amended by adding a subdivision to read:

Subd. 3. [DISCLOSURE OF AIRPORT ZONING REGULATIONS.] Before accepting consideration or signing an agreement to sell or transfer real property that is located in safety zone A, B, or C, excluding safety zones associated with an airport owned or operated by the Metropolitan Airports Commission, under zoning regulations adopted by the governing body, the seller or transferor, whether executing the agreement in the seller or transferor's own right, or as executor, administrator, assignee, trustee, or otherwise by authority of law, must disclose in writing to the buyer or transferee the existence of airport zoning regulations that affect the real property.

Sec. 112. Minnesota Statutes 2004, section 473.446, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATION AND COLLECTION.] Each county treasurer shall collect and make settlement of the taxes levied under subdivisions 1 and 1a and section 473.4461, subdivision 2, with the treasurer of the council. The levy of transit taxes pursuant to this section shall not affect the amount or rate of taxes which may be levied by any county or municipality or by the council for other purposes authorized by law and shall be in addition to any other property tax authorized by law.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2006 and thereafter.

Sec. 113. Minnesota Statutes 2004, section 473.4461, is amended to read:

473.4461 [ADDITIONS TO TRANSIT TAXING DISTRICT.]

Subdivision 1. [SERVICE EXPANSION PLAN REQUIRED.] Notwithstanding any provision of section 473.446 or any other law, the Metropolitan Council may not levy a tax under section 473.446, subdivision 1, in any city or town not included in the transit taxing district as it existed on January 1, 2001, unless the council and the governing body of that city or town have agreed on a service expansion plan.

Subd. 2. [CONTRACTUAL AGREEMENT; PROPERTY TAX LEVY.] Notwithstanding section 473.446, subdivision 2, the Metropolitan Council may enter into an agreement with a city or a town to join the transit taxing district. The agreement shall describe the types and levels of transit services to be provided within the area comprising the city or town. The agreement must provide that the area comprising the city or town shall be subject to the levy under section 473.446, subdivision 1. If a city or town enters into an agreement to join the transit taxing district, a copy of that portion of the agreement must be filed with the auditor or auditors of the county or counties containing the city or town.

Subd. 3. [PROPERTY TAX LEVY ALLOWED FOR OPERATIONS.] A tax levied in a city or town pursuant to an agreement under subdivision 2 may be used to fund transit operations or to pay the costs of principal and interest for transit-related bonded debt for a period of time not to exceed four years. After the four-year period, the tax levied in the city or town may be used only as provided under section 473.446, subdivision 1.

[EFFECTIVE DATE.] This section is effective the day following final enactment, for taxes payable in 2006 and thereafter.

Sec. 114. Minnesota Statutes 2004, section 515B.1-107, is amended to read:

515B.1-107 [EMINENT DOMAIN.]

(a) If a unit is acquired by eminent domain, or if part of a unit is acquired by eminent domain leaving the unit owner with a remnant which may not practically or lawfully be used for any material purpose permitted by the declaration, the award shall compensate the unit owner and secured party in the unit as their interests may appear, whether or not any common element interest is acquired. Upon acquisition, unless the order or final certificate otherwise provides, that unit's allocated interests are automatically reallocated among the remaining units in proportion to their respective allocated interests prior to the taking, and the association shall promptly prepare, execute, and record an amendment to the declaration reflecting the allocations. Any remnant of a unit remaining after part of a unit is taken under this subsection is thereafter a common element.

(b) Except as provided in subsection (a), if part of a unit is acquired by eminent domain, the award shall compensate the unit owner and secured party for the reduction in value of the unit and its interest in the common elements, whether or not any common elements are acquired. Upon acquisition, unless the order or final certificate otherwise provides, (i) that unit's allocated interests are reduced in proportion to the reduction in the size of the unit, or on any other basis specified in the declaration and (ii) the portion of the allocated interests divested from the partially acquired unit are automatically reallocated to that unit and to the remaining units in proportion to the respective allocated interests of those units before the taking, with the partially acquired unit participating in the reallocation on the basis of its reduced allocated interests.

(c) If part of the common elements is acquired by eminent domain, the association shall accept service of process on behalf of all unit owners and the portion of the award attributable to the common elements taken shall be paid to the association. Unless the declaration provides otherwise, any portion of the award attributable to the acquisition of a limited common element shall be equally divided among the owners of the units to which that limited common element was allocated at the time of acquisition and their secured parties, as their interests may appear or as provided by the declaration.

(d) In any eminent domain proceeding the units shall be treated as separate parcels of real estate for valuation purposes, regardless of the number of units subject to the proceeding.

(e) Any distribution to a unit owner from the proceeds of an eminent domain award shall be subject to any limitations imposed by the declaration or bylaws.

(f) The court order or final certificate containing the final awards shall be recorded in every county in which any portion of the common interest community is located.

Sec. 115. Minnesota Statutes 2004, section 515B.3-102, is amended to read:

515B.3-102 [POWERS OF UNIT OWNERS' ASSOCIATION.]

(a) Except as provided in subsection (b), and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement and modification of the common elements and the units;

(7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;

(8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;

(9) grant public utility and transportation easements through, over or under the common elements, and, subject to approval by resolution of unit owners other than declarant or its affiliates at a meeting duly called, grant other public or private easements, leases and licenses through, over or under the common elements;

(10) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements, and for services provided to unit owners;

(11) impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration, resale certificates required by section 515B.4-107, statements of unpaid assessments, or furnishing copies of association records;

(13) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; and

(16) exercise any other powers necessary and proper for the governance and operation of the association.

(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

Sec. 116. [ADDITIONAL DEPUTY REGISTRAR OF MOTOR VEHICLES AND DRIVER'S LICENSE AGENT FOR HENNEPIN COUNTY.]

Notwithstanding Minnesota Statutes, section 168.33, and rules adopted by the commissioner of public safety, limiting sites for the office of deputy registrar based on either the distance to an existing deputy registrar office or the annual volume of transactions processed by any deputy registrar within Hennepin County before or after the proposed appointment, the commissioner of public safety shall appoint a new deputy registrar of motor vehicles and driver's license agent for Hennepin County to operate a new full-service Office of Deputy Registrar, with full authority to function as a registration and motor vehicle tax collection and driver's license bureau, at the Midtown Exchange Building in the city of Minneapolis. All other provisions regarding the appointment and operation of a deputy registrar of motor vehicles and driver's license agent under Minnesota Statutes, sections 168.33 and 171.061, and Minnesota Rules, chapter 7406, apply to the office.

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

Sec. 117. [DEPUTY REGISTRAR AND DRIVER'S LICENSE AGENT APPOINTMENT.]

Notwithstanding any restriction in law or rule concerning proximity of deputy motor vehicle registrar offices or predicted number of annual applications processed, the commissioner of public safety shall appoint the auditor of Carver County as a deputy motor vehicle registrar and driver's license agent in the city of Chanhassen. All provisions of Minnesota Statutes, sections 168.33 and 171.061, not inconsistent with this section, apply to the appointments under this section.

Sec. 118. [MAXIMUM SPEED IN CITY OF ORR.]

In order to eliminate or reduce local safety hazards, a railway corporation may not permit a train to be operated at a speed in excess of 30 miles per hour while any portion of the engine or train is within the limits of the city of Orr in St. Louis County.

[EFFECTIVE DATE; LOCAL APPROVAL.] This section is effective the day after the governing body of the city of Orr and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 119. [CHANGEABLE MESSAGE SIGN ON U.S. HIGHWAY 2.]

The commissioner of transportation shall erect and operate a changeable message sign on U.S. Highway 2, on the approach to the Richard I. Bong Bridge in the city of Duluth.

Sec. 120. [SUSPENSION OF PROGRAM TO VERIFY INSURANCE COVERAGE THROUGH SAMPLING.]

The commissioner of public safety shall take no action under Minnesota Statutes, section 169.796, subdivision 3, and shall discontinue all activities related to the program to verify insurance coverage through sampling, except as provided in sections 120 to 127.

Sec. 121. [REINSTATEMENT OF SUSPENDED LICENSES.]

The commissioner, without requiring proof of insurance or payment of a reinstatement fee, shall reinstate the driver's license of every vehicle owner whose license is suspended under Minnesota Statutes, section 169.796, subdivision 3, retroactive to the date of the suspension. The commissioner shall promptly refund any such reinstatement fees previously paid.

Sec. 122. [DISMISSAL OF CHARGES.]

All charges, complaints, and citations issued for a violation of Minnesota Statutes, section 169.796, subdivision 3, or a related violation, including driving after a license suspension imposed for failure to comply with the provisions of Minnesota Statutes, section 169.796, subdivision 3, are void and must be dismissed.

Sec. 123. [REMOVAL OF PREVIOUS VIOLATIONS.]

The commissioner shall purge from a person's driving record any notation of a violation of Minnesota Statutes, section 169.796, subdivision 3, and any notation of a related suspension or violation, including driving after a license suspension imposed for failure to comply with the provisions of Minnesota Statutes, section 169.796, subdivision 3. An insurer may not increase a premium for a policy of vehicle insurance on the basis of a violation described in this section by a named insured if the violation occurred before the effective date of this section, and any such increase previously imposed must be rescinded and any related premium increase promptly refunded.

Sec. 124. [REMEDIATION FOR CONVICTIONS.]

A court in which a conviction for an offense referred to in section 123 occurred, must vacate the conviction, on its own motion, without cost to the person convicted, and notify the commissioner who will notify the person that the conviction has been vacated in its notification of purging the driving record of a violation of Minnesota Statutes, section 169.796, subdivision 3, or any other related suspension or violation, including driving after license suspension for failure to comply with Minnesota Statutes, section 169.796, subdivision 3.

Sec. 125. [REMEDIATION BY INSURERS.]

(a) Insurers that issue or renew motor vehicle insurance in this state shall, within 60 days after the effective date of this section, inform the commissioner of commerce as to whether it has canceled, failed to renew, denied an application for coverage, or imposed a surcharge on any motor vehicle insurance due to a suspension or conviction as a result of the law referenced in section 122, provide a list of any such persons, and indicate for each person the remediation the insurer intends to provide.

(b) Remediation under paragraph (a) must compensate the victim by providing refunds and reinstatements of coverage.

(c) Insurers shall provide the remediation without requiring that the person make a request for remediation.

(d) The commissioner of commerce shall enforce this section under its general enforcement powers under Minnesota Statutes, chapter 45.

Sec. 126. [REPORT.]

The commissioner of public safety shall report to the chairs of the house of representatives and senate committees with jurisdiction over transportation policy and finance by September 1, 2007, concerning the operation of the vehicle insurance verification program, and the impact of the program on the identification and number of uninsured motorists.

Sec. 127. [PUBLIC SAFETY FUNDING.]

The commissioner of public safety shall use unspent funds appropriated for purposes of administering Minnesota Statutes, section 169.796, subdivision 3, to carry out the provisions of sections 121, 123, and 124. Funds remaining at the conclusion of fiscal year 2005 may be carried over to fiscal year 2006 until expended, to complete the required provisions of sections 121, 123, and 124.

Sec. 128. [FLOODWOOD SAFETY REST AREA.]

Notwithstanding Minnesota Statutes, section 160.2725, subdivision 1, regarding food and beverage sales limited to vending machines, and Minnesota Statutes, section 160.2725, subdivision 5, the operator of the safety rest area in the city of Floodwood may sell nonalcoholic beverages and snack foods through other means. This provision may not be waived by contract or other agreement.

Sec. 129. [WHEELCHAIR SECUREMENT POSITION TEMPORARY EXEMPTION.]

Notwithstanding any contrary provisions in Minnesota Statutes, chapter 299A, or Minnesota Rules, chapter 7450, enrolled participants in the National Veterans Wheelchair Games may be transported in transit vehicles in side-facing positions. Transportation services and operators of transit vehicles, when they are providing transportation to enrolled participants in the National Veterans Wheelchair Games in the counties of Hennepin and Ramsey, are exempt from statutes and rules insofar as they prohibit transportation of wheelchair users in side-facing positions. This exemption is effective on June 26, 2005, and expires on July 3, 2005.

Sec. 130. [RULE CHANGE; INSTRUCTION TO REVISOR.]

The revisor of statutes shall change Minnesota Rules, part 8820.3300, subpart 2, to require that comments be directed to the commissioner of transportation in conformity with the same period allowed for written objections to be received by the commissioner under this act's amendments to Minnesota Statutes 2004, sections 162.02, subdivision 3a, and 162.09, subdivision 3a. The rule change is effective the same day as the effective date of this act's amendments to Minnesota Statutes 2004, sections 162.02, subdivision 3a, and 162.09, subdivision 3a.

Sec. 131. [TOWN ROAD SIGN REPLACEMENT PROGRAM.]

Subdivision 1. [SCOPE OF PROGRAM.] The commissioner of transportation shall develop and implement a town road sign replacement program to:

(1) inventory all county and town road signs;

(2) evaluate town road signs for compliance with applicable sign standards;

(3) remove and replace town road signs as the commissioner deems necessary; and

(4) establish an ongoing sign maintenance program.

Subd. 2. [SIGN STANDARDS.] Standards for sign removal, replacement, and installation must

conform to applicable federal, state, and local safety standards, including retroreflectivity standards and other provisions of the Manual on Uniform Traffic Control Devices adopted by the commissioner.

Subd. 3. [LOCAL GOVERNMENT PARTICIPATION.] The commissioner may establish conditions for local government participation in the town road sign replacement program, including, but not limited to, involvement of county engineers, and establishment and maintenance by the local government of a database of county and town road signs.

Subd. 4. [USE OF APPROPRIATIONS.] The commissioner may utilize the proceeds of state appropriations for the town road sign replacement program to match federal funds. The commissioner may establish a pilot program in consultation with the Minnesota Association of Townships.

[EFFECTIVE DATE.] This section takes effect on the effective date of a state or federal appropriation for the town road sign replacement program.

Sec. 132. [REPEALER.]

(a) Minnesota Statutes 2004, sections 168.011, subdivision 19; 168.15, subdivision 2; 169.09, subdivision 10; 170.55; and 171.165, subdivisions 3, 4, 4a, and 4b, are repealed.

(b) Minnesota Statutes 2004, sections 168.831, 168.832, 168.833, 168.834, 168.835, 168.836, and 168.837, are repealed.

(c) Minnesota Rules, part 7503.2400, is repealed."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Murphy moved to amend the Murphy amendment to S.F. No. 2121, adopted by the Senate May 23, 2005, as follows:

Page 17, after line 18, insert:

"Sec. 26. Minnesota Statutes 2004, section 168.091, subdivision 1, is amended to read:

Subdivision 1. [NONRESIDENT BUYER.] (a) Upon payment of a fee of $1, the ~~registrar~~ commissioner may issue a permit to a nonresident purchasing a ~~new or used motor~~ vehicle in this state for the sole purpose of allowing ~~such nonresident to remove~~ the vehicle to be removed from this state ~~for registration in another state or country~~. ~~Such~~

(b) The permit ~~shall be~~ is in lieu of any other registration or taxation for use of the highways and ~~shall be~~ is valid for a period of 31 days from the date of sale, trade, or gift.

(c) The permit ~~shall~~ must be available in ~~such form~~ an electronic format as ~~the registrar may determine and, whenever practicable, shall be~~ determined by the commissioner.

(d) If the sale, gift, or trade information is electronically transmitted to the commissioner by a dealer or deputy registrar of motor vehicles, the $1 fee is waived.

(e) The permit must be posted upon the left side of the inside rear window of the vehicle or, if not practicable, where it is plainly visible to law enforcement. Each ~~such~~ permit ~~shall be~~ is valid only for the vehicle for which the permit was issued."

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

S.F. No. 2121 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Hann	Limmer	Ourada	Scheid
Bachmann	Hottinger	Lourey	Pappas	Senjem
Bakk	Johnson, D.E.	Marko	Pariseau	Skoe
Belanger	Johnson, D.J.	Marty	Pogemiller	Skoglund
Berglin	Jungbauer	McGinn	Ranum	Solon
Betzold	Kelley	Metzen	Reiter	Sparks
Day	Kierlin	Michel	Rest	Stumpf
Dibble	Kleis	Moua	Robling	Tomassoni
Dille	Koering	Murphy	Rosen	Vickerman
Fischbach	Kubly	Nienow	Ruud	Wergin
Frederickson	Langseth	Olson	Sams	Wiger
Gaither	Larson	Ortman	Saxhaug	

Those who voted in the negative were:

Foley	Gerlach	LeClair

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

RECESS

Senator Johnson, D.E. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Johnson, D.E. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1816: Senators Berglin, Lourey and Fischbach.

H.F. No. 2121: Senators Chaudhary, Rest and Gaither.

Senator Johnson, D.E. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated S.F. No. 200 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 200: A bill for an act relating to commerce; prohibiting expiration dates and service fees on gift certificates and gift cards; proposing coding for new law in Minnesota Statutes, chapter 325G.

Senator Skoglund moved to amend S.F. No. 200 as follows:

Page 2, line 10, delete "primarily for" and insert "and issued by a financial institution on the premises of the financial institution and"

Page 2, line 11, delete "redemption by the purchaser"

Page 2, line 14, after the period, insert "For purposes of this clause, "financial institution" means a bank, savings bank, savings and loan association, or credit union."

The motion prevailed. So the amendment was adopted.

Senator Scheid moved to amend S.F. No. 200 as follows:

Page 2, line 9, delete "or"

Page 2, line 14, before the period, insert "; or

(5) used solely for telephone or wireless services, including, but not limited to, prepaid calling cards"

The motion prevailed. So the amendment was adopted.

Senator Gaither moved to amend S.F. No. 200 as follows:

Page 1, line 19, after "kind" insert "against the value of the gift certificate"

Page 1, line 20, before the period, insert ", unless the fee and expiration date have been disclosed"

Page 1, delete lines 21 to 25

Page 2, delete lines 1 to 23

CALL OF THE SENATE

Senator Kleis imposed a call of the Senate for the balance of the proceedings on S.F. No. 200. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Gaither amendment.

The roll was called, and there were yeas 29 and nays 34, as follows:

Those who voted in the affirmative were:

Bachmann	Hann	LeClair	Nienow	Rosen
Belanger	Johnson, D.J.	Limmer	Olson	Ruud
Day	Kierlin	McGinn	Ortman	Senjem
Fischbach	Kleis	Metzen	Ourada	Sparks
Gaither	Koering	Michel	Pariseau	Wergin
Gerlach	Larson	Neuville	Reiter	

Those who voted in the negative were:

Bakk	Higgins	Lourey	Ranum	Skoglund
Berglin	Hottinger	Marko	Rest	Solon
Betzold	Johnson, D.E.	Marty	Robling	Stumpf
Cohen	Jungbauer	Moua	Sams	Tomassoni
Dibble	Kelley	Murphy	Saxhaug	Vickerman
Dille	Kubly	Pappas	Scheid	Wiger
Foley	Langseth	Pogemiller	Skoe	

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

S.F. No. 200 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 45 and nays 19, as follows:

Those who voted in the affirmative were:

Bakk	Berglin	Betzold	Cohen	Dibble

Dille	Kubly	Moua	Ranum	Skoe
Foley	Langseth	Murphy	Rest	Skoglund
Frederickson	Limmer	Neuville	Robling	Solon
Higgins	Lourey	Nienow	Rosen	Sparks
Hottinger	Marko	Olson	Sams	Stumpf
Johnson, D.E.	Marty	Ourada	Saxhaug	Tomassoni
Jungbauer	McGinn	Pappas	Scheid	Vickerman
Kelley	Metzen	Pogemiller	Senjem	Wiger

Those who voted in the negative were:

Bachmann	Gaither	Kierlin	LeClair	Reiter
Belanger	Gerlach	Kleis	Michel	Ruud
Day	Hann	Koering	Ortman	Wergin
Fischbach	Johnson, D.J.	Larson	Pariseau	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Johnson, D.E. moved that H.F. No. 2228 be taken from the table. The motion prevailed.

H.F. No. 2228: A bill for an act relating to taxation; recodifying and clarifying the powers of the commissioner of revenue; recodifying a criminal penalty; appropriating money; amending Minnesota Statutes 2004, sections 16D.08, subdivision 2; 115B.49, subdivision 4; 239.785, subdivision 4; 256.9657, subdivision 7; 256.9792, subdivision 8; 273.11, subdivision 5; 287.37; 289A.35; 289A.42, subdivision 1; 289A.60, subdivision 13; 295.57, subdivision 1; 295.60, subdivision 7; 297A.64, subdivision 3; 297B.11; 297H.10, subdivision 1; 297I.10, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 270C; repealing Minnesota Statutes 2004, sections 270.01; 270.02; 270.021; 270.022; 270.04; 270.05; 270.052; 270.058; 270.059; 270.06; 270.0601; 270.0602; 270.0603; 270.0604; 270.0605; 270.061; 270.062; 270.063; 270.064; 270.065; 270.066; 270.0665; 270.067; 270.068; 270.0681; 270.0682; 270.069; 270.07; 270.084; 270.09; 270.10; 270.101; 270.102; 270.11, subdivisions 2, 3, 4, 5, 6, 7; 270.13; 270.14; 270.15; 270.16; 270.17; 270.18; 270.19; 270.20; 270.21; 270.22; 270.23; 270.24; 270.25; 270.26; 270.27; 270.271; 270.272; 270.273; 270.274; 270.275; 270.276; 270.277; 270.278; 270.30; 270.485; 270.494; 270.60; 270.65; 270.652; 270.66; 270.67; 270.68; 270.69; 270.691; 270.70; 270.7001; 270.7002; 270.701; 270.702; 270.703; 270.704; 270.705; 270.706; 270.707; 270.708; 270.709; 270.71; 270.72; 270.721; 270.73; 270.74; 270.75; 270.76; 270.771; 270.78; 270.79; 287.39; 289A.07; 289A.13; 289A.31, subdivisions 3, 4, 6; 289A.36; 289A.37, subdivisions 1, 3, 4, 5; 289A.38, subdivision 13; 289A.43; 289A.65; 290.48, subdivisions 3, 4; 290.92, subdivisions 6b, 22, 23; 290.97; 296A.20; 296A.201; 296A.25; 297A.86; 297A.93; 297D.14; 297E.08; 297E.09; 297E.12, subdivision 10; 297E.15; 297F.15, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 297F.16; 297F.22; 297G.14, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 297G.15; 297G.21; 297I.45; 297I.50; 297I.55; 297I.95.

SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2228 and that the rules of the Senate be so far suspended as to give H.F. No. 2228 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2228 was read the second time.

Senator Pogemiller moved to amend H.F. No. 2228 as follows:

Page 138, after line 31, insert:

"ARTICLE 3

PROPERTY TAXES

Section 1. Minnesota Statutes 2004, section 272.02, subdivision 47, is amended to read:

Subd. 47. [POULTRY LITTER BIOMASS GENERATION FACILITY; PERSONAL PROPERTY.] Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of an electrical generating facility that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) be designed to utilize poultry litter as a primary fuel source; and

(2) be constructed for the purpose of generating power at the facility that will be sold pursuant to a contract approved by the Public Utilities Commission in accordance with the biomass mandate imposed under section 216B.2424.

Construction of the facility must be commenced after January 1, 2003, and before December 31, ~~2003~~ 2005. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

[EFFECTIVE DATE.] This section is effective for taxes levied in 2005, payable in 2006, and thereafter.

Sec. 2. Minnesota Statutes 2004, section 272.02, subdivision 53, is amended to read:

Subd. 53. [ELECTRIC GENERATION FACILITY; PERSONAL PROPERTY.] Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a 3.2 megawatt run-of-the-river hydroelectric generation facility and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) utilize two turbine generators at a dam site existing on March 31, 1994;

(2) be located on ~~publicly owned~~ land ~~and~~ within 1,500 feet of a 13.8 kilovolt distribution substation; and

(3) be eligible to receive a renewable energy production incentive payment under section 216C.41.

Construction of the facility must be commenced after ~~January 1, 2002~~ December 31, 2004, and before January 1, ~~2005~~ 2007. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

[EFFECTIVE DATE.] This section is effective for taxes levied in 2005, payable in 2006 and thereafter.

Sec. 3. Minnesota Statutes 2004, section 272.02, subdivision 56, is amended to read:

Subd. 56. [ELECTRIC GENERATION FACILITY; PERSONAL PROPERTY.] (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a combined-cycle combustion-turbine electric generation facility that exceeds ~~550~~ 300 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) not be owned by a public utility as defined in section 216B.02, subdivision 4;

(3) be located within five miles of an existing natural gas pipeline and within four miles of an existing electrical transmission substation;

(4) be located outside the metropolitan area as defined under section 473.121, subdivision 2; and

(5) be designed to provide energy and ancillary services and have received a certificate of need under section 216B.243.

(b) Construction of the facility must be commenced after January 1, 2004, and before January 1, 2007, except that property eligible for this exemption includes any expansion of the facility that also meets the requirements of paragraph (a), clauses (1) to (5), without regard to the date that construction of the expansion commences. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

[EFFECTIVE DATE.] This section is effective for taxes levied in 2005, payable in 2006, and thereafter.

Sec. 4. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 68. [ELECTRIC GENERATION FACILITY; PERSONAL PROPERTY.] (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a simple-cycle combustion-turbine electric generation facility that exceeds 290 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) not be owned by a public utility as defined in section 216B.02, subdivision 4;

(3) be located within 15 miles of an existing natural gas pipeline and within five miles of an existing electrical transmission substation;

(4) be located outside the metropolitan area as defined under section 473.121, subdivision 2;

(5) be designed to provide peaking capacity energy and ancillary services and have satisfied all of the requirements under section 216B.243; and

(6) have received, by resolution, the approval from the governing body of the county, city, and school district in which the proposed facility is to be located for the exemption of personal property under this subdivision.

(b) Construction of the facility must be commenced after January 1, 2005, and before January 1, 2009. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

[EFFECTIVE DATE.] This section is effective for assessment year 2006, taxes payable in 2007, and thereafter.

Sec. 5. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 69. [ELECTRIC GENERATION FACILITY PERSONAL PROPERTY.] (a) Notwithstanding subdivision 9, clause (a), and section 453.54, subdivision 20, attached machinery and other personal property which is part of an electric generation facility that exceeds 150 megawatts of installed capacity and meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) be owned and operated by a municipal power agency as defined in section 453.52, subdivision 8;

(3) have received the certificate of need under section 216B.243;

(4) be located outside the metropolitan area as defined under section 473.121, subdivision 2; and

(5) be designed to be a combined-cycle facility, although initially the facility will be operated as a simple-cycle combustion turbine.

(b) To qualify under this subdivision, an agreement must be negotiated between the municipal power agency and the host city, for a payment in lieu of property taxes to the host city.

(c) Construction of the facility must be commenced after January 1, 2004, and before January 1, 2006. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

[EFFECTIVE DATE.] This section is effective for assessment year 2005, taxes payable in 2006, and thereafter.

Sec. 6. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 70. [ELECTRIC GENERATION FACILITY; PERSONAL PROPERTY.] Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of an existing simple-cycle, combustion-turbine electric generation facility that exceeds 300 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of the construction, the facility must:

(1) be designed to utilize natural gas as a primary fuel;

(2) be owned by a public utility as defined in section 216B.02, subdivision 4, and be located at or interconnected with an existing generating plant of the utility;

(3) be designed to provide peaking, emergency backup, or contingency services;

(4) satisfy a resource need identified in an approved integrated resource plan filed under section 216B.2422; and

(5) have received, by resolution, the approval from the governing body of the county and the city for the exemption of personal property under this subdivision.

Construction of the facility expansion must be commenced after January 1, 2004, and before January 1, 2005. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

[EFFECTIVE DATE.] This section is effective beginning with assessment year 2005, for taxes payable in 2006 and thereafter.

Sec. 7. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 71. [ELECTRIC GENERATION FACILITY; PERSONAL PROPERTY.] (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of a simple-cycle combustion-turbine electric generation facility that exceeds 150 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) utilize natural gas as a primary fuel;

(2) be owned by an electric generation and transmission cooperative;

(3) be located within five miles of parallel existing 12-inch and 16-inch natural gas pipelines and a 69-kilovolt high-voltage electric transmission line;

(4) be designed to provide peaking, emergency backup, or contingency services;

(5) have received a certificate of need under section 216B.243 demonstrating demand for its capacity; and

(6) have received by resolution the approval from the governing body of the county and township in which the proposed facility is to be located for the exemption of personal property under this subdivision.

(b) Construction of the facility must be commenced after July 1, 2005, and before January 1, 2009. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

[EFFECTIVE DATE.] This section is effective for assessment year 2006 and thereafter, for taxes payable in 2007 and thereafter.

Sec. 8. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 72. [ELECTRIC GENERATION FACILITY PERSONAL PROPERTY.] (a) Notwithstanding subdivision 9, clause (a), attached machinery and other personal property which is part of either a simple-cycle, combustion-turbine electric generation facility, or a combined-cycle, combustion-turbine electric generation facility that does not exceed 325 megawatts of installed capacity and that meets the requirements of this subdivision is exempt. At the time of construction, the facility must:

(1) utilize either a simple-cycle or a combined-cycle combustion-turbine generator fueled by natural gas;

(2) be connected to an existing 115-kilovolt high-voltage electric transmission line that is within two miles of the facility;

(3) be located on an underground natural gas storage aquifer;

(4) be designed as either a peaking or intermediate load facility; and

(5) have received, by resolution, the approval from the governing body of the county for the exemption of personal property under this subdivision.

(b) Construction of the facility must be commenced after January 1, 2006, and before January 1, 2008. Property eligible for this exemption does not include electric transmission lines and interconnections or gas pipelines and interconnections appurtenant to the property or the facility.

[EFFECTIVE DATE.] This section is effective for assessment year 2005, taxes payable in 2006, and thereafter.

Sec. 9. Minnesota Statutes 2004, section 272.0211, subdivision 1, is amended to read:

Subdivision 1. [EFFICIENCY DETERMINATION AND CERTIFICATION.] An owner or operator of a new or existing electric power generation facility, excluding wind energy conversion systems, may apply to the commissioner of revenue for a market value exclusion on the property as provided for in this section. This exclusion shall apply only to the market value of the equipment of the facility, and shall not apply to the structures and the land upon which the facility is located. The commissioner of revenue shall prescribe the forms and procedures for this application. Upon receiving the application, the commissioner of revenue shall request the commissioner of commerce to make a determination of the efficiency of the applicant's electric power generation facility. ~~In calculating the efficiency of a facility,~~ The commissioner of commerce shall ~~use a definition of~~ calculate efficiency ~~which calculates efficiency as the sum of:~~

~~(1) the useful electrical power output; plus~~

~~(2) the useful thermal energy output; plus~~

~~(3) the fuel energy of the useful chemical products,~~

~~all divided by the total energy input to the facility, expressed as a percentage~~ as the ratio of useful energy outputs to energy inputs, expressed as a percentage, based on the performance of the facility's equipment during normal full load operation. The commissioner must include in this

formula the energy used in any on-site preparation of materials necessary to convert the materials into the fuel used to generate electricity, such as a process to gasify petroleum coke. The commissioner shall use the ~~high~~ Higher Heating Value (HHV) for all substances in the commissioner's efficiency calculations, except for wood for fuel in a biomass-eligible project under section 216B.2424; for these instances, the commissioner shall adjust the heating value to allow for energy consumed for evaporation of the moisture in the wood. The applicant shall provide the commissioner of commerce with whatever information the commissioner deems necessary to make the determination. Within 30 days of the receipt of the necessary information, the commissioner of commerce shall certify the findings of the efficiency determination to the commissioner of revenue and to the applicant. The commissioner of commerce shall determine the efficiency of the facility and certify the findings of that determination to the commissioner of revenue every two years thereafter from the date of the original certification.

[EFFECTIVE DATE.] This section is effective for assessment year 2005 and thereafter, for taxes payable in 2006 and thereafter.

Sec. 10. Minnesota Statutes 2004, section 272.0211, subdivision 2, is amended to read:

Subd. 2. [SLIDING SCALE EXCLUSION.] Based upon the efficiency determination provided by the commissioner of commerce as described in subdivision 1, the commissioner of revenue shall subtract ~~five~~ eight percent of the taxable market value of the qualifying property for each percentage point that the efficiency of the specific facility, as determined by the commissioner of commerce, is above ~~35~~ 40 percent. The reduction in taxable market value shall be reflected in the taxable market value of the facility beginning with the assessment year immediately following the determination. For a facility that is assessed by the county in which the facility is located, the commissioner of revenue shall certify to the assessor of that county the percentage of the taxable market value of the facility to be excluded.

[EFFECTIVE DATE.] This section is effective for assessment year 2005 and thereafter, for taxes payable in 2006 and thereafter.

Sec. 11. Minnesota Statutes 2004, section 273.124, subdivision 14, is amended to read:

Subd. 14. [AGRICULTURAL HOMESTEADS; SPECIAL PROVISIONS.] (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife Service, or (iii) land administered by the Department of Natural Resources on which in lieu taxes are paid under sections 477A.11 to 477A.14;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than four townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage, and one acre of land.

Homesteads initially classified as class 2a under the provisions of this paragraph shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4). Homestead classification under this paragraph is limited to property that qualified under this paragraph for the 1998 assessment.

(b)(i) Agricultural property consisting of at least 40 acres shall be classified as the owner's homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) the owner, the owner's spouse, ~~or~~ the son or daughter of the owner or owner's spouse, or the grandson or granddaughter of the owner or the owner's spouse, is actively farming the agricultural property, either on the person's own behalf as an individual or on behalf of a partnership operating a family farm, family farm corporation, joint family farm venture, or limited liability company of which the person is a partner, shareholder, or member;

(2) both the owner of the agricultural property and the person who is actively farming the agricultural property under clause (1), are Minnesota residents;

(3) neither the owner nor the spouse of the owner claims another agricultural homestead in Minnesota; and

(4) neither the owner nor the person actively farming the property lives farther than four townships or cities, or a combination of four townships or cities, from the agricultural property, except that if the owner or the owner's spouse is required to live in employer-provided housing, the owner or owner's spouse, whichever is actively farming the agricultural property, may live more than four townships or cities, or combination of four townships or cities from the agricultural property.

The relationship under this paragraph may be either by blood or marriage.

(ii) Real property held by a trustee under a trust is eligible for agricultural homestead classification under this paragraph if the qualifications in clause (i) are met, except that "owner" means the grantor of the trust.

(iii) Property containing the residence of an owner who owns qualified property under clause (i) shall be classified as part of the owner's agricultural homestead, if that property is also used for noncommercial storage or drying of agricultural crops.

(c) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than four townships or cities or combination thereof from the homestead. Any taxpayer of these noncontiguous lands must notify the county assessor that the noncontiguous land is part of the taxpayer's homestead, and, if the homestead is located in another county, the taxpayer must also notify the assessor of the other county.

(d) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

(e) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of the April 1997 floods;

(2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or Wilkin;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1997 assessment year and continue to be used for agricultural purposes;

(4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 1997 floods, and

the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(f) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by a March 29, 1998, tornado;

(2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur, Nicollet, Nobles, or Rice;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1998 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to a March 29, 1998, tornado, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the owner must notify the assessor by December 1, 1998. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(g) Agricultural property consisting of at least 40 acres of a family farm corporation, joint family farm venture, family farm limited liability company, or partnership operating a family farm as described under subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) a shareholder, member, or partner of that entity is actively farming the agricultural property;

(2) that shareholder, member, or partner who is actively farming the agricultural property is a Minnesota resident;

(3) neither that shareholder, member, or partner, nor the spouse of that shareholder, member, or partner claims another agricultural homestead in Minnesota; and

(4) that shareholder, member, or partner does not live farther than four townships or cities, or a combination of four townships or cities, from the agricultural property.

Homestead treatment applies under this paragraph for property leased to a family farm corporation, joint farm venture, limited liability company, or partnership operating a family farm if legal title to the property is in the name of an individual who is a member, shareholder, or partner in the entity.

(h) To be eligible for the special agricultural homestead under this subdivision, an initial full application must be submitted to the county assessor where the property is located. Owners and the persons who are actively farming the property shall be required to complete only a one-page abbreviated version of the application in each subsequent year provided that none of the following items have changed since the initial application:

(1) the day-to-day operation, administration, and financial risks remain the same;

(2) the owners and the persons actively farming the property continue to live within the four townships or city criteria and are Minnesota residents;

(3) the same operator of the agricultural property is listed with the Farm Service Agency;

(4) a Schedule F or equivalent income tax form was filed for the most recent year;

(5) the property's acreage is unchanged; and

(6) none of the property's acres have been enrolled in a federal or state farm program since the initial application.

The owners and any persons who are actively farming the property must include the appropriate Social Security numbers, and sign and date the application. If any of the specified information has changed since the full application was filed, the owner must notify the assessor, and must complete a new application to determine if the property continues to qualify for the special agricultural homestead. The commissioner of revenue shall prepare a standard reapplication form for use by the assessors.

[EFFECTIVE DATE.] This section is effective for assessment year 2005 and thereafter, for taxes payable in 2006 and thereafter.

Sec. 12. Minnesota Statutes 2004, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. The market value of class 4a property has a class rate of ~~1.8 percent for taxes payable in 2002, 1.5 percent for taxes payable in 2003, and~~ 1.25 percent ~~for taxes payable in 2004 and thereafter, except that class 4a property consisting of a structure for which construction commenced after June 30, 2001, has a class rate of 1.25 percent of market value for taxes payable in 2003 and subsequent years~~.

(b) Class 4b includes:

(1) residential real estate containing less than four units that does not qualify as class 4bb, other than seasonal residential recreational property;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b) containing two or three units; and

(4) unimproved property that is classified residential as determined under subdivision 33.

The market value of class 4b property has a class rate of ~~1.5 percent for taxes payable in 2002, and~~ 1.25 percent ~~for taxes payable in 2003 and thereafter~~.

(c) Class 4bb includes:

(1) nonhomestead residential real estate containing one unit, other than seasonal residential recreational property; and

(2) a single family dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4bb property has the same class rates as class 1a property under subdivision 22.

Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner does not qualify for class 4bb.

(d) Class 4c property includes:

(1) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and

seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used for residential occupancy, and a fee is charged for residential occupancy. In order for a property to be classified as class 4c, seasonal residential recreational for commercial purposes, at least 40 percent of the annual gross lodging receipts related to the property must be from business conducted during 90 consecutive days and either (i) at least 60 percent of all paid bookings by lodging guests during the year must be for periods of at least two consecutive nights; or (ii) at least 20 percent of the annual gross receipts must be from charges for rental of fish houses, boats and motors, snowmobiles, downhill or cross-country ski equipment, or charges for marina services, launch services, and guide services, or the sale of bait and fishing tackle. For purposes of this determination, a paid booking of five or more nights shall be counted as two bookings. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause also includes the remainder of class 1c resorts provided that the entire property including that portion of the property classified as class 1c also meets the requirements for class 4c under this clause; otherwise the entire property is classified as class 3. Owners of real property devoted to temporary and seasonal residential occupancy for recreation purposes and all or a portion of which was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c or 4c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located will be designated class 1c or 4c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The owner of property desiring designation as class 1c or 4c property must provide guest registers or other records demonstrating that the units for which class 1c or 4c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, and (4) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes shall not qualify for class 1c or 4c;

(2) qualified property used as a golf course if:

(i) it is open to the public on a daily fee basis. It may charge membership fees or dues, but a membership fee may not be required in order to use the property for golfing, and its green fees for golfing must be comparable to green fees typically charged by municipal courses; and

(ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with the golf course is classified as class 3a property;

(3) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1990. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations

licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity;

(4) postsecondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus;

(5) manufactured home parks as defined in section 327.14, subdivision 3;

(6) real property that is actively and exclusively devoted to indoor fitness, health, social, recreational, and related uses, is owned and operated by a not-for-profit corporation, and is located within the metropolitan area as defined in section 473.121, subdivision 2;

(7) a leased or privately owned noncommercial aircraft storage hangar not exempt under section 272.01, subdivision 2, and the land on which it is located, provided that:

(i) the land is on an airport owned or operated by a city, town, county, Metropolitan Airports Commission, or group thereof; and

(ii) the land lease, or any ordinance or signed agreement restricting the use of the leased premise, prohibits commercial activity performed at the hangar.

If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be filed by the new owner with the assessor of the county where the property is located within 60 days of the sale; ~~and~~

(8) a privately owned noncommercial aircraft storage hangar not exempt under section 272.01, subdivision 2, and the land on which it is located, provided that:

(i) the land abuts a public airport; and

(ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement restricting the use of the premises, prohibiting commercial use or activity performed at the hangar; and

(9) residential real estate, a portion of which is used by the owner for homestead purposes, and that is also a place of lodging, if all of the following criteria are met:

(i) rooms are provided for rent to transient guests that generally stay for periods of 14 or fewer days;

(ii) meals are provided to persons who rent rooms, the cost of which is incorporated in the basic room rate;

(iii) meals are not provided to the general public except for special events on fewer than seven days in the calendar year preceding the year of the assessment; and

(iv) the owner is the operator of the property.

The market value subject to the 4c classification under this clause is limited to five rental units. Any rental units on the property in excess of five, must be valued and assessed as class 3a. The portion of the property used for purposes of a homestead by the owner must be classified as class 1a property under subdivision 22.

Class 4c property has a class rate of 1.5 percent of market value, except that (i) each parcel of seasonal residential recreational property not used for commercial purposes has the same class

rates as class 4bb property, (ii) manufactured home parks assessed under clause (5) have the same class rate as class 4b property, (iii) commercial-use seasonal residential recreational property has a class rate of one percent for the first $500,000 of market value, which includes any market value receiving the one percent rate under subdivision 22, and 1.25 percent for the remaining market value, (iv) the market value of property described in clause (4) has a class rate of one percent, (v) the market value of property described in clauses (2) and (6) has a class rate of 1.25 percent, and (vi) that portion of the market value of property in clause (8) qualifying for class 4c property has a class rate of 1.25 percent.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2006 and subsequent years.

Sec. 13. Minnesota Statutes 2004, section 290A.07, is amended by adding a subdivision to read:

Subd. 5. [EARLY PAYMENT; E-FILE CLAIMS.] The commissioner may pay a claim up to 30 days earlier than the first permitted date under subdivision 2a or 3 if the claim is submitted by electronic means.

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

Sec. 14. Minnesota Statutes 2004, section 365.43, subdivision 1, is amended to read:

Subdivision 1. [~~LEVIED AMOUNT IS SPENDING LIMIT~~ TOTAL REVENUE DEFINED.] A town must not ~~contract debts or~~ spend more money in a year than ~~the taxes levied for the year~~ its total revenue without a favorable vote of a majority of the town's electors. In this section, "total revenue" means property taxes payable in that year as well as amounts received from all other sources and amounts carried forward from the last year.

Sec. 15. Minnesota Statutes 2004, section 365.431, is amended to read:

365.431 [AMOUNT VOTED AT MEETING IS TAX LIMIT.]

Except as otherwise authorized by law, the tax for town purposes must not be more than the amount voted to be raised at the annual town meeting.

Sec. 16. Minnesota Statutes 2004, section 366.011, is amended to read:

366.011 [CHARGES FOR EMERGENCY SERVICES; COLLECTION.]

A town may impose a reasonable service charge for emergency services, including fire, rescue, medical, and related services provided by the town or contracted for by the town. If the service charge remains unpaid 30 days after a notice of delinquency is sent to the recipient of the service or the recipient's representative or estate, the town or its contractor on behalf of the town may use any lawful means allowed to a private party for the collection of an unsecured delinquent debt. The town may also use the authority of section 366.012 to collect unpaid service charges of this kind from delinquent recipients of services who are owners of taxable real property in the ~~town~~ state.

The powers conferred by this section are in addition and supplemental to the powers conferred by any other law for a town to impose a service charge or assessment for a service provided by the town or contracted for by the town.

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

Sec. 17. Minnesota Statutes 2004, section 366.012, is amended to read:

366.012 [COLLECTION OF UNPAID SERVICE CHARGES.]

If a town is authorized to impose a service charge ~~on the owner, lessee, or occupant of property, or any of them,~~ for a governmental service provided by the town, the town board may certify to the county auditor of the county in which the recipient of the services owns real property, on or

before October 15 for each year, any unpaid service charges which shall then be collected together with property taxes levied against the property. The county auditor shall remit to the town all service charges collected by the auditor on behalf of the town. A charge may be certified to the auditor only if, on or before September 15, the town has given written notice to the property owner of its intention to certify the charge to the auditor. The service charges shall be subject to the same penalties, interest, and other conditions provided for the collection of property taxes. This section is in addition to other law authorizing the collection of unpaid costs and service charges.

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

Sec. 18. Laws 1998, chapter 389, article 3, section 42, subdivision 2, as amended by Laws 2002, chapter 377, article 4, section 24, is amended to read:

Subd. 2. [RECAPTURE.] (a) Property or any portion thereof qualifying under section 38 is subject to additional taxes if:

(1) ownership of the property is transferred to anyone other than the spouse or child of the current owner;

(2) the current owner or the spouse or child of the current owner has not conveyed or entered into a contract before July 1, 2007, to convey for ownership or public easement rights, (i) a portion of the property to ~~a~~ one or more nonprofit ~~foundation~~ foundations or ~~corporation operating~~ corporations; and (ii) a portion of the property to one or more local governments; and those entities shall separately or jointly operate the property as an art park providing the services included in section 38, clauses (2) to (5), and may also use some of the property for other public purposes as determined by the local governments; or

(3) the nonprofit foundation or corporation to which a portion of the property was transferred ceases to provide the services included in section 38, clauses (2) to (5), earlier than ten years following the effective date of the ~~conveyance~~ conveyances or of the execution of the ~~contract~~ contracts to convey.

(b) The additional taxes are imposed at the earlier of (1) the year following transfer of ownership to anyone other than the spouse or child of the current owner or a nonprofit foundation or corporation or local government operating the property as an art park and used for other public purposes, or (2) for taxes payable in 2008, or (3) in the event the nonprofit foundation or corporation to which a portion of the property was conveyed ceases to provide the required services within ten years after the conveyance, for taxes payable in the year following the year when it ceased to do so.

The county board, with the approval of the city council, shall determine the amount of the additional taxes due on the portion of property which is no longer utilized as an art park; provided, however, that the additional taxes ~~are equal to~~ must not be greater than the difference between the taxes determined on that portion of the property utilized as an art park under sections 39 and 40 and the amount determined under subdivision 1 for all years that the property qualified under section 38. ~~The additional taxes must be extended against the property on the tax list for the current year; provided, however, that~~ No interest or penalties may be levied on the additional ~~taxes if timely paid~~ amount provided that it is paid within 30 days of the county's notice.

[EFFECTIVE DATE.] This section is effective March 1, 2005.

Sec. 19. Laws 2001, First Special Session chapter 5, article 3, section 8, the effective date, is amended to read:

[EFFECTIVE DATE.] This section is effective for taxes levied in 2002, payable in 2003, through taxes levied in ~~2007~~ 2009, payable in ~~2008~~ 2010.

Sec. 20. Laws 2005, chapter 43, section 1, the effective date, is amended to read:

[EFFECTIVE DATE.] This section is effective for taxes levied in ~~2005~~ 2004, payable in ~~2006~~ 2005, and thereafter.

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

Sec. 21. [SCHOOL PROPERTY; EXEMPTION 2005 ONLY.]

Notwithstanding Minnesota Statutes, section 272.02, subdivision 38, paragraph (b), the following property is exempt from taxation for assessment year 2004, for taxes payable in 2005, if it meets all the following criteria:

(1) is used to provide direct educational instruction for grades 7 through 10;

(2) is located in a city of the first class that has a population greater than 250,000 and less than 350,000;

(3) was purchased after July 1, 2004, by a nonprofit that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code; and

(4) is leased and operated by two nonprofit corporations organized under Minnesota Statutes, chapter 317A.

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

Sec. 22. [REPEALER.]

Laws 1998, chapter 389, article 3, section 41, is repealed.

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

ARTICLE 4

PROPERTY TAX AIDS AND CREDITS

Section 1. Minnesota Statutes 2004, section 4A.02, is amended to read:

4A.02 [STATE DEMOGRAPHER.]

(a) The director shall appoint a state demographer. The demographer must be professionally competent in demography and must possess demonstrated ability based upon past performance.

(b) The demographer shall:

(1) continuously gather and develop demographic data relevant to the state;

(2) design and test methods of research and data collection;

(3) periodically prepare population projections for the state and designated regions and periodically prepare projections for each county or other political subdivision of the state as necessary to carry out the purposes of this section;

(4) review, comment on, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies, or nongovernmental persons, institutions, or commissions;

(5) serve as the state liaison with the United States Bureau of the Census, coordinate state and federal demographic activities to the fullest extent possible, and aid the legislature in preparing a census data plan and form for each decennial census;

(6) compile an annual study of population estimates on the basis of county, regional, or other political or geographical subdivisions as necessary to carry out the purposes of this section and section 4A.03;

(7) by January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(8) prepare maps for all counties in the state, all municipalities with a population of 10,000 or

more, and other municipalities as needed for census purposes, according to scale and detail recommended by the United States Bureau of the Census, with the maps of cities showing precinct boundaries;

(9) prepare an estimate of population and of the number of households for each governmental subdivision for which the Metropolitan Council does not prepare an annual estimate, and convey the estimates to the governing body of each political subdivision by ~~May~~ June 1 of each year;

(10) direct, under section 414.01, subdivision 14, and certify population and household estimates of annexed or detached areas of municipalities or towns after being notified of the order or letter of approval by the director;

(11) prepare, for any purpose for which a population estimate is required by law or needed to implement a law, a population estimate of a municipality or town whose population is affected by action under section 379.02 or 414.01, subdivision 14; and

(12) prepare an estimate of average household size for each statutory or home rule charter city with a population of 2,500 or more by ~~May~~ June 1 of each year.

(c) A governing body may challenge an estimate made under paragraph (b) by filing their specific objections in writing with the state demographer by June ~~10~~ 24. If the challenge does not result in an acceptable estimate ~~by June 24~~, the governing body may have a special census conducted by the United States Bureau of the Census. The political subdivision must notify the state demographer by July 1 of its intent to have the special census conducted. The political subdivision must bear all costs of the special census. Results of the special census must be received by the state demographer by the next April 15 to be used in that year's ~~May~~ June 1 estimate to the political subdivision under paragraph (b).

(d) The state demographer shall certify the estimates of population and household size to the commissioner of revenue by July 15 each year, including any estimates still under objection.

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

Sec. 2. Minnesota Statutes 2004, section 273.1384, subdivision 1, is amended to read:

Subdivision 1. [RESIDENTIAL HOMESTEAD MARKET VALUE CREDIT.] Each county auditor shall determine a homestead credit for each class 1a, 1b, 1c, and 2a homestead property within the county equal to 0.4 percent of the first $76,000 of market value of the property~~. The amount of homestead credit for a homestead may not exceed $304 and is reduced by~~ minus .09 percent of the market value in excess of $76,000. The credit amount may not be less than zero. In the case of an agricultural or resort homestead, only the market value of the house, garage, and immediately surrounding one acre of land is eligible in determining the property's homestead credit. In the case of a property which is classified as part homestead and part nonhomestead, (i) the credit shall apply only to the homestead portion of the property~~.~~, but (ii) if a portion of a property is classified as nonhomestead solely because not all the owners occupy the property, or solely because both spouses do not occupy the property, the credit amount shall be initially computed as if that nonhomestead portion were also in the homestead class and then prorated to the owner-occupant's percentage of ownership or prorated to one-half if both spouses do not occupy the property.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2006 and thereafter.

Sec. 3. Minnesota Statutes 2004, section 276A.01, subdivision 7, is amended to read:

Subd. 7. [POPULATION.] "Population" means the most recent estimate of the population of a municipality made by the state demographer and filed with the commissioner of revenue as of July ~~1~~ 15 of the year in which a municipality's distribution net tax capacity is calculated. The state demographer shall annually estimate the population of each municipality and, in the case of a municipality which is located partly within and partly without the area, the proportion of the total which resides within the area, and shall file the estimates with the commissioner of revenue.

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

Sec. 4. [473.24] [POPULATION ESTIMATES.]

(a) The Metropolitan Council shall annually prepare an estimate of population for each county, city, and town in the metropolitan area and an estimate of the number of households and average household size for each city in the metropolitan area with a population of 2,500 or more, and an estimate of population over age 65 for each county in the metropolitan area, and convey the estimates to the governing body of each county, city, or town by June 1 each year. In the case of a city or town that is located partly within and partly without the metropolitan area, the Metropolitan Council shall estimate the proportion of the total population and the average size of households that reside within the area. The Metropolitan Council may prepare an estimate of the population and of the average household size for any other political subdivision located in the metropolitan area.

(b) A governing body may challenge an estimate made under this section by filing its specific objections in writing with the Metropolitan Council by June 24. If the challenge does not result in an acceptable estimate, the governing body may have a special census conducted by the United States Bureau of the Census. The political subdivision must notify the Metropolitan Council on or before July 1 of its intent to have the special census conducted. The political subdivision must bear all costs of the special census. Results of the special census must be received by the Metropolitan Council by the next April 15 to be used in that year's June 1 estimate under this section. The Metropolitan Council shall certify the estimates of population and the average household size to the state demographer and to the commissioner of revenue by July 15 each year, including any estimates still under objection.

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

Sec. 5. Minnesota Statutes 2004, section 473F.02, subdivision 7, is amended to read:

Subd. 7. [POPULATION.] "Population" means the most recent estimate of the population of a municipality made by the Metropolitan Council under section 473.24 and filed with the commissioner of revenue as of July ~~1~~ 15 of the year in which a municipality's distribution net tax capacity is calculated. ~~The council shall annually estimate the population of each municipality as of a date which it determines and, in the case of a municipality which is located partly within and partly without the area, the proportion of the total which resides within the area, and shall promptly thereafter file its estimates with the commissioner of revenue.~~

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

Sec. 6. Minnesota Statutes 2004, section 477A.011, subdivision 3, is amended to read:

Subd. 3. [POPULATION.] "Population" means the population estimated or established as of July ~~1~~ 15 in an aid calculation year by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the Metropolitan Council pursuant to section 473.24, or by a population estimate of the state demographer made pursuant to section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year, and which has been certified to the commissioner of revenue on or before July 15 of the aid calculation year. The term "per capita" refers to population as defined by this subdivision. A revision of an estimate or count is effective for these purposes only if it is certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of the estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

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

Sec. 7. Minnesota Statutes 2004, section 477A.011, subdivision 34, is amended to read:

Subd. 34. [CITY REVENUE NEED.] (a) For a city with a population equal to or greater than 2,500, "city revenue need" is the sum of (1) 5.0734098 times the pre-1940 housing percentage;

plus (2) 19.141678 times the population decline percentage; plus (3) 2504.06334 times the road accidents factor; plus (4) 355.0547; minus (5) the metropolitan area factor; minus (6) 49.10638 times the household size.

(b) For a city with a population less than 2,500, "city revenue need" is the sum of (1) 2.387 times the pre-1940 housing percentage; plus (2) 2.67591 times the commercial industrial percentage; plus (3) 3.16042 times the population decline percentage; plus (4) 1.206 times the transformed population; minus (5) 62.772.

(c) For a city with a population of 2,500 or more and a population in one of the most recently available five years that was less than 2,500, "city revenue need" is the sum of (1) its city revenue need calculated under paragraph (a) multiplied by its transition factor; plus (2) its city revenue need calculated under the formula in paragraph (b) multiplied by the difference between one and its transition factor. For purposes of this paragraph, a city's "transition factor" is equal to 0.2 multiplied by the number of years that the city's population estimate has been 2,500 or more. This provision only applies for aids payable in calendar years 2006 to 2008 to cities with a 2002 population of less than 2,500. It applies to any city for aids payable in 2009 and thereafter.

(d) The city revenue need cannot be less than zero.

~~(d)~~ (e) For calendar year 2005 and subsequent years, the city revenue need for a city, as determined in paragraphs (a) to ~~(c)~~ (d), is multiplied by the ratio of the annual implicit price deflator for government consumption expenditures and gross investment for state and local governments as prepared by the United States Department of Commerce, for the most recently available year to the 2003 implicit price deflator for state and local government purchases.

[EFFECTIVE DATE.] This section is effective beginning with aids payable in 2006.

Sec. 8. Minnesota Statutes 2004, section 477A.011, subdivision 36, as amended by Laws 2005, chapter 38, section 1, is amended to read:

Subd. 36. [CITY AID BASE.] (a) Except as otherwise provided in this subdivision, "city aid base" is zero.

(b) The city aid base for any city with a population less than 500 is increased by $40,000 for aids payable in calendar year 1995 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $40,000 for aids payable in calendar year 1995 only, provided that:

(i) the average total tax capacity rate for taxes payable in 1995 exceeds 200 percent;

(ii) the city portion of the tax capacity rate exceeds 100 percent; and

(iii) its city aid base is less than $60 per capita.

(c) The city aid base for a city is increased by $20,000 in 1998 and thereafter and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $20,000 in calendar year 1998 only, provided that:

(i) the city has a population in 1994 of 2,500 or more;

(ii) the city is located in a county, outside of the metropolitan area, which contains a city of the first class;

(iii) the city's net tax capacity used in calculating its 1996 aid under section 477A.013 is less than $400 per capita; and

(iv) at least four percent of the total net tax capacity, for taxes payable in 1996, of property located in the city is classified as railroad property.

(d) The city aid base for a city is increased by $200,000 in 1999 and thereafter and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $200,000 in calendar year 1999 only, provided that:

(i) the city was incorporated as a statutory city after December 1, 1993;

(ii) its city aid base does not exceed $5,600; and

(iii) the city had a population in 1996 of 5,000 or more.

(e) The city aid base for a city is increased by $450,000 in 1999 to 2008 and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $450,000 in calendar year 1999 only, provided that:

(i) the city had a population in 1996 of at least 50,000;

(ii) its population had increased by at least 40 percent in the ten-year period ending in 1996; and

(iii) its city's net tax capacity for aids payable in 1998 is less than $700 per capita.

(f) The city aid base for a city is increased by $150,000 for aids payable in 2000 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $150,000 in calendar year 2000 only, provided that:

(1) the city has a population that is greater than 1,000 and less than 2,500;

(2) its commercial and industrial percentage for aids payable in 1999 is greater than 45 percent; and

(3) the total market value of all commercial and industrial property in the city for assessment year 1999 is at least 15 percent less than the total market value of all commercial and industrial property in the city for assessment year 1998.

(g) The city aid base for a city is increased by $200,000 in 2000 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $200,000 in calendar year 2000 only, provided that:

(1) the city had a population in 1997 of 2,500 or more;

(2) the net tax capacity of the city used in calculating its 1999 aid under section 477A.013 is less than $650 per capita;

(3) the pre-1940 housing percentage of the city used in calculating 1999 aid under section 477A.013 is greater than 12 percent;

(4) the 1999 local government aid of the city under section 477A.013 is less than 20 percent of the amount that the formula aid of the city would have been if the need increase percentage was 100 percent; and

(5) the city aid base of the city used in calculating aid under section 477A.013 is less than $7 per capita.

(h) The city aid base for a city is increased by $102,000 in 2000 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $102,000 in calendar year 2000 only, provided that:

(1) the city has a population in 1997 of 2,000 or more;

(2) the net tax capacity of the city used in calculating its 1999 aid under section 477A.013 is less than $455 per capita;

(3) the net levy of the city used in calculating 1999 aid under section 477A.013 is greater than $195 per capita; and

(4) the 1999 local government aid of the city under section 477A.013 is less than 38 percent of the amount that the formula aid of the city would have been if the need increase percentage was 100 percent.

(i) The city aid base for a city is increased by $32,000 in 2001 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $32,000 in calendar year 2001 only, provided that:

(1) the city has a population in 1998 that is greater than 200 but less than 500;

(2) the city's revenue need used in calculating aids payable in 2000 was greater than $200 per capita;

(3) the city net tax capacity for the city used in calculating aids available in 2000 was equal to or less than $200 per capita;

(4) the city aid base of the city used in calculating aid under section 477A.013 is less than $65 per capita; and

(5) the city's formula aid for aids payable in 2000 was greater than zero.

(j) The city aid base for a city is increased by $7,200 in 2001 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $7,200 in calendar year 2001 only, provided that:

(1) the city had a population in 1998 that is greater than 200 but less than 500;

(2) the city's commercial industrial percentage used in calculating aids payable in 2000 was less than ten percent;

(3) more than 25 percent of the city's population was 60 years old or older according to the 1990 census;

(4) the city aid base of the city used in calculating aid under section 477A.013 is less than $15 per capita; and

(5) the city's formula aid for aids payable in 2000 was greater than zero.

(k) The city aid base for a city is increased by $45,000 in 2001 and thereafter and by an additional $50,000 in calendar years 2002 to 2011, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $45,000 in calendar year 2001 only, and by $50,000 in calendar year 2002 only, provided that:

(1) the net tax capacity of the city used in calculating its 2000 aid under section 477A.013 is less than $810 per capita;

(2) the population of the city declined more than two percent between 1988 and 1998;

(3) the net levy of the city used in calculating 2000 aid under section 477A.013 is greater than $240 per capita; and

(4) the city received less than $36 per capita in aid under section 477A.013, subdivision 9, for aids payable in 2000.

(l) The city aid base for a city with a population of 10,000 or more which is located outside of the seven-county metropolitan area is increased in 2002 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (b) or (c), is also increased in calendar year 2002 only, by an amount equal to the lesser of:

(1)(i) the total population of the city, as determined by the United States Bureau of the Census, in the 2000 census, (ii) minus 5,000, (iii) times 60; or

(2) $2,500,000.

(m) The city aid base is increased by $50,000 in 2002 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $50,000 in calendar year 2002 only, provided that:

(1) the city is located in the seven-county metropolitan area;

(2) its population in 2000 is between 10,000 and 20,000; and

(3) its commercial industrial percentage, as calculated for city aid payable in 2001, was greater than 25 percent.

(n) The city aid base for a city is increased by $150,000 in calendar years 2002 to 2011 and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $150,000 in calendar year 2002 only, provided that:

(1) the city had a population of at least 3,000 but no more than 4,000 in 1999;

(2) its home county is located within the seven-county metropolitan area;

(3) its pre-1940 housing percentage is less than 15 percent; and

(4) its city net tax capacity per capita for taxes payable in 2000 is less than $900 per capita.

(o) The city aid base for a city is increased by $200,000 beginning in calendar year 2003 and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by $200,000 in calendar year 2003 only, provided that the city qualified for an increase in homestead and agricultural credit aid under Laws 1995, chapter 264, article 8, section 18.

(p) The city aid base for a city is increased by $200,000 in 2004 only and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, is also increased by $200,000 in calendar year 2004 only, if the city is the site of a nuclear dry cask storage facility.

(q) The city aid base for a city is increased by $10,000 in 2004 and thereafter and the maximum total aid it may receive under section 477A.013, subdivision 9, is also increased by $10,000 in calendar year 2004 only, if the city was included in a federal major disaster designation issued on April 1, 1998, and its pre-1940 housing stock was decreased by more than 40 percent between 1990 and 2000.

(r) The city aid base for a city is increased by $25,000 in 2006 only and the maximum total aid it may receive under section 477A.013, subdivision 9, is also increased by $25,000 in calendar year 2006 only if the city had a population in 2003 of at least 1,000 and has a state park for which the city provides rescue services and which comprised at least 14 percent of the total geographic area included within the city boundaries in 2000.

[EFFECTIVE DATE.] This section is effective for aids payable in 2006 and thereafter.

Sec. 9. Minnesota Statutes 2004, section 477A.011, subdivision 38, is amended to read:

Subd. 38. [HOUSEHOLD SIZE.] "Household size" means the average number of persons per household in the jurisdiction as most recently estimated and reported by the state demographer and Metropolitan Council as of July ~~1~~ 15 of the aid calculation year. A revision to an estimate or enumeration is effective for these purposes only if it is certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

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

Sec. 10. Minnesota Statutes 2004, section 477A.0124, subdivision 2, is amended to read:

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

(b) "County program aid" means the sum of "county need aid," "county tax base equalization aid," and "county transition aid."

(c) "Age-adjusted population" means a county's population multiplied by the county age index.

(d) "County age index" means the percentage of the population over age 65 within the county divided by the percentage of the population over age 65 within the state, except that the age index for any county may not be greater than 1.8 nor less than 0.8.

(e) "Population over age 65" means the population over age 65 established as of July ~~1~~ 15 in an aid calculation year by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a population estimate of the state demographer made pursuant to section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year and which has been certified to the commissioner of revenue on or before July 15 of the aid calculation year. A revision to an estimate or count is effective for these purposes only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

(f) "Part I crimes" means the three-year average annual number of Part I crimes reported for each county by the Department of Public Safety for the most recent years available. By July 1 of each year, the commissioner of public safety shall certify to the commissioner of revenue the number of Part I crimes reported for each county for the three most recent calendar years available.

(g) "Households receiving food stamps" means the average monthly number of households receiving food stamps for the three most recent years for which data is available. By July 1 of each year, the commissioner of human services must certify to the commissioner of revenue the average monthly number of households in the state and in each county that receive food stamps, for the three most recent calendar years available.

(h) "County net tax capacity" means the net tax capacity of the county, computed analogously to city net tax capacity under section 477A.011, subdivision 20.

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

Sec. 11. Minnesota Statutes 2004, section 477A.0124, subdivision 4, is amended to read:

Subd. 4. [COUNTY TAX-BASE EQUALIZATION AID.] (a) For ~~2005~~ 2006 and subsequent years, the money appropriated to county tax-base equalization aid each calendar year, after the payment under paragraph (f), shall be apportioned among the counties according to each county's tax-base equalization aid factor.

(b) A county's tax-base equalization aid factor is equal to the amount by which (i) $185 times the county's population, exceeds (ii) 9.45 percent of the county's net tax capacity.

(c) In the case of a county with a population less than 10,000, the factor determined in paragraph (b) shall be multiplied by a factor of three.

(d) In the case of a county with a population greater than or equal to 10,000, but less than 12,500, the factor determined in paragraph (b) shall be multiplied by a factor of two.

(e) In the case of a county with a population greater than 500,000, the factor determined in paragraph (b) shall be multiplied by a factor of 0.25.

(f) Before the money appropriated to county base equalization aid is apportioned among the counties as provided in paragraph (a), an amount up to $73,259 is allocated annually to Anoka County and up to $59,664 is annually allocated to Washington County for the county to pay postretirement costs of health insurance premiums for court employees. The allocation under this paragraph is in addition to the allocations under paragraphs (a) to (e).

[EFFECTIVE DATE.] This section is effective for aids payable in 2006 and thereafter.

Sec. 12. Minnesota Statutes 2004, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. [COUNTIES.] (a) For aids payable in calendar year 2005 and thereafter, the total aids paid to counties under section 477A.0124, subdivision 3, are limited to $100,500,000. Each calendar year, $500,000 shall be retained by the commissioner of revenue to make reimbursements to the commissioner of finance for payments made under section 611.27. For calendar year 2004, the amount shall be in addition to the payments authorized under section 477A.0124, subdivision 1. For calendar year 2005 and subsequent years, the amount shall be deducted from the appropriation under this paragraph. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in 2005 and ~~thereafter~~ 2006, the total aids under section 477A.0124, subdivision 4, are limited to $105,000,000. For aids payable in 2007 and thereafter, the total aid under section 477A.0124, subdivision 4, is limited to $105,132,923. The commissioner of finance shall bill the commissioner of revenue for the cost of preparation of local impact notes as required by section 3.987, not to exceed $207,000 in fiscal year 2004 and thereafter. The commissioner of education shall bill the commissioner of revenue for the cost of preparation of local impact notes for school districts as required by section 3.987, not to exceed $7,000 in fiscal year 2004 and thereafter. The commissioner of revenue shall deduct the amounts billed under this paragraph from the appropriation under this paragraph. The amounts deducted are appropriated to the commissioner of finance and the commissioner of education for the preparation of local impact notes.

[EFFECTIVE DATE.] This section is effective for aids payable in 2007 and thereafter.

Sec. 13. Laws 2003, First Special Session chapter 21, article 5, section 13, is amended to read:

Sec. 13. [2004 CITY AID REDUCTIONS.]

The commissioner of revenue shall compute an aid reduction amount for 2004 for each city as provided in this section.

The initial aid reduction amount for each city is the amount by which the city's aid distribution under Minnesota Statutes, section 477A.013, and related provisions payable in 2003 exceeds the city's 2004 distribution under those provisions.

The minimum aid reduction amount for a city is the amount of its reduction in 2003 under section 12. If a city receives an increase to its city aid base under Minnesota Statutes, section 477A.011, subdivision 36, its minimum aid reduction is reduced by an equal amount.

The maximum aid reduction amount for a city is an amount equal to 14 percent of the city's total 2004 levy plus aid revenue base, except that if the city has a city net tax capacity for aids payable in 2004, as defined in Minnesota Statutes, section 477A.011, subdivision 20, of $700 per capita or less, the maximum aid reduction shall not exceed an amount equal to 13 percent of the city's total 2004 levy plus aid revenue base.

If the initial aid reduction amount for a city is less than the minimum aid reduction amount for that city, the final aid reduction amount for the city is the sum of the initial aid reduction amount and the lesser of the amount of the city's payable 2004 reimbursement under Minnesota Statutes, section 273.1384, or the difference between the minimum and initial aid reduction amounts for the city, and the amount of the final aid reduction in excess of the initial aid reduction is deducted from the city's reimbursements pursuant to Minnesota Statutes, section 273.1384.

If the initial aid reduction amount for a city is greater than the maximum aid reduction amount for the city, the city receives an additional distribution under this section equal to the result of subtracting the maximum aid reduction amount from the initial aid reduction amount. This distribution shall be paid in equal installments in 2004 on the dates specified in Minnesota Statutes, section 477A.015. The amount necessary for these additional distributions is appropriated to the commissioner of revenue from the general fund in fiscal year 2005.

~~The initial aid reduction is applied to the city's distribution pursuant to Minnesota Statutes, section 477A.013, and any aid reduction in excess of the initial aid reduction is applied to the city's reimbursements pursuant to Minnesota Statutes, section 273.1384.~~

To the extent that sufficient information is available on each payment date in 2004, the commissioner of revenue shall pay the reimbursements reduced under this section in equal installments on the payment dates provided in law.

[EFFECTIVE DATE.] This section is effective for aids payable in 2004.

Sec. 14. Laws 2003, First Special Session chapter 21, article 6, section 9, is amended to read:

Sec. 9. [DEFINITIONS.]

(a) For purposes of sections 9 to 15, the following terms have the meanings given them in this section.

(b) The 2003 and 2004 "levy plus aid revenue base" for a county is the sum of that county's certified property tax levy for taxes payable in 2003, plus the sum of the amounts the county was certified to receive in the designated calendar year as:

(1) homestead and agricultural credit aid under Minnesota Statutes, section 273.1398, subdivision 2, plus any additional aid under section 16, minus the amount calculated under section 273.1398, subdivision 4a, paragraph (b), for counties in judicial districts one, three, six, and ten, and 25 percent of the amount calculated under section 273.1398, subdivision 4a, paragraph (b), for counties in judicial districts two and four;

(2) the amount of county manufactured home homestead and agricultural credit aid computed for the county for payment in 2003 under section 273.166;

(3) criminal justice aid under Minnesota Statutes, section 477A.0121;

(4) family preservation aid under Minnesota Statutes, section 477A.0122;

(5) taconite aids under Minnesota Statutes, sections 298.28 and 298.282, including any aid which was required to be placed in a special fund for expenditure in the next succeeding year; and

(6) county program aid under section 477A.0124, exclusive of the attached machinery aid component.

[EFFECTIVE DATE.] This section is effective for aids payable in 2004.

Sec. 15. [COURT AID ADJUSTMENT.]

For aids payable in 2005 only, the amount of court aid paid to Anoka County under Minnesota Statutes, section 273.1398, subdivision 4a, is increased by $36,630 for aids payable in 2005 only and the amount paid to Washington County under Minnesota Statutes, section 273.1398, subdivision 4a, is increased by $29,832 for aids payable in 2005 only.

[EFFECTIVE DATE.] This section is effective for aids payable in 2005 only.

Sec. 16. [DISTRICT COURTS BUDGET.]

The district courts general fund appropriation is reduced by $66,462 in fiscal year 2006 and $132,923 beginning in fiscal year 2007 to fund the amount transferred to county tax base equalization aid to fund the payments under Minnesota Statutes, section 477A.0124, subdivision 4, paragraph (f), and section 15.

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

ARTICLE 5

DEPARTMENT OF REVENUE PROPERTY TAXES

Section 1. Minnesota Statutes 2004, section 168A.05, subdivision 1a, is amended to read:

Subd. 1a. [MANUFACTURED HOME; STATEMENT OF PROPERTY TAX PAYMENT.] In the case of a manufactured home as defined in section 327.31, subdivision 6, the department shall not issue a certificate of title unless the application under section 168A.04 is accompanied with a statement from the county auditor or county treasurer where the manufactured home is presently located, stating that all manufactured home personal property taxes levied on the unit in the name of the current owner at the time of transfer have been paid. For this purpose, manufactured home personal property taxes are treated as levied on January 1 of the payable year.

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

Sec. 2. Minnesota Statutes 2004, section 270.11, subdivision 2, is amended to read:

Subd. 2. [COUNTY ASSESSOR'S REPORTS OF ASSESSMENT FILED WITH COMMISSIONER.] Each county assessor shall file by April 1 with the commissioner of revenue a copy of the abstract that will be acted upon by the local and county boards of review. The abstract must list the real and personal property in the county itemized by assessment districts. The assessor of each county in the state shall file with the commissioner, within ten working days following final action of the local board of review or equalization and within five days following final action of the county board of equalization, any changes made by the local or county board. The information must be filed in the manner prescribed by the commissioner. It must be accompanied by a printed or typewritten copy of the proceedings of the appropriate board.

The final abstract of assessments after adjustments by the State Board of Equalization and inclusion of any omitted property shall be submitted to the commissioner of revenue on or before September 1 of each calendar year. The final abstract must separately report the captured tax capacity of tax increment financing districts under section 469.177, subdivision 2, the ~~metropolitan revenue~~ areawide net tax capacity contribution ~~value~~ values determined under ~~section~~ sections 276A.05, subdivision 1, and 473F.07, subdivision 1, and the value subject to the power line credit under section 273.42.

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

Sec. 3. Minnesota Statutes 2004, section 270.16, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO APPRAISE.] When an assessor has failed to properly appraise at least ~~one-quarter~~ one-fifth of the parcels of property in a district or county as provided in section 273.01, the commissioner of revenue shall appoint a special assessor and deputy assessor as necessary and cause a reappraisal to be made of the property due for reassessment in accordance with law.

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

Sec. 4. Minnesota Statutes 2004, section 272.01, subdivision 2, is amended to read:

Subd. 2. [EXEMPT PROPERTY USED BY PRIVATE ENTITY FOR PROFIT.] (a) When any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to:

(1) property leased or used as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 469, municipal auditorium, municipal parking facility, municipal museum, or municipal stadium;

(2) property of an airport owned by a city, town, county, or group thereof which is:

(i) leased to or used by any person or entity including a fixed base operator; and

(ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods, services, or facilities to the airport or general public;

the exception from taxation provided in this clause does not apply to:

(i) property located at an airport owned or operated by the Metropolitan Airports Commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority;

(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business; or

(iii) facilities leased by a private individual, association, or corporation in connection with a business for profit, that consists of a major jet engine repair facility financed, in whole or part, with the proceeds of state bonds and located in a tax increment financing district;

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport; ~~or~~

(4) property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the Metropolitan Airports Commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes is not exempt;

(5) property leased, loaned, or otherwise made available to a private individual, corporation, or association under a cooperative farming agreement made pursuant to section 97A.135; or

(6) property leased, loaned, or otherwise made available to a private individual, corporation, or association under section 272.68, subdivision 4.

(c) Taxes imposed by this subdivision are payable as in the case of personal property taxes and shall be assessed to the lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county, and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

(d) The tax on real property of the state or any of its political subdivisions that is leased by a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

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

Sec. 5. Minnesota Statutes 2004, section 272.02, subdivision 1a, is amended to read:

Subd. 1a. [LIMITATIONS ON EXEMPTIONS.] The exemptions granted by subdivision 1 are subject to the limits contained in the other subdivisions of this section, section 272.025, ~~or 273.13, subdivision 25, paragraph (c), clause (1) or (2), or paragraph (d), clause (2)~~ and all other provisions of applicable law.

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

Sec. 6. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 73. [PROPERTY SUBJECT TO TACONITE PRODUCTION TAX OR NET PROCEEDS TAX.] (a) Real and personal property described in section 298.25 is exempt to the

extent the tax on taconite and iron sulphides under section 298.24 is described in section 298.25 as being in lieu of other taxes on such property. This exemption applies for taxes payable in each year that the tax under section 298.24 is payable with respect to such property.

(b) Deposits of mineral, metal, or energy resources the mining of which is subject to taxation under section 298.015 are exempt. This exemption applies for taxes payable in each year that the tax under section 298.015 is payable with respect to such property.

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

Sec. 7. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 74. [RELIGIOUS CORPORATIONS.] Personal and real property that a religious corporation, formed under section 317A.909, necessarily uses for a religious purpose is exempt to the extent provided in section 317A.909, subdivision 3.

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

Sec. 8. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 75. [CHILDREN'S HOMES.] Personal and real property owned by a corporation formed under section 317A.907 is exempt to the extent provided in section 317A.907, subdivision 7.

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

Sec. 9. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 76. [HOUSING AND REDEVELOPMENT AUTHORITY AND TRIBAL HOUSING AUTHORITY PROPERTY.] Property owned by a housing and redevelopment authority described in chapter 469, or by a designated housing authority described in section 469.040, subdivision 5, is exempt to the extent provided in chapter 469.

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

Sec. 10. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 77. [PROPERTY OF HOUSING AND REDEVELOPMENT AUTHORITIES.] Property of projects of housing and redevelopment authorities are exempt to the extent permitted by sections 469.042, subdivision 1, and 469.043, subdivisions 2 and 5.

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

Sec. 11. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 78. [PROPERTY OF REGIONAL RAIL AUTHORITY.] Property of a regional rail authority as defined in chapter 398A is exempt to the extent permitted by section 398A.05.

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

Sec. 12. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 79. [SPIRIT MOUNTAIN RECREATION AREA AUTHORITY.] Property owned by the Spirit Mountain Recreation Area Authority is exempt from taxation to the extent provided in Laws 1973, chapter 327, section 6.

Sec. 13. Minnesota Statutes 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 80. [INSTALLED CAPACITY DEFINED.] For purposes of this section, the term "installed capacity" means generator nameplate capacity.

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

Sec. 14. Minnesota Statutes 2004, section 272.029, subdivision 4, is amended to read:

Subd. 4. [REPORTS.] (a) An owner of a wind energy conversion system subject to tax under subdivision 3 shall file a report with the commissioner of revenue annually on or before ~~March~~ February 1 detailing the amount of electricity in kilowatt-hours that was produced by the wind energy conversion system for the previous calendar year. The commissioner shall prescribe the form of the report. The report must contain the information required by the commissioner to determine the tax due to each county under this section for the current year. If an owner of a wind energy conversion system subject to taxation under this section fails to file the report by the due date, the commissioner of revenue shall determine the tax based upon the nameplate capacity of the system multiplied by a capacity factor of 40 percent.

(b) On or before ~~March 31~~ February 28, the commissioner of revenue shall notify the owner of the wind energy conversion systems of the tax due to each county for the current year and shall certify to the county auditor of each county in which the systems are located the tax due from each owner for the current year.

[EFFECTIVE DATE.] This section is effective for reports and certifications due in 2006 and thereafter.

Sec. 15. Minnesota Statutes 2004, section 272.029, subdivision 6, is amended to read:

Subd. 6. [DISTRIBUTION OF REVENUES.] Revenues from the taxes imposed under subdivision 5 must be part of the settlement between the county treasurer and the county auditor under section 276.09. The revenue must be distributed by the county auditor or the county treasurer to ~~all~~ local taxing jurisdictions in which the wind energy conversion system is located~~,~~ as follows: beginning with distributions in 2006, 80 percent to counties; 14 percent to cities and townships; and six percent to school districts; and for distributions occurring in 2004 and 2005 in the same proportion that each of the local taxing jurisdiction's current year's net tax capacity based tax rate is to the current year's total local net tax capacity based rate.

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

Sec. 16. Minnesota Statutes 2004, section 273.11, subdivision 8, is amended to read:

Subd. 8. [LIMITED EQUITY COOPERATIVE APARTMENTS.] For the purposes of this subdivision, the terms defined in this subdivision have the meanings given them.

A "limited equity cooperative" is a corporation organized under chapter 308A or 308B, which has as its primary purpose the provision of housing and related services to its members which meets one of the following criteria with respect to the income of its members: (1) a minimum of 75 percent of members must have incomes at or less than 90 percent of area median income, (2) a minimum of 40 percent of members must have incomes at or less than 60 percent of area median income, or (3) a minimum of 20 percent of members must have incomes at or less than 50 percent of area median income. For purposes of this clause, "member income" shall mean the income of a member existing at the time the member acquires cooperative membership, and median income shall mean the St. Paul-Minneapolis metropolitan area median income as determined by the United States Department of Housing and Urban Development. It must also meet the following requirements:

(a) The articles of incorporation set the sale price of occupancy entitling cooperative shares or memberships at no more than a transfer value determined as provided in the articles. That value may not exceed the sum of the following:

(1) the consideration paid for the membership or shares by the first occupant of the unit, as shown in the records of the corporation;

(2) the fair market value, as shown in the records of the corporation, of any improvements to the real property that were installed at the sole expense of the member with the prior approval of the board of directors;

(3) accumulated interest, or an inflation allowance not to exceed the greater of a ten percent annual noncompounded increase on the consideration paid for the membership or share by the first

occupant of the unit, or the amount that would have been paid on that consideration if interest had been paid on it at the rate of the percentage increase in the revised Consumer Price Index for All Urban Consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States Department of Labor, provided that the amount determined pursuant to this clause may not exceed $500 for each year or fraction of a year the membership or share was owned; plus

(4) real property capital contributions shown in the records of the corporation to have been paid by the transferor member and previous holders of the same membership, or of separate memberships that had entitled occupancy to the unit of the member involved. These contributions include contributions to a corporate reserve account the use of which is restricted to real property improvements or acquisitions, contributions to the corporation which are used for real property improvements or acquisitions, and the amount of principal amortized by the corporation on its indebtedness due to the financing of real property acquisition or improvement or the averaging of principal paid by the corporation over the term of its real property-related indebtedness.

(b) The articles of incorporation require that the board of directors limit the purchase price of stock or membership interests for new member-occupants or resident shareholders to an amount which does not exceed the transfer value for the membership or stock as defined in clause (a).

(c) The articles of incorporation require that the total distribution out of capital to a member shall not exceed that transfer value.

(d) The articles of incorporation require that upon liquidation of the corporation any assets remaining after retirement of corporate debts and distribution to members will be conveyed to a charitable organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, or a public agency.

A "limited equity cooperative apartment" is a dwelling unit owned by a limited equity cooperative.

"Occupancy entitling cooperative share or membership" is the ownership interest in a cooperative organization which entitles the holder to an exclusive right to occupy a dwelling unit owned or leased by the cooperative.

For purposes of taxation, the assessor shall value a unit owned by a limited equity cooperative at the lesser of its market value or the value determined by capitalizing the net operating income of a comparable apartment operated on a rental basis at the capitalization rate used in valuing comparable buildings that are not limited equity cooperatives. If a cooperative fails to operate in accordance with the provisions of clauses (a) to (d), the property shall be subject to additional property taxes in the amount of the difference between the taxes determined in accordance with this subdivision for the last ten years that the property had been assessed pursuant to this subdivision and the amount that would have been paid if the provisions of this subdivision had not applied to it. The additional taxes, plus interest at the rate specified in section 549.09, shall be extended against the property on the tax list for the current year.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 17. Minnesota Statutes 2004, section 273.124, subdivision 3, is amended to read:

Subd. 3. [COOPERATIVES AND CHARITABLE CORPORATIONS; HOMESTEAD AND OTHER PROPERTY.] (a) When property is owned by a corporation or association organized under chapter 308A or 308B, and each person who owns a share or shares in the corporation or association is entitled to occupy a building on the property, or a unit within a building on the property, the corporation or association may claim homestead treatment for each dwelling, or for each unit in the case of a building containing several dwelling units, or for the part of the value of the building occupied by a shareholder. Each building or unit must be designated by legal description or number. The net tax capacity of each building or unit that qualifies for assessment as a homestead under this subdivision must include not more than one-half acre of land, if platted, nor more than 80 acres if unplatted. The net tax capacity of the property is the sum of the net tax capacities of each of the respective buildings or units comprising the property, including the net

tax capacity of each unit's or building's proportionate share of the land and any common buildings. To qualify for the treatment provided by this subdivision, the corporation or association must be wholly owned by persons having a right to occupy a building or unit owned by the corporation or association. A charitable corporation organized under the laws of Minnesota and not otherwise exempt thereunder with no outstanding stock qualifies for homestead treatment with respect to member residents of the dwelling units who have purchased and hold residential participation warrants entitling them to occupy the units.

(b) To the extent provided in paragraph (a), a cooperative or corporation organized under chapter 308A may obtain separate assessment and valuation, and separate property tax statements for each residential homestead, residential nonhomestead, or for each seasonal residential recreational building or unit not used for commercial purposes. The appropriate class rates under section 273.13 shall be applicable as if each building or unit were a separate tax parcel; provided, however, that the tax parcel which exists at the time the cooperative or corporation makes application under this subdivision shall be a single parcel for purposes of property taxes or the enforcement and collection thereof, other than as provided in paragraph (a) or this paragraph.

(c) A member of a corporation or association may initially obtain the separate assessment and valuation and separate property tax statements, as provided in paragraph (b), by applying to the assessor by June 30 of the assessment year.

(d) When a building, or dwelling units within a building, no longer qualify under paragraph (a) or (b), the current owner must notify the assessor within 30 days. Failure to notify the assessor within 30 days shall result in the loss of benefits under paragraph (a) or (b) for taxes payable in the year that the failure is discovered. For these purposes, "benefits under paragraph (a) or (b)" means the difference in the net tax capacity of the building or units which no longer qualify as computed under paragraph (a) or (b) and as computed under the otherwise applicable law, times the local tax rate applicable to the building for that taxes payable year. Upon discovery of a failure to notify, the assessor shall inform the auditor of the difference in net tax capacity for the building or buildings in which units no longer qualify, and the auditor shall calculate the benefits under paragraph (a) or (b). Such amount, plus a penalty equal to 100 percent of that amount, shall then be demanded of the building's owner. The property owner 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 a 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. The appeal shall be governed by the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under paragraph (a) or (b) and penalty are not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of the benefit and penalty to the succeeding year's tax list to be collected as part of the property taxes on the affected property.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 18. Minnesota Statutes 2004, section 273.124, subdivision 6, is amended to read:

Subd. 6. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject to the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1990, or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, and has received public financing, homestead treatment may be claimed by the cooperative association on behalf of the members of the cooperative for each dwelling unit occupied by a member of the cooperative. The cooperative association must provide the assessor with the Social Security numbers of those members. To qualify for the treatment provided by this subdivision, the following conditions must be met:

(a) the cooperative association must be organized under chapter 308A or 308B and all voting members of the board of directors must be resident tenants of the cooperative and must be elected by the resident tenants of the cooperative;

(b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years, which permits the cooperative association, while not in default on the lease, to participate materially in the management of the property, including material participation in establishing budgets, setting rent levels, and hiring and supervising a management agent;

(c) to the extent permitted under state or federal law, the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale;

(d) a minimum of 40 percent of the cooperative association's members must have incomes at or less than 60 percent of area median gross income as determined by the United States Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal Revenue Code of 1986, as amended through December 31, 1991. For purposes of this clause, "member income" means the income of a member existing at the time the member acquires cooperative membership;

(e) if a limited partnership owns the property, it must include as the managing general partner a nonprofit organization operating under the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and the limited partnership agreement must provide that the managing general partner have sufficient powers so that it materially participates in the management and control of the limited partnership;

(f) prior to becoming a member of a leasehold cooperative described in this subdivision, a person must have received notice that (1) describes leasehold cooperative property in plain language, including but not limited to the effects of classification under this subdivision on rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that copies of the articles of incorporation and bylaws of the cooperative association, the lease between the owner and the cooperative association, a sample sublease between the cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited partnership agreement, can be obtained upon written request at no charge from the owner, and the owner must send or deliver the materials within seven days after receiving any request;

(g) if a dwelling unit of a building was occupied on the 60th day prior to the date on which the unit became leasehold cooperative property described in this subdivision, the notice described in paragraph (f) must have been sent by first class mail to the occupant of the unit at least 60 days prior to the date on which the unit became leasehold cooperative property. For purposes of the notice under this paragraph, the copies of the documents referred to in paragraph (f) may be in proposed version, provided that any subsequent material alteration of those documents made after the occupant has requested a copy shall be disclosed to any occupant who has requested a copy of the document. Copies of the articles of incorporation and certificate of limited partnership shall be filed with the secretary of state after the expiration of the 60-day period unless the change to leasehold cooperative status does not proceed;

(h) the county attorney of the county in which the property is located must certify to the assessor that the property meets the requirements of this subdivision;

(i) the public financing received must be from at least one of the following sources:

(1) tax increment financing proceeds used for the acquisition or rehabilitation of the building or interest rate write-downs relating to the acquisition of the building;

(2) government issued bonds exempt from taxes under section 103 of the Internal Revenue Code of 1986, as amended through December 31, 1991, the proceeds of which are used for the acquisition or rehabilitation of the building;

(3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing Act;

(4) rental housing program funds under Section 8 of the United States Housing Act of 1937 or

the market rate family graduated payment mortgage program funds administered by the Minnesota Housing Finance Agency that are used for the acquisition or rehabilitation of the building;

(5) low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1991;

(6) public financing provided by a local government used for the acquisition or rehabilitation of the building, including grants or loans from (i) federal community development block grants; (ii) HOME block grants; or (iii) residential rental bonds issued under chapter 474A; or

(7) other rental housing program funds provided by the Minnesota Housing Finance Agency for the acquisition or rehabilitation of the building;

(j) at the time of the initial request for homestead classification or of any transfer of ownership of the property, the governing body of the municipality in which the property is located must hold a public hearing and make the following findings:

(1) that the granting of the homestead treatment of the apartment's units will facilitate safe, clean, affordable housing for the cooperative members that would otherwise not be available absent the homestead designation;

(2) that the owner has presented information satisfactory to the governing body showing that the savings garnered from the homestead designation of the units will be used to reduce tenant's rents or provide a level of furnishing or maintenance not possible absent the designation; and

(3) that the requirements of paragraphs (b), (d), and (i) have been met.

Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision 3, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

When dwelling units no longer qualify under this subdivision, the current owner must notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result in the loss of benefits under this subdivision for taxes payable in the year that the failure is discovered. For these purposes, "benefits under this subdivision" means the difference in the net tax capacity of the units which no longer qualify as computed under this subdivision and as computed under the otherwise applicable law, times the local tax rate applicable to the building for that taxes payable year. Upon discovery of a failure to notify, the assessor shall inform the auditor of the difference in net tax capacity for the building or buildings in which units no longer qualify, and the auditor shall calculate the benefits under this subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be demanded of the building's owner. The property owner 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 a 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. The appeal shall be governed by the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of the benefit and penalty to the succeeding year's tax list to be collected as part of the property taxes on the affected buildings.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 19. Minnesota Statutes 2004, section 273.124, subdivision 8, is amended to read:

Subd. 8. [HOMESTEAD OWNED BY OR LEASED TO FAMILY FARM CORPORATION, JOINT FARM VENTURE, LIMITED LIABILITY COMPANY, OR PARTNERSHIP.] (a) Each family farm corporation~~, each~~; each joint family farm venture~~,~~; and each limited liability company~~, and each~~ or partnership ~~operating~~ which operates a family farm; is entitled to class 1b under

section 273.13, subdivision 22, paragraph (b), or class 2a assessment for one homestead occupied by a shareholder, member, or partner thereof who is residing on the land, and actively engaged in farming of the land owned by the family farm corporation, joint family farm venture, limited liability company, or partnership ~~operating a family farm~~. ~~H~~homestead treatment applies even if legal title to the property is in the name of the family farm corporation, joint family farm venture, limited liability company, or partnership ~~operating the family farm~~, and not in the name of the person residing on it.

"Family farm corporation," "family farm," and "partnership operating a family farm" have the meanings given in section 500.24, except that the number of allowable shareholders, members, or partners under this subdivision shall not exceed 12. "Limited liability company" has the meaning contained in sections 322B.03, subdivision 28, and 500.24, subdivision 2, paragraphs (l) and (m). "Joint family farm venture" means a cooperative agreement among two or more farm enterprises authorized to operate a family farm under section 500.24.

(b) In addition to property specified in paragraph (a), any other residences owned by family farm corporations, joint family farm ventures, limited liability companies, or partnerships ~~operating a family farm~~ described in paragraph (a) which are located on agricultural land and occupied as homesteads by its shareholders, members, or partners who are actively engaged in farming on behalf of that corporation, joint farm venture, limited liability company, or partnership must also be assessed as class 2a property or as class 1b property under section 273.13.

(c) Agricultural property that is owned by a member, partner, or shareholder of a family farm corporation or joint family farm venture, limited liability company operating a family farm, or by a partnership operating a family farm and leased to the family farm corporation, limited liability company, ~~or~~ partnership ~~operating a family farm~~, or joint farm venture, as defined in paragraph (a), is eligible for classification as class 1b or class 2a under section 273.13, if the owner is actually residing on the property, and is actually engaged in farming the land on behalf of that corporation, joint farm venture, limited liability company, or partnership. This paragraph applies without regard to any legal possession rights of the family farm corporation, joint family farm venture, limited liability company, or partnership ~~operating a family farm~~ under the lease.

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

Sec. 20. Minnesota Statutes 2004, 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, the residential homestead and agricultural homestead credits under section 273.1384, 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 homestead 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 homestead 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 homestead 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. The Social Security numbers and federal identification numbers that are maintained by a county or city assessor for property tax

administration purposes, and that may appear on the lists retain their classification as private or nonpublic data; but may be viewed, accessed, and used by the county auditor or treasurer of the same county for the limited purpose of assisting the commissioner in the preparation of microdata samples under section 270.0681.

(l) On or before April 30 each year beginning in 2007, each county must provide the commissioner with the following data for each parcel of homestead property by electronic means as defined in section 289A.02, subdivision 8:

(i) the property identification number assigned to the parcel for purposes of taxes payable in the current year;

(ii) the name and Social Security number of each property owner and property owner's spouse, as shown on the tax rolls for the current and the prior assessment year;

(iii) the classification of the property under section 273.13 for taxes payable in the current year and in the prior year;

(iv) an indication of whether the property was classified as a homestead for taxes payable in the current year or for taxes payable in the prior year because of occupancy by a relative of the owner or by a spouse of a relative;

(v) the property taxes payable as defined in section 290A.03, subdivision 13, for the current year and the prior year;

(vi) the market value of improvements to the property first assessed for tax purposes for taxes payable in the current year;

(vii) the assessor's estimated market value assigned to the property for taxes payable in the current year and the prior year;

(viii) the taxable market value assigned to the property for taxes payable in the current year and the prior year;

(ix) whether there are delinquent property taxes owing on the homestead;

(x) the unique taxing district in which the property is located; and

(xi) such other information as the commissioner decides is necessary.

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.

Sec. 21. Minnesota Statutes 2004, section 273.124, subdivision 21, is amended to read:

Subd. 21. [TRUST PROPERTY; HOMESTEAD.] Real property held by a trustee under a trust is eligible for classification as homestead property if:

(1) the grantor or surviving spouse of the grantor of the trust occupies and uses the property as a homestead;

(2) a relative or surviving relative of the grantor who meets the requirements of subdivision 1, paragraph (c), in the case of residential real estate; or subdivision 1, paragraph (d), in the case of agricultural property, occupies and uses the property as a homestead;

(3) a family farm corporation, joint farm venture, limited liability company, or partnership operating a family farm rents the property held by a trustee under a trust, and the grantor, the spouse of the grantor, or the son or daughter of the grantor, who is also a shareholder, member, or partner of the corporation, joint farm venture, limited liability company, or partnership occupies and uses the property as a homestead, ~~and~~ or is actively farming the property on behalf of the corporation, joint farm venture, limited liability company, or partnership; or

(4) a person who has received homestead classification for property taxes payable in 2000 on the basis of an unqualified legal right under the terms of the trust agreement to occupy the property as that person's homestead and who continues to use the property as a homestead or a person who received the homestead classification for taxes payable in 2005 under clause (3) who does not qualify under clause (3) for taxes payable in 2006 or thereafter but who continues to qualify under clause (3) as it existed for taxes payable in 2005.

For purposes of this subdivision, "grantor" is defined as the person creating or establishing a testamentary, inter Vivos, revocable or irrevocable trust by written instrument or through the exercise of a power of appointment.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2006 and thereafter.

Sec. 22. Minnesota Statutes 2004, section 273.1315, is amended to read:

273.1315 [CERTIFICATION OF 1B PROPERTY.]

Any property owner seeking classification and assessment of the owner's homestead as class 1b property pursuant to section 273.13, subdivision 22, paragraph (b), shall file with the commissioner of revenue a 1b homestead declaration, on a form prescribed by the commissioner. The declaration shall contain the following information:

(a) the information necessary to verify that on or before June 30 of the filing year, the property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision 22, paragraph (b), for 1b classification; and

(b) any additional information prescribed by the commissioner.

The declaration must be filed on or before October 1 to be effective for property taxes payable during the succeeding calendar year. The declaration and any supplementary information received from the property owner pursuant to this section shall be subject to chapter 270B. If approved by the commissioner, the declaration remains in effect until the property no longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify the commissioner within 30 days that the property no longer qualifies under that paragraph because of a sale, change in occupancy, or change in the status or condition of an occupant shall result in the penalty provided in section 273.124, subdivision 13, computed on the basis of the class 1b benefits for the property, and the property shall lose its current class 1b classification.

The commissioner shall provide to the assessor on or before November 1 a listing of the parcels of property qualifying for 1b classification.

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

Sec. 23. Minnesota Statutes 2004, section 273.19, subdivision 1a, is amended to read:

Subd. 1a. For purposes of this section, a lease includes any agreement, except a cooperative farming agreement pursuant to section 97A.135, subdivision 3, or a lease executed pursuant to section 272.68, subdivision 4, permitting a nonexempt person or entity to use the property, regardless of whether the agreement is characterized as a lease. A lease has a "term of at least one year" if the term is for a period of less than one year and the lease permits the parties to renew the lease without requiring that similar terms for leasing the property will be offered to other applicants or bidders through a competitive bidding or other form of offer to potential lessees or users.

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

Sec. 24. Minnesota Statutes 2004, section 273.372, is amended to read:

273.372 [PROCEEDINGS AND APPEALS; UTILITY OR RAILROAD VALUATIONS.]

Subdivision 1. [SCOPE.] (a) As provided in this section, an appeal by a utility or railroad company concerning ~~the exemption, valuation, or classification of~~ property for which the

commissioner of revenue has provided the city or county assessor with valuations by order, or for which the commissioner has recommended values to the city or county assessor, must be brought against the commissioner ~~in Tax Court or in district court of the county where the property is located~~, and not against the county or taxing district where the property is located.

(b) This section governs administrative appeals and appeals to court of a claim that utility or railroad operating property has been partially, unfairly, or unequally assessed, or assessed at a valuation greater than its real or actual value, misclassified, or that the property is exempt. This section applies only to property described in sections 270.81, subdivision 1, 273.33, 273.35, 273.36, and 273.37, and only with regard to taxable net tax capacities that have been provided to the city or county by the commissioner and which have not been changed by city or county. If the taxable net tax capacity being appealed is not the taxable net tax capacity established by the commissioner, or if the appeal claims that the tax rate applied against the parcel is incorrect, or that the tax has been paid, this section does not apply.

Subd. 2. [CONTENTS AND FILING OF PETITION.] (a) In all appeals to court that are required to be brought against the commissioner under this section, the petition initiating the appeal must be served on the commissioner and must be filed with the Tax Court in Ramsey County, as provided in paragraph (b) or (c).

(b) If the appeal to court is from an order of the commissioner, it must be brought under chapter 271, except that when the provisions of this section conflict with chapter 271, this section prevails. In addition, the petition must include all the parcels encompassed by that order which the petitioner claims have been partially, unfairly, or unequally assessed, assessed at a valuation greater than their real or actual value, misclassified, or are exempt. For this purpose, an order of the commissioner is either (1) a certification or notice of value by the commissioner for property described in subdivision 1, or (2) the final determination by the commissioner of either an administrative appeal conference or informal administrative appeal described in subdivision 4.

(c) If the appeal is from the ~~exemption, valuation, classification, or~~ tax that results from implementation of the commissioner's order, certification, or recommendation, it must be brought under chapter 278, and the provisions in that chapter apply, except that service shall be on the commissioner only and not on the ~~county~~ local officials specified in section 278.01, subdivision 1, and if any other provision of this section conflicts with chapter 278, this section prevails. In addition, the petition must include either all the utility parcels or all the railroad parcels in the state in which the petitioner claims an interest and which the petitioner claims have been partially, unfairly, or unequally assessed, assessed at a valuation greater than their real or actual value, misclassified, or are exempt. ~~This provision applies to the property described in sections 273.33, 273.35, 273.36, and 273.37, but only if the appealed values have remained unchanged from those provided to the city or county by the commissioner. If the exemption, valuation, or classification being appealed has been changed by the city or county, then the action must be brought under chapter 278 in the county where the property is located and proper service must be made upon the county officials as specified in section 278.01, subdivision 1.~~

Subd. 3. [NOTICE.] Upon filing of any appeal in court by a utility company or railroad against the commissioner pursuant to this section, the commissioner shall give notice by first class mail to the county auditor of each county ~~which would be affected by the appeal~~ where property included in the petition is located.

Subd. 4. [ADMINISTRATIVE APPEALS.] (a) Companies that submit the reports under section 270.82 or 273.371 by the date specified in that section, or by the date specified by the commissioner in an extension, may appeal administratively to the commissioner ~~under the procedures in section 270.11, subdivision 6,~~ prior to bringing an action in ~~Tax Court or in district~~ court ~~, however, instituting an administrative appeal~~ by submitting a written request with the commissioner ~~does not change or modify~~ for a conference within ten days after the date of the commissioner's valuation certification or notice to the company, or by May 15, whichever is earlier. The commissioner shall conduct the conference upon the commissioner's entire files and records and such further information as may be offered. The conference must be held no later than 20 days after the date of the commissioner's valuation certification or notice to the company, or by

the date specified by the commissioner in an extension. Within 60 days after the conference the commissioner shall make a final determination of the matter and shall notify the company promptly of the determination. The conference is not a contested case hearing.

(b) In addition to the opportunity for a conference under paragraph (a), the commissioner shall also provide the railroad and utility companies the opportunity to discuss any questions or concerns relating to the values established by the commissioner through certification or notice in a less formal manner. This does not change or modify the deadline for requesting a conference under paragraph (a), the deadline in section 271.06 for appealing an order of the commissioner ~~in Tax Court~~, or the deadline in section 278.01 for ~~filing a property tax claim or objection in Tax Court or district~~ appealing property taxes in court.

[EFFECTIVE DATE.] This section is effective September 1, 2005, and thereafter.

Sec. 25. Minnesota Statutes 2004, section 274.014, subdivision 2, is amended to read:

Subd. 2. [APPEALS AND EQUALIZATION COURSE.] ~~By no later than January 1,~~ Beginning in 2006, and each year thereafter, there must be at least one member at each meeting of a local board of appeal and equalization who has attended an appeals and equalization course developed or approved by the commissioner within the last four years, as certified by the commissioner. The course may be offered in conjunction with a meeting of the Minnesota League of Cities or the Minnesota Association of Townships. The course content must include, but need not be limited to, a review of the handbook developed by the commissioner under subdivision 1.

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

Sec. 26. Minnesota Statutes 2004, section 274.014, subdivision 3, is amended to read:

Subd. 3. [PROOF OF COMPLIANCE; TRANSFER OF DUTIES.] (a) Any city or town that ~~does not~~ conducts local boards of appeal and equalization meetings must provide proof to the county assessor by December 1, 2006, and each year thereafter, that it is in compliance with the requirements of subdivision 2~~, and that it had~~. Beginning in 2006, this notice must also verify that there was a quorum of voting members at each meeting of the board of appeal and equalization in the ~~prior~~ current year~~,~~. A city or town that does not comply with these requirements is deemed to have transferred its board of appeal and equalization powers to the county ~~under section 274.01, subdivision 3, for~~ beginning with the following year's assessment and continuing unless the powers are reinstated under paragraph (c).

(b) The county shall notify the taxpayers when the board of appeal and equalization for a city or town has been transferred to the county under this subdivision and, prior to the meeting time of the county board of equalization, the county shall make available to those taxpayers a procedure for a review of the assessments, including, but not limited to, open book meetings. This alternate review process shall take place in April and May.

(c) A local board whose powers are transferred to the county under this subdivision may be reinstated by resolution of the governing body of the city or town and upon proof of compliance with the requirements of subdivision 2. The resolution and proofs must be provided to the county assessor by December 1 in order to be effective for the following year's assessment.

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

Sec. 27. Minnesota Statutes 2004, section 274.14, is amended to read:

274.14 [LENGTH OF SESSION; RECORD.]

~~The county board of equalization or the special board of equalization appointed by it shall meet during the last ten meeting days in June. For this purpose, "meeting days" are defined as any day of the week excluding Saturday and Sunday.~~ The board may meet on any ten consecutive meeting days in June, after the second Friday in June~~, if~~. The actual meeting dates ~~are~~ must be contained on the valuation notices mailed to each property owner in the county ~~under~~ as provided in section 273.121. For this purpose, "meeting days" is defined as any day of the week excluding Saturday

and Sunday. No action taken by the county board of review after June 30 is valid, except for corrections permitted in sections 273.01 and 274.01. The county auditor shall keep an accurate record of the proceedings and orders of the board. The record must be published like other proceedings of county commissioners. A copy of the published record must be sent to the commissioner of revenue, with the abstract of assessment required by section 274.16.

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

Sec. 28. Minnesota Statutes 2004, section 275.07, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION OF LEVY.] (a) Except as provided under paragraph (b), the taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before five working days after December 20 in each year. A town must certify the levy adopted by the town board to the county auditor by September 15 each year. If the town board modifies the levy at a special town meeting after September 15, the town board must recertify its levy to the county auditor on or before five working days after December 20. ~~The taxes certified shall be reduced by the county auditor by the aid received under section 273.1398, subdivision 3.~~ If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

(b)(i) The taxes voted by counties under sections 103B.241, 103B.245, and 103B.251 shall be separately certified by the county to the county auditor on or before five working days after December 20 in each year. The taxes certified shall not be reduced by the county auditor by the aid received under section 273.1398, subdivision 3. If a county fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year.

(ii) For purposes of the proposed property tax notice under section 275.065 and the property tax statement under section 276.04, for the first year in which the county implements the provisions of this paragraph, the county auditor shall reduce the county's levy for the preceding year to reflect any amount levied for water management purposes under clause (i) included in the county's levy.

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

Sec. 29. Minnesota Statutes 2004, section 275.07, subdivision 4, is amended to read:

Subd. 4. [REPORT TO COMMISSIONER.] (a) On or before October 8 of each year, the county auditor shall report to the commissioner of revenue the proposed levy certified by local units of government under section 275.065, subdivision 1. If any taxing authorities have notified the county auditor that they are in the process of negotiating an agreement for sharing, merging, or consolidating services but that when the proposed levy was certified under section 275.065, subdivision 1c, the agreement was not yet finalized, the county auditor shall supply that information to the commissioner when filing the report under this section and shall recertify the affected levies as soon as practical after October 10.

(b) On or before January 15 of each year, the county auditor shall report to the commissioner of revenue the final levy certified by local units of government under subdivision 1.

(c) The levies must be reported in the manner prescribed by the commissioner. ~~The reports must show a total levy and the amount of each special levy.~~

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

Sec. 30. Minnesota Statutes 2004, section 276.112, is amended to read:

276.112 [STATE PROPERTY TAXES; COUNTY TREASURER.]

On or before January 25 each year, for the period ending December 31 of the prior year, and on or before June ~~29~~ 28 each year, for the period ending on the most recent settlement day determined in section 276.09, and on or before December 2 each year, for the period ending November 20, the county treasurer must make full settlement with the county auditor according to sections 276.09, 276.10, and 276.111 for all receipts of state property taxes levied under section 275.025, and must transmit those receipts to the commissioner of revenue by electronic means.

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

Sec. 31. Minnesota Statutes 2004, section 282.016, is amended to read:

282.016 [PROHIBITED PURCHASERS.]

~~No~~ (a) A county auditor, county treasurer, county attorney, court administrator of the district court, ~~or~~ county assessor ~~or~~, supervisor of assessments, ~~or~~ deputy or clerk or an employee of such officer, ~~and no~~ a commissioner for tax-forfeited lands or an assistant to such commissioner ~~may~~, must not become a purchaser, either personally or as an agent or attorney for another person, of the properties offered for sale under the provisions of this chapter~~, either personally, or as agent or attorney for any other person, except that~~ in the county for which the person performs duties. A person prohibited from purchasing property under this section must not directly or indirectly have another person purchase it on behalf of the prohibited purchaser for the prohibited purchaser's benefit or gain.

(b) Notwithstanding paragraph (a), such officer, deputy, ~~court administrator~~ clerk, or employee or commissioner for tax-forfeited lands or assistant to such commissioner may (1) purchase lands owned by that official at the time the state became the absolute owner thereof or (2) bid upon and purchase forfeited property offered for sale under the alternate sale procedure described in section 282.01, subdivision 7a.

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

Sec. 32. Minnesota Statutes 2004, section 282.08, is amended to read:

282.08 [APPORTIONMENT OF PROCEEDS TO TAXING DISTRICTS.]

The net proceeds from the sale or rental of any parcel of forfeited land, or from the sale of products from the forfeited land, must be apportioned by the county auditor to the taxing districts interested in the land, as follows:

(1) ~~the amounts necessary to pay the state general tax levy against the parcel for taxes payable in the year for which the tax judgment was entered, and for each subsequent payable year up to and including the year of forfeiture, must be apportioned to the state;~~

~~(2)~~ the portion required to pay any amounts included in the appraised value under section 282.01, subdivision 3, as representing increased value due to any public improvement made after forfeiture of the parcel to the state, but not exceeding the amount certified by the clerk of the municipality must be apportioned to the municipal subdivision entitled to it;

~~(3)~~ (2) the portion required to pay any amount included in the appraised value under section 282.019, subdivision 5, representing increased value due to response actions taken after forfeiture of the parcel to the state, but not exceeding the amount of expenses certified by the Pollution Control Agency or the commissioner of agriculture, must be apportioned to the agency or the commissioner of agriculture and deposited in the fund from which the expenses were paid;

~~(4)~~ (3) the portion of the remainder required to discharge any special assessment chargeable against the parcel for drainage or other purpose whether due or deferred at the time of forfeiture, must be apportioned to the municipal subdivision entitled to it; and

~~(5)~~ (4) any balance must be apportioned as follows:

(i) The county board may annually by resolution set aside no more than 30 percent of the receipts remaining to be used for timber development on tax-forfeited land and dedicated memorial forests, to be expended under the supervision of the county board. It must be expended only on projects approved by the commissioner of natural resources.

(ii) The county board may annually by resolution set aside no more than 20 percent of the receipts remaining to be used for the acquisition and maintenance of county parks or recreational areas as defined in sections 398.31 to 398.36, to be expended under the supervision of the county board.

(iii) Any balance remaining must be apportioned as follows: county, 40 percent; town or city, 20 percent; and school district, 40 percent, provided, however, that in unorganized territory that portion which would have accrued to the township must be administered by the county board of commissioners.

[EFFECTIVE DATE.] This section is effective the day following final enactment for state general tax levy amounts payable in 2004 and thereafter.

Sec. 33. Minnesota Statutes 2004, section 282.15, is amended to read:

282.15 [SALES OF FORFEITED AGRICULTURAL LANDS.]

The sale shall be conducted by the auditor of the county in which the parcels lie. The parcels shall be sold to the highest bidder but not for less than the appraised value. The sales shall be for cash or on the following terms: The appraised value of all merchantable timber on agricultural lands shall be paid for in full at the date of sale. At least 15 percent of the purchase price of the land shall be paid in cash at the time of purchase. The balance shall be paid in not more than 20 equal annual installments, with interest at a rate equal to the rate in effect at the time under section 549.09 on the unpaid balance each year. Both principal and interest are due and payable on December 31 each year following that in which the purchase was made. The purchaser may pay any number of installments of principal and interest on or before their due date. When the sale is on terms other than for cash in full, the purchaser shall receive from the county auditor a contract for deed, in a form prescribed by the attorney general. The county auditor shall make a report to the commissioner of natural resources not more than 30 days after each public sale showing the lands sold at the sales, and submit a copy of each contract of sale.

All lands sold pursuant to this section ~~shall, on the second day of January following the date of the sale,~~ must be restored to the tax rolls and become subject to taxation in the same manner as they were assessed and taxed before becoming the absolute property of the state for the assessment year determined under section 272.02, subdivision 38, paragraph (c).

[EFFECTIVE DATE.] This section is effective for sales occurring on or after July 1, 2005.

Sec. 34. Minnesota Statutes 2004, section 282.21, is amended to read:

282.21 [FORM OF CONVEYANCE.]

When any sale has been made under sections 282.14 to 282.22, upon payment in full of the purchase price, appropriate conveyance in fee in such form as may be prescribed by the attorney general shall be issued by the commissioner of ~~finance~~ natural resources to the purchaser or the purchaser's assigns and this conveyance shall have the force and effect of a patent from the state.

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

Sec. 35. Minnesota Statutes 2004, section 282.224, is amended to read:

282.224 [FORM OF CONVEYANCE.]

When any sale has been made under sections 282.221 to 282.226, upon payment in full of the purchase price, appropriate conveyance in fee, in such form as may be prescribed by the attorney general, shall be issued by the commissioner of natural resources to the purchaser or the purchaser's assignee, and the conveyance shall have the force and effect of a patent from the state.

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

Sec. 36. Minnesota Statutes 2004, section 282.301, is amended to read:

282.301 [RECEIPTS FOR PAYMENTS.]

When any sale has been made under sections 282.012 and 282.241 to 282.324, the purchaser shall receive from the county auditor at the time of repurchase a receipt, in such form as may be prescribed by the attorney general. When the purchase price of a parcel of land shall be paid in

full, the following facts shall be certified by the county auditor to the commissioner of revenue of the state of Minnesota: the description of land, the date of sale, the name of the purchaser or the purchaser's assignee, and the date when the final installment of the purchase price was paid. Upon payment in full of the purchase price, the purchaser or the assignee shall receive a quitclaim deed from the state, to be executed by the commissioner of revenue. The deed must be sent to the county auditor who shall have it recorded before it is forwarded to the purchaser. Failure to make any payment herein required shall constitute default and upon such default and cancellation in accord with section 282.40, the right, title and interest of the purchaser or the purchaser's heirs, representatives, or assigns in such parcel shall terminate.

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

Sec. 37. Minnesota Statutes 2004, section 290B.05, subdivision 3, is amended to read:

Subd. 3. [CALCULATION OF DEFERRED PROPERTY TAX AMOUNT.] When final property tax amounts for the following year have been determined, the county auditor shall calculate the "deferred property tax amount." The deferred property tax amount is equal to the lesser of (1) the maximum allowable deferral for the year; or (2) the difference between (i) the total amount of property taxes and special assessments levied upon the qualifying homestead by all taxing jurisdictions and (ii) the maximum property tax amount. ~~Any special assessments levied by any local unit of government must not be included in the total tax used to calculate the deferred tax amount.~~ For this purpose "special assessments" includes any assessment, fee, or other charge that may by law, and which does, appear on the property tax statement for the property for collection under the laws applicable to the enforcement of real estate taxes. Any tax attributable to new improvements made to the property after the initial application has been approved under section 290B.04, subdivision 2, must be excluded when determining any subsequent deferred property tax amount. The county auditor shall annually, on or before April 15, certify to the commissioner of revenue the property tax deferral amounts determined under this subdivision by property and by owner.

[EFFECTIVE DATE.] This section is effective for amounts deferred in 2006 and thereafter.

Sec. 38. Minnesota Statutes 2004, section 290C.05, is amended to read:

290C.05 [ANNUAL CERTIFICATION.]

On or before July 1 of each year, beginning with the year after the claimant has received an approved application, the commissioner shall send each claimant enrolled under the sustainable forest incentive program a certification form. The claimant must sign the certification, attesting that the requirements and conditions for continued enrollment in the program are currently being met, and must return the signed certification form to the commissioner by August 15 of that same year. ~~Failure to~~ If the claimant does not return an annual certification form by the due date ~~shall result in removal of the lands from the provisions of the sustainable forest incentive program, and the imposition of any applicable removal penalty~~, the provisions in section 290C.11 apply. ~~The claimant may appeal the removal and any associated penalty according to the procedures and within the time allowed under this chapter.~~

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

Sec. 39. [290C.055] [LENGTH OF COVENANT.]

The covenant remains in effect for a minimum of eight years. If land is removed from the program before it has been enrolled for four years, the covenant remains in effect for eight years from the date recorded.

If land that has been enrolled for four years or more is removed from the program for any reason, there is a waiting period before the covenant terminates. The covenant terminates on January 1 of the fifth calendar year that begins after the date that:

(1) the commissioner receives notification from the claimant that the claimant wishes to remove the land from the program under section 290C.10; or

(2) the date that the land is removed from the program under section 290C.11.

Notwithstanding the other provisions of this section, the covenant is terminated at the same time that the land is removed from the program due to acquisition of title or possession for a public purpose under section 290C.10.

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

Sec. 40. Minnesota Statutes 2004, section 290C.10, is amended to read:

290C.10 [WITHDRAWAL PROCEDURES.]

An approved claimant under the sustainable forest incentive program for a minimum of four years may notify the commissioner of the intent to terminate enrollment. Within 90 days of receipt of notice to terminate enrollment, the commissioner shall inform the claimant in writing, acknowledging receipt of this notice and indicating the effective date of termination from the sustainable forest incentive program. Termination of enrollment in the sustainable forest incentive program occurs on January 1 of the fifth calendar year that begins after receipt by the commissioner of the termination notice. After the commissioner issues an effective date of termination, a claimant wishing to continue the land's enrollment in the sustainable forest incentive program beyond the termination date must apply for enrollment as prescribed in section 290C.04. A claimant who withdraws a parcel of land from this program may not reenroll the parcel for a period of three years. Within 90 days after the termination date, the commissioner shall execute and acknowledge a document releasing the land from the covenant required under this chapter. The document must be mailed to the claimant and is entitled to be recorded. The commissioner may allow early withdrawal from the Sustainable Forest Incentive Act without penalty ~~in cases of condemnation~~ when the state of Minnesota, any local government unit, or any other entity which has the right of eminent domain acquires title or possession to the land for a public purpose notwithstanding the provisions of this section. In the case of such acquisition, the commissioner shall execute and acknowledge a document releasing the land acquired by the state, local government unit, or other entity from the covenant. All other enrolled land must remain in the program.

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

Sec. 41. Minnesota Statutes 2004, section 373.45, subdivision 7, is amended to read:

Subd. 7. [AID REDUCTION FOR REPAYMENT.] (a) Except as provided in paragraph (b), the commissioner may reduce, by the amount paid by the state under this section on behalf of the county, plus the interest due on the state payments, the ~~following aids payable to the county:~~

~~(1) homestead and agricultural credit aid and disparity reduction aid payable under section 273.1398;~~

~~(2) county criminal justice aid payable under section 477A.0121; and~~

~~(3) family preservation aid payable under section 477A.0122~~ county program aid under section 477A.0124.

The amount of any aid reduction reverts from the appropriate account to the state general fund.

(b) If, after review of the financial situation of the county, the authority advises the commissioner that a total reduction of the aids would cause an undue hardship on the county, the authority, with the approval of the commissioner, may establish a different schedule for reduction of aids to repay the state. The amount of aids to be reduced are decreased by any amounts repaid to the state by the county from other revenue sources.

[EFFECTIVE DATE.] This section is effective for aid payable in 2005 and thereafter.

Sec. 42. Minnesota Statutes 2004, section 469.1735, subdivision 3, is amended to read:

Subd. 3. [TRANSFER AUTHORITY FOR PROPERTY TAX.] (a) A city may elect to use all

or part of its allocation under subdivision 2 to reimburse the city or county or both for property tax reductions under section 272.0212. To elect this option, the city must notify the commissioner of revenue by October 1 of each calendar year of the amount of the property tax reductions for which it seeks reimbursements for taxes payable during the ~~following~~ current year and the governmental units to which the amounts will be paid. The commissioner may require the city to provide information substantiating the amount of the reductions granted or any other information necessary to administer this provision. The commissioner shall pay the reimbursements by December 26 of the taxes payable year. Any amount transferred under this authority reduces the amount of tax credit certificates available under subdivisions 1 and 2.

(b) The amount elected by the city under paragraph (a) is appropriated to the commissioner of revenue from the general fund to reimburse the city or county for tax reductions under section 272.0212. The amount appropriated may not exceed the maximum amounts allocated to a city under subdivision 2, paragraph (b), less the amount of certificates issued by the city under subdivision 1, and is available until expended.

[EFFECTIVE DATE.] This section is effective for reimbursements of taxes payable in 2005 and thereafter.

Sec. 43. Laws 2003, chapter 127, article 5, section 27, the effective date, is amended to read:

[EFFECTIVE DATE.] This section is effective for ~~taxes payable in 2004 and thereafter~~ distributions occurring on or after June 10, 2003.

Sec. 44. Laws 2003, chapter 127, article 5, section 28, the effective date, is amended to read:

[EFFECTIVE DATE.] This section is effective for ~~taxes payable in 2004 and thereafter~~ distributions occurring on or after June 10, 2003.

Sec. 45. [LINCOLN AND PIPESTONE COUNTIES; TOWN LEVY ADJUSTMENT FOR WIND ENERGY PRODUCTION TAX.]

Notwithstanding the deadlines in Minnesota Statutes, section 275.07, towns located in Lincoln or Pipestone County are authorized to adjust their payable 2004 levy for all or a portion of their estimated wind energy production tax amounts for 2004, as computed by the commissioner of revenue from reports filed under Minnesota Statutes, section 272.029, subdivision 4. The Lincoln and Pipestone County auditors may adjust the payable 2004 levy certifications under Minnesota Statutes, section 275.07, subdivision 1, based upon the towns that have recertified their levies under this section by March 15, 2004.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004.

Sec. 46. [REPEALER.]

(a) Minnesota Statutes 2004, sections 273.19, subdivision 5; 274.05; 275.15; 275.61, subdivision 2; and 283.07, are repealed effective the day following final enactment.

(b) Laws 1975, chapter 287, section 5, and Laws 2003, chapter 127, article 9, section 9, subdivision 4, are repealed effective without local approval for taxes payable in 2006 and thereafter.

(c) Minnesota Statutes 2004, sections 270.85; 270.88; and 273.37, subdivision 3, are repealed effective September 1, 2005.

ARTICLE 6

INCOME, CORPORATE FRANCHISE, AND ESTATE TAXES

Section 1. Minnesota Statutes 2004, section 289A.08, subdivision 3, is amended to read:

Subd. 3. [CORPORATIONS.] A corporation that is subject to the state's jurisdiction to tax under section 290.014, subdivision 5, must file a return, except that a foreign operating

corporation as defined in section 290.01, subdivision 6b, is not required to file a return. The commissioner shall adopt rules for the filing of one return on behalf of the members of an affiliated group of corporations that are required to file a combined report. All members of an affiliated group that are required to file a combined report must file one return on behalf of the members of the group under rules adopted by the commissioner. If a corporation claims on a return that it has paid tax in excess of the amount of taxes lawfully due, that corporation must include on that return information necessary for payment of the tax in excess of the amount lawfully due by electronic means.

[EFFECTIVE DATE.] This section is effective for returns filed after December 31, 2005.

Sec. 2. Minnesota Statutes 2004, section 289A.18, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES; PARTNERSHIP AND S CORPORATION RETURNS; INFORMATION RETURNS; MINING COMPANY RETURNS.] The returns required to be made under sections 289A.08 and 289A.12 must be filed at the following times:

(1) returns made on the basis of the calendar year must be filed on April 15 following the close of the calendar year, except that returns of corporations must be filed on March 15 following the close of the calendar year;

(2) returns made on the basis of the fiscal year must be filed on the 15th day of the fourth month following the close of the fiscal year, except that returns of corporations must be filed on the 15th day of the third month following the close of the fiscal year;

(3) returns for a fractional part of a year must be filed on the 15th day of the fourth month following the end of the month in which falls the last day of the period for which the return is made, except that the returns of corporations must be filed on the 15th day of the third month following the end of the ~~month~~ tax year of the unitary group in which falls the last day of the period for which the return is made;

(4) in the case of a final return of a decedent for a fractional part of a year, the return must be filed on the 15th day of the fourth month following the close of the 12-month period that began with the first day of that fractional part of a year;

(5) in the case of the return of a cooperative association, returns must be filed on or before the 15th day of the ninth month following the close of the taxable year;

(6) if a corporation has been divested from a unitary group and files a return for a fractional part of a year in which it was a member of a unitary business that files a combined report under section 290.34, subdivision 2, the divested corporation's return must be filed on the 15th day of the third month following the close of the common accounting period that includes the fractional year;

(7) returns of entertainment entities must be filed on April 15 following the close of the calendar year;

(8) returns required to be filed under section 289A.08, subdivision 4, must be filed on the 15th day of the fifth month following the close of the taxable year;

(9) returns of mining companies must be filed on May 1 following the close of the calendar year; and

(10) returns required to be filed with the commissioner under section 289A.12, subdivision 2, 4 to 10, or 14, must be filed within 30 days after being demanded by the commissioner.

[EFFECTIVE DATE.] This section is effective for fractional years closing after December 31, 2004.

Sec. 3. Minnesota Statutes 2004, section 289A.19, subdivision 4, is amended to read:

Subd. 4. [ESTATE TAX RETURNS.] ~~When in the commissioner's judgment good cause exists, the commissioner may extend the time for filing an estate tax return for not more than six months.~~ When an extension to file the federal estate tax return has been granted under section 6081 of the Internal Revenue Code, the time for filing the estate tax return is extended for that period. If the estate requests an extension to file an estate tax return within the time provided in section 289A.18, subdivision 3, the commissioner shall extend the time for filing the estate tax return for six months.

[EFFECTIVE DATE.] This section is effective for estates of decedents dying after December 31, 2004.

Sec. 4. Minnesota Statutes 2004, section 289A.31, subdivision 2, is amended to read:

Subd. 2. [JOINT INCOME TAX RETURNS.] (a) If a joint income tax return is made by a husband and wife, the liability for the tax is joint and several. A spouse who qualifies for relief from a liability attributable to an underpayment under section 6015(b) of the Internal Revenue Code is relieved of the state income tax liability on the underpayment.

(b) In the case of individuals who were a husband and wife prior to the dissolution of their marriage or their legal separation, or prior to the death of one of the individuals, for tax liabilities reported on a joint or combined return, the liability of each person is limited to the proportion of the tax due on the return that equals that person's proportion of the total tax due if the husband and wife filed separate returns for the taxable year. This provision is effective only when the commissioner receives written notice of the marriage dissolution, legal separation, or death of a spouse from the husband or wife. No refund may be claimed by an ex-spouse, legally separated or widowed spouse for any taxes paid more than 60 days before receipt by the commissioner of the written notice.

(c) A request for calculation of separate liability pursuant to paragraph (b) for taxes reported on a return must be made within six years after the due date of the return. For calculation of separate liability for taxes assessed by the commissioner under section 289A.35 or 289A.37, the request must be made within six years after the date of assessment. The commissioner is not required to calculate separate liability if the remaining unpaid liability for which recalculation is requested is $100 or less.

[EFFECTIVE DATE.] This section is effective for requests for relief made on or after the day following final enactment.

Sec. 5. Minnesota Statutes 2004, section 289A.38, subdivision 7, is amended to read:

Subd. 7. [FEDERAL TAX CHANGES.] If the amount of income, items of tax preference, deductions, or credits for any year of a taxpayer as reported to the Internal Revenue Service is changed or corrected by the commissioner of Internal Revenue or other officer of the United States or other competent authority, or where a renegotiation of a contract or subcontract with the United States results in a change in income, items of tax preference, deductions, credits, or withholding tax, or, in the case of estate tax, where there are adjustments to the taxable estate resulting in a change to the credit for state death taxes, the taxpayer shall report the change or correction or renegotiation results in writing to the commissioner. The report must be submitted within 180 days after the final determination and must be in the form of either an amended Minnesota estate, withholding tax, corporate franchise tax, or income tax return conceding the accuracy of the federal determination or a letter detailing how the federal determination is incorrect or does not change the Minnesota tax. An amended Minnesota income tax return must be accompanied by an amended property tax refund return, if necessary. A taxpayer filing an amended federal tax return must also file a copy of the amended return with the commissioner of revenue within 180 days after filing the amended return.

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

Sec. 6. Minnesota Statutes 2004, section 289A.39, subdivision 1, is amended to read:

Subdivision 1. [EXTENSIONS FOR SERVICE MEMBERS.] (a) The limitations of time

provided by this chapter, chapter 290 relating to income taxes, chapter 271 relating to the Tax Court for filing returns, paying taxes, claiming refunds, commencing action thereon, appealing to the Tax Court from orders relating to income taxes, and the filing of petitions under chapter 278 that would otherwise be due ~~May 15, 1996~~ prior to May 1 of the year in which the taxes are payable, and appealing to the Supreme Court from decisions of the Tax Court relating to income taxes are extended, as provided in section 7508 of the Internal Revenue Code.

(b) If a member of the National Guard or reserves is called to active duty in the armed forces, the limitations of time provided by this chapter and chapters 290 and 290A relating to income taxes and claims for property tax refunds are extended by the following period of time:

(1) in the case of an individual whose active service is in the United States, six months; or

(2) in the case of an individual whose active service includes service abroad, the period of initial service plus six months.

Nothing in this paragraph reduces the time within which an act is required or permitted under paragraph (a).

(c) If an individual entitled to the benefit of paragraph (a) files a return during the period disregarded under paragraph (a), interest must be paid on an overpayment or refundable credit from the due date of the return, notwithstanding section 289A.56, subdivision 2.

(d) The provisions of this subdivision apply to the spouse of an individual entitled to the benefits of this subdivision with respect to a joint return filed by the spouses.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2002, and for property taxes payable after 2003.

Sec. 7. Minnesota Statutes 2004, section 289A.50, subdivision 1a, is amended to read:

Subd. 1a. [REFUND FORM.] On or before January 1, 2000, the commissioner of revenue shall prepare and make available to taxpayers a form for filing claims for refund of taxes paid in excess of the amount due. ~~If the commissioner fails to prepare a form under this subdivision by January 1, 2000, any claims for refund made after January 1, 2000, and up to ten days after the form is made available to taxpayers are deemed to be made in compliance with the requirement of the form.~~ The commissioner may require corporate franchise taxpayers claiming a refund of corporate franchise taxes paid in excess of the amount lawfully due to include on the claim for refund or amended return information necessary for payment of the taxes paid in excess of taxes lawfully due by electronic means.

[EFFECTIVE DATE.] This section is effective for claims for refund filed after December 31, 2005.

Sec. 8. Minnesota Statutes 2004, section 289A.60, subdivision 6, is amended to read:

Subd. 6. [PENALTY FOR FALSE OR FRAUDULENT RETURN, EVASION.] (a) If a person files a false or fraudulent return, or attempts in any manner to evade or defeat a tax or payment of tax, there is imposed on the person a penalty equal to 50 percent of the tax, less amounts paid by the person on the basis of the false or fraudulent return, due for the period to which the return related.

(b) If a person files a false or fraudulent return that includes a claim for refund, there is imposed on the person a penalty equal to 50 percent of the portion of any refund claimed that is attributable to fraud. The penalty under this paragraph is in addition to any penalty imposed under paragraph (a).

[EFFECTIVE DATE.] This section is effective for returns filed after December 31, 2005.

Sec. 9. Minnesota Statutes 2004, section 289A.60, subdivision 12, is amended to read:

Subd. 12. [PENALTIES RELATING TO PROPERTY TAX REFUNDS.] (a) ~~If the~~

~~commissioner determines that a property tax refund claim is or was excessive and was filed with fraudulent intent, the claim must be disallowed in full. If the claim has been paid, the amount disallowed may be recovered by assessment and collection.~~

~~(b)~~ If it is determined that a property tax refund claim is excessive and was negligently prepared, ten percent of the corrected claim must be disallowed. If the claim has been paid, the amount disallowed must be recovered by assessment and collection.

~~(c)~~ (b) An owner who without reasonable cause fails to give a certificate of rent constituting property tax to a renter, as required by section 290A.19, paragraph (a), is liable to the commissioner for a penalty of $100 for each failure.

~~(d)~~ (c) If the owner or managing agent knowingly gives rent certificates that report total rent constituting property taxes in excess of the amount of actual rent constituting property taxes paid on the rented part of a property, the owner or managing agent is liable for a penalty equal to the greater of (1) $100 or (2) 50 percent of the excess that is reported. An overstatement of rent constituting property taxes is presumed to be knowingly made if it exceeds by ten percent or more the actual rent constituting property taxes.

[EFFECTIVE DATE.] This section is effective for returns filed after December 31, 2005.

Sec. 10. Minnesota Statutes 2004, section 289A.60, subdivision 13, is amended to read:

Subd. 13. [PENALTIES FOR TAX RETURN PREPARERS.] (a) If an understatement of liability with respect to a return or claim for refund is due to a reckless disregard of laws and rules or willful attempt in any manner to understate the liability for a tax by a person who is a tax return preparer with respect to the return or claim, the person shall pay to the commissioner a penalty of $500. If a part of a property tax refund claim is excessive due to a reckless disregard or willful attempt in any manner to overstate the claim for relief allowed under chapter 290A by a person who is a tax refund or return preparer, the person shall pay to the commissioner a penalty of $500 with respect to the claim. These penalties may not be assessed against the employer of a tax return preparer unless the employer was actively involved in the reckless disregard or willful attempt to understate the liability for a tax or to overstate the claim for refund. These penalties are income tax liabilities and may be assessed at any time as provided in section 289A.38, subdivision 5.

(b) A civil action in the name of the state of Minnesota may be commenced to enjoin any person who is a tax return preparer doing business in this state from further engaging in any conduct described in paragraph (c). An action under this paragraph must be brought by the attorney general in the district court for the judicial district of the tax return preparer's residence or principal place of business, or in which the taxpayer with respect to whose tax return the action is brought resides. The court may exercise its jurisdiction over the action separate and apart from any other action brought by the state of Minnesota against the tax return preparer or any taxpayer.

(c) In an action under paragraph (b), if the court finds that a tax return preparer has:

(1) engaged in any conduct subject to a civil penalty under section 289A.60 or a criminal penalty under section 289A.63;

(2) misrepresented the preparer's eligibility to practice before the Department of Revenue, or otherwise misrepresented the preparer's experience or education as a tax return preparer;

(3) guaranteed the payment of any tax refund or the allowance of any tax credit; or

(4) engaged in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of state tax law, and injunctive relief is appropriate to prevent the recurrence of that conduct,

the court may enjoin the person from further engaging in that conduct.

(d) If the court finds that a tax return preparer has continually or repeatedly engaged in conduct described in paragraph (c), and that an injunction prohibiting that conduct would not be sufficient

to prevent the person's interference with the proper administration of state tax laws, the court may enjoin the person from acting as a tax return preparer. The court may not enjoin the employer of a tax return preparer for conduct described in paragraph (c) engaged in by one or more of the employer's employees unless the employer was also actively involved in that conduct.

(e) For purposes of this subdivision, the term "understatement of liability" means an understatement of the net amount payable with respect to a tax imposed by state tax law, or an overstatement of the net amount creditable or refundable with respect to a tax. The determination of whether or not there is an understatement of liability must be made without regard to any administrative or judicial action involving the taxpayer. For purposes of this subdivision, the amount determined for underpayment of estimated tax under either section 289A.25 or 289A.26 is not considered an understatement of liability.

(f) For purposes of this subdivision, the term "overstatement of claim" means an overstatement of the net amount refundable with respect to a claim for property tax relief provided by chapter 290A. The determination of whether or not there is an overstatement of a claim must be made without regard to administrative or judicial action involving the claimant.

(g) For purposes of this section, the term "tax refund or return preparer" means an individual who prepares for compensation, or who employs one or more individuals to prepare for compensation, a return of tax, or a claim for refund of tax. The preparation of a substantial part of a return or claim for refund is treated as if it were the preparation of the entire return or claim for refund. An individual is not considered a tax return preparer merely because the individual:

(1) gives typing, reproducing, or other mechanical assistance;

(2) prepares a return or claim for refund of the employer, or an officer or employee of the employer, by whom the individual is regularly and continuously employed;

(3) prepares a return or claim for refund of any person as a fiduciary for that person; or

(4) prepares a claim for refund for a taxpayer in response to a tax order issued to the taxpayer.

[EFFECTIVE DATE.] This section is effective for returns filed after December 31, 2005.

Sec. 11. Minnesota Statutes 2004, section 290.01, subdivision 7b, is amended to read:

Subd. 7b. [RESIDENT TRUST.] (a) Resident trust means a trust, except a grantor type trust, which either (1) was created by a will of a decedent who at death was domiciled in this state or (2) is an irrevocable trust, the grantor of which was domiciled in this state at the time the trust became irrevocable. For the purpose of this subdivision, a trust is considered irrevocable to the extent the grantor is not treated as the owner thereof under sections 671 to 678 of the Internal Revenue Code. The term "grantor type trust" means a trust where the income or gains of the trust are taxable to the grantor or others treated as substantial owners under sections 671 to 678 of the Internal Revenue Code. This paragraph applies to trusts, except grantor type trusts, that became irrevocable after December 31, 1995, or are first administered in Minnesota after December 31, 1995.

(b) This paragraph applies to trusts, except grantor type trusts, that are not governed under paragraph (a). A trust, except a grantor type trust, is a resident trust only if two or more of the following conditions are satisfied:

(i) a majority of the discretionary decisions of the trustees relative to the investment of trust assets are made in Minnesota;

(ii) a majority of the discretionary decisions of the trustees relative to the distributions of trust income and principal are made in Minnesota;

(iii) the official books and records of the trust, consisting of the original minutes of trustee meetings and the original trust instruments, are located in Minnesota.

(c) For purposes of paragraph (b), if the trustees delegate decisions and actions to an agent or custodian, the actions and decisions of the agent or custodian must not be taken into account in determining whether the trust is administered in Minnesota, if:

(i) the delegation was permitted under the trust agreement;

(ii) the trustees retain the power to revoke the delegation on reasonable notice; and

(iii) the trustees monitor and evaluate the performance of the agent or custodian on a regular basis as is reasonably determined by the trustees.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2004.

Sec. 12. Minnesota Statutes 2004, section 290.01, subdivision 19a, is amended to read:

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

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

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

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

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

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

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

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

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

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

[EFFECTIVE DATE.] This section is effective for tax years beginning after December 31, 2004.

Sec. 13. Minnesota Statutes 2004, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed $1,625 for each qualifying child in grades kindergarten to 6 and $2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) ~~to the extent included in federal taxable income, postservice benefits for youth community service under section 124D.42 for volunteer service under United States Code, title 42, sections 12601 to 12604;~~

~~(7)~~ to the extent not deducted in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code over $500 ;

~~(8)~~ (7) for taxable years beginning before January 1, 2008, the amount of the federal small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code which is included in gross income under section 87 of the Internal Revenue Code;

~~(9)~~ (8) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

~~(10)~~ (9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (15), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero; and

~~(11)~~ (10) job opportunity building zone income as provided under section 469.316.

[EFFECTIVE DATE.] The amendment to clause (9) is effective retroactively for tax years beginning after December 31, 2001. The rest of this section is effective for the tax years beginning after December 31, 2004.

Sec. 14. Minnesota Statutes 2004, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. [CORPORATIONS; ADDITIONS TO FEDERAL TAXABLE INCOME.] For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes, including but not limited to the tax imposed under section 290.0922, paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; the District of Columbia; or Indian tribal governments;

(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;

(4) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;

(5) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 of the Internal Revenue Code;

(6) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(7) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;

(8) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code;

(9) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;

(10) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities;

(11) the amount of any deemed dividend from a foreign operating corporation determined pursuant to section 290.17, subdivision 4, paragraph (g);

(12) ~~the amount of any environmental tax paid under section 59(a) of the Internal Revenue Code;~~

~~(13)~~ the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

~~(14)~~ (13) the amount of net income excluded under section 114 of the Internal Revenue Code;

~~(15)~~ (14) any increase in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of section 614 of Public Law 107-147; and

~~(16)~~ (15) 80 percent of the depreciation deduction allowed under section 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed.

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

Sec. 15. Minnesota Statutes 2004, section 290.06, subdivision 22, is amended to read:

Subd. 22. [CREDIT FOR TAXES PAID TO ANOTHER STATE.] (a) A taxpayer who is liable for taxes based on ~~or measured by~~ net income to another state, as provided in paragraphs (b) through (f), upon income allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to another state if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7, ~~clause (2)~~ paragraph (b), and who is subject to income tax as a resident in the state of the individual's domicile is not allowed this credit unless the state of domicile does not allow a similar credit.

(b) For an individual, estate, or trust, the credit is determined by multiplying the tax payable under this chapter by the ratio derived by dividing the income subject to tax in the other state that is also subject to tax in Minnesota while a resident of Minnesota by the taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue Code, modified by the addition required by section 290.01, subdivision 19a, clause (1), and the subtraction allowed by section 290.01, subdivision 19b, clause (1), to the extent the income is allocated or assigned to Minnesota under sections 290.081 and 290.17.

(c) If the taxpayer is an athletic team that apportions all of its income under section 290.17, subdivision 5, the credit is determined by multiplying the tax payable under this chapter by the ratio derived from dividing the total net income subject to tax in the other state by the taxpayer's Minnesota taxable income.

(d) The credit determined under paragraph (b) or (c) shall not exceed the amount of tax so paid to the other state on the gross income earned within the other state subject to tax under this chapter, nor shall the allowance of the credit reduce the taxes paid under this chapter to an amount less than what would be assessed if such income amount was excluded from taxable net income.

(e) In the case of the tax assessed on a lump sum distribution under section 290.032, the credit allowed under paragraph (a) is the tax assessed by the other state on the lump sum distribution that is also subject to tax under section 290.032, and shall not exceed the tax assessed under section 290.032. To the extent the total lump sum distribution defined in section 290.032, subdivision 1, includes lump sum distributions received in prior years or is all or in part an annuity contract, the reduction to the tax on the lump sum distribution allowed under section 290.032, subdivision 2, includes tax paid to another state that is properly apportioned to that distribution.

(f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax in such other state on that same income after the Minnesota statute of limitations has expired, the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any statute of limitations to the contrary. The claim for the credit must be submitted within one year from the date the taxes were paid to the other state. The taxpayer must submit sufficient proof to show entitlement to a credit.

(g) For the purposes of this subdivision, a resident shareholder of a corporation treated as an "S" corporation under section 290.9725, must be considered to have paid a tax imposed on the shareholder in an amount equal to the shareholder's pro rata share of any net income tax paid by the S corporation to another state. For the purposes of the preceding sentence, the term "net income tax" means any tax imposed on or measured by a corporation's net income.

(h) For the purposes of this subdivision, a resident partner of an entity taxed as a partnership under the Internal Revenue Code must be considered to have paid a tax imposed on the partner in an amount equal to the partner's pro rata share of any net income tax paid by the partnership to another state. For purposes of the preceding sentence, the term "net income" tax means any tax imposed on or measured by a partnership's net income.

(i) For the purposes of this subdivision, "another state":

(1) includes:

(i) the District of Columbia; and

(ii) a province or territory of Canada; but

(2) excludes Puerto Rico and the several territories organized by Congress.

(j) The limitations on the credit in paragraphs (b), (c), and (d), are imposed on a state by state basis.

(k) For a tax imposed by a province or territory of Canada, the tax for purposes of this subdivision is the excess of the tax over the amount of the foreign tax credit allowed under section 27 of the Internal Revenue Code. In determining the amount of the foreign tax credit allowed, the net income taxes imposed by Canada on the income are deducted first. Any remaining amount of the allowable foreign tax credit reduces the provincial or territorial tax that qualifies for the credit under this subdivision.

[EFFECTIVE DATE.] This section is effective for tax years beginning after December 31, 2004.

Sec. 16. Minnesota Statutes 2004, section 290.0671, subdivision 1a, is amended to read:

Subd. 1a. [DEFINITIONS.] For purposes of this section, the terms "qualifying child," and "earned income," ~~and "adjusted gross income"~~ have the meanings given in section 32(c) of the Internal Revenue Code, and the term "adjusted gross income" has the meaning given in section 62 of the Internal Revenue Code.

"Earned income of the lesser-earning spouse" has the meaning given in section 290.0675, subdivision 1, paragraph (d).

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2004.

Sec. 17. Minnesota Statutes 2004, section 290.0674, subdivision 1, is amended to read:

Subdivision 1. [CREDIT ALLOWED.] An individual is allowed a credit against the tax imposed by this chapter in an amount equal to 75 percent of the amount paid for education-related expenses for a qualifying child in kindergarten through grade 12. For purposes of this section, "education-related expenses" means:

(1) fees or tuition for instruction by an instructor under section 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5), or a member of the Minnesota Music Teachers Association, and who is not a lineal ancestor or sibling of the dependent for instruction outside the regular school day or school year, including tutoring, driver's education offered as part of school curriculum, regardless of whether it is taken from a public or private entity or summer camps, in grade or age appropriate curricula that supplement curricula and instruction available during the regular school year, that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the ~~graduation rule under section 120B.02, paragraph (e), clauses (1) to (7), (9), and (10)~~ required academic standards under section 120B.021, subdivision 1, and the elective standard under section 120B.022, subdivision 1, clause (2), and that do not include the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship;

(2) expenses for textbooks, including books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(3) a maximum expense of $200 per family for personal computer hardware, excluding single purpose processors, and educational software that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the ~~graduation rule under section 120B.02~~ required academic standards under section 120B.021, subdivision 1, and the elective standard under section 120B.022, subdivision 1, clause (2), purchased for use in the taxpayer's home and not used in a trade or business regardless of whether the computer is required by the dependent's school; and

(4) the amount paid to others for transportation of a qualifying child attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A.

For purposes of this section, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code.

[EFFECTIVE DATE.] This section is effective for tax years beginning after December 31, 2004.

Sec. 18. Minnesota Statutes 2004, section 290.92, subdivision 4b, is amended to read:

Subd. 4b. [WITHHOLDING BY PARTNERSHIPS.] (a) A partnership shall deduct and withhold a tax as provided in paragraph (b) for nonresident individual partners based on their distributive shares of partnership income for a taxable year of the partnership.

(b) The amount of tax withheld is determined by multiplying the partner's distributive share allocable to Minnesota under section 290.17, paid or credited during the taxable year by the highest rate used to determine the income tax liability for an individual under section 290.06, subdivision 2c, except that the amount of tax withheld may be determined by the commissioner if the partner submits a withholding exemption certificate under subdivision 5.

(c) The commissioner may reduce or abate the tax withheld under this subdivision if the partnership had reasonable cause to believe that no tax was due under this section.

(d) Notwithstanding paragraph (a), a partnership is not required to deduct and withhold tax for a nonresident partner if:

(1) the partner elects to have the tax due paid as part of the partnership's composite return under section 289A.08, subdivision 7;

(2) the partner has Minnesota assignable federal adjusted gross income from the partnership of less than $1,000; or

(3) the partnership is liquidated or terminated, the income was generated by a transaction related to the termination or liquidation, and no cash or other property was distributed in the current or prior taxable year; ~~or~~

(4) the distributive shares of partnership income are attributable to:

(i) income required to be recognized because of discharge of indebtedness;

(ii) income recognized because of a sale, exchange, or other disposition of real estate, depreciable property, or property described in section 179 of the Internal Revenue Code; or

(iii) income recognized on the sale, exchange, or other disposition of any property that has been the subject of a basis reduction pursuant to section 108, 734, 743, 754, or 1017 of the Internal Revenue Code

to the extent that the income does not include cash received or receivable or, if there is cash received or receivable, to the extent that the cash is required to be used to pay indebtedness by the partnership or a secured debt on partnership property; or

(5) the partnership is a publicly traded partnership, as defined in section 7704(b) of the Internal Revenue Code.

(e) For purposes of subdivision 6a, and sections 289A.09, subdivision 2, 289A.20, subdivision 2, paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a partnership is considered an employer.

(f) To the extent that income is exempt from withholding under paragraph (d), clause (4), the commissioner has a lien in an amount up to the amount that would be required to be withheld with respect to the income of the partner attributable to the partnership interest, but for the application of paragraph (d), clause (4). The lien arises under section 270.69 from the date of assessment of the tax against the partner, and attaches to that partner's share of the profits and any other money due or to become due to that partner in respect of the partnership. Notice of the lien may be sent by mail to the partnership, without the necessity for recording the lien. The notice has the force and effect of a levy under section 270.70, and is enforceable against the partnership in the manner provided by that section. Upon payment in full of the liability subsequent to the notice of lien, the partnership must be notified that the lien has been satisfied.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2004.

Sec. 19. Minnesota Statutes 2004, section 291.005, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Federal gross estate" means the gross estate of a decedent as valued and otherwise determined for federal estate tax purposes by federal taxing authorities pursuant to the provisions of the Internal Revenue Code.

(2) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included therein which has its situs outside Minnesota, and (b) including therein any property omitted from the federal gross estate which is includable therein, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

(3) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(4) "Resident decedent" means an individual whose domicile at the time of death was in Minnesota.

(5) "Nonresident decedent" means an individual whose domicile at the time of death was not in Minnesota.

(6) "Situs of property" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death; and with respect to intangible personal property, the state or country in which the decedent was domiciled at death.

(7) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(8) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended through ~~December 31, 2002~~ April 15, 2005.

(9) "Minnesota adjusted taxable estate" means federal adjusted taxable estate as defined by section 2011(b)(3) of the Internal Revenue Code, increased by the amount of deduction for state death taxes allowed under section 2058 of the Internal Revenue Code.

[EFFECTIVE DATE.] The change to clause (8) is effective for estates of decedents dying after January 31, 2003, and the new clause (9) is effective for estates of decedents dying after December 31, 2004.

Sec. 20. Minnesota Statutes 2004, section 291.03, subdivision 1, is amended to read:

Subdivision 1. [TAX AMOUNT.] The tax imposed shall be an amount equal to the proportion of the maximum credit for state death taxes computed under section 2011 of the Internal Revenue Code, as amended through December 31, 2000, ~~for state death taxes~~ but using Minnesota adjusted taxable estate instead of federal adjusted taxable estate, as the Minnesota gross estate bears to the value of the federal gross estate. The tax determined under this paragraph shall not be greater than the ~~federal estate tax~~ amount computed by applying the rates and brackets under section 2001(c) of the Internal Revenue Code ~~after the allowance of~~ to the Minnesota adjusted gross estate and subtracting the federal ~~credits~~ credit allowed under section 2010 of the Internal Revenue Code of 1986, as amended through December 31, 2000. For the purposes of this section, expenses which are deducted for federal income tax purposes under section 642(g) of the Internal Revenue Code as amended through December 31, 2002, are not allowable in computing the tax under this chapter.

[EFFECTIVE DATE.] This section is effective for estates of decedents dying after December 31, 2004.

Sec. 21. [REPEALER.]

Minnesota Rules, parts 8093.2000; and 8093.3000, are repealed effective the day following final enactment.

ARTICLE 7

SALES AND USE TAXES

Section 1. Minnesota Statutes 2004, section 289A.38, subdivision 6, is amended to read:

Subd. 6. [OMISSION IN EXCESS OF 25 PERCENT.] Additional taxes may be assessed

within 6-1/2 years after the due date of the return or the date the return was filed, whichever is later, if:

(1) the taxpayer omits from gross income an amount properly includable in it that is in excess of 25 percent of the amount of gross income stated in the return;

(2) the taxpayer omits from a sales, use, or withholding tax return an amount of taxes in excess of 25 percent of the taxes reported in the return; or

(3) the taxpayer omits from the gross estate assets in excess of 25 percent of the gross estate reported in the return.

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

Sec. 2. Minnesota Statutes 2004, section 289A.38, is amended by adding a subdivision to read:

Subd. 15. [PURCHASER FILED REFUND CLAIMS.] If a purchaser refund claim is filed under section 289A.50, subdivision 2a, and the basis for the claim is that the purchaser was improperly charged tax on an improvement to real property or on the purchase of nontaxable services, sales or use tax may be assessed for the cost of materials used to make the real property improvement or to perform the nontaxable service. The assessment may be made against the person making the improvement to real property or the sale of nontaxable services, within the period prescribed in subdivision 1, or within one year after the date of the refund order, whichever is later.

[EFFECTIVE DATE.] This section is effective for purchaser refund claims filed on or after July 1, 2005.

Sec. 3. Minnesota Statutes 2004, section 289A.40, subdivision 2, is amended to read:

Subd. 2. [BAD DEBT LOSS.] If a claim relates to an overpayment because of a failure to deduct a loss due to a bad debt or to a security becoming worthless, the claim is considered timely if filed within seven years from the date prescribed for the filing of the return. A claim relating to an overpayment of taxes under chapter 297A must be filed within 3-1/2 years from the date prescribed for filing the return, plus any extensions granted for filing the return, but only if filed within the extended time. The refund or credit is limited to the amount of overpayment attributable to the loss. "Bad debt" for purposes of this subdivision, has the same meaning as that term is used in United States Code, title 26, section 166, except that for a claim relating to an overpayment of taxes under chapter 297A the following are excluded from the calculation of bad debt: financing charges or interest; sales or use taxes charged on the purchase price; uncollectible amounts on property that remain in the possession of the seller until the full purchase price is paid; expenses incurred in attempting to collect any debt; and repossessed property.

[EFFECTIVE DATE.] For claims relating to an overpayment of taxes under chapter 297A, this section is effective for sales and purchases made on or after January 1, 2004; for all other bad debts or claims, this section is effective on or after July 1, 2003.

Sec. 4. Minnesota Statutes 2004, section 289A.40, is amended by adding a subdivision to read:

Subd. 4. [PURCHASER FILED REFUND CLAIMS.] A claim for refund of taxes paid on a transaction not subject to tax under chapter 297A, where the purchaser may apply directly to the commissioner under section 289A.50, subdivision 2a, must be filed within 3-1/2 years from the 20th day of the month following the month of the invoice date for the purchase.

[EFFECTIVE DATE.] This section is effective for claims filed on or after the day following final enactment.

Sec. 5. Minnesota Statutes 2004, section 289A.40, is amended by adding a subdivision to read:

Subd. 5. [CAPITAL EQUIPMENT REFUND CLAIMS.] A claim for refund for taxes paid under chapter 297A on capital equipment must be filed within 3-1/2 years from the 20th day of the

month following the month of the invoice date for the purchase of the capital equipment. A claim for refund for taxes imposed on capital equipment under section 297A.63 must be filed within 3-1/2 years from the date prescribed for filing the return, or one year from the date of an order assessing tax under section 289A.37, subdivision 1, upon payment in full of the tax, penalties, and interest shown on the order, whichever period expires later.

[EFFECTIVE DATE.] This section is effective for claims filed on or after the day following final enactment.

Sec. 6. Minnesota Statutes 2004, section 297A.61, subdivision 3, is amended to read:

Subd. 3. [SALE AND PURCHASE.] (a) "Sale" and "purchase" include, but are not limited to, each of the transactions listed in this subdivision.

(b) Sale and purchase include:

(1) any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, for a consideration in money or by exchange or barter; and

(2) the leasing of or the granting of a license to use or consume, for a consideration in money or by exchange or barter, tangible personal property, other than a manufactured home used for residential purposes for a continuous period of 30 days or more.

(c) Sale and purchase include the production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing.

(d) Sale and purchase include the preparing for a consideration of food. Notwithstanding section 297A.67, subdivision 2, taxable food includes, but is not limited to, the following:

(1) prepared food sold by the retailer;

(2) soft drinks;

(3) candy; ~~and~~

(4) dietary supplements; and

(5) all food sold through vending machines.

(e) A sale and a purchase includes the furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state.

(f) A sale and a purchase includes the transfer for a consideration of prewritten computer software whether delivered electronically, by load and leave, or otherwise.

(g) A sale and a purchase includes the furnishing for a consideration of the following services:

(1) the privilege of admission to places of amusement, recreational areas, or athletic events, and the making available of amusement devices, tanning facilities, reducing salons, steam baths, turkish baths, health clubs, and spas or athletic facilities;

(2) lodging and related services by a hotel, rooming house, resort, campground, motel, or trailer camp and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice;

(3) nonresidential parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(4) the granting of membership in a club, association, or other organization if:

(i) the club, association, or other organization makes available for the use of its members sports

and athletic facilities, without regard to whether a separate charge is assessed for use of the facilities; and

(ii) use of the sports and athletic facility is not made available to the general public on the same basis as it is made available to members.

Granting of membership means both onetime initiation fees and periodic membership dues. Sports and athletic facilities include golf courses; tennis, racquetball, handball, and squash courts; basketball and volleyball facilities; running tracks; exercise equipment; swimming pools; and other similar athletic or sports facilities;

(5) delivery of aggregate materials and concrete block by a third party if the delivery would be subject to the sales tax if provided by the seller of the aggregate material or concrete block; and

(6) services as provided in this clause:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting and exterminating services;

(iv) detective, security, burglar, fire alarm, and armored car services; but not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1, or services provided by a nonprofit organization for monitoring and electronic surveillance of persons placed on in-home detention pursuant to court order or under the direction of the Minnesota Department of Corrections;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; tree, bush, and shrub pruning, bracing, spraying, and surgery; indoor plant care; tree, bush, shrub, and stump removal; and tree trimming for public utility lines. Services performed under a construction contract for the installation of shrubbery, plants, sod, trees, bushes, and similar items are not taxable;

(vii) massages, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease; and

(viii) the furnishing of lodging, board, and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services.

In applying the provisions of this chapter, the terms "tangible personal property" and "sales at retail" include taxable services listed in clause (6), items (i) to (vi) and (viii), and the provision of these taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable. Services performed by a partnership or association for another partnership or association are not taxable if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of the preceding sentence, "affiliated group of corporations" includes those entities that would be classified as members of an affiliated group under United States Code, title 26, section 1504, and that are eligible to file a consolidated tax return for federal income tax purposes.

(h) A sale and a purchase includes the furnishing for a consideration of tangible personal

property or taxable services by the United States or any of its agencies or instrumentalities, or the state of Minnesota, its agencies, instrumentalities, or political subdivisions.

(i) A sale and a purchase includes the furnishing for a consideration of telecommunications services, including cable television services and direct satellite services. Telecommunications services are taxed to the extent allowed under federal law.

(j) A sale and a purchase includes the furnishing for a consideration of installation if the installation charges would be subject to the sales tax if the installation were provided by the seller of the item being installed.

(k) A sale and a purchase includes the rental of a vehicle by a motor vehicle dealer to a customer when (1) the vehicle is rented by the customer for a consideration, or (2) the motor vehicle dealer is reimbursed pursuant to a service contract as defined in section 65B.29, subdivision 1, clause (1).

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

Sec. 7. Minnesota Statutes 2004, section 297A.61, subdivision 4, is amended to read:

Subd. 4. [RETAIL SALE.] (a) A "retail sale" means any sale, lease, or rental for any purpose, other than resale, sublease, or subrent of items by the purchaser in the normal course of business as defined in subdivision 21.

(b) A sale of property used by the owner only by leasing it to others or by holding it in an effort to lease it, and put to no use by the owner other than resale after the lease or effort to lease, is a sale of property for resale.

(c) A sale of master computer software that is purchased and used to make copies for sale or lease is a sale of property for resale.

(d) A sale of building materials, supplies, and equipment to owners, contractors, subcontractors, or builders for the erection of buildings or the alteration, repair, or improvement of real property is a retail sale in whatever quantity sold, whether the sale is for purposes of resale in the form of real property or otherwise.

(e) A sale of carpeting, linoleum, or similar floor covering to a person who provides for installation of the floor covering is a retail sale and not a sale for resale since a sale of floor covering which includes installation is a contract for the improvement of real property.

(f) A sale of shrubbery, plants, sod, trees, and similar items to a person who provides for installation of the items is a retail sale and not a sale for resale since a sale of shrubbery, plants, sod, trees, and similar items that includes installation is a contract for the improvement of real property.

(g) A sale of tangible personal property that is awarded as prizes is a retail sale and is not considered a sale of property for resale.

(h) A sale of tangible personal property utilized or employed in the furnishing or providing of services under subdivision 3, paragraph (g), clause (1), including, but not limited to, property given as promotional items, is a retail sale and is not considered a sale of property for resale.

(i) A sale of tangible personal property used in conducting lawful gambling under chapter 349 or the state lottery under chapter 349A, including, but not limited to, property given as promotional items, is a retail sale and is not considered a sale of property for resale.

(j) A sale of machines, equipment, or devices that are used to furnish, provide, or dispense goods or services, including, but not limited to, coin-operated devices, is a retail sale and is not considered a sale of property for resale.

(k) In the case of a lease, a retail sale occurs when an obligation to make a lease payment becomes due under the terms of the agreement or the trade practices of the lessor.

(l) In the case of a conditional sales contract, a retail sale occurs upon the transfer of title or possession of the tangible personal property.

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

Sec. 8. Minnesota Statutes 2004, section 297A.64, subdivision 4, is amended to read:

Subd. 4. [EXEMPTIONS.] (a) The tax and the fee imposed by this section do not apply to a lease or rental of (1) a vehicle to be used by the lessee to provide a licensed taxi service; (2) a hearse or limousine used in connection with a burial or funeral service; or (3) a van designed or adapted primarily for transporting property rather than passengers. The tax and the fee imposed under this section do not apply when the lease or rental of a vehicle is exempt from the tax imposed under section 297A.62, subdivision 1.

(b) The lessor may elect not to charge the fee imposed in subdivision 2 if in the previous calendar year the lessor had no more than 20 vehicles available for lease that would have been subject to tax under this section, or no more than $50,000 in gross receipts that would have been subject to tax under this section.

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

Sec. 9. Minnesota Statutes 2004, section 297A.668, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] The provisions of this section apply regardless of the characterization of a product as tangible personal property, a digital good, or a service; but do not apply to telecommunications services, or the sales of motor vehicles~~, watercraft, aircraft, modular homes, manufactured homes, or mobile homes~~. These provisions only apply to determine a seller's obligation to pay or collect and remit a sales or use tax with respect to the seller's sale of a product. These provisions do not affect the obligation of a seller as purchaser to remit tax on the use of the product.

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

Sec. 10. Minnesota Statutes 2004, section 297A.668, subdivision 5, is amended to read:

Subd. 5. [TRANSPORTATION EQUIPMENT.] (a) The retail sale, including lease or rental, of transportation equipment shall be sourced the same as a retail sale in accordance with the provisions of subdivision 2, notwithstanding the exclusion of lease or rental in subdivision 2.

(b) "Transportation equipment" means any of the following:

(1) locomotives and railcars that are utilized for the carriage of persons or property in interstate commerce; ~~and/or~~

(2) trucks and truck-tractors with a gross vehicle weight rating (GVWR) of 10,001 pounds or greater, trailers, semitrailers, or passenger buses that are:

(i) registered through the international registration plan; and

(ii) operated under authority of a carrier authorized and certified by the United States Department of Transportation or another federal authority to engage in the carriage of persons or property in interstate commerce;

(3) aircraft that are operated by air carriers authorized and certificated by the United States Department of Transportation or another federal or a foreign authority to engage in the carriage of persons or property in interstate commerce; or

(4) containers designed for use on and component parts attached or secured on the transportation equipment described in items (1) through (3).

[EFFECTIVE DATE.] This section is effective for sales and purchases made on or after January 1, 2004.

Sec. 11. Minnesota Statutes 2004, section 297A.67, subdivision 2, is amended to read:

Subd. 2. [FOOD AND FOOD INGREDIENTS.] Except as otherwise provided in this subdivision, food and food ingredients are exempt. For purposes of this subdivision, "food" and "food ingredients" mean substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. Food and food ingredients exempt under this subdivision do not include candy, soft drinks, food sold through vending machines, dietary supplements, and prepared foods. Food and food ingredients do not include alcoholic beverages~~, dietary supplements,~~ and tobacco. For purposes of this subdivision, "alcoholic beverages" means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume. For purposes of this subdivision, "tobacco" means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco. For purposes of this subdivision, "dietary supplements" means any product, other than tobacco, intended to supplement the diet that:

(1) contains one or more of the following dietary ingredients:

(i) a vitamin;

(ii) a mineral;

(iii) an herb or other botanical;

(iv) an amino acid;

(v) a dietary substance for use by humans to supplement the diet by increasing the total dietary intake; and

(vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient described in items (i) to (v);

(2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and

(3) is required to be labeled as a dietary supplement, identifiable by the supplement facts box found on the label and as required pursuant to Code of Federal Regulations, title 21, section 101.36.

[EFFECTIVE DATE.] This section is effective for sales made on or after the day following final enactment.

Sec. 12. Minnesota Statutes 2004, section 297A.67, subdivision 7, is amended to read:

Subd. 7. [~~MEDICINES~~ DRUGS; MEDICAL DEVICES.] (a) ~~Prescribed~~ Sales of the following drugs and medical devices are exempt:

(1) drugs ~~and medicine, and insulin, intended~~ for ~~internal or external use, in the cure, mitigation, treatment, or prevention of illness or disease in~~ human ~~beings are exempt. "Prescribed drugs and medicine" includes~~ use, including over-the-counter drugs ~~or medicine prescribed by a licensed health care professional.~~

~~(b) Nonprescription medicines consisting principally (determined by the weight of all ingredients) of analgesics that are approved by the United States Food and Drug Administration for internal use by human beings are exempt. For purposes of this subdivision, "principally" means greater than 50 percent analgesics by weight.~~

~~(c) Prescription glasses, hospital beds, fever thermometers, reusable~~;

(2) single-use finger-pricking devices for the extraction of blood~~, blood glucose monitoring machines,~~ and other single-use devices and single-use diagnostic agents used in diagnosing, monitoring, or treating diabetes~~, and therapeutic and~~;

(3) insulin and medical oxygen for human use, regardless of whether prescribed or sold over the counter;

(4) prosthetic devices ~~are exempt. "Therapeutic devices" means devices that are attached or applied to the human body to cure, heal, or alleviate injury, illness, or disease, either directly or by administering a curative agent. "Prosthetic devices" means devices that replace injured, diseased, or missing parts of the human body, either temporarily or permanently~~;

(5) durable medical equipment for home use only;

(6) mobility enhancing equipment; and

(7) prescription corrective eyeglasses.

(b) For purposes of this subdivision:

(1) "Drug" means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, or alcoholic beverages that is:

(i) recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;

(ii) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or

(iii) intended to affect the structure or any function of the body.

(2) "Durable medical equipment" means equipment, including repair and replacement parts, but not including mobility enhancing equipment, that:

(i) can withstand repeated use;

(ii) is primarily and customarily used to serve a medical purpose;

(iii) generally is not useful to a person in the absence of illness or injury; and

(iv) is not worn in or on the body.

(3) "Mobility enhancing equipment" means equipment, including repair and replacement parts, but not including durable medical equipment, that:

(i) is primarily and customarily used to provide or increase the ability to move from one place to another and that is appropriate for use either in a home or a motor vehicle;

(ii) is not generally used by persons with normal mobility; and

(iii) does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

(4) "Over-the-counter drug" means a drug that contains a label that identifies the product as a drug as required by Code of Federal Regulations, title 21, section 201.66. The label must include a "drug facts" panel or a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation. Over-the-counter drugs do not include grooming and hygiene products, regardless of whether they otherwise meet the definition. "Grooming and hygiene products" are soaps, cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and sunscreens.

(5) "Prescribed" and "prescription" means a direction in the form of an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed health care professional.

(6) "Prosthetic device" means a replacement, corrective, or supportive device, including repair and replacement parts, worn on or in the body to:

(i) artificially replace a missing portion of the body;

(ii) prevent or correct physical deformity or malfunction; or

(iii) support a weak or deformed portion of the body.

Prosthetic device does not include corrective eyeglasses.

[EFFECTIVE DATE.] This section is effective for sales and purchases made after June 30, 2005.

Sec. 13. Minnesota Statutes 2004, section 297A.67, subdivision 9, is amended to read:

Subd. 9. [BABY PRODUCTS.] ~~(a) Products such as lotion, creams, ointments, oil, powder, or shampoo, and other articles designed for application to the hair or skin of babies are exempt.~~

~~(b)~~ Baby bottles and nipples, pacifiers, teething rings, ~~thumb sucking preventatives,~~ and infant syringes are exempt.

[EFFECTIVE DATE.] This section is effective for sales and purchases made after June 30, 2005.

Sec. 14. Minnesota Statutes 2004, section 297A.68, subdivision 2, is amended to read:

Subd. 2. [MATERIALS CONSUMED IN INDUSTRIAL PRODUCTION.] (a) Materials stored, used, or consumed in industrial production of personal property intended to be sold ultimately at retail are exempt, whether or not the item so used becomes an ingredient or constituent part of the property produced. Materials that qualify for this exemption include, but are not limited to, the following:

(1) chemicals, including chemicals used for cleaning food processing machinery and equipment;

(2) materials, including chemicals, fuels, and electricity purchased by persons engaged in industrial production to treat waste generated as a result of the production process;

(3) fuels, electricity, gas, and steam used or consumed in the production process, except that electricity, gas, or steam used for space heating, cooling, or lighting is exempt if (i) it is in excess of the average climate control or lighting for the production area, and (ii) it is necessary to produce that particular product;

(4) petroleum products and lubricants;

(5) packaging materials, including returnable containers used in packaging food and beverage products;

(6) accessory tools, equipment, and other items that are separate detachable units with an ordinary useful life of less than 12 months used in producing a direct effect upon the product; and

(7) the following materials, tools, and equipment used in metalcasting: crucibles, thermocouple protection sheaths and tubes, stalk tubes, refractory materials, molten metal filters and filter boxes, degassing lances, and base blocks.

(b) This exemption does not include:

(1) machinery, equipment, implements, tools, accessories, appliances, contrivances and furniture and fixtures, except those listed in paragraph (a), clause (6); and

(2) petroleum and special fuels used in producing or generating power for propelling ready-mixed concrete trucks on the public highways of this state.

(c) Industrial production includes, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants

and consumers) of agricultural products (whether vegetable or animal), commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity, the production of road building materials, and the research, development, design, or production of computer software. Industrial production does not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process.

(d) Industrial production does not include the furnishing of services listed in section 297A.61, subdivision 3, paragraph (g), clause (6), items (i) to (vi) and (viii).

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

Sec. 15. Minnesota Statutes 2004, section 297A.68, subdivision 5, is amended to read:

Subd. 5. [CAPITAL EQUIPMENT.] (a) Capital equipment is exempt. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner provided in section 297A.75.

"Capital equipment" means machinery and equipment purchased or leased, and used in this state by the purchaser or lessee primarily for manufacturing, fabricating, mining, or refining tangible personal property to be sold ultimately at retail if the machinery and equipment are essential to the integrated production process of manufacturing, fabricating, mining, or refining. Capital equipment also includes machinery and equipment used primarily to electronically transmit results retrieved by a customer of an on-line computerized data retrieval system.

(b) Capital equipment includes, but is not limited to:

(1) machinery and equipment used to operate, control, or regulate the production equipment;

(2) machinery and equipment used for research and development, design, quality control, and testing activities;

(3) environmental control devices that are used to maintain conditions such as temperature, humidity, light, or air pressure when those conditions are essential to and are part of the production process;

(4) materials and supplies used to construct and install machinery or equipment;

(5) repair and replacement parts, including accessories, whether purchased as spare parts, repair parts, or as upgrades or modifications to machinery or equipment;

(6) materials used for foundations that support machinery or equipment;

(7) materials used to construct and install special purpose buildings used in the production process;

(8) ready-mixed concrete equipment in which the ready-mixed concrete is mixed as part of the delivery process regardless if mounted on a chassis, repair parts for ready-mixed concrete trucks, and leases of ready-mixed concrete trucks; and

(9) machinery or equipment used for research, development, design, or production of computer software.

(c) Capital equipment does not include the following:

(1) motor vehicles taxed under chapter 297B;

(2) machinery or equipment used to receive or store raw materials;

(3) building materials, except for materials included in paragraph (b), clauses (6) and (7);

(4) machinery or equipment used for nonproduction purposes, including, but not limited to, the

following: plant security, fire prevention, first aid, and hospital stations; support operations or administration; pollution control; and plant cleaning, disposal of scrap and waste, plant communications, space heating, cooling, lighting, or safety;

(5) farm machinery and aquaculture production equipment as defined by section 297A.61, subdivisions 12 and 13;

(6) machinery or equipment purchased and installed by a contractor as part of an improvement to real property; ~~or~~

(7) machinery and equipment used by restaurants in the furnishing, preparing, or serving of prepared foods as defined in section 297A.61, subdivision 31;

(8) machinery and equipment used to furnish the services listed in section 297A.61, subdivision 3, paragraph (g), clause (6), items (i) to (vi) and (viii); or

(9) any other item that is not essential to the integrated process of manufacturing, fabricating, mining, or refining.

(d) For purposes of this subdivision:

(1) "Equipment" means independent devices or tools separate from machinery but essential to an integrated production process, including computers and computer software, used in operating, controlling, or regulating machinery and equipment; and any subunit or assembly comprising a component of any machinery or accessory or attachment parts of machinery, such as tools, dies, jigs, patterns, and molds.

(2) "Fabricating" means to make, build, create, produce, or assemble components or property to work in a new or different manner.

(3) "Integrated production process" means a process or series of operations through which tangible personal property is manufactured, fabricated, mined, or refined. For purposes of this clause, (i) manufacturing begins with the removal of raw materials from inventory and ends when the last process prior to loading for shipment has been completed; (ii) fabricating begins with the removal from storage or inventory of the property to be assembled, processed, altered, or modified and ends with the creation or production of the new or changed product; (iii) mining begins with the removal of overburden from the site of the ores, minerals, stone, peat deposit, or surface materials and ends when the last process before stockpiling is completed; and (iv) refining begins with the removal from inventory or storage of a natural resource and ends with the conversion of the item to its completed form.

(4) "Machinery" means mechanical, electronic, or electrical devices, including computers and computer software, that are purchased or constructed to be used for the activities set forth in paragraph (a), beginning with the removal of raw materials from inventory through completion of the product, including packaging of the product.

(5) "Machinery and equipment used for pollution control" means machinery and equipment used solely to eliminate, prevent, or reduce pollution resulting from an activity described in paragraph (a).

(6) "Manufacturing" means an operation or series of operations where raw materials are changed in form, composition, or condition by machinery and equipment and which results in the production of a new article of tangible personal property. For purposes of this subdivision, "manufacturing" includes the generation of electricity or steam to be sold at retail.

(7) "Mining" means the extraction of minerals, ores, stone, or peat.

(8) "On-line data retrieval system" means a system whose cumulation of information is equally available and accessible to all its customers.

(9) "Primarily" means machinery and equipment used 50 percent or more of the time in an activity described in paragraph (a).

(10) "Refining" means the process of converting a natural resource to an intermediate or finished product, including the treatment of water to be sold at retail.

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

Sec. 16. Minnesota Statutes 2004, section 297A.68, subdivision 28, is amended to read:

Subd. 28. [MEDICAL SUPPLIES.] Medical supplies purchased by a licensed health care facility or licensed health care professional to provide medical treatment to residents or patients are exempt. The exemption does not apply to durable medical equipment or components of durable medical equipment, laboratory supplies, radiological supplies, and other items used in providing medical services. For purposes of this subdivision, "medical supplies" means adhesive and nonadhesive bandages, gauze pads and strips, cotton applicators, antiseptics, ~~nonprescription drugs,~~ eye solution, and other similar supplies used directly on the resident or patient in providing medical services.

[EFFECTIVE DATE.] This section is effective for sales and purchases made after June 30, 2005.

Sec. 17. Minnesota Statutes 2004, section 297A.68, subdivision 39, is amended to read:

Subd. 39. [PREEXISTING BIDS OR CONTRACTS.] (a) The sale of tangible personal property or services is exempt from tax or a tax rate increase for a period of six months from the effective date of the law change that results in the imposition of the tax or the tax rate increase under this chapter if:

(1) the act imposing the tax or increasing the tax rate does not have transitional effective date language for existing construction contracts and construction bids; and

(2) the requirements of paragraph (b) are met.

(b) A sale is tax exempt under paragraph (a) if it meets the requirements of either clause (1) or (2):

(1) For a construction contract:

(i) the goods or services sold must be used for the performance of a bona fide written lump sum or fixed price construction contract;

(ii) the contract must be entered into before the date the goods or services become subject to the sales tax or the tax rate was increased;

(iii) the contract must not provide for allocation of future taxes; and

(iv) for each qualifying contract the contractor must give the seller documentation of the contract on which an exemption is to be claimed.

(2) For a construction bid:

(i) the goods or services sold must be used pursuant to an obligation of a bid or bids;

(ii) the bid or bids must be submitted and accepted before the date the goods or services became subject to the sales tax or the tax rate was increased;

(iii) the bid or bids must not be able to be withdrawn, modified, or changed without forfeiting a bond; and

(iv) for each qualifying bid, the contractor must give the seller documentation of the bid on which an exemption is to be claimed.

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

Sec. 18. Minnesota Statutes 2004, section 297A.71, subdivision 12, is amended to read:

Subd. 12. [CHAIR LIFTS, RAMPS, ELEVATORS.] ~~Chair lifts, ramps, and~~ Elevators and building materials used to install or construct ~~them~~ chair lifts, ramps, and elevators are exempt, if they are authorized by a physician and installed in or attached to the owner's homestead. The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75.

[EFFECTIVE DATE.] This section is effective for sales and purchases made after June 30, 2005.

Sec. 19. Minnesota Statutes 2004, section 297A.75, subdivision 1, is amended to read:

Subdivision 1. [TAX COLLECTED.] The tax on the gross receipts from the sale of the following exempt items must be imposed and collected as if the sale were taxable and the rate under section 297A.62, subdivision 1, applied. The exempt items include:

(1) capital equipment exempt under section 297A.68, subdivision 5;

(2) building materials for an agricultural processing facility exempt under section 297A.71, subdivision 13;

(3) building materials for mineral production facilities exempt under section 297A.71, subdivision 14;

(4) building materials for correctional facilities under section 297A.71, subdivision 3;

(5) building materials used in a residence for disabled veterans exempt under section 297A.71, subdivision 11;

(6) ~~chair lifts, ramps,~~ elevators~~,~~ and ~~associated~~ building materials exempt under section 297A.71, subdivision 12;

(7) building materials for the Long Lake Conservation Center exempt under section 297A.71, subdivision 17;

(8) materials, supplies, fixtures, furnishings, and equipment for a county law enforcement and family service center under section 297A.71, subdivision 26; and

(9) materials and supplies for qualified low-income housing under section 297A.71, subdivision 23.

[EFFECTIVE DATE.] This section is effective for sales and purchases made after June 30, 2005.

Sec. 20. Minnesota Statutes 2004, section 297A.87, subdivision 2, is amended to read:

Subd. 2. [SELLER'S PERMIT OR ALTERNATE STATEMENT.] (a) The operator of an event under subdivision 1 shall obtain one of the following from a person who wishes to do business as a seller at the event:

(1) evidence that the person holds a valid seller's permit under section 297A.84; ~~or~~

(2) a written statement that the person is not offering for sale any item that is taxable under this chapter; or

(3) a written statement that this is the only selling event that the person will be participating in for that calendar year, that the person will be participating for three or fewer days, and that the person will make less than $500 in total sales in the calendar year. The written statement shall include the person's name, address, and telephone number.

(b) The operator shall require the evidence or statement as a prerequisite to participating in the event as a seller.

[EFFECTIVE DATE.] This section is effective for selling events occurring after June 15, 2005.

Sec. 21. Minnesota Statutes 2004, section 297A.87, subdivision 3, is amended to read:

Subd. 3. [OCCASIONAL SALE PROVISIONS ~~NOT~~ APPLICABLE UNDER LIMITED CIRCUMSTANCES.] The isolated and occasional sale ~~provisions~~ provision under section 297A.67, subdivision 23, ~~or~~ applies, provided that the seller only participates for three or fewer days in one event per calendar year, makes $500 or less in sales in the calendar year, and provides the written statement required in subdivision 2, paragraph (a), clause (3). The isolated and occasional sales provision under section 297A.68, subdivision 25, ~~do~~ does not apply to a seller at an event under this section.

[EFFECTIVE DATE.] This section is effective for selling events occurring after June 15, 2005.

Sec. 22. Minnesota Statutes 2004, section 297A.99, subdivision 4, is amended to read:

Subd. 4. [TAX BASE.] (a) The tax applies to sales taxable under this chapter that occur within the political subdivision.

(b) Taxable goods or services are subject to a political subdivision's sales tax, if they are ~~performed either:~~

~~(1) within the political subdivision, or~~

~~(2) partly within and partly without the political subdivision and more of the service is performed within the political subdivision, based on the cost of performance~~ sourced to the political subdivision pursuant to section 297A.668.

[EFFECTIVE DATE.] This section is effective for sales made on or after January 1, 2004.

Sec. 23. [REPEALER.]

Minnesota Rules, parts 8130.0110, subpart 4; 8130.0200, subparts 5 and 6; 8130.0400, subpart 9; 8130.1200, subparts 5 and 6; 8130.2900; 8130.3100, subpart 1; 8130.4000, subparts 1 and 2; 8130.4200, subpart 1; 8130.4400, subpart 3; 8130.5200; 8130.5600, subpart 3; 8130.5800, subpart 5; 8130.7300, subpart 5; and 8130.8800, subpart 4, are repealed.

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

ARTICLE 8

SPECIAL TAXES

Section 1. Minnesota Statutes 2004, section 287.04, is amended to read:

287.04 [EXEMPTIONS.]

The tax imposed by section 287.035 does not apply to:

(a) A decree of marriage dissolution or an instrument made pursuant to it.

(b) A mortgage given to correct a misdescription of the mortgaged property.

(c) A mortgage or other instrument that adds additional security for the same debt for which mortgage registry tax has been paid.

(d) A contract for the conveyance of any interest in real property, including a contract for deed.

(e) A mortgage secured by real property subject to the minerals production tax of sections 298.24 to 298.28.

(f) The principal amount of a mortgage loan made under a low and moderate income or other affordable housing program, if the mortgagee is a federal, state, or local government agency.

(g) Mortgages granted by fraternal benefit societies subject to section 64B.24.

(h) A mortgage amendment or extension, as defined in section 287.01.

(i) An agricultural mortgage if the proceeds of the loan secured by the mortgage are used to acquire or improve real property classified under section 273.13, subdivision 23, paragraph (a), or (b), clause (1), (2), or (3).

(j) A mortgage on an armory building as set forth in section 193.147.

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

Sec. 2. Minnesota Statutes 2004, section 295.60, subdivision 3, is amended to read:

Subd. 3. [PAYMENT.] (a) Each furrier shall make estimated payments of the taxes for the calendar year in quarterly installments to the commissioner by April 15, July 15, October 15, and January 15 of the following calendar year.

(b) Estimated tax payments are not required if:

(1) the tax for the current calendar year is less than $500; or

(2) the tax for the previous calendar year is less than $500, if the taxpayer had a tax liability and was doing business the entire year.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return, whichever comes first. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) ~~90 percent of one-quarter of the tax for the calendar year~~ the tax for the actual gross revenues received during the quarter, or (2) one-quarter of the total tax for the previous calendar year if the taxpayer had a tax liability and was doing business the entire year.

[EFFECTIVE DATE.] This section is effective for gross revenues received after December 31, 2004.

Sec. 3. Minnesota Statutes 2004, section 296A.22, is amended by adding a subdivision to read:

Subd. 9. [ABATEMENT OF PENALTY.] (a) The commissioner may by written order abate any penalty imposed under this section, if in the commissioner's opinion there is reasonable cause to do so.

(b) A request for abatement of penalty must be filed with the commissioner within 60 days of the date the notice stating that a penalty has been imposed was mailed to the taxpayer's last known address.

(c) If the commissioner issues an order denying a request for abatement of penalty, the taxpayer may file an administrative appeal as provided in section 296A.25 or appeal to Tax Court as provided in section 271.06. If the commissioner does not issue an order on the abatement request within 60 days from the date the request is received, the taxpayer may appeal to Tax Court as provided in section 271.06.

[EFFECTIVE DATE.] This section is effective for penalties imposed on or after the day following final enactment.

Sec. 4. Minnesota Statutes 2004, section 297E.01, subdivision 5, is amended to read:

Subd. 5. [DISTRIBUTOR.] "Distributor" means a distributor as defined in section 349.12, subdivision 11, or a person or linked bingo game provider who markets, sells, or provides gambling product to a person or entity for resale or use at the retail level.

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

Sec. 5. Minnesota Statutes 2004, section 297E.01, subdivision 7, is amended to read:

Subd. 7. [GAMBLING PRODUCT.] "Gambling product" means bingo hard cards, bingo paper, ~~or~~ sheets, or linked bingo paper sheets; pull-tabs; tipboards; paddletickets and paddleticket cards; raffle tickets; or any other ticket, card, board, placard, device, or token that represents a chance, for which consideration is paid, to win a prize.

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

Sec. 6. Minnesota Statutes 2004, section 297E.01, is amended by adding a subdivision to read:

Subd. 9a. [LINKED BINGO GAME.] "Linked bingo game" means a bingo game played at two or more locations where licensed organizations are authorized to conduct bingo, when there is a common prize pool and a common selection of numbers or symbols conducted at one location, and when the results of the selection are transmitted to all participating locations by satellite, telephone, or other means by a linked bingo game provider.

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

Sec. 7. Minnesota Statutes 2004, section 297E.01, is amended by adding a subdivision to read:

Subd. 9b. [LINKED BINGO GAME PROVIDER.] "Linked bingo game provider" means any person who provides the means to link bingo prizes in a linked bingo game, who provides linked bingo paper sheets to the participating organizations, who provides linked bingo prize management, and who provides the linked bingo game system.

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

Sec. 8. Minnesota Statutes 2004, section 297E.06, subdivision 2, is amended to read:

Subd. 2. [BUSINESS RECORDS.] An organization shall maintain records supporting the gambling activity reported to the commissioner. Records include, but are not limited to, the following items:

(1) all winning and unsold tickets, cards, or stubs for pull-tab, tipboard, paddlewheel, and raffle games;

(2) all reports and statements, including checker's records, for each bingo occasion;

(3) all cash journals and ledgers, deposit slips, register tapes, and bank statements supporting gambling activity receipts;

(4) all invoices that represent purchases of gambling product;

(5) all canceled checks or copies of substitute checks as defined in Public Law 108-100, section 3, check recorders, journals and ledgers, vouchers, invoices, bank statements, and other documents supporting gambling activity expenditures; and

(6) all organizational meeting minutes.

All records required to be kept by this section must be preserved by the organization for at least 3-1/2 years and may be inspected by the commissioner of revenue at any reasonable time without notice or a search warrant.

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

Sec. 9. Minnesota Statutes 2004, section 297E.07, is amended to read:

297E.07 [INSPECTION RIGHTS.]

At any reasonable time, without notice and without a search warrant, the commissioner may enter a place of business of a manufacturer, distributor, ~~or~~ organization, or linked bingo game provider; any site from which pull-tabs or tipboards or other gambling equipment or gambling

product are being manufactured, stored, or sold; or any site at which lawful gambling is being conducted, and inspect the premises, books, records, and other documents required to be kept under this chapter to determine whether or not this chapter is being fully complied with. If the commissioner is denied free access to or is hindered or interfered with in making an inspection of the place of business, books, or records, the permit of the distributor may be revoked by the commissioner, and the license of the manufacturer, the distributor, ~~or~~ the organization, or linked bingo game provider may be revoked by the board.

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

Sec. 10. Minnesota Statutes 2004, section 297F.08, subdivision 12, is amended to read:

Subd. 12. [CIGARETTES IN INTERSTATE COMMERCE.] (a) A person may not transport or cause to be transported from this state cigarettes for sale in another state without first affixing to the cigarettes the stamp required by the state in which the cigarettes are to be sold or paying any other excise tax on the cigarettes imposed by the state in which the cigarettes are to be sold.

(b) A person may not affix to cigarettes the stamp required by another state or pay any other excise tax on the cigarettes imposed by another state if the other state prohibits stamps from being affixed to the cigarettes, prohibits the payment of any other excise tax on the cigarettes, or prohibits the sale of the cigarettes.

(c) Not later than 15 days after the end of each calendar quarter, a person who transports or causes to be transported from this state cigarettes for sale in another state shall submit to the commissioner a report identifying the quantity and style of each brand of the cigarettes transported or caused to be transported in the preceding calendar quarter, and the name and address of each recipient of the cigarettes. This reporting requirement only applies to cigarettes manufactured by companies that are not original or subsequent participating manufacturers in the Master Settlement Agreement with other states.

(d) For purposes of this section, "person" has the meaning given in section 297F.01, subdivision 12. Person does not include any common or contract carrier, or public warehouse that is not owned, in whole or in part, directly or indirectly by such person, and does not include a manufacturer that ~~has entered into~~ is an original or subsequent participating manufacturer in the Master Settlement Agreement with other states.

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

Sec. 11. Minnesota Statutes 2004, section 297F.08, is amended by adding a subdivision to read:

Subd. 13. [BOND.] The commissioner may require the furnishing of a corporate surety bond or a certified check in an amount suitable to guarantee payment of the tax stamps purchased by a distributor. The bond or certified check may be required when the commissioner determines that a distributor is (1) delinquent in the filing of any return required under this chapter, or (2) delinquent in the payment of any uncontested tax liability under this chapter. The distributor shall furnish the bond or certified check for a period of two years, after which, if the distributor has not been delinquent in the filing of any returns required under this chapter, or delinquent in the paying of any tax under this chapter, a bond or certified check is no longer required. The commissioner at any time may apply the bond or certified check to any unpaid taxes or fees, including interest and penalties, owed to the department by the distributor.

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

Sec. 12. Minnesota Statutes 2004, section 297F.09, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY RETURN; CIGARETTE DISTRIBUTOR.] On or before the 18th day of each calendar month, a distributor with a place of business in this state shall file a return with the commissioner showing the quantity of cigarettes manufactured or brought in from outside the state or purchased during the preceding calendar month and the quantity of cigarettes sold or otherwise disposed of in this state and outside this state during that month. A licensed distributor outside this state shall in like manner file a return showing the quantity of cigarettes shipped or

transported into this state during the preceding calendar month. Returns must be made in the form and manner prescribed by the commissioner and must contain any other information required by the commissioner. The return must be accompanied by a remittance for the full unpaid tax liability shown by it. ~~The return for the May liability and 85 percent of the estimated June liability is due on the date payment of the tax is due.~~ For distributors subject to the accelerated tax payment requirements in subdivision 10, the return for the May liability is due two business days before June 30th of the year and the return for the June liability is due on or before August 18th of the year.

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

Sec. 13. Minnesota Statutes 2004, section 297F.09, subdivision 2, is amended to read:

Subd. 2. [MONTHLY RETURN; TOBACCO PRODUCTS DISTRIBUTOR.] On or before the 18th day of each calendar month, a distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product:

(1) brought, or caused to be brought, into this state for sale; and

(2) made, manufactured, or fabricated in this state for sale in this state, during the preceding calendar month.

Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns must be made in the form and manner prescribed by the commissioner and must contain any other information required by the commissioner. The return must be accompanied by a remittance for the full tax liability shown. ~~The return for the May liability and 85 percent of the estimated June liability is due on the date payment of the tax is due.~~ For distributors subject to the accelerated tax payment requirements in subdivision 10, the return for the May liability is due two business days before June 30th of the year and the return for the June liability is due on or before August 18th of the year.

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

Sec. 14. Minnesota Statutes 2004, section 297F.14, subdivision 4, is amended to read:

Subd. 4. [BAD DEBT.] ~~The commissioner may adopt rules providing a refund of the tax paid under this chapter if the tax paid qualifies as a bad debt under section 166(a) of the Internal Revenue Code.~~ For any reporting period, a taxpayer may offset against taxes payable under this chapter the amount of taxes previously paid under this chapter that is attributable to a bad debt. The taxes must have been included in a transaction the consideration for which was a debt owed to the taxpayer and which became uncollectible, but only in proportion to the portion of debt that became uncollectible. To qualify for offset under this subdivision, the debt must have qualified as a bad debt under section 166(a) of the Internal Revenue Code. The taxpayer may claim the offset within the time period prescribed in section 297F.17, subdivision 6. If the taxpayer is no longer liable for taxes imposed under this chapter, the commissioner shall refund to the taxpayer the amount of the taxes attributable to the bad debt. Any recovery of the tax claimed as a refund or credit must be reported to the commissioner on the tax return for the month in which the recovery is made. If the taxpayer is no longer required to file returns under this chapter, the taxpayer must reimburse the commissioner for tax recovered in the month following the recovery.

[EFFECTIVE DATE.] This section is effective for claims filed on or after July 1, 2005.

Sec. 15. Minnesota Statutes 2004, section 297G.09, is amended by adding a subdivision to read:

Subd. 9. [QUARTERLY AND ANNUAL PAYMENTS AND RETURNS.] (a) If a manufacturer, wholesaler, brewer, or importer has an average liquor tax liability equal to or less than $500 per month in any quarter of a calendar year, and has substantially complied with the

state tax laws during the preceding four calendar quarters, the manufacturer, wholesaler, brewer, or importer may request authorization to file and pay the taxes quarterly in subsequent calendar quarters. The authorization remains in effect during the period in which the manufacturer's, wholesaler's, brewer's, or importer's quarterly returns reflect liquor tax liabilities of less than $1,500 and there is continued compliance with state tax laws.

(b) If a manufacturer, wholesaler, brewer, or importer has an average liquor tax liability equal to or less than $100 per month during a calendar year, and has substantially complied with the state tax laws during that period, the manufacturer, wholesaler, brewer, or importer may request authorization to file and pay the taxes annually in subsequent years. The authorization remains in effect during the period in which the manufacturer's, wholesaler's, brewer's, or importer's annual returns reflect liquor tax liabilities of less than $1,200 and there is continued compliance with state tax laws.

(c) The commissioner may also grant quarterly or annual filing and payment authorizations to manufacturers, wholesalers, brewers, or importers if the commissioner concludes that the manufacturer's, wholesaler's, brewer's, or importer's future tax liabilities will be less than the monthly totals identified in paragraphs (a) and (b). An authorization granted under this paragraph is subject to the same conditions as an authorization granted under paragraphs (a) and (b).

(d) The annual tax return and payments must be filed and paid on or before the 18th day of January following the calendar year. The quarterly returns and payments must be filed and paid on or before April 18 for the quarter ending March 31, on or before July 18 for the quarter ending June 30, on or before October 18 for the quarter ending September 30, and on or before January 18 for the quarter ending December 31.

[EFFECTIVE DATE.] This section is effective for tax returns and payments due on or after January 1, 2006.

Sec. 16. Minnesota Statutes 2004, section 297I.01, is amended by adding a subdivision to read:

Subd. 13a. [REINSURANCE.] "Reinsurance" is insurance whereby an insurance company, for a consideration, agrees to indemnify another insurance company against all or part of the loss which the latter may sustain under the policy or policies which it has issued.

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

Sec. 17. Minnesota Statutes 2004, section 297I.05, subdivision 5, is amended to read:

Subd. 5. [HEALTH MAINTENANCE ORGANIZATIONS, NONPROFIT HEALTH SERVICE PLAN CORPORATIONS, AND COMMUNITY INTEGRATED SERVICE NETWORKS.] (a) ~~Health maintenance organizations, community integrated service networks, and nonprofit health care service plan corporations are exempt from the tax imposed under this section for premiums received in calendar years 2001 to 2003.~~

~~(b) For calendar years after 2003,~~ A tax is imposed on health maintenance organizations, community integrated service networks, and nonprofit health care service plan corporations. The rate of tax is equal to one percent of gross premiums less return premiums on all direct business received by the organization, network, or corporation or its agents in Minnesota, in cash or otherwise, in the calendar year.

~~(c) In approving the premium rates as required in sections 62L.08, subdivision 8, and 62A.65, subdivision 3, the commissioners of health and commerce shall ensure that any exemption from tax as described in paragraph (a) is reflected in the premium rate.~~

~~(d)~~ (b) The commissioner shall deposit all revenues, including penalties and interest, collected under this chapter from health maintenance organizations, community integrated service networks, and nonprofit health service plan corporations in the health care access fund. Refunds of overpayments of tax imposed by this subdivision must be paid from the health care access fund. There is annually appropriated from the health care access fund to the commissioner the amount necessary to make any refunds of the tax imposed under this subdivision.

[EFFECTIVE DATE.] This section is effective January 1, 2005.

Sec. 18. Minnesota Statutes 2004, section 298.24, subdivision 1, is amended to read:

Subdivision 1. (a) For concentrate produced in 2001, 2002, and 2003, there is imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of $2.103 per gross ton of merchantable iron ore concentrate produced therefrom.

(b) For concentrates produced in 2004 and subsequent years, the tax rate shall be equal to the preceding year's tax rate plus an amount equal to the preceding year's tax rate multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" means the implicit price deflator for the gross domestic product prepared by the Bureau of Economic Analysis of the United States Department of Commerce.

(c) On concentrates produced in 1997 and thereafter, an additional tax is imposed equal to three cents per gross ton of merchantable iron ore concentrate for each one percent that the iron content of the product exceeds 72 percent, when dried at 212 degrees Fahrenheit.

(d) The tax shall be imposed on the average of the production for the current year and the previous two years. The rate of the tax imposed will be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

(e) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of $2.103 per gross ton of merchantable iron ore concentrate produced shall be imposed.

(f) Consistent with the intent of this subdivision to impose a tax based upon the weight of merchantable iron ore concentrate, the commissioner of revenue may indirectly determine the weight of merchantable iron ore concentrate included in fluxed pellets by subtracting the weight of the limestone, dolomite, or olivine derivatives or other basic flux additives included in the pellets from the weight of the pellets. For purposes of this paragraph, "fluxed pellets" are pellets produced in a process in which limestone, dolomite, olivine, or other basic flux additives are combined with merchantable iron ore concentrate. No subtraction from the weight of the pellets shall be allowed for binders, mineral and chemical additives other than basic flux additives, or moisture.

(g)(1) Notwithstanding any other provision of this subdivision, for the first two years of a plant's commercial production of direct reduced ore, no tax is imposed under this section. As used in this paragraph, "commercial production" is production of more than 50,000 tons of direct reduced ore in the current year or in any prior year, "noncommercial production" is production of 50,000 tons or less of direct reduced ore in any year, and "direct reduced ore" is ore that results in a product that has an iron content of at least 75 percent. For the third year of a plant's commercial production of direct reduced ore, the rate to be applied to direct reduced ore is 25 percent of the rate otherwise determined under this subdivision. For the fourth ~~such~~ commercial production year, the rate is 50 percent of the rate otherwise determined under this subdivision; for the fifth ~~such~~ commercial production year, the rate is 75 percent of the rate otherwise determined under this subdivision; and for all subsequent commercial production years, the full rate is imposed.

(2) Subject to clause (1), production of direct reduced ore in this state is subject to the tax imposed by this section, but if that production is not produced by a producer of taconite or iron sulfides, the production of taconite or iron sulfides consumed in the production of direct reduced iron in this state is not subject to the tax imposed by this section on taconite or iron sulfides.

(3) Notwithstanding any other provision of this subdivision, no tax is imposed on direct reduced ore under this section during the facility's noncommercial production of direct reduced ore. The taconite or iron sulphides consumed in the noncommercial production of direct reduced ore is subject to the tax imposed by this section on taconite and iron sulphides. Three-year average production of direct reduced ore does not include production of direct reduced ore in any noncommercial year. Three-year average production for a direct reduced ore facility that has

noncommercial production is the average of the commercial production of direct reduced ore for the current year and the previous two commercial years.

[EFFECTIVE DATE.] This section is effective for direct reduced ore produced after the day following final enactment.

Sec. 19. Minnesota Statutes 2004, section 473.843, subdivision 5, is amended to read:

Subd. 5. [PENALTIES; ENFORCEMENT.] The audit, penalty, and enforcement provisions applicable to corporate franchise taxes imposed under chapter 290 apply to the fees imposed under this section. The commissioner of revenue shall administer the provisions.

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

Sec. 20. [REPEALER.]

Minnesota Statutes 2004, section 297E.12, subdivision 10, is repealed effective the day following final enactment.

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 2004, section 16D.10, is amended to read:

16D.10 [CASE REVIEWER.]

Subdivision 1. [DUTIES.] The commissioner shall make a case reviewer available to debtors. The reviewer must be available to answer a debtor's questions concerning the collection process and to review the collection activity taken. If the reviewer reasonably believes that the particular action being taken is unreasonable or unfair, the reviewer may make recommendations to the commissioner in regard to the collection action.

Subd. 2. [AUTHORITY TO ISSUE DEBTOR ASSISTANCE ORDER.] On application filed by a debtor with the case reviewer, in the form, manner, and in the time prescribed by the commissioner, and after thorough investigation, the case reviewer may issue a debtor assistance order if, in the determination of the case reviewer, the manner in which the state debt collection laws are being administered is creating or will create an unjust and inequitable result for the debtor. Debtor assistance orders are governed by the provisions relating to taxpayer assistance orders under section 270.273.

Subd. 3. [TRANSFER OF DUTIES TO TAXPAYER RIGHTS ADVOCATE.] All duties and authority of the case reviewer under subdivisions 1 and 2 are transferred to the taxpayer rights advocate.

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

Sec. 2. Minnesota Statutes 2004, section 270.30, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] ~~(a)~~ This section applies to a person who ~~offers,~~ provides~~, or facilitates the provision of refund anticipation loans, as part of or in connection with the provision of~~ tax preparation services.

~~(b) This section does not apply to:~~

~~(1) a tax preparer who provides tax preparation services for fewer than six clients in a calendar year;~~

~~(2) the provision by a person of tax preparation services to a spouse, parent, grandparent, child, or sibling; and~~

~~(3) the provision of services by an employee for an employer.~~

Sec. 3. Minnesota Statutes 2004, section 270.30, subdivision 5, is amended to read:

Subd. 5. [ITEMIZED BILL REQUIRED.] A tax preparer must provide an itemized statement of the charges for services, at least separately stating the charges for:

(1) return preparation; and

(2) ~~electronic filing; and~~

~~(~~3~~)~~ providing or facilitating a refund anticipation loan.

Sec. 4. Minnesota Statutes 2004, section 270.30, subdivision 6, is amended to read:

Subd. 6. [ENFORCEMENT; PENALTIES.] The commissioner may impose an administrative penalty of not more than $1,000 per violation of subdivision 3, 4, or 5. The commissioner may terminate a tax preparer's authority to transmit returns electronically to the state, if the commissioner determines the tax preparer engaged in a pattern and practice of violating this section. Imposition of a penalty under this subdivision is subject to the contested case procedure under chapter 14. The commissioner shall collect the penalty in the same manner as the income tax. Penalties imposed under this subdivision are public data.

Sec. 5. Minnesota Statutes 2004, section 270.30, is amended by adding a subdivision to read:

Subd. 6a. [EXCHANGE OF DATA; STATE BOARD OF ACCOUNTANCY.] The State Board of Accountancy shall refer to the commissioner complaints it receives about tax preparers who are not subject to the jurisdiction of the State Board of Accountancy and who are alleged to have violated the provisions of subdivisions 3 to 5.

Sec. 6. Minnesota Statutes 2004, section 270.30, is amended by adding a subdivision to read:

Subd. 6b. [EXCHANGE OF DATA; LAWYERS BOARD OF PROFESSIONAL RESPONSIBILITY.] The Lawyers Board of Professional Responsibility may refer to the commissioner complaints it receives about tax preparers who are not subject to its jurisdiction and who are alleged to have violated the provisions of subdivisions 3 to 5.

Sec. 7. Minnesota Statutes 2004, section 270.30, is amended by adding a subdivision to read:

Subd. 6c. [EXCHANGE OF DATA; COMMISSIONER.] The commissioner shall refer complaints about tax preparers who are alleged to have violated the provisions of subdivisions 3 to 5 to:

(1) the State Board of Accountancy, if the tax preparer is under its jurisdiction; and

(2) the Lawyers Board of Professional Responsibility, if the tax preparer is under its jurisdiction.

Sec. 8. Minnesota Statutes 2004, section 270.30, is amended by adding a subdivision to read:

Subd. 6d. [DATA PRIVATE.] Information exchanged on individuals under subdivisions 6a to 6c are private data under section 13.02, subdivision 12, until such time as a penalty is imposed as provided in section 326A.08 or by the Lawyers Board of Professional Responsibility.

Sec. 9. Minnesota Statutes 2004, section 270.30, subdivision 8, is amended to read:

Subd. 8. [EXEMPTIONS; ENFORCEMENT PROVISIONS.] (a) The provisions of ~~subdivisions 6 and 7~~ this section, except for subdivision 4, do not apply to:

(1) an attorney admitted to practice under section 481.01;

(2) a certified public accountant ~~holding a certificate under section 326A.04 or a person issued a permit to practice under section 326A.05~~ or other person who is subject to the jurisdiction of the State Board of Accountancy;

(3) ~~a person designated as a registered accounting practitioner under Minnesota Rules, part 1105.6600, or a registered accounting practitioner firm issued a permit under Minnesota Rules, part 1105.7100;~~

~~(4)~~ an enrolled agent who has passed the special enrollment examination administered by the Internal Revenue Service; ~~and~~

~~(5)~~ (4) any fiduciary, or the regular employees of a fiduciary, while acting on behalf of the fiduciary estate, the testator, trustor, grantor, or beneficiaries of them;

(5) a tax preparer who provides tax preparation services for fewer than six clients in a calendar year;

(6) tax preparation services to a spouse, parent, grandparent, child, or sibling of the tax preparer; and

(7) the preparation by an employee of the tax return of the employee's employer.

Sec. 10. [270.301] [PUBLICATION OF NAMES OF TAX PREPARERS SUBJECT TO PENALTIES.]

Subdivision 1. [PUBLICATION OF LIST.] Notwithstanding any other law, the commissioner must publish as provided in this section a list or lists of tax preparers subject to penalties.

Subd. 2. [REQUIRED AND EXCLUDED TAX PREPARERS.] (a) Subject to the limitations of paragraph (b), the commissioner must publish lists of tax preparers who have been convicted under section 289A.63.

(b) For the purposes of this section, tax preparers are not subject to publication if:

(1) an administrative or court action contesting the penalty has been filed or served and is unresolved at the time when notice would be given under subdivision 3;

(2) an appeal period to contest the penalty has not expired; or

(3) the commissioner has been notified that the tax preparer is deceased.

Subd. 3. [NOTICE TO TAX PREPARER.] (a) At least 30 days before publishing the name of a tax preparer subject to penalty, the commissioner shall mail a written notice to the tax preparer, detailing the amount and nature of each penalty and the intended publication of the information listed in subdivision 4 related to the penalty. The notice must be mailed by first class and certified mail addressed to the last known address of the tax preparer. The notice must include information regarding the exceptions listed in subdivision 2, paragraph (b), and must state that the tax preparer's information will not be published if the tax preparer provides information establishing that subdivision 2, paragraph (b), prohibits publication of the tax preparer's name.

(b) Thirty days after the notice is mailed and if the tax preparer has not proved to the commissioner that subdivision 2, paragraph (b), prohibits publication, the commissioner may publish in a list of tax preparers subject to penalty the information about the tax preparer that is listed in subdivision 4.

Subd. 4. [FORM OF LIST.] The list may be published by any medium or method. The list must contain the name, associated business name or names, address or addresses, and violation or violations for which a penalty was imposed of each tax preparer subject to penalty.

Subd. 5. [REMOVAL FROM LIST.] The commissioner shall remove the name of a tax preparer from the list of tax preparers published under this section:

(1) when the commissioner determines that the name was included on the list in error;

(2) within 90 days after the preparer has fully paid all fines imposed, served any suspension, and demonstrated to the satisfaction of the commissioner that the preparer has successfully

completed any remedial actions required by the commissioner, the State Board of Accountancy, or the Lawyers Board of Professional Responsibility; or

(3) when the commissioner has been notified that the tax preparer is deceased.

Subd. 6. [NAMES PUBLISHED IN ERROR.] If the commissioner publishes a name under subdivision 1 in error, the tax preparer whose name was erroneously published has a right to request a retraction and apology. If the tax preparer so requests, the commissioner shall publish a retraction and apology acknowledging that the tax preparer's name was published in error. The retraction and apology must appear in the same medium and the same format as the original list that contained the name listed in error.

Subd. 7. [PAYMENT OF DAMAGES.] Actions against the commissioner of revenue or the state of Minnesota arising out of the implementation of this program must be brought under section 270.276.

[EFFECTIVE DATE.] The provision of this section requiring the commissioner to publish the names of tax preparers applies only to publishing the names of those tax preparers who commit a crime under section 289A.63 on or after August 1, 2005.

Sec. 11. Minnesota Statutes 2004, section 270.65, is amended to read:

270.65 [DATE OF ASSESSMENT; DEFINITION.]

For purposes of taxes administered by the commissioner, the term "date of assessment" means the date a liability reported on a return was entered into the records of the commissioner or the date a return should have been filed, whichever is later; or, in the case of taxes determined by the commissioner, "date of assessment" means the date of the order assessing taxes or date of the return made by the commissioner; or, in the case of an amended return filed by the taxpayer, the assessment date is the date additional liability reported on the return, if any, was entered into the records of the commissioner; or, in the case of a consent agreement signed by the taxpayer under section 270.67, subdivision 3, the assessment date is the notice date shown on the agreement; or, in the case of a check from a taxpayer that is dishonored and results in an erroneous refund being given to the taxpayer, remittance of the check is deemed to be an assessment and the "date of assessment" is the date the check was received by the commissioner.

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

Sec. 12. Minnesota Statutes 2004, section 270.67, subdivision 4, is amended to read:

Subd. 4. [OFFER-IN-COMPROMISE AND INSTALLMENT PAYMENT PROGRAM.] (a) In implementing the authority provided in subdivision 2 or in sections 8.30 and 16D.15 to accept offers of installment payments or offers-in-compromise of tax liabilities, the commissioner of revenue shall prescribe guidelines for employees of the Department of Revenue to determine whether an offer-in-compromise or an offer to make installment payments is adequate and should be accepted to resolve a dispute. In prescribing the guidelines, the commissioner shall develop and publish schedules of national and local allowances designed to provide that taxpayers entering into a compromise or payment agreement have an adequate means to provide for basic living expenses. The guidelines must provide that the taxpayer's ownership interest in a motor vehicle, to the extent of the value allowed in section 550.37, will not be considered as an asset; in the case of an offer related to a joint tax liability of spouses, that value of two motor vehicles must be excluded. The guidelines must provide that employees of the department shall determine, on the basis of the facts and circumstances of each taxpayer, whether the use of the schedules is appropriate and that employees must not use the schedules to the extent the use would result in the taxpayer not having adequate means to provide for basic living expenses. The guidelines must provide that:

(1) an employee of the department shall not reject an offer-in-compromise or an offer to make installment payments from a low-income taxpayer solely on the basis of the amount of the offer; and

(2) in the case of an offer-in-compromise which relates only to issues of liability of the taxpayer:

(i) the offer must not be rejected solely because the commissioner is unable to locate the taxpayer's return or return information for verification of the liability; and

(ii) the taxpayer shall not be required to provide an audited, reviewed, or compiled financial statement.

(b) The commissioner shall establish procedures:

(1) that require presentation of a counteroffer or a written rejection of the offer by the commissioner if the amount offered by the taxpayer in an offer-in-compromise or an offer to make installment payments is not accepted by the commissioner;

(2) for an administrative review of any written rejection of a proposed offer-in-compromise or installment agreement made by a taxpayer under this section before the rejection is communicated to the taxpayer;

(3) that allow a taxpayer to request reconsideration of any written rejection of the offer or agreement to the commissioner of revenue to determine whether the rejection is reasonable and appropriate under the circumstances; and

(4) that provide for notification to the taxpayer when an offer-in-compromise has been accepted, and issuance of certificates of release of any liens imposed under section 270.69 related to the liability which is the subject of the compromise.

(c) Each compromise proposal must be accompanied by a nonrefundable payment of $250. If the compromise proposal is accepted, the payment must be applied to the accepted compromise amount. If the compromise is rejected, the payment must be applied to the outstanding tax debts of the taxpayer pursuant to section 270.652. In cases of financial hardship, upon presentation of information establishing an inability to make the $250 payment, the commissioner may waive this requirement.

[EFFECTIVE DATE.] This section is effective for offers in compromise submitted after August 31, 2005.

Sec. 13. Minnesota Statutes 2004, section 270.69, subdivision 4, is amended to read:

Subd. 4. [PERIOD OF LIMITATIONS.] The lien imposed by this section shall, notwithstanding any other provision of law to the contrary, be enforceable from the time the lien arises and for ten years from the date of filing the notice of lien, which must be filed by the commissioner within five years after the date of assessment of the tax or final administrative or judicial determination of the assessment. A notice of lien filed in one county may be transcribed to the secretary of state or to any other county within ten years after the date of its filing, but the transcription shall not extend the period during which the lien is enforceable. A notice of lien may be renewed by the commissioner before the expiration of the ten-year period for an additional ten years. The taxpayer must receive written notice of the renewal.

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

Sec. 14. Minnesota Statutes 2004, section 270A.03, subdivision 5, is amended to read:

Subd. 5. [DEBT.] "Debt" means a legal obligation of a natural person to pay a fixed and certain amount of money, which equals or exceeds $25 and which is due and payable to a claimant agency. The term includes criminal fines imposed under section 609.10 or 609.125, fines imposed for petty misdemeanors as defined in section 609.02, subdivision 4a, and restitution. The term also includes the co-payment for the appointment of a district public defender imposed under section 611.17, paragraph (c). A debt may arise under a contractual or statutory obligation, a court order, or other legal obligation, but need not have been reduced to judgment.

A debt includes any legal obligation of a current recipient of assistance which is based on overpayment of an assistance grant where that payment is based on a client waiver or an administrative or judicial finding of an intentional program violation; or where the debt is owed to

a program wherein the debtor is not a client at the time notification is provided to initiate recovery under this chapter and the debtor is not a current recipient of food support, transitional child care, or transitional medical assistance.

A debt does not include any legal obligation to pay a claimant agency for medical care, including hospitalization if the income of the debtor at the time when the medical care was rendered does not exceed the following amount:

(1) for an unmarried debtor, an income of $8,800 or less;

(2) for a debtor with one dependent, an income of $11,270 or less;

(3) for a debtor with two dependents, an income of $13,330 or less;

(4) for a debtor with three dependents, an income of $15,120 or less;

(5) for a debtor with four dependents, an income of $15,950 or less; and

(6) for a debtor with five or more dependents, an income of $16,630 or less.

The income amounts in this subdivision shall be adjusted for inflation for debts incurred in calendar years 2001 and thereafter. The dollar amount of each income level that applied to debts incurred in the prior year shall be increased in the same manner as provided in section 1(f) of the Internal Revenue Code of 1986, as amended through December 31, 2000, except that for the purposes of this subdivision the percentage increase shall be determined from the year starting September 1, 1999, and ending August 31, 2000, as the base year for adjusting for inflation for debts incurred after December 31, 2000.

Debt also includes an agreement to pay a MinnesotaCare premium, regardless of the dollar amount of the premium authorized under section 256L.15, subdivision 1a.

Sec. 15. Minnesota Statutes 2004, section 289A.08, subdivision 16, is amended to read:

Subd. 16. [TAX REFUND OR RETURN PREPARERS; ELECTRONIC FILING; PAPER FILING FEE IMPOSED.] (a) A "tax refund or return preparer," as defined in section 289A.60, subdivision 13, paragraph ~~(g)~~ (h), who prepared more than ~~500~~ 100 Minnesota individual income tax returns for the prior calendar year must file all Minnesota individual income tax returns prepared for the current calendar year by electronic means.

(b) ~~For tax returns prepared for the tax year beginning in 2001, the "500" in paragraph (a) is reduced to 250.~~

~~(c) For tax returns prepared for tax years beginning after December 31, 2001, the "500" in paragraph (a) is reduced to 100.~~

~~(d)~~ Paragraph (a) does not apply to a return if the taxpayer has indicated on the return that the taxpayer did not want the return filed by electronic means.

~~(e)~~ (c) For each return that is not filed electronically by a tax refund or return preparer under this subdivision, including returns filed under paragraph ~~(d)~~ (b), a paper filing fee of $5 is imposed upon the preparer. The fee is collected from the preparer in the same manner as income tax. The fee does not apply to returns that the commissioner requires to be filed in paper form.

Sec. 16. Minnesota Statutes 2004, section 289A.37, subdivision 5, is amended to read:

Subd. 5. [SUFFICIENCY OF NOTICE.] An order of assessment, sent postage prepaid by United States mail to the taxpayer at the taxpayer's last known address, or sent by electronic mail to the taxpayer's last known electronic mailing address as provided for in section 325L.08, is sufficient even if the taxpayer is deceased or is under a legal disability, or, in the case of a corporation, has terminated its existence, unless the department has been provided with a new address by a party authorized to receive notices of assessment.

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

Sec. 17. Minnesota Statutes 2004, section 289A.60, subdivision 2a, is amended to read:

Subd. 2a. [PENALTIES FOR EXTENDED DELINQUENCY.] (a) If an individual income tax is not paid within 180 days after the date of filing of a return or, in the case of taxes assessed by the commissioner, within 180 days after the assessment date or, if appealed, within 180 days after final resolution of the appeal, an extended delinquency penalty of five percent of the tax remaining unpaid is added to the amount due.

(b) If a ~~corporate franchise, fiduciary income, mining company, estate, partnership, S corporation, or nonresident entertainer~~ tax return is not filed within 30 days after written demand for the filing of a delinquent return, an extended delinquency penalty of five percent of the tax not paid prior to the demand ~~is added to the tax,~~ or ~~in the case of an individual income tax return, a minimum penalty of~~ $100 ~~or the five percent penalty~~ is imposed, whichever amount is greater.

[EFFECTIVE DATE.] This section is effective for returns originally due on or after August 1, 2005.

Sec. 18. Minnesota Statutes 2004, section 289A.60, subdivision 11, is amended to read:

Subd. 11. [PENALTIES RELATING TO INFORMATION REPORTS, WITHHOLDING.] (a) When a person required under section 289A.09, subdivision 2, to give a statement to an employee or payee and a duplicate statement to the commissioner, or to give a reconciliation of the statements and quarterly returns to the commissioner, gives a false or fraudulent statement to an employee or payee or a false or fraudulent duplicate statement or reconciliation of statements and quarterly returns to the commissioner, or fails to give a statement or the reconciliation in the manner, when due, and showing the information required by section 289A.09, subdivision 2, or rules prescribed by the commissioner under that section, that person is liable for a penalty of $50 for an act or failure to act. The total amount imposed on the delinquent person for failures during a calendar year must not exceed $25,000.

(b) In addition to any other penalty provided by law, an employee who gives a withholding exemption certificate or a residency affidavit to an employer that ~~the employee has reason to know contains a materially incorrect statement~~ decreases the amount withheld under section 290.92 and as of the time the certificate or affidavit was given to the employer there was no reasonable basis for the statements in the certificate or affidavit is liable to the commissioner of revenue for a penalty of $500 for each instance.

(c) In addition to any other penalty provided by law, an employer who fails to submit a copy of a withholding exemption certificate or a residency affidavit required by section 290.92, subdivision 5a, clause (1)(a), (1)(b), or (2) is liable to the commissioner of revenue for a penalty of $50 for each instance.

(d) An employer or payor who fails to file an application for a withholding account number, as required by section 290.92, subdivision 24, is liable to the commissioner for a penalty of $100.

[EFFECTIVE DATE.] This section is effective for certificates and affidavits given to employers after December 31, 2005.

Sec. 19. Minnesota Statutes 2004, section 289A.60, subdivision 13, is amended to read:

Subd. 13. [PENALTIES FOR TAX RETURN PREPARERS.] (a) If an understatement of liability with respect to a return or claim for refund is due to a willful attempt in any manner to understate the liability for a tax by a person who is a tax return preparer with respect to the return or claim, the person shall pay to the commissioner a penalty of $500. If a part of a property tax refund claim is excessive due to a willful attempt in any manner to overstate the claim for relief allowed under chapter 290A by a person who is a tax refund or return preparer, the person shall pay to the commissioner a penalty of $500 with respect to the claim. These penalties may not be assessed against the employer of a tax return preparer unless the employer was actively involved in the willful attempt to understate the liability for a tax or to overstate the claim for refund. These

penalties are income tax liabilities and may be assessed at any time as provided in section 289A.38, subdivision 5.

(b) A civil action in the name of the state of Minnesota may be commenced to enjoin any person who is a tax return preparer doing business in this state from further engaging in any conduct described in paragraph (c). An action under this paragraph must be brought by the attorney general in the district court for the judicial district of the tax return preparer's residence or principal place of business, or in which the taxpayer with respect to whose tax return the action is brought resides. The court may exercise its jurisdiction over the action separate and apart from any other action brought by the state of Minnesota against the tax return preparer or any taxpayer.

(c) In an action under paragraph (b), if the court finds that a tax return preparer has:

(1) engaged in any conduct subject to a civil penalty under section 289A.60 or a criminal penalty under section 289A.63;

(2) misrepresented the preparer's eligibility to practice before the Department of Revenue, or otherwise misrepresented the preparer's experience or education as a tax return preparer;

(3) guaranteed the payment of any tax refund or the allowance of any tax credit; or

(4) engaged in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of state tax law, and injunctive relief is appropriate to prevent the recurrence of that conduct,

the court may enjoin the person from further engaging in that conduct.

(d) If the court finds that a tax return preparer has continually or repeatedly engaged in conduct described in paragraph (c), and that an injunction prohibiting that conduct would not be sufficient to prevent the person's interference with the proper administration of state tax laws, the court may enjoin the person from acting as a tax return preparer. The court may not enjoin the employer of a tax return preparer for conduct described in paragraph (c) engaged in by one or more of the employer's employees unless the employer was also actively involved in that conduct.

(e) The commissioner may terminate or suspend a tax preparer's authority to transmit returns electronically to the state, if the commissioner determines that the tax preparer has engaged in a pattern and practice of conduct in violation of paragraph (a) of this subdivision or has been convicted under section 289A.63.

(f) For purposes of this subdivision, the term "understatement of liability" means an understatement of the net amount payable with respect to a tax imposed by state tax law, or an overstatement of the net amount creditable or refundable with respect to a tax. The determination of whether or not there is an understatement of liability must be made without regard to any administrative or judicial action involving the taxpayer. For purposes of this subdivision, the amount determined for underpayment of estimated tax under either section 289A.25 or 289A.26 is not considered an understatement of liability.

~~(f)~~ (g) For purposes of this subdivision, the term "overstatement of claim" means an overstatement of the net amount refundable with respect to a claim for property tax relief provided by chapter 290A. The determination of whether or not there is an overstatement of a claim must be made without regard to administrative or judicial action involving the claimant.

~~(g)~~ (h) For purposes of this section, the term "tax refund or return preparer" means an individual who prepares for compensation, or who employs one or more individuals to prepare for compensation, a return of tax, or a claim for refund of tax. The preparation of a substantial part of a return or claim for refund is treated as if it were the preparation of the entire return or claim for refund. An individual is not considered a tax return preparer merely because the individual:

(1) gives typing, reproducing, or other mechanical assistance;

(2) prepares a return or claim for refund of the employer, or an officer or employee of the employer, by whom the individual is regularly and continuously employed;

(3) prepares a return or claim for refund of any person as a fiduciary for that person; or

(4) prepares a claim for refund for a taxpayer in response to a tax order issued to the taxpayer.

Sec. 20. Minnesota Statutes 2004, section 290.92, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (1) [WAGES.] For purposes of this section, the term "wages" means the same as that term is defined in section 3401(a) and (f) of the Internal Revenue Code.

(2) [PAYROLL PERIOD.] For purposes of this section the term "payroll period" means a period for which a payment of wages is ordinarily made to the employee by the employee's employer, and the term "miscellaneous payroll period" means a payroll period other than a daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannual, or annual payroll period.

(3) [EMPLOYEE.] For purposes of this section the term "employee" means any resident individual performing services for an employer, either within or without, or both within and without the state of Minnesota, and every nonresident individual performing services within the state of Minnesota, the performance of which services constitute, establish, and determine the relationship between the parties as that of employer and employee. As used in the preceding sentence, the term "employee" includes an officer of a corporation, and an officer, employee, or elected official of the United States, a state, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing.

(4) [EMPLOYER.] For purposes of this section the term "employer" means any person, including individuals, fiduciaries, estates, trusts, partnerships, limited liability companies, and corporations transacting business in or deriving any income from sources within the state of Minnesota for whom an individual performs or performed any service, of whatever nature, as the employee of such person, except that if the person for whom the individual performs or performed the services does not have ~~legal~~ control of the payment of the wages for such services, the term "employer," except for purposes of paragraph (1), means the person having ~~legal~~ control of the payment of such wages. As used in the preceding sentence, the term "employer" includes any corporation, individual, estate, trust, or organization which is exempt from taxation under section 290.05 and further includes, but is not limited to, officers of corporations who have ~~legal~~ control, either individually or jointly with another or others, of the payment of the wages.

(5) [NUMBER OF WITHHOLDING EXEMPTIONS CLAIMED.] For purposes of this section, the term "number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under subdivision 5, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero.

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

Sec. 21. Minnesota Statutes 2004, section 325D.33, subdivision 6, is amended to read:

Subd. 6. [VIOLATIONS.] If the commissioner determines that a distributor is violating any provision of this chapter, the commissioner must give the distributor a written warning explaining the violation and an explanation of what must be done to comply with this chapter. Within ten days of issuance of the warning, the distributor must notify the commissioner that the distributor has complied with the commissioner's recommendation or request that the commissioner set the issue for a hearing pursuant to chapter 14. If a hearing is requested, the hearing shall be scheduled within 20 days of the request and the recommendation of the administrative law judge shall be issued within five working days of the close of the hearing. The commissioner's final determination shall be issued within five working days of the receipt of the administrative law judge's recommendation. If the commissioner's final determination is adverse to the distributor and the distributor does not comply within ten days of receipt of the commissioner's final determination, the commissioner may order the distributor to immediately cease the stamping of cigarettes. As soon as practicable after the order, the commissioner must remove the meter and any unapplied cigarette stamps from the premises of the distributor.

If within ten days of issuance of the written warning the distributor has not complied with the

commissioner's recommendation or requested a hearing, the commissioner may order the distributor to immediately cease the stamping of cigarettes and remove the meter and unapplied stamps from the distributor's premises.

~~If, within any 12-month period, the commissioner has issued three written warnings to any distributor, even if the distributor has complied within ten days, the commissioner shall notify the distributor of the commissioner's intent to revoke the distributor's license for a continuing course of conduct contrary to this chapter. For purposes of this paragraph, a written warning that was ultimately resolved by removal of the warning by the commissioner is not deemed to be a warning. The commissioner must notify the distributor of the date and time of a hearing pursuant to chapter 14 at least 20 days before the hearing is held. The hearing must provide an opportunity for the distributor to show cause why the license should not be revoked. If the commissioner revokes a distributor's license, the commissioner shall not issue a new license to that distributor for 180 days.~~

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

Delete the title and insert:

"A bill for an act relating to financing and operation of government in this state; recodifying and clarifying the powers of the commissioner of revenue; changing income, corporate franchise, withholding, estate, property, sales and use, mortgage registry, motor fuels, gambling, cigarette and tobacco products, liquor, insurance, and other taxes and tax-related provisions; making technical, clarifying, collection, enforcement, refund, and administrative changes to certain taxes and tax-related provisions, tax-forfeited lands, revenue recapture, unfair cigarette sales, state debt collection, sustainable forest incentive programs, border city development, property tax refund, and metropolitan solid waste landfill fee; changing local government aids and credits; providing for determination of population for certain purposes; changing property tax exemptions, homesteads, assessment, valuation, classification, levies, deferral, review and equalization, appeals, notices and statements, allocation, and distribution provisions; changing provisions relating to manufactured home certificates of title; providing for compliance with streamlined sales tax agreement; authorizing charges for certain emergency services; regulating tax preparers; prohibiting purchases of tax-forfeited lands by certain local officials; providing for data classification and exchange of data; providing and imposing powers and duties on the commissioner of revenue and on certain political subdivisions and officials; changing town spending and taxing provisions; changing and imposing penalties; reducing certain court appropriations; transferring funds; recodifying a criminal penalty; appropriating money; amending Minnesota Statutes 2004, sections 4A.02; 16D.08, subdivision 2; 16D.10; 115B.49, subdivision 4; 168A.05, subdivision 1a; 239.785, subdivision 4; 256.9657, subdivision 7; 256.9792, subdivision 8; 270.11, subdivision 2; 270.16, subdivision 2; 270.30, subdivisions 1, 5, 6, 8, by adding subdivisions; 270.65; 270.67, subdivision 4; 270.69, subdivision 4; 270A.03, subdivision 5; 272.01, subdivision 2; 272.02, subdivisions 1a, 47, 53, 56, by adding subdivisions; 272.0211, subdivisions 1, 2; 272.029, subdivisions 4, 6; 273.11, subdivisions 5, 8; 273.124, subdivisions 3, 6, 8, 13, 14, 21; 273.13, subdivision 25; 273.1315; 273.1384, subdivision 1; 273.19, subdivision 1a; 273.372; 274.014, subdivisions 2, 3; 274.14; 275.07, subdivisions 1, 4; 276.112; 276A.01, subdivision 7; 282.016; 282.08; 282.15; 282.21; 282.224; 282.301; 287.04; 287.37; 289A.08, subdivisions 3, 16; 289A.18, subdivision 1; 289A.19, subdivision 4; 289A.31, subdivision 2; 289A.35; 289A.37, subdivision 5; 289A.38, subdivisions 6, 7, by adding a subdivision; 289A.39, subdivision 1; 289A.40, subdivision 2, by adding subdivisions; 289A.42, subdivision 1; 289A.50, subdivision 1a; 289A.60, subdivisions 2a, 6, 11, 12, 13; 290.01, subdivisions 7b, 19a, 19b, 19c; 290.06, subdivision 22; 290.0671, subdivision 1a; 290.0674, subdivision 1; 290.92, subdivisions 1, 4b; 290A.07, by adding a subdivision; 290B.05, subdivision 3; 290C.05; 290C.10; 291.005, subdivision 1; 291.03, subdivision 1; 295.57, subdivision 1; 295.60, subdivisions 3, 7; 296A.22, by adding a subdivision; 297A.61, subdivisions 3, 4; 297A.64, subdivisions 3, 4; 297A.668, subdivisions 1, 5; 297A.67, subdivisions 2, 7, 9; 297A.68, subdivisions 2, 5, 28, 39; 297A.71, subdivision 12; 297A.75, subdivision 1; 297A.87, subdivisions 2, 3; 297A.99, subdivision 4; 297B.11; 297E.01, subdivisions 5, 7, by adding subdivisions; 297E.06, subdivision 2; 297E.07; 297F.08, subdivision 12, by adding a subdivision; 297F.09, subdivisions 1, 2; 297F.14, subdivision 4; 297G.09, by adding a subdivision; 297H.10, subdivision 1; 297I.01, by adding a

subdivision; 297I.05, subdivision 5; 297I.10, by adding a subdivision; 298.24, subdivision 1; 325D.33, subdivision 6; 365.43, subdivision 1; 365.431; 366.011; 366.012; 373.45, subdivision 7; 469.1735, subdivision 3; 473.843, subdivision 5; 473F.02, subdivision 7; 477A.011, subdivisions 3, 34, 36, as amended, 38; 477A.0124, subdivisions 2, 4; 477A.03, subdivision 2b; Laws 1998, chapter 389, article 3, section 42, subdivision 2, as amended; Laws 2001 First Special Session chapter 5, article 3, section 8; Laws 2003, chapter 127, article 5, sections 27; 28; Laws 2003 First Special Session chapter 21, article 5, section 13; Laws 2003 First Special Session, chapter 21, article 6, section 9; Laws 2005, chapter 43, section 1; proposing coding for new law in Minnesota Statutes, chapters 270; 290C; 473; proposing coding for new law as Minnesota Statutes, chapter 270C; repealing Minnesota Statutes 2004, sections 270.01; 270.02; 270.021; 270.022; 270.04; 270.05; 270.052; 270.058; 270.059; 270.06; 270.0601; 270.0602; 270.0603; 270.0604; 270.0605; 270.061; 270.062; 270.063; 270.064; 270.065; 270.066; 270.0665; 270.067; 270.068; 270.0681; 270.0682; 270.069; 270.07; 270.084; 270.09; 270.10; 270.101; 270.102; 270.11, subdivisions 2, 3, 4, 5, 6, 7; 270.13; 270.14; 270.15; 270.16; 270.17; 270.18; 270.19; 270.20; 270.21; 270.22; 270.23; 270.24; 270.25; 270.26; 270.27; 270.271; 270.272; 270.273; 270.274; 270.275; 270.276; 270.277; 270.278; 270.30; 270.485; 270.494; 270.60; 270.65; 270.652; 270.66; 270.67; 270.68; 270.69; 270.691; 270.70; 270.7001; 270.7002; 270.701; 270.702; 270.703; 270.704; 270.705; 270.706; 270.707; 270.708; 270.709; 270.71; 270.72; 270.721; 270.73; 270.74; 270.75; 270.76; 270.771; 270.78; 270.79; 270.85; 270.88; 273.19, subdivision 5; 273.37, subdivision 3; 274.05; 275.15; 275.61, subdivision 2; 283.07; 287.39; 289A.07; 289A.13; 289A.31, subdivisions 3, 4, 6; 289A.36; 289A.37, subdivisions 1, 3, 4, 5; 289A.38, subdivision 13; 289A.43; 289A.65; 290.48, subdivisions 3, 4; 290.92, subdivisions 6b, 22, 23; 290.97; 296A.20; 296A.201; 296A.25; 297A.86; 297A.93; 297D.14; 297E.08; 297E.09; 297E.12, subdivision 10; 297E.15; 297F.15, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 297F.16; 297F.22; 297G.14, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 297G.15; 297G.21; 297I.45; 297I.50; 297I.55; 297I.95; Laws 1975, chapter 287, section 5; Laws 1998, chapter 389, article 3, section 41; Laws 2003, chapter 127, article 9, section 9, subdivision 4; Minnesota Rules, parts 8093.2000; 8093.3000; 8130.0110, subpart 4; 8130.0200, subparts 5, 6; 8130.0400, subpart 9; 8130.1200, subparts 5, 6; 8130.2900; 8130.3100, subpart 1; 8130.4000, subparts 1, 2; 8130.4200, subpart 1; 8130.4400, subpart 3; 8130.5200; 8130.5600, subpart 3; 8130.5800, subpart 5; 8130.7300, subpart 5; 8130.8800, subpart 4."

The motion prevailed. So the amendment was adopted.

H.F. No. 2228 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 44 and nays 19, as follows:

Those who voted in the affirmative were:

Bakk	Hann	Marty	Pogemiller	Skoe
Belanger	Higgins	Metzen	Ranum	Skoglund
Betzold	Johnson, D.E.	Michel	Rest	Solon
Cohen	Kelley	Moua	Robling	Sparks
Day	Kierlin	Murphy	Rosen	Stumpf
Dibble	Kubly	Neuville	Sams	Tomassoni
Dille	Langseth	Nienow	Saxhaug	Vickerman
Foley	Lourey	Ourada	Scheid	Wiger
Frederickson	Marko	Pappas	Senjem	

Those who voted in the negative were:

Bachmann	Gerlach	Koering	McGinn	Reiter
Berglin	Johnson, D.J.	Larson	Olson	Ruud
Fischbach	Jungbauer	LeClair	Ortman	Wergin
Gaither	Kleis	Limmer	Pariseau	

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

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 8:30 p.m. The motion prevailed.

The hour of 8:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Wiger introduced--

Senate Resolution No. 111: A Senate resolution congratulating Hans Forrest Hopkins Metz of Oakdale, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Wiger introduced--

Senate Resolution No. 112: A Senate resolution congratulating Colin Lee Schickling of St. Paul, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Wiger introduced--

Senate Resolution No. 113: A Senate resolution congratulating Eric Ryan Langer of Maplewood, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Wiger introduced--

Senate Resolution No. 114: A Senate resolution congratulating Brian Jeffrey Krook of Oakdale, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 847, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 847 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 847

A bill for an act relating to game and fish; modifying purchasing requirements; modifying certain definitions; providing for special fish management tags; specifying status of and regulating stands and blinds on public lands; modifying authority to take animals causing damage; modifying use of scopes and laser sights by visually impaired hunters; modifying certain license requirements; modifying restrictions on taking waterfowl and big game; authorizing rulemaking; modifying requirements for field training hunting dogs; modifying certain seasons; modifying trapping provisions; modifying period for treeing raccoons; prohibiting computer-assisted remote hunting; modifying restrictions on decoys; modifying disposition of state hatchery products; permitting use of silencers for wildlife control; modifying fishing and commercial fishing provisions; repealing authority for the Mississippi River Fish Refuge; repealing authority to issue certain orders; amending Minnesota Statutes 2004, sections 84.025, subdivision 10; 84.027, subdivision 13; 97A.015, subdivisions 29, 49; 97A.045, subdivision 1, by adding a subdivision; 97A.401, subdivision 5; 97A.405, subdivision 4, by adding a subdivision; 97A.435, subdivisions 2, 4; 97A.441, subdivision 7; 97A.451, subdivisions 3, 5; 97A.475, subdivisions 7, 16; 97A.485, subdivision 9; 97A.551, by adding a subdivision; 97B.005, subdivisions 1, 3; 97B.025; 97B.031, subdivisions 1, 5; 97B.111, subdivision 2; 97B.621, subdivision 2; 97B.655, subdivision 2; 97B.711, subdivision 1; 97B.803; 97B.805, subdivision 1; 97B.811, subdivisions 3, 4a; 97C.203; 97C.327; 97C.345, subdivision 2; 97C.395, subdivision 1; 97C.401, subdivision 2; 97C.825, subdivision 5; 609.66, subdivisions 1h, 2; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Minnesota Statutes 2004, sections 88.27; 97B.005, subdivision 4; 97B.935; 97C.015; 97C.403; 97C.825, subdivisions 6, 7, 8, 9.

May 23, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 847, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 847 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 84.025, subdivision 10, is amended to read:

Subd. 10. [RECREATIONAL VEHICLES AND BOATS USED FOR PUBLIC PURPOSES.] All snowmobiles and outboard motors that are purchased by the commissioner of natural resources must be of the four-stroke engine model, except that the commissioner may purchase models with two-stroke engines if the commissioner determines that they are as environmentally efficient or that four-stroke engines are not practical for the intended natural resource management purpose. The commissioner shall give preference to engine models manufactured in the United States. All all-terrain vehicles purchased by the commissioner must be manufactured in the state of Minnesota.

Sec. 2. Minnesota Statutes 2004, section 84.027, subdivision 13, is amended to read:

Subd. 13. [GAME AND FISH RULES.] (a) The commissioner of natural resources may adopt rules under sections 97A.0451 to 97A.0459 and this subdivision that are authorized under:

(1) chapters 97A, 97B, and 97C to set open seasons and areas, to close seasons and areas, to select hunters for areas, to provide for tagging and registration of game and fish, to prohibit or allow taking of wild animals to protect a species, to prevent or control wildlife disease, and to prohibit or allow importation, transportation, or possession of a wild animal;

(2) sections 84.093, 84.15, and 84.152 to set seasons for harvesting wild ginseng roots and wild rice and to restrict or prohibit harvesting in designated areas; and

(3) section 84D.12 to designate prohibited invasive species, regulated invasive species, unregulated nonnative species, and infested waters.

(b) If conditions exist that do not allow the commissioner to comply with sections 97A.0451 to 97A.0459, the commissioner may adopt a rule under this subdivision by submitting the rule to the attorney general for review under section 97A.0455, publishing a notice in the State Register and filing the rule with the secretary of state and the Legislative Coordinating Commission, and complying with section 97A.0459, and including a statement of the emergency conditions and a copy of the rule in the notice. The notice may be published after it is received from the attorney general or five business days after it is submitted to the attorney general, whichever is earlier.

(c) Rules adopted under paragraph (b) are effective upon publishing in the State Register and may be effective up to seven days before publishing and filing under paragraph (b), if:

(1) the commissioner of natural resources determines that an emergency exists;

(2) the attorney general approves the rule; and

(3) for a rule that affects more than three counties the commissioner publishes the rule once in a legal newspaper published in Minneapolis, St. Paul, and Duluth, or for a rule that affects three or fewer counties the commissioner publishes the rule once in a legal newspaper in each of the affected counties.

(d) Except as provided in paragraph (e), a rule published under paragraph (c), clause (3), may not be effective earlier than seven days after publication.

(e) A rule published under paragraph (c), clause (3), may be effective the day the rule is published if the commissioner gives notice and holds a public hearing on the rule within 15 days before publication.

(f) The commissioner shall attempt to notify persons or groups of persons affected by rules adopted under paragraphs (b) and (c) by public announcements, posting, and other appropriate means as determined by the commissioner.

(g) Notwithstanding section 97A.0458, a rule adopted under this subdivision is effective for the period stated in the notice but not longer than 18 months after the rule is adopted.

Sec. 3. Minnesota Statutes 2004, section 84.027, is amended by adding a subdivision to read:

Subd. 17. [BACKGROUND CHECKS FOR VOLUNTEER INSTRUCTORS.] (a) The commissioner may conduct background checks for volunteer instructor applicants for department safety training and education programs, including the programs established under sections 84.791 (youth off-highway motorcycle safety education and training), 84.86 and 84.862 (youth and adult snowmobile safety training), 84.925 (youth all-terrain vehicle safety education and training), 97B.015 (youth firearms safety training), and 97B.025 (hunter and trapper education and training).

(b) The commissioner shall perform the background check by retrieving criminal history data maintained in the criminal justice information system (CJIS) and other data sources.

(c) The commissioner shall develop a standardized form to be used for requesting a background check, which must include:

(1) a notification to the applicant that the commissioner will conduct a background check under this section;

(2) a notification to the applicant of the applicant's rights under paragraph (d); and

(3) a signed consent by the applicant to conduct the background check expiring one year from the date of signature.

(d) The volunteer instructor applicant who is the subject of a background check has the right to:

(1) be informed that the commissioner will request a background check on the applicant;

(2) be informed by the commissioner of the results of the background check and obtain a copy of the background check;

(3) obtain any record that forms the basis for the background check and report;

(4) challenge the accuracy and completeness of the information contained in the report or a record; and

(5) be informed by the commissioner if the applicant is rejected because of the result of the background check.

Sec. 4. Minnesota Statutes 2004, section 84.91, subdivision 1, is amended to read:

Subdivision 1. [ACTS PROHIBITED.] (a) No owner or other person having charge or control of any snowmobile or all-terrain vehicle shall authorize or permit any individual the person knows or has reason to believe is under the influence of alcohol or a controlled substance or other substance to operate the snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state.

(b) No owner or other person having charge or control of any snowmobile or all-terrain vehicle shall knowingly authorize or permit any person, who by reason of any physical or mental disability is incapable of operating the vehicle, to operate the snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state.

(c) A person who operates or is in physical control of a snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state is subject to chapter 169A. In addition to the applicable sanctions under chapter 169A, a person who is convicted of violating section 169A.20 or an ordinance in conformity with it while operating a snowmobile or all-terrain vehicle, or who refuses to comply with a lawful request to submit to testing under sections 169A.50 to 169A.53 or an ordinance in conformity with it, shall be prohibited from operating the snowmobile or all-terrain vehicle for a period of one year. The commissioner shall notify the person of the time period during which the person is prohibited from operating a snowmobile or all-terrain vehicle.

(d) Administrative and judicial review of the operating privileges prohibition is governed by section 97B.066, subdivisions 7 to 9, if the person does not have a prior impaired driving conviction or prior license revocation, as defined in section 169A.03. Otherwise, administrative and judicial review of the prohibition is governed by section 169A.53.

(e) The court shall promptly forward to the commissioner and the Department of Public Safety copies of all convictions and criminal and civil sanctions imposed under this section and ~~chapter~~ chapters 169 and 169A relating to snowmobiles and all-terrain vehicles.

(f) A person who violates paragraph (a) or (b), or an ordinance in conformity with either of them, is guilty of a misdemeanor. A person who operates a snowmobile or all-terrain vehicle during the time period the person is prohibited from operating a vehicle under paragraph (c) is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 2004, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITIONS ON YOUTHFUL OPERATORS.] (a) Except for operation on public road rights-of-way that is permitted under section 84.928, a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an all-terrain vehicle on a public road right-of-way in the state; or

(3) operate an all-terrain vehicle on public lands or waters.

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied on another all-terrain vehicle by a person 18 years of age or older who holds a valid driver's license.

(d) All-terrain vehicle safety certificates issued by the commissioner to persons 12 years old, but less than 16 years old, are not valid for machines in excess of 90cc engine capacity unless:

(1) the person successfully completed the safety education and training program under section 84.925, subdivision 1, including a riding component; and

(2) ~~the riding component of the training was conducted using an all-terrain vehicle with over 90cc engine capacity; and~~

(~~3~~) the person is able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

Sec. 6. Minnesota Statutes 2004, section 97A.015, subdivision 29, is amended to read:

Subd. 29. [MINNOWS.] "Minnows" means: (1) members of the minnow family, Cyprinidae, except carp and goldfish; (2) members of the mudminnow family, Umbridae; (3) members of the sucker family, Catostomidae, not over 12 inches in length; (4) bullheads, ciscoes, lake whitefish, goldeyes, and mooneyes, not over seven inches long; ~~and~~ (5) leeches; and (6) tadpole madtoms (willow cats) and stonecats.

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

Sec. 7. Minnesota Statutes 2004, section 97A.015, subdivision 49, is amended to read:

Subd. 49. [UNDRESSED BIRD.] "Undressed bird" means:

(1) a bird, excluding migratory waterfowl, pheasant, Hungarian partridge, turkey, or grouse, with feet and feathered head intact;

(2) a migratory waterfowl, excluding geese, with a fully feathered wing and head attached;

(3) a pheasant, Hungarian partridge, turkey, or grouse with one leg and foot or the fully feathered head or wing intact; or

(4) a goose with a fully feathered wing attached.

Sec. 8. Minnesota Statutes 2004, section 97A.045, subdivision 1, is amended to read:

Subdivision 1. [DUTIES; GENERALLY.] The commissioner shall do all things the commissioner determines are necessary to preserve, protect, and propagate desirable species of wild animals. The commissioner shall make special provisions for the management of fish and wildlife to ensure recreational opportunities for anglers and hunters. The commissioner shall acquire wild animals for breeding or stocking and may dispose of or destroy undesirable or predatory wild animals and their dens, nests, houses, or dams.

Sec. 9. Minnesota Statutes 2004, section 97A.401, subdivision 5, is amended to read:

Subd. 5. [WILD ANIMALS DAMAGING PROPERTY.] Special permits may be issued with or without a fee to take protected wild animals that are damaging property or to remove or destroy

their dens, nests, houses, or dams. A special permit issued under this subdivision to take beaver must state the number to be taken.

Sec. 10. Minnesota Statutes 2004, section 97A.405, subdivision 4, is amended to read:

Subd. 4. [REPLACEMENT LICENSES.] (a) The commissioner may permit licensed ~~firearms~~ deer hunters to change zone, license, or season options ~~before the regular firearms deer season begins~~. The commissioner may issue a replacement license if the applicant submits the original ~~firearms~~ deer license and unused tags that ~~is~~ are being replaced and the applicant pays any increase in cost between the original and the replacement license. When a person submits both an archery and a firearms license for replacement, the commissioner may apply the value of both licenses towards the replacement license fee.

(b) A replacement license may be issued only if the applicant has not used any tag from the original license and meets the conditions of paragraph (c). The original license and all unused tags for that license must be submitted to the issuing agent at the time the replacement license is issued.

(c) A replacement license may be issued under the following conditions, or as otherwise prescribed by rule of the commissioner:

(1) when the season for the license being surrendered has not yet opened; or

(2) when the person is upgrading from a regular firearms or archery deer license to a deer license that is valid in multiple zones.

(d) Notwithstanding section 97A.411, subdivision 3, a replacement license is valid immediately upon issuance if the license being surrendered is valid at that time.

Sec. 11. Minnesota Statutes 2004, section 97A.405, is amended by adding a subdivision to read:

Subd. 5. [RESIDENT LICENSES.] To obtain a resident license, a resident 21 years of age or older must:

(1) possess a current Minnesota driver's license;

(2) possess a current identification card issued by the commissioner of public safety; or

(3) present evidence showing proof of residency in cases when clause (1) or (2) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

Sec. 12. Minnesota Statutes 2004, section 97A.435, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for a turkey license shall be determined by this section and commissioner's rule. A person is eligible for a turkey license only if the person is at least age 16 before the season opens ~~or~~, possesses a firearms safety certificate, or, if under age 12, is accompanied by a parent or guardian.

Sec. 13. Minnesota Statutes 2004, section 97A.435, subdivision 4, is amended to read:

Subd. 4. [SEPARATE SELECTION OF ELIGIBLE LICENSEES.] (a) The commissioner may conduct a separate selection for up to 20 percent of the turkey licenses to be issued for any area. Only persons who are owners or tenants of and who live on at least 40 acres of land in the area, and their family members, are eligible applicants for turkey licenses for the separate selection. The qualifying land may be noncontiguous. Persons who are unsuccessful in a separate selection must be included in the selection for the remaining licenses. Persons who obtain a license in a separate selection must allow public turkey hunting on their land during that turkey season. A license issued under this subdivision is restricted to ~~the land owned or leased by the holder of the license within~~ the permit area where the qualifying land is located.

(b) The commissioner may by rule establish criteria for determining eligible family members under this subdivision.

Sec. 14. Minnesota Statutes 2004, section 97A.441, subdivision 7, is amended to read:

Subd. 7. [OWNERS OR TENANTS OF AGRICULTURAL LAND.] (a) The commissioner may issue, without a fee, a license to take an antlerless deer to a person who is an owner or tenant and is living and actively farming on at least 80 acres of agricultural land, as defined in section 97B.001, in deer permit areas that have deer archery licenses to take additional deer under section 97B.301, subdivision 4. A person may receive only one license per year under this subdivision. For properties with co-owners or cotenants, only one co-owner or cotenant may receive a license under this subdivision per year. The license issued under this subdivision is restricted to ~~the~~ land ~~owned or~~ leased for agricultural purposes or owned by the holder of the license within the permit area where the qualifying land is located. The holder of the license may transfer the license to the holder's spouse or dependent. Notwithstanding sections 97A.415, subdivision 1, and 97B.301, subdivision 2, the holder of the license may purchase an additional license for taking deer and may take an additional deer under that license.

(b) A person who obtains a license under paragraph (a) must allow public deer hunting on their land during that deer hunting season, with the exception of the first Saturday and Sunday during the deer hunting season applicable to the license issued under section 97A.475, subdivision 2, clauses (4) and (13).

Sec. 15. Minnesota Statutes 2004, section 97A.451, subdivision 3, is amended to read:

Subd. 3. [RESIDENTS UNDER AGE 16; SMALL GAME.] (a) A resident under age 16 may not obtain a small game license but may take small game by firearms or bow and arrow without a license if the resident is:

(1) age 14 or 15 and possesses a firearms safety certificate;

(2) age 13, possesses a firearms safety certificate, and is accompanied by a parent or guardian; or

(3) age 12 or under and is accompanied by a parent or guardian.

(b) A resident under age 16 may take small game by trapping without a small game license, but a resident 13 years of age or older must have a trapping license. A resident under age 13 may trap without a trapping license, but may not register fisher, otter, bobcat, or pine marten unless the resident is at least age five. Any fisher, otter, bobcat, or pine marten taken by a resident under age five must be included in the limit of the accompanying parent or guardian.

(c) A resident under age 12 may apply for a turkey license and may take a turkey without a firearms safety certificate if the resident is accompanied by an adult parent or guardian who has a firearms safety certificate.

Sec. 16. Minnesota Statutes 2004, section 97A.451, subdivision 5, is amended to read:

Subd. 5. [NONRESIDENTS UNDER AGE 16.] (a) A nonresident under the age of 16 may take fish by angling without a license if a parent or guardian has a fishing license. Fish taken by a nonresident under the age of 16 without a license must be included in the limit of the parent or guardian.

(b) A nonresident under age 16 may purchase a ~~nonresident~~ fishing license at the resident fee or be included under a nonresident family license, take fish by angling, and possess a limit of fish.

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

Sec. 17. Minnesota Statutes 2004, section 97A.465, is amended by adding a subdivision to read:

Subd. 5. [PREFERENCE TO SERVICE MEMBERS.] (a) For purposes of this subdivision:

(1) "qualified service member or veteran" means a Minnesota resident who is currently serving, or has served at any time during the past 24 months, in active service as a member of the United States armed forces, including the National Guard or other military reserves; and

(2) "active service" means service defined under section 190.05, subdivision 5b or 5c.

(b) Notwithstanding any other provision of this chapter, chapter 97B or 97C, or administrative rules, the commissioner may give first preference to qualified service members or veterans in any drawing or lottery involving the selection of applicants for hunting or fishing licenses, permits, and special permits. This subdivision does not apply to licenses or permits for taking moose, elk, or prairie chickens. Actions of the commissioner under this subdivision are not rules under the Administrative Procedures Act and section 14.386 does not apply.

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

Sec. 18. Minnesota Statutes 2004, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, are:

(1) to take fish by angling, $34;

(2) to take fish by angling limited to seven consecutive days selected by the licensee, $24;

(3) to take fish by angling for a 72-hour period selected by the licensee, $20;

(4) to take fish by angling for a combined license for a family for one or both parents and dependent children under the age of 16, $46;

(5) to take fish by angling for a 24-hour period selected by the licensee, $8.50; and

(6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days selected by one of the licensees, $35.

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

Sec. 19. Minnesota Statutes 2004, section 97A.475, subdivision 16, is amended to read:

Subd. 16. [RESIDENT HUNTING GUIDES.] The ~~fees~~ fee for ~~the following~~ a resident ~~guide licenses are:~~

~~(1)~~ license to guide bear hunters~~,~~ is $82.50~~; and~~

~~(2) to guide turkey hunters, $22~~.

Sec. 20. Minnesota Statutes 2004, section 97A.485, subdivision 9, is amended to read:

Subd. 9. [CERTAIN LICENSES NOT TO BE ISSUED AFTER SEASON OPENS.] ~~The following licenses~~ A license to guide bear hunters may not be issued after the day before the opening of the related firearms season~~:~~

~~(1) to guide bear hunters; and~~

~~(2) to guide turkey hunters~~.

Sec. 21. Minnesota Statutes 2004, section 97B.005, subdivision 1, is amended to read:

Subdivision 1. [FIELD TRAINING~~; PERMIT REQUIRED FOR CERTAIN PERIOD~~.] A person may not train hunting dogs afield on public lands from April 16 to July 14 ~~except by special permit. The commissioner may issue a special permit, without a fee, to train hunting dogs afield on land owned by the trainer or on land that the owner provides written permission. The written permission must be carried in personal possession of the trainer while training the dogs~~.

Sec. 22. Minnesota Statutes 2004, section 97B.005, subdivision 3, is amended to read:

Subd. 3. [PERMITS FOR ORGANIZATIONS AND INDIVIDUALS TO USE GAME BIRDS AND FIREARMS.] (a) The commissioner may issue special permits, without a fee, ~~to~~

~~organizations and individuals~~ to use firearms and live ammunition on domesticated birds or banded game birds from game farms.

(b) Permits for holding field trials ~~and~~ may be issued to organizations. The permit shall specify the dates and locations of the field trial. The commissioner may limit the number of dates approved for any organization.

(c) Permits for training hunting dogs may be issued to an individual.

(d) Domesticated birds, other than pigeons, and game farm birds used for trials or training under this section must be clearly marked with dye or a streamer attached to a leg in a manner that makes them visually identifiable prior to being taken.

Sec. 23. Minnesota Statutes 2004, section 97B.015, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The commissioner shall ~~make rules establishing~~ establish a statewide course in the safe use of firearms and identification of wild mammals and birds. ~~At least one course must be held within the boundary of each school district.~~ A course may be held in a school district. The courses must be conducted by the commissioner in cooperation with other organizations. The courses must instruct youths in commonly accepted principles of safety in hunting and handling common hunting firearms and identification of various species of wild mammals and birds by sight and other unique characteristics.

Sec. 24. Minnesota Statutes 2004, section 97B.015, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION, SUPERVISION, AND ENFORCEMENT.] (a) The commissioner shall appoint a qualified person from the Enforcement Division under civil service rules as supervisor of hunting safety and prescribe the duties and responsibilities of the position. The commissioner shall determine and provide the Enforcement Division with the necessary personnel for this section.

(b) ~~The commissioner may appoint one or more county directors of hunting safety in each county. An appointed county director is responsible to the Enforcement Division.~~ The Enforcement Division may appoint instructors necessary for this section. ~~County directors and~~ Instructors shall serve on a voluntary basis without compensation. The Enforcement Division must supply the materials necessary for the course. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training.

Sec. 25. Minnesota Statutes 2004, section 97B.015, subdivision 5, is amended to read:

Subd. 5. [FIREARMS SAFETY CERTIFICATE.] The commissioner shall issue a firearms safety certificate to a person that satisfactorily completes the required course of instruction. A person must be at least age 11 to take the firearms safety course and may receive a firearms safety certificate, but the certificate is not valid for hunting until the person ~~is at least~~ reaches age 12. A person who is age 11 and has a firearms safety certificate may purchase a deer, bear, turkey, or prairie chicken license that will become valid when the person reaches age 12. A firearms safety certificate issued to a person under age 12 by another state as provided in section 97B.020 is not valid for hunting in Minnesota until the person reaches age 12. The form and content of the firearms safety certificate shall be prescribed by the commissioner.

Sec. 26. Minnesota Statutes 2004, section 97B.025, is amended to read:

97B.025 [HUNTER AND TRAPPER EDUCATION.]

(a) The commissioner may establish education courses for hunters ~~and trappers~~. The commissioner shall collect a fee from each person attending a course. A fee shall be collected for issuing a duplicate certificate. The commissioner shall establish the fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The commissioner may establish the fees notwithstanding section 16A.1283. The fees shall be deposited in the game and fish fund and the amount thereof is

appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of the program. In addition to the fee established by the commissioner for each course, instructors may charge each person up to the established fee amount for class materials and expenses. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training.

(b) The commissioner shall enter into an agreement with a statewide nonprofit trappers association to conduct a trapper education program. At a minimum, the program must include at least six hours of classroom, electronic, or correspondence instruction and in the field training. The program must include a review of state trapping laws and regulations, trapping ethics, the setting and tending of traps and snares, tagging and registration requirements, and the preparation of pelts. The association shall issue a certificate to persons who complete the program. The association shall be responsible for all costs of conducting the education program, and shall not charge any fee for attending the course.

Sec. 27. [97B.026] [TRAPPER EDUCATION CERTIFICATE REQUIREMENT.]

A person born after December 31, 1989, and who has not been issued a trapping license in a previous license year, may not obtain a trapping license unless the person has been issued a trapper education certificate under section 97B.025, paragraph (b).

[EFFECTIVE DATE.] This section is effective March 1, 2007.

Sec. 28. Minnesota Statutes 2004, section 97B.031, subdivision 1, is amended to read:

Subdivision 1. [FIREARMS AND AMMUNITION THAT MAY BE USED TO TAKE BIG GAME.] (a) A person may take big game with a firearm only if:

(1) the rifle, shotgun, and handgun used is a caliber of at least .23 inches;

(2) the firearm is loaded only with single projectile ammunition;

(3) a projectile used is a caliber of at least .23 inches and has a soft point or is an expanding bullet type;

(4) the ammunition has a case length of at least 1.285 inches;

(5) the muzzle-loader used is incapable of being loaded at the breech;

(6) the smooth-bore muzzle-loader used is a caliber of at least .45 inches; and

(7) the rifled muzzle-loader used is a caliber of at least .40 inches.

(b) ~~A person may not take big game with a .30 caliber M-1 carbine cartridge.~~

~~(c)~~ Notwithstanding paragraph (a), clause (4), a person may take big game with a ten millimeter cartridge that is at least 0.95 inches in length, a .45 Winchester Magnum cartridge, or a .50 A. E. (Action Express) handgun cartridge.

Sec. 29. Minnesota Statutes 2004, section 97B.031, subdivision 5, is amended to read:

Subd. 5. [SCOPES; VISUALLY IMPAIRED HUNTERS.] (a) Notwithstanding any other law to the contrary, the commissioner may issue a special permit, without a fee, to use a muzzleloader with a scope to take deer during the muzzleloader season to a person who obtains the required licenses and who has a visual impairment. The scope may not have magnification capabilities.

(b) The visual impairment must be to the extent that the applicant is unable to identify targets and the rifle sights at the same time without a scope. The visual impairment and specific conditions must be established by medical evidence verified in writing by a licensed physician, ophthalmologist, or optometrist. The commissioner may request additional information from the physician if needed to verify the applicant's eligibility for the permit. ~~Notwithstanding section 97A.418, the commissioner may, in consultation with appropriate advocacy groups, establish reasonable minimum standards for permits to be issued under this subdivision.~~

(c) A permit issued under this subdivision may be valid for up to five years, based on the permanence of the visual impairment as determined by the licensed physician, ophthalmologist, or optometrist.

(d) The permit must be in the immediate possession of the permittee when hunting under the special permit.

(e) The commissioner may deny, modify, suspend, or revoke a permit issued under this subdivision for cause, including a violation of the game and fish laws or rules.

~~(e)~~ (f) A person who knowingly makes a false application or assists another in making a false application for a permit under this subdivision is guilty of a misdemeanor. A physician, ophthalmologist, or optometrist who fraudulently certifies to the commissioner that a person is visually impaired as described in this subdivision is guilty of a misdemeanor.

Sec. 30. Minnesota Statutes 2004, section 97B.111, subdivision 2, is amended to read:

Subd. 2. [PERMIT FOR ORGANIZATION.] (a) The commissioner may issue a special permit without a fee to a nonprofit organization to provide an assisted hunting opportunity to physically disabled hunters. The assisted hunting opportunity may take place:

(1) in areas designated by the commissioner under subdivision 1; or

(2) on private property or a licensed shooting preserve.

(b) The sponsoring organization shall provide a physically capable person to assist each disabled hunter with safety-related aspects of hunting and, notwithstanding section 97B.081, a person with a physical disability who is totally blind may use laser sights.

(c) The commissioner may impose reasonable permit conditions.

Sec. 31. [97B.115] [COMPUTER-ASSISTED REMOTE HUNTING PROHIBITION.]

(a) No person shall operate, provide, sell, use or offer to operate, provide, sell or use any computer software or service that allows a person, not physically present at the site, to remotely control a weapon that could be used to take any wild animal by remote operation, including, but not limited to, weapons or devices set up to fire through the use of the Internet or through a remote control device.

(b) A person who violates this section is guilty of a misdemeanor.

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

Sec. 32. [97B.326] [STANDS AND BLINDS ON PUBLIC LANDS.]

Any unoccupied permanent stand or blind on public land is public and not the property of the person who constructed it.

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

Sec. 33. Minnesota Statutes 2004, section 97B.621, subdivision 2, is amended to read:

Subd. 2. [PERIOD FOR TREEING RACCOONS.] Notwithstanding subdivision 1 and section 97B.005, subdivision 1, a person may use dogs to pursue and tree raccoons without killing or capturing the raccoons~~:~~

~~(1) from January 1 to April 15 and from July 15 to October 14; and~~

~~(2) from April 16 to July 14 in raccoon dog field trials under special permit issued by the commissioner under section 97B.005, subdivision 1~~ during the closed season and a license is not required.

Sec. 34. Minnesota Statutes 2004, section 97B.625, subdivision 2, is amended to read:

Subd. 2. [~~PERMIT REQUIRED TO~~ USE OF A SNARE.] A person may ~~not~~ use a snare to take lynx or bobcat ~~except under a permit from~~, as prescribed by the commissioner, without a permit.

Sec. 35. Minnesota Statutes 2004, section 97B.631, subdivision 2, is amended to read:

Subd. 2. [~~PERMIT REQUIRED TO~~ USE OF A SNARE.] A person may ~~not~~ use a snare to take fox ~~except under a permit from~~, as prescribed by the commissioner, without a permit.

Sec. 36. Minnesota Statutes 2004, section 97B.655, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PERMIT FOR TAKING PROTECTED WILD ANIMALS.] The commissioner may issue special permits under section 97A.401, subdivision 5, to take protected wild animals that are damaging property or to remove or destroy their dens, nests, houses, or dams.

Sec. 37. Minnesota Statutes 2004, section 97B.711, subdivision 1, is amended to read:

Subdivision 1. [SEASONS FOR CERTAIN UPLAND GAME BIRDS.] (a) The commissioner may, by rule, prescribe an open season in designated areas between September 16 and ~~December 31~~ January 3 for:

(1) pheasant;

(2) ruffed grouse;

(3) sharp tailed grouse;

(4) Canada spruce grouse;

(5) prairie chicken;

(6) gray partridge;

(7) bob-white quail; and

(8) turkey.

(b) The commissioner may by rule prescribe an open season for turkey in the spring.

Sec. 38. Minnesota Statutes 2004, section 97B.725, is amended to read:

97B.725 [~~LICENSE REQUIRED TO GUIDE~~ GUIDING HUNTERS.]

A person may not guide turkey hunters for compensation ~~without a turkey hunter guide license. The license must be obtained before the day of the opening of the turkey season. The commissioner shall prescribe qualifications for the issuance of turkey hunter guide licenses.~~

Sec. 39. Minnesota Statutes 2004, section 97B.803, is amended to read:

97B.803 [MIGRATORY WATERFOWL SEASONS AND LIMITS.]

(a) The commissioner shall prescribe seasons, limits, and areas for taking migratory waterfowl in accordance with federal law.

(b) The regular duck season may not open before the Saturday closest to October 1.

Sec. 40. Minnesota Statutes 2004, section 97B.805, subdivision 1, is amended to read:

Subdivision 1. [HUNTER MUST BE CONCEALED.] (a) A person may not take migratory waterfowl, coots, or rails in open water unless the person is:

(1) within a natural growth of vegetation sufficient to partially conceal the person or boat; ~~or~~

(2) on a river or stream that is not more than 100 yards in width; or

(3) pursuing or shooting wounded birds.

(b) A person may not take migratory waterfowl, coots, or rails in public waters from a permanent artificial blind or sink box.

Sec. 41. Minnesota Statutes 2004, section 97B.811, subdivision 3, is amended to read:

Subd. 3. [RESTRICTIONS ON LEAVING DECOYS ~~OVERNIGHT~~ UNATTENDED.] During the open season for waterfowl, a person may not leave decoys in public waters between sunset and one hour before lawful shooting hours or leave decoys unattended during other times for more than four consecutive hours unless:

(1) the decoys are in waters adjacent to private land under the control of the hunter; and

(2) there is not natural vegetation growing in water sufficient to partially conceal a hunter.

Sec. 42. Minnesota Statutes 2004, section 97B.811, subdivision 4a, is amended to read:

Subd. 4a. [RESTRICTIONS ON CERTAIN MOTORIZED DECOYS.] From the opening day of the duck season through the Saturday nearest October 8, a person may not use a motorized decoy ~~on public waters with visible, moving parts that are above the water surface to take migratory~~, or other motorized device designed to attract migratory waterfowl~~, other than geese~~. During the remainder of the duck season, the commissioner may, by rule, designate all or any portion of a wetland or lake closed to the use of motorized decoys or motorized devices designed to attract migratory waterfowl. On water bodies and lands fully contained within wildlife management area boundaries, a person may not use motorized decoys or motorized devices designed to attract migratory waterfowl at any time during the duck season.

Sec. 43. Minnesota Statutes 2004, section 97C.203, is amended to read:

97C.203 [DISPOSAL OF STATE HATCHERY ~~EGGS OR FRY~~ PRODUCTS.]

The commissioner shall dispose of ~~game fish eggs and fry~~ fish hatchery products according to the following order of priorities:

(1) distribution of fish eggs and fry to state hatcheries to hatch fry or raise fingerlings for stocking waters of the state for recreational fishing;

(2) transfer to other government agencies in exchange for fish or wildlife resources of equal value or private fish hatcheries in exchange for fish to be stocked in waters of the state for recreational fishing;

(3) sale ~~of fish eggs and fry~~ to private fish hatcheries or licensed aquatic farms at a price not less than the fair wholesale market value, established as the average price charged at the state's private hatcheries and contiguous states per volume rates; ~~and~~

(4) transfer to other government agencies, colleges, or universities for cooperative fish management and research purposes; and

(5) sale of not more than $25 fair market value to any school, museum, or commercial enterprise for curriculum implementation, educational programs, public exhibition, or cooperative displays.

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

Sec. 44. Minnesota Statutes 2004, section 97C.327, is amended to read:

97C.327 [MEASUREMENT OF FISH LENGTH.]

For the purpose of determining compliance with size limits for fish in this chapter or in rules of the commissioner, the length of a fish must be measured from the tip of the nose or jaw, whichever is longer, to the farthest tip of the tail when fully extended.

Sec. 45. Minnesota Statutes 2004, section 97C.345, subdivision 2, is amended to read:

Subd. 2. [POSSESSION.] (a) Except as specifically authorized, a person may not possess a spear, fish trap, net, dip net, seine, or other device capable of taking fish on or near any waters. Possession includes personal possession and in a vehicle.

(b) A person may possess spears, dip nets, bows and arrows, and spear guns allowed under section 97C.381 on or near waters between sunrise and sunset from May 1 to the ~~third~~ last Sunday in February, or as otherwise prescribed by the commissioner.

Sec. 46. Minnesota Statutes 2004, section 97C.395, subdivision 1, is amended to read:

Subdivision 1. [DATES FOR CERTAIN SPECIES.] (a) The open seasons to take fish by angling are as follows:

(1) for walleye, sauger, northern pike, muskellunge, largemouth bass, and smallmouth bass, the Saturday two weeks prior to the Saturday of Memorial Day weekend to the ~~third~~ last Sunday in February;

(2) for lake trout, from January 1 to October 31;

(3) for brown trout, brook trout, rainbow trout, and splake, between January 1 to October 31 as prescribed by the commissioner by rule except as provided in section 97C.415, subdivision 2; and

(4) for salmon, as prescribed by the commissioner by rule.

(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource.

Sec. 47. Minnesota Statutes 2004, section 97C.401, subdivision 2, is amended to read:

Subd. 2. [WALLEYE; NORTHERN PIKE.] (a) Except as provided in ~~paragraphs~~ paragraph (b) ~~and (c)~~, a person may take no more than one walleye larger than ~~24~~ 20 inches and one northern pike larger than 30 inches daily.

(b) The restrictions in paragraph (a) do not apply to boundary waters.

~~(c) On Lake of the Woods, a person may take no more than one walleye larger than 19.5 inches and one northern pike larger than 36 inches daily.~~

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

Sec. 48. Minnesota Statutes 2004, section 97C.825, subdivision 5, is amended to read:

Subd. 5. [NET LIMITS FOR LAKE OF THE WOODS AND RAINY LAKE.] (a) The maximum amount of nets permitted to be licensed shall be:

~~(a)~~ (1) in Lake of the Woods, 50-pound nets, ~~80,000 feet of gill nets or~~ 160 submerged trap nets, and 80 fyke or staked trap nets~~. Licenses for submerged trap nets may be issued instead of licenses for gill nets in the ratio of not more than one submerged trap net per 500 feet of gill net, and the maximum permissible amount of gill nets shall be reduced by 500 feet for each submerged trap net licensed.~~; and

~~(b)~~ (2) in Rainy Lake, 20-pound nets ~~and 20,000 feet of gill nets~~.

~~(c) When a licensee has had a license revoked or surrendered, the commissioner shall not be required to issue licenses for the amount of netting previously authorized under the revoked or surrendered license.~~

~~(d)~~ (b) Commercial fishing may be prohibited in the Minnesota portions of international waters when it is prohibited in the international waters by Canadian authorities.

~~(e) The commissioner may adopt rules to limit the total amount of game fish taken by~~

~~commercial fishing operators in Lake of the Woods in any one season and shall apportion the amount to each licensee in accordance with the number and length of nets licensed.~~

Sec. 49. Minnesota Statutes 2004, section 171.07, subdivision 13, is amended to read:

Subd. 13. [FIREARMS SAFETY DESIGNATION.] (a) When an applicant has a record transmitted to the department as described in paragraph (c) or presents:

(1) a firearms safety certificate issued for successfully completing a firearms safety course administered under section 97B.015; or

(2) an advanced hunter certificate issued for successfully completing an advanced hunter education course administered under section 97B.025,

and requests a driver's license or identification card described in paragraph (b), the department shall issue, renew, or reissue to the applicant a driver's license or Minnesota identification card described in paragraph (b).

(b) Pursuant to paragraph (a), the department shall issue a driver's license or Minnesota identification card bearing a graphic or written indication that the applicant has successfully completed a firearms safety course administered under section 97B.015, an advanced hunter education course administered under section 97B.025, or both of the described courses.

(c) The department shall maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner has issued a firearms safety certificate or an advanced hunter education certificate. The records transmitted from the Department of Natural Resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

Sec. 50. Minnesota Statutes 2004, section 349.12, subdivision 25, is amended to read:

Subd. 25. [LAWFUL PURPOSE.] (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15a, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of compulsive gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services; or

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to $35 per diem;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1, 4, 5, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on permitted gambling premises wholly owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code, not to exceed:

(i) for premises used for bingo, the amount that an organization may expend under board rules on rent for bingo; and

(ii) $35,000 per year for premises used for other forms of lawful gambling;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) payment of the reasonable costs of an audit required in section 297E.06, subdivision 4, provided the annual audit is filed in a timely manner with the Department of Revenue;

(13) a contribution to or expenditure on ~~a wildlife management project that benefits the public at-large, provided that the state agency with authority over that wildlife management project approves the project before the contribution or expenditure is made;~~

~~(14) expenditures, approved by the commissioner of natural resources, by an organization for grooming and maintaining snowmobile trails and all-terrain vehicle trails that are (1) grant-in-aid trails established under section 85.019, or (2) other trails open to public use, including purchase or lease of equipment for this purpose;~~ projects or activities approved by the commissioner of natural resources for:

(i) wildlife management projects that benefit the public at large;

(ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and 84.927, and other trails open to public use, including purchase or lease of equipment for this purpose; or

(iii) supplies and materials for safety training and educational programs coordinated by the Department of Natural Resources, including the Enforcement Division;

~~(15)~~ (14) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;

~~(16)~~ (15) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

~~(17)~~ (16) an expenditure by a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veterans organization;

~~(18)~~ (17) expenditure by a licensed veterans organization of up to $5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service. No more than $5,000 can be expended in total per calendar year under this clause by all licensed veterans organizations sharing the same veterans post home; or

~~(19)~~ (18) payment of fees authorized under this chapter imposed by the state of Minnesota to conduct lawful gambling in Minnesota.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced; or (v) with respect to an expenditure to bring an existing building into compliance with the Americans with Disabilities Act under item (ii), an organization has the option to apply the amount of the board-approved expenditure to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund.

Sec. 51. [CONFORMING CHANGES; RULES.]

The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend rules to conform to sections 44 and 46. Minnesota Statutes, section 14.386, does not apply to the rulemaking under this section except to the extent provided under Minnesota Statutes, section 14.388.

Sec. 52. [REPEALER.]

(a) Minnesota Statutes 2004, sections 88.27; 97B.005, subdivision 4; 97B.935; 97C.015; 97C.403; and 97C.825, subdivisions 6, 7, 8, and 9, are repealed.

(b) Minnesota Rules, parts 6234.2300, subparts 2 and 3; 6236.1100; and 6236.1300, are repealed."

Delete the title and insert:

"A bill for an act relating to game and fish; modifying purchasing requirements; providing for background checks; modifying certain definitions; providing for special fish management tags; specifying status of and regulating stands and blinds on public lands; modifying authority to take animals causing damage; modifying use of scopes and laser sights by visually impaired hunters; modifying certain license requirements; modifying restrictions on taking waterfowl and big game; authorizing rulemaking; modifying requirements for field training hunting dogs; modifying certain seasons; modifying trapping provisions; modifying period for treeing raccoons; prohibiting computer-assisted remote hunting; modifying restrictions on decoys; modifying disposition of state hatchery products; modifying fishing and commercial fishing provisions; repealing authority for the Mississippi River Fish Refuge; repealing authority to issue certain orders; amending Minnesota Statutes 2004, sections 84.025, subdivision 10; 84.027, subdivision 13, by adding a subdivision; 84.91, subdivision 1; 84.9256, subdivision 1; 97A.015, subdivisions 29, 49; 97A.045, subdivision 1; 97A.401, subdivision 5; 97A.405, subdivision 4, by adding a subdivision; 97A.435, subdivisions 2, 4; 97A.441, subdivision 7; 97A.451, subdivisions 3, 5; 97A.465, by adding a subdivision; 97A.475, subdivisions 7, 16; 97A.485, subdivision 9; 97B.005, subdivisions 1, 3; 97B.015, subdivisions 1, 2, 5; 97B.025; 97B.031, subdivisions 1, 5; 97B.111, subdivision 2; 97B.621, subdivision 2; 97B.625, subdivision 2; 97B.631, subdivision 2; 97B.655, subdivision 2; 97B.711, subdivision 1; 97B.725; 97B.803; 97B.805, subdivision 1; 97B.811, subdivisions 3, 4a; 97C.203; 97C.327; 97C.345, subdivision 2; 97C.395, subdivision 1; 97C.401, subdivision 2; 97C.825, subdivision 5; 171.07, subdivision 13; 349.12, subdivision 25; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Minnesota Statutes 2004, sections 88.27; 97B.005, subdivision 4; 97B.935; 97C.015; 97C.403; 97C.825, subdivisions 6, 7, 8, 9; Minnesota Rules, parts 6234.2300, subparts 2, 3; 6236.1100; 6236.1300."

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

House Conferees: (Signed) Joe Hoppe, Tom Hackbarth, David Dill

Senate Conferees: (Signed) Tom Saxhaug, Pat Pariseau, Thomas M. Bakk

Senator Saxhaug moved that the foregoing recommendations and Conference Committee Report on H.F. No. 847 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 847 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Kleis	Michel	Rest
Bakk	Frederickson	Koering	Moua	Robling
Belanger	Gaither	Kubly	Murphy	Rosen
Berglin	Gerlach	Langseth	Olson	Ruud
Betzold	Hann	LeClair	Ortman	Sams
Chaudhary	Higgins	Limmer	Ourada	Saxhaug
Cohen	Johnson, D.E.	Lourey	Pappas	Scheid
Day	Johnson, D.J.	Marko	Pariseau	Senjem
Dibble	Jungbauer	Marty	Pogemiller	Skoe
Dille	Kelley	McGinn	Ranum	Skoglund
Fischbach	Kierlin	Metzen	Reiter	Solon

Sparks	Tomassoni	Vickerman	Wergin	Wiger
Stumpf				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1204: A bill for an act relating to health; recodifying statutes and rules relating to social work; authorizing rulemaking; providing penalties; modifying provisions relating to physical therapists; providing penalties; modifying the Psychology Practice Act; phasing out licensure as a licensed psychological practitioner; modifying dental licensure provisions; establishing fees; modifying provisions for licensed professional counselors; authorizing certain rulemaking; modifying physician review; modifying information contained on prescriptions; providing recognition for the practice of respiratory therapy in emergency situations; providing that audiologists need not obtain hearing instrument dispenser certification; providing penalties; transferring oversight authority for the Office of Mental Health Practice; requiring a report; establishing penalty fees for certain credentialed health occupations; providing criminal penalties; appropriating money; amending Minnesota Statutes 2004, sections 13.383, subdivision 10; 13.411, subdivision 5; 144.335, subdivision 1; 144A.46, subdivision 2; 144E.001, subdivisions 8, 15, by adding a subdivision; 144E.27, subdivision 2; 144E.28, subdivisions 1, 3, 7, 8; 147.09; 147A.18, subdivisions 1, 3; 147C.05; 148.512, subdivision 6, by adding subdivisions; 148.513, by adding a subdivision; 148.515, by adding a subdivision; 148.5194, by adding subdivisions; 148.5195, subdivision 3; 148.5196, subdivision 1; 148.6445, by adding a subdivision; 148.65, by adding subdivisions; 148.706; 148.75; 148.89, subdivision 5; 148.90, subdivision 1; 148.907, by adding a subdivision; 148.908, subdivision 2, by adding a subdivision; 148.909; 148.916, subdivision 2; 148.925, subdivision 6; 148.941, subdivision 2; 148.96, subdivision 3; 148B.53, subdivisions 1, 3; 148B.54, subdivision 2; 148B.59; 148B.60; 148B.61; 148C.03, subdivision 1; 148C.04, subdivisions 3, 4, 6; 148C.091, subdivision 1; 148C.10, subdivision 2; 148C.11, subdivisions 1, 4, 5, 6; 148C.12, subdivision 3, by adding a subdivision; 150A.01, subdivision 6a; 150A.06, subdivision 1a; 150A.10, subdivision 1a; 153A.13, subdivision 5; 153A.14, subdivisions 2h, 2i, 4, 4c, 9; 153A.15, subdivision 1; 153A.20, subdivision 1; 214.01, subdivision 2; 214.06, subdivision 1, by adding a subdivision; 214.103, subdivision 1; 245.462, subdivision 18; 245.4871, subdivision 27; 256B.0625, subdivision 38; 256J.08, subdivision 73a; 319B.02, subdivision 19; 319B.40; Laws 2003, chapter 118, section 29, as amended; proposing coding for new law in Minnesota Statutes, chapters 144E; 148; 148B; 148C; 150A; 153A; proposing coding for new law as Minnesota Statutes, chapter 148D; repealing Minnesota Statutes 2004, sections 148B.18; 148B.185; 148B.19; 148B.20; 148B.21; 148B.215; 148B.22; 148B.224; 148B.225; 148B.226; 148B.24; 148B.25; 148B.26; 148B.27; 148B.28; 148B.281; 148B.282; 148B.283; 148B.284; 148B.285; 148B.286; 148B.287; 148B.288; 148B.289; 148C.02; 148C.12, subdivision 4; 153A.14, subdivisions 2a, 8, 10; 153A.19; Minnesota Rules, parts 4747.0030, subparts 11, 16; 4747.1200; 4747.1300; 5601.0100, subparts 3, 4; 8740.0100; 8740.0110; 8740.0120; 8740.0122; 8740.0130; 8740.0155; 8740.0185; 8740.0187; 8740.0200; 8740.0240; 8740.0260; 8740.0285; 8740.0300; 8740.0310; 8740.0315; 8740.0320; 8740.0325; 8740.0330; 8740.0335; 8740.0340; 8740.0345.

Senate File No. 1204 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

CONCURRENCE AND REPASSAGE

Senator Kiscaden moved that the Senate concur in the amendments by the House to S.F. No. 1204 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1204 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 53 and nays 11, as follows:

Those who voted in the affirmative were:

Anderson	Gerlach	Langseth	Ortman	Senjem
Bakk	Hann	Larson	Ourada	Skoe
Belanger	Higgins	Limmer	Pariseau	Solon
Betzold	Hottinger	Marko	Pogemiller	Sparks
Chaudhary	Johnson, D.E.	McGinn	Reiter	Stumpf
Day	Jungbauer	Metzen	Robling	Tomassoni
Dille	Kelley	Michel	Rosen	Vickerman
Fischbach	Kierlin	Murphy	Ruud	Wergin
Foley	Kiscaden	Neuville	Sams	Wiger
Frederickson	Kleis	Nienow	Saxhaug	
Gaither	Kubly	Olson	Scheid	

Those who voted in the negative were:

Berglin	Johnson, D.J.	Lourey	Moua	Rest
Cohen	LeClair	Marty	Pappas	Skoglund
Dibble				

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Having voted on the prevailing side, Senator Rosen moved that the vote whereby H.F. No. 221 failed to pass the Senate on May 23, 2005, be now reconsidered. The motion prevailed. So the vote was reconsidered.

H.F. No. 221: A bill for an act relating to civil actions; regulating liability on land used for recreational purposes; modifying the definition of recreational purpose; amending Minnesota Statutes 2004, section 604A.21, subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 23, as follows:

Those who voted in the affirmative were:

Betzold	Gerlach	Larson	Nienow	Senjem
Cohen	Hann	LeClair	Olson	Stumpf
Day	Higgins	Limmer	Ortman	Vickerman
Dibble	Johnson, D.J.	Marty	Ourada	Wergin
Dille	Jungbauer	McGinn	Pariseau	Wiger
Fischbach	Kierlin	Metzen	Reiter	
Foley	Kiscaden	Michel	Robling	
Frederickson	Kleis	Murphy	Ruud	
Gaither	Koering	Neuville	Scheid	

Those who voted in the negative were:

Anderson	Johnson, D.E.	Marko	Rosen	Solon
Bakk	Kelley	Moua	Sams	Sparks
Berglin	Kubly	Pogemiller	Saxhaug	Tomassoni
Chaudhary	Langseth	Ranum	Skoe	
Hottinger	Lourey	Rest	Skoglund	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1507, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1507 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1507

A bill for an act relating to health; modifying provisions for isolation and quarantine of persons exposed to or infected with a communicable disease; amending Minnesota Statutes 2004, sections 144.419, subdivision 1; 144.4195, subdivisions 1, 2, 5; Laws 2002, chapter 402, section 21, as amended; proposing coding for new law in Minnesota Statutes, chapter 144.

May 23, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 1507, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1507 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 144.419, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of ~~this section and section 144.4195~~ sections 144.419 to 144.4196, the following definitions apply:

(1) "bioterrorism" means the intentional use of any microorganism, virus, infectious substance, or biological product that may be engineered as a result of biotechnology, or any naturally occurring or bioengineered component of any such microorganism, virus, infectious substance, or biological product, to cause death, disease, or other biological malfunction in a human, an animal, a plant, or another living organism in order to influence the conduct of government or to intimidate or coerce a civilian population;

(2) "communicable disease" means a disease caused by a living organism or virus and believed to be caused by bioterrorism or a new or novel or previously controlled or eradicated infectious agent or biological toxin that can be transmitted person to person and for which isolation or quarantine is an effective control strategy, excluding a disease that is directly transmitted as defined under section 144.4172, subdivision 5;

(3) "isolation" means separation, during the period of communicability, of a person infected with a communicable disease, in a place and under conditions so as to prevent direct or indirect transmission of an infectious agent to others; and

(4) "quarantine" means restriction, during a period of communicability, of activities or travel of an otherwise healthy person who likely has been exposed to a communicable disease to prevent disease transmission during the period of communicability in the event the person is infected.

Sec. 2. Minnesota Statutes 2004, section 144.4195, subdivision 1, is amended to read:

Subdivision 1. [EX PARTE ORDER FOR ISOLATION OR QUARANTINE.] (a) Before isolating or quarantining a person or group of persons, the commissioner of health shall obtain a written, ex parte order authorizing the isolation or quarantine from the District Court of Ramsey County, the county where the person or group of persons is located, or a county adjoining the county where the person or group of persons is located. The evidence or testimony in support of an application may be made or taken by telephone, facsimile transmission, video equipment, or other electronic communication. The court shall grant the order upon a finding that probable cause exists to believe isolation or quarantine is warranted to protect the public health.

(b) The order must state the specific facts justifying isolation or quarantine, must state that the person being isolated or quarantined has a right to a court hearing under this section and a right to be represented by counsel during any proceeding under this section, and must be provided immediately to each person isolated or quarantined. The commissioner of health shall provide a copy of the authorizing order to the commissioner of public safety and other peace officers known to the commissioner to have jurisdiction over the site of the isolation or quarantine. If feasible, the commissioner of health shall give each person being isolated or quarantined an estimate of the expected period of the person's isolation or quarantine.

(c) If it is impracticable to provide individual orders to a group of persons isolated or quarantined, one order shall suffice to isolate or quarantine a group of persons believed to have been commonly infected with or exposed to a communicable disease. A copy of the order and notice shall be posted in a conspicuous place:

(1) in the isolation or quarantine premises, but only if the persons to be isolated or quarantined are already at the isolation or quarantine premises and have adequate access to the order posted there; or

(2) in another location where the group of persons to be isolated or quarantined is located, such that the persons have adequate access to the order posted there.

If the court determines that posting the order according to clause (1) or (2) is impractical due to the number of persons to be isolated or quarantined or the geographical area affected, the court must use the best means available to ensure that the affected persons are fully informed of the order and notice.

(d) Any peace officer, as defined in section 144.4803, subdivision 16, may use force as described by sections 609.06 and 609.066 to apprehend, hold, transport, quarantine, or isolate a person subject to the order if the person flees or forcibly resists the officer. This subdivision is authority to carry out enforcement duties under this section. The commissioner or an agent of a local board of health authorized under section 145A.04 shall advise the peace officer on request of protective measures recommended to protect the officer from possible transmission of the communicable disease. The peace officer may act upon telephone, facsimile, or other electronic notification of the order from the court, commissioner of health, agent of a local board of health, or commissioner of public safety. This paragraph expires August 1, 2009.

(e) No person may be isolated or quarantined pursuant to an order issued under this subdivision for longer than 21 days without a court hearing under subdivision 3 to determine whether isolation or quarantine should continue. A person who is isolated or quarantined may request a court hearing under subdivision 3 at any time before the expiration of the order.

Sec. 3. Minnesota Statutes 2004, section 144.4195, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY HOLD UPON COMMISSIONER'S DIRECTIVE.] (a) Notwithstanding subdivision 1, the commissioner of health may by directive isolate or quarantine a person or group of persons without first obtaining a written, ex parte order from the court if a delay in isolating or quarantining the person or group of persons would significantly jeopardize the commissioner of health's ability to prevent or limit the transmission of a communicable or potentially communicable life threatening disease to others. The directive shall specify the known period of incubation or communicability or the estimated period under the commissioner's best medical judgment when the disease is unknown. The directive remains in effect for the period specified unless amended by the commissioner or superseded by a court order. The commissioner must provide the person or group of persons subject to the temporary hold with notice that the person has a right to request a court hearing under this section and a right to be represented by counsel during a proceeding under this section. If it is impracticable to provide individual notice to each person subject to the temporary hold, notice of these rights may be posted in the same manner as the posting of orders under subdivision 1, paragraph (c). ~~Following the imposition of isolation or quarantine under this subdivision~~ Immediately upon executing the directive and initiating notice of the parties subject to it, the commissioner ~~of health~~ shall ~~within 24 hours~~ initiate the process to apply for a written, ex parte order pursuant to subdivision 1 authorizing the isolation or quarantine. The court must rule within 24 hours of receipt of the application or sooner if practicable or necessary. If the person is under a temporary hold, the person may not be held in isolation or quarantine after the temporary hold expires unless the court issues an ex parte order under subdivision 1. If the court does not rule within 36 hours after the execution of the directive, the directive shall expire.

(b) At the same time the commissioner initiates the process to apply for a written, ex parte order under paragraph (a), the commissioner shall notify the governor, the majority and minority leaders of the senate, the speaker and majority and minority leaders of the house, and the chairs and the ranking minority members of the senate and house committees having jurisdiction over health policy that a directive for a temporary hold has been issued under this subdivision. Notice under this paragraph is governed by the data privacy provisions of section 144.4195, subdivision 6.

(c) Any peace officer, as defined in section 144.4803, subdivision 16, may assist a public health official to apprehend, hold, transport, quarantine, or isolate a person subject to the commissioner's directive. The peace officer may use force as described by sections 609.06 and 609.066. The commissioner or an agent of a local board of health authorized under section 145A.04 shall advise the peace officer on request of protective measures recommended to protect the officer from possible transmission of the communicable disease. The peace officer may act upon telephone, facsimile, or other electronic notification of the commissioner's directive or upon the request of an agent of a local board of health.

(d) If a person subject to a commissioner's directive under paragraph (a) is already institutionalized in an appropriate health care facility, the commissioner of health may direct the facility to continue to hold the person. The facility shall take all reasonable measures to prevent the person from exposing others to the communicable disease.

(e) This subdivision expires August 1, 2009.

Sec. 4. Minnesota Statutes 2004, section 144.4195, subdivision 5, is amended to read:

Subd. 5. [JUDICIAL PROCEDURES AND DECISIONS.] (a) Court orders issued pursuant to subdivision 3 or 4 shall be based upon clear and convincing evidence and a written record of the disposition of the case shall be made and retained.

(b) Any person subject to isolation or quarantine has the right to be represented by counsel ~~or other lawful representative~~. Persons not otherwise represented may request the court to appoint counsel at the expense of the Department of Health or of a local public health board that has entered into a written delegation agreement with the commissioner under subdivision 7. The court shall appoint counsel when so requested and may have one counsel represent a group of persons similarly situated. The appointments shall be only for representation under subdivisions 3 and 4 and for appeals of orders under subdivisions 3 and 4. On counsel's request, the commissioner or an agent of a local board of health authorized under section 145A.04 shall advise counsel of protective measures recommended to protect counsel from possible transmission of the communicable disease. Appointments shall be made and counsel compensated according to procedures developed by the Supreme Court. The procedures shall provide standards for determining indigency for purposes of appeal. A person seeking an appeal who does not meet the indigency standard may, upon motion by the commissioner of health or local public health board and subsequent court order, reimburse the Department of Health or local public health board for the attorney fees and costs incurred in the person's appeal. Counsel appointed for a respondent must be allowed to withdraw from representation and is not required to pursue an appeal if, in the opinion of counsel, there is insufficient basis for proceeding.

(c) The court may choose to conduct a hearing under subdivision 3 or 4 by telephonic, interactive video, or other electronic means to maintain isolation or quarantine precautions and reduce the risk of spread of a communicable disease. Otherwise, the manner in which the request for a hearing is filed and acted upon shall be in accordance with the existing laws and rules of the courts of this state or, if the isolation or quarantine occurs during a national security or peacetime emergency, any rules that are developed by the courts for use during a national security or peacetime emergency.

Sec. 5. [144.4196] [EMPLOYEE PROTECTION.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "qualifying employee" means a person who performs services for hire in Minnesota and who has been subject to isolation or quarantine for a communicable disease as defined in section 144.419, subdivision 1, clause (2). The term applies to persons who comply with isolation or quarantine restrictions because of:

(i) a commissioner's directive;

(ii) an order of a federal quarantine officer;

(iii) a state or federal court order; or

(iv) a written recommendation of the commissioner or designee that the person enter isolation or quarantine; and

(2) "employer" means any person having one or more employees in Minnesota and includes the state and any political subdivision of the state.

Subd. 2. [PROTECTIONS.] (a) An employer shall not discharge, discipline, threaten, or penalize a qualifying employee, or otherwise discriminate in the work terms, conditions, location, or privileges of the employee, because the employee has been in isolation or quarantine.

(b) A qualifying employee claiming a violation of paragraph (a) may bring a civil action for recovery of lost wages or benefits, for reinstatement, or for other relief within 180 days of the claimed violation or 180 days of the end of the isolation or quarantine, whichever is later. A qualifying employee who prevails shall be allowed reasonable attorney fees fixed by the court.

(c) Nothing in this subdivision is intended to alter sick leave or sick pay terms of the employment relationship.

Subd. 3. [LIMITATIONS.] The protections of subdivision 2 do not apply to work absences due to isolation or quarantine for periods longer than 21 consecutive work days. However, absences

due to isolation or quarantine for periods longer than 21 consecutive work days resulting in loss of employment shall be treated for purposes of unemployment compensation in the same manner as loss of employment due to a serious illness.

Sec. 6. [144.4197] [EMERGENCY VACCINE ADMINISTRATION AND LEGEND DRUG DISPENSING.]

(a) When a mayor, county board chair, or legal successor to such official has declared a local emergency under section 12.29 or the governor has declared an emergency under section 12.31, subdivision 1 or 2, the commissioner of health may authorize any person, including, but not limited to, any person licensed or otherwise credentialed under chapters 144E, 147 to 148, 150A, 151, 153, or 156, to administer vaccinations or dispense legend drugs if the commissioner determines that such action is necessary to protect the health and safety of the public. The authorization shall be in writing and shall contain the categories of persons included in the authorization, any additional training required before performance of the vaccination or drug dispensing by such persons, any supervision required for performance of the vaccination or drug dispensing, and the duration of the authorization. The commissioner may, in writing, extend the scope and duration of the authorization as the emergency warrants. Any person authorized by the commissioner under this section shall not be subject to criminal liability, administrative penalty, professional discipline, or other administrative sanction for good faith performance of the vaccination or drug dispensing duties assigned according to this section.

(b) This section expires August 1, 2009.

Sec. 7. Laws 2002, chapter 402, section 21, as amended by Laws 2004, chapter 279, article 11, section 7, is amended to read:

Sec. 21. [SUNSET.]

Sections 1 ~~to 19~~, 2, 5, 10, and 11 expire August 1, 2005.

Sec. 8. [EFFECTIVE DATE.]

Section 7 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; modifying provisions for isolation and quarantine of persons exposed to or infected with a communicable disease; amending Minnesota Statutes 2004, sections 144.419, subdivision 1; 144.4195, subdivisions 1, 2, 5; Laws 2002, chapter 402, section 21, as amended; proposing coding for new law in Minnesota Statutes, chapter 144."

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

House Conferees: (Signed) Jim Abeler, Matt Dean, Thomas Huntley

Senate Conferees: (Signed) Becky Lourey, Mike McGinn, D. Scott Dibble

Senator Lourey moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1507 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1507 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Bakk	Belanger	Berglin	Betzold

Chaudhary	Johnson, D.J.	Marko	Pappas	Senjem
Cohen	Jungbauer	Marty	Pariseau	Skoe
Day	Kelley	McGinn	Pogemiller	Skoglund
Dibble	Kierlin	Metzen	Ranum	Solon
Dille	Kiscaden	Michel	Reiter	Sparks
Foley	Kleis	Moua	Rest	Stumpf
Frederickson	Koering	Murphy	Robling	Tomassoni
Gaither	Kubly	Neuville	Rosen	Vickerman
Gerlach	Langseth	Nienow	Ruud	Wergin
Hann	Larson	Olson	Sams	Wiger
Higgins	Limmer	Ortman	Saxhaug	
Johnson, D.E.	Lourey	Ourada	Scheid	

Those who voted in the negative were:

Fischbach	LeClair

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 630 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 630

A bill for an act relating to civil law; increasing fees related to marriage and child support; reforming law relating to child support; establishing criteria for support obligations; defining parents' rights and responsibilities; appropriating money; amending Minnesota Statutes 2004, sections 357.021, subdivisions 1a, 2; 518.005, by adding a subdivision; 518.54; 518.55, subdivision 4; 518.551, subdivisions 5, 5b; 518.62; 518.64, subdivision 2, by adding subdivisions; 518.68, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 2004, sections 518.171; 518.54, subdivisions 2, 4, 4a; 518.551, subdivisions 1, 5a, 5c, 5f.

May 23, 2005

The Honorable James P. Metzen
President of the Senate

The Honorable Steve Sviggum
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 630, 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. 630 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. [TRANSMITTAL OF FEES TO COMMISSIONER OF FINANCE.] (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 commissioner of finance 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 commissioner of finance for deposit in the state treasury and credited to the general fund. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the commissioner of finance 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 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 169A.63 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, 260B.331, and 260C.331, 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~~ $20 from each fee collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund and $35 from each fee shall be credited to the state general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

Sec. 2. Minnesota Statutes 2004, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of $235.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of $235.

The party requesting a trial by jury shall pay $75.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, $10, and $5 for an uncertified copy.

(3) Issuing a subpoena, $12 for each name.

(4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, $55.

(5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, $40.

(6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, $30.

(7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, $5.

(8) Certificate as to existence or nonexistence of judgments docketed, $5 for each name certified to.

(9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, $5.

(10) For the filing of each partial, final, or annual account in all trusteeships, $40.

(11) For the deposit of a will, $20.

(12) For recording notary commission, $100, of which, notwithstanding subdivision 1a, paragraph (b), $80 must be forwarded to the commissioner of finance to be deposited in the state treasury and credited to the general fund.

(13) Filing a motion or response to a motion for modification of child support, a fee ~~fixed by rule or order of the Supreme Court~~ of $55.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of $75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents.

Sec. 3. Minnesota Statutes 2004, section 518.005, is amended by adding a subdivision to read:

Subd. 6. [FILING FEE.] The initial pleading filed in all proceedings for dissolution of marriage, legal separation, or annulment or proceedings to establish child support obligations shall be accompanied by a filing fee of $50. The fee is in addition to any other prescribed by law or rule.

Sec. 4. [518.1781] [SIX-MONTH REVIEW.]

(a) A request for a six-month review hearing form must be attached to a decree of dissolution or legal separation or an order that initially establishes child custody, parenting time, or support rights and obligations of parents. The state court administrator is requested to prepare the request for review hearing form. The form must include information regarding the procedures for requesting a hearing, the purpose of the hearing, and any other information regarding a hearing under this section that the state court administrator deems necessary.

(b) The six-month review hearing shall be held if any party submits a written request for a hearing within six months after entry of a decree of dissolution or legal separation or order that establishes child custody, parenting time, or support.

(c) Upon receipt of a completed request for hearing form, the court administrator shall provide

notice of the hearing to all other parties and the public authority. The court administrator shall schedule the six-month review hearing as soon as practicable following the receipt of the hearing request form.

(d) At the six-month hearing, the court must review:

(1) whether child support is current; and

(2) whether both parties are complying with the parenting time provisions of the order.

(e) At the six-month hearing, the obligor has the burden to present evidence to establish that child support payments are current. A party may request that the public authority provide information to the parties and court regarding child support payments. A party must request the information from the public authority at least 14 days before the hearing. The commissioner of human services must develop a form to be used by the public authority to submit child support payment information to the parties and court.

(f) Contempt of court and all statutory remedies for child support and parenting time enforcement may be imposed by the court at the six-month hearing for noncompliance by either party pursuant to chapters 517C and 588 and the Minnesota Court Rules.

(g) A request for a six-month review hearing form must be attached to a decree or order that initially establishes child support rights and obligations according to section 517A.29.

Sec. 5. Minnesota Statutes 2004, section 518.54, is amended to read:

518.54 [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 518.54 to ~~518.66~~ 518.773, the terms defined in this section shall have the meanings respectively ascribed to them.

Subd. 2. [CHILD.] "Child" means an individual under 18 years of age, an individual under age 20 who is still attending secondary school, or an individual who, by reason of physical or mental condition, is incapable of self-support.

Subd. 2a. [DEPOSIT ACCOUNT.] "Deposit account" means funds deposited with a financial institution in the form of a savings account, checking account, NOW account, or demand deposit account.

Subd. 2b. [FINANCIAL INSTITUTION.] "Financial institution" means a savings association, bank, trust company, credit union, industrial loan and thrift company, bank and trust company, or savings association, and includes a branch or detached facility of a financial institution.

Subd. 3. [MAINTENANCE.] "Maintenance" means an award made in a dissolution or legal separation proceeding of payments from the future income or earnings of one spouse for the support and maintenance of the other.

Subd. 4. [SUPPORT MONEY; CHILD SUPPORT.] "Support money" or "child support" means an amount for basic support, child care support, and medical support pursuant to:

(1) an award in a dissolution, legal separation, annulment, or parentage proceeding for the care, support and education of any child of the marriage or of the parties to the proceeding; ~~or~~

(2) a contribution by parents ordered under section 256.87; or

(3) support ordered under chapter 518B or 518C.

Subd. 4a. [SUPPORT ORDER.] "Support order" means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing state, or a child and the parent with whom the child is living, that provides for monetary support, child care, medical support including

expenses for confinement and pregnancy, arrearages, or reimbursement, and that may include related costs and fees, interest and penalties, income withholding, and other relief. This definition applies to orders issued under this chapter and chapters 256, 257, and 518C.

Subd. 5. [MARITAL PROPERTY; EXCEPTIONS.] "Marital property" means property, real or personal, including vested public or private pension plan benefits or rights, acquired by the parties, or either of them, to a dissolution, legal separation, or annulment proceeding at any time during the existence of the marriage relation between them, or at any time during which the parties were living together as husband and wife under a purported marriage relationship which is annulled in an annulment proceeding, but prior to the date of valuation under section 518.58, subdivision 1. All property acquired by either spouse subsequent to the marriage and before the valuation date is presumed to be marital property regardless of whether title is held individually or by the spouses in a form of co-ownership such as joint tenancy, tenancy in common, tenancy by the entirety, or community property. Each spouse shall be deemed to have a common ownership in marital property that vests not later than the time of the entry of the decree in a proceeding for dissolution or annulment. The extent of the vested interest shall be determined and made final by the court pursuant to section 518.58. If a title interest in real property is held individually by only one spouse, the interest in the real property of the nontitled spouse is not subject to claims of creditors or judgment or tax liens until the time of entry of the decree awarding an interest to the nontitled spouse. The presumption of marital property is overcome by a showing that the property is nonmarital property.

"Nonmarital property" means property real or personal, acquired by either spouse before, during, or after the existence of their marriage, which

(a) is acquired as a gift, bequest, devise or inheritance made by a third party to one but not to the other spouse;

(b) is acquired before the marriage;

(c) is acquired in exchange for or is the increase in value of property which is described in clauses (a), (b), (d), and (e);

(d) is acquired by a spouse after the valuation date; or

(e) is excluded by a valid antenuptial contract.

Subd. 6. [INCOME.] "Income" means any form of periodic payment to an individual including, but not limited to, wages, salaries, payments to an independent contractor, workers' compensation, unemployment benefits, annuity, military and naval retirement, pension and disability payments. Benefits received under Title IV-A of the Social Security Act and chapter 256J are not income under this section.

Subd. 7. [OBLIGEE.] "Obligee" means a person to whom payments for maintenance or support are owed.

Subd. 8. [OBLIGOR.] "Obligor" means a person obligated to pay maintenance or support. A person who is designated as the sole physical custodian of a child is presumed not to be an obligor for purposes of calculating current support under section 518.551 unless the court makes specific written findings to overcome this presumption. For purposes of ordering medical support under section 518.719, a custodial parent may be an obligor subject to a cost-of-living adjustment under section 518.641 and a payment agreement under section 518.553.

Subd. 9. [PUBLIC AUTHORITY.] "Public authority" means the ~~public authority responsible for child support enforcement~~ local unit of government, acting on behalf of the state, that is responsible for child support enforcement or the Department of Human Services, Child Support Enforcement Division.

Subd. 10. [PENSION PLAN BENEFITS OR RIGHTS.] "Pension plan benefits or rights" means a benefit or right from a public or private pension plan accrued to the end of the month in which marital assets are valued, as determined under the terms of the laws or other plan document provisions governing the plan, including section 356.30.

Subd. 11. [PUBLIC PENSION PLAN.] "Public pension plan" means a pension plan or fund specified in section 356.20, subdivision 2, or 356.30, subdivision 3, the deferred compensation plan specified in section 352.96, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained, or supported by a governmental subdivision or public body whose revenues are derived from taxation, fees, assessments, or from other public sources.

Subd. 12. [PRIVATE PENSION PLAN.] "Private pension plan" means a plan, fund, or program maintained by an employer or employee organization that provides retirement income to employees or results in a deferral of income by employees for a period extending to the termination of covered employment or beyond.

Subd. 13. [ARREARS.] Arrears are amounts that accrue pursuant to an obligor's failure to comply with a support order. Past support and pregnancy and confinement expenses contained in a support order are arrears if the court order does not contain repayment terms. Arrears also arise by the obligor's failure to comply with the terms of a court order for repayment of past support or pregnancy and confinement expenses. An obligor's failure to comply with the terms for repayment of amounts owed for past support or pregnancy and confinement turns the entire amount owed into arrears.

Subd. 14. [IV-D CASE.] "IV-D case" means a case where a party has assigned to the state rights to child support because of the receipt of public assistance as defined in section 256.741 or has applied for child support services under title IV-D of the Social Security Act, United States Code, title 42, section 654(4).

Subd. 15. [PARENTAL INCOME FOR CHILD SUPPORT (PICS).] "Parental income for child support," or "PICS," means gross income under subdivision 18 minus deductions for nonjoint children as allowed by section 518.717.

Subd. 16. [APPORTIONED VETERANS' BENEFITS.] "Apportioned veterans' benefits" means the amount the Veterans Administration deducts from the veteran's award and disburses to the child or the child's representative payee. The apportionment of veterans' benefits shall be that determined by the Veterans Administration and governed by Code of Federal Regulations, title 38, sections 3.450 to 3.458.

Subd. 17. [BASIC SUPPORT.] "Basic support" means the support obligation determined by applying the parent's parental income for child support, or if there are two parents, their combined parental income for child support, to the guideline in the manner set out in section 518.725. Basic support includes the dollar amount ordered for a child's housing, food, clothing, transportation, and education costs, and other expenses relating to the child's care. Basic support does not include monetary contributions for a child's child care expenses and medical and dental expenses.

Subd. 18. [GROSS INCOME.] "Gross income" means:

(1) the gross income of the parent calculated under section 518.7123; plus

(2) Social Security or veterans' benefit payments received on behalf of the child under section 518.718; plus

(3) the potential income of the parent, if any, as determined in subdivision 23; minus

(4) spousal maintenance that any party has been ordered to pay; minus

(5) the amount of any existing child support order for other nonjoint children.

Subd. 19. [JOINT CHILD.] "Joint child" means the dependent child who is the son or daughter of both parents in the support proceeding. In those cases where support is sought from only one parent of a child, a joint child is the child for whom support is sought.

Subd. 20. [NONJOINT CHILD.] "Nonjoint child" means the legal child of one, but not both of the parents subject to this determination. Specifically excluded from this definition are stepchildren.

Subd. 21. [PARENTING TIME.] "Parenting time" means the amount of time a child is scheduled to spend with the parent according to a court order. Parenting time includes time with the child whether it is designated as visitation, physical custody, or parenting time. For purposes of section 518.722, the percentage of parenting time may be calculated by calculating the number of overnights that a child spends with a parent, or by using a method other than overnights if the parent has significant time periods where the child is in the parent's physical custody, but does not stay overnight.

Subd. 22. [PAYOR OF FUNDS.] "Payor of funds" means a person or entity that provides funds to an obligor, including an employer as defined under chapter 24, section 3401(d), of the Internal Revenue Code, an independent contractor, payor of workers' compensation benefits or unemployment insurance benefits, or a financial institution as defined in section 13B.06.

Subd. 23. [POTENTIAL INCOME.] "Potential income" is income determined under this subdivision.

(a) If a parent is voluntarily unemployed, underemployed, or employed on a less than full-time basis, or there is no direct evidence of any income, child support shall be calculated based on a determination of potential income. For purposes of this determination, it is rebuttably presumed that a parent can be gainfully employed on a full-time basis.

(b) Determination of potential income shall be made according to one of three methods, as appropriate:

(1) the parent's probable earnings level based on employment potential, recent work history, and occupational qualifications in light of prevailing job opportunities and earnings levels in the community;

(2) if a parent is receiving unemployment compensation or workers' compensation, that parent's income may be calculated using the actual amount of the unemployment compensation or workers' compensation benefit received; or

(3) the amount of income a parent could earn working full time at 150 percent of the current federal or state minimum wage, whichever is higher.

(c) A parent is not considered voluntarily unemployed or underemployed upon a showing by the parent that:

(1) unemployment or underemployment is temporary and will ultimately lead to an increase in income;

(2) the unemployment or underemployment represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child; or

(3) the parent is unable to work full time due to a verified disability or due to incarceration.

(d) As used in this section, "full time" means 40 hours of work in a week except in those industries, trades, or professions in which most employers due to custom, practice, or agreement utilize a normal work week of more or less than 40 hours in a week.

(e) If the parent of a joint child is a recipient of a temporary assistance to a needy family (TANF) cash grant, no potential income shall be imputed to that parent.

(f) If a parent stays at home to care for a child who is subject to the child support order, the court may consider the following factors when determining whether the parent is voluntarily unemployed or underemployed:

(1) the parties' parenting and child care arrangements before the child support action;

(2) the stay-at-home parent's employment history, recency of employment, earnings, and the availability of jobs within the community for an individual with the parent's qualifications;

(3) the relationship between the employment-related expenses, including, but not limited to, child care and transportation costs required for the parent to be employed, and the income the stay-at-home parent could receive from available jobs within the community for an individual with the parent's qualifications;

(4) the child's age and health, including whether the child is physically or mentally disabled; and

(5) the availability of child care providers.

(g) Paragraph (f) does not apply if the parent stays at home to care for other nonjoint children, only.

(h) A self-employed parent shall not be considered to be voluntarily unemployed or underemployed if that parent can show that the parent's net self-employment income is lower because of economic conditions.

Subd. 24. [PRIMARY PHYSICAL CUSTODY.] The parent having "primary physical custody" means the parent who provides the primary residence for a child and is responsible for the majority of the day-to-day decisions concerning a child.

Subd. 25. [SOCIAL SECURITY BENEFITS.] "Social Security benefits" means the monthly amount the Social Security Administration pays to a joint child or the child's representative payee due solely to the disability or retirement of either parent. Benefits paid to a parent due to the disability of a child are excluded from this definition.

Subd. 26. [SPLIT CUSTODY.] "Split custody" means that each parent in a two-parent calculation has primary physical custody of at least one of the joint children.

Subd. 27. [SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.] "Survivors' and dependents' educational assistance" are funds disbursed by the Veterans Administration under United States Code, title 38, chapter 35, to the child or the child's representative payee.

Sec. 6. Minnesota Statutes 2004, section 518.55, subdivision 4, is amended to read:

Subd. 4. [DETERMINATION OF CONTROLLING ORDER.] The public authority or a party may request the district court to determine a controlling order in situations in which more than one order involving the same obligor and child exists. The court shall presume that the latest order that involves the same obligor and joint child is controlling, subject to contrary proof.

Sec. 7. Minnesota Statutes 2004, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] ~~(a)~~ The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving public assistance or applies for it subsequent to the commencement of the proceeding. The notice must contain the full names of the parties to the proceeding, their Social Security account numbers, and their birth dates. After receipt of the notice, the court shall set child support as provided in ~~this subdivision~~ section 518.725. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support stipulation of the parties if each party is represented by independent counsel, unless the stipulation does not meet the conditions of ~~paragraph (i)~~ section 518.725. In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in ~~paragraph (c)~~ section 518.714 and any departure therefrom. The court may also order the obligor to pay child support in the form of a percentage share of the obligor's net bonuses, commissions, or other forms of compensation, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount.

~~(b) The court shall derive a specific dollar amount for child support by multiplying the obligor's net income by the percentage indicated by the following guidelines:~~

Net Income Pe Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
$550 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
$551 - 600	16%	19%	22%	25%	28%	30%	32%
$601 - 650	17%	21%	24%	27%	29%	32%	34%
$651 - 700	18%	22%	25%	28%	31%	34%	36%
$701 - 750	19%	23%	27%	30%	33%	36%	38%
$751 - 800	20%	24%	28%	31%	35%	38%	40%
$801 - 850	21%	25%	29%	33%	36%	40%	42%
$851 - 900	22%	27%	31%	34%	38%	41%	44%
$901 - 950	23%	28%	32%	36%	40%	43%	46%
$951 - 1000	24%	29%	34%	38%	41%	45%	48%
$1001- 5000 or the amount in effect under paragraph (k)	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income in excess of the income limit currently in effect under paragraph (k) shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income equal to the limit in effect.

Net Income defined as:

Total monthly income less

*Standard Deductions apply- use of tax tables recommended

*(i) Federal Income Tax
*(ii) State Income Tax
(iii) Social Security Deductions
(iv) Reasonable Pension Deductions
(v) Union Dues
(vi) Cost of Dependent Health Insurance Coverage
(vii) Cost of Individual or Group Health/Hospitalization Coverage or an Amount for Actual Medical Expenses
(viii) A Child Support or Maintenance Order that is Currently Being Paid.

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

The court shall review the work-related and education-related child care costs paid and shall allocate the costs to each parent in proportion to each parent's net income, as determined under this subdivision, after the transfer of child support and spousal maintenance, unless the allocation would be substantially unfair to either parent. There is a presumption of substantial unfairness if after the sum total of child support, spousal maintenance, and child care costs is subtracted from the obligor's income, the income is at or below 100 percent of the federal poverty guidelines. The cost of child care for purposes of this paragraph is 75 percent of the actual cost paid for child care, to reflect the approximate value of state and federal tax credits available to the obligee. The actual cost paid for child care is the total amount received by the child care provider for the child or children of the obligor from the obligee or any public agency. The court shall require verification of employment or school attendance and documentation of child care expenses from the obligee and the public agency, if applicable. If child care expenses fluctuate during the year because of seasonal employment or school attendance of the obligee or extended periods of parenting time with the obligor, the court shall determine child care expenses based on an average monthly cost. The amount allocated for child care expenses is considered child support but is not subject to a cost-of-living adjustment under section 518.641. The amount allocated for child care expenses terminates when either party notifies the public authority that the child care costs have ended and without any legal action on the part of either party. The public authority shall verify the information received under this provision before authorizing termination. The termination is effective as of the date of the notification. In other cases where there is a substantial increase or decrease in child care expenses, the parties may modify the order under section 518.64.

The court may allow the obligor parent to care for the child while the obligee parent is working, as provided in section 518.175, subdivision 8, but this is not a reason to deviate from the guidelines.

(c) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support or in determining whether to deviate from the guidelines:

(1) all earnings, income, and resources of the parents, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of paragraph (b), clause (2)(ii);

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standard of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

(4) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it;

~~(5) the parents' debts as provided in paragraph (d); and~~

~~(6) the obligor's receipt of public assistance under the AFDC program formerly codified under sections 256.72 to 256.82 or 256B.01 to 256B.40 and chapter 256J or 256K.~~

~~(d) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:~~

~~(1) the right to support has not been assigned under section 256.741;~~

~~(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and~~

~~(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.~~

~~(e) Any schedule prepared under paragraph (d), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.~~

~~(f) Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.~~

~~(g) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.~~

~~(h) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.~~

~~(i) The guidelines in this subdivision are a rebuttable presumption and shall be used in all cases when establishing or modifying child support. If the court does not deviate from the guidelines, the court shall make written findings concerning the amount of the obligor's income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the determination of child support. If the court deviates from the guidelines, the court shall make written findings giving the amount of support calculated under the guidelines, the reasons for the deviation, and shall specifically address the criteria in paragraph (c) and how the deviation serves the best interest of the child. The court may deviate from the guidelines if both parties agree and the court makes written findings that it is in the best interests of the child, except that in cases where child support payments are assigned to the public agency under section 256.741, the court may deviate downward only as provided in paragraph (j). Nothing in this paragraph prohibits the court from deviating in other cases. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.~~

~~(j) If the child support payments are assigned to the public agency under section 256.741, the court may not deviate downward from the child support guidelines unless the court specifically finds that the failure to deviate downward would impose an extreme hardship on the obligor.~~

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

~~(l) In establishing or modifying child support, if a child receives a child's insurance benefit under United States Code, title 42, section 402, because the obligor is entitled to old age or disability insurance benefits, the amount of support ordered shall be offset by the amount of the child's benefit. The court shall make findings regarding the obligor's income from all sources, the child support amount calculated under this section, the amount of the child's benefit, and the obligor's child support obligation. Any benefit received by the child in a given month in excess of the child support obligation shall not be treated as an arrearage payment or a future payment.~~

Sec. 8. Minnesota Statutes 2004, section 518.551, subdivision 5b, is amended to read:

Subd. 5b. [~~DETERMINATION OF INCOME~~ PROVIDING INCOME INFORMATION.] (a) ~~The parties shall timely serve and file documentation of earnings and income. When there is a prehearing conference, the court must receive the documentation of income at least ten days prior to the prehearing conference. Documentation of earnings and income also includes, but is not limited to, pay stubs for the most recent three months, employer statements, or statement of receipts and expenses if self-employed. Documentation of earnings and income also includes copies of each parent's most recent federal tax returns, including W-2 forms, 1099 forms, unemployment benefits statements, workers' compensation statements, and all other documents evidencing income as received that provide verification of income over a longer period~~ In any case where the parties have joint children for which a child support order must be determined, the parties shall serve and file with their initial pleadings or motion documents, a financial affidavit, disclosing all sources of gross income. The financial affidavit shall include relevant supporting documentation necessary to calculate the parental income for child support under section 518.54, subdivision 15, including, but not limited to, pay stubs for the most recent three months, employer statements, or statements of receipts and expenses if self-employed. Documentation of earnings and income also include relevant copies of each parent's most recent federal tax returns, including W-2 forms, 1099 forms, unemployment benefit statements, workers' compensation statements, and all other documents evidencing earnings or income as received that provide verification for the financial affidavit.

(b) In addition to the requirements of paragraph (a), at any time after an action seeking child support has been commenced or when a child support order is in effect, a party or the public authority may require the other party to give them a copy of the party's most recent federal tax returns that were filed with the Internal Revenue Service. The party shall provide a copy of the tax returns within 30 days of receipt of the request unless the request is not made in good faith. A request under this paragraph may not be made more than once every two years, in the absence of good cause.

(c) If a parent under the jurisdiction of the court does not ~~appear at a court hearing after proper notice of the time and place of the hearing~~ serve and file the financial affidavit with the parent's initial pleading, the court shall set income for that parent based on credible evidence before the court or in accordance with ~~paragraph (d)~~ section 518.54, subdivision 23. Credible evidence may include documentation of current or recent income, testimony of the other parent concerning recent earnings and income levels, and the parent's wage reports filed with the Minnesota Department of Employment and Economic Development under section 268.044.

~~(d) If the court finds that a parent is voluntarily unemployed or underemployed or was voluntarily unemployed or underemployed during the period for which past support is being sought, support shall be calculated based on a determination of imputed income. A parent is not considered voluntarily unemployed or underemployed upon a showing by the parent that the unemployment or underemployment: (1) is temporary and will ultimately lead to an increase in income; or (2) represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child. Imputed income means the estimated earning ability of a parent based on the parent's prior earnings history, education, and job skills, and on availability of jobs within the community for an individual with the parent's qualifications.~~

~~(e) If there is insufficient information to determine actual income or to impute income pursuant to paragraph (d), the court may calculate support based on full-time employment of 40 hours per week at 150 percent of the federal minimum wage or the Minnesota minimum wage, whichever is~~

~~higher. If a parent is a recipient of public assistance under section 256.741, or is physically or mentally incapacitated, it shall be presumed that the parent is not voluntarily unemployed or underemployed.~~

~~(f) Income from self employment is equal to gross receipts minus ordinary and necessary expenses. Ordinary and necessary expenses do not include amounts allowed by the Internal Revenue Service for accelerated depreciation expenses or investment tax credits or any other business expenses determined by the court to be inappropriate for determining income for purposes of child support. The person seeking to deduct an expense, including depreciation, has the burden of proving, if challenged, that the expense is ordinary and necessary. Net income under this section may be different from taxable income.~~

Sec. 9. [518.6197] [CHILD SUPPORT DEBT/ARREARAGE MANAGEMENT.]

In order to reduce and otherwise manage support debts and arrearages, the parties, including the public authority where arrearages have been assigned to the public authority, may compromise unpaid support debts or arrearages owed by one party to another, whether or not docketed as a judgment. A party may agree or disagree to compromise only those debts or arrearages owed to that party.

Sec. 10. Minnesota Statutes 2004, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased ~~earnings of a party~~ gross income of an obligor or obligee; (2) substantially increased or decreased need of ~~a party~~ an obligor or obligee or the child or children that are the subject of these proceedings; (3) receipt of assistance under the AFDC program formerly codified under sections 256.72 to 256.87 or 256B.01 to 256B.40, or chapter 256J or 256K; (4) a change in the cost of living for either party as measured by the Federal Bureau of Labor Statistics, any of which makes the terms unreasonable and unfair; (5) extraordinary medical expenses of the child not provided for under section 518.171; ~~or~~ (6) the addition of work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses; or (7) upon the emancipation of the child, as provided in section 518.64, subdivision 4a.

~~On a motion to modify support, the needs of any child the obligor has after the entry of the support order that is the subject of a modification motion shall be considered as provided by section 518.551, subdivision 5f.~~

(b) It is presumed that there has been a substantial change in circumstances under paragraph (a) and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if:

(1) the application of the child support guidelines in section 518.551, subdivision 5, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least ~~$50~~ $75 per month higher or lower than the current support order;

(2) the medical support provisions of the order established under section ~~518.171~~ 518.719 are not enforceable by the public authority or the obligee;

(3) health coverage ordered under section ~~518.171~~ 518.719 is not available to the child for whom the order is established by the parent ordered to provide; ~~or~~

(4) the existing support obligation is in the form of a statement of percentage and not a specific dollar amount; or

(5) the gross income of an obligor or obligee has decreased by at least 20 percent through no fault or choice of the party.

(c) A child support order is not presumptively modifiable solely because an obligor or obligee becomes responsible for the support of an additional nonjoint child, which is born after an existing

order. Section 518.717 shall be considered if other grounds are alleged which allow a modification of support.

(d) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section ~~518.551, subdivision 5~~ 518.725, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

~~(d)~~ (e) A modification of support or maintenance, including interest that accrued pursuant to section 548.091, may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record. ~~However, modification may be applied to an earlier period if the court makes express findings that:~~

~~(1) the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability, a material misrepresentation of another party, or fraud upon the court and that the party seeking modification, when no longer precluded, promptly served a motion;~~

~~(2) the party seeking modification was a recipient of federal Supplemental Security Income (SSI), Title II Older Americans, Survivor's Disability Insurance (OASDI), other disability benefits, or public assistance based upon need during the period for which retroactive modification is sought;~~

~~(3) the order for which the party seeks amendment was entered by default, the party shows good cause for not appearing, and the record contains no factual evidence, or clearly erroneous evidence regarding the individual obligor's ability to pay; or~~

~~(4) the party seeking modification was institutionalized or incarcerated for an offense other than nonsupport of a child during the period for which retroactive modification is sought and lacked the financial ability to pay the support ordered during that time period. In determining whether to allow the retroactive modification, the court shall consider whether and when a request was made to the public authority for support modification.~~

~~The court may provide that a reduction in the amount allocated for child care expenses based on a substantial decrease in the expenses is effective as of the date the expenses decreased.~~

~~(e)~~ (f) Except for an award of the right of occupancy of the homestead, provided in section

518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

~~(f)~~ (g) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

~~(g)~~ (h) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.

(i) Except as expressly provided, an enactment, amendment, or repeal of law does not constitute a substantial change in the circumstances for purposes of modifying a child support order.

(j) There may be no modification of an existing child support order during the first year following the effective date of sections 518.7123 to 518.729 except as follows:

(1) there is at least a 20 percent change in the gross income of the obligor;

(2) there is a change in the number of joint children for whom the obligor is legally responsible and actually supporting;

(3) the child supported by the existing child support order becomes disabled; or

(4) both parents consent to modification of the existing order in compliance with the new income shares guidelines.

(k) On the first modification under the income shares method of calculation, the modification of basic support may be limited if the amount of the full variance would create hardship for either the obligor or the obligee.

Paragraph (j) expires January 1, 2008.

Sec. 11. Minnesota Statutes 2004, section 518.64, is amended by adding a subdivision to read:

Subd. 7. [CHILD CARE EXCEPTION.] The court may provide that a reduction in the amount allocated for child care expenses based on a substantial decrease in the expenses is effective as of the date the expense is decreased.

Sec. 12. Minnesota Statutes 2004, section 518.64, is amended by adding a subdivision to read:

Subd. 8. [CHILD SUPPORT DEBT AND ARREARAGE MANAGEMENT.] The parties, including the public authority, may compromise child support debt or arrearages owed by one party to another, whether or not reduced to judgment, upon agreement of the parties involved.

Sec. 13. Minnesota Statutes 2004, section 518.68, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The required notices must be substantially as follows:

IMPORTANT NOTICE

1. PAYMENTS TO PUBLIC AGENCY

According to Minnesota Statutes, section 518.551, subdivision 1, payments ordered for maintenance and support must be paid to the public agency responsible for child support enforcement as long as the person entitled to receive the payments is receiving or has applied for public assistance or has applied for support and maintenance collection services. MAIL PAYMENTS TO:

2. DEPRIVING ANOTHER OF CUSTODIAL OR PARENTAL RIGHTS -- A FELONY

A person may be charged with a felony who conceals a minor child or takes, obtains, retains, or fails to return a minor child from or to the child's parent (or person with custodial or visitation rights), according to Minnesota Statutes, section 609.26. A copy of that section is available from any district court clerk.

3. NONSUPPORT OF A SPOUSE OR CHILD -- CRIMINAL PENALTIES

A person who fails to pay court-ordered child support or maintenance may be charged with a crime, which may include misdemeanor, gross misdemeanor, or felony charges, according to Minnesota Statutes, section 609.375. A copy of that section is available from any district court clerk.

4. RULES OF SUPPORT, MAINTENANCE, PARENTING TIME

(a) Payment of support or spousal maintenance is to be as ordered, and the giving of gifts or making purchases of food, clothing, and the like will not fulfill the obligation.

(b) Payment of support must be made as it becomes due, and failure to secure or denial of parenting time is NOT an excuse for nonpayment, but the aggrieved party must seek relief through a proper motion filed with the court.

(c) Nonpayment of support is not grounds to deny parenting time. The party entitled to receive support may apply for support and collection services, file a contempt motion, or obtain a judgment as provided in Minnesota Statutes, section 548.091.

(d) The payment of support or spousal maintenance takes priority over payment of debts and other obligations.

(e) A party who accepts additional obligations of support does so with the full knowledge of the party's prior obligation under this proceeding.

(f) Child support or maintenance is based on annual income, and it is the responsibility of a person with seasonal employment to budget income so that payments are made throughout the year as ordered.

(g) ~~If the obligor is laid off from employment or receives a pay reduction, support may be reduced, but only if a motion to reduce the support is served and filed with the court. Any reduction will take effect only if ordered by the court and may only relate back to the time that the motion is filed. If a motion is not filed, the support obligation will continue at the current level. The court is not permitted to reduce support retroactively, except as provided in Minnesota Statutes, section 518.64, subdivision 2, paragraph (c).~~

~~(h)~~ Reasonable parenting time guidelines are contained in Appendix B, which is available from the court administrator.

~~(i)~~ (h) The nonpayment of support may be enforced through the denial of student grants; interception of state and federal tax refunds; suspension of driver's, recreational, and occupational licenses; referral to the department of revenue or private collection agencies; seizure of assets, including bank accounts and other assets held by financial institutions; reporting to credit bureaus; interest charging, income withholding, and contempt proceedings; and other enforcement methods allowed by law.

(i) The public authority may suspend or resume collection of the amount allocated for child care expenses if the conditions of section 518.72, subdivision 4, are met.

5. MODIFYING CHILD SUPPORT

If either the obligor or obligee is laid off from employment or receives a pay reduction, child support may be modified, increased, or decreased. Any modification will only take effect when it is ordered by the court, and will only relate back to the time that a motion is filed. Either the obligor or obligee may file a motion to modify child support, and may request the public agency for help. UNTIL A MOTION IS FILED, THE CHILD SUPPORT OBLIGATION

WILL CONTINUE AT THE CURRENT LEVEL. THE COURT IS NOT PERMITTED TO REDUCE SUPPORT RETROACTIVELY.

~~5~~ 6. PARENTAL RIGHTS FROM MINNESOTA STATUTES, SECTION 518.17, SUBDIVISION 3

Unless otherwise provided by the Court:

(a) Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Each party has the right of access to information regarding health or dental insurance available to the minor children. Presentation of a copy of this order to the custodian of a record or other information about the minor children constitutes sufficient authorization for the release of the record or information to the requesting party.

(b) Each party shall keep the other informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress and status, and to attend school and parent teacher conferences. The school is not required to hold a separate conference for each party.

(c) In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

(d) Each party has the right of reasonable access and telephone contact with the minor children.

~~6~~ 7. WAGE AND INCOME DEDUCTION OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be withheld from income, with or without notice to the person obligated to pay, when the conditions of Minnesota Statutes, section 518.6111 have been met. A copy of those sections is available from any district court clerk.

~~7~~ 8. CHANGE OF ADDRESS OR RESIDENCE

Unless otherwise ordered, each party shall notify the other party, the court, and the public authority responsible for collection, if applicable, of the following information within ten days of any change: the residential and mailing address, telephone number, driver's license number, Social Security number, and name, address, and telephone number of the employer.

~~8~~ 9. COST OF LIVING INCREASE OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be adjusted every two years based upon a change in the cost of living (using Department of Labor Consumer Price Index ....., unless otherwise specified in this order) when the conditions of Minnesota Statutes, section 518.641, are met. Cost of living increases are compounded. A copy of Minnesota Statutes, section 518.641, and forms necessary to request or contest a cost of living increase are available from any district court clerk.

~~9~~ 10. JUDGMENTS FOR UNPAID SUPPORT

If a person fails to make a child support payment, the payment owed becomes a judgment against the person responsible to make the payment by operation of law on or after the date the payment is due, and the person entitled to receive the payment or the public agency may obtain entry and docketing of the judgment WITHOUT NOTICE to the person responsible to make the payment under Minnesota Statutes, section 548.091. Interest begins to accrue on a payment or installment of child support whenever the unpaid amount due is greater than the current support due, according to Minnesota Statutes, section 548.091, subdivision 1a.

~~10~~ 11. JUDGMENTS FOR UNPAID MAINTENANCE

A judgment for unpaid spousal maintenance may be entered when the conditions of Minnesota Statutes, section 548.091, are met. A copy of that section is available from any district court clerk.

~~11~~ 12. ATTORNEY FEES AND COLLECTION COSTS FOR ENFORCEMENT OF CHILD SUPPORT

A judgment for attorney fees and other collection costs incurred in enforcing a child support order will be entered against the person responsible to pay support when the conditions of section 518.14, subdivision 2, are met. A copy of section 518.14 and forms necessary to request or contest these attorney fees and collection costs are available from any district court clerk.

~~12~~ 13. PARENTING TIME EXPEDITOR PROCESS

On request of either party or on its own motion, the court may appoint a parenting time expeditor to resolve parenting time disputes under Minnesota Statutes, section 518.1751. A copy of that section and a description of the expeditor process is available from any district court clerk.

~~13~~ 14. PARENTING TIME REMEDIES AND PENALTIES

Remedies and penalties for the wrongful denial of parenting time are available under Minnesota Statutes, section 518.175, subdivision 6. These include compensatory parenting time; civil penalties; bond requirements; contempt; and reversal of custody. A copy of that subdivision and forms for requesting relief are available from any district court clerk.

Sec. 14. [518.7123] [CALCULATION OF GROSS INCOME.]

(a) Except as excluded below, gross income includes income from any source, including, but not limited to, salaries, wages, commissions, advances, bonuses, dividends, severance pay, pensions, interest, honoraria, trust income, annuities, return on capital, Social Security benefits, workers' compensation benefits, unemployment insurance benefits, disability insurance benefits, gifts, prizes, including lottery winnings, alimony, spousal maintenance payments, income from self-employment or operation of a business, as determined under section 518.7125. All salary, wages, commissions, or other compensation paid by third parties shall be based upon Medicare gross income. No deductions shall be allowed for contributions to pensions, 401-K, IRA, or other retirement benefits.

(b) Excluded and not counted in gross income is compensation received by a party for employment in excess of a 40-hour work week, provided that:

(1) child support is nonetheless ordered in an amount at least equal to the guideline amount based on gross income not excluded under this clause; and

(2) the party demonstrates, and the court finds, that:

(i) the excess employment began after the filing of the petition for dissolution;

(ii) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(iii) the excess employment is voluntary and not a condition of employment;

(iv) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(v) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

(c) Expense reimbursements or in-kind payments received by a parent in the course of employment, self-employment, or operation of a business shall be counted as income if they reduce personal living expenses.

(d) Gross income may be calculated on either an annual or monthly basis. Weekly income shall be translated to monthly income by multiplying the weekly income by 4.33.

(e) Excluded and not counted as income is any child support payment received by a party. It is a rebuttable presumption that adoption assistance payments, guardianship assistance payments, and foster care subsidies are excluded and not counted as income.

(f) Excluded and not counted as income is the income of the obligor's spouse and the obligee's spouse.

Sec. 15. [518.7125] [INCOME FROM SELF-EMPLOYMENT OR OPERATION OF A BUSINESS.]

For income from self-employment, rent, royalties, proprietorship of a business, or joint ownership of a partnership or closely held corporation, gross income is defined as gross receipts minus costs of goods sold minus ordinary and necessary expenses required for self-employment or business operation. Specifically excluded from ordinary and necessary expenses are amounts allowable by the Internal Revenue Service for the accelerated component of depreciation expenses, investment tax credits, or any other business expenses determined by the court to be inappropriate or excessive for determining gross income for purposes of calculating child support.

Sec. 16. [518.713] [COMPUTATION OF CHILD SUPPORT OBLIGATIONS.]

To determine the presumptive amount of support owed by a parent, follow the procedure set forth in this section:

(1) determine the gross income of each parent using the definition in section 518.54, subdivision 18;

(2) calculate the parental income for child support (PICS) of each parent under section 518.54, subdivision 15, by subtracting from the gross income the credit, if any, for each parent's nonjoint children under section 518.717;

(3) determine the percentage contribution of each parent to the combined PICS by dividing the combined PICS into each parent's PICS;

(4) determine the combined basic support obligation by application of the schedule in section 518.725;

(5) determine each parent's share of the basic support obligation by multiplying the percentage figure from clause (3) by the combined basic support obligation in clause (4);

(6) determine the parenting expense adjustment, if any, as provided in section 518.722, and adjust that parent's basic support obligation accordingly;

(7) determine the child care support obligation for each parent as provided in section 518.72;

(8) determine the health care coverage obligation for each parent as provided in section 518.719. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as described in section 518.722;

(9) determine each parent's total child support obligation by adding together each parent's basic support, child care support, and health care coverage obligations as provided in clauses (1) to (8);

(10) reduce or increase each parent's total child support obligation by the amount of the health care coverage contribution paid by or on behalf of the other parent, as provided in section 518.719, subdivision 5;

(11) if Social Security benefits or veterans' benefits are received by one parent as a representative payee for a joint child due to the other parent's disability or retirement, subtract the amount of benefits from the other parent's net child support obligation, if any;

(12) apply the self-support adjustment and minimum support obligation provisions as provided in section 518.724; and

(13) the final child support order shall separately designate the amount owed for basic support, child care support, and medical support.

Sec. 17. [518.714] [DEVIATIONS FROM CHILD SUPPORT GUIDELINES.]

Subdivision 1. [GENERAL FACTORS.] Among other reasons, deviation from the presumptive guideline amount is intended to encourage prompt and regular payments of child support and to prevent either parent or the joint children from living in poverty. In addition to the child support guidelines, the court must take into consideration the following factors in setting or modifying child support or in determining whether to deviate upward or downward from the guidelines:

(1) all earnings, income, circumstances, and resources of each parent, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of section 518.7123, paragraph (b), clause (2);

(2) the extraordinary financial needs and resources, physical and emotional condition, and educational needs of the child to be supported;

(3) the standard of living the child would enjoy if the parents were currently living together, but recognizing that the parents now have separate households;

(4) which parent receives the income taxation dependency exemption and the financial benefit the parent receives from it;

(5) the parents' debts as provided in subdivision 2; and

(6) the obligor's total payments for court-ordered child support exceed the limitations set forth in section 571.922.

Subd. 2. [DEBT OWED TO PRIVATE CREDITORS.] (a) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.741;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court may consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the original debt amount, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

(b) A schedule prepared under paragraph (a), clause (3), must contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

(c) Any further departure below the guidelines that is based on a consideration of debts owed to private creditors must not exceed 18 months in duration. After 18 months the support must increase automatically to the level ordered by the court. This section does not prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

(d) If payment of debt is ordered pursuant to this section, the payment must be ordered to be in the nature of child support.

Subd. 3. [EVIDENCE.] The court may receive evidence on the factors in this section to determine if the guidelines should be exceeded or modified in a particular case.

Subd. 4. [PAYMENTS ASSIGNED TO PUBLIC AUTHORITY.] If the child support payments are assigned to the public authority under section 256.741, the court may not deviate downward from the child support guidelines unless the court specifically finds that the failure to deviate downward would impose an extreme hardship on the obligor.

Subd. 5. [JOINT LEGAL CUSTODY.] An award of joint legal custody is not a reason for deviation from the guidelines.

Subd. 6. [SELF-SUPPORT LIMITATION.] If, after payment of income and payroll taxes, the obligor can establish that they do not have enough for the self-support reserve, a downward deviation may be allowed.

Sec. 18. [518.715] [WRITTEN FINDINGS.]

Subdivision 1. [NO DEVIATION.] If the court does not deviate from the guidelines, the court must make written findings concerning the amount of the parties' gross income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the child support determination.

Subd. 2. [DEVIATION.] (a) If the court deviates from the guidelines by agreement of the parties or pursuant to section 518.714, the court must make written findings giving the amount of support calculated under the guidelines, the reasons for the deviation, and must specifically address how the deviation serves the best interests of the child; and

(b) determine each parent's gross income and PICS.

Subd. 3. [WRITTEN FINDINGS REQUIRED IN EVERY CASE.] The provisions of this section apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court must review stipulations presented to it for conformity to the guidelines. The court is not required to conduct a hearing, but the parties must provide sufficient documentation to verify the child support determination, and justify any deviation from the guidelines.

Sec. 19. [518.716] [GUIDELINES REVIEW.]

No later than 2006 and every four years after that, the Department of Human Services must conduct a review of the child support guidelines.

Sec. 20. [518.717] [NONJOINT CHILDREN.]

(a) When either or both parents of the joint child subject to this determination are legally responsible for a nonjoint child who resides in that parent's household, a credit for this obligation shall be calculated under this section.

(b) Determine the gross income for each parent under section 518.54, subdivision 18.

(c) Using the guideline as established in section 518.725, determine the basic child support obligation for the nonjoint child or children who actually reside in the parent's household, by using the gross income of the parent for whom the credit is being calculated, and using the number of nonjoint children actually in the parent's immediate household. If the number of nonjoint children to be used for the determination is greater than two, the determination shall be made using the number two instead of the greater number.

(d) The credit for nonjoint children shall be 50 percent of the guideline amount from paragraph (c).

Sec. 21. [518.718] [SOCIAL SECURITY OR VETERANS' BENEFIT PAYMENTS RECEIVED ON BEHALF OF THE CHILD.]

(a) The amount of the monthly Social Security benefits or apportioned veterans' benefits received by the child or on behalf of the child shall be added to the gross income of the parent for whom the disability or retirement benefit was paid.

(b) The amount of the monthly survivors' and dependents' educational assistance received by the child or on behalf of the child shall be added to the gross income of the parent for whom the disability or retirement benefit was paid.

(c) If the Social Security or apportioned veterans' benefits are paid on behalf of the obligor, and are received by the obligee as a representative payee for the child or by the child attending school, then the amount of the benefits may also be subtracted from the obligor's net child support obligation as calculated pursuant to section 518.713.

(d) If the survivors' and dependents' educational assistance is paid on behalf of the obligor, and is received by the obligee as a representative payee for the child or by the child attending school, then the amount of the assistance shall also be subtracted from the obligor's net child support obligation as calculated pursuant to section 518.713.

Sec. 22. [518.719] [MEDICAL SUPPORT.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to sections 518.54 to 518.773.

(a) "Health care coverage" means health care benefits that are provided by a health plan. Health care coverage does not include any form of medical assistance under chapter 256B or MinnesotaCare under chapter 256L.

(b) "Health carrier" means a carrier as defined in sections 62A.011, subdivision 2, and 62L.02, subdivision 16.

(c) "Health plan" means a plan meeting the definition under section 62A.011, subdivision 3, a group health plan governed under the federal Employee Retirement Income Security Act of 1974 (ERISA), a self-insured plan under sections 43A.23 to 43A.317 and 471.617, or a policy, contract, or certificate issued by a community-integrated service network licensed under chapter 62N. Health plan includes plans:

(1) provided on an individual and group basis;

(2) provided by an employer or union;

(3) purchased in the private market; and

(4) available to a person eligible to carry insurance for the joint child.

Health plan includes a plan providing for dependent-only dental or vision coverage and a plan provided through a party's spouse or parent.

(d) "Medical support" means providing health care coverage for a joint child by carrying health care coverage for the joint child or by contributing to the cost of health care coverage, public coverage, unreimbursed medical expenses, and uninsured medical expenses of the joint child.

(e) "National medical support notice" means an administrative notice issued by the public authority to enforce health insurance provisions of a support order in accordance with Code of Federal Regulations, title 45, section 303.32, in cases where the public authority provides support enforcement services.

(f) "Public coverage" means health care benefits provided by any form of medical assistance under chapter 256B or MinnesotaCare under chapter 256L.

(g) "Uninsured medical expenses" means a joint child's reasonable and necessary health-related expenses if the joint child is not covered by a health plan or public coverage when the expenses are incurred.

(h) "Unreimbursed medical expenses" means a joint child's reasonable and necessary health-related expenses if a joint child is covered by a health plan or public coverage and the plan or coverage does not pay for the total cost of the expenses when the expenses are incurred. Unreimbursed medical expenses do not include the cost of premiums. Unreimbursed medical expenses include, but are not limited to, deductibles, co-payments, and expenses for orthodontia, and prescription eyeglasses and contact lenses, but not over-the-counter medications if coverage is under a health plan.

Subd. 2. [ORDER.] (a) A completed national medical support notice issued by the public authority or a court order that complies with this section is a qualified medical child support order under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a).

(b) Every order addressing child support must state:

(1) the names, last known addresses, and Social Security numbers of the parents and the joint child that is a subject of the order unless the court prohibits the inclusion of an address or Social Security number and orders the parents to provide the address and Social Security number to the administrator of the health plan;

(2) whether appropriate health care coverage for the joint child is available and, if so, state:

(i) which party must carry health care coverage;

(ii) the cost of premiums and how the cost is allocated between the parties;

(iii) how unreimbursed expenses will be allocated and collected by the parties; and

(iv) the circumstances, if any, under which the obligation to provide health care coverage for the joint child will shift from one party to the other;

(3) if appropriate health care coverage is not available for the joint child, whether a contribution for medical support is required; and

(4) whether the amount ordered for medical support is subject to a cost-of-living adjustment under section 518.641.

Subd. 3. [DETERMINING APPROPRIATE HEALTH CARE COVERAGE.] (a) In determining whether a party has appropriate health care coverage for the joint child, the court must evaluate the health plan using the following factors:

(1) accessible coverage. Dependent health care coverage is accessible if the covered joint child can obtain services from a health plan provider with reasonable effort by the parent with whom the joint child resides. Health care coverage is presumed accessible if:

(i) primary care coverage is available within 30 minutes or 30 miles of the joint child's residence and specialty care coverage is available within 60 minutes or 60 miles of the joint child's residence;

(ii) the coverage is available through an employer and the employee can be expected to remain employed for a reasonable amount of time; and

(iii) no preexisting conditions exist to delay coverage unduly;

(2) comprehensive coverage. Dependent health care coverage is comprehensive if it includes, at a minimum, medical and hospital coverage and provides for preventive, emergency, acute, and chronic care. If both parties have health care coverage that meets the minimum requirements, the court must determine which health care coverage is more comprehensive by considering whether the coverage includes:

(i) basic dental coverage;

(ii) orthodontia;

(iii) eyeglasses;

(iv) contact lenses;

(v) mental health services; or

(vi) substance abuse treatment;

(3) affordable coverage. Dependent health care coverage is affordable if it is reasonable in cost; and

(4) the joint child's special medical needs, if any.

(b) If both parties have health care coverage available for a joint child, and the court determines under paragraph (a), clauses (1) and (2), that the available coverage is comparable with regard to accessibility and comprehensiveness, the least costly health care coverage is the presumed appropriate health care coverage for the joint child.

Subd. 4. [ORDERING HEALTH CARE COVERAGE.] (a) If a joint child is presently enrolled in health care coverage, the court must order that the parent who currently has the joint child enrolled continue that enrollment unless the parties agree otherwise or a party requests a change in coverage and the court determines that other health care coverage is more appropriate.

(b) If a joint child is not presently enrolled in health care coverage, upon motion of a party or the public authority, the court must determine whether one or both parties have appropriate health care coverage for the joint child and order the party with appropriate health care coverage available to carry the coverage for the joint child.

(c) If only one party has appropriate health care coverage available, the court must order that party to carry the coverage for the joint child.

(d) If both parties have appropriate health care coverage available, the court must order the parent with whom the joint child resides to carry the coverage for the joint child, unless:

(1) either party expresses a preference for coverage available through the parent with whom the joint child does not reside;

(2) the parent with whom the joint child does not reside is already carrying dependent health care coverage for other children and the cost of contributing to the premiums of the other parent's coverage would cause the parent with whom the joint child does not reside extreme hardship; or

(3) the parents agree to provide coverage and agree on the allocation of costs.

(e) If the exception in paragraph (d), clause (1) or (2), applies, the court must determine which party has the most appropriate coverage available and order that party to carry coverage for the joint child. If the court determines under subdivision 3, paragraph (a), clauses (1) and (2), that the parties' health care coverage for the joint child is comparable with regard to accessibility and comprehensiveness, the court must presume that the party with the least costly health care coverage to carry coverage for the joint child.

(f) If neither party has appropriate health care coverage available, the court must order the parents to:

(1) contribute toward the actual health care costs of the joint children based on a pro rata share; or

(2) if the joint child is receiving any form of medical assistance under chapter 256B or MinnesotaCare under chapter 256L, the parent with whom the joint child does not reside shall contribute a monthly amount toward the actual cost of medical assistance under chapter 256B or MinnesotaCare under chapter 256L. The amount of contribution of the noncustodial parent is the amount the noncustodial parent would pay for the child's premiums if the noncustodial parent's income meets the eligibility requirements for public coverage. For purposes of determining the premium amount, the noncustodial parent's household size is equal to one parent plus the child or children who are the subject of the child support order. If the noncustodial parent's income exceeds the eligibility requirements for public coverage, the court must order the noncustodial parent's contribution toward the full premium cost of the child's or children's coverage. The custodial parent's obligation is determined under the requirements for public coverage as set forth in chapter 256B or 256L. The court may order the parent with whom the child resides to apply for public coverage for the child.

(g) A presumption of no less than $50 per month must be applied to the actual health care costs of the joint children or to the cost of health care coverage.

(h) The commissioner of human services must publish a table with the premium schedule for public coverage and update the chart for changes to the schedule by July 1 of each year.

Subd. 5. [MEDICAL SUPPORT COSTS; UNREIMBURSED AND UNINSURED MEDICAL EXPENSES.] (a) Unless otherwise agreed to by the parties and approved by the court, the court must order that the cost of health care coverage and all unreimbursed and uninsured medical expenses under the health plan be divided between the obligor and obligee based on their proportionate share of the parties' combined monthly PICS.

(b) If a party owes a joint child support obligation for a child and is ordered to carry health care coverage for the joint child, and the other party is ordered to contribute to the carrying party's cost for coverage, the carrying party's child support payment must be reduced by the amount of the contributing party's contribution.

(c) If a party owes a joint child support obligation for a child and is ordered to contribute to the other party's cost for carrying health care coverage for the joint child, the contributing party's child support payment must be increased by the amount of the contribution.

(d) If the party ordered to carry health care coverage for the joint child already carries dependent health care coverage for other dependents and would incur no additional premium costs to add the joint child to the existing coverage, the court must not order the other party to contribute to the premium costs for coverage of the joint child.

(e) If a party ordered to carry health care coverage for the joint child does not already carry dependent health care coverage but has other dependents who may be added to the ordered coverage, the full premium costs of the dependent health care coverage must be allocated between the parties in proportion to the party's share of the parties' combined PICS, unless the parties agree otherwise.

(f) If a party ordered to carry health care coverage for the joint child is required to enroll in a health plan so that the joint child can be enrolled in dependent health care coverage under the plan, the court must allocate the costs of the dependent health care coverage between the parties. The costs of the health care coverage for the party ordered to carry the coverage for the joint child must not be allocated between the parties.

Subd. 6. [NOTICE OR COURT ORDER SENT TO PARTY'S EMPLOYER, UNION, OR HEALTH CARRIER.] (a) The public authority must forward a copy of the national medical support notice or court order for health care coverage to the party's employer within two business days after the date the party is entered into the work reporting system under section 256.998.

(b) The public authority or a party seeking to enforce an order for health care coverage must forward a copy of the national medical support notice or court order to the obligor's employer or union, or to the health carrier under the following circumstances:

(1) the party ordered to carry health care coverage for the joint child fails to provide written proof to the other party or the public authority, within 30 days of the effective date of the court order, that the party has applied for health care coverage for the joint child;

(2) the party seeking to enforce the order or the public authority gives written notice to the party ordered to carry health care coverage for the joint child of its intent to enforce medical support. The party seeking to enforce the order or public authority must mail the written notice to the last known address of the party ordered to carry health care coverage for the joint child; and

(3) the party ordered to carry health care coverage for the joint child fails, within 15 days after the date on which the written notice under clause (2) was mailed, to provide written proof to the other party or the public authority that the party has applied for health care coverage for the joint child.

(c) The public authority is not required to forward a copy of the national medical support notice or court order to the obligor's employer or union, or to the health carrier, if the court orders health care coverage for the joint child that is not employer-based or union-based coverage.

Subd. 7. [EMPLOYER OR UNION REQUIREMENTS.] (a) An employer or union must forward the national medical support notice or court order to its health plan within 20 business days after the date on the national medical support notice or after receipt of the court order.

(b) Upon determination by an employer's or union's health plan administrator that a joint child is eligible to be covered under the health plan, the employer or union and health plan must enroll the joint child as a beneficiary in the health plan, and the employer must withhold any required premiums from the income or wages of the party ordered to carry health care coverage for the joint child.

(c) If enrollment of the party ordered to carry health care coverage for a joint child is necessary to obtain dependent health care coverage under the plan, and the party is not enrolled in the health plan, the employer or union must enroll the party in the plan.

(d) Enrollment of dependents and, if necessary, the party ordered to carry health care coverage for the joint child must be immediate and not dependent upon open enrollment periods. Enrollment is not subject to the underwriting policies under section 62A.048.

(e) Failure of the party ordered to carry health care coverage for the joint child to execute any documents necessary to enroll the dependent in the health plan does not affect the obligation of the employer or union and health plan to enroll the dependent in a plan. Information and authorization provided by the public authority, or by a party or guardian, is valid for the purposes of meeting enrollment requirements of the health plan.

(f) An employer or union that is included under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), may not deny enrollment to the joint child or to the parent if necessary to enroll the joint child based on exclusionary clauses described in section 62A.048.

(g) A new employer or union of a party who is ordered to provide health care coverage for a joint child must enroll the joint child in the party's health plan as required by a national medical support notice or court order.

Subd. 8. [HEALTH PLAN REQUIREMENTS.] (a) If a health plan administrator receives a completed national medical support notice or court order, the plan administrator must notify the parties, and the public authority if the public authority provides support enforcement services, within 40 business days after the date of the notice or after receipt of the court order, of the following:

(1) whether coverage is available to the joint child under the terms of the health plan and, if not, the reason why coverage is not available;

(2) whether the joint child is covered under the health plan;

(3) the effective date of the joint child's coverage under the health plan; and

(4) what steps, if any, are required to effectuate the joint child's coverage under the health plan.

(b) If the employer or union offers more than one plan and the national medical support notice or court order does not specify the plan to be carried, the plan administrator must notify the parents and the public authority if the public authority provides support enforcement services. When there is more than one option available under the plan, the public authority, in consultation with the parent with whom the joint child resides, must promptly select from available plan options.

(c) The plan administrator must provide the parents and public authority, if the public authority provides support enforcement services, with a notice of the joint child's enrollment, description of the coverage, and any documents necessary to effectuate coverage.

(d) The health plan must send copies of all correspondence regarding the health care coverage to the parents.

(e) An insured joint child's parent's signature is a valid authorization to a health plan for purposes of processing an insurance reimbursement payment to the medical services provider or to the parent, if medical services have been prepaid by that parent.

Subd. 9. [EMPLOYER OR UNION LIABILITY.] (a) An employer or union that willfully fails to comply with the order or notice is liable for any uninsured medical expenses incurred by the dependents while the dependents were eligible to be enrolled in the health plan and for any other premium costs incurred because the employer or union willfully failed to comply with the order or notice.

(b) An employer or union that fails to comply with the order or notice is subject to a contempt finding, a $250 civil penalty under section 518.615, and is subject to a civil penalty of $500 to be paid to the party entitled to reimbursement or the public authority. Penalties paid to the public authority are designated for child support enforcement services.

Subd. 10. [CONTESTING ENROLLMENT.] (a) A party may contest a joint child's enrollment in a health plan on the limited grounds that the enrollment is improper due to mistake of fact or that the enrollment meets the requirements of section 518.145.

(b) If the party chooses to contest the enrollment, the party must do so no later than 15 days after the employer notifies the party of the enrollment by doing the following:

(1) filing a motion in district court or according to section 484.702 and the expedited child support process rules if the public authority provides support enforcement services;

(2) serving the motion on the other party and public authority if the public authority provides support enforcement services; and

(3) securing a date for the matter to be heard no later than 45 days after the notice of enrollment.

(c) The enrollment must remain in place while the party contests the enrollment.

Subd. 11. [DISENROLLMENT; CONTINUATION OF COVERAGE; COVERAGE OPTIONS.] (a) Unless a court order provides otherwise, a child for whom a party is required to provide health care coverage under this section must be covered as a dependent of the party until the child is emancipated, until further order of the court, or as consistent with the terms of the coverage.

(b) The health carrier, employer, or union may not disenroll or eliminate coverage for the child unless:

(1) the health carrier, employer, or union is provided satisfactory written evidence that the court order is no longer in effect;

(2) the joint child is or will be enrolled in comparable health care coverage through another health plan that will take effect no later than the effective date of the disenrollment;

(3) the employee is no longer eligible for dependent coverage; or

(4) the required premium has not been paid by or on behalf of the joint child.

(c) The health plan must provide 30 days' written notice to the joint child's parents, and the public authority if the public authority provides support enforcement services, before the health plan disenrolls or eliminates the joint child's coverage.

(d) A joint child enrolled in health care coverage under a qualified medical child support order, including a national medical support notice, under this section is a dependent and a qualified beneficiary under the Consolidated Omnibus Budget and Reconciliation Act of 1985 (COBRA),

Public Law 99-272. Upon expiration of the order, the joint child is entitled to the opportunity to elect continued coverage that is available under the health plan. The employer or union must provide notice to the parties and the public authority, if it provides support services, within ten days of the termination date.

(e) If the public authority provides support enforcement services and a plan administrator reports to the public authority that there is more than one coverage option available under the health plan, the public authority, in consultation with the parent with whom the joint child resides, must promptly select coverage from the available options.

Subd. 12. [SPOUSAL OR FORMER SPOUSAL COVERAGE.] The court must require the parent with whom the joint child does not reside to provide dependent health care coverage for the benefit of the parent with whom the joint child resides if the parent is ordered to provide dependent health care coverage for the parties' joint child and adding the other parent to the coverage results in no additional premium cost.

Subd. 13. [DISCLOSURE OF INFORMATION.] (a) If the public authority provides support enforcement services, the parties must provide the public authority with the following information:

(1) information relating to dependent health care coverage or public coverage available for the benefit of the joint child for whom support is sought, including all information required to be included in a medical support order under this section;

(2) verification that application for court-ordered health care coverage was made within 30 days of the court's order; and

(3) the reason that a joint child is not enrolled in court-ordered health care coverage, if a joint child is not enrolled in coverage or subsequently loses coverage.

(b) Upon request from the public authority under section 256.978, an employer, union, or plan administrator, including an employer subject to the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1169(a), must provide the public authority the following information:

(1) information relating to dependent health care coverage available to a party for the benefit of the joint child for whom support is sought, including all information required to be included in a medical support order under this section; and

(2) information that will enable the public authority to determine whether a health plan is appropriate for a joint child, including, but not limited to, all available plan options, any geographic service restrictions, and the location of service providers.

(c) The employer, union, or plan administrator must not release information regarding one party to the other party. The employer, union, or plan administrator must provide both parties with insurance identification cards and all necessary written information to enable the parties to utilize the insurance benefits for the covered dependent.

(d) The public authority is authorized to release to a party's employer, union, or health plan information necessary to verify availability of dependent health care coverage, or to establish, modify, or enforce medical support.

(e) An employee must disclose to an employer if medical support is required to be withheld under this section and the employer must begin withholding according to the terms of the order and under section 518.6111. If an employee discloses an obligation to obtain health care coverage and coverage is available through the employer, the employer must make all application processes known to the individual and enroll the employee and dependent in the plan.

Subd. 14. [CHILD SUPPORT ENFORCEMENT SERVICES.] The public authority must take necessary steps to establish and enforce an order for medical support if the joint child receives public assistance or a party completes an application for services from the public authority under section 518.551, subdivision 7.

Subd. 15. [ENFORCEMENT.] (a) Remedies available for collecting and enforcing child support apply to medical support.

(b) For the purpose of enforcement, the following are additional support:

(1) the costs of individual or group health or hospitalization coverage;

(2) dental coverage;

(3) medical costs ordered by the court to be paid by either party, including health and dental insurance premiums paid by the obligee because of the obligor's failure to obtain coverage as ordered; and

(4) liabilities established under this subdivision.

(c) A party who fails to carry court-ordered dependent health care coverage is liable for the joint child's uninsured medical expenses unless a court order provides otherwise. A party's failure to carry court-ordered coverage, or to provide other medical support as ordered, is a basis for modification of a support order under section 518.64, subdivision 2.

(d) Payments by the health carrier or employer for services rendered to the dependents that are directed to a party not owed reimbursement must be endorsed over to and forwarded to the vendor or appropriate party or the public authority. A party retaining insurance reimbursement not owed to the party is liable for the amount of the reimbursement.

Subd. 16. [INCOME WITHHOLDING; OFFSET.] (a) If a party owes no joint child support obligation for a child and is an obligor ordered to contribute to the other party's cost for carrying health care coverage for the joint child, the obligor is subject to an offset under subdivision 5 or income withholding under section 518.6111.

(b) If a party's court-ordered health care coverage for the joint child terminates and the joint child is not enrolled in other health care coverage or public coverage, and a modification motion is not pending, the public authority may remove the offset to a party's child support obligation or terminate income withholding instituted against a party under section 518.6111. The public authority must provide notice to the parties of the action.

(c) A party may contest the public authority's action to remove the offset to the child support obligation or terminate income withholding if the party makes a written request for a hearing within 30 days after receiving written notice. If a party makes a timely request for a hearing, the public authority must schedule a hearing and send written notice of the hearing to the parties by mail to the parties' last known addresses at least 14 days before the hearing. The hearing must be conducted in district court or in the expedited child support process if section 484.702 applies. The district court or child support magistrate must determine whether removing the offset or terminating income withholding is appropriate and, if appropriate, the effective date for the removal or termination.

(d) If the party does not request a hearing, the district court or child support magistrate must order the offset or income withholding termination effective the first day of the month following termination of the joint child's health care coverage.

Subd. 17. [COLLECTING UNREIMBURSED AND UNINSURED MEDICAL EXPENSES.] (a) A party must initiate a request for reimbursement of unreimbursed and uninsured medical expenses within two years of the date that the party incurred the unreimbursed or uninsured medical expenses. The time period in this paragraph does not apply if the location of the other party is unknown.

(b) A party seeking reimbursement of unreimbursed and uninsured medical expenses must mail a written notice of intent to collect the expenses and a copy of an affidavit of health care expenses to the other party at the other party's last known address.

(c) The written notice must include a statement that the party has 30 days from the date the

notice was mailed to (1) pay in full; (2) enter a payment agreement; or (3) file a motion requesting a hearing contesting the matter. If the public authority provides support enforcement services, the written notice also must include a statement that the requesting party must submit the amount due to the public authority for collection.

(d) The affidavit of health care expenses must itemize and document the joint child's unreimbursed or uninsured medical expenses and include copies of all bills, receipts, and insurance company explanations of benefits.

(e) If the public authority provides support enforcement services, the party seeking reimbursement must send to the public authority a copy of the written notice, the original affidavit, and copies of all bills, receipts, and insurance company explanations of benefits.

(f) If the party does not respond to the request for reimbursement within 30 days, the party seeking reimbursement or public authority, if the public authority provides support enforcement services, must commence an enforcement action against the party under subdivision 18.

(g) The public authority must serve the other party with a notice of intent to enforce unreimbursed and uninsured medical expenses and file an affidavit of service by mail with the district court administrator. The notice must state that, unless the party (1) pays in full; (2) enters into a payment agreement; or (3) files a motion contesting the matter within 14 days of service of the notice, the public authority will commence enforcement of the expenses as medical support arrears under subdivision 18.

(h) If the party files a timely motion for a hearing contesting the requested reimbursement, the contesting party must schedule a hearing in district court or in the expedited child support process if section 484.702 applies. The contesting party must provide the party seeking reimbursement and the public authority, if the public authority provides support enforcement services, with written notice of the hearing at least 14 days before the hearing by mailing notice of the hearing to the public authority and the party at the party's last known address. The party seeking reimbursement must file the original affidavit of health care expenses with the court at least five days before the hearing. Based upon the evidence presented, the district court or child support magistrate must determine liability for the expenses and order that the liable party is subject to enforcement of the expenses as medical support arrears under subdivision 18.

Subd. 18. [ENFORCING AN ORDER FOR MEDICAL SUPPORT ARREARS.] (a) If a party liable for unreimbursed and uninsured medical expenses owes a child support obligation to the party seeking reimbursement of the expenses, the expenses must be collected as medical support arrears.

(b) If a party liable for unreimbursed and uninsured medical expenses does not owe a child support obligation to the party seeking reimbursement, and the party seeking reimbursement owes the liable party basic support arrears, the liable party's medical support arrears must be deducted from the amount of the basic support arrears.

(c) If a liable party owes medical support arrears after deducting the amount owed from the amount of the child support arrears owed by the party seeking reimbursement, it must be collected as follows:

(1) if the party seeking reimbursement owes a child support obligation to the liable party, the child support obligation must be reduced by 20 percent until the medical support arrears are satisfied;

(2) if the party seeking reimbursement does not owe a child support obligation to the liable party, the liable party's income must be subject to income withholding under section 518.6111 for an amount required under section 518.553 until the medical support arrears are satisfied; or

(3) if the party seeking reimbursement does not owe a child support obligation, and income withholding under section 518.6111 is not available, payment of the medical support arrears must be required under a payment agreement under section 518.553.

(d) If a liable party fails to enter into or comply with a payment agreement, the party seeking reimbursement or the public authority, if it provides support enforcement services, may schedule a hearing to have a court order payment. The party seeking reimbursement or the public authority must provide the liable party with written notice of the hearing at least 14 days before the hearing.

Sec. 23. [518.72] [CHILD CARE SUPPORT.]

Subdivision 1. [CHILD CARE COSTS.] Unless otherwise agreed to by the parties and approved by the court, the court must order that work-related or education-related child care costs of joint children be divided between the obligor and obligee based on their proportionate share of the parties' combined monthly parental income for determining child support. Child care costs shall be adjusted by the amount of the estimated federal and state child care credit payable on behalf of a joint child. The Department of Human Services shall develop tables to calculate the applicable credit based upon the custodial parent's parental income for determining child support.

Subd. 2. [LOW-INCOME OBLIGOR.] (a) If the obligor's parental income for determining child support meets the income eligibility requirements for child care assistance under the basic sliding fee program under chapter 119B, the court must order the obligor to pay the lesser of the following amounts:

(1) the amount of the obligor's monthly co-payment for child care assistance under the basic sliding fee schedule established by the commissioner of education under chapter 119B, based on an obligor's monthly parental income for determining child support and the size of the obligor's household provided that the obligee is actually receiving child care assistance under the basic sliding fee program. For purposes of this subdivision, the obligor's household includes the obligor and the number of joint children for whom child support is being ordered; or

(2) the amount of the obligor's child care obligation under subdivision 1.

(b) The commissioner of human services must publish a table with the child care assistance basic sliding fee amounts and update the table for changes to the basic sliding fee schedule by July 1 of each year.

Subd. 3. [DETERMINING COSTS.] (a) The court must require verification of employment or school attendance and documentation of child care expenses from the obligee and the public authority, if applicable.

(b) If child care expenses fluctuate during the year because of the obligee's seasonal employment or school attendance or extended periods of parenting time with the obligor, the court must determine child care expenses based on an average monthly cost.

(c) The amount allocated for child care expenses is considered child support but is not subject to a cost-of-living adjustment under section 518.641.

(d) The court may allow the parent with whom the joint child does not reside to care for the joint child while the parent with whom the joint child resides is working or attending school, as provided in section 518.175, subdivision 8. Allowing the parent with whom the joint child does not reside to care for the joint child under section 518.175, subdivision 8, is not a reason to deviate from the guidelines.

Subd. 4. [CHANGE IN CHILD CARE.] (a) When a court order provides for child care expenses and the public authority provides child support enforcement services, the public authority must suspend collecting the amount allocated for child care expenses when:

(1) either party informs the public authority that no child care costs are being incurred; and

(2) the public authority verifies the accuracy of the information with the other party.

The public authority will resume collecting child care expenses when either party provides information that child care costs have resumed.

(b) If the parties provide conflicting information to the public authority regarding whether child

care expenses are being incurred, the public authority will continue or resume collecting child care expenses. Either party, by motion to the court, may challenge the suspension or resumption of the collection of child care expenses. If the public authority suspends collection activities for the amount allocated for child care expenses, all other provisions of the court order remain in effect.

(c) In cases where there is a substantial increase or decrease in child care expenses, the parties may modify the order under section 518.64.

Sec. 24. [518.722] [PARENTING EXPENSE ADJUSTMENT.]

(a) This section shall apply when the amount of parenting time granted to an obligor is ten percent or greater. Every child support order shall specify the total percent of parenting time granted to each parent.

(b) The obligor shall be entitled to a parenting expense adjustment calculated as follows:

(1) find the adjustment percentage corresponding to the percentage of parenting time allowed to the obligor below:

	Percentage Range of Parenting Time	Adjustment Percentage
(i)	less than 10 percent	no adjustment
(ii)	10 percent to 45 percent	12 percent
(iii)	45.1 percent to 50 percent	presume parenting time is equal

(2) multiply the adjustment percentage by the obligor's basic child support obligation to arrive at the parenting expense adjustment.

(c) Subtract the parenting expense adjustment from the obligor's basic child support obligation. The result is the obligor's obligation after parenting expense adjustment.

(d) If the parenting time is equal, the expenses for the children are equally shared, and the parental incomes for determining child support of the parents also are equal, no support shall be paid.

(e) If the parenting time is equal but the parents' parental incomes for determining child support are not equal, the parent having the greater parental income for determining child support shall be obligated for basic child support, calculated as follows:

(1) multiply the combined basic support by 1.5;

(2) prorate the basic child support obligation between the parents, subtract the lower amount from the higher amount and divide the balance in half; and

(3) the resulting figure is the obligation after parenting expense adjustment for the parent with the greater adjusted gross income.

(f) This parenting expense adjustment reflects the presumption that while exercising parenting time, a parent is responsible for and incurs costs of caring for the child, including, but not limited to, food, transportation, recreation, and household expenses.

(g) In the absence of other evidence, there is a rebuttable presumption that each parent has 25 percent of the parenting time for each joint child.

Sec. 25. [518.724] [ABILITY TO PAY; SELF-SUPPORT ADJUSTMENT.]

It is a rebuttable presumption that a child support order should not exceed the obligor's ability to pay. To determine the amount of child support the obligor has the ability to pay, follow the procedure set out in this section:

(1) calculate the obligor's income available for support by subtracting a monthly self-support reserve equal to 120 percent of the federal poverty guidelines for one person from the obligor's gross income;

(2) compare the obligor's income available for support from clause (1) to the amount of support calculated as per section 518.713, clauses (1) to (15). The amount of child support that is presumed to be correct, as defined in section 518.713, is the lesser of these two amounts;

(3) this section does not apply to an incarcerated obligor;

(4) if the obligor's child support is reduced under clause (2), then the court must apply the reduction to the child support obligation in the following order:

(i) medical support obligation;

(ii) child support care obligation; and

(iii) basic support obligation; and

(5) [MINIMUM BASIC SUPPORT AMOUNT.] if the obligor's income available for support is less than the self-support reserve, then the court must order minimum support as follows:

(i) for one or two children, the obligor's basic support obligation is $50 per month;

(ii) for three or four children, the obligor's basic support obligation is $75 per month; and

(iii) for five or more children, the obligor's basic support obligation is $100 per month. If the court orders the obligor to pay the minimum basic support amount under this paragraph, the obligor is presumed unable to pay child care support and medical support.

If the court finds the obligor receives no income and completely lacks the ability to earn income, the minimum basic support amount under this paragraph does not apply.

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

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

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

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

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

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

Combined Parental Income for Determining Child Support	Number of Children					
	One	Two	Three	Four	Five	Six
$0- $799	$50	$50	$75	$75	$100	$100
800- 899	80	129	149	173	201	233
900- 999	90	145	167	194	226	262
1,000- 1,099	116	161	186	216	251	291
1,100- 1,199	145	205	237	275	320	370
1,200- 1,299	177	254	294	341	396	459
1,300- 1,399	212	309	356	414	480	557
1,400- 1,499	251	368	425	493	573	664
1,500- 1,599	292	433	500	580	673	780
1,600- 1,699	337	502	580	673	781	905
1,700- 1,799	385	577	666	773	897	1,040
1,800- 1,899	436	657	758	880	1,021	1,183
1,900- 1,999	490	742	856	994	1,152	1,336
2,000- 2,099	516	832	960	1,114	1,292	1,498
2,100- 2,199	528	851	981	1,139	1,320	1,531
2,200- 2,299	538	867	1,000	1,160	1,346	1,561
2,300- 2,399	546	881	1,016	1,179	1,367	1,586
2,400- 2,499	554	893	1,029	1,195	1,385	1,608
2,500- 2,599	560	903	1,040	1,208	1,400	1,625
2,600- 2,699	570	920	1,060	1,230	1,426	1,655
2,700- 2,799	580	936	1,078	1,251	1,450	1,683
2,800- 2,899	589	950	1,094	1,270	1,472	1,707
2,900- 2,999	596	963	1,109	1,287	1,492	1,730
3,000- 3,099	603	975	1,122	1,302	1,509	1,749
3,100- 3,199	613	991	1,141	1,324	1,535	1,779
3,200- 3,299	623	1,007	1,158	1,344	1,558	1,807
3,300- 3,399	632	1,021	1,175	1,363	1,581	1,833
3,400- 3,499	640	1,034	1,190	1,380	1,601	1,857
3,500- 3,599	648	1,047	1,204	1,397	1,621	1,880
3,600- 3,699	657	1,062	1,223	1,418	1,646	1,909
3,700- 3,799	667	1,077	1,240	1,439	1,670	1,937
3,800- 3,899	676	1,018	1,257	1,459	1,693	1,963
3,900- 3,999	684	1,104	1,273	1,478	1,715	1,988
4,000- 4,099	692	1,116	1,288	1,496	1,736	2,012
4,100- 4,199	701	1,132	1,305	1,516	1,759	2,039
4,200- 4,299	710	1,147	1,322	1,536	1,781	2,064
4,300- 4,399	718	1,161	1,338	1,554	1,802	2,088
4,400- 4,499	726	1,175	1,353	1,572	1,822	2,111
4,500- 4,599	734	1,184	1,368	1,589	1,841	2,133
4,600- 4,699	743	1,200	1,386	1,608	1,864	2,160
4,700- 4,799	753	1,215	1,402	1,627	1,887	2,186
4,800- 4,899	762	1,231	1,419	1,645	1,908	2,212
4,900- 4,999	771	1,246	1,435	1,663	1,930	2,236
5,000- 5,099	780	1,260	1,450	1,680	1,950	2,260
5,100- 5,199	788	1,275	1,468	1,701	1,975	2,289
5,200- 5,299	797	1,290	1,485	1,722	1,999	2,317
5,300- 5,399	805	1,304	1,502	1,743	2,022	2,345
5,400- 5,499	812	1,318	1,518	1,763	2,046	2,372

5,500- 5,599	820	1,331	1,535	1,782	2,068	2,398
5,600- 5,699	829	1,346	1,551	1,801	2,090	2,424
5,700- 5,799	838	1,357	1,568	1,819	2,111	2,449
5,800- 5,899	847	1,376	1,583	1,837	2,132	2,473
5,900- 5,999	856	1,390	1,599	1,855	2,152	2,497
6,000- 6,099	864	1,404	1,614	1,872	2,172	2,520
6,100- 6,199	874	1,419	1,631	1,892	2,195	2,546
6,200- 6,299	883	1,433	1,645	1,912	2,217	2,572
6,300- 6,399	892	1,448	1,664	1,932	2,239	2,597
6,400- 6,499	901	1,462	1,682	1,951	2,260	2,621
6,500- 6,599	910	1,476	1,697	1,970	2,282	2,646
6,600- 6,699	919	1,490	1,713	1,989	2,305	2,673
6,700- 6,799	927	1,505	1,730	2,009	2,328	2,700
6,800- 6,899	936	1,519	1,746	2,028	2,350	2,727
6,900- 6,999	944	1,533	1,762	2,047	2,379	2,753
7,000- 7,099	952	1,547	1,778	2,065	2,394	2,779
7,100- 7,199	961	1,561	1,795	2,085	2,417	2,805
7.200- 7,299	971	1,574	1,812	2,104	2,439	2,830
7,300- 7,399	980	1,587	1,828	2,123	2,462	2,854
7,400- 7,499	989	1,600	1,844	2,142	2,483	2,879
7,500- 7,599	998	1,613	1,860	2,160	2,505	2,903
7,600- 7,699	1,006	1,628	1,877	2,180	2,528	2,929
7,700- 7,799	1,015	1,643	1,894	2,199	2,550	2,955
7,800- 7,899	1,023	1,658	1,911	2,218	2,572	2,981
7,900- 7,999	1,032	1,673	1,928	2,237	2,594	3,007
8,000- 8,099	1,040	1,688	1,944	2,256	2,616	3,032
8,100- 8,199	1,048	1,703	1,960	2,274	2,637	3,057
8,200- 8,299	1,056	1,717	1,976	2,293	2,658	3,082
8,300- 8,399	1,064	1,731	1,992	2,311	2,679	3,106
8,400- 8,499	1,072	1,746	2,008	2,328	2,700	3,130
8,500- 8,599	1,080	1,760	2,023	2,346	2,720	3,154
8,600- 8,699	1,092	1,780	2,047	2,374	2,752	3,191
8,700- 8,799	1,105	1,801	2,071	2,401	2,784	3,228
8,800- 8,899	1,118	1,822	2,094	2,429	2,816	3,265
8,900- 8,999	1,130	1,842	2,118	2,456	2,848	3,302
9,000- 9,099	1,143	1,863	2,142	2,484	2,880	3,339
9,100- 9,199	1,156	1,884	2,166	2,512	2,912	3,376
9,200- 9,299	1,168	1,904	2,190	2,539	2,944	3,413
9,300- 9,399	1,181	1,925	2,213	2,567	2,976	3,450
9,400- 9,499	1,194	1,946	2,237	2,594	3,008	3,487
9,500- 9,599	1,207	1,967	2,261	2,622	3,040	3,525
9,600- 9,699	1,219	1,987	2,285	2,650	3,072	3,562
9,700- 9,799	1,232	2,008	2,309	2,677	3,104	3,599
9,800- 9,899	1,245	2,029	2,332	2,705	3,136	3,636
9,900- 9,999	1,257	2,049	2,356	2,732	3,168	3,673
10,000-10,099	1,270	2,070	2,380	2,760	3,200	3,710
10,100-10,199	1,283	2,091	2,404	2,788	3,232	3,747
10,200-10,299	1,295	2,111	2,428	2,815	3,264	3,784
10,300-10,399	1,308	2,132	2,451	2,843	3,296	3,821
10,400-10,499	1,321	2,153	2,475	2,870	3,328	3,858
10,500-10,599	1,334	2,174	2,499	2,898	3,360	3,896
10,600-10,699	1,346	2,194	2,523	2,926	3,392	3,933
10,700-10,799	1,359	2,215	2,547	2,953	3,424	3,970
10,800-10,899	1,372	2,236	2,570	2,981	3,456	4,007

10,900-10,999	1,384	2,256	2,594	3,008	3,488	4,044
11,000-11,099	1,397	2,277	2,618	3,036	3,520	4,081
11,100-11,199	1,410	2,298	2,642	3,064	3,552	4,118
11,200-11,299	1,422	2,318	2,666	3,091	3,584	4,155
11,300-11,399	1,435	2,339	2,689	3,119	3,616	4,192
11,400-11,499	1,448	2,360	2,713	3,146	3,648	4,229
11,500-11,599	1,461	2,381	2,737	3,174	3,680	4,267
11,600-11,699	1,473	2,401	2,761	3,202	3,712	4,304
11,700-11,799	1,486	2,422	2,785	3,229	3,744	4,341
11,800-11,899	1,499	2,443	2,808	3,257	3,776	4,378
11,900-11,999	1,511	2,463	2,832	3,284	3,808	4,415
12,000-12,099	1,524	2,484	2,856	3,312	3,840	4,452
12,100-12,199	1,537	2,505	2,880	3,340	3,872	4,489
12,200-12,299	1,549	2,525	2,904	3,367	3,904	4,526
12,300-12,399	1,562	2,546	2,927	3,395	3,936	4,563
12,400-12,499	1,575	2,567	2,951	3,422	3,968	4,600
12,500-12,599	1,588	2,588	2,975	3,450	4,000	4,638
12,600-12,699	1,600	2,608	2,999	3,478	4,032	4,675
12,700-12,799	1,613	2,629	3,023	3,505	4,064	4,712
12,800-12,899	1,626	2,650	3,046	3,533	4,096	4,749
12,900-12,999	1,638	2,670	3,070	3,560	4,128	4,786
13,000-13,099	1,651	2,691	3,094	3,588	4,160	4,823
13,100-13,199	1,664	2,712	3,118	3,616	4,192	4,860
13,200-13,299	1,676	2,732	3,142	3,643	4,224	4,897
13,300-13,399	1,689	2,753	3,165	3,671	4,256	4,934
13,400-13,499	1,702	2,774	3,189	3,698	4,288	4,971
13,500-13,599	1,715	2,795	3,213	3,726	4,320	5,009
13,600-13,699	1,727	2,815	3,237	3,754	4,352	5,046
13,700-13,799	1,740	2,836	3,261	3,781	4,384	5,083
13,800-13,899	1,753	2,857	3,284	3,809	4,416	5,120
13,900-13,999	1,765	2,877	3,308	3,836	4,448	5,157
14,000-14,009	1,778	2,898	3,332	3,864	4,480	5,194
14,100-14,199	1,791	2,919	3,356	3,892	4,512	5,231
14,200-14,299	1,803	2,939	3,380	3,919	4,544	5,268
14,300-14,399	1,816	2,960	3,403	3,947	4,576	5,305
14,400-14,499	1,829	2,981	3,427	3,974	4,608	5,342
14,500-14,599	1,842	3,002	3,451	4,002	4,640	5,380
14,600-14,699	1,854	3,022	3,475	4,030	4,672	5,417
14,700-14,799	1,867	3,043	3,499	4,057	4,704	5,454
14,800-14,899	1,880	3,064	3,522	4,085	4,736	5,491
14,900-14,999	1,892	3,084	3,546	4,112	4,768	5,528
15,000, or the amount in effect under subd. 4	1,905	3,105	3,570	4,140	4,800	5,565

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

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

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

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

Sec. 27. [518.729] [WORKSHEET.]

The commissioner of human services must create and publish a worksheet to assist in calculating child support under sections 518.54 to 518.729. The worksheet must not impose substantive requirements other than requirements contained in sections 518.54 to 518.729. The commissioner must update the worksheet by July 1 of each year. The commissioner must make an interactive version of the worksheet available on the Department of Human Services Web site.

Sec. 28. [STUDY OF ECONOMIC IMPACT OF CHILD SUPPORT GUIDELINES.]

The commissioner of human services shall contract with a private provider to conduct an economic analysis of the child support guidelines contained in this act to evaluate whether the guidelines fairly represent the cost of raising children for the respective parental income levels, excluding medical support, child care, and education costs.

The results of the study shall be completed by no later than January 30, 2006. The private provider must have experience in evaluating or establishing child support guidelines, using the income shares approach, in other states.

Sec. 29. [INSTRUCTION TO THE REVISOR.]

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

(1) definitions;

(2) computations of basic support and the related calculations, adjustments, and guidelines that may affect the computations;

(3) child care support;

(4) medical support;

(5) ability to pay and self-support reserves;

(6) deviation factors; and

(7) collection, administrative, and other matters.

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

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

Sec. 30. [APPROPRIATIONS.]

$860,000 is appropriated in fiscal year 2006 from the general fund to the commissioner of

human services to fund implementation of this act. $450,000 is appropriated in fiscal year 2007 from the general fund to the commissioner of human services to reimburse counties for their implementation costs. The commissioner of human services shall distribute funds to the counties for their costs of implementation based upon their total county IV-D caseload. The appropriation base in fiscal year 2008 for grants to counties shall be $450,000.

$440,000 is appropriated in fiscal year 2007 from the general fund to the Supreme Court to fund implementation of this act. This is a onetime appropriation.

Sec. 31. [REPEALER.]

Minnesota Statutes 2004, sections 518.171; 518.54, subdivisions 2, 4, and 4a; and 518.551, subdivisions 1, 5a, 5c, and 5f, are repealed.

Sec. 32. [EFFECTIVE DATE.]

Except as otherwise provided, this act is effective January 1, 2007, and applies to orders adopted or modified after that date. Sections 1 to 3 of this act are effective July 1, 2005."

Delete the title and insert:

"A bill for an act relating to civil law; increasing fees related to marriage and child support; reforming law relating to child support; establishing criteria for support obligations; defining parents' rights and responsibilities; appropriating money; amending Minnesota Statutes 2004, sections 357.021, subdivisions 1a, 2; 518.005, by adding a subdivision; 518.54; 518.55, subdivision 4; 518.551, subdivisions 5, 5b; 518.64, subdivision 2, by adding subdivisions; 518.68, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 2004, sections 518.171; 518.54, subdivisions 2, 4, 4a; 518.551, subdivisions 1, 5a, 5c, 5f."

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

Senate Conferees: (Signed) Thomas M. Neuville, Don Betzold, Linda Berglin

House Conferees: (Signed) Steve Smith, Rob Eastlund, Tim Mahoney

Senator Neuville moved that the foregoing recommendations and Conference Committee Report on S.F. No. 630 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 630 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

Bakk	Higgins	Limmer	Pappas	Skoe
Belanger	Hottinger	Lourey	Pariseau	Skoglund
Berglin	Johnson, D.E.	Marko	Pogemiller	Solon
Betzold	Johnson, D.J.	Marty	Ranum	Sparks
Cohen	Kelley	McGinn	Reiter	Stumpf
Day	Kierlin	Metzen	Rest	Tomassoni
Dille	Kiscaden	Michel	Robling	Vickerman
Fischbach	Kleis	Moua	Rosen	Wergin
Foley	Koering	Murphy	Ruud	Wiger
Frederickson	Kubly	Neuville	Sams	
Gaither	Langseth	Nienow	Saxhaug	
Gerlach	Larson	Olson	Scheid	
Hann	LeClair	Ortman	Senjem	

Those who voted in the negative were:

Anderson Chaudhary Dibble Jungbauer

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 644: A bill for an act relating to family law; requiring notification of noncustodial parents, corrections agents, local welfare agencies, and the court, of residence of a custodial parent with certain convicted persons; changing certain presumptions relating to paternity; disallowing certain convicted persons from becoming custodians of unrelated children; changing certain procedures for removal of a child's residence from Minnesota; requiring certain information in summary real estate disposition judgments; identifying pension plans subject to marital property division; authorizing the Department of Human Services to collect spousal maintenance; changing certain provisions concerning adoption communication or contact agreements; appropriating money; amending Minnesota Statutes 2004, sections 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivision 5; 257C.03, subdivision 7; 259.24, subdivisions 1, 2a, 5, 6a; 259.58; 260C.201, subdivision 11; 260C.212, subdivision 4; 518.091, subdivision 1; 518.1705, subdivisions 4, 7; 518.175, subdivision 3; 518.179, by adding a subdivision; 518.18; 518.191, subdivision 2; 518.54, subdivisions 4a, 14, by adding a subdivision; 518.551, subdivision 1; 518.58, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 244; 257; 260C.

Senate File No. 644 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

Senator Neuville moved that the Senate do not concur in the amendments by the House to S.F. No. 644, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 10:10 p.m. The motion prevailed.

The hour of 10:10 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1555, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1555 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1555

A bill for an act relating to health; modifying the Minnesota Emergency Health Powers Act; modifying authority of out-of-state license holders; amending Minnesota Statutes 2004, sections 12.03, subdivision 4d, by adding a subdivision; 12.22, subdivision 2a, by adding a subdivision; 12.31, subdivisions 1, 2; 12.32; 12.34, subdivision 1; 12.381; 12.39; 12.42; 13.3806, subdivision 1a; Laws 2002, chapter 402, section 21, as amended; proposing coding for new law in Minnesota Statutes, chapter 12.

May 23, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 1555, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1555 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 12.03, is amended by adding a subdivision to read:

Subd. 1e. [DECLARED EMERGENCY.] "Declared emergency" means a national security or peacetime emergency declared by the governor under section 12.31.

Sec. 2. Minnesota Statutes 2004, section 12.03, subdivision 4d, is amended to read:

Subd. 4d. [FACILITY.] "Facility" means any real property, building, structure, or other improvement to real property or any motor vehicle, rolling stock, aircraft, watercraft, or other means of transportation. Facility does not include a private residence but may include a licensed health care facility only when other alternatives are not feasible.

Sec. 3. Minnesota Statutes 2004, section 12.22, subdivision 2a, is amended to read:

Subd. 2a. [VOLUNTEER ~~ASSISTANCE~~ PROTECTIONS.] (a) Individuals who volunteer to assist a local political subdivision during an emergency or disaster, who register with that subdivision, and who are under the direction and control of that subdivision~~,~~ are considered an employee of that subdivision for purposes of workers' compensation and tort claim defense and indemnification.

(b) Individuals who volunteer to assist the state during an emergency or disaster, who register

with a state agency, and who are under the direction and control of the state agency are considered an employee of the state for purposes of workers' compensation and tort claim defense and indemnification.

Sec. 4. Minnesota Statutes 2004, section 12.22, is amended by adding a subdivision to read:

Subd. 4. [OTHER LAW PRESERVED.] Nothing in this chapter shall be construed to remove any immunity from, defense to, or limitation on liability provided by the Minnesota Tort Claims Act, the Municipal Tort Claims Act, or other law.

Sec. 5. Minnesota Statutes 2004, section 12.31, subdivision 1, is amended to read:

Subdivision 1. [DECLARATION OF NATIONAL SECURITY EMERGENCY.] When information from the President of the United States, the Federal Emergency Management Agency, the Department of Defense, or the National Warning System indicates the imminence of a national security emergency within the United States, which means the several states, the District of Columbia, and the Commonwealth of Puerto Rico, or the occurrence within the state of Minnesota of a major disaster ~~or public health emergency~~ from enemy sabotage or other hostile action, the governor may, by proclamation, declare that a national security emergency exists in all or any part of the state. If the legislature is then in regular session or, if it is not, if the governor concurrently with the proclamation declaring the emergency issues a call convening immediately both houses of the legislature, the governor may exercise for a period not to exceed 30 days the powers and duties conferred and imposed by sections 12.31 to 12.37 and 12.381. The lapse of these emergency powers does not, as regards any act occurring or committed within the 30-day period, deprive any person, political subdivision, municipal corporation, or body politic of any right to compensation or reimbursement that it may have under this chapter.

Sec. 6. Minnesota Statutes 2004, section 12.31, subdivision 2, is amended to read:

Subd. 2. [DECLARATION OF PEACETIME EMERGENCY.] (a) The governor may declare a peacetime emergency. A peacetime declaration of emergency may be declared only when an act of nature, a technological failure or malfunction, a terrorist incident, ~~a public health emergency,~~ an industrial accident, a hazardous materials accident, or a civil disturbance endangers life and property and local government resources are inadequate to handle the situation. If the peacetime emergency occurs on Indian lands, the governor or state director of emergency management shall consult with tribal authorities before the governor makes such a declaration. Nothing in this section shall be construed to limit the governor's authority to act without such consultation when the situation calls for prompt and timely action. When the governor declares a peacetime emergency, the governor must immediately notify the majority and minority leaders of the senate and the speaker and majority and minority leaders of the house of representatives. A peacetime emergency must not be continued for more than five days unless extended by resolution of the Executive Council up to 30 days. An order, or proclamation declaring, continuing, or terminating an emergency must be given prompt and general publicity and filed with the secretary of state.

(b) ~~This paragraph applies to a peacetime emergency declared as a result of a public health emergency. If the legislature is sitting in session at the time of the emergency declaration, the governor may exercise the powers and duties conferred by this chapter for the period allowed under paragraph (a). If the legislature is not sitting in session when a peacetime emergency is declared or renewed, the governor may exercise the powers and duties conferred by this chapter for the period allowed under paragraph (a) only if the governor issues a call convening both houses of the legislature at the same time the governor declares or renews the peacetime emergency.~~ By majority vote of each house of the legislature, the legislature may terminate a peacetime emergency extending beyond 30 days. If the governor determines a need to extend the peacetime emergency declaration beyond 30 days and the legislature is not sitting in session, the governor must issue a call immediately convening both houses of the legislature. Nothing in this section limits the governor's authority over or command of the National Guard as described in the Military Code, chapters 190 to 192A, and required by the Minnesota Constitution, article V, section 3.

Sec. 7. Minnesota Statutes 2004, section 12.32, is amended to read:

12.32 [GOVERNOR'S ORDERS AND RULES, EFFECT.]

Orders and rules promulgated by the governor under authority of section 12.21, subdivision 3, clause (1), when approved by the Executive Council and filed in the Office of the Secretary of State, have, during a national security emergency, peacetime emergency ~~declared due to a public health emergency~~, or energy supply emergency, the full force and effect of law. Rules and ordinances of any agency or political subdivision of the state inconsistent with the provisions of this chapter or with any order or rule having the force and effect of law issued under the authority of this chapter, is suspended during the period of time and to the extent that the emergency exists.

Sec. 8. Minnesota Statutes 2004, section 12.34, subdivision 1, is amended to read:

Subdivision 1. [EMERGENCY POWERS.] When necessary to save life, property, or the environment during a national security emergency or during a peacetime emergency ~~declared due to a public health emergency~~, the governor, the state director, or a member of a class of members of a state or local emergency management organization designated by the governor, may:

(1) require any person, except members of the federal or state military forces and officers of the state or a political subdivision, to perform services for emergency management purposes as directed by any of the persons described above; and

(2) commandeer, for emergency management purposes as directed by any of the persons described above, any motor vehicles, tools, appliances, medical supplies, or other personal property and any facilities.

Sec. 9. Minnesota Statutes 2004, section 12.381, is amended to read:

12.381 [SAFE DISPOSITION OF DEAD HUMAN BODIES.]

Subdivision 1. [POWERS FOR SAFE DISPOSITION.] Notwithstanding chapter 149A and Minnesota Rules, chapter 4610, in connection with deaths related to a ~~public health~~ declared emergency ~~and during a national security emergency declared due to a public health emergency or peacetime emergency declared due to a public health emergency~~, the governor may:

(1) direct measures to provide for the safe disposition of dead human bodies as may be reasonable and necessary for emergency response. Measures may include, but are not limited to, transportation, preparation, temporary mass burial and other interment, disinterment, and cremation of dead human bodies. Insofar as the emergency circumstances allow, the governor shall respect the religious rites, cultural customs, family wishes, and predeath directives of a decedent concerning final disposition. The governor may limit visitations or funeral ceremonies based on public health risks;

(2) consult with coroners and medical examiners, take possession or control of any dead human body, and order an autopsy of the body; and

(3) request any business or facility authorized to embalm, bury, cremate, inter, disinter, transport, or otherwise provide for disposition of a dead human body under the laws of this state to accept any dead human body or provide the use of its business or facility if the actions are reasonable and necessary for emergency management purposes and are within the safety precaution capabilities of the business or facility.

Subd. 2. [IDENTIFICATION OF BODIES; DATA CLASSIFICATION.] (a) A person in charge of the body of a person believed to have died due to a ~~public health~~ declared emergency shall maintain a written record of the body and all available information to identify the decedent, the circumstances of death, and disposition of the body. If a body cannot be identified, a qualified person shall, prior to disposition and to the extent possible, take fingerprints and one or more photographs of the remains and collect a DNA specimen from the body.

(b) All information gathered under this subdivision, other than data required for a death certificate under Minnesota Rules, part 4601.2550, shall be death investigation data and shall be classified as nonpublic data according to section 13.02, subdivision 9, or as private data on

decedents according to section 13.10, subdivision 1. Death investigation data are not medical examiner data as defined in section 13.83. Data gathered under this subdivision shall be promptly forwarded to the commissioner of health. The commissioner may only disclose death investigation data to the extent necessary to assist relatives in identifying decedents or for public health or public safety investigations.

Sec. 10. Minnesota Statutes 2004, section 12.39, is amended to read:

12.39 [INDIVIDUAL TESTING OR TREATMENT; NOTICE, REFUSAL, CONSEQUENCE.]

Subdivision 1. [REFUSAL OF TREATMENT.] Notwithstanding laws, rules, or orders made or promulgated in response to a national security emergency~~,~~ or peacetime emergency, ~~or public health emergency,~~ individuals have a fundamental right to refuse medical treatment, testing, physical or mental examination, vaccination, participation in experimental procedures and protocols, collection of specimens, and preventive treatment programs. An individual who has been directed by the commissioner of health to submit to medical procedures and protocols because the individual is infected with or reasonably believed by the commissioner of health to be infected with or exposed to a toxic agent that can be transferred to another individual or a communicable disease, and the agent or communicable disease is the basis for which the national security emergency~~,~~ or peacetime emergency~~, or public health emergency~~ was declared, and who refuses to submit to them may be ordered by the commissioner to be placed in isolation or quarantine according to parameters set forth in sections 144.419 and 144.4195.

Subd. 2. [INFORMATION GIVEN.] ~~Where feasible,~~ Before performing examinations, testing, treatment, or vaccination of an individual under subdivision 1, a health care provider shall notify the individual of the right to refuse the examination, testing, treatment, or vaccination, and the consequences, including isolation or quarantine, upon refusal.

Sec. 11. Minnesota Statutes 2004, section 12.42, is amended to read:

12.42 [OUT-OF-STATE LICENSE HOLDERS; POWERS, DUTIES.]

During ~~an~~ a declared emergency ~~or disaster~~, a person who holds a license, certificate, or other permit issued by a state of the United States, the District of Columbia, or a province of Canada evidencing the meeting of qualifications for professional, mechanical, or other skills, may render aid involving those skills in this state when such aid is requested by the governor to meet the needs of the emergency. The license, certificate, or other permit of the person, while rendering aid, has the same force and effect as if issued in this state, subject to such limitations and conditions as the governor may prescribe.

Sec. 12. [12.61] [HOSPITAL OR MEDICAL TRANSPORT CAPACITIES EXCEEDED; RESPONDER LIABILITY LIMITATION.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "emergency plan" includes:

(i) any plan for managing an emergency threatening public health developed by the commissioner of health or a local public health agency;

(ii) any plan for managing an emergency threatening public health developed by one or more hospitals, clinics, nursing homes, or other health care facilities or providers and approved by the commissioner of health or local public health agency in consultation with emergency management officials; or

(iii) any provision for assistance by out-of-state responders under interstate or international compacts, including but not limited to the Emergency Management Assistance Compact.

(2) "regional hospital system" means all hospitals in one of the hospital bioterrorism preparedness program geographic regions of the state set forth in the most recent hospital

preparedness plan available on the Department of Health Web site at www.health.state.mn.us/oep; and

(3) "responder" means any person or organization whether paid or volunteer that provides health care or other health-related services in an emergency including, but not limited to, physicians, physician assistants, registered and other nurses, certified nursing assistants, or other staff within a health care provider organization, pharmacists, chiropractors, dentists, emergency medical technicians, members of a specialized medical response unit, laboratory technicians, morticians, registered first responders, mental health professionals, hospitals, nursing and boarding care facilities, home health care agencies, other long-term care providers, medical and dental clinics, and medical laboratories and including, but not limited to, ambulance service personnel and dispatch services and persons not registered as first responders but affiliated with a medical response unit and dispatched to the scene of an emergency by a public safety answering point or licensed ambulance service.

Subd. 2. [EMERGENCY EXECUTIVE ORDER.] (a) During a national security emergency or a peacetime emergency declared under section 12.31, the governor may issue an emergency executive order upon finding that the number of seriously ill or injured persons exceeds the emergency hospital or medical transport capacity of one or more regional hospital systems and that care for those persons has to be given in temporary care facilities.

(b) During the effective period of the emergency executive order, a responder in any impacted region acting consistent with emergency plans is not liable for any civil damages or administrative sanctions as a result of good-faith acts or omissions by that responder in rendering emergency care, advice, or assistance. This section does not apply in case of malfeasance in office or willful or wanton actions.

Sec. 13. Minnesota Statutes 2004, section 13.3806, subdivision 1a, is amended to read:

Subd. 1a. [DEATH INVESTIGATION DATA.] Data gathered by the commissioner of health to identify the body of a person believed to have died due to a ~~public health~~ declared emergency as defined in section 12.03, subdivision ~~9a~~ 1e, the circumstances of death, and disposition of the body are classified in and may be released according to section 12.381, subdivision 2.

Sec. 14. Laws 2002, chapter 402, section 21, as amended by Laws 2004, chapter 279, article 11, section 7, is amended to read:

Sec. 21. [SUNSET.]

Sections 1 ~~to 19~~, 2, 5, 10, and 11 expire August 1, 2005.

Sec. 15. [EFFECTIVE DATE.]

Section 14 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; modifying the Minnesota Emergency Health Powers Act; modifying authority of out-of-state license holders; providing for emergency executive order; amending Minnesota Statutes 2004, sections 12.03, subdivision 4d, by adding a subdivision; 12.22, subdivision 2a, by adding a subdivision; 12.31, subdivisions 1, 2; 12.32; 12.34, subdivision 1; 12.381; 12.39; 12.42; 13.3806, subdivision 1a; Laws 2002, chapter 402, section 21, as amended; proposing coding for new law in Minnesota Statutes, chapter 12."

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

House Conferees: (Signed) Duke Powell, Kathy Tingelstad, Thomas Huntley

Senate Conferees: (Signed) Becky Lourey, Mike McGinn, D. Scott Dibble

Senator Lourey moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1555 be now adopted, and that the bill be repassed as amended by the Conference

Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1555 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hann	Larson	Ortman	Skoe
Bachmann	Higgins	LeClair	Pappas	Skoglund
Bakk	Hottinger	Lourey	Pariseau	Solon
Belanger	Johnson, D.E.	Marko	Pogemiller	Sparks
Berglin	Johnson, D.J.	Marty	Ranum	Stumpf
Betzold	Jungbauer	McGinn	Reiter	Tomassoni
Day	Kelley	Metzen	Rest	Vickerman
Dibble	Kierlin	Michel	Robling	Wergin
Fischbach	Kiscaden	Moua	Rosen	Wiger
Foley	Kleis	Murphy	Ruud	
Frederickson	Koering	Neuville	Saxhaug	
Gaither	Kubly	Nienow	Scheid	
Gerlach	Langseth	Olson	Senjem	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

Senator Johnson, D.E. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Johnson, D.E. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 644: Senators Neuville, Berglin and Betzold.

Senator Johnson, D.E. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated H.F. No. 1272 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1272: A bill for an act relating to professional firms; including marriage and family therapy in the definition of professional services; allowing marriage and family therapists to practice professional services in combination; amending Minnesota Statutes 2004, sections 319B.02, subdivision 19; 319B.40.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Kubly	Nienow	Scheid
Bachmann	Gerlach	Langseth	Ortman	Senjem
Belanger	Hann	Larson	Pappas	Skoe
Berglin	Higgins	LeClair	Pariseau	Skoglund
Betzold	Hottinger	Lourey	Pogemiller	Solon
Chaudhary	Johnson, D.E.	Marko	Ranum	Sparks
Cohen	Johnson, D.J.	Marty	Reiter	Stumpf
Day	Jungbauer	McGinn	Rest	Tomassoni
Dibble	Kelley	Metzen	Robling	Vickerman
Dille	Kierlin	Michel	Rosen	Wergin
Fischbach	Kiscaden	Moua	Ruud	Wiger
Foley	Kleis	Murphy	Sams	
Frederickson	Koering	Neuville	Saxhaug	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Johnson, D.E., Chair of the Committee on Rules and Administration, designated H.F. No. 1176 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1176: A bill for an act relating to education; modifying teacher license variance for certain special education teachers; amending Minnesota Statutes 2004, section 122A.09, subdivision 10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Koering	Neuville	Sams
Bachmann	Gaither	Kubly	Nienow	Saxhaug
Bakk	Gerlach	Langseth	Olson	Scheid
Belanger	Hann	Larson	Ortman	Senjem
Berglin	Higgins	LeClair	Pappas	Skoe
Betzold	Hottinger	Lourey	Pariseau	Skoglund
Chaudhary	Johnson, D.E.	Marko	Pogemiller	Solon
Cohen	Johnson, D.J.	Marty	Ranum	Sparks
Day	Jungbauer	McGinn	Reiter	Stumpf
Dibble	Kelley	Metzen	Rest	Tomassoni
Dille	Kierlin	Michel	Robling	Vickerman
Fischbach	Kiscaden	Moua	Rosen	Wergin
Foley	Kleis	Murphy	Ruud	Wiger

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Johnson, D.E. moved that H.F. No. 2448 be taken from the table. The motion prevailed.

H.F. No. 2448: A bill for an act relating to human services; making forecast adjustments for human services programs.

SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2448 and that the rules of the Senate be so far suspended as to give H.F. No. 2448 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2448 was read the second time.

Senator Cohen moved to amend H.F. No. 2448 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PREKINDERGARTEN THROUGH GRADE 12 EDUCATION

A. FORECAST ADJUSTMENTS

Section 1. Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 2, as amended by Laws 2004, chapter 272, article 1, section 1, is amended to read:

Subd. 2. [GENERAL EDUCATION AID.] For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

$4,726,466,000 2004

~~$5,026,983,000~~ $5,281,781,000 2005

The 2004 appropriation includes $860,552,000 for 2003 and $3,865,914,000 for 2004.

The 2005 appropriation includes ~~$1,009,822,000~~ $1,009,526,000 for 2004 and ~~$4,017,161,000~~ $4,272,255,000 for 2005.

Sec. 2. Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 3, as amended by Laws 2004, chapter 272, article 1, section 2, is amended to read:

Subd. 3. [REFERENDUM TAX BASE REPLACEMENT AID.] For referendum tax base replacement aid under Minnesota Statutes, section 126C.17, subdivision 7a:

$8,096,000 2004

~~$8,596,000~~ $9,007,000 2005

The 2004 appropriation includes $1,419,000 for 2003 and $6,677,000 for 2004.

The 2005 appropriation includes $1,669,000 for 2004 and ~~$6,927,000~~ $7,338,000 for 2005.

Sec. 3. Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 5, as amended by Laws 2004, chapter 272, article 1, section 3, is amended to read:

Subd. 5. [ABATEMENT REVENUE.] For abatement aid under Minnesota Statutes, section 127A.49:

$2,436,000 2004

~~$1,559,000~~ $1,498,000 2005

The 2004 appropriation includes $472,000 for 2003 and $1,964,000 for 2004.

The 2005 appropriation includes $491,000 for 2004 and ~~$1,068,000~~ $1,007,000 for 2005.

Sec. 4. Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 6, as amended by Laws 2004, chapter 272, article 1, section 4, is amended to read:

Subd. 6. [CONSOLIDATION TRANSITION.] For districts consolidating under Minnesota Statutes, section 123A.485:

$35,000 2004

~~$145,000~~ $-0- 2005

The 2004 appropriation includes $35,000 for 2003 and $0 for 2004.

~~The 2005 appropriation includes $0 for 2004 and $145,000 for 2005.~~

Sec. 5. Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 11, as amended by Laws 2004, chapter 272, article 1, section 5, is amended to read:

Subd. 11. [NONPUBLIC PUPIL AID.] For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

$14,411,000 2004

~~$15,072,000~~ $15,304,000 2005

The 2004 appropriation includes $2,715,000 for 2003 and $11,696,000 for 2004.

The 2005 appropriation includes $2,923,000 for 2004 and ~~$12,149,000~~ $12,381,000 for 2005.

Sec. 6. Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 12, as amended by Laws 2004, chapter 272, article 1, section 6, is amended to read:

Subd. 12. [NONPUBLIC PUPIL TRANSPORTATION.] For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

$20,471,000 2004

~~$21,421,000~~ $21,703,000 2005

The 2004 appropriation includes $3,990,000 for 2003 and $16,481,000 for 2004.

The 2005 appropriation includes $4,120,000 for 2004 and ~~$17,301,000~~ $17,583,000 for 2005.

B. EDUCATION EXCELLENCE

Sec. 7. Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 2, as amended by Laws 2004, chapter 272, article 1, section 7, is amended to read:

Subd. 2. [CHARTER SCHOOL BUILDING LEASE AID.] For building lease aid under Minnesota Statutes, section 124D.11, subdivision 4:

$16,753,000 2004

~~$21,347,000~~ $21,410,000 2005

The 2004 appropriation includes $2,524,000 for 2003 and $14,229,000 for 2004.

The 2005 appropriation includes $3,557,000 for 2004 and ~~$17,790,000~~ $17,853,000 for 2005.

Sec. 8. Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 5, as amended by Laws 2004, chapter 272, article 1, section 10, is amended to read:

Subd. 5. [INTEGRATION AID.] For integration aid under Minnesota Statutes, section 124D.86, subdivision 5:

$55,911,000 2004

~~$55,893,000~~ $57,756,000 2005

The 2004 appropriation includes $8,428,000 for 2003 and $47,483,000 for 2004.

The 2005 appropriation includes $11,870,000 for 2004 and ~~$44,023,000~~ $45,886,000 for 2005.

Sec. 9. Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 7, as amended by Laws 2004, chapter 272, article 1, section 11, is amended to read:

Subd. 7. [MAGNET SCHOOL STARTUP AID.] For magnet school startup aid under Minnesota Statutes, section 124D.88:

$37,000 2004

~~$40,000~~ ~~.....~~ ~~2005~~

The 2004 appropriation includes $37,000 for 2003 and $0 for 2004.

~~The 2005 appropriation includes $0 for 2004 and $40,000 for 2005.~~

Sec. 10. Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 8, is amended to read:

Subd. 8. [INTERDISTRICT DESEGREGATION OR INTEGRATION TRANSPORTATION GRANTS.] For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

$5,796,000 2004

~~$8,401,000~~ $5,279,000 2005

Sec. 11. Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 9, as amended by Laws 2004, chapter 272, article 1, section 12, is amended to read:

Subd. 9. [SUCCESS FOR THE FUTURE.] For American Indian success for the future grants under Minnesota Statutes, section 124D.81:

$2,061,000 2004

~~$2,137,000~~ $2,229,000 2005

The 2004 appropriation includes $351,000 for 2003 and $1,710,000 for 2004.

The 2005 appropriation includes $427,000 for 2004 and ~~$1,710,000~~ $1,802,000 for 2005.

Sec. 12. Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 12, as amended by Laws 2004, chapter 272, article 1, section 13, is amended to read:

Subd. 12. [TRIBAL CONTRACT SCHOOLS.] For tribal contract school aid under Minnesota Statutes, section 124D.83:

$1,617,000 2004

~~$2,185,000~~ $2,203,000 2005

The 2004 appropriation includes $285,000 for 2003 and $1,332,000 for 2004.

The 2005 appropriation includes $333,000 for 2004 and ~~$1,852,000~~ $1,870,000 for 2005.

C. SPECIAL PROGRAMS

Sec. 13. Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 2, is amended to read:

Subd. 2. [SPECIAL EDUCATION; REGULAR.] For special education aid under Minnesota Statutes, section 125A.75:

$515,091,000 2004

~~$529,460,000~~ $552,214,000 2005

The 2004 appropriation includes $90,577,000 for 2003 and $424,514,000 for 2004.

The 2005 appropriation includes $106,128,000 for 2004 and ~~$423,332,000~~ $446,086,000 for 2005.

Sec. 14. Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 4, as amended by Laws 2004, chapter 272, article 1, section 14, is amended to read:

Subd. 4. [AID FOR CHILDREN WITH DISABILITIES.] For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

$2,311,000 2004

~~$2,550,000~~ $3,155,000 2005

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 15. Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 5, as amended by Laws 2004, chapter 272, article 1, section 15, is amended to read:

Subd. 5. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

$173,000 2004

~~$178,000~~ $187,000 2005

The 2004 appropriation includes $34,000 for 2003 and $139,000 for 2004.

The 2005 appropriation includes $34,000 for 2004 and ~~$144,000~~ $153,000 for 2005.

Sec. 16. Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 6, as amended by Laws 2004, chapter 272, article 1, section 16, is amended to read:

Subd. 6. [SPECIAL EDUCATION; EXCESS COSTS.] For excess cost aid under Minnesota Statutes, section 125A.79, subdivision 7:

$92,605,000 2004

~~$92,799,000~~ $95,572,000 2005

The 2004 appropriation includes $41,754,000 for 2003 and $50,851,000 for 2004.

The 2005 appropriation includes $41,216,000 for 2004 and ~~$51,583,000~~ $54,356,000 for 2005.

Sec. 17. Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 7, as amended by Laws 2004, chapter 272, article 1, section 17, is amended to read:

Subd. 7. [LITIGATION COSTS FOR SPECIAL EDUCATION.] For paying the costs a district incurs under Minnesota Statutes, section 125A.75, subdivision 8:

$201,000 2004

~~$150,000~~ $109,000 2005

Sec. 18. Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 8, as amended by Laws 2004, chapter 272, article 1, section 18, is amended to read:

Subd. 8. [TRANSITION FOR DISABLED STUDENTS.] For aid for transition programs for children with disabilities under Minnesota Statutes, section 124D.454:

$8,570,000 2004

~~$8,760,000~~ $9,176,000 2005

The 2004 appropriation includes $1,516,000 for 2003 and $7,054,000 for 2004.

The 2005 appropriation includes $1,763,000 for 2004 and ~~$6,997,000~~ $7,413,000 for 2005.

Sec. 19. Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 9, as amended by Laws 2004, chapter 272, article 1, section 19, is amended to read:

Subd. 9. [COURT-PLACED SPECIAL EDUCATION REVENUE.] For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

$36,000 2004

~~$61,000~~ $62,000 2005

Sec. 20. Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 10, is amended to read:

Subd. 10. [OUT-OF-STATE TUITION SPECIAL EDUCATION.] For special education out-of-state tuition according to Minnesota Statutes, section 125A.79, subdivision 8:

$250,000 2004

~~$250,000~~ $208,000 2005

D. FACILITIES AND TECHNOLOGY

Sec. 21. Laws 2003, First Special Session chapter 9, article 4, section 31, subdivision 2, as amended by Laws 2004, chapter 272, article 1, section 21, is amended to read:

Subd. 2. [HEALTH AND SAFETY REVENUE.] For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

$5,356,000 2004

~~$1,920,000~~ $2,099,000 2005

The 2004 appropriation includes $1,516,000 for 2003 and $3,840,000 for 2004.

The 2005 appropriation includes $960,000 for 2004 and ~~$960,000~~ $1,139,000 for 2005.

Sec. 22. Laws 2003, First Special Session chapter 9, article 4, section 31, subdivision 3, as amended by Laws 2004, chapter 272, article 1, section 22, is amended to read:

Subd. 3. [DEBT SERVICE EQUALIZATION.] For debt service aid according to Minnesota Statutes, section 123B.53, subdivision 6:

$35,598,000 2004

~~$31,220,000~~ $32,495,000 2005

The 2004 appropriation includes $5,586,000 for 2003 and $30,012,000 for 2004.

The 2005 appropriation includes $7,503,000 for 2004 and ~~$23,717,000~~ $24,992,000 for 2005.

Sec. 23. Laws 2003, First Special Session chapter 9, article 4, section 31, subdivision 4, is amended to read:

Subd. 4. [ALTERNATIVE FACILITIES BONDING AID.] For alternative facilities bonding aid, according to Minnesota Statutes, section 123B.59, subdivision 1:

$18,708,000 2004

~~$19,287,000~~ $20,116,000 2005

The 2004 appropriation includes $3,278,000 for 2003 and $15,430,000 for 2004.

The 2005 appropriation includes $3,857,000 for 2004 and ~~$15,430,000~~ $16,259,000 for 2005.

E. NUTRITION, SCHOOL ACCOUNTING, OTHER PROGRAMS

Sec. 24. Laws 2003, First Special Session chapter 9, article 5, section 35, subdivision 2, as amended by Laws 2004, chapter 272, article 1, section 23, is amended to read:

Subd. 2. [SCHOOL LUNCH.] For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

$7,650,000 2004

~~$7,760,000~~ $7,671,000 2005

Sec. 25. Laws 2003, First Special Session chapter 9, article 5, section 35, subdivision 3, as amended by Laws 2004, chapter 272, article 1, section 24, is amended to read:

Subd. 3. [TRADITIONAL SCHOOL BREAKFAST; KINDERGARTEN MILK.] For traditional school breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and 124D.118:

$4,382,000 2004

~~$4,460,000~~ $4,548,000 2005

F. LIBRARIES

Sec. 26. Laws 2003, First Special Session chapter 9, article 6, section 4, as amended by Laws 2004, chapter 272, article 1, section 25, and Laws 2004, chapter 286, section 3, is amended to read:

Sec. 4. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [BASIC SYSTEM SUPPORT.] For basic system support grants under Minnesota Statutes, section 134.355:

$8,312,000 2004

~~$8,570,000~~ $8,939,000 2005

The 2004 appropriation includes $1,456,000 for 2003 and $6,856,000 for 2004.

The 2005 appropriation includes $1,714,000 for 2004 and ~~$6,856,000~~ $7,225,000 for 2005.

Subd. 3. [REGIONAL LIBRARY TELECOMMUNICATIONS AID.] For regional library telecommunications aid under Minnesota Statutes, section 134.355:

$960,000 2004

~~$1,200,000~~ $1,252,000 2005

The 2004 appropriation includes $960,000 for 2004.

The 2005 appropriation includes $240,000 for 2004 and ~~$960,000~~ $1,012,000 for 2005.

Subd. 4. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

$876,000 2004

~~$903,000~~ $942,000 2005

The 2004 appropriation includes $153,000 for 2003 and $723,000 for 2004.

The 2005 appropriation includes $180,000 for 2004 and ~~$723,000~~ $762,000 for 2005.

Subd. 5. [ELECTRONIC LIBRARY FOR MINNESOTA.] For statewide licenses to on-line databases selected in cooperation with the higher education services office for school media

centers, public libraries, state government agency libraries, and public or private college or university libraries:

$400,000 2004

$400,000 2005

Any balance in the first year does not cancel but is available in the second year.

G. EARLY CHILDHOOD FAMILY SUPPORT

Sec. 27. Laws 2003, First Special Session chapter 9, article 7, section 11, subdivision 2, is amended to read:

Subd. 2. [SCHOOL READINESS.] For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

$9,536,000 2004

~~$9,258,000~~ $9,594,000 2005

The 2004 appropriation includes $1,605,000 for 2003 and $7,931,000 for 2004.

The 2005 appropriation includes $1,982,000 for 2004 and ~~$7,276,000~~ $7,612,000 for 2005.

Sec. 28. Laws 2003, First Special Session chapter 9, article 7, section 11, subdivision 3, as amended by Laws 2004, chapter 272, article 1, section 26, is amended to read:

Subd. 3. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid under Minnesota Statutes, section 124D.135:

$19,079,000 2004

~~$14,407,000~~ $13,956,000 2005

The 2004 appropriation includes $3,239,000 for 2003 and $15,840,000 for 2004.

The 2005 appropriation includes $3,959,000 for 2004 and ~~$10,448,000~~ $9,997,000 for 2005.

Sec. 29. Laws 2003, First Special Session chapter 9, article 7, section 11, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND DEVELOPMENTAL SCREENING AID.] For health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

$2,581,000 2004

~~$2,661,000~~ $2,776,000 2005

The 2004 appropriation includes $452,000 for 2003 and $2,129,000 for 2004.

The 2005 appropriation includes $532,000 for 2004 and ~~$2,129,000~~ $2,244,000 for 2005.

H. PREVENTION

Sec. 30. Laws 2003, First Special Session chapter 9, article 8, section 7, subdivision 2, as amended by Laws 2004, chapter 272, article 1, section 27, is amended to read:

Subd. 2. [COMMUNITY EDUCATION AID.] For community education aid under Minnesota Statutes, section 124D.20:

$5,351,000 2004

~~$3,137,000~~ $3,198,000 2005

The 2004 appropriation includes $956,000 for 2003 and $4,395,000 for 2004.

The 2005 appropriation includes $1,098,000 for 2004 and ~~$2,039,000~~ $2,100,000 for 2005.

Sec. 31. Laws 2003, First Special Session chapter 9, article 8, section 7, subdivision 3, is amended to read:

Subd. 3. [ADULTS WITH DISABILITIES PROGRAM AID.] For adults with disabilities programs under Minnesota Statutes, section 124D.56:

$688,000 2004

~~$710,000~~ $741,000 2005

The 2004 appropriation includes $120,000 for 2003 and $568,000 for 2004.

The 2005 appropriation includes $142,000 for 2004 and ~~$568,000~~ $599,000 for 2005.

Sec. 32. Laws 2003, First Special Session chapter 9, article 8, section 7, subdivision 5, as amended by Laws 2004, chapter 272, article 1, section 28, is amended to read:

Subd. 5. [SCHOOL-AGE CARE REVENUE.] For extended day care aid under Minnesota Statutes, section 124D.22:

$40,000 2004

~~$24,000~~ $30,000 2005

The 2004 appropriation includes $14,000 for 2003 and $26,000 for 2004.

The 2005 appropriation includes $6,000 for 2004 and ~~$18,000~~ $24,000 for 2005.

I. SELF-SUFFICIENCY AND LIFELONG LEARNING

Sec. 33. Laws 2003, First Special Session chapter 9, article 9, section 9, subdivision 2, as amended by Laws 2004, chapter 272, article 1, section 29, is amended to read:

Subd. 2. [ADULT BASIC EDUCATION AID.] For adult basic education aid under Minnesota Statutes, section 124D.52, in fiscal year 2004 and Minnesota Statutes, section 124D.531, in fiscal year 2005:

$33,014,000 2004

~~$35,808,000~~ $37,444,000 2005

The 2004 appropriation includes $5,827,000 for 2003 and $27,187,000 for 2004.

The 2005 appropriation includes $6,796,000 for 2004 and ~~$29,012,000~~ $30,648,000 for 2005.

Sec. 34. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 2

HUMAN SERVICES FORECAST ADJUSTMENTS

Section 1. [DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.]

The dollar amounts shown are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2003, First Special Session chapter 14, as amended by Laws 2004, chapter 272, or other law, and are appropriated from the general fund, or any other fund named, to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figure "2005" used in this article means that the appropriation or appropriations listed are available for the fiscal year ending June 30, 2005.

SUMMARY BY FUND

2005

General Fund		33,797,000
Health Care Access		(33,947,000)
TANF		(17,645,000)
TOTAL		(17,795,000)

Sec. 2. COMMISSIONER OF HUMAN SERVICES

Subdivision 1. Total Appropriation		(17,795,000)
Summary by Fund		
General	33,797,000	
Health Care Access	(33,947,000)	
TANF	(17,645,000)	
Subd. 2. Revenue and Pass-Through		
TANF		(814,000)
Subd. 3. Basic Health Care Grants		
General		44,502,000
Health Care Access		(33,947,000)
The amount that may be spent from this appropriation for each purpose is as follows:		
(a) MinnesotaCare		
Health Care Access		(33,947,000)
(b) MA Basic Health Care - Families and Children		
General		39,343,000
(c) MA Basic Health Care - Elderly and Disabled		
General		(20,641,000)
(d) General Assistance Medical Care		
General		25,800,000
Subd. 4. Continuing Care Grants		
General		(12,968,000)
The amount that may be spent from this appropriation for each purpose is as follows:		
(a) MA Long-Term Care Waivers		
General		(6,218,000)
(b) MA Long-Term Care Facilities		
General		(15,645,000)
(c) Group Residential Housing		
General		6,017,000
(d) Chemical Dependency Entitlement Grants		
General		2,878,000
Subd. 5. Economic Support Grants		
General		22,940,000
TANF		(16,831,000)

The amount that may be spent from this appropriation for each purpose is as follows:		
(a) Minnesota Family Investment Program		
General		21,000,000
TANF		(16,831,000)
(b) General Assistance		2,840,000
(c) Minnesota Supplemental Aid		(900,000)
Subd. 6. Child Care		
Total Appropriation		(20,677,000)
General Fund	(20,677,000)"	

Delete the title and insert:

"A bill for an act relating to forecast adjustments; making forecast adjustments for prekindergarten through grade 12 education and human services programs; appropriating money; amending Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 2, as amended; Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 3, as amended; Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 5, as amended; Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 6, as amended; Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 11, as amended; Laws 2003, First Special Session chapter 9, article 1, section 53, subdivision 12, as amended; Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 2, as amended; Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 5, as amended; Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 7, as amended; Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 8; Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 9, as amended; Laws 2003, First Special Session chapter 9, article 2, section 55, subdivision 12, as amended; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 2; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 4, as amended; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 5, as amended; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 6, as amended; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 7, as amended; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 8, as amended; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 9, as amended; Laws 2003, First Special Session chapter 9, article 3, section 20, subdivision 10; Laws 2003, First Special Session chapter 9, article 4, section 31, subdivision 2, as amended; Laws 2003, First Special Session chapter 9, article 4, section 31, subdivision 3, as amended; Laws 2003, First Special Session chapter 9, article 4, section 31, subdivision 4; Laws 2003, First Special Session chapter 9, article 5, section 35, subdivision 2, as amended; Laws 2003, First Special Session chapter 9, article 5, section 35, subdivision 3, as amended; Laws 2003, First Special Session chapter 9, article 6, section 4, as amended; Laws 2003, First Special Session chapter 9, article 7, section 11, subdivision 2; Laws 2003, First Special Session chapter 9, article 7, section 11, subdivision 3, as amended; Laws 2003, First Special Session chapter 9, article 7, section 11, subdivision 4; Laws 2003, First Special Session chapter 9, article 8, section 7, subdivision 2, as amended; Laws 2003, First Special Session chapter 9, article 8, section 7, subdivision 3; Laws 2003, First Special Session chapter 9, article 8, section 7, subdivision 5, as amended; Laws 2003, First Special Session chapter 9, article 9, section 9, subdivision 2, as amended."

Senator Berglin moved to amend the Cohen amendment to H.F. No. 2448 as follows:

Page 14, after line 3, insert:

"ARTICLE 3

HUMAN SERVICES SAVINGS

Section 1. Minnesota Statutes 2004, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. [PERIOD OF INELIGIBILITY.] (a) For any uncompensated transfer occurring on or before August 10, 1993, the number of months of ineligibility for long-term care services shall be the lesser of 30 months, or the uncompensated transfer amount divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

(b) For uncompensated transfers made after August 10, 1993, the number of months of ineligibility for long-term care services shall be the total uncompensated value of the resources transferred divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the first day of the month after the month in which the assets were transferred except that if one or more uncompensated transfers are made during a period of ineligibility, the total assets transferred during the ineligibility period shall be combined and a penalty period calculated to begin on the first day of the month after the month in which the first uncompensated transfer was made. If the transfer was reported to the local agency after the date that advance notice of a period of ineligibility that affects the next month could be provided to the recipient and the recipient received medical assistance services or the transfer was not reported to the local agency, and the applicant or recipient received medical assistance services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of medical assistance services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received. Effective for transfers made on or after March 1, 1996, involving persons who apply for medical assistance on or after April 13, 1996, no cause of action exists for a transfer unless:

(1) the transferee knew or should have known that the transfer was being made by a person who was a resident of a long-term care facility or was receiving that level of care in the community at the time of the transfer;

(2) the transferee knew or should have known that the transfer was being made to assist the person to qualify for or retain medical assistance eligibility; or

(3) the transferee actively solicited the transfer with intent to assist the person to qualify for or retain eligibility for medical assistance.

(c) If a calculation of a penalty period results in a partial month, payments for long-term care services shall be reduced in an amount equal to the fraction, except that in calculating the value of uncompensated transfers, if the total value of all uncompensated transfers made in a month not included in an existing penalty period does not exceed $200, then such transfers shall be disregarded for each month prior to the month of application for or during receipt of medical assistance.

[EFFECTIVE DATE.] This section is effective for transfers occurring on or after July 1, 2005.

Sec. 2. Minnesota Statutes 2004, section 256B.0625, is amended by adding a subdivision to read:

Subd. 3c. [HEALTH SERVICES POLICY COMMITTEE.] The commissioner, after receiving recommendations from professional physician associations, professional associations representing licensed nonphysician health care professionals, and consumer groups, shall establish a 13-member Health Services Policy Committee, which consists of 12 voting members and one nonvoting member. The Health Services Policy Committee shall advise the commissioner regarding health services pertaining to the administration of health care benefits covered under the medical assistance, general assistance medical care, and MinnesotaCare programs. The Health Services Policy Committee shall meet at least quarterly. The Health Services Policy Committee shall annually elect a physician chair from among its members, who shall work directly with the commissioner's medical director, to establish the agenda for each meeting.

Sec. 3. Minnesota Statutes 2004, section 256B.0625, is amended by adding a subdivision to read:

Subd. 3d. [HEALTH SERVICES POLICY COMMITTEE MEMBERS.] The Health Services Policy Committee consists of:

(1) seven voting members who are licensed physicians actively engaged in the practice of medicine in Minnesota, one of whom must be actively engaged in the treatment of persons with mental illness, and three of whom must represent health plans currently under contract to serve medical assistance recipients;

(2) two voting members who are physician specialists actively practicing their specialty in Minnesota;

(3) two voting members who are nonphysician health care professionals licensed or registered in their profession and actively engaged in their practice of their profession in Minnesota;

(4) one consumer who shall serve as a voting member; and

(5) the commissioner's medical director who shall serve as a nonvoting member.

Members of the Health Services Policy Committee shall not be employed by the Department of Human Services, except for the medical director.

Sec. 4. Minnesota Statutes 2004, section 256B.0625, is amended by adding a subdivision to read:

Subd. 3e. [HEALTH SERVICES POLICY COMMITTEE TERMS AND COMPENSATION.] Committee members shall serve staggered three-year terms, with one-third of the voting members' terms expiring annually. Members may be reappointed by the commissioner. The commissioner may require more frequent Health Services Policy Committee meetings as needed. An honorarium of $200 per meeting and reimbursement for mileage and parking shall be paid to each committee member in attendance except the medical director. The Health Services Policy Committee does not expire as provided in section 15.059, subdivision 6.

Sec. 5. Minnesota Statutes 2004, section 256B.0625, subdivision 13e, is amended to read:

Subd. 13e. [PAYMENT RATES.] (a) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee; the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee; or the usual and customary price charged to the public. The amount of payment basis must be reduced to reflect all discount amounts applied to the charge by any provider/insurer agreement or contract for submitted charges to medical assistance programs. The net submitted charge may not be greater than the patient liability for the service. The pharmacy dispensing fee shall be $3.65, except that the dispensing fee for intravenous solutions which must be compounded by the pharmacist shall be $8 per bag, $14 per bag for cancer chemotherapy products, and $30 per bag for total parenteral nutritional products dispensed in one liter quantities, or $44 per bag for total parenteral nutritional products dispensed in quantities greater than one liter. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug shall be estimated by the commissioner, at average wholesale price

minus 11.5 percent, except that where a drug has had its wholesale price reduced as a result of the actions of the National Association of Medicaid Fraud Control Units, the estimated actual acquisition cost shall be the reduced average wholesale price, without the 11.5 percent deduction. The actual acquisition cost of antihemophilic factor drugs shall be estimated at the average wholesale price minus 30 percent. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third-party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act.

(b) An additional dispensing fee of $.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

(c) Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, or on the maximum allowable cost established by the commissioner.

(d) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider~~, the average wholesale price minus five percent, or the maximum allowable cost set by the federal government under United States Code, title 42, chapter 7, section 1396r-8(e), and Code of Federal Regulations, title 42, section 447.332, or by the commissioner under paragraphs (a) to (c)~~ or the amount established for Medicare by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act.

(e) The commissioner may negotiate lower reimbursement rates for specialty pharmacy products than the rates specified in paragraph (a). The commissioner may require individuals enrolled in the health care programs administered by the department to obtain specialty pharmacy products from providers with whom the commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are defined as those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens. Examples of these conditions include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include injectable and infusion therapies, biotechnology drugs, high-cost therapies, and therapies that require complex care. The commissioner shall consult with the formulary committee to develop a list of specialty pharmacy products subject to this paragraph. In consulting with the formulary committee in developing this list, the commissioner shall take into consideration the population served by specialty pharmacy products, the current delivery system and standard of care in the state, and access to care issues. The commissioner shall have the discretion to adjust the reimbursement rate to prevent access to care issues.

Sec. 6. Minnesota Statutes 2004, section 256B.0625, subdivision 13f, is amended to read:

Subd. 13f. [PRIOR AUTHORIZATION.] (a) The Formulary Committee shall review and recommend drugs which require prior authorization. The Formulary Committee shall establish general criteria to be used for the prior authorization of brand-name drugs for which generically equivalent drugs are available, but the committee is not required to review each brand-name drug for which a generically equivalent drug is available.

(b) Prior authorization may be required by the commissioner before certain formulary drugs are

eligible for payment. The Formulary Committee may recommend drugs for prior authorization directly to the commissioner. The commissioner may also request that the Formulary Committee review a drug for prior authorization. Before the commissioner may require prior authorization for a drug:

(1) the commissioner must provide information to the Formulary Committee on the impact that placing the drug on prior authorization may have on the quality of patient care and on program costs, information regarding whether the drug is subject to clinical abuse or misuse, and relevant data from the state Medicaid program if such data is available;

(2) the Formulary Committee must review the drug, taking into account medical and clinical data and the information provided by the commissioner; and

(3) the Formulary Committee must hold a public forum and receive public comment for an additional 15 days.

The commissioner must provide a 15-day notice period before implementing the prior authorization.

(c) Prior authorization shall not be required or utilized for any atypical antipsychotic drug prescribed for the treatment of mental illness if:

(1) there is no generically equivalent drug available; and

(2) the drug was initially prescribed for the recipient prior to July 1, 2003; or

(3) the drug is part of the recipient's current course of treatment.

This paragraph applies to any multistate preferred drug list or supplemental drug rebate program established or administered by the commissioner.

(d) Prior authorization shall not be required or utilized for any antihemophilic factor drug prescribed for the treatment of hemophilia and blood disorders where there is no generically equivalent drug available if the prior authorization is used in conjunction with any supplemental drug rebate program or multistate preferred drug list established or administered by the commissioner. This paragraph expires July 1, 2005.

(e) The commissioner may require prior authorization for brand name drugs whenever a generically equivalent product is available, even if the prescriber specifically indicates "dispense as written-brand necessary" on the prescription as required by section 151.21, subdivision 2.

(f) Notwithstanding this subdivision, the commissioner may automatically require prior authorization, for a period not to exceed 180 days, for any drug that is approved by the United States Food and Drug Administration on or after July 1, 2005. The 180-day period begins no later than the first day that a drug is available for shipment to pharmacies within the state. The Formulary Committee shall recommend to the commissioner general criteria to be used for the prior authorization of the drugs, but the committee is not required to review each individual drug. In order to continue prior authorizations for a drug after the 180-day period has expired, the commissioner must follow provisions of this subdivision.

Sec. 7. [501B.895] [PUBLIC HEALTH CARE PROGRAMS AND CERTAIN TRUSTS.]

(a) It is the public policy of this state that individuals use all available resources to pay for the cost of long-term care services, as defined in section 256B.0595, before turning to Minnesota health care program funds, and that trust instruments should not be permitted to shield available resources of an individual or an individual's spouse from such use.

(b) When a state or local agency makes a determination on an application by the individual or the individual's spouse for payment of long-term care services through a Minnesota public health care program pursuant to chapter 256B, any irrevocable inter-vivos trust or any legal instrument, device, or arrangement similar to an irrevocable inter-vivos trust created on or after July 1, 2005, containing assets or income of an individual or an individual's spouse, including those created by

a person, court, or administrative body with legal authority to act in place of, at the direction of, upon the request of, or on behalf of the individual or individual's spouse, becomes revocable for the sole purpose of that determination. For purposes of this section, any inter-vivos trust and any legal instrument, device, or arrangement similar to an inter-vivos trust:

(1) shall be deemed to be located in and subject to the laws of this state; and

(2) is created as of the date it is fully executed by or on behalf of all of the settlors or others.

(c) For purposes of this section, a legal instrument, device, or arrangement similar to an irrevocable inter-vivos trust means any instrument, device, or arrangement which involves a grantor who transfers or whose property is transferred by another including, but not limited to, any court, administrative body, or anyone else with authority to act on their behalf or at their direction, to an individual or entity with fiduciary, contractual, or legal obligations to the grantor or others to be held, managed, or administered by the individual or entity for the benefit of the grantor or others. These legal instruments, devices, or other arrangements are irrevocable inter-vivos trusts for purposes of this section.

(d) In the event of a conflict between this section and the provisions of an irrevocable trust created on or after July 1, 2005, this section shall control.

(e) This section does not apply to trusts that qualify as supplemental needs trusts under section 501B.89 or to trusts meeting the criteria of United States Code, title 42, section 1396p (d)(4)(a) and (c) for purposes of eligibility for medical assistance.

(f) This section applies to all trusts first created on or after July 1, 2005, as permitted under United States Code, title 42, section 1396p, and to all interests in real or personal property regardless of the date on which the interest was created, reserved, or acquired.

Sec. 8. [LIMITING WAIVER GROWTH.]

(a) For each year of the biennium ending June 30, 2007, the commissioner shall limit the new diversion caseload growth in the MR/RC waiver to 75 additional allocations. Notwithstanding Minnesota Statutes, section 256B.0916, subdivision 5, paragraph (b), the available diversion allocations shall be awarded to support individuals whose health and safety needs result in an imminent risk of an institutional placement at any time during the fiscal year.

(b) For each year of the biennium ending June 30, 2007, the commissioner of human services shall make available additional allocations for community alternatives for disabled individuals waivered services covered under Minnesota Statutes, section 256B.49, at a rate of 105 per month or 1,260 per year, plus any additional legislatively authorized growth. Priorities for the allocation of funds shall be for individuals anticipated to be discharged from institutional settings or who are at imminent risk of a placement in an institutional setting.

(c) For each year of the biennium ending June 30, 2007, the commissioner shall make available additional allocations for traumatic brain injury waivered services covered under Minnesota Statutes, section 256B.49, at a rate of 165 per year. Priorities for the allocation of funds shall be for individuals anticipated to be discharged from institutional settings or who are at imminent risk of a placement in an institutional setting."

Amend the title amendment accordingly

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

The question recurred on the adoption of the Cohen amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

H.F. No. 2448 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Koering	Neuville	Ruud
Bachmann	Gaither	Kubly	Nienow	Sams
Bakk	Gerlach	Langseth	Olson	Saxhaug
Belanger	Hann	Larson	Ortman	Scheid
Berglin	Higgins	LeClair	Ourada	Senjem
Betzold	Hottinger	Limmer	Pappas	Skoglund
Chaudhary	Johnson, D.E.	Lourey	Pariseau	Solon
Cohen	Johnson, D.J.	Marty	Pogemiller	Sparks
Day	Jungbauer	McGinn	Ranum	Stumpf
Dibble	Kelley	Metzen	Reiter	Tomassoni
Dille	Kierlin	Michel	Rest	Vickerman
Fischbach	Kiscaden	Moua	Robling	Wergin
Foley	Kleis	Murphy	Rosen	Wiger

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Johnson, D.E. moved that H.F. No. 2498 be taken from the table. The motion prevailed.

H.F. No. 2498: A bill for an act relating to public finance; authorizing purchases of certain guaranteed investment contracts; authorizing a special levy; modifying a taconite fund provision; modifying the authority of cities and counties to finance purchases of computers and related items; extending the term of certain notes; clarifying the financing of conservation easements; extending sunsets on establishment of special service districts and housing improvement areas; authorizing municipalities to improve streets and roads outside municipal boundaries; providing for financing of certain improvements; extending the maximum maturity of certain bonds; revising time for certain notices of issues; exempting obligations issued to pay judgments from net debt limits; modifying limits on city capital improvement bonds and enabling certain towns to issue bonds under a capital improvement plan; authorizing the issuance of certain revenue bonds; modifying certain tax increment financing provisions; providing a bidding exception; increasing reserve from public facilities pool for certain purposes; providing for payment of certain refunding bonds; abolishing the housing bond credit enhancement program and providing for debt service on the bonds; authorizing a tax abatement extension; providing for an international economic development zone; providing tax incentives; requiring a report; appropriating money for certain refunds; amending Minnesota Statutes 2004, sections 13.55, by adding a subdivision; 116J.556; 118A.05, subdivision 5; 272.02, subdivision 64, by adding a subdivision; 275.70, subdivision 5; 290.01, subdivisions 19b, 29; 290.06, subdivision 2c, by adding a subdivision; 290.067, subdivision 1; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 3; 290.0922, subdivisions 2, 3; 297A.68, by adding a subdivision; 298.223, subdivision 1; 343.11; 373.01, subdivision 3; 373.40, subdivision 1; 410.32; 412.301; 428A.101; 428A.21; 469.015, subdivision 4; 469.034, subdivision 2; 469.158; 469.174, subdivisions 11, 25; 469.175, subdivisions 1, 4a, 5, 6; 469.176, subdivisions 2, 4d; 469.1761, subdivisions 1, 3; 469.1763, subdivision 6; 469.177, subdivision 1; 469.1771, subdivision 5; 469.178, subdivision 1; 469.1813, subdivisions 1, 6; 473.197, subdivision 4; 473.39, subdivision 1f, by adding subdivisions; 474A.061, subdivision 2c; 474A.131, subdivision 1; 475.51, subdivision 4; 475.52, subdivisions 1, 3, 4; 475.521, subdivisions 1, 2, 3, 4; Laws 1996, chapter 412, article 5, section 24; Laws 2003, chapter 127, article 12, section 38; proposing coding for new law in Minnesota Statutes, chapters 428A; 429; 452; 469; repealing Minnesota Statutes 2004, sections 469.176, subdivision 1a; 469.1766; 473.197, subdivisions 1, 2, 3, 5; Laws 1998, chapter 389, article 11, section 19, subdivision 3.

SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2498 and that the rules of

the Senate be so far suspended as to give H.F. No. 2498 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2498 was read the second time.

Senator Pogemiller moved to amend H.F. No. 2498 as follows:

Pages 2 to 35, delete article 1 and insert:

"ARTICLE 1

PUBLIC FINANCE

Section 1. Minnesota Statutes 2004, section 13.55, is amended by adding a subdivision to read:

Subd. 4. [CITY OF ST. PAUL DATA.] (a) For purposes of this subdivision, "nonprofit organization" means the nonprofit organization with which the city of St. Paul contracts to market and promote the city as a tourist or convention center.

(b) Data collected, received, created, or maintained by the nonprofit organization in the course of preparing or submitting any responses to requests for proposals or requests for bids relating to events hosted, conducted, or sponsored by the nonprofit organization is classified as nonpublic data under section 13.02, subdivision 9; or private data under section 13.02, subdivision 12, until the time provided in subdivision 2, paragraph (a) or (b), of this section. The nonprofit organization is a "civic center authority" for purposes of this section.

Sec. 2. Minnesota Statutes 2004, section 118A.05, subdivision 5, is amended to read:

Subd. 5. [GUARANTEED INVESTMENT CONTRACTS.] Agreements or contracts for guaranteed investment contracts may be entered into if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries, or the domestic affiliates of any of the foregoing. The credit quality of the issuer's or guarantor's short- and long-term unsecured debt must be rated in one of the two highest categories by a nationally recognized rating agency. Should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights.

Sec. 3. Minnesota Statutes 2004, section 275.70, subdivision 5, is amended to read:

Subd. 5. [SPECIAL LEVIES.] "Special levies" means those portions of ad valorem taxes levied by a local governmental unit for the following purposes or in the following manner:

(1) to pay the costs of the principal and interest on bonded indebtedness or to reimburse for the amount of liquor store revenues used to pay the principal and interest due on municipal liquor store bonds in the year preceding the year for which the levy limit is calculated;

(2) to pay the costs of principal and interest on certificates of indebtedness issued for any corporate purpose except for the following:

(i) tax anticipation or aid anticipation certificates of indebtedness;

(ii) certificates of indebtedness issued under sections 298.28 and 298.282;

(iii) certificates of indebtedness used to fund current expenses or to pay the costs of extraordinary expenditures that result from a public emergency; or

(iv) certificates of indebtedness used to fund an insufficiency in tax receipts or an insufficiency in other revenue sources;

(3) to provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(4) to fund payments made to the Minnesota State Armory Building Commission under section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(5) property taxes approved by voters which are levied against the referendum market value as provided under section 275.61;

(6) to fund matching requirements needed to qualify for federal or state grants or programs to the extent that either (i) the matching requirement exceeds the matching requirement in calendar year 2001, or (ii) it is a new matching requirement that did not exist prior to 2002;

(7) to pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes, in accordance with standards formulated by the Emergency Services Division of the state Department of Public Safety, as allowed by the commissioner of revenue under section 275.74, subdivision 2;

(8) pay amounts required to correct an error in the levy certified to the county auditor by a city or county in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.70 to 275.74 in the preceding levy year;

(9) to pay an abatement under section 469.1815;

(10) to pay any costs attributable to increases in the employer contribution rates under chapter 353 that are effective after June 30, 2001;

(11) to pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (f), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the Department of Corrections, or to pay the operating or maintenance costs of a regional jail as authorized in section 641.262. For purposes of this clause, a district court order is not a rule, minimum requirement, minimum standard, or directive of the Department of Corrections. If the county utilizes this special levy, except to pay operating or maintenance costs of a new regional jail facility under sections 641.262 to 641.264 which will not replace an existing jail facility, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71, shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(12) to pay for operation of a lake improvement district, as authorized under section 103B.555. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71 shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(13) to repay a state or federal loan used to fund the direct or indirect required spending by the local government due to a state or federal transportation project or other state or federal capital project. This authority may only be used if the project is not a local government initiative;

(14) to pay for court administration costs as required under section 273.1398, subdivision 4b, less the (i) county's share of transferred fines and fees collected by the district courts in the county for calendar year 2001 and (ii) the aid amount certified to be paid to the county in 2004 under section 273.1398, subdivision 4c; however, for taxes levied to pay for these costs in the year in which the court financing is transferred to the state, the amount under this clause is limited to the amount of aid the county is certified to receive under section 273.1398, subdivision 4a; ~~and~~

(15) to fund a police or firefighters relief association as required under section 69.77 to the extent that the required amount exceeds the amount levied for this purpose in 2001; and

(16) for purposes of a storm sewer improvement district, pursuant to section 444.20.

Sec. 4. Minnesota Statutes 2004, section 298.223, subdivision 1, is amended to read:

Subdivision 1. [CREATION; PURPOSES.] A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota located within the taconite assistance area defined in section 273.1341, that are adversely affected by the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes:

(a) to initiate investigations into matters the Iron Range Resources and Rehabilitation Board determines are in need of study and which will determine the environmental problems requiring remedial action;

(b) reclamation, restoration, or reforestation of minelands not otherwise provided for by state law;

(c) local economic development projects ~~including construction of sewer and water systems, and other~~ but only if those projects are approved by the board, and public works, including construction of sewer and water systems located within the taconite assistance area defined in section 273.1341;

(d) monitoring of mineral industry related health problems among mining employees.

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

Sec. 5. Minnesota Statutes 2004, section 343.11, is amended to read:

343.11 [ACQUISITION OF PROPERTY, APPROPRIATIONS.]

Every county and district society for the prevention of cruelty to animals may acquire, by purchase, gift, grant, or devise, and hold, use, or convey, real estate and personal property, and lease, mortgage, sell, or use the same in any manner conducive to its interest, to the same extent as natural persons. The county board of any county, or the council of any city, in which such societies exist, may, in its discretion, appropriate for the maintenance and support of such societies in the transaction of the work for which they are organized, any sums of money not otherwise appropriated, not to exceed in any one year the sum of $4,800 or the sum of ~~50 cents~~ $1 per capita based upon the county's or city's population as of the most recent federal census, whichever is greater; provided, that no part of the appropriation shall be expended for the payment of the salary of any officer of the society.

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

Sec. 6. Minnesota Statutes 2004, section 373.01, subdivision 3, is amended to read:

Subd. 3. [CAPITAL NOTES.] (a) A county board may, by resolution and without referendum, issue capital notes subject to the county debt limit to purchase capital equipment useful for county purposes that has an expected useful life at least equal to the term of the notes. The notes shall be payable in not more than ~~five~~ ten years and shall be issued on terms and in a manner the board determines. A tax levy shall be made for payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds.

(b) For purposes of this subdivision, "capital equipment" means:

(1) public safety, ambulance, road construction or maintenance, and medical equipment~~,~~; and

(2) computer hardware and ~~original operating system~~ software, whether bundled with machinery or equipment or unbundled. The authority to issue capital notes for ~~original operating systems~~ software expires on July 1, ~~2005~~ 2007.

Sec. 7. Minnesota Statutes 2004, section 373.40, subdivision 1, is amended to read:

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

(a) "Bonds" means an obligation as defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, ~~development rights in the form of conservation easements under chapter 84C,~~ buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, qualified indoor ice arena, ~~and~~ roads and bridges, and the acquisition of development rights in the form of conservation easements under chapter 84C. An improvement must have an expected useful life of five years or more to qualify. "Capital improvement" does not include light rail transit or any activity related to it or a recreation or sports facility building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.

(e) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):

(1) the federal decennial census,

(2) a special census conducted under contract by the United States Bureau of the Census, or

(3) a population estimate made either by the Metropolitan Council or by the state demographer under section 4A.02.

(f) "Qualified indoor ice arena" means a facility that meets the requirements of section 373.43.

(g) "Tax capacity" means total taxable market value, but does not include captured market value.

Sec. 8. Minnesota Statutes 2004, section 410.32, is amended to read:

410.32 [CITIES MAY ISSUE CAPITAL NOTES FOR CAPITAL EQUIPMENT.]

(a) Notwithstanding any contrary provision of other law or charter, a home rule charter city may, by resolution and without public referendum, issue capital notes subject to the city debt limit to purchase capital equipment.

(b) For purposes of this section, "capital equipment" means:

(1) public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment; and

(2) computer hardware and ~~original operating system~~ software, ~~provided~~ whether bundled with machinery or equipment or unbundled.

(c) The equipment or software ~~has~~ must have an expected useful life at least as long as the term of the notes. The authority to issue capital notes for ~~original operating system~~ software expires on July 1, ~~2005~~ 2007.

(d) The notes shall be payable in not more than ~~five~~ ten years and be issued on terms and in the manner the city determines. The total principal amount of the capital notes issued in a fiscal year shall not exceed 0.03 percent of the market value of taxable property in the city for that year.

(e) A tax levy shall be made for the payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds.

(f) Notes issued under this section shall require an affirmative vote of two-thirds of the governing body of the city.

(g) Notwithstanding a contrary provision of other law or charter, a home rule charter city may also issue capital notes subject to its debt limit in the manner and subject to the limitations applicable to statutory cities pursuant to section 412.301.

Sec. 9. Minnesota Statutes 2004, section 412.301, is amended to read:

412.301 [FINANCING PURCHASE OF CERTAIN EQUIPMENT.]

(a) The council may issue certificates of indebtedness or capital notes subject to the city debt limits to purchase capital equipment.

(b) For purposes of this section, "capital equipment" means:

(1) public safety equipment, ambulance and other medical equipment, road construction ~~or~~ and maintenance equipment, and other capital equipment; and

(2) computer hardware and ~~original operating system~~ software, ~~provided~~ whether bundled with machinery or equipment or unbundled.

(c) The equipment or software ~~has~~ must have an expected useful life at least as long as the terms of the certificates or notes. The authority to issue capital notes for ~~original operating system~~ software expires on July 1, ~~2005~~ 2007.

(d) Such certificates or notes shall be payable in not more than ~~five~~ ten years and shall be issued on such terms and in such manner as the council may determine.

(e) If the amount of the certificates or notes to be issued to finance any such purchase exceeds 0.25 percent of the market value of taxable property in the city, they shall not be issued for at least ten days after publication in the official newspaper of a council resolution determining to issue them; and if before the end of that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular municipal election is filed with the clerk, such certificates or notes shall not be issued until the proposition of their issuance has been approved by a majority of the votes cast on the question at a regular or special election.

(f) A tax levy shall be made for the payment of the principal and interest on such certificates or notes, in accordance with section 475.61, as in the case of bonds.

Sec. 10. Minnesota Statutes 2004, section 428A.101, is amended to read:

428A.101 [DEADLINE FOR SPECIAL SERVICE DISTRICT UNDER GENERAL LAW.]

The establishment of a new special service district after June 30, ~~2005~~ 2009, requires enactment of a special law authorizing the establishment.

Sec. 11. Minnesota Statutes 2004, section 428A.21, is amended to read:

428A.21 [~~SUNSET~~ DEADLINE FOR HOUSING IMPROVEMENT DISTRICTS UNDER GENERAL LAW.]

~~No~~ The establishment of a new housing improvement ~~areas may be established under sections 428A.11 to 428A.20~~ area after June 30, ~~2005. After June 30, 2005, a city may establish a housing improvement area, provided that it receives enabling legislation~~ 2009, requires enactment of a special law authorizing the establishment of the area.

Sec. 12. [429.052] [STREET OR ROAD IMPROVEMENTS OUTSIDE MUNICIPAL BOUNDARIES.]

A municipality may construct street or road improvements outside its jurisdiction with the consent of the affected township, or if the property is located in unorganized territory, the county.

When property is brought within the corporate limits of the municipality, the municipality may subsequently reimburse itself for all or any portion of the cost of the improvement for which municipal funds have been expended, by levying an assessment upon any property abutting on, but not previously assessed for, the improvement. No assessment may be so levied unless the property to be assessed was given notice and hearing of the improvements under section 429.031 at the time the improvement was ordered, and subsequently in accordance with the notice, hearing, and appeal rights, provided for under sections 429.061 and 429.081.

[EFFECTIVE DATE.] This section is effective for street and road improvements first ordered after August 1, 2005.

Sec. 13. [452.26] [UTILITY JOINT VENTURE.]

To provide reduced cost financing or to otherwise help in carrying out its functions, a municipal gas agency created under chapter 453A and any municipal utility authorized to provide gas facilities or services may enter into a joint venture that was incorporated before June 30, 2004, under section 452.25. The joint venture, and any municipal gas agency which is a member of the joint venture, may provide gas utility service.

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

Sec. 14. Minnesota Statutes 2004, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land that is either owned by the authority for redevelopment purposes or not owned by the authority at the time of the contract but the contract provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp general obligation or revenue bonds; ~~and~~

(3) until August 1, 2009, with respect to a facility built for the purpose of facilitating the operation of public transit or encouraging its use:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of parking ramp general obligation or revenue bonds or with at least 60 percent of the construction cost being financed with funding provided by the federal government; and

(4) in the case of any building in which at least 75 percent of the usable square footage constitutes a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034 or from nongovernmental sources;

(ii) the project is either located on land that is owned or is being acquired by the authority only for development purposes, or is not owned by the authority at the time the contract is entered into

but the contract provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond for the following projects:

(1) a contract described in paragraph (a), clause (1);

(2) a construction change order for a housing project in which 30 percent of the construction has been completed;

(3) a construction contract for a single-family housing project in which the authority acts as the general construction contractor; or

(4) a services or materials contract for a housing project.

For purposes of this paragraph, "services or materials contract" does not include construction contracts.

Sec. 15. Minnesota Statutes 2004, section 469.034, subdivision 2, is amended to read:

Subd. 2. [GENERAL OBLIGATION REVENUE BONDS.] (a) An authority may pledge the general obligation of the general jurisdiction governmental unit as additional security for bonds payable from income or revenues of the project or the authority. The authority must find that the pledged revenues will equal or exceed 110 percent of the principal and interest due on the bonds for each year. The proceeds of the bonds must be used for a qualified housing development project or projects. The obligations must be issued and sold in the manner and following the procedures provided by chapter 475, except the obligations are not subject to approval by the electors, and the maturities may extend to not more than ~~30~~ 35 years ~~from the estimated date of completion of the project~~ for obligations sold to finance housing for the elderly and 40 years for other obligations issued under this subdivision. The authority is the municipality for purposes of chapter 475.

(b) The principal amount of the issue must be approved by the governing body of the general jurisdiction governmental unit whose general obligation is pledged. Public hearings must be held on issuance of the obligations by both the authority and the general jurisdiction governmental unit. The hearings must be held at least 15 days, but not more than 120 days, before the sale of the obligations.

(c) The maximum amount of general obligation bonds that may be issued and outstanding under this section equals the greater of (1) one-half of one percent of the taxable market value of the general jurisdiction governmental unit whose general obligation ~~which includes a tax on property~~ is pledged, or (2) $3,000,000. In the case of county or multicounty general obligation bonds, the outstanding general obligation bonds of all cities in the county or counties issued under this subdivision must be added in calculating the limit under clause (1).

(d) "General jurisdiction governmental unit" means the city in which the housing development project is located. In the case of a county or multicounty authority, the county or counties may act as the general jurisdiction governmental unit. In the case of a multicounty authority, the pledge of the general obligation is a pledge of a tax on the taxable property in each of the counties.

(e) "Qualified housing development project" means a housing development project providing housing either for the elderly or for individuals and families with incomes not greater than 80 percent of the median family income as estimated by the United States Department of Housing and Urban Development for the standard metropolitan statistical area or the nonmetropolitan county in which the project is located~~, and will~~. The project must be owned for the term of the bonds either by the authority ~~for the term of the bonds.~~ or by a limited partnership or other entity in which the authority or another entity under the sole control of the authority is the sole general partner and the partnership or other entity must receive (1) an allocation from the Department of Finance or an entitlement issuer of tax-exempt bonding authority for the project and a preliminary

determination by the Minnesota Housing Finance Agency or the applicable suballocator of tax credits that the project will qualify for four percent low-income housing tax credits or (2) a reservation of nine percent low-income housing tax credits from the Minnesota Housing Finance Agency or a suballocator of tax credits for the project. A qualified housing development project may admit nonelderly individuals and families with higher incomes if:

(1) three years have passed since initial occupancy;

(2) the authority finds the project is experiencing unanticipated vacancies resulting in insufficient revenues, because of changes in population or other unforeseen circumstances that occurred after the initial finding of adequate revenues; and

(3) the authority finds a tax levy or payment from general assets of the general jurisdiction governmental unit will be necessary to pay debt service on the bonds if higher income individuals or families are not admitted.

Sec. 16. Minnesota Statutes 2004, section 469.158, is amended to read:

469.158 [MANNER OF ISSUANCE OF BONDS; INTEREST RATE.]

Bonds authorized under sections 469.152 to 469.165 must be issued in accordance with the provisions of chapter 475 relating to bonds payable from income of revenue producing conveniences, except that public sale is not required, the provisions of sections 475.62 and 475.63 do not apply, and the bonds may mature at the time or times, in the amount or amounts, within ~~30~~ 40 years from date of issue, and may be sold at a price equal to the percentage of the par value thereof, plus accrued interest, and bearing interest at the rate or rates agreed by the contracting party, the purchaser, and the municipality or redevelopment agency, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law. Bonds issued to refund bonds previously issued pursuant to sections 469.152 to 469.165 may be issued in amounts determined by the municipality or redevelopment agency notwithstanding the provisions of section 475.67, subdivision 3.

Sec. 17. Minnesota Statutes 2004, section 469.1813, subdivision 6, is amended to read:

Subd. 6. [DURATION LIMIT.] (a) A political subdivision may grant an abatement for a period no longer than ~~ten~~ 15 years, except as provided under paragraph (b). The subdivision may specify in the abatement resolution a shorter duration. If the resolution does not specify a period of time, the abatement is for eight years. If an abatement has been granted to a parcel of property and the period of the abatement has expired, the political subdivision that granted the abatement may not grant another abatement for eight years after the expiration of the first abatement. This prohibition does not apply to improvements added after and not subject to the first abatement.

(b) A political subdivision proposing to abate taxes for a parcel may request, in writing, that the other political subdivisions in which the parcel is located grant an abatement for the property. If one of the other political subdivisions declines, in writing, to grant an abatement or if 90 days pass after receipt of the request to grant an abatement without a written response from one of the political subdivisions, the duration limit for an abatement for the parcel by the requesting political subdivision and any other participating political subdivision is increased to ~~15~~ 20 years. If the political subdivision which declined to grant an abatement later grants an abatement for the parcel, the ~~15-year~~ 20-year duration limit is reduced by one year for each year that the declining political subdivision grants an abatement for the parcel during the period of the abatement granted by the requesting political subdivision. The duration limit may not be reduced below the limit under paragraph (a).

Sec. 18. Minnesota Statutes 2004, section 473.197, subdivision 4, is amended to read:

Subd. 4. [DEBT RESERVE; LEVY.] To provide money to pay debt service on bonds issued under the credit enhancement program ~~if pledged revenues are insufficient to pay debt service~~ in repealed subdivision 1 of Minnesota Statutes 2004, section 473.197, the council must maintain a debt reserve fund ~~in the manner and with the effect provided by section 118A.04 for public funds~~ until such a reserve is no longer pledged or otherwise needed to pay debt service on such bonds.

~~To provide funds for the debt reserve fund, the council may use up to $3,000,000 of the proceeds of solid waste bonds issued by the council under section 473.831 before its repeal. To provide additional funds for the debt reserve fund, the council may levy a tax on all taxable property in the metropolitan area and must levy the tax~~ If sums in the debt reserve fund are insufficient to cure any deficiency in the debt service fund established for the bonds, the council must levy a tax on all taxable property in the metropolitan area in the amount needed to cure the deficiency. The tax authorized by this section does not affect the amount or rate of taxes that may be levied by the council for other purposes and is not subject to limit as to rate or amount.

Sec. 19. Minnesota Statutes 2004, section 473.39, is amended by adding a subdivision to read:

Subd. 1k. [OBLIGATIONS.] After July 1, 2005, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, 1g, 1h, 1i, and 1j, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding $64,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Sec. 20. Minnesota Statutes 2004, section 473.39, is amended by adding a subdivision to read:

Subd. 2a. [USES OF INVESTMENT INCOME.] Interest or other investment earnings on the proceeds of bonds issued under this section and on a debt service account for bonds issued under this section must be used only to:

(1) pay capital expenditures and related expenses for which the obligations were authorized by this section;

(2) to pay debt service on the obligations or to reduce the council's property tax levy imposed to pay debt service on obligations issued under this section;

(3) pay rebate or yield reduction payments for the bonds to the United States;

(4) redeem or purchase the bonds; or

(5) make other payments with respect to the bonds that are necessary or desirable to comply with federal tax rules applicable to the bonds or to comply with covenants made with respect to the bonds.

[EFFECTIVE DATE.] This section is effective for investment earnings received after June 30, 2005.

Sec. 21. Minnesota Statutes 2004, section 474A.061, subdivision 2c, is amended to read:

Subd. 2c. [PUBLIC FACILITIES POOL ALLOCATION.] From the beginning of the calendar year and continuing for a period of 120 days, the commissioner shall reserve ~~$3,000,000~~ $5,000,000 of the available bonding authority from the public facilities pool for applications for public facilities projects to be financed by the Western Lake Superior Sanitary District. Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in July, the commissioner shall allocate available bonding authority from the public facilities pool to applications for eligible public facilities projects received on or before the Monday of the preceding week. If there are two or more applications for public facilities projects from the pool and there is insufficient available bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 22. Minnesota Statutes 2004, section 474A.131, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ISSUE.] Each issuer that issues bonds with an allocation received under this chapter shall provide a notice of issue to the department on forms provided by the department stating:

(1) the date of issuance of the bonds;

(2) the title of the issue;

(3) the principal amount of the bonds;

(4) the type of qualified bonds under federal tax law;

(5) the dollar amount of the bonds issued that were subject to the annual volume cap; and

(6) for entitlement issuers, whether the allocation is from current year entitlement authority or is from carryforward authority.

For obligations that are issued as a part of a series of obligations, a notice must be provided for each series. A penalty of one-half of the amount of the application deposit not to exceed $5,000 shall apply to any issue of obligations for which a notice of issue is not provided to the department within five business days after issuance or before ~~the last Monday~~ 4:30 p.m. on the last business day in December, whichever occurs first. Within 30 days after receipt of a notice of issue the department shall refund a portion of the application deposit equal to one percent of the amount of the bonding authority actually issued if a one percent application deposit was made, or equal to two percent of the amount of the bonding authority actually issued if a two percent application deposit was made, less any penalty amount.

Sec. 23. Minnesota Statutes 2004, section 475.51, subdivision 4, is amended to read:

Subd. 4. [NET DEBT.] "Net debt" means the amount remaining after deducting from its gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

(1) Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

(2) Warrants or orders having no definite or fixed maturity.

(3) Obligations payable wholly from the income from revenue producing conveniences.

(4) Obligations issued to create or maintain a permanent improvement revolving fund.

(5) Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.

(6) Debt service loans and capital loans made to a school district under the provisions of sections 126C.68 and 126C.69.

(7) Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.

(8) Obligations to repay loans made under section 216C.37.

(9) Obligations to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.

(10) Obligations issued to pay pension fund liabilities under section 475.52, subdivision 6, or any charter authority.

(11) Obligations issued to pay judgments against the municipality under section 475.52, subdivision 6, or any charter authority.

(12) All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

Sec. 24. Minnesota Statutes 2004, section 475.52, subdivision 1, is amended to read:

Subdivision 1. [STATUTORY CITIES.] Any statutory city may issue bonds or other obligations for the acquisition or betterment of public buildings, means of garbage disposal, hospitals, nursing homes, homes for the aged, schools, libraries, museums, art galleries, parks, playgrounds, stadia, sewers, sewage disposal plants, subways, streets, sidewalks, warning systems; for any utility or other public convenience from which a revenue is or may be derived; for a permanent improvement revolving fund; for changing, controlling or bridging streams and other waterways; for the acquisition and betterment of bridges and roads within two miles of the corporate limits; for the acquisition of development rights in the form of conservation easements under chapter 84C; and for acquisition of equipment for snow removal, street construction and maintenance, or fire fighting. Without limitation by the foregoing the city may issue bonds to provide money for any authorized corporate purpose except current expenses.

Sec. 25. Minnesota Statutes 2004, section 475.52, subdivision 3, is amended to read:

Subd. 3. [COUNTIES.] Any county may issue bonds for the acquisition or betterment of courthouses, county administrative buildings, health or social service facilities, correctional facilities, law enforcement centers, jails, morgues, libraries, parks, and hospitals, for roads and bridges within the county or bordering thereon and for road equipment and machinery and for ambulances and related equipment; for the acquisition of development rights in the form of conservation easements under chapter 84C, and for capital equipment for the administration and conduct of elections providing the equipment is uniform countywide, except that the power of counties to issue bonds in connection with a library shall not exist in Hennepin County.

Sec. 26. Minnesota Statutes 2004, section 475.52, subdivision 4, is amended to read:

Subd. 4. [TOWNS.] Any town may issue bonds for the acquisition and betterment of town halls, town roads and bridges, nursing homes and homes for the aged, and for acquisition of equipment for snow removal, road construction or maintenance, and fire fighting; for the acquisition of development rights in the form of conservation easements under chapter 84C; and for the acquisition and betterment of any buildings to house and maintain town equipment.

Sec. 27. Minnesota Statutes 2004, section 475.521, subdivision 1, is amended to read:

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

(a) "Bonds" mean an obligation defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, buildings or other improvements for the purpose of a city hall, town hall, library, public safety facility, and public works facility. An improvement must have an expected useful life of five years or more to qualify. Capital improvement does not include light rail transit or any activity related to it, or a park, ~~library,~~ road, bridge, administrative building other than a city or town hall, or land for any of those facilities.

(c) ~~"City"~~ "Municipality" means a home rule charter or statutory city or a town described in section 368.01, subdivision 1 or 1a.

Sec. 28. Minnesota Statutes 2004, section 475.521, subdivision 2, is amended to read:

Subd. 2. [ELECTION REQUIREMENT.] (a) Bonds issued by a ~~city~~ municipality to finance capital improvements under an approved capital improvements plan are not subject to the election requirements of section 475.58. ~~The bonds are subject to the net debt limits under section 475.53.~~ The bonds must be approved by an affirmative vote of three-fifths of the members of a five-member ~~city council~~ governing body. In the case of a ~~city council~~ governing body having more or less than five members, the bonds must be approved by a vote of at least two-thirds of the ~~city council~~ members of the governing body.

(b) Before the issuance of bonds qualifying under this section, the ~~city~~ municipality must

publish a notice of its intention to issue the bonds and the date and time of the hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the ~~city~~ municipality or in a newspaper of general circulation in the ~~city~~ municipality. Additionally, the notice may be posted on the official Web site, if any, of the ~~city~~ municipality. The notice must be published at least 14 but not more than 28 days before the date of the hearing.

(c) A ~~city~~ municipality may issue the bonds only after obtaining the approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the ~~city~~ municipality in the last general election and is filed with the ~~city~~ clerk within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at the election.

Sec. 29. Minnesota Statutes 2004, section 475.521, subdivision 3, is amended to read:

Subd. 3. [CAPITAL IMPROVEMENT PLAN.] (a) A ~~city~~ municipality may adopt a capital improvement plan. The plan must cover at least a five-year period beginning with the date of its adoption. The plan must set forth the estimated schedule, timing, and details of specific capital improvements by year, together with the estimated cost, the need for the improvement, and sources of revenue to pay for the improvement. In preparing the capital improvement plan, the ~~city council~~ governing body must consider for each project and for the overall plan:

(1) the condition of the ~~city's~~ municipality's existing infrastructure, including the projected need for repair or replacement;

(2) the likely demand for the improvement;

(3) the estimated cost of the improvement;

(4) the available public resources;

(5) the level of overlapping debt in the ~~city~~ municipality;

(6) the relative benefits and costs of alternative uses of the funds;

(7) operating costs of the proposed improvements; and

(8) alternatives for providing services most efficiently through shared facilities with other ~~cities~~ municipalities or local government units.

(b) The capital improvement plan and annual amendments to it must be approved by the ~~city council~~ governing body after public hearing.

Sec. 30. Minnesota Statutes 2004, section 475.521, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON AMOUNT.] A ~~city~~ municipality may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued under this section, including the bonds to be issued, will equal or exceed ~~0.05367~~ 0.16 percent of the taxable market value of property in the ~~county~~ municipality. Calculation of the limit must be made using the taxable market value for the taxes payable year in which the obligations are issued and sold. In the case of a municipality with a population of 2,500 or more, the bonds are subject to the net debt limits under section 475.53. In the case of a shared facility in which more than one municipality participates, upon compliance by each participating municipality with the requirements of subdivision 2, the limitations in this subdivision and the net debt represented by the bonds shall be allocated to each participating municipality in proportion to its required financial contribution to the financing of the shared facility, as set forth in the joint powers agreement relating to the shared facility. This section does not limit the authority to issue bonds under any other special or general law.

Sec. 31. Minnesota Statutes 2004, section 475.58, subdivision 3b, is amended to read:

Subd. 3b. [STREET RECONSTRUCTION.] (a) A municipality may, without regard to the

election requirement under subdivision 1, issue and sell obligations for street reconstruction, if the following conditions are met:

(1) the streets are reconstructed under a street reconstruction plan that describes the streets to be reconstructed, the estimated costs, and any planned reconstruction of other streets in the municipality over the next five years, and the plan and issuance of the obligations has been approved by a vote of all of the members of the governing body following a public hearing for which notice has been published in the official newspaper at least ten days but not more than 28 days prior to the hearing; and

(2) if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the last municipal general election and is filed with the municipal clerk within 30 days of the public hearing, the municipality may issue the bonds only after obtaining the approval of a majority of the voters voting on the question of the issuance of the obligations.

(b) Obligations issued under this subdivision are subject to the debt limit of the municipality and are not excluded from net debt under section 475.51, subdivision 4.

(c) For purposes of this subdivision, street reconstruction includes utility replacement and relocation and other activities incidental to the street reconstruction, ~~but~~ turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads, and the local share of state and county road projects.

(d) Except in the case of turn lanes, safety improvements, realignments, intersection modifications, and the local share of state and county road projects, street reconstruction does not include the portion of project cost allocable to widening a street or adding curbs and gutters where none previously existed.

Sec. 32. Minnesota Statutes 2004, section 477A.013, is amended by adding a subdivision to read:

Subd. 10. [LEVY ADJUSTMENTS FOR AID DECREASES.] Notwithstanding any local ordinance or charter provision, a city whose certified aid under subdivision 9 is less than the amount it received in the previous year under the same subdivision may increase its levy payable in the same year as the certified aid is paid by an amount equal to the aid decrease for that year.

[EFFECTIVE DATE.] This section is effective beginning with property tax levies payable in 2006 and thereafter.

Sec. 33. Laws 1996, chapter 412, article 5, section 24, is amended to read:

Sec. 24. [BONDS PAID FROM TACONITE PRODUCTION TAX REVENUES.]

Subdivision 1. [REFUNDING BONDS.] The appropriation of funds from the distribution of taconite production tax revenues to the taconite environmental protection tax fund and the northeast Minnesota economic protection fund made by Laws 1988, chapter 718, article 7, sections 62 and 63, Laws 1989, chapter 329, article 5, section 20, Laws 1990, chapter 604, article 8, section 13, Laws 1992, chapter 499, article 5, section 29, ~~and by sections 18 to 20~~ Laws 1996, chapter 412, article 5, sections 20 to 22, and Laws 2000, chapter 489, article 5, sections 24 to 26, shall continue to apply to bonds issued under Minnesota Statutes, chapter 475, to refund bonds originally issued pursuant to those chapters.

Subd. 2. [LOCAL PAYMENTS.] School districts that are required in Laws 1988, chapter 718, article 7, sections 62 and 63, Laws 1989, chapter 329, article 5, section 20, Laws 1990, chapter 604, article 8, section 13, Laws 1992, chapter 499, article 5, section 29, ~~and by sections 18 to 20~~ Laws 1996, chapter 412, article 5, sections 20 to 22, and Laws 2000, chapter 489, article 5, sections 24 to 26, to impose levies to pay debt service on the bonds issued under those provisions to the extent the principal and interest on the bonds is not paid by distributions from the taconite environmental protection fund and the northeast Minnesota economic protection trust, may pay their portion of the principal and interest from any funds available to them. To the extent a school district uses funds other than the proceeds of a property tax levy to pay its share of the principal

and interest on the bonds, the requirement to impose a property tax to pay the local share does not apply to the school district.

Sec. 34. Laws 2003, chapter 127, article 12, section 38, is amended to read:

Sec. 38. [~~MEMBERS MUST~~ AUTHORITY TO LEVY TAXES ~~FOR AUTHORITY~~.]

~~(a) A member shall, at the request of the authority, levy a tax in any year for the benefit of the authority.~~ The authority is a special taxing district as defined in Minnesota Statutes, section 275.066, clause (13), with the power to adopt and certify a property tax levy to the county auditor. The authority may levy a tax in any year for the benefit of the authority. The tax ~~is,~~ for each member~~,~~ is a pro rata portion of the total amount of tax requested by the authority based on the taxable market value within ~~a~~ the member's jurisdiction, but in no event may the tax in any year exceed 0.01813 percent of taxable market value. For purposes of this section, "taxable market value" has the meaning as given in Minnesota Statutes, section 273.032.

~~(b) The treasurer of each member city or town shall, within 15 days after receiving the property tax settlements from the county treasurer, pay to the treasurer of the authority the amount collected for this purpose. The money must be used by the authority for the purposes provided by sections 35 to 41.~~

[EFFECTIVE DATE.] This section is effective for taxes levied in 2005, payable in 2006, and thereafter.

Sec. 35. [CITY OF BEMIDJI; DURATION EXTENSION FOR TAX ABATEMENT.]

Notwithstanding the limitation in Minnesota Statutes, section 469.1813, subdivision 6, the city of Bemidji may extend the duration of the tax abatement given to support development within the fairgrounds district of the city for an additional four years beyond the duration permitted under that section.

Sec. 36. [TOWN OF WHITE; OBLIGATIONS AUTHORIZED.]

Subdivision 1. [OBLIGATIONS.] Notwithstanding any provision of law or charter to the contrary, the town of White may pledge its general obligation, as defined in Minnesota Statutes, section 475.51, subdivision 10, to secure the financing of local improvements as provided in this section.

Subd. 2. [SPECIAL RULES.] (a) The obligations are subject to the provisions of Minnesota Statutes, chapter 429, except as provided in this subdivision.

(b) The obligations must be issued to finance:

(1) the cost of local improvements described in Minnesota Statutes, section 429.021, located within the area referred to in Laws 2003, chapter 119, section 2;

(2) any reserves required to market the obligation; and

(3) the costs of issuing the obligations.

(c) The obligations must be additionally secured by special assessments levied or to be levied by the city of Biwabik within the area referred to in paragraph (b).

(d) The pledge of special assessments by the city of Biwabik for the payment of the obligations must be made by written agreement by and between the town of White and the city of Biwabik and must be filed with the county auditor.

(e) Notwithstanding Minnesota Statutes, section 475.58, no election is required to approve the obligations.

(f) The obligations are not included in computing any debt limitation applicable to the town of White or the city of Biwabik, and the levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on the obligations is not subject to any levy limitation.

[EFFECTIVE DATE.] This section is effective upon local approval by the town of White and the city of Biwabik in compliance with the requirements of Minnesota Statutes, section 645.021.

Sec. 37. [SAUK RIVER WATERSHED DISTRICT.]

Notwithstanding Minnesota Statutes, section 103D.905, subdivision 3, the Sauk River Watershed District may annually levy up to 0.01 percent of taxable market value for its general fund.

[EFFECTIVE DATE.] This section is effective, without local approval, beginning with the taxes levied in 2005, payable in 2006.

Sec. 38. [CITY OF ST. PAUL; RIVERCENTRE COMPLEX OPERATION.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "City" means the city of St. Paul, its mayor, city council, and any other board, authority, commission, or officer authorized by law, charter, or ordinance to exercise city powers of the nature referred to in this section.

(c) "RiverCentre complex" means collectively the auditorium; convention, conference and education center; arena; and parking ramp facilities presently and commonly known as the Roy Wilkins Auditorium, St. Paul RiverCentre, Xcel Energy Center, and RiverCentre Parking Ramp, including all property, real or personal, tangible or intangible, located in the city, intended to be used as part of the RiverCentre complex or additions to or extensions of it.

Subd. 2. [CREATION OF NONPROFIT ORGANIZATION.] As required under Minnesota Statutes, section 465.717, and notwithstanding any other law, city charter provision, or ordinance to the contrary, the city of St. Paul may participate in the creation of a nonprofit organization for the purposes provided in this section.

Subd. 3. [GOVERNING BOARD.] (a) The mayor of the city, subject to approval by the city council, shall appoint a majority of the members of the governing board of the nonprofit organization performing all or a part of the activities necessary to carry out the purposes specified in this section. The mayor may designate any officer or employee of the city to serve as a member of the governing board of any nonprofit organization.

(b) In addition to the appointments made by the mayor under paragraph (a), the mayor shall designate three members of the city council to serve on the governing board of the nonprofit organization.

(c) Notwithstanding any provision contained in the articles of incorporation and bylaws of the nonprofit organization, any member of the governing board appointed by the mayor may be removed only by the mayor for cause.

(d) The governing board of the nonprofit organization shall select, subject to the approval of the mayor, a president to serve as chief executive officer and general manager of the nonprofit organization.

(e) The procedures in Minnesota Statutes, section 317A.255, subdivision 1, paragraph (b), relating to director conflicts of interest, are not required if the contract or other transaction is between the city and the nonprofit organization.

Subd. 4. [RIVERCENTRE MANAGEMENT; AUTHORITY TO CONTRACT WITH NONPROFIT ORGANIZATION.] The city may enter into an agreement with the nonprofit organization created in subdivision 2 to equip, maintain, manage, and operate all or a portion of the RiverCentre complex and to manage and operate a convention bureau to market and promote the city as a tourist or convention center. Except as otherwise provided in this section, the nonprofit organization may only contract and utilize and expend funds for these purposes under the direction of its governing board, subject to the accounting, financial reporting, and other

conditions that the city may prescribe in a contract made under this section between the city and the nonprofit organization. The nonprofit organization may use the services of the office of the city attorney and the city's purchasing department. All activities performed to carry out these purposes are deemed to be for a public purpose.

Subd. 5. [BONDHOLDERS' RIGHTS AND RIVERCENTRE COMPLEX TAX EXEMPTIONS PRESERVED.] (a) The city must protect the rights of holders of bonds issued for the RiverCentre complex, including preserving the tax-exempt status of the bonds.

(b) The use and operation of the RiverCentre complex by the nonprofit organization with which the city contracts under this act is a use, lease, or occupancy for public, governmental, and municipal purposes, and the complex is exempt from taxation by the state or any political subdivision of the state during such use, to the extent it would be exempt if the complex was equipped, maintained, managed, and operated by the city.

(c) Gross receipts of tickets and admissions to events at the RiverCentre complex sponsored by the nonprofit organization created in this section do not qualify for the sales tax exemption under Minnesota Statutes, section 297A.70, subdivision 10.

Subd. 6. [APPLICABLE GENERAL LAWS.] The following statutes apply to the nonprofit organization with which the city contracts under this section the same as they apply to the city:

(1) Minnesota Statutes, chapter 13D, the Minnesota Open Meeting Law; and

(2) Minnesota Statutes, chapter 13, the Government Data Practices Act.

Subd. 7. [SUCCESSION.] The nonprofit organization with which the city contracts under this section is the successor to all powers, rights, assets, privileges, and interests held and enjoyed by the RiverCentre authority on the effective date of this section, and established by the provisions of Laws 1967, chapter 459, sections 1, 2, 4, and 8, subdivisions 2 and 3, clause (3), as amended; Laws 1982, chapter 523, article 25, sections 4 and 5; Laws 1998, chapter 404, sections 81 and 82; and Minnesota Statutes, section 297A.98. On the effective date of the contract between the city and the nonprofit organization authorized by this section, the RiverCentre authority ceases to exist for only so long as the contract is in effect, and all other laws or provisions specifically relating to the RiverCentre authority and the RiverCentre complex that are not otherwise referenced in this section, do not apply to the nonprofit organization.

Subd. 8. [LIABILITY.] The nonprofit organization with which the city contracts under this section is a "municipality," and the officers, directors, employees, and agents of the nonprofit organization are "employees, officers, or agents," under Minnesota Statutes, chapter 466, relating to tort liability. The city must defend, save harmless, and indemnify the nonprofit organization, including the nonprofit's officers, directors, employees, and agents, against any claim or demand arising out of the nonprofit organization's performance under the contract.

[EFFECTIVE DATE.] This section is effective the day after the city council and the chief clerical officer of the city of St. Paul have timely completed their compliance with Minnesota Statutes, section 645.023, subdivisions 2 and 3.

Sec. 39. [IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER; BONDS AUTHORIZED.]

Subdivision 1. [ISSUANCE; PURPOSE.] Notwithstanding any provision of Minnesota Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and rehabilitation may issue revenue bonds in a principal amount of $15,000,000 in one or more series, and bonds to refund those bonds. The proceeds of the bonds must be used to make grants to school districts located in the taconite tax relief area defined in Minnesota Statutes, section 273.134, or the taconite assistance area defined in Minnesota Statutes, section 273.1341, to be used by the school districts to pay for health, safety, and maintenance improvements but only if the school district has levied the maximum amount allowable under law for those purposes.

Subd. 2. [APPROPRIATION.] There is annually appropriated from the distribution of taconite

production tax revenues to the taconite environmental protection fund pursuant to Minnesota Statutes, section 298.28, subdivision 11, and to the Douglas J. Johnson economic protection trust pursuant to Minnesota Statutes, section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due the principal and interest on the bonds issued pursuant to subdivision 1. If the annual distribution to the Douglas J. Johnson economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under Minnesota Statutes, section 298.225 or 298.293, the deficiency is appropriated from the taconite environmental protection fund. The appropriation under this subdivision terminates upon payment or maturity of the last of the bonds issued under this section.

Subd. 3. [CREDIT ENHANCEMENT.] The bonds issued under this section are "debt obligations" and the commissioner of Iron Range resources and rehabilitation is a "district" for purposes of Minnesota Statutes, section 126C.55, provided that advances made under Minnesota Statutes, section 126C.55, subdivision 2, are not subject to Minnesota Statutes, section 126C.55, subdivisions 4 to 7.

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

Sec. 40. [CROW WING COUNTY SEWER DISTRICT; PILOT PROJECT.]

Subdivision 1. [POWERS.] In addition to the powers granted in Minnesota Statutes, chapter 116A, the county board for Crow Wing County, by resolution, may grant the following powers to a sewer district created by the county board under Minnesota Statutes, chapter 116A:

(1) provide that an authorized representative of the district, after presentation of credentials, may enter at reasonable times any premise to inspect or maintain an individual sewage treatment system, as defined in Minnesota Statutes, section 115.55, subdivision 1, paragraph (g);

(2) include areas of the county within the sewer district that are not contiguous and establish different systems for wastewater treatment in specific areas of the county;

(3) provide that each special service area that is managed by the sewer system or combination thereof constitutes a system under Minnesota Statutes, chapter 116A;

(4) delegate to the sewer district, by resolution, all or a portion of its administrative and enforcement obligations with respect to individual sewage treatment systems under Minnesota Statutes, chapter 115, and rules adopted by the Pollution Control Agency;

(5) modify any individual sewage treatment system to provide reasonable access to it for inspection and maintenance; and

(6) neither the approval nor the waiver of the county board, nor confirmation by order of the district court, is required for the sewer commission to exercise the powers set forth in Minnesota Statutes, section 116A.24.

Subd. 2. [REPORT.] If the Crow Wing County Board exercises the powers granted under subdivision 1, the county shall report by January 15, 2009, to the senate and house committees with jurisdiction over environmental policy and taxes on the establishment and operation of the sewer district. The report must include:

(1) a description of the implementation of the additional powers granted under subdivision 1;

(2) available information on the effectiveness of the additional powers to control pollution in the county; and

(3) any recommendations for changes to Minnesota Statutes, chapter 116A, to broaden the authority for sewer districts to include any of the additional powers granted under subdivision 1.

[EFFECTIVE DATE.] This section is effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 2.

Sec. 41. [CITY OF WHITE BEAR LAKE.]

Subdivision 1. [PAYMENT REQUIRED.] The commissioner of revenue must make payments of $52,482 on each of July 20, 2005, and December 26, 2005, to the city of White Bear Lake.

Subd. 2. [APPROPRIATION.] $104,964 is appropriated from the general fund to the commissioner of revenue to make the payments required in this section.

Sec. 42. [APPLICATION.]

Sections 18, 19, 20, and 43 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 43. [REPEALER.]

Minnesota Statutes 2004, sections 473.197, subdivisions 1, 2, 3, and 5; and 473.39, subdivision 1f, are repealed.

Sec. 44. [EFFECTIVE DATE.]

(a) Section 1 is effective the day after the city council and the chief clerical officer of the city of St. Paul have timely completed their compliance with Minnesota Statutes, section 645.023, subdivisions 2 and 3.

(b) Except as otherwise provided, this article is effective the day following final enactment."

Page 36, delete lines 33 to 36

Page 37, delete lines 1 to 3 and insert:

"(e) This subdivision does not apply to captured net tax capacity in a tax increment financing district to the extent necessary to meet the debt repayment obligations of the authority if the property is also located within an agricultural processing zone."

Page 37, after line 5, insert:

"Sec. 3. Minnesota Statutes 2004, section 272.0212, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION.] All qualified property in a zone is exempt to the extent and for a period up to the duration provided by the zone designation and under sections 469.1731 to 469.1735.

[EFFECTIVE DATE.] This section is effective for development agreements approved after the day following final enactment and beginning for property taxes payable in 2006.

Sec. 4. Minnesota Statutes 2004, section 272.0212, subdivision 2, is amended to read:

Subd. 2. [LIMITS ON EXEMPTION.] (a) Property in a zone is not exempt under this section from the following:

(1) special assessments;

(2) ad valorem property taxes specifically levied for the payment of principal and interest on debt obligations; and

(3) all taxes levied by a school district, except school referendum levies as defined in section 126C.17.

(b) The city may limit the property tax exemption to a shorter period than the duration of the zone or to a percentage of the property taxes payable or both.

[EFFECTIVE DATE.] This section is effective for development agreements approved after the day following final enactment and beginning for property taxes payable in 2006."

Page 40, after line 18, insert:

"Sec. 8. Minnesota Statutes 2004, section 469.175, subdivision 2, is amended to read:

Subd. 2. [CONSULTATIONS; COMMENT AND FILING.] (a) Before formation of a tax increment financing district, the authority shall provide the county auditor and clerk of the school board with the proposed tax increment financing plan for the district and the authority's estimate of the fiscal and economic implications of the proposed tax increment financing district. The authority must provide the proposed tax increment financing plan and the information on the fiscal and economic implications of the plan to the county auditor and the clerk of the school district board at least 30 days before the public hearing required by subdivision 3. The information on the fiscal and economic implications may be included in or as part of the tax increment financing plan. The county auditor and clerk of the school board shall provide copies to the members of the boards, as directed by their respective boards. The 30-day requirement is waived if the boards of the county and school district submit written comments on the proposal and any modification of the proposal to the authority after receipt of the information.

(b) For purposes of this subdivision, "fiscal and economic implications of the proposed tax increment financing district" includes:

(1) an estimate of the total amount of tax increment that will be generated over the life of the district;

(2) a description of the probable impact of the district on city-provided services such as police and fire protection, public infrastructure, and borrowing costs attributable to the district;

(3) the estimated amount of tax increments over the life of the district that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same;

(4) the estimated amount of tax increments over the life of the district that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same; and

(5) any additional information requested by the county or the school district that would enable it to determine additional costs that will accrue to it due to the development proposed for the district.

[EFFECTIVE DATE.] This section is effective for all districts for which certification is requested after December 31, 2005."

Page 48, after line 35, insert:

"Sec. 16. Minnesota Statutes 2004, section 469.1763, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES OUTSIDE DISTRICT.] (a) For each tax increment financing district, an amount equal to at least 75 percent of the total revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the pooling percentage for purposes of the preceding sentence is 20 percent. The revenue derived from tax increments for the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, a housing project, as defined in section 469.174, subdivision 11, is an activity in the district.

(c) All administrative expenses are for activities outside of the district, except that if the only expenses for activities outside of the district under this subdivision are for the purposes described in paragraph (d), administrative expenses will be considered as expenditures for activities in the district.

(d) The authority may elect, in the tax increment financing plan for the district, to increase by up to ten percentage points the permitted amount of expenditures for activities located outside the geographic area of the district under paragraph (a). As permitted by section 469.176, subdivision 4k, the expenditures, including the permitted expenditures under paragraph (a), need not be made within the geographic area of the project. Expenditures that meet the requirements of this paragraph are legally permitted expenditures of the district, notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase under this paragraph, the expenditures must:

(1) be used exclusively to assist housing that meets the requirement for a qualified low-income building, as that term is used in section 42 of the Internal Revenue Code;

(2) not exceed the qualified basis of the housing, as defined under section 42(c) of the Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal Revenue Code; and

(3) be used to:

(i) acquire and prepare the site of the housing;

(ii) acquire, construct, or rehabilitate the housing; or

(iii) make public improvements directly related to the housing.

(e) For a district created within a biotechnology and health sciences industry zone as defined in section 469.330, subdivision 6, tax increment derived from such a district may be expended outside of the district but within the zone only for expenditures required for the construction of public infrastructure necessary to support the activities of the zone."

Page 55, after line 29, insert:

"Sec. 21. Laws 1998, chapter 389, article 11, section 19, subdivision 3, is amended to read:

Subd. 3. [DURATION OF DISTRICT.] Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1b, no tax increment may be paid to the authority or the city after ~~18 years from the date of receipt by the authority of the first increment generated from the final phase of redevelopment. In no case may increments be paid to the authority after~~ 30 years from approval of the tax increment plan. ~~"Final phase of redevelopment" means that phase of redevelopment activity which completes the rehabilitation of the Lake Street site.~~

[EFFECTIVE DATE.] This section is effective upon compliance with Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021, subdivision 2."

Page 57, delete lines 9 to 12

Page 62, after line 5, insert:

"Sec. 29. [CITY OF BROOKLYN PARK TAX INCREMENT FINANCING DISTRICT EXTENSION.]

Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, or any other law to the contrary, the duration limit that applies to the economic development tax increment financing district established under Laws 1994, chapter 587, article 9, section 20, is extended to December 31, 2006. The city and county may prepare a plan for submission to the legislature by February 1, 2006, providing for expenditure of increment resulting from an additional duration extension of the district. The plan must specify the proposed duration extension, as well the planned uses of the increment.

Sec. 30. [CITY OF FERGUS FALLS; ECONOMIC DEVELOPMENT PROPERTY.]

The provisions of Minnesota Statutes, section 272.02, subdivision 39, apply to property located in the city of Fergus Falls as if the city had a population of 5,000 or less.

[EFFECTIVE DATE.] This section is effective for taxes levied in 2005, payable in 2006, and thereafter."

Page 62, line 8, delete everything after "469.1766" and insert "are repealed."

Page 62, delete line 9 and insert:

"Laws 1994, chapter 587, article 9, section 20, subdivision 4, is repealed."

Page 62, line 20, delete everything after the period

Page 62, delete lines 21 to 23

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Pogemiller moved to amend H.F. No. 2498 as follows:

Pages 62 to 92, delete article 3

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2498 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Kubly	Nienow	Saxhaug
Bakk	Hann	Langseth	Olson	Scheid
Belanger	Higgins	Larson	Ortman	Senjem
Berglin	Hottinger	Lourey	Ourada	Skoe
Betzold	Johnson, D.E.	Marko	Pappas	Skoglund
Chaudhary	Johnson, D.J.	Marty	Pogemiller	Solon
Cohen	Jungbauer	McGinn	Ranum	Sparks
Dibble	Kelley	Metzen	Reiter	Stumpf
Dille	Kierlin	Michel	Robling	Tomassoni
Fischbach	Kiscaden	Moua	Rosen	Vickerman
Foley	Kleis	Murphy	Ruud	Wergin
Frederickson	Koering	Neuville	Sams	Wiger

Those who voted in the negative were:

Bachmann	Gerlach	LeClair	Rest

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1481, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1481 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1481

A bill for an act relating to government operations; appropriating money for the general legislative and administrative expenses of state government; regulating state and local government operations; modifying provisions related to public employment; ratifying certain labor agreements and compensation plans; regulating elections and campaign finance; regulating Minneapolis teacher pensions; modifying provisions related to the military and veterans; providing conforming amendments; amending Minnesota Statutes 2004, sections 3.011; 3.012; 3.02; 10A.01, subdivisions 5, 21, 23, 26; 10A.025, by adding a subdivision; 10A.071, subdivision 3; 10A.08; 10A.20, subdivisions 2, 5, by adding a subdivision; 10A.27, subdivision 1; 10A.28, subdivision 2; 10A.31, subdivisions 1, 3, 4, 5, 6a; 11A.04; 11A.07, subdivisions 4, 5; 11A.24, subdivision 6; 13.635, by adding a subdivision; 14.19; 15.054; 15B.17, subdivision 1; 16A.103, by adding a subdivision; 16A.1286, subdivisions 2, 3; 16A.152, subdivision 2; 16A.1522, subdivision 1; 16A.281; 16B.52, subdivision 1; 16C.10, subdivision 7; 16C.144; 16C.16, subdivision 1, by adding a subdivision; 16C.23, by adding a subdivision; 43A.183; 43A.23, subdivision 1; 123B.63, subdivision 3; 126C.17, subdivision 11; 190.16, by adding a subdivision; 192.19; 192.261, subdivisions 1, 2; 192.501, subdivision 2; 193.29, subdivision 3; 193.30; 193.31; 197.608, subdivision 5; 200.02, subdivisions 7, 23, by adding a subdivision; 201.022, by adding a subdivision; 201.061, subdivision 3; 201.071, subdivision 1; 201.091, subdivision 5; 203B.01, subdivision 3; 203B.02, subdivision 1; 203B.04, subdivisions 1, 4, by adding a subdivision; 203B.07, subdivision 2; 203B.11, subdivision 1; 203B.12, subdivision 2; 203B.20; 203B.21, subdivisions 1, 3; 203B.24, subdivision 1; 204B.10, subdivision 6; 204B.14, subdivision 2; 204B.16, subdivisions 1, 5; 204B.18, subdivision 1; 204B.22, subdivision 3; 204B.27, subdivisions 1, 3; 204B.33; 204C.05, subdivision 1a, by adding a subdivision; 204C.08, subdivision 1; 204C.24, subdivision 1; 204C.28, subdivision 1; 204C.50, subdivisions 1, 2; 204D.03, subdivision 1; 204D.14, subdivision 3; 204D.27, subdivision 5; 205.10, subdivision 3; 205.175, subdivision 2; 205A.05, subdivision 1; 205A.09, subdivision 1; 206.56, subdivisions 2, 3, 7, 8, 9, by adding subdivisions; 206.57, subdivisions 1, 5, by adding a subdivision; 206.58, subdivision 1; 206.61, subdivisions 4, 5; 206.64, subdivision 1; 206.80; 206.81; 206.82, subdivisions 1, 2; 206.83; 206.84, subdivisions 1, 3, 6; 206.85, subdivision 1; 206.90, subdivisions 1, 4, 5, 6, 8, 9; 208.03; 208.04, subdivision 1; 208.05; 208.06; 208.07; 208.08; 211B.01, subdivision 3; 240A.02, subdivision 3; 354A.08; 354A.12, subdivisions 3a, 3b; 358.11; 373.40, subdivision 2; 375.20; 394.25, by adding a subdivision; 447.32, subdivision 4; 458.40; 462.357, by adding a subdivision; 465.82, subdivision 2; 465.84; 469.053, subdivision 5; 469.0724; 469.190, subdivision 5; 471.345, by adding a subdivision; 471.975; 473.147, by adding a subdivision; 475.521, subdivision 2; 475.58, subdivisions 1, 1a; 475.59; 507.093; 507.24, subdivision 2; Laws 2000, chapter 461, article 4, section 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 3; 4; 5; 6; 8; 10A; 14; 15; 15B; 16A; 16B; 16C; 43A; 196; 197; 204D; 205; 205A; 206; 298; 354A; 471; 507; proposing coding for new law as Minnesota Statutes, chapter 471B; repealing Minnesota Statutes 2004, sections 16A.151, subdivision 5; 16A.30; 16B.33; 43A.11, subdivision 2; 197.455, subdivision 3; 204B.22, subdivision 2; 204C.05, subdivisions 1a, 1b; 204C.50, subdivision 7; 205.175; 205A.09; 240A.08; 354A.28; Minnesota Rules, parts 4501.0300, subparts 1, 4; 4501.0500, subpart 4; 4501.0600; 4503.0200, subpart 4; 4503.0300, subpart 2; 4503.0400, subpart 2; 4503.0500, subpart 9; 4503.0800, subpart 1.

May 23, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 1481, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1481 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE GOVERNMENT APPROPRIATIONS

Section 1. [STATE GOVERNMENT APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "2005," "2006," and "2007," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 2005, June 30, 2006, or June 30, 2007, respectively.

SUMMARY BY FUND

	2006	2007	TOTAL
General	$295,666,000	$301,319,000	$596,985,000
Health Care Access	1,782,000	1,782,000	3,564,000
State Government Special Revenue	2,178,000	2,194,000	4,372,000
Environmental	436,000	436,000	872,000
Remediation	484,000	484,000	968,000
Special Revenue	4,395,000	5,541,000	9,936,000
Highway User Tax Distribution	2,097,000	2,097,000	4,194,000
Workers' Compensation	7,552,000	7,458,000	15,010,000
TOTAL	$314,590,000	$321,311,000	$635,901,000

	APPROPRIATIONS Available for the Year Ending June 30	
	2006	2007
Sec. 2. LEGISLATURE		
Subdivision 1. Total Appropriation	$54,272,000	$62,042,000
Summary by Fund		
General	54,144,000	61,914,000

Health Care Access	128,000	128,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Senate

17,965,000	20,654,000

Subd. 3. House of Representatives

24,177,000	27,790,000

During the biennium ending June 30, 2007, any revenues received by the house of representatives from sponsorship notices in broadcast or print media are appropriated to the house of representatives.

Subd. 4. Legislative Coordinating Commission

12,130,000	13,598,000

Summary by Fund

General	12,002,000	13,470,000
Health Care Access	128,000	128,000

$360,000 the first year and $360,000 the second year are for public information television, Internet, Intranet, and other transmission of legislative activities. At least one-half must go for programming to be broadcast and transmitted to rural Minnesota.

On July 1, 2005, the commissioner of finance shall transfer $1,764,000 of unspent fees from the special revenue fund dedicated for the Electronic Real Estate Recording Task Force to the general fund.

On July 1, 2005, the commissioner of finance shall cancel $2,500,000 of the legislature's accumulated carryforward account balances, divided equally between the senate and house balances, to the general fund.

$4,645,000 the first year and $5,143,000 the second year are for the Office of the Revisor of Statutes.

$1,016,000 the first year and $1,154,000 the second year are for the Legislative Reference Library.

$4,530,000 the first year and $5,206,000 the second year are for the Office of the Legislative Auditor.

During the biennium ending June 30, 2007, the commission shall study and report to the

legislature on all matters relating to the economic status of women in Minnesota, including: (1) the contributions of women to the economy; (2) economic security of homemakers and women in the labor force; (3) opportunities for education and vocational training; (4) employment opportunities; (5) women's access to benefits and services provided to citizens of this state; and (6) laws and business practices constituting barriers to the full participation by women in the economy. The commission shall also study the adequacy of programs and services relating to families in Minnesota. The commission shall communicate its findings and make recommendations to the legislature on an ongoing basis.

During the biennium ending June 30, 2007, the Legislative Coordinating Commission must coordinate efforts of the senate, house of representatives, and the state chief information officer to provide wireless Internet service in the Capitol and the State Office Building. The commission may accept nonstate funds to support the installation and support of wireless Internet access, which are appropriated to the commission for this purpose. Services provided by the chief information officer under this provision are available to the public. Any provision of wireless Internet access services under this provision must include appropriate security measures, and be coordinated with overall state telecommunications and security strategies and architectures.

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR	3,584,000	3,584,000

This appropriation is to fund the offices of the governor and lieutenant governor.

$19,000 the first year and $19,000 the second year are for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

By September 1 of each year, the commissioner of finance shall report to the chairs of the senate Governmental Operations Budget Division and the house State Government Finance Division any personnel costs incurred by the Office of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs of the divisions before initiating any interagency agreements.

Sec. 4. STATE AUDITOR			8,273,000	8,273,000
Sec. 5. ATTORNEY GENERAL			25,152,000	25,192,000
	Summary by Fund			
General	22,745,000	22,769,000		
State Government Special Revenue	1,778,000	1,794,000		
Environmental	145,000	145,000		
Remediation	484,000	484,000		
Sec. 6. SECRETARY OF STATE			5,905,000	6,077,000
$25,000 each year is for the use of the task force established in Minnesota Statutes, section 507.094, for the purposes in that section. $25,000 is included in the base budget for fiscal year 2008 for this purpose.				
Sec. 7. CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD			694,000	694,000
Sec. 8. INVESTMENT BOARD			2,167,000	2,167,000
Sec. 9. OFFICE OF ENTERPRISE TECHNOLOGY			1,803,000	1,803,000
Sec. 10. ADMINISTRATIVE HEARINGS			7,714,000	7,620,000
	Summary by Fund			
General	262,000	262,000		
Workers' Compensation	7,452,000	7,358,000		
$203,000 the first year and $109,000 the second year are from the workers' compensation fund for technology improvements. The base appropriation for these improvements is $158,000 in fiscal year 2008 and $165,000 in fiscal year 2009.				
For fiscal years 2006 and 2007, the Administrative Law Division of the Office of Administrative Hearings shall charge the fees approved by the commissioner of finance under Minnesota Statutes, section 16A.126.				
Sec. 11. ADMINISTRATION				
Subdivision 1. Total Appropriation			25,558,000	20,375,000
The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.				
Subd. 2. State Facilities Services				
	16,070,000	10,946,000		
$5,124,000 the first year is for onetime funding				

of agency relocation expenses. The Department of Human Services will obtain federal reimbursement for associated relocation expenses. This amount, estimated to be $1,870,000, will be deposited in the general fund.

$7,888,000 the first year and $7,888,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

$2,000,000 of the balance in the state building code account in the state government special revenue fund is canceled to the general fund.

$1,950,000 the first year and $1,950,000 the second year of the balance in the facilities repair and replacement account in the special revenue fund is canceled to the general fund. This is a onetime cancellation.

Subd. 3. State and Community Services

2,921,000 3,012,000

$714,000 the first year and $805,000 the second year are for the Land Management Information Center. The base appropriation is $258,000 in fiscal year 2008 and $258,000 in fiscal year 2009.

$196,000 the first year and $196,000 the second year are for the Office of the State Archaeologist.

Subd. 4. Administrative Management Services

4,712,000 4,562,000

$150,000 the first year is for a onetime grant to Assistive Technology of Minnesota to administer a microloan program to support purchase of equipment and devices for people with disabilities and their families and employers, and to develop the Access to Telework program. This appropriation is available until June 30, 2007.

$74,000 the first year and $74,000 the second year are for the Developmental Disabilities Council.

Subd. 5. Public Broadcasting

1,855,000 1,855,000

$963,000 the first year and $963,000 the second year are for matching grants for public television.

$398,000 the first year and $398,000 the second year are for public television equipment grants.

Equipment or matching grant allocations shall be made after considering the recommendations of the Minnesota Public Television Association.

$17,000 the first year and $17,000 the second year are for grants to the Twin Cities regional cable channel.

$287,000 the first year and $287,000 the second year are for community service grants to public educational radio stations. The grants must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations under Minnesota Statutes, section 129D.14.

$190,000 the first year and $190,000 the second year are for equipment grants to Minnesota Public Radio, Inc. This appropriation is contingent on Minnesota Public Radio, Inc. making public a list containing the position and salary of each employee and single individual providing personal services under a contract who is paid more than $100,000 per year by Minnesota Public Radio, Inc. or a related organization as defined in Minnesota Statutes, section 317A.011, subdivision 18.

Any unencumbered balance remaining the first year for grants to public television or radio stations does not cancel and is available for the second year.

Sec. 12. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	269,000	270,000

During the biennium ending June 30, 2007, money received by the board from public agencies, as provided by Minnesota Statutes, section 15B.17, subdivision 1, is appropriated to the board.

Sec. 13. FINANCE

Subdivision 1. Total Appropriation	14,808,000	14,808,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

No later than June 30, 2006, and June 30, 2007, the commissioner of finance, in consultation with the commissioner of administration, must determine the savings attributable to the "Drive to Excellence" in fiscal year 2006 and fiscal year 2007, respectively. The savings are estimated to be $1,000,000 for the biennium. The commissioner must deposit the amount determined for each year in the general fund.

Subd. 2. State Financial Management

8,447,000 8,447,000

Subd. 3. Information and Management Services

6,361,000 6,361,000

Up to $3,000,000 of the amounts billed to state agencies under Minnesota Statutes, section 16A.1286, for the biennium ending June 30, 2005, and not needed to provide statewide system services during that time, must be carried forward from fiscal year 2005 to fiscal year 2006. On July 1, 2005, the commissioner shall transfer that amount to the general fund.

Sec. 14. EMPLOYEE RELATIONS	5,667,000	5,556,000
Sec. 15. REVENUE		
Subdivision 1. Total Appropriation	101,644,000	105,442,000

Summary by Fund

General	97,602,000	101,400,000
Health Care Access	1,654,000	1,654,000
Highway User Tax Distribution	2,097,000	2,097,000
Environmental	291,000	291,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Tax System Management

84,712,000 87,351,000

Summary by Fund

General	80,670,000	83,309,000
Health Care Access	1,654,000	1,654,000
Highway User Tax Distribution	2,097,000	2,097,000
Environmental	291,000	291,000

$6,311,000 the first year and $7,950,000 the second year are for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of $49,400,000 for the biennium ending June 30, 2007.

The department must report to the chairs of the house of representatives Ways and Means and

senate Finance Committees by March 1, 2006, and January 15, 2007, on the following performance indicators:

(1) the number of corporations noncompliant with the corporate tax system each year and the percentage and dollar amounts of valid tax liabilities collected;

(2) the number of businesses noncompliant with the sales and use tax system and the percentage and dollar amount of the valid tax liabilities collected; and

(3) the number of individual noncompliant cases resolved and the percentage and dollar amounts of valid tax liabilities collected.

The reports must also identify base-level expenditures and staff positions related to compliance and audit activities, including baseline information as of January 1, 2004. The information must be provided at the budget activity level.

$30,000 the first year and $30,000 the second year are for preparation of the income tax sample.

Subd. 3. Accounts Receivable Management

16,932,000 18,091,000

$1,208,000 the first year and $2,367,000 the second year are for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general revenues of $41,300,000 for the biennium ending June 30, 2007.

The commissioner, in consultation with other state agencies and local units of government, shall develop recommendations for: (1) consolidating and coordinating the collection of debt owed to governmental units; (2) eliminating the fragmentation of contacts from government agencies with debtors owing such debts; (3) reducing the cost of collecting debt owed to governmental units; and (4) the collection of substantially larger portions of the debt owed to all government units.

The commissioner shall report the recommendations to the governor and the chairs of the legislative committees with jurisdiction over the department by February 15, 2006.

Sec. 16. MILITARY AFFAIRS

Subdivision 1. Total Appropriation 17,922,000 18,439,000

Summary by Fund

General	17,584,000	17,584,000
Special Revenue	338,000	855,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Maintenance of Training Facilities

5,590,000	5,590,000

Subd. 3. General Support

1,787,000	1,787,000

$30,000 the first year and $30,000 the second year are for the operation and staffing of the Minnesota National Guard Youth Camp at Camp Ripley. This is a onetime appropriation and must be matched by nonstate sources.

Subd. 4. Enlistment Incentives

10,207,000	10,207,000

$3,850,000 each year is to provide the additional amount needed for full funding of the tuition reimbursement program in Minnesota Statutes, section 192.501, subdivision 2.

$1,500,000 each year is for reenlistment bonuses under Minnesota Statutes, section 192.501, subdivision 1b.

$338,000 the first year and $855,000 the second year are from the account established in new Minnesota Statutes, section 190.19, for grants under that section.

If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended.

Sec. 17. VETERANS AFFAIRS	4,706,000	4,970,000

Summary by Fund

General	4,369,000	4,115,000
Special Revenue	337,000	855,000

$357,000 the first year and $103,000 the second year are from the general fund, and $337,000 the first year and $855,000 the second year are from the account established in Minnesota Statutes, section 190.19, for: (1) veterans' services provided by Veterans of Foreign Wars, the Military Order of the Purple Heart, Disabled American Veterans, and the Vietnam Veterans of

America; (2) grants for veterans' services to the Vinland Center and the Minnesota Assistance Council for Veterans; and (3) an outreach and assistance initiative for underserved veterans. The general fund portion of this appropriation must first be used for the base budget funding for the organizations listed in clause (1).

Any balance in the first year does not cancel but is available in the second year.

In each fiscal year, the commissioner of finance must distribute the amounts received in the account established in Minnesota Statutes, section 190.19, so that the appropriations from the account are divided equally between this section and section 16, subdivision 4.

Sec. 18. GAMBLING CONTROL	2,800,000	2,800,000

These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 19. RACING COMMISSION	674,000	835,000

(a) These appropriations are from the racing and card playing regulation account in the special revenue fund.

(b) $253,000 for the fiscal year ending June 30, 2006, and $414,000 for the fiscal year ending June 30, 2007, are from the racing and card playing regulation account in the special revenue fund. If the commission does not spend all of the revenue from the interim license fee authorized by Laws 2003, First Special Session chapter 1, article 2, section 69, in fiscal year 2005 or fiscal year 2006, the commission must reduce the amount of fees charged to the feepayers in fiscal year 2007 by the amount unspent. The Racing Commission must file monthly expenditure reports with the commissioner of finance for money spent from the appropriation in this paragraph.

(c) The racing commission may not hire new employees or enter into new contracts with money subject to paragraph (b) before resolution of the petition for judicial review filed by the Columbus Concerned Citizens Group.

Sec. 20. STATE LOTTERY

Notwithstanding Minnesota Statutes, section 349A.10, the operating budget must not exceed $26,700,000 in fiscal year 2006 and $27,350,000 in fiscal year 2007.

On July 1, 2005, the director of the State Lottery

shall transfer unclaimed prize funds accumulated before July 1, 2003, in the amount of $2,187,000, to the general fund.

Sec. 21. TORT CLAIMS	161,000	161,000

To be spent by the commissioner of finance.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 22. MINNESOTA STATE RETIREMENT SYSTEM	1,176,000	1,205,000

The amounts estimated to be needed for each program are as follows:

(a) Legislators

783,000	802,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

(b) Constitutional Officers

393,000	403,000

Under Minnesota Statutes, sections 352C.031, subdivision 5; 352C.04, subdivision 3; and 352C.09, subdivision 2.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 23. MINNEAPOLIS EMPLOYEES RETIREMENT FUND	8,065,000	8,065,000

The amounts estimated to be needed under Minnesota Statutes, section 422A.101, subdivision 3.

Sec. 24. MINNEAPOLIS TEACHERS RETIREMENT FUND	15,800,000	15,800,000

The amounts estimated to be needed are as follows:

(a) Special direct state aid to first class city teachers retirement funds

13,300,000	13,300,000

Authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

(b) Special direct state matching aid to Minneapolis Teachers Retirement Fund

2,500,000	2,500,000

Authorized under Minnesota Statutes, section 354A.12, subdivision 3b.

Sec. 25. ST. PAUL TEACHERS RETIREMENT FUND	2,967,000	2,967,000

The amounts estimated to be needed for special direct state aid to first class city teachers retirement funds authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 26. AMATEUR SPORTS COMMISSION	300,000	206,000
Sec. 27. COUNCIL ON BLACK MINNESOTANS	278,000	278,000
Sec. 28. COUNCIL ON CHICANO/LATINO AFFAIRS	271,000	271,000
Sec. 29. COUNCIL ON ASIAN-PACIFIC MINNESOTANS	239,000	240,000
Sec. 30. INDIAN AFFAIRS COUNCIL	475,000	475,000
Sec. 31. GENERAL CONTINGENT ACCOUNTS	1,000,000	500,000

Summary by Fund

General	500,000	-0-
State Government Special Revenue	400,000	400,000
Workers' Compensation	100,000	100,000

The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 32. RACING COMMISSION APPROPRIATION

$156,000 in fiscal year 2005 is appropriated to the Minnesota Racing Commission from the special revenue fund. $113,000 of this amount is from the interim license fee authorized by Laws 2003, First Special Session chapter 1, article 2, section 69, to defray the regulatory oversight and legal costs associated with the class A license approved by the commission on January 19, 2005. Any unexpended portion of this appropriation remains available in fiscal year 2006.

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

Sec. 33. DEPARTMENT OF PUBLIC SAFETY	246,000	196,000

These appropriations are for the costs of issuing the "Support Our Troops" license plates. These appropriations are from the vehicle services operating account in the special revenue fund.

ARTICLE 2

STATE GOVERNMENT OPERATIONS

Section 1. [5.31] [STATEWIDE VOTER REGISTRATION SYSTEM.]

The secretary of state may sell intellectual property rights associated with the statewide voter registration system to other states or to units of local government in other states. Receipts from the sale must be deposited in the state treasury and credited to the Help America Vote Act account.

Sec. 2. [6.755] [REPORTS TO THE LEGISLATURE.]

Section 3.195 applies to the state auditor. For purposes of determining whether members or employees of the legislature wish to receive reports or publications prepared by the state auditor, the state auditor may send a brief listing of reports to each member. The state auditor must deliver reports or publications to the legislature electronically whenever it is cost effective.

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

Sec. 3. [6.79] [STATE MANDATES.]

A county, town, school district, or statutory or home rule charter city may file a written resolution with the state auditor objecting to a state mandate or making recommendations for reforming a state mandate. The state auditor must list on the state auditor's Web site a list of all state mandates cited in a resolution under this section, and the name of the unit of local government citing the mandate.

Sec. 4. [6.80] [RULE AND LAW WAIVER REQUESTS.]

Subdivision 1. [GENERALLY.] (a) Except as provided in paragraph (b), a local government unit may request the state auditor to grant a waiver from one or more administrative rules or a temporary, limited exemption from enforcement of state procedural laws governing delivery of services by the local government unit. Two or more local government units may submit a joint application for a waiver or exemption under this section if they propose to cooperate in providing a service or program that is subject to the rule or law. Before submitting an application to the state auditor, the governing body of the local government unit must approve, in concept, the proposed waiver or exemption at a meeting required to be public under chapter 13D. A local government unit or two or more units acting jointly may apply for a waiver or exemption on behalf of a nonprofit organization providing services to clients whose costs are paid by the unit or units. A waiver or exemption granted to a nonprofit organization under this section applies to services provided to all the organization's clients.

(b) A school district that is granted a variance from rules of the commissioner of education under section 122A.163, need not apply for a waiver of those rules under this section. A school district may not seek a waiver of rules under this section if the commissioner of education has authority to grant a variance to the rules under section 122A.163. This paragraph does not preclude a school district from being included in a cooperative effort with another local government unit under this section.

(c) Before petitioning the state auditor's office for an exemption from an administrative rule, the petitioner must have requested and been denied such an exemption from the appropriate agency pursuant to sections 14.055 and 14.056.

Subd. 2. [APPLICATION.] A local government unit requesting a waiver of a rule or exemption from enforcement of a law under this section shall present a written application to the state auditor. The application must include:

(1) the name and address of the entity for whom a waiver of a rule or exemption from enforcement of a law is being requested;

(2) identification of the service or program at issue;

(3) identification of the administrative rule or the law imposing a procedural requirement with respect to which the waiver or exemption is sought;

(4) a description of the improved service outcome sought, including an explanation of the effect of the waiver or exemption in accomplishing that outcome, and why that outcome cannot be accomplished under established rules or laws;

(5) information on the state auditor's office treatment on similar cases;

(6) the name, address, and telephone number of any person, business, or other government unit the petitioner knows would be adversely affected by the grant of the petition; and

(7) a signed statement as to the accuracy of the facts presented.

A copy of the application must be provided by the requesting local government unit to the exclusive representative certified under section 179A.12 to represent employees who provide the service or program affected by the requested waiver or exemption.

Subd. 3. [REVIEW PROCESS.] (a) Upon receipt of an application from a local government unit, the state auditor shall review the application. The state auditor shall dismiss an application if the application proposes a waiver of rules or exemption from enforcement of laws that would result in due process violations, violations of federal law or the state or federal constitution, or the loss of services to people who are entitled to them.

(b) The state auditor shall determine whether a law from which an exemption for enforcement is sought is a procedural law, specifying how a local government unit is to achieve an outcome, rather than a substantive law prescribing the outcome or otherwise establishing policy. For the purposes of this section, "procedural law" does not include a statutory notice requirement. In making the determination, the state auditor shall consider whether the law specifies such requirements as:

(1) who must deliver a service;

(2) where the service must be delivered;

(3) to whom and in what form reports regarding the service must be made; and

(4) how long or how often the service must be made available to a given recipient.

(c) If the application requests a waiver of a rule or temporary, limited exemptions from enforcement of a procedural law over which the Metropolitan Council or a metropolitan agency has jurisdiction, the state auditor shall also transmit a copy of the application to the council or applicable metropolitan agency, whichever has jurisdiction, for review and comment. The council or agency shall report its comments to the board within 60 days of the date the application was transmitted to the council or agency. The council or agency may point out any resources or technical assistance it may be able to provide a local government unit submitting a request under this section.

(d) Within 15 days after receipt of the application, the state auditor shall transmit a copy of it to the commissioner of each agency having jurisdiction over a rule or law from which a waiver or exemption is sought. The agency may mail a notice that it has received an application for a waiver or exemption to all persons who have registered with the agency under section 14.14, subdivision 1a, identifying the rule or law from which a waiver or exemption is requested. If no agency has

jurisdiction over the rule or law, the state auditor shall transmit a copy of the application to the attorney general. The agency shall inform the state auditor of its agreement with or objection to and grounds for objection to the waiver or exemption request within 60 days of the date when the application was transmitted to it. An agency's failure to do so is considered agreement to the waiver or exemption. The state auditor shall decide whether to grant a waiver or exemption at the end of the 60-day response period. Interested persons may submit written comments to the state auditor on the waiver or exemption request up to the end of the 60-day response period.

(e) If the exclusive representative of the affected employees of the requesting local government unit objects to the waiver or exemption request it may inform the state auditor of the objection to and the grounds for the objection to the waiver or exemption request within 60 days of the receipt of the application.

Subd. 4. [HEARING.] If a state agency under subdivision 3, paragraph (d), or the exclusive representative of the affected employees under subdivision 3, paragraph (e), has objected to a waiver or exemption request, the state auditor's office shall set a date for a hearing on the applications. The hearing must be conducted informally at a time and place determined by all parties. Persons representing the local government unit shall present their case for the waiver or exemption, and persons representing the agency or the exclusive representative of the affected employees shall explain their objection to it. The state auditor may request additional information from the local government unit or either objecting party. The state auditor may also request, either before or at the hearing, information or comments from representatives of business, labor, local governments, state agencies, consultants, and members of the public. If necessary, the hearing may be continued for a later date. The state auditor may modify the terms of the waiver or exemption request in arriving at the agreement required under subdivision 5.

Subd. 5. [CONDITIONS OF AGREEMENTS.] (a) In determining whether to grant a petition for a waiver of a rule or exemption from enforcement of a law, the state auditor should consider the following factors:

(1) whether there is a true and unique impediment under current law to accomplishing the goal of the local government unit;

(2) granting the waiver of a rule or exemption from enforcement of law will only change procedural requirements of a local government unit;

(3) the purpose of any rule or law that is waived is still being met in another manner;

(4) granting the proposed waiver of a rule or exemption from enforcement of a law would result in a more efficient means of providing government services; and

(5) granting the proposed waiver will not have a significant negative impact on other state government, local government units, businesses, or citizens.

(b) If the state auditor grants a request for a waiver or exemption, the state auditor and the local government unit shall enter into an agreement providing for the delivery of the service or program that is the subject of the application. The agreement must specify desired outcomes, the reasons why the desired outcomes cannot be met under current laws or rules, and the means of measurement by which the state auditor will determine whether the outcomes specified in the agreement have been met. The agreement must specify the duration of the waiver or exemption. The duration of a waiver from an administrative rule may be for no less than two years and no more than four years, subject to renewal if both parties agree. An exemption from enforcement of a law terminates ten days after adjournment of the regular legislative session held during the calendar year following the year when the exemption is granted, unless the legislature has acted to extend or make permanent the exemption.

(c) The state auditor must report any grants of waivers or exemptions to the legislature, including the chairs of the governmental operations and appropriate policy committees in the house and senate, and the governor within 30 days.

(d) The state auditor may reconsider or renegotiate the agreement if the rule or law affected by

the waiver or exemption is amended or repealed during the term of the original agreement. A waiver of a rule under this section has the effect of a variance granted by an agency under section 14.055. A local unit of government that is granted an exemption from enforcement of a procedural requirement in state law under this section is exempt from that law for the duration of the exemption. The state auditor may require periodic reports from the local government unit, or conduct investigations of the service or program.

Subd. 6. [ENFORCEMENT.] If the state auditor finds that the local government unit is failing to comply with the terms of the agreement under subdivision 5, the state auditor may rescind the agreement. Upon the rescission, the local unit of government becomes subject to the rules and laws covered by the agreement.

Subd. 7. [ACCESS TO DATA.] If a local government unit, through a cooperative program under this section, gains access to data collected, created, received, or maintained by another local government that is classified as not public, the unit gaining access is governed by the same restrictions on access to and use of the data as the unit that collected, created, received, or maintained the data.

Sec. 5. [8.065] [PRIVATE ATTORNEY CONTRACTS.]

The attorney general may not enter into a contract for legal services in which the fees and expenses paid by the state exceed, or can reasonably be expected to exceed, $1,000,000 unless the attorney general first submits the proposed contract to the Legislative Advisory Commission, and waits at least 20 days to receive a possible recommendation from the commission.

Sec. 6. [10.60] [PUBLIC WEB SITES AND PUBLICATIONS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "political subdivision" means a county, statutory or home rule charter city, town, school district, or other municipal corporation, and the Metropolitan Council and a metropolitan or regional agency;

(2) "publication" means a document printed with public money by an elected or appointed official of a state agency or political subdivision that is intended to be distributed publicly outside of the state agency or political subdivision;

(3) "state agency" means an entity in the executive, judicial, or legislative branch of state government; and

(4) "Web site" means a site maintained on the World Wide Web that is available for unrestricted public access and that is maintained with public money by an elected or appointed official of a state agency or political subdivision.

Subd. 2. [PURPOSE OF WEB SITE AND PUBLICATIONS.] The purpose of a Web site and a publication must be to provide information about the duties and jurisdiction of a state agency or political subdivision or to facilitate access to public services and information related to the responsibilities or functions of the state agency or political subdivision.

Subd. 3. [PROHIBITIONS.] (a) A Web site or publication must not include pictures or other materials that tend to attribute the Web site or publication to an individual or group of individuals instead of to a public office, state agency, or political subdivision. A publication must not include the words "with the compliments of" or contain letters of personal greeting that promote an elected or appointed official of a state agency or political subdivision.

(b) A Web site may not contain a link to a Weblog or site maintained by a candidate, a political committee, a political party or party unit, a principal campaign committee, or a state committee. Terms used in this paragraph have the meanings given them in chapter 10A, except that "candidate" also includes a candidate for an elected office of a political subdivision.

Subd. 4. [PERMITTED MATERIAL.] (a) Material specified in this subdivision may be

included on a Web site or in a publication, but only if the material complies with subdivision 2. This subdivision is not a comprehensive list of material that may be contained on a Web site or in a publication, if the material complies with subdivision 2.

(b) A Web site or publication may include biographical information about an elected or appointed official, a single official photograph of the official, and photographs of the official performing functions related to the office. There is no limitation on photographs, Webcasts, archives of Webcasts, and audio or video files that facilitate access to information or services or inform the public about the duties and obligations of the office or that are intended to promote trade or tourism. A state Web site or publication may include photographs or information involving civic or charitable work done by the governor's spouse, provided that these activities relate to the functions of the governor's office.

(c) A Web site or publication may include press releases, proposals, policy positions, and other information directly related to the legal functions, duties, and jurisdiction of a public official or organization.

Subd. 5. [OTHER STANDARDS.] This section does not prohibit a state agency or political subdivision from adopting more restrictive standards for the content of a Web site or publication maintained by the agency or political subdivision.

Subd. 6. [ENFORCEMENT.] Violation of this section is not a crime and is not subject to civil penalty.

[EFFECTIVE DATE.] This section is effective for state agencies July 1, 2005. This section is effective for political subdivisions July 1, 2006.

Sec. 7. Minnesota Statutes 2004, section 11A.24, subdivision 6, is amended to read:

Subd. 6. [OTHER INVESTMENTS.] (a) In addition to the investments authorized in subdivisions 1 to 5, and subject to the provisions in paragraph (b), the state board may invest funds in:

(1) venture capital investment businesses through participation in limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations;

(2) real estate ownership interests or loans secured by mortgages or deeds of trust or shares of real estate investment trusts through investment in limited partnerships, bank sponsored collective funds, trusts, mortgage participation agreements, and insurance company commingled accounts, including separate accounts;

(3) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940, and closed-end mutual funds listed on an exchange regulated by a governmental agency;

(4) resource investments through limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations; and

(5) international securities.

(b) The investments authorized in paragraph (a) must conform to the following provisions:

(1) the aggregate value of all investments made according to paragraph (a), clauses (1) to (4), may not exceed 35 percent of the market value of the fund for which the state board is investing;

(2) there must be at least four unrelated owners of the investment other than the state board for investments made under paragraph (a), clause (1), (2), (3), or (4);

(3) state board participation in an investment vehicle is limited to 20 percent thereof for investments made under paragraph (a), clause (1), (2), (3), or (4); and

(4) state board participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The state board may not engage in any activity as a limited partner which creates general liability.

(c) All financial, business, or proprietary data collected, created, received, or maintained by the state board in connection with investments authorized by paragraph (a), clause (1), (2), or (4), are nonpublic data under section 13.02, subdivision 9. As used in this paragraph, "financial, business, or proprietary data" means data, as determined by the responsible authority for the state board, that is of a financial, business, or proprietary nature, the release of which could cause competitive harm to the state board, the legal entity in which the state board has invested or has considered an investment, the managing entity of an investment, or a portfolio company in which the legal entity holds an interest. As used in this section, "business data" is data described in section 13.591, subdivision 1. Regardless of whether they could be considered financial, business, or proprietary data, the following data received, prepared, used, or retained by the state board in connection with investments authorized by paragraph (a), clause (1), (2), or (4), are public at all times:

(1) the name and industry group classification of the legal entity in which the state board has invested or in which the state board has considered an investment;

(2) the state board commitment amount, if any;

(3) the funded amount of the state board's commitment to date, if any;

(4) the market value of the investment by the state board;

(5) the state board's internal rate of return for the investment, including expenditures and receipts used in the calculation of the investment's internal rate of return; and

(6) the age of the investment in years.

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

Sec. 8. Minnesota Statutes 2004, section 13.635, is amended by adding a subdivision to read:

Subd. 1a. [STATE BOARD OF INVESTMENT.] Certain government data of the State Board of Investment related to investments are classified under section 11A.24, subdivision 6.

Sec. 9. [14.127] [LEGISLATIVE APPROVAL REQUIRED.]

Subdivision 1. [COST THRESHOLDS.] An agency must determine if the cost of complying with a proposed rule in the first year after the rule takes effect will exceed $25,000 for: (1) any one business that has less than 50 full-time employees; or (2) any one statutory or home rule charter city that has less than ten full-time employees. For purposes of this section, "business" means a business entity organized for profit or as a nonprofit, and includes an individual, partnership, corporation, joint venture, association, or cooperative.

Subd. 2. [AGENCY DETERMINATION.] An agency must make the determination required by subdivision 1 before the close of the hearing record, or before the agency submits the record to the administrative law judge if there is no hearing. The administrative law judge must review and approve or disapprove the agency determination under this section.

Subd. 3. [LEGISLATIVE APPROVAL REQUIRED.] If the agency determines that the cost exceeds the threshold in subdivision 1, or if the administrative law judge disapproves the agency's determination that the cost does not exceed the threshold in subdivision 1, any business that has less than 50 full-time employees or any statutory or home rule charter city that has less than ten full-time employees may file a written statement with the agency claiming a temporary exemption from the rules. Upon filing of such a statement with the agency, the rules do not apply to that business or that city until the rules are approved by a law enacted after the agency determination or administrative law judge disapproval.

Subd. 4. [EXCEPTIONS.] (a) Subdivision 3 does not apply if the administrative law judge

approves an agency's determination that the legislature has appropriated money to sufficiently fund the expected cost of the rule upon the business or city proposed to be regulated by the rule.

(b) Subdivision 3 does not apply if the administrative law judge approves an agency's determination that the rule has been proposed pursuant to a specific federal statutory or regulatory mandate.

(c) This section does not apply if the rule is adopted under section 14.388 or under another law specifying that the rulemaking procedures of this chapter do not apply.

(d) This section does not apply to a rule adopted by the Public Utilities Commission.

(e) Subdivision 3 does not apply if the governor waives application of subdivision 3. The governor may issue a waiver at any time, either before or after the rule would take effect, but for the requirement of legislative approval. As soon as possible after issuing a waiver under this paragraph, the governor must send notice of the waiver to the speaker of the house of representatives and the president of the senate and must publish notice of this determination in the State Register.

Subd. 5. [SEVERABILITY.] If an administrative law judge determines that part of a proposed rule exceeds the threshold specified in subdivision 1, but that a severable portion of a proposed rule does not exceed the threshold in subdivision 1, the administrative law judge may provide that the severable portion of the rule that does not exceed the threshold may take effect without legislative approval.

[EFFECTIVE DATE.] This section is effective July 1, 2005. This section applies to any rule for which the hearing record has not closed before July 1, 2005, or, if there is no public hearing, for which the agency has not submitted the record to the administrative law judge before that date.

Sec. 10. Minnesota Statutes 2004, section 14.19, is amended to read:

14.19 [DEADLINE TO COMPLETE RULEMAKING.]

Within 180 days after issuance of the administrative law judge's report or that of the chief administrative law judge, the agency shall submit its notice of adoption, amendment, or repeal to the State Register for publication. If the agency has not submitted its notice to the State Register within 180 days, the rule is automatically withdrawn. The agency may not adopt the withdrawn rules without again following the procedures of sections 14.05 to 14.28, with the exception of section 14.101, if the noncompliance is approved by the chief administrative law judge. The agency shall report to the Legislative Coordinating Commission, other appropriate committees of the legislature, and the governor its failure to adopt rules and the reasons for that failure. The 180-day time limit of this section does not include:

(1) any days used for review by the chief administrative law judge or the commission if the review is required by law; ~~or~~

(2) days during which the rule cannot be adopted, because of votes by legislative committees under section 14.126; or

(3) days during which the rule cannot be adopted because approval of the legislature is required under section 14.127.

Sec. 11. Minnesota Statutes 2004, section 15.054, is amended to read:

15.054 [PUBLIC EMPLOYEES NOT TO PURCHASE MERCHANDISE FROM GOVERNMENTAL AGENCIES; EXCEPTIONS; PENALTY.]

No officer or employee of the state or any of its political subdivisions shall sell or procure for sale or possess or control for sale to any other officer or employee of the state or subdivision, as appropriate, any property or materials owned by the state or subdivision except pursuant to conditions provided in this section. Property or materials owned by the state or a subdivision and

not needed for public purposes, may be sold to an employee of the state or subdivision after reasonable public notice at a public auction or by sealed response, if the employee is not directly involved in the auction or process pertaining to the administration and collection of sealed responses. Requirements for reasonable public notice may be prescribed by other law or ordinance so long as at least one week's published notice is specified. An employee of the state or a political subdivision may purchase no more than one motor vehicle from the state ~~in any 12-month period~~ at any one auction. A person violating the provisions of this section is guilty of a misdemeanor. This section shall not apply to the sale of property or materials acquired or produced by the state or subdivision for sale to the general public in the ordinary course of business. Nothing in this section shall prohibit an employee of the state or a political subdivision from selling or possessing for sale public property if the sale or possession for sale is in the ordinary course of business or normal course of the employee's duties.

Sec. 12. [15.60] [PUBLIC SAFETY OFFICERS; AMERICAN FLAG.]

(a) A public employer may not forbid a peace officer or firefighter from wearing a patch or pin depicting the flag of the United States of America on the employee's uniform, according to customary and standard flag etiquette. However, a public employer may limit the size of a flag patch worn on a uniform to no more than three inches by five inches.

(b) For purposes of this section:

(1) "peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c) or (f);

(2) "firefighter" means a person as defined in section 299A.41, subdivision 4, clause (3) or (4); and

(3) "public employer" has the meaning given in section 179A.03, subdivision 15, and also includes a municipal fire department and an independent nonprofit firefighting corporation.

(c) A peace officer or firefighter who believes a public employer is violating this section may request the attorney general to issue an opinion on the issue. Upon request, the attorney general must issue a written opinion, which is binding, unless a court makes a contrary decision. If after issuing an opinion, the attorney general determines that a public employer continues to violate this section, the attorney general may bring an action in district court to compel compliance.

Sec. 13. Minnesota Statutes 2004, section 16A.103, is amended by adding a subdivision to read:

Subd. 4. [REPORT ON EXPENDITURE INCREASES.] By January 10 of an odd-numbered year, the commissioner of finance must report on those programs or components of programs for which expenditures for the next biennium according to the forecast issued the previous November are projected to increase more than 15 percent over the expenditures for that program in the current biennium. The report must include an analysis of the factors that are causing the increases in expenditures.

Sec. 14. Minnesota Statutes 2004, section 16A.1286, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] Money transferred into the account is appropriated to the commissioner to pay for statewide systems services ~~during the biennium in which it is appropriated~~.

Sec. 15. Minnesota Statutes 2004, section 16A.151, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3) or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Subdivision 1 does not apply to a recovery or settlement of less than $750,000.

Sec. 16. Minnesota Statutes 2004, section 16A.152, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REVENUES; PRIORITY.] (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches $350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches $653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve; and

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, paragraph (c), and Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section 20, by the same amount.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) To the extent that a positive unrestricted budgetary general fund balance is projected, appropriations under this section must be made before ~~any transfer is made under~~ section 16A.1522 takes effect.

(d) The commissioner of finance shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 17. Minnesota Statutes 2004, section 16A.1522, subdivision 1, is amended to read:

Subdivision 1. [FORECAST.] If, on the basis of a forecast of general fund revenues and expenditures in November of an even-numbered year or February of an odd-numbered year, the commissioner projects a positive unrestricted budgetary general fund balance at the close of the biennium that exceeds one-half of one percent of total general fund biennial revenues, the commissioner shall designate the entire balance as available for rebate to the taxpayers of this state. ~~In forecasting, projecting, or designating the unrestricted budgetary general fund balance or general fund biennial revenue under this section, the commissioner shall not include any balance~~

~~or revenue attributable to settlement payments received after July 1, 1998, and before July 1, 2001, as defined in Section IIB of the settlement document, filed May 18, 1998, in State v. Philip Morris, Inc., No. C1-94-8565 (Minnesota District Court, Second Judicial District).~~

Sec. 18. Minnesota Statutes 2004, section 16A.281, is amended to read:

16A.281 [APPROPRIATIONS TO LEGISLATURE.]

Except as provided in this section, section 16A.28 applies to appropriations made to the legislature, the senate, the house of representatives, or its committees or commissions. An appropriation made to the legislature, the senate, the house of representatives, or a legislative commission or committee other than a standing committee, if not spent during the first year, may be spent during the second year of a biennium. An unexpended balance not carried forward and remaining unexpended and unencumbered at the end of a biennium lapses and shall be returned to the fund from which appropriated. Balances may be carried forward into the next biennium and credited to special accounts to be used only as follows: (1) for nonrecurring expenditures on investments that enhance efficiency or improve effectiveness; (2) to pay expenses associated with ~~special~~ sessions, interim activities, public hearings, or other public outreach efforts and related activities; and (3) to pay severance costs of involuntary terminations. The approval of the commissioner of finance under section 16A.28, subdivision 2, does not apply to the legislature. An appropriation made to the legislature, the senate, the house of representatives, or a standing committee for all or part of a biennium may be spent in either year of the biennium.

Sec. 19. [16B.296] [TRANSFER OF REAL PROPERTY.]

Notwithstanding any law to the contrary, real property purchased in whole or in part with state funds may not be transferred for less than the appraised value, or if the property has not been appraised, for less than the fair market value as determined by the commissioner of administration. This section does not apply to a department listed in section 15.01, the Minnesota State Colleges and Universities, the University of Minnesota, or a political subdivision of the state.

Sec. 20. Minnesota Statutes 2004, section 16B.33, subdivision 4, is amended to read:

Subd. 4. [DESIGNER SELECTION PROCESS.] (a) [PUBLICITY.] Upon receipt of a request from a user agency for a primary designer, the board shall publicize the proposed project in order to determine the identity of designers interested in the design work on the project. The board shall establish criteria for the selection process and make this information public, and shall compile data on and conduct interviews of designers. The board's selection criteria must include consideration of each interested designer's performance on previous projects for the state or any other person. Upon completing the process, the board shall select the primary designer and shall state its reasons in writing. If the board's vote for the selection of a primary designer results in a tie vote, the nonvoting member appointed under subdivision 2, paragraph (b), must vote for the selection of the primary designer. Notification to the commissioner of the selection shall be made not more than 60 days after receipt from a user agency of a request for a primary designer. The commissioner shall promptly notify the designer and the user agency. The commissioner shall negotiate the designer's fee and prepare the contract to be entered into between the designer and the user agency.

(b) [CONFLICT OF INTEREST.] A board member may not participate in the review, discussion, or selection of a designer or firm in which the member has a financial interest.

(c) [SELECTION BY COMMISSIONER.] In the event the board receives a request for a primary designer on a project, the estimated cost of which is less than the limit established by subdivision 3, or a planning project with estimated fees of less than the limit established by subdivision 3, the board may submit the request to the commissioner of administration, with or without recommendations, and the commissioner shall thereupon select the primary designer for the project.

(d) [SECOND SELECTION.] If the designer selected for a project declines the appointment or is unable to reach agreement with the commissioner on the fee or the terms of the contract, the

commissioner shall, within 60 days after the first appointment, request the board to make another selection.

(e) [SIXTY DAYS TO SELECT.] If the board fails to make a selection and forward its recommendation to the commissioner within 60 days of the user agency's request for a designer, the commissioner may appoint a designer to the project without the recommendation of the board.

(f) [LESS THAN SATISFACTORY PERFORMANCE.] The commissioner, or the University of Minnesota and the Minnesota State Colleges and Universities for projects under their supervision, shall forward to the board a written report describing each instance in which the performance of a designer selected by the board or the commissioner has been less than satisfactory. Criteria for determining satisfaction include the ability of the designer to complete design work on time, to provide a design responsive to program needs within the constraints of the budget, to solve design problems and achieve a design consistent with the proposed function of the building, to avoid costly design errors or omissions, and to observe the construction work. These reports are public data and are available for inspection under section 13.03.

Sec. 21. [16C.064] [COST-BENEFIT ANALYSIS.]

(a) The commissioner or an agency official to whom the commissioner has delegated duties under section 16C.03, subdivision 16, may not approve a contract or purchase of goods or services in an amount greater than $50,000,000 unless a cost-benefit analysis has been completed and shows a positive benefit to the public. The Management Analysis Division must perform or direct the performance of the analysis. Money appropriated for the contract or purchase must be used to pay for the analysis. A cost-benefit analysis must be performed for a project if an aggregation of contracts or purchases for a project exceeds $50,000,000.

(b) All cost-benefit analysis documents under this section, including preliminary drafts and notes, are public data.

(c) If a cost-benefit analysis does not show a positive benefit to the public, the governor may approve a contract or purchase of goods or services if a cost-effectiveness study had been done that shows the proposed project is the most effective way to provide a necessary public good.

(d) This section applies to contracts for goods or services that are expected to have a useful life of more than three years. This section does not apply for purchase of goods or services for response to a natural disaster if an emergency has been declared by the governor. This section does not apply to contracts involving the Minnesota state colleges and universities, state buildings, or state highways.

(e) This section is repealed effective July 1, 2008.

Sec. 22. Minnesota Statutes 2004, section 16C.10, subdivision 7 is amended to read:

Subd. 7. [REVERSE AUCTION.] (a) For the purpose of this subdivision, "reverse auction" means a purchasing process in which vendors compete to provide goods ~~or engineering design~~ or computer services at the lowest selling price in an open and interactive environment.

(b) The provisions of sections 13.591, subdivision 3, and 16C.06, subdivision 2, do not apply when the commissioner determines that a reverse auction is the appropriate purchasing process.

Sec. 23. [16C.143] [ENERGY FORWARD PRICING MECHANISMS.]

Subdivision 1. [DEFINITIONS.] The following definitions apply in this section:

(1) "energy" means natural gas, heating oil, propane, and any other energy source except electricity used in state facilities; and

(2) "forward pricing mechanism" means a contract or financial instrument that obligates a state agency to buy or sell a specified quantity of energy at a future date at a set price.

Subd. 2. [AUTHORITY.] Notwithstanding any other law to the contrary, the commissioner may use forward pricing mechanisms for budget risk reduction.

Subd. 3. [CONDITIONS.] Forward pricing mechanism transactions must be made only under the following conditions:

(1) the quantity of energy affected by the forward pricing mechanism must not exceed 90 percent of the estimated energy use for the state agency for the same period, which shall not exceed 24 months; and

(2) a separate account must be established for each state agency using a forward pricing mechanism.

Subd. 4. [WRITTEN POLICIES AND PROCEDURES.] Before exercising the authority under this section, the commissioner must develop written policies and procedures governing the use of forward pricing mechanisms.

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

Sec. 24. Minnesota Statutes 2004, section 16C.144, is amended to read:

16C.144 [GUARANTEED ENERGY SAVINGS ~~CONTRACTS~~ PROGRAM.]

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

(a) "Utility" means electricity, natural gas, or other energy resource, water, and wastewater.

(b) "Utility cost savings" means the difference between ~~the utility costs under the precontract conditions and~~ the utility costs after ~~the changes have been made under the contract. Such savings shall be calculated in comparison to an established baseline of utility costs~~ installation of the utility cost-savings measures pursuant to the guaranteed energy savings agreement and the baseline utility costs after baseline adjustments have been made.

(c) ~~"Established baseline" means the precontract utilities, operations, and maintenance costs.~~

~~(d)~~ "Baseline" means the preagreement utilities, operations, and maintenance costs.

(d) "Utility cost-savings measure" means a measure that produces utility cost savings ~~and/or~~ or operation and maintenance cost savings.

(e) "Operation and maintenance cost savings" means a measurable ~~decrease in~~ difference between operation and maintenance costs after the installation of the utility cost-savings measures pursuant to the guaranteed energy savings agreement and the baseline operation and maintenance costs ~~that is a direct result of the implementation of one or more utility cost-savings measures but does~~ after inflation adjustments have been made. Operation and maintenance costs savings shall not include savings from in-house staff labor. ~~Such savings shall be calculated in comparison to an established baseline of operation and maintenance costs.~~

(f) "Guaranteed energy savings ~~contract~~ agreement" means ~~a contract~~ an agreement for the ~~evaluation, recommendation, and~~ installation of one or more utility cost-savings measures that includes the qualified provider's guarantee as required under subdivision 2. ~~The contract must provide that all payments are to be made over time but not to exceed ten years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the utility cost-savings measures.~~

(g) "Baseline adjustments" means adjusting the ~~established~~ utility cost savings baselines ~~in paragraphs (b) and (d)~~ annually for changes in the following variables:

(1) utility rates;

(2) number of days in the utility billing cycle;

(3) square footage of the facility;

(4) operational schedule of the facility;

(5) facility temperature set points;

(6) weather; and

(7) amount of equipment or lighting utilized in the facility.

(h) "Inflation adjustment" means adjusting the operation and maintenance cost-savings baseline annually for inflation.

(i) "Lease purchase ~~contract~~ agreement" means ~~a contract~~ an agreement obligating the state to make regular lease payments to satisfy the lease costs of the utility cost-savings measures until the final payment, after which time the utility cost-savings measures become the sole property of the state of Minnesota.

~~(i)~~ (j) "Qualified provider" means a person or business experienced in the design, implementation, and installation of utility cost-savings measures.

~~(j)~~ (k) "Engineering report" means a report prepared by a professional engineer licensed by the state of Minnesota summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, and estimates of the amounts by which utility and operation and maintenance costs will be reduced.

~~(k)~~ (l) "Capital cost avoidance" means money expended by a state agency to pay for utility cost-savings measures with a guaranteed savings ~~contract~~ agreement so long as the measures that are being implemented to achieve the utility, operation, and maintenance cost savings are a significant portion of an overall project as determined by the commissioner.

~~(l)~~ (m) "Guaranteed energy savings ~~contracting~~ program guidelines" means policies, procedures, and requirements of guaranteed savings ~~contracts~~ agreements established by the Department of Administration ~~upon enacting this legislation~~.

Subd. 2. [GUARANTEED ENERGY SAVINGS ~~CONTRACT~~ AGREEMENT.] The commissioner may enter into a guaranteed energy savings ~~contract~~ agreement with a qualified provider if:

(1) the qualified provider is selected through a competitive process in accordance with the guaranteed energy savings ~~contracting~~ program guidelines within the Department of Administration;

(2) the qualified provider agrees to submit an engineering report prior to the execution of the guaranteed energy savings ~~contract~~ agreement. The cost of the engineering report may be considered as part of the implementation costs if the commissioner enters into a guaranteed energy savings agreement with the provider;

(3) the term of the guaranteed energy savings agreement shall not exceed 15 years from the date of final installation;

(4) the commissioner finds that the amount it would spend on the utility cost-savings measures recommended in the engineering report will not exceed the amount to be saved in utility operation and maintenance costs over ~~ten~~ 15 years from the date of implementation of utility cost-savings measures;

~~(4)~~ (5) the qualified provider provides a written guarantee that the annual utility, operation, and maintenance cost savings during the term of the guaranteed energy savings agreement will meet or exceed the ~~costs of the guaranteed savings contract~~ annual payments due under a lease purchase agreement. The qualified provider shall reimburse the state for any shortfall of guaranteed utility, operation, and maintenance cost savings; and

~~(5)~~ (6) the qualified provider gives a sufficient bond in accordance with section 574.26 to the commissioner for the faithful implementation and installation of the utility cost-savings measures.

Subd. 3. [LEASE PURCHASE ~~CONTRACT~~ AGREEMENT.] The commissioner may enter

into a lease purchase agreement with any party for the implementation of utility cost-savings measures in accordance with ~~an engineering report~~ the guaranteed energy savings agreement. The implementation costs of the utility cost-savings measures recommended in the engineering report shall not exceed the amount to be saved in utility and operation and maintenance costs over the term of the lease purchase agreement. The term of the lease purchase agreement shall not exceed ~~ten~~ 15 years from the date of final installation. The lease is assignable in accordance with terms approved by the commissioner of finance.

Subd. 4. [USE OF CAPITAL COST AVOIDANCE.] The affected state agency may contribute funds for capital cost avoidance for guaranteed energy savings ~~contracts~~ agreements. Use of capital cost avoidance is subject to the guaranteed energy savings ~~contracting~~ program guidelines within the Department of Administration.

Subd. 5. [REPORT.] By January 15 ~~of 2005 and~~, 2007, the commissioner of administration shall submit to the commissioner of finance and the chairs of the senate and house of representatives capital investment committees a list of projects in the agency that have been funded using guaranteed energy savings, as outlined in this section, during the preceding biennium. For each guaranteed energy savings ~~contract~~ agreement entered into, the commissioner of administration shall contract with an independent third party to evaluate the cost-effectiveness of each utility cost-savings measure implemented to ensure that such measures were the least-cost measures available. For the purposes of this section, "independent third party" means an entity not affiliated with the qualified provider, that is not involved in creating or providing conservation project services to that provider, and that has expertise (or access to expertise) in energy savings practices.

~~Subd. 6. [CONTRACT LIMITS.] Contracts may not be entered into after June 30, 2007.~~

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

Sec. 25. Minnesota Statutes 2004, section 16C.16, subdivision 1, is amended to read:

Subdivision 1. [SMALL BUSINESS PROCUREMENTS.] (a) The commissioner shall for each fiscal year ensure that small businesses receive at least 25 percent of the value of anticipated total state procurement of goods and services, including printing and construction. The commissioner shall divide the procurements so designated into contract award units of economically feasible production runs in order to facilitate offers or bids from small businesses.

(b) The commissioner must solicit and encourage Minnesota small businesses to submit responses or bids when the commissioner is entering into master contracts. If cost-effective, when entering into a master contract, the commissioner must attempt to negotiate contract terms that allow agencies the option of purchasing from small businesses, particularly small businesses that are geographically proximate to the entity making the purchase.

(c) In making the annual designation of such procurements the commissioner shall attempt (1) to vary the included procurements so that a variety of goods and services produced by different small businesses are obtained each year, and (2) to designate small business procurements in a manner that will encourage proportional distribution of such awards among the geographical regions of the state. To promote the geographical distribution of awards, the commissioner may designate a portion of the small business procurement for award to bidders from a specified congressional district or other geographical region specified by the commissioner. The failure of the commissioner to designate particular procurements shall not be deemed to prohibit or discourage small businesses from seeking the procurement award through the normal process.

Sec. 26. [16C.231] [SURPLUS PROPERTY.]

Notwithstanding section 15.054 or 16C.23, the commissioner may sell a surplus gun used by a state trooper to the trooper who used the gun in the course of employment. The sale price must be the fair market value of the gun, as determined by the commissioner.

Sec. 27. Minnesota Statutes 2004, section 16C.26, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION OF NOTICE; EXPENDITURES OVER ~~$15,000~~ $25,000.] If the amount of an expenditure is estimated to exceed ~~$15,000~~ $25,000, ~~sealed~~ bids must be solicited by public notice ~~inserted at least once in a newspaper or trade journal not less than seven days before the final date of submitting bids~~ in a manner designated by the commissioner. ~~The commissioner shall designate the newspaper or trade journal for that publication and may designate different newspapers or journals according to the nature of the purchase or contract.~~ To the extent practical, this must include posting on a state Web site. For expenditures over $50,000, the commissioner shall ~~also~~ solicit sealed bids by ~~sending~~ providing notices ~~by mail~~ to all prospective bidders known to the commissioner ~~and~~ by posting notice on ~~a public bulletin board in the commissioner's office~~ a state Web site at least ~~five~~ seven days before the final date of submitting bids. All bids over $50,000 must be sealed when they are received and must be opened in public at the hour stated in the notice. All original bids and all documents pertaining to the award of a contract must be retained and made a part of a permanent file or record and remain open to public inspection.

Sec. 28. Minnesota Statutes 2004, section 16C.26, subdivision 4, is amended to read:

Subd. 4. [BUILDING AND CONSTRUCTION CONTRACTS; ~~$15,000~~ $50,000 OR LESS.] ~~All contracts, the amount of which is estimated to be $15,000 or less, may be made either upon competitive bids or in the open market, in the discretion of the commissioner. So far as practicable, however, they must be based on at least three competitive bids which must be permanently recorded.~~ An informal bid may be used for building, construction, and repair contracts that are estimated at less than $50,000. Informal bids must be authenticated by the bidder in a manner specified by the commissioner.

Sec. 29. Minnesota Statutes 2004, section 16C.28, subdivision 2, is amended to read:

Subd. 2. [ALTERATIONS AND ERASURES.] A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid must be rejected unless the alteration or erasure is corrected ~~under this subdivision~~ in a manner that is clear and authenticated by an authorized representative of the responder. An alteration or erasure may be crossed out and the correction printed in ink or typewritten adjacent to it and initialed ~~in ink by the person signing the bid~~ by an authorized representative of the responder.

Sec. 30. [168.1298] [SPECIAL "SUPPORT OUR TROOPS" LICENSE PLATES.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] (a) The commissioner shall issue special "Support Our Troops" license plates to an applicant who:

(1) is an owner of a passenger automobile, one-ton pickup truck, recreational vehicle, or motorcycle;

(2) pays a fee of $10 to cover the costs of handling and manufacturing the plates;

(3) pays the registration tax required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of $30 annually to the Minnesota "Support Our Troops" account established in section 190.19; and

(6) complies with laws and rules governing registration and licensing of vehicles and drivers.

(b) The license application under this section must indicate that the annual contribution specified under paragraph (a), clause (5), is a minimum contribution to receive the plates and that the applicant may make an additional contribution to the account.

Subd. 2. [DESIGN.] After consultation with interested groups, the adjutant general and the commissioner of veterans affairs shall design the special plate, subject to the approval of the commissioner.

Subd. 3. [NO REFUND.] Contributions under this section must not be refunded.

Subd. 4. [PLATE TRANSFERS.] Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of $5, plates issued under this section may be transferred to another passenger automobile, one-ton pickup truck, recreational vehicle, or motorcycle owned by the individual to whom the special plates were issued.

Subd. 5. [CONTRIBUTION AND FEES CREDITED.] Contributions under subdivision 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the Minnesota "Support Our Troops" account established in section 190.19. The fees collected under this section must be deposited in the vehicle services operating account in the special revenue fund.

Subd. 6. [RECORD.] The commissioner shall maintain a record of the number of plates issued under this section.

Sec. 31. [190.19] [MINNESOTA "SUPPORT OUR TROOPS" ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota "Support Our Troops" account is established in the special revenue fund. The account shall consist of contributions from private sources and appropriations.

Subd. 2. [USES.] (a) Money appropriated from the Minnesota "Support Our Troops" account may be used for:

(1) grants directly to eligible individuals;

(2) grants to one or more eligible foundations for the purpose of making grants to eligible individuals, as provided in this section; or

(3) veterans' services.

(b) The term, "eligible individual" includes any person who is:

(1) a member of the Minnesota National Guard or a reserve unit based in Minnesota who has been called to active service as defined in section 190.05, subdivision 5;

(2) a Minnesota resident who is a member of a military reserve unit not based in Minnesota, if the member is called to active service as defined in section 190.05, subdivision 5;

(3) any other Minnesota resident performing active service for any branch of the military of the United States; and

(4) members of the immediate family of an individual identified in clause (1), (2), or (3). For purposes of this clause, "immediate family" means the individual's spouse and minor children and, if they are dependents of the member of the military, the member's parents, grandparents, siblings, stepchildren, and adult children.

(c) The term "eligible foundation" includes any organization that:

(1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code;

(2) has articles of incorporation under chapter 317A specifying the purpose of the organization as including the provision of financial assistance to members of the Minnesota National Guard and other United States armed forces reserves and their families and survivors; and

(3) agrees in writing to distribute any grant money received from the adjutant general under this section to eligible individuals as defined in this section and in accordance with any written policies and rules the adjutant general may impose as conditions of the grant to the foundation.

(d) The maximum grant awarded to an eligible individual in a calendar year with funds from the Minnesota "Support Our Troops" account, either through an eligible institution or directly from the adjutant general, may not exceed $2,000.

Subd. 3. [ANNUAL REPORT.] The adjutant general must report by February 1, 2007, and

each year thereafter, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over military and veterans' affairs on the number, amounts, and use of grants made by the adjutant general from the Minnesota "Support Our Troops" account in the previous year.

Sec. 32. Minnesota Statutes 2004, section 240A.03, subdivision 5, is amended to read:

Subd. 5. [EXEMPTION OF PROPERTY.] Real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for the purposes of amateur sports facilities is declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and is exempt from ad valorem taxation by the state or any political subdivision of the state, provided that the properties are subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. The exemption from ad valorem taxation under this subdivision does not apply to land that is leased by the commission to any entity, public or private. No possible use of any of the properties in any manner different from their use under sections 240A.01 to 240A.07 at the time may be considered in determining the special benefit received by the properties. Assessments are subject to confirmation by the commission, whose determination of the benefits is subject to court review. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 240A.01 to 240A.07 is exempt from taxation regardless of the length of the lease.

Sec. 33. Minnesota Statutes 2004, section 240A.03, is amended by adding a subdivision to read:

Subd. 16. [FINANCIAL REPORTS.] By January 15 of each year, the commission must report to the chairs of the legislative committees with jurisdiction over the commission and its finances regarding the revenue received by the commission from leases in the previous fiscal year. The report must detail revenue received from individual lessees and costs incurred by the commission for maintenance and operation of the leased property. The report must also estimate the revenue from leases for the current and following fiscal years.

Sec. 34. [298.215] [IRON RANGE RESOURCES AND REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.]

(a) Notwithstanding any law to the contrary, the commissioner of iron range resources and rehabilitation, in consultation with the commissioner of employee relations, may offer a targeted early separation incentive program for employees of the commissioner who have attained the age of 60 years and have at least five years of allowable service credit under chapter 352, or who have received credit for at least 30 years of allowable service under the provisions of chapter 352.

(b) The early separation incentive program may include one or more of the following:

(1) employer-paid postseparation health, medical, and dental insurance until age 65; and

(2) cash incentives that may, but are not required to be, used to purchase additional years of service credit through the Minnesota State Retirement System, to the extent that the purchases are otherwise authorized by law.

(c) The commissioner of iron range resources and rehabilitation shall establish eligibility requirements for employees to receive an incentive.

(d) The commissioner of iron range resources and rehabilitation, consistent with the established program provisions under paragraph (b), and with the eligibility requirements under paragraph (c), may designate specific programs or employees as eligible to be offered the incentive program.

(e) Acceptance of the offered incentive must be voluntary on the part of the employee and must be in writing. The incentive may only be offered at the sole discretion of the commissioner of iron range resources and rehabilitation.

(f) The cost of the incentive is payable solely by funds made available to the commissioner of iron range resources and rehabilitation by law, but only on prior approval of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

(g) This section and section 298.216 are repealed June 30, 2006.

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

Sec. 35. [298.216] [APPLICATION OF OTHER LAWS.]

Unilateral implementation of section 298.215 by the commissioner of iron range resources and rehabilitation is not an unfair labor practice under chapter 179A.

Sec. 36. Minnesota Statutes 2004, section 349A.10, subdivision 3, is amended to read:

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) Except as provided in paragraph (e), the director may not credit in any fiscal year thereafter amounts to the lottery operations account which when totaled exceed ~~15~~ nine percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend after July 1, 1991, more than 2-3/4 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the lottery is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.

(e) In addition to the amounts credited to the lottery operations account under paragraph (b), the director is authorized, if necessary, to meet the current obligations of the lottery and to credit up to 25 percent of an amount equal to the average annual amount which was authorized to be credited to the lottery operations account for the previous three fiscal years but was not needed to meet the obligations of the lottery.

Sec. 37. Minnesota Statutes 2004, section 359.01, is amended by adding a subdivision to read:

Subd. 4. [APPLICATION.] The secretary of state shall prepare the application form for a commission. The form may request personal information about the applicant, including, but not limited to, relevant civil litigation, occupational license history, and criminal background, if any. For the purposes of this section, "criminal background" includes, but is not limited to, criminal charges, arrests, indictments, pleas, and convictions.

Sec. 38. [471.661] [OUT-OF-STATE TRAVEL.]

By January 1, 2006, the governing body of each statutory or home rule charter city, county, school district, regional agency, or other political subdivision, except a town, must develop a policy that controls travel outside the state of Minnesota for the applicable elected officials of the relevant unit of government. The policy must be approved by a recorded vote and specify:

(1) when travel outside the state is appropriate;

(2) applicable expense limits; and

(3) procedures for approval of the travel.

The policy must be made available for public inspection upon request and reviewed annually. Subsequent changes to the policy must be approved by a recorded vote.

Sec. 39. [471.701] [SALARY DATA.]

A city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees. This notice may be provided on the homepage of the primary Web site maintained by the political subdivision for a period of not less than 90 consecutive days, in a publication of the political subdivision that is distributed to all residents in the political subdivision, or as part of the annual notice of proposed property taxes prepared under section 275.065.

Sec. 40. Minnesota Statutes 2004, section 507.093, is amended to read:

507.093 [STANDARDS FOR DOCUMENTS TO BE RECORDED OR FILED.]

(a) The following standards are imposed on documents to be recorded with the county recorder or filed with the registrar of titles:

(1) The document shall consist of one or more individual sheets measuring no larger than 8.5 inches by 14 inches.

(2) The form of the document shall be printed, typewritten, or computer generated in black ink and the form of the document shall not be smaller than 8-point type.

(3) The document shall be on white paper of not less than 20-pound weight with no background color, images, or writing and shall have a clear border of approximately one-half inch on the top, bottom, and each side.

(4) The first page of the document shall contain a blank space at the top measuring three inches, as measured from the top of the page. The right half to be used by the county recorder for recording information or registrar of titles for filing information and the left half to be used by the county auditor or treasurer for certification.

(5) The title of the document shall be prominently displayed at the top of the first page below the blank space referred to in clause (4).

(6) No additional sheet shall be attached or affixed to a page that covers up any information or printed part of the form.

(7) A document presented for recording or filing must be sufficiently legible to reproduce a readable copy using the county recorder's or registrar of title's current method of reproduction.

(b) The standards in ~~this~~ paragraph (a) do not apply to a document that is recorded or filed as part of a pilot project for the electronic filing of real estate documents implemented by the task force created in Laws 2000, chapter 391, and continued by standards established by the Electronic Real Estate Recording Task Force created under section 507.094. A county that participated in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391, may continue to record or file documents electronically, if:

(1) the county complies with standards adopted by that task force; and

(2) the county uses software that was validated by that task force.

(c) A county that did not participate in the pilot project may record or file a real estate document electronically, if:

(i) the document to be recorded or filed is of a type included in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391;

(ii) the county complies with the standards adopted by the task force;

(iii) the county uses software that was validated by the task force; and

(iv) the task force created under section 507.094 votes to accept a written certification of

compliance with paragraph (b), clause (2), of this section by the county board and county recorder of the county to implement electronic filing under this section.

~~(b) The recording or filing fee for a document that does not conform to the standards in paragraph (a) shall be increased as provided in sections 357.18, subdivision 5; 508.82; and 508A.82.~~

~~(c) The recorder or registrar shall refund the recording or filing fee to the applicant if the real estate documents are not filed or registered within 30 days after receipt, or as otherwise provided by section 386.30.~~

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

Sec. 41. [507.094] [ELECTRONIC REAL ESTATE RECORDING TASK FORCE.]

Subdivision 1. [CREATION; MEMBERSHIP.] (a) The Electronic Real Estate Recording Task Force established under this section shall continue the work of the task force established under Laws 2000, chapter 391, to implement and make recommendations for implementation of electronic filing and recording of real estate documents.

(b) The task force consists of 17 members. The secretary of state is a member and the chair of the task force and shall convene the first meeting of the task force. Members who are appointed under this section shall serve for a term of three years beginning July 1, 2005. The task force must include:

(1) four county government officials appointed by the Association of County Officers, including two county recorders, one county auditor, and one county treasurer;

(2) two county board members appointed by the Association of Minnesota Counties, including one board member from within the seven-county metropolitan area and one board member from outside the seven-county metropolitan area;

(3) seven members from the private sector recommended by their industries and appointed by the governor, including representatives of:

(i) real estate attorneys, real estate agents;

(ii) mortgage companies, and other real estate lenders; and

(iii) technical and industry experts in electronic commerce and electronic records management and preservation who are not vendors of real estate related services to counties;

(4) a nonvoting representative selected by the Minnesota Historical Society; and

(5) two representatives of title companies.

(c) The task force may refer items to subcommittees. The chair shall recommend and the task force shall appoint the membership of a subcommittee. An individual may be appointed to serve on a subcommittee without serving on the task force.

Subd. 2. [STUDY AND RECOMMENDATIONS.] (a) The task force shall continue the work of the task force created by Laws 2000, chapter 391, and make recommendations regarding implementation of a system for electronic filing and recording of real estate documents and shall consider:

(1) technology and computer needs;

(2) legal issues such as authenticity, security, timing and priority of recordings, and the relationship between electronic and paper recorder systems;

(3) a timetable and plan for implementing electronic recording, considering types of documents and entities using electronic recording;

(4) permissive versus mandatory systems; and

(5) other relevant issues identified by the task force.

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

(b) The task force may commence establishing standards for the electronic recording of the remaining residential real estate deed and mortgage documents and establish pilot projects to complete the testing and functions of the task force established in Laws 2000, chapter 391, after considering national standards from the Mortgage Industry Standards Maintenance Organization, the Property Records Industry Association, or other recognized national groups.

(c) The task force shall submit a report to the legislature by January 15 of each year during its existence reporting on the progress toward the goals provided in this subdivision.

Subd. 3. [DONATIONS; REIMBURSEMENT.] The task force may accept donations of money or resources, including loaned employees or other services. The donations are appropriated to the task force and must be under the sole control of the task force.

Subd. 4. [EXPIRATION.] This section expires June 30, 2008.

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

Sec. 42. Minnesota Statutes 2004, section 507.24, subdivision 2, is amended to read:

Subd. 2. [ORIGINAL SIGNATURES REQUIRED.] (a) Unless otherwise provided by law, an instrument affecting real estate that is to be recorded as provided in this section or other applicable law must contain the original signatures of the parties who execute it and of the notary public or other officer taking an acknowledgment. However, a financing statement that is recorded as a filing pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment.

(b) Any electronic instruments, including signatures and seals, affecting real estate may only be recorded as part of a pilot project for the electronic filing of real estate documents implemented by the task force created in Laws 2000, chapter 391., or by the Electronic Real Estate Recording Task Force created under section 507.094. A county that participated in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391, may continue to record or file documents electronically, if:

(1) the county complies with standards adopted by the task force; and

(2) the county uses software that was validated by the task force.

A county that did not participate in the pilot project may record or file a real estate document electronically, if:

(i) the document to be recorded or filed is of a type included in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391;

(ii) the county complies with the standards adopted by the task force;

(iii) the county uses software that was validated by the task force; and

(iv) the task force created under section 507.094, votes to accept a written certification of compliance with paragraph (b), clause (2), of this section by the county board and county recorder of the county to implement electronic filing under this section.

(c) Notices filed pursuant to section 168A.141, subdivisions 1 and 3, need not contain an acknowledgment.

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

Sec. 43. Laws 1998, chapter 404, section 15, subdivision 2, as amended by Laws 2005, chapter 20, article 1, section 40, is amended to read:

Subd. 2. National Sports Center 4,800,000

$1,700,000 is to purchase and develop land adjacent to the National Sports Center in Blaine for use as athletic fields.

$3,100,000 is to develop the National Children's Golf Course. The primary purpose of the National Children's Golf Course is to serve youth of 18 years and younger. Market rates must be charged for adult golf.

The Minnesota Amateur Sports Commission may lease up to 20 percent of the area of the land purchased with money from the general fund appropriations in this subdivision for a term of up to 30 years to one or more governmental or private entities for any use by the lessee, whether public or private, so long as the use provides some benefit to amateur sports. The commission must submit proposed leases for the land described in this subdivision to the chairs of the legislative committees with jurisdiction over state government policy and finance for review at least 30 days before the leases may be entered into by the commission. Up to $300,000 of lease payments received by the commission ~~are~~ each fiscal year is appropriated to the commission for the purposes specified in Minnesota Statutes, chapter 240A. The land purchased from the general fund appropriations may be used for any amateur sport.

[EFFECTIVE DATE.] This section is effective retroactively on the effective date of Laws 2005, chapter 20, article 1, section 40.

Sec. 44. [BUILDING LEASE.]

Notwithstanding any provision of Minnesota Statutes, section 16B.24, or other law or rule to the contrary, the commissioner of administration may, without approval of the State Executive Council, enter into a lease of up to ten years with a private tenant for use of the state-owned building at 168 Aurora Avenue in the city of St. Paul as a child care and after-school activity facility. If leased to a faith-based organization, the program may not promote any particular faith and must operate in a nondiscriminatory manner.

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

Sec. 45. [SALE OF STATE LAND.]

Subdivision 1. [STATE LAND SALES.] The commissioner of administration shall coordinate with the head of each department or agency having control of state-owned land to identify and sell at least $6,440,000 of state-owned land. Sales should be completed according to law and as provided in this section as soon as practicable but no later than June 30, 2007. Notwithstanding Minnesota Statutes, sections 16B.281 and 16B.282, 94.09 and 94.10, or any other law to the

contrary, the commissioner may offer land for public sale by only providing notice of lands or an offer of sale of lands to state departments or agencies, the University of Minnesota, cities, counties, towns, school districts, or other public entities.

Subd. 2. [ANTICIPATED SAVINGS.] Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or other law to the contrary, the amount of the proceeds from the sale of land under this section that exceeds the actual expenses of selling the land must be deposited in the general fund, except as otherwise provided by the commissioner of finance. Notwithstanding Minnesota Statutes, section 94.11 or 16B.283, the commissioner of finance may establish the timing of payments for land purchased under this section. If the total of all money deposited into the general fund from the proceeds of the sale of land under this section is anticipated to be less than $6,440,000, the governor must allocate the amount of the difference as reductions to general fund operating expenditures for other executive agencies for the biennium ending June 30, 2007.

Subd. 3. [SALE OF STATE LANDS REVOLVING LOAN FUND.] $290,000 is appropriated from the general fund in fiscal year 2006 to the commissioner of administration for purposes of paying the actual expenses of selling state-owned lands to achieve the anticipated savings required in this section. From the gross proceeds of land sales under this section, the commissioner of administration must cancel the amount of the appropriation in this subdivision to the general fund by June 30, 2007.

Sec. 46. [FORD BUILDING.]

The Ford Building at 117 University Avenue in St. Paul may not be demolished during the biennium ending June 30, 2007. By January 15, 2006, the commissioner of administration, in consultation with interested legislators, private sector real estate professionals, historic preservation specialists, and representatives of the city of St. Paul, neighboring property, and St. Paul neighborhood associations, must report to the legislature with recommendations regarding potential means of preserving and using the Ford Building. The report must include:

(1) availability of potential lessees for the building;

(2) constraints on leasing the building, including the requirement to pay off any state general obligation bonds previously used in maintaining or rehabilitating the building; and

(3) the cost of restoring and rehabilitating the building, and the feasibility of various means of paying these costs, including potential use of revenue bonds.

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

Sec. 47. [STATE HEALTH CARE PURCHASING AUTHORITY.]

Subdivision 1. [PURCHASING AUTHORITY CREATED.] By December 15, 2005, the commissioner of employee relations, in consultation with the commissioners of health, human services, labor and industry, corrections, commerce, and administration and the Minnesota Comprehensive Health Association board of directors, may enter into interagency agreements regarding the formation of the Minnesota Health Care Purchasing Authority for the purpose of implementing a unified strategy and joint purchasing of health care services for the state of Minnesota. The strategy shall include implementing a process that examines the health care purchasing decisions and coverage in terms of cost and medical efficacy based on reliable research evidence to ensure access to appropriate and necessary health care. By December 15, 2005, the commissioners shall submit to the legislature a report and draft legislation for the creation of the purchasing authority responsible for all state purchasing of health care.

Subd. 2. [PRINCIPLES OF STATE PURCHASING.] The purchasing authority shall prepare and submit to the governor and legislature an annual report and plan for the unified purchasing of health care services. The plan must:

(1) promote personal choice and responsibility;

(2) encourage and promote better health of patients and residents of the state;

(3) provide incentives to privately based health plans and health care delivery systems to improve efficiency and quality;

(4) use community standards and measurement methods for determining the value of specific health care services based on quality and performance; and

(5) separate the health care purchasing functions of state government from those activities relating to regulation and delivery of services, but require consistent use of uniform quality and performance standards and methods for purchasing, regulation, and delivery of health care services.

Subd. 3. [PURCHASING AND COVERAGE GUIDELINES.] The purchasing authority shall convene a panel of health care policy experts and health care providers to establish a process to select evidence-based guidelines based on sound research evidence and implement an integrated approach using these guidelines for purchasing decisions and coverage design.

Subd. 4. [PUBLIC AND PRIVATE PURCHASERS.] (a) The purchasing authority shall prepare and submit to the governor and legislature by December 15, 2005, a plan for permitting public employers, including school districts, cities, counties, and other governmental entities, to purchase a secure benefit set with the state purchasing authority. The secure benefit set must include the services described under subdivision 6.

(b) Notwithstanding any laws to the contrary, the commissioner of employee relations may expand the range of health coverage options available to purchase under the public employees insurance program established under Minnesota Statutes, section 43A.316, including the option to purchase the secure benefit set as defined under subdivision 6. Under this option, public employers may purchase health coverage for their employees through the public employees insurance program beginning July 1, 2006.

(c) The purchasing authority shall include in the plan described in paragraph (a) recommendations for:

(1) a process for permitting nursing homes and other long-term care providers to purchase the secure benefit set with the assistance of the state health care purchasing authority as part of a separate risk pool; and

(2) a process for permitting individuals to purchase the secure benefit set as part of a separate risk pool through the state health care purchasing authority beginning January 1, 2009.

Subd. 5. [COORDINATION AND COMMON STANDARDS FOR STATE PURCHASING AND REGULATION.] The purchasing authority, in consultation with all state agencies, boards, and commissioners that have responsibility for purchasing or for regulating individuals and organizations that provide health coverage or deliver health care services, shall prepare and submit to the governor and legislature by December 15, 2005, a report and draft legislation that will:

(1) require all state purchasing and regulatory requirements to use common standards and measurement methods for quality and performance; and

(2) provide for the coordination of health care purchasing strategies and activities administered by the state, including, but not limited to, the state employees group insurance plan, the public employees insurance program, purchasing activities for public and private employers and individuals established under subdivision 4, and health care programs administered by the commissioner of human services or the commissioner of health.

Subd. 6. [SECURE BENEFIT SET DEVELOPMENT.] The purchasing authority, in consultation with a panel of health care policy experts, shall define a secure benefit set that includes coverage for preventive health services, as specified in preventive services guidelines for children and adults developed by the Institute for Clinical Systems Improvement, prescription drug coverage, and catastrophic coverage. Nothing in this section authorizes the purchasing authority to change the benefits covered by the medical assistance, MinnesotaCare, or general assistance medical care programs to the extent these benefits are specified in state or federal law.

Subd. 7. [SPECIAL POPULATIONS.] In developing a plan for the unified purchasing of health care services and a secure benefit set, the purchasing authority must take into account the needs of special populations, including, but not limited to, persons who are elderly or disabled and persons with chronic conditions.

Subd. 8. [COST AND QUALITY DISCLOSURE.] The purchasing authority, in cooperation with organizations representing consumers, employers, physicians and other health professionals, hospitals, long-term care facilities, health plan companies, quality improvement organizations, research and education institutions, and other appropriate constituencies, shall identify and contract with a private, nonprofit organization to serve as a statewide source of comparative information on health care costs and quality.

Sec. 48. [TRAINING SERVICES.]

During the biennium ending June 30, 2007, state executive branch agencies must consider using services provided by Government Training Services before contracting with other outside vendors for similar services.

Sec. 49. [STUDY OF WATER AND SEWER BILLING.]

The director of the Legislative Coordinating Commission must provide administrative support to a working group to study issues relating to collection of delinquent water and sewer bills from owners, lessees, and occupants of rental property. The group consists of the following members:

(1) two representatives of cities;

(2) two representatives of residential rental property owners;

(3) one representative of tenants;

(4) one legislator from the majority caucus of the house of representatives appointed by the speaker, and one legislator from the minority caucus of the house appointed by the minority leader;

(5) one representative of the majority and minority caucuses of the senate, appointed by the senate subcommittee on committees; and

(6) one public member appointed by the speaker of the house of representatives and one public member appointed by the majority leader of the senate.

Members specified in clauses (1) to (3) must be appointed jointly by the speaker of the house of representatives and the majority leader of the senate.

The working group must report findings and recommendations to the legislature by January 15, 2006. This section expires on the day following the date the working group submits its report.

Sec. 50. [PORTRAITS.]

The Capitol Area Architectural and Planning Board, in consultation with the Minnesota Historical Society, must request the Smithsonian Institution to extend the period during which the portraits of Julia Finch Gilbert and Cass Gilbert are displayed in the Capitol building. In negotiating an extension of the loan period, the board must request that the portraits remain on display in the Capitol when they are not being publicly displayed elsewhere, but must recognize that it is desirable for the portraits to be displayed in other buildings designed by Cass Gilbert, in conjunction with centennial celebrations for those buildings.

Sec. 51. [COYA KNUTSON MEMORIAL.]

The commissioner of administration shall establish a memorial in the Capitol building honoring Coya Knutson. The commissioner, with the assistance and approval of the Capitol Area Architectural and Planning Board, shall select an appropriate site. The commissioner may accept donations from nonstate sources for the memorial, and this money is appropriated to the commissioner for purposes of the memorial.

Sec. 52. [REPEALER.]

(a) Minnesota Statutes 2004, sections 3.9222; 16A.151, subdivision 5; 16A.30; and 16B.52, are repealed.

(b) Minnesota Statutes 2004, section 471.68, subdivision 3, is repealed effective July 1, 2006.

ARTICLE 3
PUBLIC EMPLOYMENT

Section 1. Minnesota Statutes 2004, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner is authorized to request bids ~~from carriers or to negotiate with carriers~~ and to enter into contracts with ~~carriers~~ parties which in the judgment of the commissioner are best qualified to ~~underwrite and~~ provide service to the benefit plans. Contracts entered into ~~with carriers~~ are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate premium rates and coverage ~~provisions with all carriers licensed under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D~~. Contracts to underwrite the benefit plans must be bid or negotiated separately from contracts to service the benefit plans, which may be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers, and any other factors which the commissioner deems appropriate. Each benefit contract must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. ~~The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C, and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs.~~ A carrier licensed under chapter 62A is exempt from the taxes imposed by chapter 297I on premiums paid to it by the state.

All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

Sec. 2. [43A.346] [POSTRETIREMENT OPTION.]

Subdivision 1. [DEFINITION.] For purposes of this section, "state employee" means a person currently occupying a civil service position in the executive branch of state government, the Minnesota State Retirement System, or the Office of the Legislative Auditor, or a person employed by the Metropolitan Council.

Subd. 2. [ELIGIBILITY.] This section applies to a state or Metropolitan Council employee who:

(1) for at least the five years immediately preceding separation under clause (2), has been regularly scheduled to work 1,044 or more hours per year in a position covered by a pension plan administered by the Minnesota State Retirement System or the Public Employees Retirement Association;

(2) terminates state or Metropolitan Council employment;

(3) at the time of termination under clause (2), meets the age and service requirements

necessary to receive an unreduced retirement annuity from the plan and satisfies requirements for the commencement of the retirement annuity or, for an employee under the unclassified employees retirement plan, meets the age and service requirements necessary to receive an unreduced retirement annuity from the plan and satisfies requirements for the commencement of the retirement annuity or elects a lump-sum payment; and

(4) agrees to accept a postretirement option position with the same or a different appointing authority, working a reduced schedule that is both (i) a reduction of at least 25 percent from the employee's number of regularly scheduled work hours; and (ii) 1,044 hours or less in state or Metropolitan Council service.

Subd. 3. [UNCLASSIFIED SERVICE.] Notwithstanding any law to the contrary, state postretirement option positions shall be in the unclassified service but shall not be covered by the Minnesota State Retirement System unclassified employees plan.

Subd. 4. [ANNUITY REDUCTION NOT APPLICABLE.] Notwithstanding any law to the contrary, when an eligible state employee in a postretirement option position under this section commences receipt of the annuity, the provisions of section 352.115, subdivision 10, or 353.37 governing annuities of reemployed annuitants, shall not apply for the duration of employment in the position.

Subd. 5. [APPOINTING AUTHORITY DISCRETION.] The appointing authority has sole discretion to determine if and the extent to which a postretirement option position under this section is available to a state employee. Any offer of such a position must be made in writing to the employee by the appointing authority on a form prescribed by the Department of Employee Relations and the Minnesota State Retirement System or the Public Employees Retirement Association. The appointing authority may not require a person to waive any rights under a collective bargaining agreement or unrepresented employee compensation plan as a condition of participation.

Subd. 6. [DURATION.] Postretirement option employment shall be for an initial period not to exceed one year. During that period, the appointing authority may not modify the conditions specified in the written offer without the employee's agreement, except as required by law or by the collective bargaining agreement or compensation plan applicable to the employee. At the end of the initial period, the appointing authority has sole discretion to determine if the offer of a postretirement option position will be renewed, renewed with modifications, or terminated. Postretirement option employment may be renewed for periods of up to one year, not to exceed a total duration of five years. No person shall be employed in one or a combination of postretirement option positions under this section for a total of more than five years.

Subd. 7. [COPY TO FUND.] The appointing authority shall provide the Minnesota State Retirement System or the Public Employees Retirement Association with a copy of the offer, the employee's acceptance of the terms, and any subsequent renewal agreement.

Subd. 8. [NO SERVICE CREDIT.] Notwithstanding any law to the contrary, a person may not earn service credit in the Minnesota State Retirement System or the Public Employees Retirement Association for employment covered under this section, and employer contributions and payroll deductions for the retirement fund must not be made based on earnings of a person working under this section. No change shall be made to a monthly annuity or retirement allowance based on employment under this section.

Subd. 9. [INSURANCE CONTRIBUTION.] Notwithstanding any law to the contrary, the appointing authority must make an employer insurance contribution for a person who is employed in a postretirement option position under this section and who is not receiving any other state-paid or Metropolitan Council-paid employer insurance contribution. The amount of the contribution must be equal to the percent time worked in the postretirement option position (hours scheduled to be worked annually divided by 2,088) times 1.5 times the full employer contribution for employee-only health and dental coverage. The appointing authority must contribute that amount to a health reimbursement arrangement.

Subd. 10. [SUBSEQUENT EMPLOYMENT.] If a person has been in a postretirement option position and accepts any other position in state or Metropolitan Council-paid service, in the subsequent state or Metropolitan Council-paid employment the person may not earn service credit in the Minnesota State Retirement System or Public Employees Retirement Association, no employer contributions or payroll deductions for the retirement fund shall be made, and the provisions of section 352.115, subdivision 10, or section 353.37, shall apply.

Sec. 3. [VOLUNTARY HOUR REDUCTION PLAN.]

(a) This section applies to a state employee who:

(1) on the effective date of this section is regularly scheduled to work 1,044 or more hours a year in a position covered by a pension plan administered by the Minnesota state retirement system; and

(2) enters into an agreement with the appointing authority to work a reduced schedule of 1,044 hours or less in the covered position.

(b) Notwithstanding any law to the contrary, for service under an agreement entered into under paragraph (a), contributions may be made to the applicable plan of the Minnesota state retirement system as if the employee had not reduced hours. The employee must pay the additional employee contributions and the employer must pay the additional employer contributions necessary to bring the service credit and salary up to the level prior to the voluntary reduction in hours. Contributions must be made in a time and manner prescribed by the executive director of the Minnesota state retirement system.

(c) The amount of hours worked, the work schedule, and the duration of the voluntary hour reduction must be mutually agreed to by the employee and the appointing authority. The appointing authority may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section. The appointing authority has sole discretion to determine if and the extent to which voluntary hour reduction under this section is available to an employee.

(d) A person who works under this section is a member of the appropriate bargaining unit; is covered by the appropriate collective bargaining contract or compensation plan; and is eligible for health care coverage as provided in the collective bargaining contract or compensation plan.

(e) An agreement under this section may apply only to work through June 30, 2007.

Sec. 4. [VOLUNTARY UNPAID LEAVE OF ABSENCE.]

(a) Appointing authorities in state government may allow each employee to take unpaid leaves of absence for up to 1,040 hours between July 1, 2005, and June 30, 2007. Each appointing authority approving such a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and, if payments are made under paragraph (b), accrue service credit and credited salary in the state retirement plans as if the employee had actually been employed during the time of leave. An employee covered by the unclassified plan may voluntarily make the employee contributions to the unclassified plan during the leave of absence. If the employee makes these contributions, the appointing authority must make the employer contribution. If the leave of absence is for one full pay period or longer, any holiday pay shall be included in the first payroll warrant after return from the leave of absence. The appointing authority shall attempt to grant requests for the unpaid leaves of absence consistent with the need to continue efficient operation of the agency. However, each appointing authority shall retain discretion to grant or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject to the applicable provisions of collective bargaining agreements and compensation plans.

(b) To receive eligible service credit and credited salary in a defined benefit plan, the member shall pay an amount equal to the applicable employee contribution rates. If an employee pays the employee contribution for the period of the leave under this section, the appointing authority must pay the employer contribution. The appointing authority may, at its discretion, pay the employee

contributions. Contributions must be made in a time and manner prescribed by the executive director of the applicable pension plan.

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

Sec. 5. [LABOR AGREEMENTS AND COMPENSATION PLANS.]

Subdivision 1. [AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES.] The arbitration award and labor agreement between the state of Minnesota and the American Federation of State, County, and Municipal Employees, unit 8, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on June 14, 2004, is ratified.

Subd. 2. [MINNESOTA LAW ENFORCEMENT ASSOCIATION; ARBITRATION AWARD.] The arbitration award between the state of Minnesota and the Minnesota Law Enforcement Association, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on June 14, 2004, is ratified.

Subd. 3. [HIGHER EDUCATION SERVICES OFFICE; COMPENSATION PLAN.] The compensation plan for unrepresented employees of the Higher Education Services Office, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on June 14, 2004, is ratified.

Subd. 4. [MINNESOTA LAW ENFORCEMENT ASSOCIATION; BARGAINING AGREEMENT.] The collective bargaining agreement between the state of Minnesota and the Minnesota Law Enforcement Association, submitted to the Legislative Coordinating Commission Subcommittee on Employee Relations on September 29, 2004, and implemented after 30 days on October 30, 2004, is ratified.

Subd. 5. [INTER FACULTY ORGANIZATION.] The collective bargaining agreement between the state of Minnesota and the Inter Faculty Organization, submitted to the Legislative Coordinating Commission Subcommittee on Employee Relations on September 29, 2004, and implemented after 30 days on October 29, 2004, is ratified.

Subd. 6. [MINNESOTA NURSES ASSOCIATION.] The arbitration award and the collective bargaining agreement between the state of Minnesota and the Minnesota Nurses Association, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on December 20, 2004, is ratified.

Subd. 7. [TEACHERS RETIREMENT ASSOCIATION.] The proposal to increase the salary of the executive director of the Teachers Retirement Association, as modified and approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on December 20, 2004, is ratified.

Subd. 8. [MINNESOTA STATE RETIREMENT SYSTEM.] The proposal to increase the salary of the executive director of the Minnesota State Retirement System, as modified and approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on December 20, 2004, is ratified.

Subd. 9. [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION.] The proposal to increase the salary of the executive director of the Public Employees Retirement Association, as modified and approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on December 20, 2004, is ratified.

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

ARTICLE 4

MILITARY AND VETERANS

Section 1. Minnesota Statutes 2004, section 190.16, is amended by adding a subdivision to read:

Subd. 6a. [RENTAL OF CAMP RIPLEY FACILITIES.] The adjutant general or the adjutant general's designee may rent buildings or other facilities at Camp Ripley to persons under terms and conditions specified by the adjutant general or designee. Subject to any prohibitions or restrictions in any agreement between the United States and the state of Minnesota, proceeds of rentals under this subdivision must be applied as follows:

(1) payment of increased utilities, maintenance, or other costs directly attributable to the rental;

(2) other operating and maintenance or repair costs for the building or facility being rented; and

(3) maintenance and improvement of buildings or other facilities at Camp Ripley.

Rentals under this subdivision must be made under terms and conditions that do not conflict with the use of Camp Ripley for military purposes.

Sec. 2. Minnesota Statutes 2004, section 192.19, is amended to read:

192.19 [RETIRED MEMBERS MAY BE ORDERED TO ACTIVE DUTY.]

The commander-in-chief or the adjutant general may assign officers, warrant officers, and enlisted personnel on the retired list, with their consent, to temporary active service in recruiting, upon courts-martial, courts of inquiry and boards, to staff duty not involving service with troops, or in charge of a military reservation left temporarily without officers. Such personnel while so assigned shall receive the full pay and allowances of their grades at time of retirement, except that the commander-in-chief or the adjutant general may authorize pay and allowances in a higher grade when it is considered appropriate based on special skills or experience of the person being assigned to temporary active service.

Sec. 3. Minnesota Statutes 2004, section 192.261, subdivision 2, is amended to read:

Subd. 2. [REINSTATEMENT.] Except as otherwise hereinafter provided, upon the completion of such service such officer or employee shall be reinstated in the public position, which was held at the time of entry into such service, or a public position of like seniority, status, and pay if such is available at the same salary which the officer or employee would have received if the leave had not been taken, upon the following conditions: (1) that the position has not been abolished or that the term thereof, if limited, has not expired; (2) that the officer or employee is not physically or mentally disabled from performing the duties of such position; (3) that the officer or employee makes written application for reinstatement to the appointing authority within 90 days after termination of such service, or 90 days after discharge from hospitalization or medical treatment which immediately follows the termination of, and results from, such service; provided such application shall be made within one year and 90 days after termination of such service notwithstanding such hospitalization or medical treatment; (4) that the officer or employee submits an honorable discharge or other form of release by proper authority indicating that the officer's or employee's military or naval service was satisfactory. Upon such reinstatement the officer or employee shall have the same rights with respect to accrued and future seniority status, efficiency rating, vacation, sick leave, and other benefits as if that officer or employee had been actually employed during the time of such leave. The officer or employee reinstated under this section is entitled to vacation and sick leave with pay as provided in any applicable civil service rules, collective bargaining agreement, or compensation plan, and accumulates vacation and sick leave from the time the person enters active military service until the date of reinstatement without regard to any otherwise applicable limits on civil service rules limiting the number of days which may be accumulated. No officer or employee so reinstated shall be removed or discharged within one year thereafter except for cause, after notice and hearing; but this shall not operate to extend a term of service limited by law.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to any public officer or public employee serving in active military service on or after September 11, 2001.

Sec. 4. Minnesota Statutes 2004, section 192.501, subdivision 2, is amended to read:

Subd. 2. [TUITION AND TEXTBOOK REIMBURSEMENT GRANT PROGRAM.] (a) The adjutant general shall establish a program to provide tuition and textbook reimbursement grants to eligible members of the Minnesota National Guard within the limitations of this subdivision.

(b) Eligibility is limited to a member of the National Guard who:

(1) is serving satisfactorily as defined by the adjutant general;

(2) is attending a postsecondary educational institution, as defined by section 136A.15, subdivision 6, including a vocational or technical school operated or regulated by this state or another state or province; and

(3) provides proof of satisfactory completion of coursework, as defined by the adjutant general.

~~In addition,~~ (c) Notwithstanding paragraph (b), clause (1), for a person who:

(1) has satisfactorily completed the person's service contract in the Minnesota National Guard or the portion of it involving selective reserve status, for which any part of that service was spent serving honorably in federal active service or federally funded state active service since September 11, 2001, the person's eligibility is extended for a period of two years, plus an amount of time equal to the duration of that person's active service, subject to the credit hours limit in paragraph (g); or

(2) has served honorably in the Minnesota National Guard and has been separated or discharged from that organization due to a service-connected injury, disease, or disability, the eligibility period is extended for eight years beyond the date of separation, subject to the credit hours limit in paragraph (g).

(d) If a member of the Minnesota National Guard is killed in the line of state active service or federally funded state active service, ~~as defined in section 190.05, subdivisions 5a and 5b,~~ the member's surviving spouse, and any surviving dependent who has not yet reached 24 years of age, is eligible for a tuition and textbook reimbursement grant, with each eligible person independently subject to the credit hours limit in paragraph (g).

(e) The adjutant general may, within the limitations of ~~this paragraph~~ paragraphs (b) to (d) and other applicable laws, determine additional eligibility criteria for the grant, and must specify the criteria in department regulations and publish changes as necessary.

~~(c)~~ (f) The amount of a tuition and textbook reimbursement grant must be specified on a schedule as determined and published in department regulations by the adjutant general, but is limited to a maximum of an amount equal to the greater of:

(1) up to 100 percent of the cost of tuition for lower division programs in the College of Liberal Arts at the Twin Cities campus of the University of Minnesota in the most recent academic year; or

(2) up to 100 percent of the cost of tuition for the program in which the person is enrolled at that Minnesota public institution, or if that public institution is outside the state of Minnesota, for the cost of a comparable program at the University of Minnesota, except that in the case of a survivor as defined in paragraph ~~(b)~~ (d), the amount of the tuition and textbook reimbursement grant for coursework satisfactorily completed by the person is limited to 100 percent of the cost of tuition for postsecondary courses at a Minnesota public educational institution.

~~Paragraph~~ (g) Paragraphs (b) to (e) notwithstanding, a person is no longer eligible for a grant under this subdivision once the person has received grants under this subdivision for the equivalent of 208 quarter credits or 144 semester credits of coursework.

~~(d)~~ (h) Tuition and textbook reimbursement grants received under this subdivision may not be considered by the Minnesota Higher Education Services Office or by any other state board, commission, or entity in determining a person's eligibility for a scholarship or grant-in-aid under sections 136A.095 to 136A.1311.

~~(e)~~ (i) If a member fails to complete a term of enlistment during which a tuition and textbook reimbursement grant was paid, the adjutant general may seek to recoup a prorated amount as determined by the adjutant general. However, this authority does not apply to a person whose separation from the Minnesota National Guard is due to a medical condition or financial hardship.

(j) For purposes of this section, the terms "active service," "state active service," "federally funded state active service," and "federal active service" have the meanings given in section 190.05, subdivisions 5 to 5c, respectively, except that for purposes of paragraph (c), clause (1), these terms exclude service performed exclusively for purposes of:

(1) basic combat training, advanced individual training, annual training, and periodic inactive duty training;

(2) special training periodically made available to reserve members;

(3) service performed in accordance with section 190.08, subdivision 3; and

(4) service performed as part of the active guard/reserve program pursuant to United States Code, title 32, section 502(f), or other applicable authority.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to persons who have served in the Minnesota National Guard at anytime since September 11, 2001, and if the person has died in the line of service, to the person's surviving spouse and dependents.

Sec. 5. Minnesota Statutes 2004, section 193.29, subdivision 3, is amended to read:

Subd. 3. [JOINT BOARDS.] In all cases in which more than one company or other unit of the military forces shall occupy the same armory, the armory board shall consist of ~~officers~~ military personnel assigned to the units or organizations quartered therein. The adjutant general shall designate by order from time to time the representatives of each unit quartered therein to comprise the armory board for each armory. In the discretion of the adjutant general, the membership of the board may be comprised of officers, warrant officers, and enlisted personnel and may be changed from time to time so as to give the several organizations quartered therein proper representation on the board.

Sec. 6. Minnesota Statutes 2004, section 193.30, is amended to read:

193.30 [~~COMMANDING OFFICERS~~ MANAGEMENT OF ARMORY BOARD.]

The senior ~~officer~~ member on each armory board shall be the chair, and the junior ~~officer~~ member thereof shall be the recorder. A record of the proceedings of the board shall be kept, and all motions offered, whether seconded or not, shall be put to a vote and the result recorded. In the case of a tie vote the adjutant general, upon the request of any member, shall decide. The governor may make and alter rules for the government of armory boards, officers, and other persons having charge of armories, arsenals, or other military property of the state.

Sec. 7. Minnesota Statutes 2004, section 193.31, is amended to read:

193.31 [~~SENIOR OFFICER TO~~ CONTROL OF DRILL HALL.]

The senior ~~officer~~ member of any company or other organization assembling at an armory for drill or instruction shall have control of the drill hall or other portion of the premises used therefor during such occupancy, subject to the rules prescribed for its use and the orders of that ~~officer's~~ member's superior. Any person who intrudes contrary to orders, or who interrupts, molests, or insults any troops so assembled, or who refuses to leave the premises when properly requested so to do, shall be guilty of a misdemeanor. Nothing in this section shall prevent reasonable inspection of the premises by the proper municipal officer, or by the lessor thereof in accordance with the terms of the lease.

Sec. 8. Minnesota Statutes 2004, section 197.608, subdivision 5, is amended to read:

Subd. 5. [QUALIFYING USES.] The commissioner shall consult with the Minnesota Association of County Veterans Service Officers in developing a list of qualifying uses for grants awarded under this program. The commissioner is authorized to use any unexpended funding for this program to provide training and education for county veterans service officers.

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

Sec. 9. Minnesota Statutes 2004, section 471.975, is amended to read:

471.975 [MAY PAY DIFFERENTIAL OF RESERVE ON ACTIVE DUTY.]

(a) Except as provided in paragraph (b), a statutory or home rule charter city, county, town, or other political subdivision may pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's basic active duty military salary and the salary the member would be paid as an active political subdivision employee, including any adjustments the member would have received if not on leave of absence. This payment may be made only to a person whose basic active duty military salary is less than the salary the person would be paid as an active political subdivision employee. Back pay authorized by this section may be paid in a lump sum. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.

(b) Subject to the limits under paragraph (g), each school district shall pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's basic active duty military salary and the salary the member would be paid as an active school district employee, including any adjustments the member would have received if not on leave of absence. The pay differential must be based on a comparison between the member's daily rate of active duty pay, calculated by dividing the member's military monthly salary by the number of paid days in the month, and the member's daily rate of pay for the member's school district salary, calculated by dividing the member's total school district salary by the number of contract days. The member's salary as a school district employee must include the member's basic salary and any additional salary the member earns from the school district for cocurricular activities. The differential payment under this paragraph must be the difference between the daily rates of military pay times the number of school district contract days the member misses because of military active duty. This payment may be made only to a person whose basic active duty military salary is less than the salary the person would be paid as an active school district employee. Payments may be made at the intervals at which the member received pay as a school district employee. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.

(c) An eligible member of the reserve components of the armed forces of the United States is a reservist or National Guard member who was an employee of a political subdivision at the time the member reported for active service on or after May 29, 2003, or who is on active service on May 29, 2003.

(d) ~~Notwithstanding other obligations under law and~~ Except as provided in paragraph (e) and elsewhere in Minnesota Statutes, a statutory or home rule charter city, county, town, or other political subdivision has total discretion regarding employee benefit continuation for a member who reports for active service and the terms and conditions of any benefit.

(e) A school district must continue the employee's enrollment in health and dental coverage, and the employer contribution toward that coverage, until the employee is covered by health and dental coverage provided by the armed forces. If the employee had elected dependent coverage for health or dental coverage as of the time that the employee reported for active service, a school district must offer the employee the option to continue the dependent coverage at the employee's own expense. A school district must permit the employee to continue participating in any pretax account in which the employee participated when the employee reported for active service, to the extent of employee pay available for that purpose.

(f) For purposes of this section, "active service" has the meaning given in section 190.05, subdivision 5, but excludes service performed exclusively for purposes of:

(1) basic combat training, advanced individual training, annual training, and periodic inactive duty training;

(2) special training periodically made available to reserve members; and

(3) service performed in accordance with section 190.08, subdivision 3.

(g) A school district making payments under paragraph (b) shall place a sum equal to any difference between the amount of salary that would have been paid to the employee who is receiving the payments and the amount of salary being paid to substitutes for that employee into a special fund that must be used to pay or partially pay the deployed employee's payments under paragraph (b). A school district is required to pay only this amount to the deployed school district employee.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to any public officer or public employee serving in active military service on or after September 11, 2001.

Sec. 10. Laws 2000, chapter 461, article 4, section 4, as amended by Laws 2003, First Special Session chapter 12, article 6, section 3, and Laws 2004, chapter 267, article 17, section 7, is amended to read:

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

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

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

Sec. 11. [PLAQUE HONORING VETERANS OF THE PERSIAN GULF WAR.]

A memorial plaque may be placed in the court of honor on the capitol grounds to recognize the valiant service to our nation by the thousands of brave men and women who served honorably as members of the United States Armed Forces during the Persian Gulf War. The plaque must be furnished by a person or organization other than the Department of Veterans Affairs and must be approved by the commissioner of veterans affairs and the Capitol Area Architectural and Planning Board.

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

Sec. 12. [REPEALER.]

Minnesota Statutes 2004, sections 43A.11, subdivision 2; and 197.455, subdivision 3, are repealed.

ARTICLE 5

OFFICE OF ENTERPRISE TECHNOLOGY

Section 1. Minnesota Statutes 2004, section 10A.01, subdivision 35, is amended to read:

Subd. 35. [PUBLIC OFFICIAL.] "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or referee in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the metropolitan council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;

(16) member of the board of directors or president of Minnesota Technology, Inc.; or

(17) member of the board of directors or executive director of the Minnesota State High School League.

Sec. 2. Minnesota Statutes 2004, section 15.06, is amended by adding a subdivision to read:

Subd. 1a. [APPLICATION TO OFFICE OF ENTERPRISE TECHNOLOGY.] For the purposes of this section, references to "commissioner" include the chief information officer of the Office of Enterprise Technology.

Sec. 3. Minnesota Statutes 2004, section 16B.04, subdivision 2, is amended to read:

Subd. 2. [POWERS AND DUTIES, GENERAL.] Subject to other provisions of this chapter, the commissioner is authorized to:

(1) supervise, control, review, and approve all state contracts and purchasing;

(2) provide agencies with supplies and equipment and operate all central store or supply rooms serving more than one agency;

(3) ~~approve all computer plans and contracts, and oversee the state's data processing system;~~

~~(4)~~ investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;

~~(5)~~ (4) manage and control state property, real and personal;

~~(6)~~ (5) maintain and operate all state buildings, as described in section 16B.24, subdivision 1;

~~(7)~~ (6) supervise, control, review, and approve all capital improvements to state buildings and the capitol building and grounds;

~~(8)~~ (7) provide central duplicating, printing, and mail facilities;

~~(9)~~ (8) oversee publication of official documents and provide for their sale;

~~(10)~~ (9) manage and operate parking facilities for state employees and a central motor pool for travel on state business;

~~(11)~~ (10) establish and administer a State Building Code; and

~~(12)~~ (11) provide rental space within the capitol complex for a private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter. The commissioner shall report back to the legislature by October 1, 1984, with the recommendation to implement the private day care operation.

Sec. 4. Minnesota Statutes 2004, section 16B.48, subdivision 4, is amended to read:

Subd. 4. [REIMBURSEMENTS.] Except as specifically provided otherwise by law, each agency shall reimburse ~~intertechnologies and~~ the general services revolving funds for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund must include reasonable overhead costs. The commissioner of administration shall report the rates to be charged for ~~each~~ the general services revolving ~~fund~~ funds no later than July 1 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Department of Administration. The commissioner of finance shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of finance, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the commissioner of administration under this section must be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and finance, must be transferred to the general fund.

Sec. 5. Minnesota Statutes 2004, section 16B.48, subdivision 5, is amended to read:

Subd. 5. [LIQUIDATION.] If the ~~intertechnologies or~~ general services revolving ~~fund is~~ funds are abolished or liquidated, the total net profit from the operation of each fund must be distributed to the various funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during the same period of time.

Sec. 6. Minnesota Statutes 2004, section 16E.01, subdivision 1, is amended to read:

Subdivision 1. [~~PURPOSE~~ CREATION; CHIEF INFORMATION OFFICER.] The Office of Enterprise Technology, referred to in this chapter as the "office," is ~~under the supervision of the commissioner of administration~~ an agency in the executive branch headed by the state chief information officer. The appointment of the chief information officer is subject to the advice and consent of the senate under section 15.066.

Subd. 1a. [RESPONSIBILITIES.] The office shall provide oversight, leadership, and direction for information and ~~communications~~ telecommunications technology policy and the management, delivery, and security of information and telecommunications technology systems and services in Minnesota. The office shall ~~coordinate~~ manage strategic investments in information and ~~communications~~ telecommunications technology systems and services to encourage the development of a technically literate society ~~and~~, to ensure sufficient access to and efficient delivery of government services, and to maximize benefits for the state government as an enterprise.

Sec. 7. Minnesota Statutes 2004, section 16E.01, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] (a) The office shall:

(1) ~~coordinate~~ manage the efficient and effective use of available federal, state, local, and ~~private~~ public-private resources to develop statewide information and ~~communications~~ telecommunications technology systems and services and its infrastructure;

(2) ~~review~~ approve state agency and intergovernmental information and ~~communications~~ telecommunications technology systems and services development efforts involving state or intergovernmental funding, including federal funding, provide information to the legislature regarding projects reviewed, and recommend projects for inclusion in the governor's budget under section 16A.11;

(3) ~~encourage~~ ensure cooperation and collaboration among state and local governments in developing intergovernmental ~~communication and~~ information and telecommunications technology systems and services, and define the structure and responsibilities of ~~the Information Policy Council~~ a representative governance structure;

(4) cooperate and collaborate with the legislative and judicial branches in the development of information and communications systems in those branches;

(5) continue the development of North Star, the state's official comprehensive on-line service and information initiative;

(6) promote and collaborate with the state's agencies in the state's transition to an effectively competitive telecommunications market;

(7) collaborate with entities carrying out education and lifelong learning initiatives to assist Minnesotans in developing technical literacy and obtaining access to ongoing learning resources;

(8) promote and coordinate public information access and network initiatives, consistent with chapter 13, to connect Minnesota's citizens and communities to each other, to their governments, and to the world;

(9) promote and coordinate electronic commerce initiatives to ensure that Minnesota businesses and citizens can successfully compete in the global economy;

(10) manage and promote ~~and coordinate~~ the regular and periodic reinvestment in the ~~core~~ information and ~~communications~~ telecommunications technology systems and services infrastructure so that state and local government agencies can effectively and efficiently serve their customers;

(11) facilitate the cooperative development of and ensure compliance with standards and policies for information and telecommunications technology systems and services, electronic data practices and privacy, and electronic commerce among international, national, state, and local public and private organizations; ~~and~~

(12) ~~work with others to avoid~~ eliminate unnecessary duplication of existing information and telecommunications technology systems and services provided by other public and private organizations while building on the existing governmental, educational, business, health care, and economic development infrastructures;

(13) identify, sponsor, develop, and execute shared information and telecommunications technology projects and ongoing operations; and

(14) ensure overall security of the state's information and technology systems and services.

(b) The ~~commissioner of administration~~ chief information officer in consultation with the commissioner of finance ~~may~~ must determine ~~that~~ when it is cost-effective for agencies to develop and use shared information and ~~communications~~ telecommunications technology systems and services for the delivery of electronic government services. ~~This determination may be made if an~~

~~agency proposes a new system that duplicates an existing system, a system in development, or a system being proposed by another agency.~~ The ~~commissioner of administration~~ chief information officer may require agencies to use shared information and telecommunications technology systems and services. The chief information officer shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to agencies and other governmental entities sufficient to cover the actual development, operating, maintenance, and administrative costs of the shared systems. The methodology for billing may include the use of interagency agreements, or other means as allowed by law.

Sec. 8. Minnesota Statutes 2004, section 16E.02, is amended to read:

16E.02 [OFFICE OF ENTERPRISE TECHNOLOGY; STRUCTURE AND PERSONNEL.]

Subdivision 1. [OFFICE MANAGEMENT AND STRUCTURE.] (a) The ~~commissioner of administration~~ chief information officer is appointed by the governor. The chief information officer serves in the unclassified service at the pleasure of the governor. The chief information officer must have experience leading enterprise-level information technology organizations. The chief information officer is the state's chief information officer and information and telecommunications technology advisor to the governor.

(b) The chief information officer may appoint other employees of the office. The staff of the office must include individuals knowledgeable in information and ~~communications~~ telecommunications technology systems and services and individuals with specialized training in information security.

Subd. 1a. [ACCOUNTABILITY.] The chief information officer reports to the governor. The chief information officer must consult regularly with the commissioners of administration, finance, human services, revenue, and other commissioners as designated by the governor, on technology projects, standards, and services as well as management of resources and staff utilization.

Subd. 2. [INTERGOVERNMENTAL PARTICIPATION.] The ~~commissioner of administration~~ chief information officer or the ~~commissioner's~~ chief information officer's designee shall serve as a member of ~~the Minnesota Education Telecommunications Council,~~ the Geographic Information Systems Council~~,~~ and the Library Planning Task Force~~,~~ or their respective successor organizations~~,~~ and as a nonvoting member of ~~Minnesota Technology, Inc. and~~ the Minnesota Health Data Institute ~~as a nonvoting member~~.

Subd. 3. [ADMINISTRATIVE SUPPORT.] The commissioner of administration must provide office space and administrative support services to the office. The office must reimburse the commissioner for these services.

Sec. 9. Minnesota Statutes 2004, section 16E.03, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of ~~sections 16E.03 to 16E.05~~ chapter 16E, the following terms have the meanings given them.

(a) "Information and telecommunications technology systems and services" means all computing and telecommunications hardware and software, the activities undertaken to secure that hardware and software, and the activities undertaken to acquire, transport, process, analyze, store, and disseminate information electronically. "Information and telecommunications technology systems and services" includes all proposed expenditures for computing and telecommunications hardware and software, security for that hardware and software, and related consulting or other professional services.

~~(a)~~ (b) "Information and ~~communications~~ telecommunications technology project" means ~~the development or acquisition of information and communications technology devices and systems, but does not include the state information infrastructure or its contractors.~~

~~(b) "Data processing device or system" means equipment or computer programs, including computer hardware, firmware, software, and communication protocols, used in connection with~~

~~the processing of information through electronic data processing means, and includes data communication devices used in connection with computer facilities for the transmission of data.~~ an effort to acquire or produce information and telecommunications technology systems and services.

(c) "Telecommunications" means voice, video, and data electronic transmissions transported by wire, wireless, fiber-optic, radio, or other available transport technology.

(d) "Cyber security" means the protection of data and systems in networks connected to the Internet.

~~(c)~~ (e) "State agency" means an agency in the executive branch of state government and includes the Minnesota Higher Education Services Office, but does not include the Minnesota State Colleges and Universities unless specifically provided elsewhere in this chapter.

Sec. 10. Minnesota Statutes 2004, section 16E.03, subdivision 2, is amended to read:

Subd. 2. [~~COMMISSIONER'S~~ CHIEF INFORMATION OFFICER RESPONSIBILITY.] The ~~commissioner~~ chief information officer shall coordinate the state's information and ~~communications~~ telecommunications technology systems and services to serve the needs of the state government. The ~~commissioner~~ chief information officer shall:

(1) ~~coordinate the~~ design ~~of~~ a master plan for information and ~~communications~~ telecommunications technology systems and services in the state and its political subdivisions and shall report on the plan to the governor and legislature at the beginning of each regular session;

(2) coordinate, review, and approve all information and ~~communications~~ telecommunications technology ~~plans and contracts~~ projects and oversee the state's information and ~~communications~~ telecommunications technology systems and services;

(3) establish and enforce compliance with standards for information and ~~communications~~ telecommunications technology systems and services that ~~encourage competition~~ are cost-effective and support open systems environments and that are compatible with state, national, and international standards; ~~and~~

(4) maintain a library of systems and programs developed by the state and its political subdivisions for use by agencies of government;

(5) direct and manage the shared operations of the state's information and telecommunications technology systems and services; and

(6) establish and enforce standards and ensure acquisition of hardware and software necessary to protect data and systems in state agency networks connected to the Internet.

Sec. 11. Minnesota Statutes 2004, section 16E.03, subdivision 3, is amended to read:

Subd. 3. [EVALUATION AND APPROVAL.] A state agency may not undertake an information and ~~communications~~ telecommunications technology project until it has been evaluated according to the procedures developed under subdivision 4. The ~~governor or governor's designee~~ chief information officer shall give written approval of the proposed project. ~~If the proposed project is not approved~~ When notified by the chief information officer that a project has not been approved, the commissioner of finance shall cancel the unencumbered balance of any appropriation allotted for the project. ~~This subdivision does not apply to acquisitions or development of information and communications systems that have anticipated total cost of less than $100,000. The Minnesota State Colleges and Universities shall submit for approval any project related to acquisitions or development of information and communications systems that has a total anticipated cost of more than $250,000.~~

Sec. 12. Minnesota Statutes 2004, section 16E.03, subdivision 7, is amended to read:

Subd. 7. [~~DATA~~ CYBER SECURITY SYSTEMS.] In consultation with the attorney general and appropriate agency heads, the ~~commissioner~~ chief information officer shall develop ~~data~~ cyber

security policies, guidelines, and standards, and ~~the commissioner of administration~~ shall install and administer state data security systems on the state's ~~centralized~~ computer ~~facility~~ facilities consistent with these policies, guidelines, standards, and state law to ensure the integrity of computer-based and other data and to ensure applicable limitations on access to data, consistent with the public's right to know as defined in chapter 13. The chief information officer is responsible for overall security of state agency networks connected to the Internet. Each department or agency head is responsible for the security of the department's or agency's data within the guidelines of established enterprise policy.

Sec. 13. Minnesota Statutes 2004, section 16E.04, is amended to read:

16E.04 [INFORMATION AND ~~COMMUNICATIONS~~ TELECOMMUNICATIONS TECHNOLOGY POLICY.]

Subdivision 1. [DEVELOPMENT.] The office shall ~~coordinate with state agencies in developing and establishing~~ develop, establish, and enforce policies and standards for state agencies to follow in developing and purchasing information and ~~communications~~ telecommunications technology systems and services and training appropriate persons in their use. The office shall develop, promote, and ~~coordinate~~ manage state technology, architecture, standards and guidelines, information needs analysis techniques, contracts for the purchase of equipment and services, and training of state agency personnel on these issues.

Subd. 2. [RESPONSIBILITIES.] (a) In addition to other activities prescribed by law, the office shall carry out the duties set out in this subdivision.

(b) The office shall develop and establish a state information architecture to ensure that ~~further~~ state agency development and purchase of information and communications systems, equipment, and services is designed to ensure that individual agency information systems complement and do not needlessly duplicate or conflict with the systems of other agencies. When state agencies have need for the same or similar public data, the ~~commissioner~~ chief information officer, in coordination with the affected agencies, shall ~~promote~~ manage the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. The office shall ensure compliance with the architecture.

(c) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's mission and the state's requirements and functions. The office shall review and approve agency technology plans to ensure consistency with enterprise information and telecommunications technology strategy.

(d) The office shall review and approve agency requests for ~~legislative appropriations~~ funding for the development or purchase of information systems equipment or software before the requests may be included in the governor's budget.

(e) The office shall review major purchases of information systems equipment to:

(1) ensure that the equipment follows the standards and guidelines of the state information architecture;

(2) ensure ~~that the equipment is consistent with the information management principles adopted by the Information Policy Council;~~

~~(3) evaluate whether~~ the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and

~~(4)~~ (3) ensure that the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency.

(f) The office shall review the operation of information systems by state agencies and ~~provide advice and assistance to~~ ensure that these systems are operated efficiently and securely and continually meet the standards and guidelines established by the office. The standards and guidelines must emphasize uniformity that is cost-effective for the enterprise, that encourages information interchange, open systems environments, and portability of information whenever practicable and consistent with an agency's authority and chapter 13.

(g) The office shall conduct a comprehensive review at least every three years of the information systems investments that have been made by state agencies and higher education institutions. The review must include recommendations on any information systems applications that could be provided in a more cost-beneficial manner by an outside source. The office must report the results of its review to the legislature and the governor.

Subd. 3. [RISK ASSESSMENT AND MITIGATION.] (a) A risk assessment and risk mitigation plan are required for ~~an~~ all information systems development ~~project estimated to cost more than $1,000,000 that is~~ projects undertaken by a state agency in the executive or judicial branch or by a constitutional officer. The ~~commissioner of administration~~ chief information officer must contract with an entity outside of state government to conduct the initial assessment and prepare the mitigation plan for a project estimated to cost more than $5,000,000. The outside entity conducting the risk assessment and preparing the mitigation plan must not have any other direct or indirect financial interest in the project. The risk assessment and risk mitigation plan must provide for periodic monitoring by the commissioner until the project is completed.

(b) The risk assessment and risk mitigation plan must be paid for with money appropriated for the information ~~systems development~~ and telecommunications technology project. The chief information officer must notify the commissioner of finance when work has begun on a project and must identify the proposed budget for the project. The commissioner of finance shall ensure that no more than ten percent of the ~~amount anticipated to~~ proposed budget be spent on the project, other than the money spent on the risk assessment and risk mitigation plan, ~~may be~~ is spent until the risk assessment and mitigation plan are reported to the ~~commissioner of administration~~ chief information officer and the ~~commissioner~~ chief information officer has approved the risk mitigation plan.

Sec. 14. Minnesota Statutes 2004, section 16E.0465, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] This section applies to an appropriation of more than $1,000,000 of state or federal funds to a state agency for any information and ~~communications~~ telecommunications technology project ~~or data processing device or system~~ or for any phase of such a project, device, or system. For purposes of this section, an appropriation of state or federal funds to a state agency includes an appropriation:

(1) ~~to the Minnesota State Colleges and Universities;~~

~~(2)~~ to a constitutional officer;

~~(3)~~ (2) for a project that includes both a state agency and units of local government; and

~~(4)~~ (3) to a state agency for grants to be made to other entities.

Sec. 15. Minnesota Statutes 2004, section 16E.0465, subdivision 2, is amended to read:

Subd. 2. [REQUIRED REVIEW AND APPROVAL.] (a) A state agency receiving an appropriation for an information and ~~communications~~ telecommunications technology project ~~or data processing device or system~~ subject to this section must divide the project into phases.

(b) The commissioner of finance may not authorize the encumbrance or expenditure of an appropriation of state funds to a state agency for any phase of a project, device, or system subject to this section unless the Office of Enterprise Technology has reviewed each phase of the project, device, or system, and based on this review, the ~~commissioner of administration~~ chief information officer has determined for each phase that:

(1) the project is compatible with the state information architecture and other policies and standards established by the ~~commissioner of administration~~ chief information officer; ~~and~~

(2) the agency is able to accomplish the goals of the phase of the project with the funds appropriated; and

(3) the project supports the enterprise information technology strategy.

Sec. 16. Minnesota Statutes 2004, section 16E.055, is amended to read:

16E.055 [~~COMMON WEB FORMAT~~ ELECTRONIC GOVERNMENT SERVICES.]

A state agency that implements electronic government services for fees, licenses, sales, or other purposes must use ~~a common Web page format approved by the commissioner of administration for those electronic government services. The commissioner may create a~~ the single entry site created by the chief information officer for all agencies to use for electronic government services.

Sec. 17. Minnesota Statutes 2004, section 16E.07, subdivision 8, is amended to read:

Subd. 8. [SECURE TRANSACTION SYSTEM.] The office shall plan and develop a secure transaction system to support delivery of government services electronically. A state agency that implements electronic government services for fees, licenses, sales, or other purposes must use the secure transaction system developed in accordance with this section.

Sec. 18. [16E.14] [ENTERPRISE TECHNOLOGY REVOLVING FUND.]

Subdivision 1. [CREATION.] The enterprise technology revolving fund is created in the state treasury.

Subd. 2. [APPROPRIATION AND USES OF FUND.] Money in the enterprise technology revolving fund is appropriated annually to the chief information officer to operate information and telecommunications services, including management, consultation, and design services.

Subd. 3. [REIMBURSEMENTS.] Except as specifically provided otherwise by law, each agency shall reimburse the enterprise technology revolving fund for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the chief information officer is authorized and directed to furnish an agency. The chief information officer shall report the rates to be charged for the revolving fund no later than July 1 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Office of Enterprise Technology.

Subd. 4. [CASH FLOW.] The commissioner of finance shall make appropriate transfers to the revolving fund when requested by the chief information officer. The chief information officer may make allotments and encumbrances in anticipation of such transfers. In addition, the chief information officer, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving fund sufficient to cover the office's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the chief information officer under this section must be deposited in the enterprise technology revolving fund.

Subd. 5. [LIQUIDATION.] If the enterprise technology revolving fund is abolished or liquidated, the total net profit from the operation of the fund must be distributed to the various funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during the same period of time.

Sec. 19. Minnesota Statutes 2004, section 299C.65, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP, DUTIES.] (a) The Criminal and Juvenile Justice Information Policy Group consists of the commissioner of corrections, the commissioner of public safety, the ~~commissioner of administration~~ state chief information officer, the commissioner of finance, and

four members of the judicial branch appointed by the chief justice of the Supreme Court. The policy group may appoint additional, nonvoting members as necessary from time to time.

(b) The commissioner of public safety is designated as the chair of the policy group. The commissioner and the policy group have overall responsibility for the successful completion of statewide criminal justice information system integration (CriMNet). The policy group may hire a program manager to manage the CriMNet projects and to be responsible for the day-to-day operations of CriMNet. The policy group must ensure that generally accepted project management techniques are utilized for each CriMNet project, including:

(1) clear sponsorship;

(2) scope management;

(3) project planning, control, and execution;

(4) continuous risk assessment and mitigation;

(5) cost management;

(6) quality management reviews;

(7) communications management; and

(8) proven methodology.

(c) Products and services for CriMNet project management, system design, implementation, and application hosting must be acquired using an appropriate procurement process, which includes:

(1) a determination of required products and services;

(2) a request for proposal development and identification of potential sources;

(3) competitive bid solicitation, evaluation, and selection; and

(4) contract administration and close-out.

(d) The policy group shall study and make recommendations to the governor, the Supreme Court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on gross misdemeanor-level and felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

(10) the impact of integrated criminal justice information systems on individual privacy rights;

(11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes;

(12) the collection of data on race and ethnicity in criminal justice information systems;

(13) the development of a tracking system for domestic abuse orders for protection;

(14) processes for expungement, correction of inaccurate records, destruction of records, and other matters relating to the privacy interests of individuals; and

(15) the development of a database for extended jurisdiction juvenile records and whether the records should be public or private and how long they should be retained.

Sec. 20. Minnesota Statutes 2004, section 299C.65, subdivision 2, is amended to read:

Subd. 2. [REPORT, TASK FORCE.] (a) The policy group shall file an annual report with the governor, Supreme Court, and chairs and ranking minority members of the senate and house committees and divisions with jurisdiction over criminal justice funding and policy by December 1 of each year.

(b) The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently. To assist them in developing their recommendations, the policy group shall appoint a task force consisting of its members or their designees and the following additional members:

(1) the director of the Office of Strategic and Long-Range Planning;

(2) two sheriffs recommended by the Minnesota Sheriffs Association;

(3) two police chiefs recommended by the Minnesota Chiefs of Police Association;

(4) two county attorneys recommended by the Minnesota County Attorneys Association;

(5) two city attorneys recommended by the Minnesota League of Cities;

(6) two public defenders appointed by the Board of Public Defense;

(7) two district judges appointed by the Conference of Chief Judges, one of whom is currently assigned to the juvenile court;

(8) two community corrections administrators recommended by the Minnesota Association of Counties, one of whom represents a community corrections act county;

(9) two probation officers;

(10) four public members, one of whom has been a victim of crime, and two who are representatives of the private business community who have expertise in integrated information systems;

(11) two court administrators;

(12) one member of the house of representatives appointed by the speaker of the house;

(13) one member of the senate appointed by the majority leader;

(14) the attorney general or a designee;

(15) the ~~commissioner of administration~~ state chief information officer or a designee;

(16) an individual recommended by the Minnesota League of Cities; and

(17) an individual recommended by the Minnesota Association of Counties.

In making these appointments, the appointing authority shall select members with expertise in integrated data systems or best practices.

(c) The commissioner of public safety may appoint additional, nonvoting members to the task force as necessary from time to time.

Sec. 21. Minnesota Statutes 2004, section 403.36, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] (a) The commissioner of public safety shall convene and chair the Statewide Radio Board to develop a project plan for a statewide, shared, trunked public safety radio communication system. The system may be referred to as "Allied Radio Matrix for Emergency Response," or "ARMER."

(b) The board consists of the following members or their designees:

(1) the commissioner of public safety;

(2) the commissioner of transportation;

(3) the ~~commissioner of administration~~ state chief information officer;

(4) the commissioner of natural resources;

(5) the chief of the Minnesota State Patrol;

(6) the commissioner of health;

(7) the commissioner of finance;

(8) two elected city officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the League of Minnesota Cities;

(9) two elected county officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Association of Minnesota Counties;

(10) two sheriffs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Minnesota Sheriffs' Association;

(11) two chiefs of police, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Chiefs' of Police Association;

(12) two fire chiefs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Fire Chiefs' Association;

(13) two representatives of emergency medical service providers, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Ambulance Association;

(14) the chair of the Metropolitan Radio Board; and

(15) a representative of Greater Minnesota elected by those units of government in phase three and any subsequent phase of development as defined in the statewide, shared radio and communication plan, who have submitted a plan to the Statewide Radio Board and where development has been initiated.

(c) The Statewide Radio Board shall coordinate the appointment of board members representing Greater Minnesota with the appointing authorities and may designate the geographic region or regions from which an appointed board member is selected where necessary to provide representation from throughout the state.

Sec. 22. [TRANSFER OF DUTIES.]

Responsibilities of the commissioner of administration for state telecommunications systems, state information infrastructure, and electronic conduct of state business under Minnesota Statutes, sections 16B.405; 16B.44; 16B.46; 16B.465; 16B.466; and 16B.467, are transferred to the Office of Enterprise Technology. All positions in the Office of Technology and the Intertechnologies Group are transferred to the Office of Enterprise Technology. Minnesota Statutes, section 15.039, applies to the transfer of responsibilities in this section.

Sec. 23. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall:

(1) substitute the term "chief information officer" for "commissioner" and "commissioner of administration" in the following sections: 16B.405; 16B.44; 16B.46; 16B.465; 16B.466; 16B.467; 16E.03, subdivisions 4, 5, 6, and 8; 16E.035; and 16E.07, subdivision 4;

(2) substitute the term "Office of Enterprise Technology" for the term "Office of Technology"; and

(3) recodify the following sections into chapter 16E: 16B.405; 16B.44; 16B.46; 16B.465; 16B.466; and 16B.467.

Sec. 24. [REPEALER.]

Minnesota Statutes 2004, sections 16B.48, subdivision 3; and 16E.0465, subdivision 3, are repealed.

ARTICLE 6

ELECTIONS AND CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2004, section 10A.01, subdivision 5, is amended to read:

Subd. 5. [ASSOCIATED BUSINESS.] "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of $50, except for actual and reasonable expenses, in any month as a director, officer, owner, member, partner, employer or employee, or whose securities the individual holds worth $2,500 or more at fair market value.

Sec. 2. Minnesota Statutes 2004, section 10A.01, subdivision 26, is amended to read:

Subd. 26. [NONCAMPAIGN DISBURSEMENT.] "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

(1) payment for accounting and legal services;

(2) return of a contribution to the source;

(3) repayment of a loan made to the principal campaign committee by that committee;

(4) return of a public subsidy;

(5) payment for food, beverages, entertainment, and facility rental for a fund-raising event;

(6) services for a constituent by a member of the legislature or a constitutional officer in the executive branch, including the costs of preparing and distributing a suggestion or idea solicitation to constituents, performed from the beginning of the term of office to adjournment sine die of the legislature in the election year for the office held, and half the cost of services for a constituent by a member of the legislature or a constitutional officer in the executive branch performed from adjournment sine die to 60 days after adjournment sine die;

(7) payment for food and beverages ~~provided to campaign~~ consumed by a candidate or volunteers while they are engaged in campaign activities;

(8) payment for food or a beverage consumed while attending a reception or meeting directly related to legislative duties;

(9) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;

~~(9)~~ (10) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;

~~(10)~~ (11) costs of child care for the candidate's children when campaigning;

~~(11)~~ (12) fees paid to attend a campaign school;

~~(12)~~ (13) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;

~~(13)~~ (14) interest on loans paid by a principal campaign committee on outstanding loans;

~~(14)~~ (15) filing fees;

~~(15)~~ (16) post-general election thank-you notes or advertisements in the news media;

~~(16)~~ (17) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;

~~(17)~~ (18) contributions to a party unit; ~~and~~

~~(18)~~ (19) payments for funeral gifts or memorials; and

(20) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

The board must determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

A noncampaign disbursement is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

Sec. 3. Minnesota Statutes 2004, section 10A.025, is amended by adding a subdivision to read:

Subd. 1a. [ELECTRONIC FILING.] A report or statement required to be filed under this chapter may be filed electronically. The board shall adopt rules to regulate electronic filing and to ensure that the electronic filing process is secure.

Sec. 4. Minnesota Statutes 2004, section 10A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] (a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section 10A.01, subdivision 11;

(2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

(3) services of insignificant monetary value;

(4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;

(5) a trinket or memento ~~of insignificant value~~ costing $5 or less;

(6) informational material of unexceptional value; or

(7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not officials, and an equivalent gift is given to the other members of the group; or

(2) by a lobbyist or principal who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

Sec. 5. Minnesota Statutes 2004, section 10A.08, is amended to read:

10A.08 [REPRESENTATION DISCLOSURE.]

A public official who represents a client for a fee before an individual, board, commission, or agency that has rulemaking authority in a hearing conducted under chapter 14, must disclose the official's participation in the action to the board within 14 days after the appearance. The board must send a notice by certified mail to any public official who fails to disclose the participation within 14 days after the appearance. If the public official fails to disclose the participation within ten business days after the notice was sent, the board may impose a late filing fee of $5 per day, not to exceed $100, starting on the 11th day after the notice was sent. The board must send an additional notice by certified mail to a public official who fails to disclose the participation within 14 days after the first notice was sent by the board that the public official may be subject to a civil penalty for failure to disclose the participation. A public official who fails to disclose the participation within seven days after the second notice was sent by the board is subject to a civil penalty imposed by the board of up to $1,000.

Sec. 6. Minnesota Statutes 2004, section 10A.20, subdivision 5, is amended to read:

Subd. 5. [PREELECTION REPORTS.] In a statewide election any loan, contribution, or contributions from any one source totaling $2,000 or more, or in any judicial district or legislative election totaling more than $400, received between the last day covered in the last report before an election and the election must be reported to the board in one of the following ways:

(1) in person within 48 hours after its receipt;

(2) by telegram or mailgram within 48 hours after its receipt; ~~or~~

(3) by certified mail sent within 48 hours after its receipt; or

(4) by electronic means sent within 48 hours after its receipt.

These loans and contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary in which the statewide or legislative candidate is unopposed.

Sec. 7. Minnesota Statutes 2004, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. [CONTRIBUTION LIMITS.] (a) Except as provided in subdivision 2, a candidate must not permit the candidate's principal campaign committee to accept aggregate contributions made or delivered by any individual, political committee, or political fund in excess of the following:

(1) to candidates for governor and lieutenant governor running together, $2,000 in an election year for the office sought and $500 in other years;

(2) to a candidate for attorney general, $1,000 in an election year for the office sought and $200 in other years;

(3) to a candidate for the office of secretary of state or state auditor, $500 in an election year for the office sought and $100 in other years;

(4) to a candidate for state senator, $500 in an election year for the office sought and $100 in other years; and

(5) to a candidate for state representative, $500 in an election year for the office sought and $100 in the other year.

(b) The following deliveries are not subject to the bundling limitation in this subdivision:

(1) delivery of contributions collected by a member of the candidate's principal campaign committee, such as a block worker or a volunteer who hosts a fund-raising event, to the committee's treasurer; and

(2) a delivery made by an individual on behalf of the individual's spouse.

(c) A lobbyist, political committee, political party unit, or political fund must not make a contribution a candidate is prohibited from accepting.

Sec. 8. Minnesota Statutes 2004, section 10A.28, subdivision 2, is amended to read:

Subd. 2. [EXCEEDING CONTRIBUTION LIMITS.] ~~A political committee, political fund, or principal campaign committee that makes a contribution, or a candidate who permits the candidate's principal campaign committee to accept contributions, in excess of the limits imposed by section 10A.27 is subject to a civil penalty of up to four times the amount by which the contribution exceeded the limits.~~ The following are subject to a civil penalty of up to four times the amount by which a contribution exceeds the applicable limits:

(1) a lobbyist, political committee, or political fund that makes a contribution in excess of the limits imposed by section 10A.27, subdivisions 1 and 8;

(2) a principal campaign committee that makes a contribution in excess of the limits imposed by section 10A.27, subdivision 2;

(3) a political party unit that makes a contribution in excess of the limits imposed by section 10A.27, subdivisions 2 and 8; or

(4) a candidate who permits the candidate's principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27.

Sec. 9. Minnesota Statutes 2004, section 10A.31, subdivision 4, is amended to read:

Subd. 4. [APPROPRIATION.] (a) The amounts designated by individuals for the state elections campaign fund, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign fund, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), ~~$1,500,000~~ $1,250,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

Of this appropriation, $65,000 each fiscal year must be set aside to pay assessments made by the Office of Administrative Hearings under section 211B.37. Amounts remaining after all assessments have been paid must be canceled to the general account.

Sec. 10. Minnesota Statutes 2004, section 10A.31, subdivision 5, is amended to read:

Subd. 5. [ALLOCATION.] (a) [GENERAL ACCOUNT.] In each calendar year the money in the general account must be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 4.2 percent for the office of attorney general;

(3) 2.4 percent each for the offices of secretary of state and state auditor;

(4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative; and

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

(b) [PARTY ACCOUNT.] In each calendar year the money in each party account must be allocated as follows:

(1) 14 percent for the offices of governor and lieutenant governor together;

(2) 2.8 percent for the office of attorney general;

(3) 1.6 percent each for the offices of secretary of state and state auditor;

(4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative;

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative; and

(6) ten percent or $50,000, whichever is less, for the state committee of a political party; one-third of any amount in excess of that allocated to the state committee of a political party under this clause must be allocated to the office of state senator and two-thirds must be allocated to the office of state representative under clause (4).

Money allocated to each state committee under clause (6) must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275. Money allocated to a state committee under clause (6) must be paid to the committee by the board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the Department of Revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the Department of Revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the Department of Revenue to the board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the Department of Revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

Sec. 11. Minnesota Statutes 2004, section 200.02, subdivision 7, is amended to read:

Subd. 7. [MAJOR POLITICAL PARTY.] (a) "Major political party" means a political party that maintains a party organization in the state, political division or precinct in question and that has presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the last preceding state general election for presidential electors; and

whose candidate received votes in each county in that election and received votes from not less than five percent of the total number of individuals who voted in that election.

(b) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and that has presented at least 45 candidates for election to the office of state representative, 23 candidates for election to the office of state senator, four candidates for election to the office of representative in Congress, and one candidate for election to each of the following offices: governor and lieutenant governor, attorney general, secretary of state, and state auditor, at the last preceding state general election for those offices.

(c) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and whose members present to the secretary of state at any time before the close of filing for the state partisan primary ballot a petition for a place on the state partisan primary ballot, which petition contains signatures of a number of the party members equal to at least five percent of the total number of individuals who voted in the preceding state general election.

~~(c)~~ (d) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (a) or a political party that presents candidates at an election as required by paragraph (b) becomes a major political party as of January 1 following that election and retains its major party status ~~notwithstanding that~~ for at least two state general elections even if the party fails to present a candidate who receives the number and percentage of votes required under paragraph (a) or fails to present candidates as required by paragraph (b) at ~~the following~~ subsequent state general ~~election~~ elections.

~~(d)~~ (e) A major political party whose candidates fail to receive the number and percentage of votes required under paragraph (a) and that fails to present candidates as required by paragraph (b) at ~~either~~ each of two consecutive state general ~~election~~ elections described by paragraph (a) or (b), respectively, loses major party status as of December 31 following the ~~most recent~~ later of the two consecutive state general ~~election~~ elections.

Sec. 12. Minnesota Statutes 2004, section 200.02, subdivision 23, is amended to read:

Subd. 23. [MINOR POLITICAL PARTY.] (a) "Minor political party" means a political party ~~that is not a major political party as defined by subdivision 7 and~~ that has adopted a state constitution, designated a state party chair, held a state convention in the last two years, filed with the secretary of state no later than December 31 following the most recent state general election a certification that the party has met the foregoing requirements, and met the requirements of paragraph (b) or (e), as applicable.

(b) To be considered a minor party in all elections statewide, the political party must have presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general, at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the preceding state general election for presidential electors; and

who received votes in each county that in the aggregate equal at least one percent of the total number of individuals who voted in the election, or its members must have presented to the secretary of state at any time before the close of filing for the state partisan primary ballot a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least one percent of the total number of individuals who voted in the preceding state general election.

(c) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (b) becomes a minor political party as of January 1 following that election and retains its minor party status ~~notwithstanding that~~ for at least two state general elections even if the party fails to present a candidate who receives the number and percentage of votes required under paragraph (b) at ~~the following~~ subsequent state general ~~election~~ elections.

(d) A minor political party whose candidates fail to receive the number and percentage of votes required under paragraph (b) at ~~either~~ each of two consecutive state general ~~election~~ elections described by paragraph (b) loses minor party status as of December 31 following the ~~most recent~~ later of the two consecutive state general ~~election~~ elections.

(e) A minor party that qualifies to be a major party loses its status as a minor party at the time it becomes a major party. Votes received by the candidates of a major party must be counted in determining whether the party received sufficient votes to qualify as a minor party, notwithstanding that the party does not receive sufficient votes to retain its major party status. To be considered a minor party in an election in a legislative district, the political party must have presented at least one candidate for a legislative office in that district who received votes from at least ten percent of the total number of individuals who voted for that office, or its members must have presented to the secretary of state a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least ten percent of the total number of individuals who voted in the preceding state general election for that legislative office.

Sec. 13. Minnesota Statutes 2004, section 200.02, is amended by adding a subdivision to read:

Subd. 24. [METROPOLITAN AREA.] "Metropolitan area" means the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright.

Sec. 14. Minnesota Statutes 2004, section 201.014, subdivision 2, is amended to read:

Subd. 2. [NOT ELIGIBLE.] The following individuals are not eligible to vote. Any individual:

(a) Convicted of treason or any felony whose civil rights have not been restored;

(b) Under a guardianship ~~of the person~~ in which the court order ~~provides that the ward does not retain~~ revokes the ward's right to vote; or

(c) Found by a court of law to be legally incompetent.

Sec. 15. Minnesota Statutes 2004, section 201.061, subdivision 3, is amended to read:

Subd. 3. [ELECTION DAY REGISTRATION.] (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in

Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to 15 proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the voter is registered to vote in the precinct, personally knows that the individual is a resident of the precinct, and is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application and the information on the oath must be recorded on the records of both the voter registering on election day and the voter who is vouching for the person's residence, and entered into the statewide voter registration system by the county auditor when the voter registration application is entered into that system.

(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.

(c) "Residential facility" means transitional housing as defined in section 119A.43, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.

(d) For tribal band members ~~living on an Indian reservation~~, an individual may prove residence for purposes of registering by presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, ~~street~~ address, signature, and picture of the individual. ~~The county auditor of each county having territory within the reservation shall maintain a record of the number of election day registrations accepted under this section.~~

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 16. Minnesota Statutes 2004, section 201.071, subdivision 1, is amended to read:

Subdivision 1. [FORM.] A voter registration application must be of suitable size and weight for mailing and contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous

address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; and voter's signature. The registration application may include the voter's e-mail address, if provided by the voter, and the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

(1) will be at least 18 years old on election day;

(2) am a citizen of the United States;

(3) will have resided in Minnesota for 20 days immediately preceding election day;

(4) maintain residence at the address given on the registration form;

(5) am not under court-ordered guardianship ~~of the person where I have not retained the~~ in which the court order revokes my right to vote;

(6) have not been found by a court to be legally incompetent to vote;

(7) have ~~not~~ the right to vote because, if I have been convicted of a felony ~~without having my civil rights restored~~, my felony sentence has expired (been completed) or I have been discharged from my sentence; and

(8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than $10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act ~~may~~ must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

Sec. 17. Minnesota Statutes 2004, section 201.091, subdivision 4, is amended to read:

Subd. 4. [PUBLIC INFORMATION LISTS.] The county auditor shall make available for inspection a public information list which must contain the name, address, year of birth, and voting history of each registered voter in the county. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The county auditor may adopt reasonable rules governing access to the list. No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists and other information from the statewide registration

system for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.

Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

Upon receipt of a ~~written request and a copy of the court order~~ statement signed by the voter that withholding the voter's name from the public information list is required for the safety of the voter or the voter's family, the secretary of state and county auditor must withhold from the public information list the name of ~~any~~ a registered voter ~~placed under court-ordered protection~~.

Sec. 18. Minnesota Statutes 2004, section 201.091, subdivision 5, is amended to read:

Subd. 5. [COPY OF LIST TO REGISTERED VOTER.] The county auditors and the secretary of state shall provide copies of the public information lists in electronic or other media to any voter registered in Minnesota within ten days of receiving a written or electronic request accompanied by payment of the cost of reproduction. The county auditors and the secretary of state shall make a copy of the list available for public inspection without cost. An individual who inspects or acquires a copy of a public information list may not use any information contained in it for purposes unrelated to elections, political activities, or law enforcement.

Sec. 19. Minnesota Statutes 2004, section 201.15, is amended to read:

201.15 [DISTRICT JUDGE, REPORT GUARDIANSHIPS AND COMMITMENTS.]

Subdivision 1. [GUARDIANSHIPS AND INCOMPETENTS.] Pursuant to the Help America Vote Act of 2002, Public Law 107-252, the state court administrator shall report monthly by electronic means to the secretary of state the name, address, and date of birth of each individual 18 years of age or over, who during the month preceding the date of the report:

(a) was placed under a guardianship ~~of the person~~ in which the court order ~~provides that the ward does not retain~~ revokes the ward's right to vote; or

(b) was adjudged legally incompetent.

The court administrator shall also report the same information for each individual transferred to the jurisdiction of the court who meets a condition specified in clause (a) or (b). The secretary of state shall determine if any of the persons in the report is registered to vote and shall prepare a list of those registrants for the county auditor. The county auditor shall change the status on the record in the statewide registration system of any individual named in the report to indicate that the individual is not eligible to reregister or vote.

Subd. 2. [~~RESTORATION TO CAPACITY~~ GUARDIANSHIP TERMINATION OR MODIFICATION.] Pursuant to the Help America Vote Act of 2002, Public Law 107-252, the state court administrator shall report monthly by electronic means to the secretary of state the name, address, and date of birth of each individual ~~transferred from~~ whose guardianship ~~to conservatorship or who is restored to capacity by the court~~ was modified to restore the ward's right to vote or whose guardianship was terminated by order of the court under section 524.5-317 after being ineligible to vote for any of the reasons specified in subdivision 1. The secretary of state shall determine if any of the persons in the report is registered to vote and shall prepare a list of those registrants for the county auditor. The county auditor shall change the status on the voter's record in the statewide registration system to "active."

Sec. 20. Minnesota Statutes 2004, section 203B.01, subdivision 3, is amended to read:

Subd. 3. [MILITARY.] "Military" means the Army, Navy, Air Force, Marine Corps, Coast

Guard or Merchant Marine of the United States, and all other uniformed services as defined in United States Code, title 42, section 1973ff-6.

Sec. 21. Minnesota Statutes 2004, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION PROCEDURES.] Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. The county auditor shall prepare absentee ballot application forms in the format provided ~~in the rules of~~ by the secretary of state, notwithstanding rules on absentee ballot forms, and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) the county auditor of the county where the applicant maintains residence; or

(b) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02. The application may contain a request for the voter's date of birth, which must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election. The absentee ballot applications or a list of persons applying for an absentee ballot may not be made available for public inspection until the close of voting on election day.

An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot application.

Sec. 22. Minnesota Statutes 2004, section 203B.04, subdivision 4, is amended to read:

Subd. 4. [REGISTRATION AT TIME OF APPLICATION.] An eligible voter who is not registered to vote but who is otherwise eligible to vote by absentee ballot may register by including a completed voter registration card with the absentee ballot. The individual shall present proof of residence as required by section 201.061, subdivision 3, to the individual who witnesses the marking of the absentee ballots. A military voter, as defined in section 203B.01, may register in this manner if voting pursuant to sections 203B.04 to 203B.15, or may register pursuant to sections 203B.16 to 203B.27.

Sec. 23. Minnesota Statutes 2004, section 203B.04, is amended by adding a subdivision to read:

Subd. 6. [ONGOING ABSENTEE STATUS; TERMINATION.] (a) An eligible voter may apply to a county auditor or municipal clerk for status as an ongoing absentee voter who reasonably expects to meet the requirements of section 203B.02, subdivision 1. Each applicant must automatically be provided with an absentee ballot application for each ensuing election other than an election by mail conducted under section 204B.45, and must have the status of ongoing absentee voter indicated on the voter's registration record.

(b) Ongoing absentee voter status ends on:

(1) the voter's written request;

(2) the voter's death;

(3) return of an ongoing absentee ballot as undeliverable;

(4) a change in the voter's status so that the voter is not eligible to vote under section 201.15 or 201.155; or

(5) placement of the voter's registration on inactive status under section 201.171.

Sec. 24. Minnesota Statutes 2004, section 203B.07, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF ENVELOPES.] The return envelope shall be of sufficient size to conveniently enclose and contain the ballot envelope and a voter registration card folded along its perforations. The return envelope shall be designed to open on the left-hand end. Notwithstanding any rule to the contrary, the return envelope must be designed in one of the following ways:

(1) it must be of sufficient size to contain an additional envelope that when sealed, conceals the signature, identification, and other information; or

(2) it must provide an additional flap that when sealed, conceals the signature, identification, and other information. Election officials may open the flap or the additional envelope at any time after receiving the returned ballot to inspect the returned certificate for completeness or to ascertain other information. A certificate of eligibility to vote by absentee ballot shall be printed on the ~~right hand three-fourths of the~~ back of the envelope. The certificate shall contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot. The certificate shall also contain a statement signed by a person who is registered to vote in Minnesota or by a notary public or other individual authorized to administer oaths stating that:

(a) the ballots were displayed to that individual unmarked;

(b) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; and

(c) if the voter was not previously registered, the voter has provided proof of residence as required by section 201.061, subdivision 3.

The county auditor or municipal clerk shall affix first class postage to the return envelopes.

Sec. 25. Minnesota Statutes 2004, section 203B.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Each full-time municipal clerk or school district clerk who has authority under section 203B.05 to administer absentee voting laws shall designate election judges to deliver absentee ballots in accordance with this section. The county auditor ~~may~~ must also designate election judges to perform the duties in this section. A ballot may be delivered only to an eligible voter who is a temporary or permanent resident or patient in a health care facility or hospital located in the municipality in which the voter maintains residence. The ballots shall be delivered by two election judges, each of whom is affiliated with a different major political party. When the election judges deliver or return ballots as provided in this section, they shall travel together in the same vehicle. Both election judges shall be present when an applicant completes the certificate of eligibility and marks the absentee ballots, and may assist an applicant as provided in section 204C.15. The election judges shall deposit the return envelopes containing the marked absentee ballots in a sealed container and return them to the clerk on the same day that they are delivered and marked.

Sec. 26. Minnesota Statutes 2004, section 203B.12, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

Sec. 27. Minnesota Statutes 2004, section 203B.20, is amended to read:

203B.20 [CHALLENGES.]

Except as provided in this section, the eligibility or residence of a voter whose application for absentee ballots is recorded under section 203B.19 may be challenged in the manner set forth by section 201.195. The county auditor or municipal clerk shall not be required to serve a copy of the petition and notice of hearing on the challenged voter. If the absentee ballot application was submitted on behalf of a voter by an individual authorized under section 203B.17, subdivision 1, paragraph (a), the county auditor must attempt to notify the individual who submitted the application of the challenge. The county auditor may contact other registered voters to request information that may resolve any discrepancies appearing in the application. All reasonable doubt shall be resolved in favor of the validity of the application. If the voter's challenge is affirmed, the county auditor shall provide the challenged voter with a copy of the petition and the decision and shall inform the voter of the right to appeal as provided in section 201.195.

Sec. 28. Minnesota Statutes 2004, section 203B.21, subdivision 1, is amended to read:

Subdivision 1. [FORM.] Absentee ballots under sections 203B.16 to 203B.27 shall conform to the requirements of the Minnesota Election Law, except that modifications in the size or form of ballots or envelopes may be made if necessary to satisfy the requirements of the United States postal service. The return envelope must be designed in one of the following ways:

(1) it must be of sufficient size to contain an additional envelope that when sealed, conceals the signature, identification, and other information; or

(2) it must provide an additional flap that when sealed, conceals the signature, identification, and other information.

The flap or the additional envelope must be perforated to permit election officials to inspect the returned certificate for completeness or to ascertain other information at any time after receiving the returned ballot without opening the return envelope.

Sec. 29. Minnesota Statutes 2004, section 203B.21, subdivision 3, is amended to read:

Subd. 3. [BACK OF RETURN ENVELOPE.] On the back of the return envelope an affidavit form shall appear with space for:

(a) The voter's address of present or former residence in Minnesota;

(b) A statement indicating the category described in section 203B.16 to which the voter belongs;

(c) A statement that the voter has not cast and will not cast another absentee ballot in the same election or elections;

(d) A statement that the voter personally marked the ballots without showing them to anyone, or if physically unable to mark them, that the voter directed another individual to mark them; and

(e) The voter's military identification card number, passport number, or, if the voter does not have a valid passport or identification card, the signature and certification of an individual authorized to administer oaths under federal law or the law of the place where the oath was administered or ~~a~~ commissioned or noncommissioned ~~officer~~ personnel of the military not below the rank of sergeant or its equivalent.

The affidavit shall also contain a signed and dated oath in the form required by section 705 of the Help America Vote Act, Public Law 107-252, which must read:

"I swear or affirm, under penalty of perjury, that:

I am a member of the uniformed services or merchant marine on active duty or an eligible spouse or dependent of such a member; a United States citizen temporarily residing outside the United States; or other United States citizen residing outside the United States; and I am a United States citizen, at least 18 years of age (or will be by the date of the election), and I am eligible to vote in the requested jurisdiction; I have not been convicted of a felony, or other disqualifying offense, or been adjudicated mentally incompetent, or, if so, my voting rights have been reinstated; and I am not registering, requesting a ballot, or voting in any other jurisdiction in the United States except the jurisdiction cited in this voting form. In voting, I have marked and sealed my ballot in private and have not allowed any person to observe the marking of the ballot, except for those authorized to assist voters under state or federal law. I have not been influenced.

My signature and date below indicate when I completed this document.

The information on this form is true, accurate, and complete to the best of my knowledge. I understand that a material misstatement of fact in completion of this document may constitute grounds for a conviction for perjury."

Sec. 30. Minnesota Statutes 2004, section 203B.24, subdivision 1, is amended to read:

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

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

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

(3) the voter has set forth the voter's military identification number or passport number or, if those numbers do not appear, a person authorized to administer oaths under federal law or the law

of the place where the oath was administered or a witness who is military personnel with a rank at or above the rank of sergeant or its equivalent has signed the ballot; and

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

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

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

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

Sec. 31. Minnesota Statutes 2004, section 204B.06, subdivision 1, is amended to read:

Subdivision 1. [FORM OF AFFIDAVIT.] ~~(a)~~ An affidavit of candidacy shall state the name of the office sought and, except as provided in subdivision 4, shall state that the candidate:

(1) is an eligible voter;

(2) has no other affidavit on file as a candidate for any office at the same primary or next ensuing general election, except that a candidate for soil and water conservation district supervisor in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington County, may also have on file an affidavit of candidacy for mayor or council member of a statutory or home rule charter city of not more than 2,500 population contained in whole or in part in the soil and water conservation district or for town supervisor in a town of not more than 2,500 population contained in whole or in part in the soil and water conservation district; and

(3) is, or will be on assuming the office, 21 years of age or more, and will have maintained residence in the district from which the candidate seeks election for 30 days before the general election.

An affidavit of candidacy must include a statement that the candidate's name as written on the affidavit for ballot designation is the candidate's true name or the name by which the candidate is commonly and generally known in the community.

An affidavit of candidacy for partisan office shall also state the name of the candidate's political party or political principle, stated in three words or less.

~~(b) Candidates for president or vice-president of the United States are not required to file an affidavit of candidacy for office and this subdivision does not apply to those candidates.~~

Sec. 32. Minnesota Statutes 2004, section 204B.06, subdivision 4, is amended to read:

Subd. 4. [~~PARTICULAR~~ FEDERAL OFFICES.] Candidates for president or vice-president of the United States are not required to file an affidavit of candidacy for office. Candidates who seek nomination for the ~~following offices~~ office of United States senator or representative shall state the following ~~additional~~ information on the affidavit:

~~(a)~~ (1) for United States senator, that the candidate will be an inhabitant of this state when elected and will be 30 years of age or older and a citizen of the United States for not less than nine years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election; and

~~(b)~~ (2) for United States representative, that the candidate will be an inhabitant of this state when elected and will be 25 years of age or older and a citizen of the United States for not less than seven years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election~~;~~.

Subd. 4a. [STATE AND LOCAL OFFICES.] Candidates who seek nomination for the following offices shall state the following additional information on the affidavit:

~~(c)~~ (1) for governor or lieutenant governor, that on the first Monday of the next January the candidate will be 25 years of age or older and, on the day of the state general election, a resident of Minnesota for not less than one year;

~~(d)~~ (2) for Supreme Court justice, Court of Appeals judge, or district court judge, that the candidate is learned in the law;

~~(e)~~ (3) for county, municipal, school district, or special district office, that the candidate meets any other qualifications for that office prescribed by law;

~~(f)~~ (4) for senator or representative in the legislature, that on the day of the general or special election to fill the office the candidate will have resided not less than one year in the state and not less than six months in the legislative district from which the candidate seeks election.

Sec. 33. Minnesota Statutes 2004, section 204B.10, subdivision 6, is amended to read:

Subd. 6. [INELIGIBLE VOTER.] Upon receipt of a certified copy of a final judgment or order of a court of competent jurisdiction that a person who has filed an affidavit of candidacy or who has been nominated by petition:

(1) has been convicted of treason or a felony and the person's civil rights have not been restored;

(2) is under guardianship ~~of the person~~ in which the court order revokes the ward's right to vote; or

(3) has been found by a court of law to be legally incompetent;

the filing officer shall notify the person by certified mail at the address shown on the affidavit or petition, and, for offices other than President of the United States, Vice President of the United States, United States Senator, and United States Representative in Congress, shall not certify the person's name to be placed on the ballot. The actions of a filing officer under this subdivision are subject to judicial review under section 204B.44.

Sec. 34. Minnesota Statutes 2004, section 204B.14, subdivision 2, is amended to read:

Subd. 2. [SEPARATE PRECINCTS; COMBINED POLLING PLACE.] (a) The following shall constitute at least one election precinct:

(1) each city ward; and

(2) each town and each statutory city.

(b) A single, accessible, combined polling place may be established no later than June 1 of any year:

(1) for any city of the third or fourth class, any town, or any city having territory in more than one county, in which all the voters of the city or town shall cast their ballots;

(2) for two contiguous precincts in the same municipality that have a combined total of fewer than 500 registered voters; or

(3) for up to four contiguous municipalities located entirely outside the metropolitan area, as defined by section ~~473.121, subdivision 2~~ 200.02, subdivision 24, that are contained in the same county.

A copy of the ordinance or resolution establishing a combined polling place must be filed with the county auditor within 30 days after approval by the governing body. A polling place combined under clause (3) must be approved by the governing body of each participating municipality. A

municipality withdrawing from participation in a combined polling place must do so by filing a resolution of withdrawal with the county auditor no later than May 1 of any year.

The secretary of state shall provide a separate polling place roster for each precinct served by the combined polling place. A single set of election judges may be appointed to serve at a combined polling place. The number of election judges required must be based on the total number of persons voting at the last similar election in all precincts to be voting at the combined polling place. Separate ballot boxes must be provided for the ballots from each precinct. The results of the election must be reported separately for each precinct served by the combined polling place, except in a polling place established under clause (2) where one of the precincts has fewer than ten registered voters, in which case the results of that precinct must be reported in the manner specified by the secretary of state.

Sec. 35. Minnesota Statutes 2004, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; LOCATION.] The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section ~~473.121~~ 200.02, subdivision 24, shall be located within the boundaries of the precinct or within 3,000 feet of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section ~~473.121~~ 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 36. Minnesota Statutes 2004, section 204B.16, subdivision 5, is amended to read:

Subd. 5. [ACCESS BY ELDERLY AND ~~HANDICAPPED~~ PERSONS WITH DISABILITIES.] Each polling place shall be accessible to and usable by elderly individuals and ~~physically handicapped~~ individuals with disabilities. A polling place is deemed to be accessible and usable if it complies with the standards in paragraphs (a) to (f).

(a) At least one set of doors must have a minimum width of ~~31~~ 32 inches if the doors must be used to enter or leave the polling place.

(b) Any curb adjacent to the main entrance to a polling place must have curb cuts or temporary ramps. Where the main entrance is not the accessible entrance, any curb adjacent to the accessible entrance must also have curb cuts or temporary ramps.

(c) Where the main entrance is not the accessible entrance, a sign shall be posted at the main entrance giving directions to the accessible entrance.

(d) At least one set of stairs must have a temporary handrail and ramp if stairs must be used to enter or leave the polling place.

(e) No barrier in the polling place may impede the path of ~~the physically handicapped~~ persons with disabilities to the voting booth.

(f) At least one ~~handicapped~~ parking space for persons with disabilities, which may be temporarily so designated by the municipality for the day of the election, must be available near the accessible entrance.

The doorway, handrails, ramps, and handicapped parking provided pursuant to this subdivision must conform to the standards specified in the State Building Code for accessibility by ~~handicapped~~ persons with disabilities.

A governing body shall designate as polling places only those places which meet the standards prescribed in this subdivision unless no available place within a precinct is accessible or can be made accessible.

Sec. 37. Minnesota Statutes 2004, section 204B.18, subdivision 1, is amended to read:

Subdivision 1. [BOOTHS; VOTING STATIONS.] Each polling place must contain a number of voting booths or voting stations in proportion to the number of individuals eligible to vote in the precinct. Each booth or station must be at least six feet high, three feet deep and two feet wide with a shelf at least two feet long and one foot wide placed at a convenient height for writing. The booth or station shall ~~be provided with a door or curtains~~ permit the voter to vote privately and independently. Each ~~accessible~~ polling place must have at least one accessible voting booth or other accessible voting station and beginning with federal and state elections held after December 31, 2005, and county, municipal, and school district elections held after December 31, 2007, one voting system that conforms to section 301(a)(3)(B) of the Help America Vote Act, Public Law 107-252. All booths or stations must be constructed so that a voter is free from observation while marking ballots. ~~In all other polling places every effort must be made to provide at least one accessible voting booth or other accessible voting station.~~ During the hours of voting, the booths or stations must have instructions, a pencil, and other supplies needed to mark the ballots. ~~If needed,~~ A chair must be provided for elderly ~~and handicapped~~ voters and voters with disabilities to use while voting or waiting to vote. Stable flat writing surfaces must also be made available to voters who are completing election-related forms. All ballot boxes, voting booths, voting stations, and election judges must be in open public view in the polling place.

Sec. 38. Minnesota Statutes 2004, section 204B.24, is amended to read:

204B.24 [ELECTION JUDGES; OATH.]

Each election judge shall sign the following oath before assuming the duties of the office:

"I ..... solemnly swear that I will perform the duties of election judge according to law and the best of my ability and will diligently endeavor to prevent fraud, deceit and abuse in conducting this election. I will perform my duties in a fair and impartial manner and not attempt to create an advantage for my party or for any candidate."

The oath shall be attached to the summary statement of the election returns of that precinct. If there is no individual present who is authorized to administer oaths, the election judges may administer the oath to each other.

Sec. 39. Minnesota Statutes 2004, section 204B.27, subdivision 1, is amended to read:

Subdivision 1. [BLANK FORMS.] At least ~~25~~ 14 days before every state election the secretary of state shall transmit to each county auditor ~~a sufficient number of blank county abstract forms and other~~ examples of any blank forms to be used as the secretary of state deems necessary for the conduct of the election. County abstract forms may be provided to auditors electronically via the Minnesota State Election Reporting System maintained by the secretary of state, and must be available at least one week prior to the election.

Sec. 40. Minnesota Statutes 2004, section 204C.05, subdivision 1a, is amended to read:

Subd. 1a. [ELECTIONS; ORGANIZED TOWN.] The governing body of a town with less than 500 inhabitants according to the most recent federal decennial census, which is located outside the metropolitan area as defined in section ~~473.121~~ 200.02, subdivision ~~2~~ 24, may fix a later time for voting to begin at state primary, special, or general elections, if approved by a vote of the town electors at the annual town meeting. The question of shorter voting hours must be included in the notice of the annual town meeting before the question may be submitted to the electors at the meeting. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The town clerk shall either post or publish notice of the changed hours and notify the county auditor of the change 30 days before the election.

Sec. 41. Minnesota Statutes 2004, section 204C.06, subdivision 2, is amended to read:

Subd. 2. [INDIVIDUALS ALLOWED IN POLLING PLACE; IDENTIFICATION.] (a) Representatives of the secretary of state's office, the county auditor's office, and the municipal or school district clerk's office may be present at the polling place to observe election procedures. Except for these representatives, election judges, sergeants-at-arms, and challengers, an individual may remain inside the polling place during voting hours only while voting or registering to vote, providing proof of residence for an individual who is registering to vote, or assisting a handicapped voter or a voter who is unable to read English. During voting hours no one except individuals receiving, marking, or depositing ballots shall approach within six feet of a voting booth, unless lawfully authorized to do so by an election judge.

(b) Teachers and elementary or secondary school students participating in an educational activity authorized by section 204B.27, subdivision 7, may be present at the polling place during voting hours.

(c) Each official on duty in the polling place must wear an identification badge that shows their role in the election process. The badge must not show their party affiliation.

Sec. 42. Minnesota Statutes 2004, section 204C.07, is amended by adding a subdivision to read:

Subd. 3a. [RESIDENCE REQUIREMENT.] A challenger must be a resident of this state.

Sec. 43. Minnesota Statutes 2004, section 204C.07, subdivision 4, is amended to read:

Subd. 4. [RESTRICTIONS ON CONDUCT.] An election judge may not be appointed as a challenger. The election judges shall permit challengers appointed pursuant to this section to be present in the polling place during the hours of voting and to remain there until the votes are counted and the results declared. No challenger shall handle or inspect registration cards, files, or lists. Challengers shall not prepare in any manner any list of individuals who have or have not voted. They shall not attempt to influence voting in any manner. They shall not converse with a voter except to determine, in the presence of an election judge, whether the voter is eligible to vote in the precinct.

Sec. 44. Minnesota Statutes 2004, section 204C.08, subdivision 1a, is amended to read:

Subd. 1a. [VOTER'S BILL OF RIGHTS.] The county auditor shall prepare and provide to each polling place sufficient copies of a poster setting forth the Voter's Bill of Rights as set forth in this section. Before the hours of voting are scheduled to begin, the election judges shall post it in a conspicuous location or locations in the polling place. The Voter's Bill of Rights is as follows:

"VOTER'S BILL OF RIGHTS

For all persons residing in this state who meet federal voting eligibility requirements:

(1) You have the right to be absent from work for the purpose of voting during the morning of election day.

(2) If you are in line at your polling place any time between 7:00 a.m. and 8:00 p.m., you have the right to vote.

(3) If you can provide the required proof of residence, you have the right to register to vote and to vote on election day.

(4) If you are unable to sign your name, you have the right to orally confirm your identity with an election judge and to direct another person to sign your name for you.

(5) You have the right to request special assistance when voting.

(6) If you need assistance, you may be accompanied into the voting booth by a person of your choice, except by an agent of your employer or union or a candidate.

(7) You have the right to bring your minor children into the polling place and into the voting booth with you.

(8) If you have been convicted of a felony but ~~your civil rights have been restored~~ your felony sentence has expired (been completed) or you have been discharged from your sentence, you have the right to vote.

(9) If you are under a guardianship, you have the right to vote, unless the court order revokes your right to vote.

(10) You have the right to vote without anyone in the polling place trying to influence your vote.

~~(10)~~ (11) If you make a mistake or spoil your ballot before it is submitted, you have the right to receive a replacement ballot and vote.

~~(11)~~ (12) You have the right to file a written complaint at your polling place if you are dissatisfied with the way an election is being run.

~~(12)~~ (13) You have the right to take a sample ballot into the voting booth with you.

~~(13)~~ (14) You have the right to take a copy of this Voter's Bill of Rights into the voting booth with you."

Sec. 45. Minnesota Statutes 2004, section 204C.10, is amended to read:

204C.10 [PERMANENT REGISTRATION; VERIFICATION OF REGISTRATION.]

(a) An individual seeking to vote shall sign a polling place roster which states that the individual is at least 18 years of age, a citizen of the United States, has resided in Minnesota for 20 days immediately preceding the election, maintains residence at the address shown, is not under a guardianship in which the ~~individual has not retained~~ court order revokes the individual's right to vote, has not been found by a court of law to be legally incompetent to vote or convicted of a felony without having civil rights restored, is registered and has not already voted in the election. The roster must also state: "I understand that deliberately providing false information is a felony punishable by not more than five years imprisonment and a fine of not more than $10,000, or both."

(b) A judge may, before the applicant signs the roster, confirm the applicant's name, address, and date of birth.

(c) After the applicant signs the roster, the judge shall give the applicant a voter's receipt. The voter shall deliver the voter's receipt to the judge in charge of ballots as proof of the voter's right to vote, and thereupon the judge shall hand to the voter the ballot. The voters' receipts must be maintained during the time for notice of filing an election contest.

Sec. 46. Minnesota Statutes 2004, section 204C.12, subdivision 2, is amended to read:

Subd. 2. [STATEMENT OF GROUNDS; OATH.] ~~The challenger shall state the ground for the challenge, and~~ A challenger must be a resident of this state. The secretary of state shall prepare a form that challengers must complete and sign when making a challenge. The form must include space to state the ground for the challenge, a statement that the challenge is based on the challenger's personal knowledge, and a statement that the challenge is made under oath. The form must include a space for the challenger's printed name, signature, telephone number, and address.

An election judge shall administer to the challenged individual the following oath:

"Do you solemnly swear that you will fully and truly answer all questions put to you concerning your eligibility to vote at this election?"

The election judge shall then ask the challenged individual sufficient questions to test that individual's residence and right to vote.

Sec. 47. Minnesota Statutes 2004, section 204C.24, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION REQUIREMENTS.] Precinct summary statements shall be submitted by the election judges in every precinct. For ~~state~~ all elections, the election judges shall complete three or more copies of the summary statements, and each copy shall contain the following information for each kind of ballot:

(a) the number of votes each candidate received or the number of yes and no votes on each question, the number of undervotes or partially blank ballots, and the number of overvotes or partially defective ballots with respect to each office or question;

(b) the number of totally blank ballots, the number of totally defective ballots, the number of spoiled ballots, and the number of unused ballots;

(c) the number of individuals who voted at the election in the precinct;

(d) the number of voters registering on election day in that precinct; and

(e) the signatures of the election judges who counted the ballots certifying that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question.

At least two copies of the summary statement must be prepared for elections not held on the same day as the state elections.

Sec. 48. Minnesota Statutes 2004, section 204C.28, subdivision 1, is amended to read:

Subdivision 1. [COUNTY AUDITOR.] Every county auditor shall remain at the auditor's office to receive delivery of the returns, to permit public inspection of the summary statements, and to tabulate the votes until all have been tabulated and the results made known, or until 24 hours have elapsed since the end of the hours for voting, whichever occurs first. Every county auditor shall, in the presence of the municipal clerk or the election judges who deliver the returns, make a record of all materials delivered, the time of delivery, and the names of the municipal clerk or election judges who made delivery. The county auditor shall file the record and all envelopes containing ballots in a safe and secure place with envelope seals unbroken. Access to the record and ballots shall be strictly controlled. Accountability and a record of access shall be maintained by the county auditor during the period for contesting elections or, if a contest is filed, until the contest has been finally determined. Thereafter, the record shall be retained in the auditor's office for the same period as the ballots as provided in section 204B.40.

The county auditor shall file all envelopes containing ballots in a safe place with seals unbroken. If the envelopes were previously opened by proper authority for examination or recount, the county auditor shall have the envelopes sealed again and signed by the individuals who made the inspection or recount. The envelopes may be opened by the county canvassing board if necessary to procure election returns that the election judges inadvertently may have sealed in the envelopes with the ballots. In that case, the envelopes shall be sealed again and signed in the same manner as otherwise provided in this subdivision.

Sec. 49. Minnesota Statutes 2004, section 204C.50, subdivision 1, is amended to read:

Subdivision 1. [SELECTION FOR REVIEW; NOTICE.] (a) Postelection review under this section must be conducted only on the election for president, senator or representative in Congress, constitutional offices, and legislative offices.

(b) The Office of the Secretary of State shall, within three days after each state general election beginning in 2006, randomly select 80 precincts for postelection review as defined in this section. The precincts must be selected so that an equal number of precincts are selected in each congressional district of the state. Of the precincts in each congressional district, at least five must have had more than 500 votes cast, and at least two must have had fewer than 500 votes cast. The secretary of state must promptly provide notices of which precincts are chosen to the election administration officials who are responsible for the conduct of elections in those precincts.

~~(b)~~ (c) One week before the state general election beginning in 2006, the secretary of state must post on the office Web site the date, time, and location at which precincts will be randomly chosen for review under this section. The chair of each major political party may appoint a designee to observe the random selection process.

Sec. 50. Minnesota Statutes 2004, section 204C.50, subdivision 2, is amended to read:

Subd. 2. [SCOPE AND CONDUCT OF REVIEW.] Each review is limited to federal and state offices and must consist of at least the following:

(a) The election officials immediately responsible for a precinct chosen for review must conduct the following review and submit the results in writing to the State Canvassing Board before it meets to canvass the election:

(1) a hand tally of the paper ballots or electronic ballot marker record, of whatever kind used in that precinct, for each contested election;

(2) a recount using the actual machine and software used on election day, if a precinct-count or central-count automated voting system was used; and

(3) a comparison of the hand tally with the reported results for the precinct in the county canvassing board report, as well as the actual tape of any automated tabulation produced by any precinct-count or central-count optical scan equipment that may have been used to tabulate votes cast in that precinct.

(b) The staff of the Office of the Secretary of State shall conduct or directly supervise a review of the procedures used by the election officials at all levels for a precinct chosen for review, including an inspection of the materials retained for the official 22-month retention period, such as the rosters, the incident log, and the ballots themselves. The staff must submit a written report to the secretary of state before the next regularly scheduled meeting of the State Canvassing Board.

Sec. 51. Minnesota Statutes 2004, section 204D.03, is amended by adding a subdivision to read:

Subd. 3. [EXCEPTION; CERTAIN PARTISAN CANDIDATES.] (a) If no more than one candidate files for nomination by a major political party for a partisan office, the candidate who filed must be declared the nominee upon the close of filing. If every candidate for a partisan office has been declared the nominee upon the close of filing, the office must be omitted from the state primary ballot. If all offices, both partisan and nonpartisan, have been omitted from the state primary ballot in a municipality or county, the governing body of the municipality or county may decide that the state primary will not be conducted in that municipality or county.

(b) Within 15 days after the close of filing, each municipal clerk or county auditor whose governing body has decided not to conduct the state primary shall post notice that the offices have been so omitted and the state primary canceled and shall send a copy of the notice to the secretary of state.

Sec. 52. Minnesota Statutes 2004, section 204D.14, subdivision 3, is amended to read:

Subd. 3. [UNCONTESTED JUDICIAL OFFICES.] Judicial offices for a specific court for which there is only one candidate filed must appear after all other judicial offices for that same court on the canary ballot.

Sec. 53. Minnesota Statutes 2004, section 204D.27, subdivision 5, is amended to read:

Subd. 5. [CANVASS; SPECIAL PRIMARY; STATE CANVASSING BOARD.] Not later than four days after the returns of the county canvassing boards are certified to the secretary of state, the State Canvassing Board shall complete its canvass of the special primary. The secretary of state shall then promptly certify to the county auditors the names of the nominated individuals, prepare notices of nomination, and notify each nominee of the nomination.

Sec. 54. Minnesota Statutes 2004, section 205.175, subdivision 2, is amended to read:

Subd. 2. [METROPOLITAN AREA MUNICIPALITIES.] The governing body of a municipality which is located within a metropolitan county ~~as defined by section 473.121~~ included in the definition of metropolitan area in section 200.02, subdivision 24, may designate the time during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections, provided that the polling places shall open no later than 10:00 a.m. and shall close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the municipal governing body.

Sec. 55. Minnesota Statutes 2004, section 205A.09, subdivision 1, is amended to read:

Subdivision 1. [METROPOLITAN AREA SCHOOL DISTRICTS.] At a school district election in a school district located in whole or in part within a metropolitan county ~~as defined by section 473.121~~ included in the definition of metropolitan area in section 200.02, subdivision 24, the school board, by resolution adopted before giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all later school district elections. The polling places must open no later than 10:00 a.m. and close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the school board.

Sec. 56. Minnesota Statutes 2004, section 206.57, subdivision 5, is amended to read:

Subd. 5. [VOTING SYSTEM FOR DISABLED VOTERS.] In federal and state elections held after December 31, 2005, and in county, municipal, and school district elections held after December 31, 2007, the voting method used in each polling place must include a voting system that is accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired in a manner that provides the same opportunity for access and participation, including privacy and independence, as for other voters.

Sec. 57. Minnesota Statutes 2004, section 208.03, is amended to read:

208.03 [NOMINATION OF PRESIDENTIAL ELECTORS.]

Presidential electors for the major political parties of this state shall be nominated by delegate conventions called and held under the supervision of the respective state central committees of the parties of this state. On or before primary election day the chair of the major political party shall certify to the secretary of state the names of the persons nominated as presidential electors, the names of eight alternate presidential electors, and the names of the party candidates for president and vice-president.

Sec. 58. Minnesota Statutes 2004, section 208.04, subdivision 1, is amended to read:

Subdivision 1. [FORM OF PRESIDENTIAL BALLOTS.] When presidential electors and alternates are to be voted for, a vote cast for the party candidates for president and vice-president shall be deemed a vote for that party's electors and alternates as filed with the secretary of state. The secretary of state shall certify the names of all duly nominated presidential and vice-presidential candidates to the county auditors of the counties of the state. Each county auditor, subject to the rules of the secretary of state, shall cause the names of the candidates of each major political party and the candidates nominated by petition to be printed in capital letters, set in type of the same size and style as for candidates on the state white ballot, before the party designation. To the left of, and on the same line with the names of the candidates for president and vice-president, near the margin, shall be placed a square or box, in which the voters may indicate their choice by marking an "X."

The form for the presidential ballot and the relative position of the several candidates shall be determined by the rules applicable to other state officers. The state ballot, with the required heading, shall be printed on the same piece of paper and shall be below the presidential ballot with a blank space between one inch in width.

Sec. 59. Minnesota Statutes 2004, section 208.05, is amended to read:

208.05 [STATE CANVASSING BOARD.]

The State Canvassing Board at its meeting on the second Tuesday after each state general election shall open and canvass the returns made to the secretary of state for presidential electors and alternates, prepare a statement of the number of votes cast for the persons receiving votes for these offices, and declare the person or persons receiving the highest number of votes for each office duly elected. When it appears that more than the number of persons to be elected as presidential electors or alternates have the highest and an equal number of votes, the secretary of state, in the presence of the board shall decide by lot which of the persons shall be declared elected. The governor shall transmit to each person declared elected a certificate of election, signed by the governor, sealed with the state seal, and countersigned by the secretary of state.

Sec. 60. Minnesota Statutes 2004, section 208.06, is amended to read:

208.06 [ELECTORS TO MEET AT CAPITOL; FILLING OF VACANCIES.]

The presidential electors and alternate presidential electors, before 12:00 M. on the day before that fixed by Congress for the electors to vote for president and vice-president of the United States, shall notify the governor that they are at the State Capitol and ready at the proper time to fulfill their duties as electors. The governor shall deliver to the electors present a certificate of the names of all the electors. If any elector named therein fails to appear before 9:00 a.m. on the day, and at the place, fixed for voting for president and vice-president of the United States, an alternate, chosen from among the alternates by lot, shall be appointed to act for that elector. If more than eight alternates are necessary, the electors present shall, in the presence of the governor, immediately elect by ballot a person to fill the vacancy. If more than the number of persons required have the highest and an equal number of votes, the governor, in the presence of the electors attending, shall decide by lot which of those persons shall be elected.

Sec. 61. Minnesota Statutes 2004, section 208.07, is amended to read:

208.07 [CERTIFICATE OF ELECTORS.]

Immediately after the vacancies have been filled, the original electors and alternates present shall certify to the governor the names of the persons elected to complete their number, and the governor shall at once cause written notice to be given to each person elected to fill a vacancy. The persons so chosen shall be presidential electors and shall meet and act with the other electors.

Sec. 62. Minnesota Statutes 2004, section 208.08, is amended to read:

208.08 [ELECTORS TO MEET AT STATE CAPITOL.]

The original, alternate, and substituted presidential electors, at 12:00 M., shall meet in the executive chamber at the State Capitol and shall perform all the duties imposed upon them as electors by the Constitution and laws of the United States and this state.

Each elector, as a condition of having been chosen under the name of the party of a presidential and a vice-presidential candidate, is obligated to vote for those candidates. The elector shall speak aloud or affirm in a nonverbal manner the name of the candidate for president and for vice-president for whom the elector is voting and then confirm that vote by written public ballot.

If an elector fails to cast a ballot for the presidential or vice-presidential candidate of the party under whose name the elector was chosen, the elector's vote or abstention is invalidated and an alternate presidential elector, chosen by lot from among the alternates, shall cast a ballot in the name of the elector for the presidential and vice-presidential candidate of the party under whose name the elector was chosen. The invalidation of an elector's vote or abstention on the ballot for president or vice-president does not apply if the presidential candidate under whose party's name the elector was chosen has without condition released the elector or has died or become mentally disabled.

Sec. 63. Minnesota Statutes 2004, section 211B.13, subdivision 1, is amended to read:

Subdivision 1. [BRIBERY, ADVANCING MONEY, AND TREATING PROHIBITED.] A person who willfully, directly or indirectly, advances, pays, gives, promises, or lends any money, food, liquor, clothing, entertainment, or other thing of monetary value, or who offers, promises, or endeavors to obtain any money, position, appointment, employment, or other valuable consideration, to or for a person, in order to induce a voter to refrain from voting, or to vote in a particular way, at an election, is guilty of a felony. This section does not prevent a candidate from stating publicly preference for or support of another candidate to be voted for at the same primary or election. Refreshments of food or nonalcoholic beverages ~~of nominal~~ having a value up to $5 consumed on the premises at a private gathering or public meeting are not prohibited under this section.

Sec. 64. Minnesota Statutes 2004, section 383B.151, is amended to read:

383B.151 [FINANCIAL INTEREST FORBIDDEN.]

No official, person authorized to make purchases, or county employee shall be financially interested, either directly or indirectly, in any contract or purchase order for any goods, materials, supplies, equipment or contracted service furnished to or used by any department, board, commission or agency of the county government. No public official, person authorized to make purchases, or county employee may accept or receive, directly or indirectly from any person, firm or corporation to which any contract or purchase order may be awarded any money or anything of value whatsoever or any promise, obligation or contract for future reward or compensation, except as authorized under section 10A.071, subdivision 3, or 471.895, subdivision 3. Any violation of the provisions of this section shall be a gross misdemeanor.

Sec. 65. Minnesota Statutes 2004, section 447.32, subdivision 4, is amended to read:

Subd. 4. [CANDIDATES; BALLOTS; CERTIFYING ELECTION.] A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate resides. The affidavit of candidacy must be filed with the city or town clerk not more than ~~ten weeks~~ 70 days nor less than ~~eight weeks~~ 56 days before the first Tuesday after the ~~second~~ first Monday in ~~September~~ November of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be printed on tan paper and prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 66. Minnesota Statutes 2004, section 471.895, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] (a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section 211A.01, subdivision 5;

(2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

(3) services of insignificant monetary value;

(4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;

(5) a trinket or memento ~~of insignificant value~~ costing $5 or less;

(6) informational material of unexceptional value; or

(7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not local officials, and an equivalent gift is given or offered to the other members of the group;

(2) by an interested person who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family; or

(3) by a national or multistate organization of governmental organizations or public officials, if a majority of the dues to the organization are paid from public funds, to attendees at a conference sponsored by that organization, if the gift is food or a beverage given at a reception or meal and an equivalent gift is given or offered to all other attendees.

Sec. 67. Minnesota Statutes 2004, section 524.5-310, is amended to read:

524.5-310 [FINDINGS; ORDER OF APPOINTMENT.]

(a) The court may appoint a limited or unlimited guardian for a respondent only if it finds by clear and convincing evidence that:

(1) the respondent is an incapacitated person; and

(2) the respondent's identified needs cannot be met by less restrictive means, including use of appropriate technological assistance.

(b) Alternatively, the court, with appropriate findings, may treat the petition as one for a protective order under section 524.5-401, enter any other appropriate order, or dismiss the proceeding.

(c) The court shall grant to a guardian only those powers necessitated by the ward's limitations and demonstrated needs and, whenever feasible, make appointive and other orders that will encourage the development of the ward's maximum self-reliance and independence. Any power not specifically granted to the guardian, following a written finding by the court of a demonstrated need for that power, is retained by the ward.

(d) Within 14 days after an appointment, a guardian shall send or deliver to the ward, and counsel if represented at the hearing, a copy of the order of appointment accompanied by a notice which advises the ward of the right to appeal the guardianship appointment in the time and manner provided by the Rules of Appellate Procedure.

(e) Each year, within 30 days after the anniversary date of an appointment, a guardian shall send or deliver to the ward a notice of the right to request termination or modification of the guardianship and notice of the status of the ward's right to vote.

Sec. 68. [REPEALER.]

Minnesota Statutes 2004, section 204C.50, subdivision 7, is repealed.

Minnesota Rules, parts 4501.0300, subparts 1 and 4; 4501.0500, subpart 4; 4501.0600; 4503.0200, subpart 4; 4503.0300, subpart 2; 4503.0400, subpart 2; 4503.0500, subpart 9; and 4503.0800, subpart 1, are repealed."

Delete the title and insert:

"A bill for an act relating to government operations; appropriating money for the general legislative and administrative expenses of state government; regulating state and local government operations; modifying provisions related to public employment; ratifying certain labor agreements and compensation plans; regulating elections and campaign finance; regulating Minneapolis teacher pensions; modifying provisions related to the military and veterans; authorizing rulemaking; amending Minnesota Statutes 2004, sections 10A.01, subdivisions 5, 26, 35; 10A.025, by adding a subdivision; 10A.071, subdivision 3; 10A.08; 10A.20, subdivision 5; 10A.27, subdivision 1; 10A.28, subdivision 2; 10A.31, subdivisions 4, 5; 11A.24, subdivision 6; 13.635, by adding a subdivision; 14.19; 15.054; 15.06, by adding a subdivision; 16A.103, by adding a subdivision; 16A.1286, subdivision 3; 16A.151, subdivision 2; 16A.152, subdivision 2; 16A.1522, subdivision 1; 16A.281; 16B.04, subdivision 2; 16B.33, subdivision 4; 16B.48, subdivisions 4, 5; 16C.10, subdivision 7; 16C.144; 16C.16, subdivision 1; 16C.26, subdivisions 3, 4; 16C.28, subdivision 2; 16E.01, subdivisions 1, 3; 16E.02; 16E.03, subdivisions 1, 2, 3, 7; 16E.04; 16E.0465, subdivisions 1, 2; 16E.055; 16E.07, subdivision 8; 43A.23, subdivision 1; 190.16, by adding a subdivision; 192.19; 192.261, subdivision 2; 192.501, subdivision 2; 193.29, subdivision 3; 193.30; 193.31; 197.608, subdivision 5; 200.02, subdivisions 7, 23, by adding a subdivision; 201.014, subdivision 2; 201.061, subdivision 3; 201.071, subdivision 1; 201.091, subdivisions 4, 5; 201.15; 203B.01, subdivision 3; 203B.04, subdivisions 1, 4, by adding a subdivision; 203B.07, subdivision 2; 203B.11, subdivision 1; 203B.12, subdivision 2; 203B.20; 203B.21, subdivisions 1, 3; 203B.24, subdivision 1; 204B.06, subdivisions 1, 4; 204B.10, subdivision 6; 204B.14, subdivision 2; 204B.16, subdivisions 1, 5; 204B.18, subdivision 1; 204B.24; 204B.27, subdivision 1; 204C.05, subdivision 1a; 204C.06, subdivision 2; 204C.07, subdivision 4, by adding a subdivision; 204C.08, subdivision 1a; 204C.10; 204C.12, subdivision 2; 204C.24, subdivision 1; 204C.28, subdivision 1; 204C.50, subdivisions 1, 2; 204D.03, by adding a subdivision; 204D.14, subdivision 3; 204D.27, subdivision 5; 205.175, subdivision 2; 205A.09, subdivision 1; 206.57, subdivision 5; 208.03; 208.04, subdivision 1; 208.05; 208.06; 208.07; 208.08; 211B.13, subdivision 1; 240A.03, subdivision 5, by adding a subdivision; 299C.65, subdivisions 1, 2; 349A.10, subdivision 3; 359.01, by adding a subdivision; 383B.151; 403.36, subdivision 1; 447.32, subdivision 4; 471.895, subdivision 3; 471.975; 507.093; 507.24, subdivision 2; 524.5-310; Laws 1998, chapter 404, section 15, subdivision 2, as amended; Laws 2000, chapter 461, article 4, section 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 5; 6; 8; 10; 14; 15; 16B; 16C; 16E; 43A; 168; 190; 298; 471; 507; repealing Minnesota Statutes 2004, sections 3.9222; 16A.151, subdivision 5; 16A.30; 16B.48, subdivision 3; 16B.52; 16E.0465, subdivision 3; 43A.11, subdivision 2; 197.455, subdivision 3; 204C.50, subdivision 7; 471.68, subdivision 3; Minnesota Rules, parts 4501.0300, subparts 1, 4; 4501.0500, subpart 4; 4501.0600; 4503.0200, subpart 4; 4503.0300, subpart 2; 4503.0400, subpart 2; 4503.0500, subpart 9; 4503.0800, subpart 1."

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

House Conferees: (Signed) Marty Seifert, Chris DeLaForest, Greg Blaine

Senate Conferees: (Signed) Sheila M. Kiscaden, Linda Higgins, James P. Metzen, Jim Vickerman, Cal Larson

Senator Kiscaden moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1481 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1481 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

Bachmann	Hann	Larson	Ourada	Senjem
Bakk	Higgins	LeClair	Pappas	Skoe
Belanger	Hottinger	Lourey	Pariseau	Skoglund
Betzold	Johnson, D.E.	Marko	Pogemiller	Solon
Chaudhary	Johnson, D.J.	Marty	Ranum	Sparks
Cohen	Jungbauer	McGinn	Reiter	Stumpf
Dibble	Kelley	Metzen	Rest	Tomassoni
Dille	Kierlin	Michel	Robling	Vickerman
Fischbach	Kiscaden	Moua	Rosen	Wergin
Foley	Kleis	Neuville	Ruud	
Frederickson	Koering	Nienow	Sams	
Gaither	Kubly	Olson	Saxhaug	
Gerlach	Langseth	Ortman	Scheid	

Those who voted in the negative were:

Anderson	Berglin

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Johnson, D.E. moved that H.F. No. 1470 be taken from the table. The motion prevailed.

H.F. No. 1470: A bill for an act relating to environment; authorizing annual adjustment of dry cleaner environmental fees; amending Minnesota Statutes 2004, section 115B.49, by adding a subdivision; repealing Minnesota Statutes 2004, section 115B.49, subdivision 4a.

SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1470 and that the rules of the Senate be so far suspended as to give H.F. No. 1470 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1470 was read the second time.

H.F. No. 1470 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Kiscaden	Metzen	Saxhaug
Bachmann	Frederickson	Kleis	Michel	Scheid
Bakk	Gaither	Koering	Moua	Senjem
Belanger	Gerlach	Kubly	Neuville	Skoe
Berglin	Hann	Langseth	Olson	Skoglund
Betzold	Higgins	Larson	Ourada	Solon
Chaudhary	Hottinger	LeClair	Reiter	Sparks
Cohen	Johnson, D.E.	Limmer	Rest	Stumpf
Day	Johnson, D.J.	Lourey	Robling	Tomassoni
Dibble	Jungbauer	Marko	Rosen	Vickerman
Dille	Kelley	Marty	Ruud	Wergin
Fischbach	Kierlin	McGinn	Sams	Wiger

So the bill passed and its title was agreed to.

RECONSIDERATION

Having voted on the prevailing side, Senator Johnson, D.E. moved that the vote whereby H.F. No. 1481 was passed by the Senate on May 23, 2005, be now reconsidered. The motion prevailed. So the vote was reconsidered.

H.F. No. 1481 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Olson	Scheid
Bachmann	Gerlach	Larson	Ortman	Senjem
Bakk	Hann	LeClair	Ourada	Skoe
Belanger	Higgins	Limmer	Pappas	Skoglund
Berglin	Hottinger	Lourey	Pariseau	Solon
Betzold	Johnson, D.E.	Marko	Pogemiller	Sparks
Chaudhary	Johnson, D.J.	Marty	Ranum	Stumpf
Cohen	Jungbauer	McGinn	Reiter	Tomassoni
Day	Kelley	Metzen	Rest	Vickerman
Dibble	Kierlin	Michel	Robling	Wergin
Dille	Kiscaden	Moua	Rosen	Wiger
Fischbach	Kleis	Murphy	Ruud	
Foley	Koering	Neuville	Sams	
Frederickson	Kubly	Nienow	Saxhaug	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 874, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 874 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 874

A bill for an act relating to elections; providing for approval and purpose of certain voting equipment; appropriating money; amending Minnesota Statutes 2004, sections 201.022, by adding a subdivision; 206.80; proposing coding for new law in Minnesota Statutes, chapter 206.

May 23, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 874, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 874 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 201.022, is amended by adding a subdivision to read:

Subd. 3. [CONSULTATION WITH LOCAL OFFICIALS.] The secretary of state must consult with representatives of local election officials in the development of the statewide voter registration system.

Sec. 2. Minnesota Statutes 2004, section 204B.14, subdivision 2, is amended to read:

Subd. 2. [SEPARATE PRECINCTS; COMBINED POLLING PLACE.] (a) The following shall constitute at least one election precinct:

(1) each city ward; and

(2) each town and each statutory city.

(b) A single, accessible, combined polling place may be established no later than June 1 of any year:

(1) for any city of the third or fourth class, any town, or any city having territory in more than one county, in which all the voters of the city or town shall cast their ballots;

(2) for two contiguous precincts in the same municipality that have a combined total of fewer than 500 registered voters; ~~or~~

(3) for up to four contiguous municipalities located entirely outside the metropolitan area, as defined by section 473.121, subdivision 2, that are contained in the same county; or

(4) for noncontiguous precincts located in one or more counties.

A copy of the ordinance or resolution establishing a combined polling place must be filed with the county auditor within 30 days after approval by the governing body. A polling place combined under clause (3) must be approved by the governing body of each participating municipality. A polling place combined under clause (4) must be approved by the governing body of each participating municipality and the secretary of state and may be located outside any of the noncontiguous precincts. A municipality withdrawing from participation in a combined polling place must do so by filing a resolution of withdrawal with the county auditor no later than May 1 of any year.

The secretary of state shall provide a separate polling place roster for each precinct served by the combined polling place. A single set of election judges may be appointed to serve at a combined polling place. The number of election judges required must be based on the total number of persons voting at the last similar election in all precincts to be voting at the combined polling place. Separate ballot boxes must be provided for the ballots from each precinct. The results of the election must be reported separately for each precinct served by the combined polling place, except in a polling place established under clause (2) where one of the precincts has fewer than ten registered voters, in which case the results of that precinct must be reported in the manner specified by the secretary of state.

Sec. 3. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 1a. [ASSISTIVE VOTING TECHNOLOGY.] "Assistive voting technology" means touch-activated screen, buttons, keypad, sip-and-puff input device, keyboard, earphones, or any other device used with an electronic ballot marker that assists voters to use an audio or electronic ballot display in order to cast votes.

Sec. 4. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 1b. [AUDIO BALLOT READER.] "Audio ballot reader" means an audio representation of a ballot that can be used with other assistive voting technology to permit a voter to mark votes on a nonelectronic ballot or to securely transmit a ballot electronically to automatic tabulating equipment in the polling place.

Sec. 5. Minnesota Statutes 2004, section 206.56, subdivision 2, is amended to read:

Subd. 2. [AUTOMATIC TABULATING EQUIPMENT.] "Automatic tabulating equipment" includes ~~apparatus~~ machines, resident firmware, and programmable memory units necessary to automatically examine and count votes designated on a ballot ~~cards, and data processing machines which can be used for counting ballots and tabulating results~~.

Sec. 6. Minnesota Statutes 2004, section 206.56, subdivision 3, is amended to read:

Subd. 3. [BALLOT.] "Ballot" includes ~~ballot cards and~~ paper ballots, ballot cards, the paper ballot marked by an electronic marking device, and an electronic record of each vote cast by a voter at an election and securely transmitted electronically to automatic tabulating equipment in the polling place.

Sec. 7. Minnesota Statutes 2004, section 206.56, subdivision 7, is amended to read:

Subd. 7. [COUNTING CENTER.] "Counting center" means a place selected by the governing body of a municipality where ~~an~~ a central count electronic voting system is used for the automatic processing and counting of ballots.

Sec. 8. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 7a. [ELECTRONIC BALLOT DISPLAY.] "Electronic ballot display" means a graphic representation of a ballot on a computer monitor or screen on which a voter may make vote choices for candidates and questions for the purpose of marking a nonelectronic ballot or securely transmitting an electronic ballot to automatic tabulating equipment in the polling place.

Sec. 9. Minnesota Statutes 2004, section 206.56, is amended by adding a subdivision to read:

Subd. 7b. [ELECTRONIC BALLOT MARKER.] "Electronic ballot marker" means equipment that is part of an electronic voting system that uses an electronic ballot display or audio ballot reader to:

(1) mark a nonelectronic ballot with votes selected by a voter; or

(2) securely transmit a ballot electronically to automatic tabulating equipment in the polling place.

Sec. 10. Minnesota Statutes 2004, section 206.56, subdivision 8, is amended to read:

Subd. 8. [ELECTRONIC VOTING SYSTEM.] "Electronic voting system" means a system in which the voter records votes by means of marking or transmitting a ballot, ~~which is designed~~ so that votes may be counted by automatic tabulating equipment in the polling place where the ballot is cast or at a counting center.

An electronic voting system includes automatic tabulating equipment; nonelectronic ballot markers; electronic ballot markers, including electronic ballot display, audio ballot reader, and devices by which the voter will register the voter's voting intent; software used to program

automatic tabulators and layout ballots; computer programs used to accumulate precinct results; ballots; secrecy folders; system documentation; and system testing results.

Sec. 11. Minnesota Statutes 2004, section 206.56, subdivision 9, is amended to read:

Subd. 9. [MANUAL MARKING DEVICE.] "Manual marking device" means any approved device for directly marking a ballot by hand with ink, pencil, or other substance which will enable the ballot to be tabulated by means of automatic tabulating equipment.

Sec. 12. Minnesota Statutes 2004, section 206.57, subdivision 1, is amended to read:

Subdivision 1. [EXAMINATION AND REPORT BY SECRETARY OF STATE; APPROVAL.] A vendor of an electronic voting system may apply to the secretary of state to examine the system and to report as to its compliance with the requirements of law and as to its accuracy, durability, efficiency, and capacity to register the will of voters. The secretary of state or a designee shall examine the system submitted and file a report on it in the Office of the Secretary of State. Examination is not required of every individual machine or counting device, but only of each type of electronic voting system before its adoption, use, or purchase and before its continued use after significant changes have been made in an approved system. The examination must include the ballot programming,; electronic ballot marking, including all assistive technologies intended to be used with the system; vote counting,; and vote accumulation functions of each voting system.

If the report of the secretary of state or the secretary's designee concludes that the kind of system examined complies with the requirements of sections 206.55 to 206.90 and can be used safely, the system shall be deemed approved by the secretary of state, and may be adopted and purchased for use at elections in this state. A voting system not approved by the secretary of state may not be used at an election in this state. The secretary of state may adopt permanent rules consistent with sections 206.55 to 206.90 relating to the examination and use of electronic voting systems.

Sec. 13. Minnesota Statutes 2004, section 206.57, subdivision 5, is amended to read:

Subd. 5. [VOTING SYSTEM FOR DISABLED VOTERS.] In federal and state elections held after December 31, 2005, and in county, municipal, and school district elections held after December 31, 2007, the voting method used in each polling place must include a voting system that is accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired in a manner that provides the same opportunity for access and participation, including privacy and independence, as for other voters.

Sec. 14. Minnesota Statutes 2004, section 206.57, is amended by adding a subdivision to read:

Subd. 7. [ELECTION ASSISTANCE COMMISSION STANDARDS.] If the federal Election Assistance Commission has not established by January 1, 2006, standards for an electronic ballot marker or other voting system component that is required to enable a voting system to meet the requirements of subdivision 5, the secretary of state may certify the voting system on an experimental basis pending the completion of federal standards, notwithstanding subdivision 6. Within two years after the Election Assistance Commission issues standards for a voting system component used in a voting system authorized under this subdivision, the secretary of state must review or reexamine the voting system to determine whether the system conforms to federal standards.

Sec. 15. Minnesota Statutes 2004, section 206.61, subdivision 4, is amended to read:

Subd. 4. [ORDER OF CANDIDATES.] On the "State Partisan Primary Ballot" prepared for primary elections, and on the white ballot prepared for the general election, the order of the names of nominees or names of candidates for election shall be the same as required for paper ballots. More than one column or row may be used for the same office or party. Electronic ballot display and audio ballot readers must conform to the candidate order on the optical scan ballot used in the precinct.

Sec. 16. Minnesota Statutes 2004, section 206.61, subdivision 5, is amended to read:

Subd. 5. [ALTERNATION.] The provisions of the election laws requiring the alternation of names of candidates must be observed as far as practicable by changing the order of the names on an electronic voting system in the various precincts so that each name appears on the machines or marking devices used in a municipality substantially an equal number of times in the first, last, and in each intermediate place in the list or group in which they belong. However, the arrangement of candidates' names must be the same on all voting systems used in the same precinct. If the number of names to be alternated exceeds the number of precincts, the election official responsible for providing the ballots, in accordance with subdivision 1, shall determine by lot the alternation of names.

If an electronic ballot marker is used with a paper ballot that is not an optical scan ballot card, the manner of alternation of candidate names on the paper ballot must be as prescribed for optical scan ballots in this subdivision. If a machine is used to securely transmit a ballot electronically to automatic tabulating equipment in the polling place, the manner of alternation of candidate names on the transmitting machine must be as prescribed for optical scan ballots in this subdivision.

Sec. 17. Minnesota Statutes 2004, section 206.64, subdivision 1, is amended to read:

Subdivision 1. [GENERAL PROVISIONS FOR ELECTRONIC SYSTEM VOTING.] Each electronic voting system booth must be placed and protected so that it is accessible to only one voter at a time and is in full view of all the election judges and challengers at the polling place. The election judges shall admit one individual at a time to each booth after determining that the individual is eligible to vote. Voting by electronic voting system must be secret, except for voters who ~~need~~ request assistance. A voter may remain inside the voting booth for ~~three minutes~~ the time reasonably required for the voter to complete the ballot. A voter who refuses to leave the voting booth after a reasonable amount of time, but not less than three minutes, must be removed by the election judges.

Sec. 18. Minnesota Statutes 2004, section 206.80, is amended to read:

206.80 [ELECTRONIC VOTING SYSTEMS.]

(a) An electronic voting system may not be employed unless it:

(1) permits every voter to vote in secret;

(2) permits every voter to vote for all candidates and questions for whom or upon which the voter is legally entitled to vote;

(3) provides for write-in voting when authorized;

(4) automatically rejects ~~by means of the automatic tabulating equipment~~, except as provided in section 206.84 with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast;

(5) permits a voter at a primary election to select secretly the party for which the voter wishes to vote; ~~and~~

(6) automatically rejects~~, by means of the automatic tabulating equipment,~~ all votes cast in a primary election by a voter when the voter votes for candidates of more than one party; and

(7) provides every voter an opportunity to verify votes recorded on the permanent paper ballot or paper record, either visually or using assistive voting technology, and to change votes or correct any error before the voter's ballot is cast and counted, produces an individual, discrete, permanent, paper ballot or paper record of the ballot cast by the voter, and preserves the paper ballot or paper record as an official record available for use in any recount.

(b) An electronic voting system purchased on or after the effective date of this section may not be employed unless it:

(1) accepts and tabulates, in the polling place or at a counting center, a marked optical scan ballot;

(2) creates a marked optical scan ballot that can be tabulated in the polling place or at a counting center by automatic tabulating equipment certified for use in this state; or

(3) securely transmits a ballot electronically to automatic tabulating equipment in the polling place while creating an individual, discrete, permanent paper record of each vote on the ballot.

Sec. 19. [206.805] [STATE VOTING SYSTEMS CONTRACTS.]

Subdivision 1. [CONTRACTS REQUIRED.] (a) The secretary of state, with the assistance of the commissioner of administration, shall establish one or more state voting systems contracts. The contracts should, if practical, include provisions for maintenance of the equipment purchased. The voting systems contracts must address precinct-based optical scan voting equipment, ballot marking equipment for persons with disabilities and other voters, and assistive voting machines that combine voting methods used for persons with disabilities with precinct-based optical scan voting machines. The contracts must give the state a perpetual license to use and modify the software. The contracts must include provisions to escrow the software source code, as provided in subdivision 2. Bids for voting systems and related election services must be solicited from each vendor selling or leasing voting systems that have been certified for use by the secretary of state. The contracts must be renewed from time to time.

(b) The secretary of state shall appoint an advisory committee, including representatives of the state chief information officer, county auditors, municipal clerks who have had operational experience with the use of electronic voting systems, and members of the disabilities community to advise the secretary of state in reviewing and evaluating the merits of proposals submitted from voting equipment vendors for the state contracts.

(c) Counties and municipalities may purchase or lease voting systems and obtain related election services from the state contracts.

Subd. 2. [ESCROW OF SOURCE CODE.] The contracts must require the voting system vendor to provide a copy of the source code for the voting system to an independent third-party evaluator selected by the vendor, the secretary of state, and the chairs of the major political parties. The evaluator must examine the source code and certify to the secretary of state that the voting system will record and count votes as represented by the vendor. Source code that is trade secret information must be treated as nonpublic information, in accordance with section 13.37. Each major political party may designate an agent to examine the source code to verify that the voting system will record and count votes as represented by the vendor; the agent must not disclose the source code to anyone else.

Sec. 20. Minnesota Statutes 2004, section 206.81, is amended to read:

206.81 [ELECTRONIC VOTING SYSTEMS; EXPERIMENTAL USE.]

(a) The secretary of state may ~~approve~~ certify an electronic voting system for experimental use at an election prior to its approval for general use.

(b) ~~The secretary of state must approve one or more direct recording electronic voting systems for experimental use at an election before their approval for general use and may impose restrictions on their use. At least one voting system approved under this paragraph must permit sighted persons to vote and at least one system must permit a blind or visually impaired voter to cast a ballot independently and privately.~~

~~(c)~~ Experimental use must be observed by the secretary of state or the secretary's designee and the results observed must be considered at any subsequent proceedings for ~~approval~~ certification for general use.

~~(d)~~ (c) The secretary of state may adopt rules consistent with sections 206.55 to 206.90 relating to experimental use. The extent of experimental use must be determined by the secretary of state.

Sec. 21. Minnesota Statutes 2004, section 206.82, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM.] A program or programs for use in an election conducted by means of an electronic voting system or using an electronic ballot marker shall be prepared at the direction of the county auditor or municipal clerk who is responsible for the conduct of the election and shall be independently verified by a competent person designated by that official. The term "competent person" as used in this section means a person who can demonstrate knowledge as a computer programmer and who is other than and wholly independent of any person operating or employed by the counting center or the corporation or other preparer of the program. A test deck prepared by a competent person shall be used for independent verification of the program; it shall test the maximum digits used in totaling the returns and shall be usable by insertion during the tabulation process as well as prior to tabulation. A test deck must also be prepared using the electronic ballot marker program and must also be used to verify that all valid votes counted by the vote tabulator may be selected using the electronic ballot marker. The secretary of state shall adopt rules further specifying test procedures.

Sec. 22. Minnesota Statutes 2004, section 206.82, subdivision 2, is amended to read:

Subd. 2. [PLAN.] The municipal clerk in a municipality where an electronic voting system is used and the county auditor of a county in which an electronic voting system is used in more than one municipality and the county auditor of a county in which a counting center serving more than one municipality is located shall prepare a plan which indicates acquisition of sufficient facilities, computer time, and professional services and which describes the proposed manner of complying with section 206.80. The plan must be signed, notarized, and submitted to the secretary of state more than 60 days before the first election at which the municipality uses an electronic voting system. Prior to July 1 of each subsequent general election year, the clerk or auditor shall submit to the secretary of state notification of any changes to the plan on file with the secretary of state. The secretary of state shall review each plan for its sufficiency and may request technical assistance from the Department of Administration or other agency which may be operating as the central computer authority. The secretary of state shall notify each reporting authority of the sufficiency or insufficiency of its plan within 20 days of receipt of the plan. The attorney general, upon request of the secretary of state, may seek a district court order requiring an election official to fulfill duties imposed by this subdivision or by rules promulgated pursuant to this section.

Sec. 23. Minnesota Statutes 2004, section 206.83, is amended to read:

206.83 [TESTING OF VOTING SYSTEMS.]

Within 14 days before election day, the official in charge of elections shall have the voting system tested to ascertain that the system will correctly mark or securely transmit to automatic tabulating equipment in the polling place ballots using all methods supported by the system, including through assistive technology, and count the votes cast for all candidates and on all questions ~~within 14 days prior to election day~~. Public notice of the time and place of the test must be given at least two days in advance by publication once in official newspapers. The test must be observed by at least two election judges, who are not of the same major political party, and must be open to representatives of the political parties, candidates, the press, and the public. The test must be conducted by (1) processing a preaudited group of ballots punched or marked to record a predetermined number of valid votes for each candidate and on each question, and must include for each office one or more ballot cards which have votes in excess of the number allowed by law in order to test the ability of the voting system tabulator and electronic ballot marker to reject those votes; and (2) processing an additional test deck of ballots marked using the electronic ballot marker for the precinct, including ballots marked or ballots securely transmitted electronically to automatic tabulating equipment in the polling place using the electronic ballot display, audio ballot reader, and any assistive voting technology used with the electronic ballot marker. If any error is detected, the cause must be ascertained and corrected and an errorless count must be made before the voting system may be used in the election. After the completion of the test, the programs used and ballot cards must be sealed, retained, and disposed of as provided for paper ballots.

Sec. 24. Minnesota Statutes 2004, section 206.84, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTION OF JUDGES, VOTERS.] The officials in charge of elections shall determine procedures to instruct election judges and voters in the use of electronic voting system manual marking devices and the electronic ballot marker, including assistive voting technology.

Sec. 25. Minnesota Statutes 2004, section 206.84, subdivision 3, is amended to read:

Subd. 3. [BALLOTS.] The ballot information must be in the same order provided for paper ballots, except that the information may be in vertical or horizontal rows, or on a number of separate pages. The secretary of state shall provide by rule for standard ballot formats for electronic voting systems. Electronic ballot displays and audio ballot readers shall be in the order provided for on the optical scan ballot. Electronic ballot displays may employ zooms or other devices as assistive voting technology. Audio ballot readers may employ rewinds or audio cues as assistive voting technology.

Ballot cards may contain special printed marks ~~and holes~~ as required for proper positioning and reading of the ballots by electronic vote counting equipment. Ballot cards must contain an identification of the precinct for which they have been prepared which can be read visually and which can be tabulated by the automatic tabulating equipment.

Sec. 26. Minnesota Statutes 2004, section 206.84, subdivision 6, is amended to read:

Subd. 6. [DUTIES OF OFFICIAL IN CHARGE.] The official in charge of elections in each municipality where an electronic voting system is used shall have the voting systems put in order, set, adjusted, and made ready for voting when delivered to the election precincts. The official shall also provide each precinct with a container for transporting ballot cards to the counting location after the polls close. The container shall be of sturdy material to protect the ballots from all reasonably foreseeable hazards including auto collisions. The election judges shall meet at the polling place at least one hour before the time for opening the polls. Before the polls open the election judges shall compare the ballot cards used with the sample ballots, electronic ballot displays, and audio ballot reader furnished to see that the names, numbers, and letters on both agree and shall certify to that fact on forms provided for the purpose. The certification must be filed with the election returns.

Sec. 27. [206.845] [BALLOT RECORDING AND COUNTING SECURITY.]

Subdivision 1. [PROHIBITED CONNECTIONS.] The county auditor and municipal clerk must secure ballot recording and tabulating systems physically and electronically against unauthorized access. Except for wired connections within the polling place, ballot recording and tabulating systems must not be connected to or operated on, directly or indirectly, any electronic network, including a local area network, a wide-area network, the Internet, or the World Wide Web. Wireless communications may not be used in any way in a vote recording or vote tabulating system. Wireless, device-to-device capability is not permitted. No connection by modem is permitted.

Transfer of information from the ballot recording or tabulating system to another system for network distribution or broadcast must be made by disk, tape, or other physical means of communication, other than direct or indirect electronic connection of the vote recording or vote tabulating system.

Subd. 2. [TRANSMISSION TO CENTRAL REPORTING LOCATION.] After the close of the polls, the head election judge must create a printed record of the results of the election for that precinct. After the record has been printed, the head election judge in a precinct that employs automatic tabulating equipment may transmit the accumulated tally for each device to a central reporting location using a telephone, modem, Internet, or other electronic connection. During the canvassing period, the results transmitted electronically must be considered unofficial until the canvassing board has performed a complete reconciliation of the results.

Sec. 28. Minnesota Statutes 2004, section 206.85, subdivision 1, is amended to read:

Subdivision 1. [DUTIES OF RESPONSIBLE OFFICIAL.] The official in charge of elections in a municipality where an electronic voting system is used at a counting center must:

(a) be present or personally represented throughout the counting center proceedings;

(b) be responsible for acquiring sufficient facilities and personnel to ensure timely and lawful processing of votes;

(c) be responsible for the proper training of all personnel participating in counting center proceedings and deputize all personnel who are not otherwise election judges;

(d) maintain actual control over all proceedings and be responsible for the lawful execution of all proceedings in the counting center whether or not by experts;

(e) be responsible for assuring the lawful retention and storage of ballots and read-outs; and

(f) arrange for observation by the public and by candidates' representatives of counting center procedures by publishing the exact location of the counting center in a legal newspaper at least once during the week preceding the week of election and in the newspaper of widest circulation once on the day preceding the election, or once the week preceding the election if the newspaper is a weekly.

The official may make arrangements with news reporters which permit prompt reporting of election results but which do not interfere with the timely and lawful completion of counting procedures.

Sec. 29. Minnesota Statutes 2004, section 206.90, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For the purposes of this section, "optical scan voting system" means an electronic voting system approved for use under sections 206.80 to 206.81 in which the voter records votes by marking with a pencil or other ~~writing instrument~~ device, including an electronic ballot marker, a ballot on which the names of candidates, office titles, party designation in a partisan primary or election, and a statement of any question accompanied by the words "Yes" and "No" are printed.

Sec. 30. Minnesota Statutes 2004, section 206.90, subdivision 5, is amended to read:

Subd. 5. [INSTRUCTION OF JUDGES, VOTERS.] In instructing judges and voters under section 206.84, subdivision 1, officials in charge of election precincts using optical scan voting systems shall include instruction on the proper mark for recording votes on ballot cards marked with a pencil or other writing instrument and the insertion by the voter of the ballot card into automatic tabulating equipment that examines and counts votes as the ballot card is deposited into the ballot box.

Officials shall include instruction on the insertion by the voter of the ballot card into an electronic ballot marker that can examine votes before the ballot card is deposited into the ballot box.

Sec. 31. Minnesota Statutes 2004, section 206.90, subdivision 6, is amended to read:

Subd. 6. [BALLOTS.] In precincts using optical scan voting systems, a single ballot card on which all ballot information is included must be printed in black ink on white colored material except that marks not to be read by the automatic tabulating equipment may be printed in another color ink.

On the front of the ballot must be printed the words "Official Ballot" and the date of the election and lines for the initials of at least two election judges.

When optical scan ballots are used, the offices to be elected must appear in the following order: federal offices; state legislative offices; constitutional offices; proposed constitutional amendments; county offices and questions; municipal offices and questions; school district offices and questions; special district offices and questions; and judicial offices.

On optical scan ballots, the names of candidates and the words "yes" and "no" for ballot questions must be printed as close to their corresponding vote targets as possible.

The line on an optical scan ballot for write-in votes must contain the words "write-in, if any."

If a primary ballot contains both a partisan ballot and a nonpartisan ballot, the instructions to voters must include a statement that reads substantially as follows: "THIS BALLOT CARD CONTAINS A PARTISAN BALLOT AND A NONPARTISAN BALLOT. ON THE PARTISAN BALLOT YOU ARE PERMITTED TO VOTE FOR CANDIDATES OF ONE POLITICAL PARTY ONLY." If a primary ballot contains political party columns on both sides of the ballot, the instructions to voters must include a statement that reads substantially as follows: "ADDITIONAL POLITICAL PARTIES ARE PRINTED ON THE OTHER SIDE OF THIS BALLOT. VOTE FOR ONE POLITICAL PARTY ONLY." At the bottom of each political party column on the primary ballot, the ballot must contain a statement that reads substantially as follows: "CONTINUE VOTING ON THE NONPARTISAN BALLOT." The instructions in section 204D.08, subdivision 4, do not apply to optical scan partisan primary ballots. Electronic ballot displays and audio ballot readers must follow the order of offices and questions on the optical scan or paper ballot used in the same precinct, or the sample ballot posted for that precinct.

Sec. 32. Minnesota Statutes 2004, section 206.90, subdivision 8, is amended to read:

Subd. 8. [DUTIES OF ELECTION OFFICIALS.] The official in charge of elections in each municipality where an optical scan voting system is used shall have the electronic ballot marker that examines and marks votes on ballot cards or the machine that securely transmits a ballot electronically to automatic tabulating equipment in the polling place and the automatic tabulating equipment that examines and counts votes as ballot cards are deposited into ballot boxes put in order, set, adjusted, and made ready for voting when delivered to the election precincts.

Sec. 33. Minnesota Statutes 2004, section 206.90, subdivision 9, is amended to read:

Subd. 9. [SPOILED BALLOT CARDS.] Automatic tabulating equipment and electronic ballot markers must be capable of examining a ballot card for defects and returning it to the voter before it is counted and deposited into the ballot box and must be programmed to return as a spoiled ballot a ballot card with votes for an office or question which exceed the number which the voter is entitled to cast and at a primary a ballot card with votes for candidates of more than one party.

Sec. 34. [APPROPRIATIONS.]

Subdivision 1. [ASSISTIVE VOTING TECHNOLOGY.] (a) $29,000,000 is appropriated from the Help America Vote Act account to the secretary of state for grants to counties for the following purposes:

(1) to purchase electronic voting systems equipped for individuals with disabilities that meet the requirements of Minnesota Statutes, section 206.80, and have been certified by the secretary of state under Minnesota Statutes, section 206.57; the systems may be either ballot marking equipment for persons with disabilities and other voters or assistive voting machines that combine voting methods used for persons with disabilities with precinct-based optical scan voting machines;

(2) to defray operating costs of the assistive voting equipment purchased under clause (1), up to $600 per polling place per year; and

(3) to the extent that money remains after purchasing an assistive voting system for each polling place, to purchase precinct-count or central-count optical scan electronic voting systems.

This appropriation is available until June 30, 2009.

(b) "Operating costs" include actual county and municipal costs for hardware maintenance, election day technical support, software licensing, system programming, voting system testing, training of county or municipal staff in the use of the assistive voting system, transportation of the assistive voting systems to and from the polling places, and storage of the assistive voting systems between elections.

(c) The secretary of state shall allocate the amount to each county in proportion to the number of precincts used by the county in the state general election of 2004.

Subd. 2. [OPTICAL SCAN EQUIPMENT.] $6,000,000 is appropriated from the Help America Vote Act account to the secretary of state for grants to counties to purchase optical scan voting equipment. Counties are eligible for grants to the extent that they decide to purchase ballot marking machines and as a result do not have sufficient Help America Vote Act grant money remaining to also purchase a compatible precinct-based optical scan machine or central-count machine. These grants must be allocated to counties at a rate of $3,000 per eligible precinct until the appropriation is exhausted, with priority in the payment of grants to be given to counties currently using hand- and central-count voting systems and counties using precinct-count optical scan voting systems incompatible with assistive voting systems or ballot marking machines. This appropriation is available until June 30, 2009.

Subd. 3. [GRANT APPLICATION.] To receive a grant under subdivision 1 or 2, a county must apply to the secretary of state on forms prescribed by the secretary of state that set forth how the grant money will be spent, which must be in accordance with the plan adopted under section 35. A county may submit more than one grant application, so long as the appropriation remains available and the total amount granted to the county does not exceed the county's allocation.

Subd. 4. [REPORT; AUDIT RECORDS.] Each county receiving a grant under subdivision 1 or 2 must report to the secretary of state by January 15, 2006, the amount spent for the purchase of each kind of electronic voting system and for operating costs of the systems purchased. The secretary of state shall compile this information and report it to the legislature by February 15, 2006.

In addition to the report required by this section, each county receiving a grant under this act must maintain financial records for each grant sufficient to satisfy federal audit standards and must transmit those records to the secretary of state upon request of the secretary of state.

Subd. 5. [ACCESS TO POLLING PLACES.] $290,000 is appropriated from the Help America Vote Act account to the secretary of state to make grants to counties and municipalities to improve access to polling places for individuals with disabilities, to be available until June 30, 2007.

Subd. 6. [ADMINISTRATIVE COSTS.] $3,000,000 is appropriated from the Help America Vote Act account to the secretary of state for the following purposes, to be available until June 30, 2007:

(1) $1,218,000 to maintain the statewide voter registration system and to develop the capacity to handle registration and election transactions at the polling place;

(2) $20,000 to verify voter registration data against the Department of Public Safety driver's license and Social Security number database;

(3) $200,000 to make the statewide voter registration system available for use by local election officials;

(4) $440,000 to assist local election officials using the statewide voter registration system;

(5) $79,000 to develop and operate the system for matching Social Security numbers against driver's license records;

(6) $83,000 for the state court administrator to automate the interchange of information between the state courts and the statewide voter registration system;

(7) $200,000 to administer implementation of the Help America Vote Act and to audit the grants to counties and municipalities under this section;

(8) $120,000 to process complaints received under Minnesota Statutes, section 200.04;

(9) $40,000 to establish the state voting systems contracts required by new Minnesota Statutes, section 206.805, and to administer the grants to counties and municipalities under this section;

(10) $200,000 to train local election officials on the use, maintenance, and implementation of the new electronic voting systems purchased with the appropriations in this section; and

(11) $400,000 to educate voters on how to vote using the new electronic voting systems purchased with the appropriations in this section.

Subd. 7. [USE OF BALANCE.] Any balance remaining in the Help America Vote Act account after previous appropriations and the appropriations in this section is reserved for future appropriations to supplement those made in subdivisions 1 and 2 of this section.

Sec. 35. [LOCAL EQUIPMENT PLANS.]

(a) The county auditor shall convene a working group of all city, town, and school district election officials in each county to create a local equipment plan. The working group must continue to meet until the plan is completed, which must be no later than September 15, 2005, or 45 days after state certification of assistive voting systems, whichever is later. The plan must:

(1) contain procedures to implement voting systems as defined in Minnesota Statutes, section 206.80, in each polling location;

(2) define who is responsible for any capital or operating costs related to election equipment not covered by federal money from the Help America Vote Act account; and

(3) outline how the federal money from the Help America Vote Act account will be spent.

(b) A county plan must provide funding to purchase either precinct-based optical scan voting equipment or assistive voting machines that combine voting methods used for persons with disabilities with precinct-based optical scan voting machines for any precinct whose city or town requests it, if the requesting city or town agrees with the county on who will be responsible for operating and replacement costs related to the use of the precinct-based equipment.

(c) The plan must be submitted to the secretary of state for review and comment.

(d) The county board of commissioners must adopt the local equipment plan after a public hearing. Money from the Help America Vote Act account may not be expended until the plan is adopted. The county auditor shall file the adopted local equipment plan with the secretary of state.

Sec. 36. [MAIL BALLOTING.]

Nothing in this act is intended to preclude the use of mail balloting in those precincts where it is allowed under state law.

Sec. 37. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to elections; setting standards for and providing for the acquisition of electronic voting systems; appropriating money from the Help America Vote Act account; amending Minnesota Statutes 2004, sections 201.022, by adding a subdivision; 204B.14, subdivision 2; 206.56, subdivisions 2, 3, 7, 8, 9, by adding subdivisions; 206.57, subdivisions 1, 5, by adding a subdivision; 206.61, subdivisions 4, 5; 206.64, subdivision 1; 206.80; 206.81; 206.82, subdivisions 1, 2; 206.83; 206.84, subdivisions 1, 3, 6; 206.85, subdivision 1; 206.90, subdivisions 1, 5, 6, 8, 9; proposing coding for new law in Minnesota Statutes, chapter 206."

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

House Conferees: (Signed) Laura Brod, Tom Emmer, Bill Hilty

Senate Conferees: (Signed) Linda Higgins, John Marty, Dave Kleis

Senator Higgins moved that the foregoing recommendations and Conference Committee Report on H.F. No. 874 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 874 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Kubly	Nienow	Sams
Bachmann	Gerlach	Langseth	Olson	Saxhaug
Bakk	Hann	Larson	Ortman	Skoe
Belanger	Higgins	LeClair	Ourada	Skoglund
Betzold	Hottinger	Lourey	Pappas	Solon
Chaudhary	Johnson, D.E.	Marko	Pariseau	Sparks
Cohen	Johnson, D.J.	Marty	Pogemiller	Stumpf
Day	Jungbauer	McGinn	Ranum	Tomassoni
Dibble	Kelley	Metzen	Reiter	Vickerman
Dille	Kierlin	Michel	Rest	Wergin
Fischbach	Kiscaden	Moua	Robling	Wiger
Foley	Kleis	Murphy	Rosen	
Frederickson	Koering	Neuville	Ruud	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 225, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 225 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 225

A bill for an act relating to government data; making technical, conforming, and clarifying changes to the Minnesota Government Data Practices Act; defining terms; modifying certain civil penalty and damages amounts; classifying, regulating, and reviewing access to and dissemination of certain data; providing notice of breaches in security; regulating certain fees; providing for the conduct of certain board and council meetings; modifying provisions regulating motor vehicle and driver applications and records; modifying vehicle accident reports and procedures; providing for treatment of data held by the comprehensive incident-based reporting system; amending Minnesota Statutes 2004, sections 11A.24, subdivision 6; 13.01, subdivisions 1, 3; 13.02, subdivision 7; 13.03, subdivisions 1, 2, 3, 4, 5, 6, 8; 13.04, subdivisions 2, 4; 13.05, subdivisions 1, 4, 6, 7, 8, 9; 13.06, subdivisions 1, 2, 3, 4; 13.07; 13.072, subdivision 4; 13.073, subdivision 3; 13.08, subdivisions 1, 2, 4, 5; 13.32, by adding a subdivision; 13.37, subdivisions 1, 2, 3; 13.3805, by adding a subdivision; 13.43, subdivisions 1, 2, 3; 13.46, subdivision 4; 13.591, by adding subdivisions; 13.601, by adding a subdivision; 13.635, by adding a subdivision; 13.72, by adding subdivisions; 13.82, subdivisions 1, 16; 16C.06, subdivision 5; 116J.68, by adding a subdivision; 116L.03, by adding a subdivision; 116L.665, by adding a subdivision; 116M.15, by adding a subdivision; 116U.25; 168.346; 168A.04, by adding a subdivision; 169.09, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 14, 15, by adding subdivisions; 171.07, subdivisions 1, 3; 171.12, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 13; 41A; 299C; repealing Minnesota Statutes 2004, sections 13.04, subdivision 5; 169.09, subdivision 10; 170.55.

May 23, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 225, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 225 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 3.978, subdivision 2, is amended to read:

Subd. 2. [INQUIRY AND INSPECTION POWER; DUTY TO AID LEGISLATIVE AUDITOR.] All public officials and their deputies and employees, and all corporations, firms, and individuals having business involving the receipt, disbursement, or custody of public funds shall at all times afford reasonable facilities for examinations by the legislative auditor, make returns and reports required by the legislative auditor, attend and answer under oath the legislative auditor's lawful inquiries, produce and exhibit all books, accounts, documents, data of any classification, and property that the legislative auditor may ~~desire~~ need to inspect, and in all things aid the legislative auditor in the performance of duties.

Sec. 2. Minnesota Statutes 2004, section 11A.24, subdivision 6, is amended to read:

Subd. 6. [OTHER INVESTMENTS.] (a) In addition to the investments authorized in subdivisions 1 to 5, and subject to the provisions in paragraph (b), the state board may invest funds in:

(1) venture capital investment businesses through participation in limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations;

(2) real estate ownership interests or loans secured by mortgages or deeds of trust or shares of real estate investment trusts through investment in limited partnerships, bank sponsored collective funds, trusts, mortgage participation agreements, and insurance company commingled accounts, including separate accounts;

(3) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940, and closed-end mutual funds listed on an exchange regulated by a governmental agency;

(4) resource investments through limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations; and

(5) international securities.

(b) The investments authorized in paragraph (a) must conform to the following provisions:

(1) the aggregate value of all investments made according to paragraph (a), clauses (1) to (4), may not exceed 35 percent of the market value of the fund for which the state board is investing;

(2) there must be at least four unrelated owners of the investment other than the state board for investments made under paragraph (a), clause (1), (2), (3), or (4);

(3) state board participation in an investment vehicle is limited to 20 percent thereof for investments made under paragraph (a), clause (1), (2), (3), or (4); and

(4) state board participation in a limited partnership does not include a general partnership

interest or other interest involving general liability. The state board may not engage in any activity as a limited partner which creates general liability.

(c) All financial, business, or proprietary data collected, created, received, or maintained by the state board in connection with investments authorized by paragraph (a), clause (1), (2), or (4), are nonpublic data under section 13.02, subdivision 9. As used in this section, "financial, business, or proprietary data" means data, as determined by the responsible authority for the state board: (i) that is of a financial, business, or proprietary nature; and (ii) the release of which could cause competitive harm to the state board, the legal entity in which the state board has invested or has considered an investment, the managing entity of an investment, or a portfolio company in which the legal entity holds an interest. As used in this section, "business data" is data described in section 13.591, subdivision 1. Regardless of whether they could be considered financial, business, or proprietary data, the following data received, prepared, used, or retained by the state board in connection with investments authorized by paragraph (a), clause (1), (2), or (4), are public at all times:

(1) the name and industry group classification of the legal entity in which the state board has invested or in which the state board has considered an investment;

(2) the state board commitment amount, if any;

(3) the funded amount of the state board's commitment to date, if any;

(4) the market value of the investment by the state board;

(5) the state board's internal rate of return for the investment, including expenditures and receipts used in the calculation of the investment's internal rate of return; and

(6) the age of the investment in years.

Sec. 3. Minnesota Statutes 2004, section 13.01, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] All ~~state agencies, political subdivisions and statewide systems~~ government entities shall be governed by this chapter.

Sec. 4. Minnesota Statutes 2004, section 13.01, subdivision 3, is amended to read:

Subd. 3. [SCOPE.] This chapter regulates the collection, creation, storage, maintenance, dissemination, and access to government data in ~~state agencies, statewide systems, and political subdivisions~~ government entities. It establishes a presumption that government data are public and are accessible by the public for both inspection and copying unless there is federal law, a state statute, or a temporary classification of data that provides that certain data are not public.

Sec. 5. Minnesota Statutes 2004, section 13.02, subdivision 7, is amended to read:

Subd. 7. [GOVERNMENT DATA.] "Government data" means all data collected, created, received, maintained or disseminated by any ~~state agency, political subdivision, or statewide system~~ government entity regardless of its physical form, storage media or conditions of use.

Sec. 6. Minnesota Statutes 2004, section 13.03, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC DATA.] All government data collected, created, received, maintained or disseminated by a ~~state agency, political subdivision, or statewide system~~ government entity shall be public unless classified by statute, or temporary classification pursuant to section 13.06, or federal law, as nonpublic or protected nonpublic, or with respect to data on individuals, as private or confidential. The responsible authority in every ~~state agency, political subdivision and statewide system~~ government entity shall keep records containing government data in such an arrangement and condition as to make them easily accessible for convenient use. Photographic, photostatic, microphotographic, or microfilmed records shall be considered as accessible for convenient use regardless of the size of such records.

Sec. 7. Minnesota Statutes 2004, section 13.03, subdivision 2, is amended to read:

Subd. 2. [PROCEDURES.] (a) The responsible authority in every ~~state agency, political subdivision, and statewide system~~ government entity shall establish procedures, consistent with this chapter, to insure that requests for government data are received and complied with in an appropriate and prompt manner.

(b) The responsible authority shall prepare public access procedures in written form and update them no later than August 1 of each year as necessary to reflect any changes in personnel or circumstances that might affect public access to government data. The responsible authority shall make copies of the written public access procedures easily available to the public by distributing free copies of the procedures to the public or by posting a copy of the procedures in a conspicuous place within the government entity that is easily accessible to the public.

(c) Full convenience and comprehensive accessibility shall be allowed to researchers including historians, genealogists and other scholars to carry out extensive research and complete copying of all records containing government data except as otherwise expressly provided by law.

A responsible authority may designate one or more designees.

Sec. 8. Minnesota Statutes 2004, 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 printing 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 a reasonable fee for remote access to data under a specific statutory grant of authority. A government entity may charge a fee for remote access to data where either the data or the access is enhanced at the request of the person seeking access.

(c) 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. However, if 100 or fewer pages of black and white, letter or legal size paper copies are requested, actual costs shall not be used, and instead, the responsible authority may charge no more than 25 cents for each page copied. 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.

(d) 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~~ government entity, 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~~ government entity 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.

(e) The responsible authority of a ~~state agency, statewide system, or political subdivision~~ government entity that maintains public government data in a computer storage medium shall

provide to any person making a request under this section a copy of any public data contained in that medium, in electronic form, if the government entity can reasonably make the copy or have a copy made. This does not require a government entity to provide the data in an electronic format or program that is different from the format or program in which the data are maintained by the government entity. The entity may require the requesting person to pay the actual cost of providing the copy.

(f) 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. 9. Minnesota Statutes 2004, section 13.03, subdivision 4, is amended to read:

Subd. 4. [CHANGE IN CLASSIFICATION OF DATA; EFFECT OF DISSEMINATION AMONG AGENCIES.] (a) The classification of data in the possession of an ~~agency~~ entity shall change if it is required to do so to comply with either judicial or administrative rules pertaining to the conduct of legal actions or with a specific statute applicable to the data in the possession of the disseminating or receiving ~~agency~~ entity.

(b) If data on individuals is classified as both private and confidential by this chapter, or any other statute or federal law, the data is private.

(c) To the extent that government data is disseminated to ~~state agencies, political subdivisions, or statewide systems~~ a government entity by another ~~state agency, political subdivision, or statewide system~~ government entity, the data disseminated shall have the same classification in the hands of the ~~agency~~ entity receiving it as it had in the hands of the entity providing it.

(d) If a ~~state agency, statewide system, or political subdivision~~ government entity disseminates data to another ~~state agency, statewide system, or political subdivision~~ government entity, a classification provided for by law in the hands of the entity receiving the data does not affect the classification of the data in the hands of the entity that disseminates the data.

Sec. 10. Minnesota Statutes 2004, section 13.03, subdivision 5, is amended to read:

Subd. 5. [COPYRIGHT OR PATENT OF GOVERNMENT DATA.] A ~~state agency, statewide system, or political subdivision~~ government entity may enforce a copyright or acquire a patent for a computer software program or components of a program created by that government ~~agency~~ entity without statutory authority. In the event that a government ~~agency~~ entity acquires a patent to a computer software program or component of a program, the data shall be treated as trade secret information pursuant to section 13.37.

Sec. 11. Minnesota Statutes 2004, section 13.03, subdivision 6, is amended to read:

Subd. 6. [DISCOVERABILITY OF NOT PUBLIC DATA.] If a ~~state agency, political subdivision, or statewide system~~ government entity opposes discovery of government data or release of data pursuant to court order on the grounds that the data are classified as not public, the party that seeks access to the data may bring before the appropriate presiding judicial officer, arbitrator, or administrative law judge an action to compel discovery or an action in the nature of an action to compel discovery.

The presiding officer shall first decide whether the data are discoverable or releasable pursuant to the rules of evidence and of criminal, civil, or administrative procedure appropriate to the action.

If the data are discoverable the presiding officer shall decide whether the benefit to the party seeking access to the data outweighs any harm to the confidentiality interests of the ~~agency~~ entity

maintaining the data, or of any person who has provided the data or who is the subject of the data, or to the privacy interest of an individual identified in the data. In making the decision, the presiding officer shall consider whether notice to the subject of the data is warranted and, if warranted, what type of notice must be given. The presiding officer may fashion and issue any protective orders necessary to assure proper handling of the data by the parties. If the data are a videotape of a child victim or alleged victim alleging, explaining, denying, or describing an act of physical or sexual abuse, the presiding officer shall consider the provisions of section 611A.90, subdivision 2, paragraph (b).

Sec. 12. Minnesota Statutes 2004, section 13.03, subdivision 8, is amended to read:

Subd. 8. [CHANGE TO CLASSIFICATION OF DATA NOT ON INDIVIDUALS.] Except for security information, nonpublic and protected nonpublic data shall become public either ten years after the creation of the data by the government ~~agency~~ entity or ten years after the data was received or collected by any governmental ~~agency~~ entity unless the responsible authority for the originating or custodial ~~agency~~ entity for the data reasonably determines that, if the data were made available to the public or to the data subject, the harm to the public or to a data subject would outweigh the benefit to the public or to the data subject. If the responsible authority denies access to the data, the person denied access may challenge the denial by bringing an action in district court seeking release of the data. The action shall be brought in the district court located in the county where the data are being maintained, or, in the case of data maintained by a state agency, in any county. The data in dispute shall be examined by the court in camera. In deciding whether or not to release the data, the court shall consider the benefits and harms in the same manner as set forth above. The court shall make a written statement of findings in support of its decision.

Sec. 13. Minnesota Statutes 2004, section 13.04, subdivision 2, is amended to read:

Subd. 2. [INFORMATION REQUIRED TO BE GIVEN INDIVIDUAL.] An individual asked to supply private or confidential data concerning the individual shall be informed of: (a) the purpose and intended use of the requested data within the collecting ~~state agency, political subdivision, or statewide system~~ government entity; (b) whether the individual may refuse or is legally required to supply the requested data; (c) any known consequence arising from supplying or refusing to supply private or confidential data; and (d) the identity of other persons or entities authorized by state or federal law to receive the data. This requirement shall not apply when an individual is asked to supply investigative data, pursuant to section 13.82, subdivision 7, to a law enforcement officer.

Sec. 14. Minnesota Statutes 2004, section 13.04, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE WHEN DATA IS NOT ACCURATE OR COMPLETE.] (a) An individual subject of the data may contest the accuracy or completeness of public or private data. To exercise this right, an individual shall notify in writing the responsible authority describing the nature of the disagreement. The responsible authority shall within 30 days either: (1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or (2) notify the individual that the authority believes the data to be correct. Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

The determination of the responsible authority may be appealed pursuant to the provisions of the Administrative Procedure Act relating to contested cases. Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by chapter 14, try to resolve the dispute through education, conference, conciliation, or persuasion. If the parties consent, the commissioner may refer the matter to mediation. Following these efforts, the commissioner shall dismiss the appeal or issue the order and notice of hearing.

(b) Data on individuals that have been successfully challenged by an individual must be completed, corrected, or destroyed by a state agency, political subdivision, or statewide system without regard to the requirements of section 138.17.

After completing, correcting, or destroying successfully challenged data, a ~~state agency, political subdivision, or statewide system~~ government entity may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

Sec. 15. Minnesota Statutes 2004, section 13.05, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC DOCUMENT OF DATA CATEGORIES.] The responsible authority shall prepare a public document containing the authority's name, title and address, and a description of each category of record, file, or process relating to private or confidential data on individuals maintained by the authority's ~~state agency, statewide system, or political subdivision~~ government entity. Forms used to collect private and confidential data shall be included in the public document. Beginning August 1, 1977 and annually thereafter, the responsible authority shall update the public document and make any changes necessary to maintain the accuracy of the document. The document shall be available from the responsible authority to the public in accordance with the provisions of sections 13.03 and 15.17.

Sec. 16. Minnesota Statutes 2004, section 13.05, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON COLLECTION AND USE OF DATA.] Private or confidential data on an individual shall not be collected, stored, used, or disseminated by ~~political subdivisions, statewide systems, or state agencies~~ government entities for any purposes other than those stated to the individual at the time of collection in accordance with section 13.04, except as provided in this subdivision.

(a) Data collected prior to August 1, 1975, and which have not been treated as public data, may be used, stored, and disseminated for the purposes for which the data was originally collected or for purposes which are specifically approved by the commissioner as necessary to public health, safety, or welfare.

(b) Private or confidential data may be used and disseminated to individuals or ~~agencies~~ entities specifically authorized access to that data by state, local, or federal law enacted or promulgated after the collection of the data.

(c) Private or confidential data may be used and disseminated to individuals or ~~agencies~~ entities subsequent to the collection of the data when the responsible authority maintaining the data has requested approval for a new or different use or dissemination of the data and that request has been specifically approved by the commissioner as necessary to carry out a function assigned by law.

(d) Private data may be used by and disseminated to any person or ~~agency~~ entity if the individual subject or subjects of the data have given their informed consent. Whether a data subject has given informed consent shall be determined by rules of the commissioner. The format for informed consent is as follows, unless otherwise prescribed by the HIPAA, Standards for Privacy of Individually Identifiable Health Information, 65 Fed. Reg. 82, 461 (2000) (to be codified as Code of Federal Regulations, title 45, section 164): informed consent shall not be deemed to have been given by an individual subject of the data by the signing of any statement authorizing any person or ~~agency~~ entity to disclose information about the individual to an insurer or its authorized representative, unless the statement is:

(1) in plain language;

(2) dated;

(3) specific in designating the particular persons or agencies the data subject is authorizing to disclose information about the data subject;

(4) specific as to the nature of the information the subject is authorizing to be disclosed;

(5) specific as to the persons or ~~agencies~~ entities to whom the subject is authorizing information to be disclosed;

(6) specific as to the purpose or purposes for which the information may be used by any of the parties named in clause (5), both at the time of the disclosure and at any time in the future;

(7) specific as to its expiration date which should be within a reasonable period of time, not to exceed one year except in the case of authorizations given in connection with applications for (i) life insurance or noncancelable or guaranteed renewable health insurance and identified as such, two years after the date of the policy or (ii) medical assistance under chapter 256B or MinnesotaCare under chapter 256L, which shall be ongoing during all terms of eligibility, for individual education plan health-related services provided by a school district under section 125A.21, subdivision 2.

The responsible authority may require a person requesting copies of data under this paragraph to pay the actual costs of making, certifying, and compiling the copies.

(e) Private or confidential data on an individual may be discussed at a meeting open to the public to the extent provided in section 13D.05.

Sec. 17. Minnesota Statutes 2004, section 13.05, subdivision 6, is amended to read:

Subd. 6. [CONTRACTS.] Except as provided in section 13.46, subdivision 5, in any contract between a ~~governmental unit~~ government entity subject to this chapter and any person, when the contract requires that data on individuals be made available to the contracting parties by the ~~governmental unit~~ government entity, that data shall be administered consistent with this chapter. A contracting party shall maintain the data on individuals which it received according to the statutory provisions applicable to the data.

Sec. 18. Minnesota Statutes 2004, section 13.05, subdivision 7, is amended to read:

Subd. 7. [PREPARATION OF SUMMARY DATA.] The use of summary data derived from private or confidential data on individuals under the jurisdiction of one or more responsible authorities is permitted. Unless classified pursuant to section 13.06, another statute, or federal law, summary data is public. The responsible authority shall prepare summary data from private or confidential data on individuals upon the request of any person if the request is in writing and the cost of preparing the summary data is borne by the requesting person. The responsible authority may delegate the power to prepare summary data (1) to the administrative officer responsible for any central repository of summary data; or (2) to a person outside of ~~its agency~~ the entity if the person's purpose is set forth, in writing, and the person agrees not to disclose, and the ~~agency~~ entity reasonably determines that the access will not compromise private or confidential data on individuals.

Sec. 19. Minnesota Statutes 2004, section 13.05, subdivision 8, is amended to read:

Subd. 8. [PUBLICATION OF ACCESS PROCEDURES.] The responsible authority shall prepare a public document setting forth in writing the rights of the data subject pursuant to section 13.04 and the specific procedures in effect in the ~~state agency, statewide system or political subdivision~~ government entity for access by the data subject to public or private data on individuals.

Sec. 20. Minnesota Statutes 2004, section 13.05, subdivision 9, is amended to read:

Subd. 9. [INTERGOVERNMENTAL ACCESS OF DATA.] A responsible authority shall allow another responsible authority access to data classified as not public only when the access is authorized or required by statute or federal law. An ~~agency~~ entity that supplies government data under this subdivision may require the requesting ~~agency~~ entity to pay the actual cost of supplying the data.

Sec. 21. [13.055] [STATE AGENCIES; DISCLOSURE OF BREACH IN SECURITY.]

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

(a) "Breach of the security of the data" means unauthorized acquisition of data maintained by a state agency that compromises the security and classification of the data. Good faith acquisition of government data by an employee, contractor, or agent of a state agency for the purposes of the state agency is not a breach of the security of the data, if the government data is not provided to an unauthorized person.

(b) "Contact information" means either name and mailing address or name and e-mail address for each individual who is the subject of data maintained by the state agency.

(c) "Unauthorized acquisition" means that a person has obtained government data without the informed consent of the individuals who are the subjects of the data or statutory authority and with the intent to use the data for non-governmental purposes.

(d) "Unauthorized person" means any person who accesses government data without permission or without a work assignment that reasonably requires the person to have access to the data.

Subd. 2. [NOTICE TO INDIVIDUALS.] A state agency that collects, creates, receives, maintains or disseminates private or confidential data on individuals must disclose any breach of the security of the data following discovery or notification of the breach. Notification must be made to any individual who is the subject of the data and whose private or confidential data was, or is reasonably believed to have been, acquired by an unauthorized person. The disclosure must be made in the most expedient time possible and without unreasonable delay, consistent with (1) the legitimate needs of a law enforcement agency as provided in subdivision 3; or (2) any measures necessary to determine the scope of the breach and restore the reasonable security of the data.

Subd. 3. [DELAYED NOTICE.] The notification required by this section may be delayed if a law enforcement agency determines that the notification will impede an active criminal investigation. The notification required by this section must be made after the law enforcement agency determines that it will not compromise the investigation.

Subd. 4. [METHOD OF NOTICE.] Notice under this section may be provided by one of the following methods:

(a) written notice by first class mail to each affected individual;

(b) electronic notice to each affected individual, if the notice provided is consistent with the provisions regarding electronic records and signatures as set forth in United States Code, title 15, section 7001; or

(c) substitute notice, if the state agency demonstrates that the cost of providing the written notice required by paragraph (a) would exceed $250,000, or that the affected class of individuals to be notified exceeds 500,000, or the state agency does not have sufficient contact information. Substitute notice consists of all of the following:

(i) e-mail notice if the state agency has an e-mail address for the affected individuals;

(ii) conspicuous posting of the notice on the Web site page of the state agency, if the state agency maintains a Web site; and

(iii) notification to major media outlets that reach the general public.

Subd. 5. [COORDINATION WITH CONSUMER REPORTING AGENCIES.] If the state agency discovers circumstances requiring notification under this section of more than 1,000 individuals at one time, the state agency must also notify, without unreasonable delay, all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis, as defined in United States Code, title 15, section 1681a, of the timing, distribution, and content of the notices.

Sec. 22. Minnesota Statutes 2004, section 13.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION TO COMMISSIONER.] Notwithstanding the provisions of section 13.03, the responsible authority of a ~~state agency, political subdivision, or statewide system~~ government entity may apply to the commissioner for permission to classify data or types of data on individuals as private or confidential, or data not on individuals as nonpublic or protected nonpublic, for its own use and for the use of other similar ~~agencies, political subdivisions, or statewide systems~~ government entities on a temporary basis until a proposed statute can be acted upon by the legislature. The application for temporary classification is public.

Upon the filing of an application for temporary classification, the data which is the subject of the application shall be deemed to be classified as set forth in the application for a period of 45 days, or until the application is disapproved, rejected, or granted by the commissioner, whichever is earlier.

If the commissioner determines that an application has been submitted for purposes not consistent with this section, the commissioner may immediately reject the application, give notice of that rejection to the applicant, and return the application. When the applicant receives the notice of rejection from the commissioner, the data which was the subject of the application shall have the classification it had before the application was submitted to the commissioner.

Sec. 23. Minnesota Statutes 2004, section 13.06, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF APPLICATION FOR PRIVATE OR CONFIDENTIAL DATA.] An application for temporary classification of data on individuals shall include and the applicant shall have the burden of clearly establishing that no statute currently exists which either allows or forbids classification as private or confidential; and either

(a) that data similar to that for which the temporary classification is sought has been treated as either private or confidential by other ~~state agencies or political subdivisions~~ government entities, and by the public; or

(b) that a compelling need exists for immediate temporary classification, which if not granted could adversely affect the public interest or the health, safety, well being or reputation of the data subject.

Sec. 24. Minnesota Statutes 2004, section 13.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION FOR NONPUBLIC OR NONPUBLIC PROTECTED DATA.] An application for temporary classification of government data not on individuals shall include and the applicant shall have the burden of clearly establishing that no statute currently exists which either allows or forbids classification as nonpublic or protected nonpublic; and either

(a) that data similar to that for which the temporary classification is sought has been treated as nonpublic or protected nonpublic by other ~~state agencies or political subdivisions~~ government entities, and by the public; or

(b) public access to the data would render unworkable a program authorized by law; or

(c) that a compelling need exists for immediate temporary classification, which if not granted could adversely affect the health, safety or welfare of the public.

Sec. 25. Minnesota Statutes 2004, section 13.06, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE WHEN CLASSIFICATION AFFECTS OTHERS.] If the commissioner determines that an application for temporary classification involves data which would reasonably be classified in the same manner by all ~~agencies, political subdivisions, or statewide systems~~ government entities similar to the one which made the application, the commissioner may approve or disapprove the classification for data of the kind which is the subject of the application for the use of all ~~agencies, political subdivisions, or statewide systems~~ government entities similar to the applicant. On deeming this approach advisable, the commissioner shall provide notice of the proposed action by publication in the State Register

within ten days of receiving the application. Within 30 days after publication in the State Register an affected ~~agency, political subdivision,~~ government entity or the public~~, or statewide system~~ may submit comments on the commissioner's proposal. The commissioner shall consider any comments received when granting or denying a classification for data of the kind which is the subject of the application, for the use of all ~~agencies, political subdivisions, or statewide systems~~ government entities similar to the applicant. Within 45 days after the close of the period for submitting comment, the commissioner shall grant or disapprove the application. Applications processed under this subdivision shall be either approved or disapproved by the commissioner within 90 days of the receipt of the application. For purposes of subdivision 1, the data which is the subject of the classification shall be deemed to be classified as set forth in the application for a period of 90 days, or until the application is disapproved or granted by the commissioner, whichever is earlier. If requested in the application, or determined to be necessary by the commissioner, the data in the application shall be so classified for all ~~agencies, political subdivisions, or statewide systems~~ government entities similar to the applicant until the application is disapproved or granted by the commissioner, whichever is earlier. Proceedings after the grant or disapproval shall be governed by the provisions of subdivision 5.

Sec. 26. Minnesota Statutes 2004, section 13.07, is amended to read:

13.07 [DUTIES OF THE COMMISSIONER.]

The commissioner shall promulgate rules, in accordance with the rulemaking procedures in the Administrative Procedure Act which shall apply to ~~state agencies, statewide systems and political subdivisions~~ government entities to implement the enforcement and administration of this chapter. The rules shall not affect section 13.04, relating to rights of subjects of data. Prior to the adoption of rules authorized by this section the commissioner shall give notice to all state agencies and political subdivisions in the same manner and in addition to other parties as required by section 14.06 of the date and place of hearing, enclosing a copy of the rules to be adopted.

Sec. 27. Minnesota Statutes 2004, section 13.072, subdivision 4, is amended to read:

Subd. 4. [DATA SUBMITTED TO COMMISSIONER.] A ~~state agency, statewide system, or political subdivision~~ government entity may submit not public data to the commissioner for the purpose of requesting or responding to a person's request for an opinion. Government data submitted to the commissioner by a ~~state agency, statewide system, or political subdivision~~ government entity or copies of government data submitted by other persons have the same classification as the data have when held by the ~~state agency, statewide system, or political subdivision~~ government entity. If the nature of the opinion is such that the release of the opinion would reveal not public data, the commissioner may issue an opinion using pseudonyms for individuals. Data maintained by the commissioner, in the record of an opinion issued using pseudonyms that would reveal the identities of individuals protected by the use of the pseudonyms, are private data on individuals.

Sec. 28. Minnesota Statutes 2004, section 13.073, subdivision 3, is amended to read:

Subd. 3. [BASIC TRAINING.] The basic training component should be designed to meet the basic information policy needs of all government employees and public officials with a focus on key data practices laws and procedures that apply to all government entities. The commissioner should design the basic training component in a manner that minimizes duplication of the effort and cost for government entities to provide basic training. The commissioner may develop general programs and materials for basic training such as video presentations, data practices booklets, and training guides. The commissioner may assist state and local government ~~agencies~~ entities in developing training expertise within their own ~~agencies~~ entities and offer assistance for periodic training sessions for this purpose.

Sec. 29. Minnesota Statutes 2004, section 13.08, subdivision 1, is amended to read:

Subdivision 1. [ACTION FOR DAMAGES.] Notwithstanding section 466.03, a ~~political subdivision,~~ responsible authority~~, statewide system,~~ or ~~state agency~~ government entity which violates any provision of this chapter is liable to a person or representative of a decedent who

suffers any damage as a result of the violation, and the person damaged or a representative in the case of private data on decedents or confidential data on decedents may bring an action against the ~~political subdivision,~~ responsible authority~~, statewide system~~ or ~~state agency~~ government entity to cover any damages sustained, plus costs and reasonable attorney fees. In the case of a willful violation, the ~~political subdivision, statewide system or state agency~~ government entity shall, in addition, be liable to exemplary damages of not less than $100, nor more than $10,000 for each violation. The state is deemed to have waived any immunity to a cause of action brought under this chapter.

Sec. 30. Minnesota Statutes 2004, section 13.08, subdivision 2, is amended to read:

Subd. 2. [INJUNCTION.] A ~~political subdivision,~~ responsible authority~~, statewide system~~ or ~~state agency~~ government entity which violates or proposes to violate this chapter may be enjoined by the district court. The court may make any order or judgment as may be necessary to prevent the use or employment by any person of any practices which violate this chapter.

Sec. 31. Minnesota Statutes 2004, section 13.08, subdivision 5, is amended to read:

Subd. 5. [IMMUNITY FROM LIABILITY.] A ~~state agency, statewide system, political subdivision,~~ government entity or person that releases not public data pursuant to an order under section 13.03, subdivision 6 is immune from civil and criminal liability.

Sec. 32. Minnesota Statutes 2004, section 13.32, is amended by adding a subdivision to read:

Subd. 10. [EDUCATION RECORDS; CHILD WITH DISABILITY.] Nothing in this chapter shall be construed as limiting the frequency of inspection of the educational records of a child with a disability by the child's parent or guardian or by the child upon the child reaching the age of majority. An agency or institution may not charge a fee to search for or to retrieve the educational records. An agency or institution that receives a request for copies of the educational records of a child with a disability may charge a fee that reflects the costs of reproducing the records except when to do so would impair the ability of the child's parent or guardian, or the child who has reached the age of majority, to exercise their right to inspect and review those records.

Sec. 33. Minnesota Statutes 2004, section 13.37, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them.

(a) "Security information" means government data the disclosure of which would be likely to substantially jeopardize the security of information, possessions, individuals or property against theft, tampering, improper use, attempted escape, illegal disclosure, trespass, or physical injury. "Security information" includes crime prevention block maps and lists of volunteers who participate in community crime prevention programs and their home addresses and telephone numbers.

(b) "Trade secret information" means government data, including a formula, pattern, compilation, program, device, method, technique or process (1) that was supplied by the affected individual or organization, (2) that is the subject of efforts by the individual or organization that are reasonable under the circumstances to maintain its secrecy, and (3) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

(c) "Labor relations information" means management positions on economic and noneconomic items that have not been presented during the collective bargaining process or interest arbitration, including information specifically collected or created to prepare the management position.

(d) "Parking space leasing data" means the following government data on an applicant for, or lessee of, a parking space: residence address, home telephone number, beginning and ending work hours, place of employment, work telephone number, and location of the parking space.

~~(e) "Internal competitive proposal" means a proposal to provide government services that is prepared by the staff of a political subdivision in competition with proposals solicited by the political subdivision from the private sector.~~

Sec. 34. Minnesota Statutes 2004, section 13.37, subdivision 2, is amended to read:

Subd. 2. [CLASSIFICATION.] The following government data is classified as nonpublic data with regard to data not on individuals, pursuant to section 13.02, subdivision 9, and as private data with regard to data on individuals, pursuant to section 13.02, subdivision 12: Security information; trade secret information; sealed absentee ballots prior to opening by an election judge; sealed bids, including the number of bids received, prior to the opening of the bids; ~~internal competitive proposals prior to the time specified by a political subdivision for the receipt of private sector proposals for the services;~~ parking space leasing data; and labor relations information, provided that specific labor relations information which relates to a specific labor organization is classified as protected nonpublic data pursuant to section 13.02, subdivision 13.

Sec. 35. Minnesota Statutes 2004, section 13.37, subdivision 3, is amended to read:

Subd. 3. [DATA DISSEMINATION.] (a) Crime prevention block maps and names, home addresses, and telephone numbers of volunteers who participate in community crime prevention programs may be disseminated to volunteers participating in crime prevention programs. The location of a National Night Out event is public data.

(b) The responsible authority of a government entity in consultation with the appropriate chief law enforcement officer, emergency manager, or public health official, may make security information accessible to any person, entity, or the public if the government entity determines that the access will aid public health, promote public safety, or assist law enforcement.

Sec. 36. Minnesota Statutes 2004, section 13.3805, is amended by adding a subdivision to read:

Subd. 3. [OFFICE OF HEALTH FACILITY COMPLAINTS; INVESTIGATIVE DATA.] Except for investigative data under section 626.556, all investigative data maintained by the Department of Health's Office of Health Facility Complaints are subject to provisions of and classified pursuant to section 626.557, subdivision 12b, paragraphs (b) to (d). Notwithstanding sections 626.556, subdivision 11, and 626.557, subdivision 12b, paragraph (b), data identifying an individual substantiated as the perpetrator are public data. For purposes of this subdivision, an individual is substantiated as the perpetrator if the commissioner of health determines that the individual is the perpetrator and the determination of the commissioner is upheld after the individual either exercises applicable administrative appeal rights or fails to exercise these rights within the time allowed by law.

Sec. 37. Minnesota Statutes 2004, section 13.43, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in this section, "personnel data" means data on individuals collected because the individual is or was an employee of or an applicant for employment by, performs services on a voluntary basis for, or acts as an independent contractor with a ~~state agency, statewide system or political subdivision or is a member of or an applicant for an advisory board or commission~~ government entity. Personnel data includes data submitted by an employee to a government entity as part of an organized self-evaluation effort by the government entity to request suggestions from all employees on ways to cut costs, make government more efficient, or improve the operation of government. An employee who is identified in a suggestion shall have access to all data in the suggestion except the identity of the employee making the suggestion.

Sec. 38. Minnesota Statutes 2004, section 13.43, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DATA.] (a) Except for employees described in subdivision 5 and subject to the limitations described in subdivision 5a, the following personnel data on current and former employees, volunteers, and independent contractors of a ~~state agency, statewide system, or political subdivision and members of advisory boards or commissions~~ government entity is public:

(1) name; employee identification number, which must not be the employee's Social Security number; actual gross salary; salary range; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; and the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary;

(2) job title and bargaining unit; job description; education and training background; and previous work experience;

(3) date of first and last employment;

(4) the existence and status of any complaints or charges against the employee, regardless of whether the complaint or charge resulted in a disciplinary action;

(5) the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body;

(6) the terms of any agreement settling any dispute arising out of an employment relationship, including a buyout agreement as defined in section 123B.143, subdivision 2, paragraph (a); except that the agreement must include specific reasons for the agreement if it involves the payment of more than $10,000 of public money;

(7) work location; a work telephone number; badge number; and honors and awards received; and

(8) payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data.

(b) For purposes of this subdivision, a final disposition occurs when the state agency, statewide system, or political subdivision makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or upon the failure of the employee to elect arbitration within the time provided by the collective bargaining agreement. Final disposition includes a resignation by an individual when the resignation occurs after the final decision of the state agency, statewide system, political subdivision, or arbitrator.

(c) The state agency, statewide system, or political subdivision may display a photograph of a current or former employee to a prospective witness as part of the state agency's, statewide system's, or political subdivision's investigation of any complaint or charge against the employee.

(d) A complainant has access to a statement provided by the complainant to a state agency, statewide system, or political subdivision in connection with a complaint or charge against an employee.

(e) Notwithstanding paragraph (a), clause (5), upon completion of an investigation of a complaint or charge against a public official, or if a public official resigns or is terminated from employment while the complaint or charge is pending, all data relating to the complaint or charge are public, unless access to the data would jeopardize an active investigation or reveal confidential sources. For purposes of this paragraph, "public official" means:

(1) the head of a state agency and deputy and assistant state agency heads;

(2) members of boards or commissions required by law to be appointed by the governor or other elective officers; and

(3) executive or administrative heads of departments, bureaus, divisions, or institutions.

Sec. 39. Minnesota Statutes 2004, section 13.43, subdivision 3, is amended to read:

Subd. 3. [APPLICANT DATA.] Except for applicants described in subdivision 5, the following

personnel data on current and former applicants for employment by a ~~state agency, statewide system or political subdivision or appointment to an advisory board or commission~~ government entity is public: veteran status; relevant test scores; rank on eligible list; job history; education and training; and work availability. Names of applicants shall be private data except when certified as eligible for appointment to a vacancy or when applicants are considered by the appointing authority to be finalists for a position in public employment. For purposes of this subdivision, "finalist" means an individual who is selected to be interviewed by the appointing authority prior to selection. ~~Names and home addresses of applicants for appointment to and members of an advisory board or commission are public.~~

Sec. 40. Minnesota Statutes 2004, section 13.46, subdivision 4, is amended to read:

Subd. 4. [LICENSING DATA.] (a) As used in this subdivision:

(1) "licensing data" means all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" means Social Security numbers, identity of and letters of reference, insurance information, reports from the Bureau of Criminal Apprehension, health examination reports, and social/home studies.

(b)(1) Except as provided in paragraph (c), the following data on current and former licensees are public: name, address, telephone number of licensees, date of receipt of a completed application, dates of licensure, licensed capacity, type of client preferred, variances granted, record of training and education in child care and child development, type of dwelling, name and relationship of other family members, previous license history, class of license, ~~and~~ the existence and status of complaints, and the number of serious injuries to or deaths of individuals in the licensed program as reported to the commissioner of human services, the local social services agency, or any other county welfare agency. For purposes of this clause, a serious injury is one that is treated by a physician. When a correction order or fine has been issued, a license is suspended, immediately suspended, revoked, denied, or made conditional, or a complaint is resolved, the following data on current and former licensees are public: the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment; the record of informal resolution of a licensing violation; orders of hearing; findings of fact; conclusions of law; specifications of the final correction order, fine, suspension, immediate suspension, revocation, denial, or conditional license contained in the record of licensing action; and the status of any appeal of these actions. ~~When an individual licensee is a substantiated perpetrator of maltreatment, and the substantiated maltreatment is a reason for the licensing action, the identity of the licensee as a perpetrator is public data. For purposes of this clause, a person is a substantiated perpetrator if the maltreatment determination has been upheld under section 626.556, subdivision 10i, 626.557, subdivision 9d, or 256.045, or an individual or facility has not timely exercised appeal rights under these sections.~~

(2) Notwithstanding sections 626.556, subdivision 11, and 626.557, subdivision 12b, when any person subject to disqualification under section 245C.14 in connection with a license to provide family day care for children, child care center services, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home is a substantiated perpetrator of maltreatment, and the substantiated maltreatment is a reason for a licensing action, the identity of the substantiated perpetrator of maltreatment is public data. For purposes of this clause, a person is a substantiated perpetrator if the maltreatment determination has been upheld under section 256.045; 626.556, subdivision 10i; 626.557, subdivision 9d; or chapter 14, or if an individual or facility has not timely exercised appeal rights under these sections.

~~(2)~~ (3) For applicants who withdraw their application prior to licensure or denial of a license, the following data are public: the name of the applicant, the city and county in which the applicant

was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, and the date of withdrawal of the application.

~~(3)~~ (4) For applicants who are denied a license, the following data are public: the name of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, the date of denial of the application, the nature of the basis for the denial, and the status of any appeal of the denial.

~~(4)~~ (5) The following data on persons subject to disqualification under section 245C.14 in connection with a license to provide family day care for children, child care center services, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home, are public: the nature of any disqualification set aside under section 245C.22, subdivisions 2 and 4, and the reasons for setting aside the disqualification; the nature of any disqualification for which a variance was granted under sections 245A.04, subdivision 9; and 245C.30, and the reasons for granting any variance under section 245A.04, subdivision 9; and, if applicable, the disclosure that any person subject to a background study under section 245C.03, subdivision 1, has successfully passed a background study.

~~(5)~~ (6) When maltreatment is substantiated under section 626.556 or 626.557 and the victim and the substantiated perpetrator are affiliated with a program licensed under chapter 245A, the commissioner of human services, local social services agency, or county welfare agency may inform the license holder where the maltreatment occurred of the identity of the substantiated perpetrator and the victim.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters under sections 626.556 and 626.557 may be disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning a license which has been suspended, immediately suspended, revoked, or denied.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 626.556, subdivision 2, or 626.5572, subdivision 18, are subject to the destruction provisions of sections 626.556, subdivision 11c, and 626.557, subdivision 12b.

(h) Upon request, not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report of substantiated maltreatment as defined in section 626.556 or 626.557 may be exchanged with the Department of Health for purposes of completing background studies pursuant to section 144.057 and with the Department of Corrections for purposes of completing background studies pursuant to section 241.021.

(i) Data on individuals collected according to licensing activities under chapters 245A and 245C, and data on individuals collected by the commissioner of human services according to maltreatment investigations under sections 626.556 and 626.557, may be shared with the Department of Human Rights, the Department of Health, the Department of Corrections, the

Ombudsman for Mental Health and Retardation, and the individual's professional regulatory board when there is reason to believe that laws or standards under the jurisdiction of those agencies may have been violated.

(j) In addition to the notice of determinations required under section 626.556, subdivision 10f, if the commissioner or the local social services agency has determined that an individual is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in section 626.556, subdivision 2, and the commissioner or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner or local social services agency shall notify the head of that facility of this determination. The notification must include an explanation of the individual's available appeal rights and the status of any appeal. If a notice is given under this paragraph, the government entity making the notification shall provide a copy of the notice to the individual who is the subject of the notice.

Sec. 41. Minnesota Statutes 2004, section 13.591, is amended by adding a subdivision to read:

Subd. 4. [CLASSIFICATION OF EVALUATIVE DATA; DATA SHARING.] (a) Data created or maintained by a government entity as part of the selection or evaluation process referred to in this section are protected nonpublic data until completion of the selection process or completion of the evaluation process at which time the data are public with the exception of trade secret data as defined and classified in section 13.37.

(b) If a state agency asks employees of other state agencies to assist with the selection of the responses to a request for bid or the evaluation of responses to a request for proposal, the state agency may share not public data in the responses with those employees. The employees participating in the selection or evaluation may not further disseminate the not public data they review.

Sec. 42. Minnesota Statutes 2004, section 13.591, is amended by adding a subdivision to read:

Subd. 5. [INTERNAL COMPETITIVE RESPONSE.] (a) For purposes of this subdivision, "internal competitive response" means a bid or proposal to provide government goods or services that is prepared by the staff of a government entity in competition with bids or proposals solicited by (1) the same government entity from the private sector or (2) a different government entity from the private sector.

(b) Data in an internal competitive response is classified as private or nonpublic until completion of the selection process or completion of the evaluation process at which time the data are public with the exception of trade secret data as defined and classified in section 13.37.

Sec. 43. Minnesota Statutes 2004, section 13.601, is amended by adding a subdivision to read:

Subd. 3. [APPLICANTS FOR ELECTION OR APPOINTMENT.] The following data on all applicants for election or appointment to a public body, including those subject to chapter 13D, are public: name, city of residence, education and training, employment history, volunteer work, awards and honors, and prior government service or experience.

Sec. 44. Minnesota Statutes 2004, section 13.635, is amended by adding a subdivision to read:

Subd. 1a. [STATE BOARD OF INVESTMENT.] Certain government data of the State Board of Investment related to investments are classified under section 11A.24, subdivision 6.

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

Sec. 45. Minnesota Statutes 2004, section 13.643, is amended by adding a subdivision to read:

Subd. 6. [ANIMAL PREMISE DATA.] (a) The following data collected and maintained by the Board of Animal Health related to registration and identification of premises and animals under chapter 35, are classified as private or nonpublic:

(1) the names and addresses;

(2) the location of the premises where animals are kept; and

(3) the identification number of the premises or the animal.

(b) The Board of Animal Health may disclose data collected under paragraph (a) to any person, agency, or to the public if the board determines that the access will aid in the law enforcement process or the protection of public or animal health or safety.

Sec. 46. Minnesota Statutes 2004, section 13.72, is amended by adding a subdivision to read:

Subd. 11. [DESIGN-BUILD TRANSPORTATION PROJECT.] When the Department of Transportation undertakes a design-build transportation project as defined in section 161.3410, subdivision 6, the statement of qualification evaluation criteria and scoring methodology, statement of qualification evaluations, technical proposal evaluation criteria and scoring methodology, and technical proposal evaluations are classified as protected nonpublic data with regard to data not on individuals and as confidential data on individuals. The statement of qualification evaluation criteria and scoring methodology and statement of qualification evaluations are public when the Department of Transportation announces the short list of qualified contractors. The technical proposal evaluation criteria, scoring methodology, and technical proposal evaluations are public when the project is awarded.

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

Sec. 47. Minnesota Statutes 2004, section 13.72, is amended by adding a subdivision to read:

Subd. 13. [TRANSPORTATION DEPARTMENT DATA.] When the commissioner of transportation determines that the design-build best value method of project delivery is appropriate for a project under sections 161.3410 to 161.3428, relocation reports, planimetric files, digital terrain models, preliminary design drawings, commissioner's orders, requests for proposals, and requests for qualifications are classified as protected nonpublic data with regard to data not on individuals and confidential data on individuals until the department publishes the data as part of the request for proposal process. The commissioner may release design-build data to land owners, counties, cities, and other parties under contract to a government entity as necessary to facilitate project development. The released data retain their classification as protected nonpublic data with regard to data not on individuals and confidential data on individuals as provided by section 13.03, subdivision 4, paragraph (c), until the department publishes the data as part of the request for proposal process.

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

Sec. 48. Minnesota Statutes 2004, section 13.72, is amended by adding a subdivision to read:

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

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

Sec. 49. Minnesota Statutes 2004, section 13.82, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] This section shall apply to agencies which carry on a law enforcement function, including but not limited to municipal police departments, county sheriff departments, fire departments, the Bureau of Criminal Apprehension, the Minnesota State Patrol, the Board of Peace Officer Standards and Training, ~~the Division of Insurance Fraud Prevention in~~ the Department of Commerce, and the program integrity section of, and county human service agency client and provider fraud prevention and control units operated or supervised by the Department of Human Services.

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

Sec. 50. Minnesota Statutes 2004, section 13.82, subdivision 16, is amended to read:

Subd. 16. [PUBLIC ACCESS.] When data is classified as public under this section, a law enforcement agency shall not be required to make the actual physical data available to the public if it is not administratively feasible to segregate the public data from the ~~confidential~~ not public. However, the agency must make the information described as public data available to the public in a reasonable manner. When investigative data becomes inactive, as described in subdivision 7, the actual physical data associated with that investigation, including the public data, shall be available for public access.

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

Sec. 51. Minnesota Statutes 2004, section 16C.06, subdivision 5, is amended to read:

Subd. 5. [STATE AS RESPONDER.] The head of an agency, in consultation with the requesting agency and the commissioner, may respond to a solicitation or request if the goods and services meet the needs of the requesting agency and provide the state with the best value. When an agency responds to a solicitation, all work product relating to the response is ~~nonpublic data as defined in section 13.02, and shall become public information in accordance with subdivision 3~~ classified by section 13.591, subdivision 4.

Sec. 52. [41A.0235] [BOARD MEETINGS BY TELEPHONE OR OTHER ELECTRONIC MEANS.]

(a) If compliance with section 13D.02 is impractical, the Minnesota Agricultural and Economic Development Board may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the board participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the board can hear clearly all discussion and testimony and all votes of members of the board and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the board is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(b) Each member of the board participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, the board, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The board may require the person making such a connection to pay for documented marginal costs that the board incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the board shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

Sec. 53. Minnesota Statutes 2004, section 116J.68, is amended by adding a subdivision to read:

Subd. 5. [ADVISORY BOARD MEETINGS.] (a) If compliance with section 13D.02 is impractical, the Small Business Development Center Advisory Board, created pursuant to United State Code, title 15, section 648, may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the board participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the board can hear clearly all discussion and testimony and all votes of members of the board and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the board is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(b) Each member of the board participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, the board, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The board may require the person making such a connection to pay for documented marginal costs that the board incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the board shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

Sec. 54. Minnesota Statutes 2004, section 116L.03, is amended by adding a subdivision to read:

Subd. 8. [BOARD MEETINGS.] (a) If compliance with section 13D.02 is impractical, the Minnesota Job Skills Partnership Board may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the board participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the board can hear clearly all discussion and testimony and all votes of members of the board and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the board is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(b) Each member of the board participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, the board, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The board may require the person making such a connection to pay for documented marginal costs that the board incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the board shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

Sec. 55. Minnesota Statutes 2004, section 116L.665, is amended by adding a subdivision to read:

Subd. 2a. [COUNCIL MEETINGS.] (a) If compliance with section 13D.02 is impractical, the

Governor's Workforce Development Council may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the council can hear clearly all discussion and testimony and all votes of members of the council and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the council is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(b) Each member of the council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, the council, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The council may require the person making such a connection to pay for documented marginal costs that the council incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

Sec. 56. Minnesota Statutes 2004, section 116M.15, is amended by adding a subdivision to read:

Subd. 5. [BOARD MEETING.] (a) If compliance with section 13D.02 is impractical, the Urban Initiative Board may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the board participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the board can hear clearly all discussion and testimony and all votes of members of the board and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the board is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(b) Each member of the board participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, the board, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The board may require the person making such a connection to pay for documented marginal costs that the board incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the board shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

Sec. 57. Minnesota Statutes 2004, section 116U.25, is amended to read:

116U.25 [EXPLORE MINNESOTA TOURISM COUNCIL.]

(a) The director shall be advised by the Explore Minnesota Tourism Council consisting of up to 28 voting members appointed by the governor for four-year terms, including:

(1) the director of Explore Minnesota Tourism who serves as the chair;

(2) eleven representatives of statewide associations representing bed and breakfast establishments, golf, festivals and events, counties, convention and visitor bureaus, lodging, resorts, trails, campgrounds, restaurants, and chambers of commerce;

(3) one representative from each of the four tourism marketing regions of the state as designated by the office;

(4) six representatives of the tourism business representing transportation, retail, travel agencies, tour operators, travel media, and convention facilities;

(5) one or more ex-officio nonvoting members including at least one from the University of Minnesota Tourism Center;

(6) four legislators, two from each house, one each from the two largest political party caucuses in each house, appointed according to the rules of the respective houses; and

(7) other persons, if any, as designated from time to time by the governor.

(b) The council shall act to serve the broader interests of tourism in Minnesota by promoting activities that support, maintain, and expand the state's domestic and international travel market, thereby generating increased visitor expenditures, tax revenue, and employment.

(c) Filling of membership vacancies is as provided in section 15.059. The terms of one-half of the members shall be coterminous with the governor and the terms of the remaining one-half of the members shall end on the first Monday in January one year after the terms of the other members. Members may serve until their successors are appointed and qualify. Members are not compensated. A member may be reappointed.

(d) The council shall meet at least four times per year and at other times determined by the council. Notwithstanding section 15.059, the council does not expire.

(e) If compliance with section 13D.02 is impractical, the Explore Minnesota Tourism Council may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the council can hear clearly all discussion and testimony and all votes of members of the council and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the council is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(f) Each member of the council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(g) If telephone or other electronic means is used to conduct a meeting, the council, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location.

The council may require the person making such a connection to pay for documented marginal costs that the council incurs as a result of the additional connection.

(h) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (g). The timing and method of providing notice is governed by section 13D.04.

Sec. 58. Minnesota Statutes 2004, section 168.346, is amended to read:

168.346 [PRIVACY OF ~~NAME OR RESIDENCE ADDRESS~~ PERSONAL INFORMATION.]

~~(a) The registered owner of a motor vehicle may request in writing that the owner's residence address or name and residence address be classified as private data on individuals, as defined in section 13.02, subdivision 12. The commissioner shall grant the classification upon receipt of a signed statement by the owner that the classification is required for the safety of the owner or the owner's family, if the statement also provides a valid, existing address where the owner consents to receive service of process. The commissioner shall use the mailing address in place of the residence address in all documents and notices pertaining to the motor vehicle. The residence address or name and residence address and any information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518.54, subdivision 9.~~ Subdivision 1. [VEHICLE REGISTRATION DATA; FEDERAL COMPLIANCE.] (a) Data on an individual provided to register a vehicle shall be treated as provided by United States Code, title 18, section 2721, as in effect on May 23, 2005, and shall be disclosed as required or permitted by that section.

(b) ~~An individual~~ The registered owner of a ~~motor~~ vehicle ~~must be informed in a clear and conspicuous manner on the forms for issuance or renewal of titles and registrations, that the owner's personal information~~ who is an individual may ~~be disclosed~~ consent in writing to the commissioner to disclose the individual's personal information exempted by United States Code, title 18, section 2721, to any person who makes a written request for the personal information~~, and that, except for uses permitted by United States Code, title 18, section 2721, subsection (b),~~. If the registered owner ~~may prohibit disclosure of the personal information by so indicating on the form~~ is an individual and so authorizes disclosure, the commissioner shall implement the request. ~~For purposes of this paragraph, access by requesters making requests described in section 168.345, subdivision 4, is deemed to be related to public safety.~~

(c) ~~At the time of registration or renewal,~~ If authorized by the ~~individual~~ registered owner ~~of a motor vehicle must also be informed in a clear and conspicuous manner on forms that~~ as indicated in paragraph (b), the registered owner's personal information may be used, rented, or sold solely for bulk distribution by organizations for business purposes including surveys, marketing, ~~and~~ or solicitation. ~~The commissioner shall implement methods and procedures that enable the registered owner to request that bulk surveys, marketing, or solicitation not be directed to the owner. If the registered owner so requests, the commissioner shall implement the request in a timely manner and the personal information may not be so used.~~

~~(d)~~ Subd. 2. [PERSONAL INFORMATION DISCLOSURE FOR PUBLIC SAFETY.] The commissioner shall disclose personal information when the use is related to the operation or use of a ~~motor~~ vehicle or to public safety. The use of personal information is related to public safety if it concerns the physical safety or security of drivers, vehicles, pedestrians, or property. The commissioner may refuse to disclose data under this ~~paragraph~~ subdivision when the commissioner concludes that the requester is likely to use the data for illegal, improper, or noninvestigative purposes.

~~(e) To the extent permitted by United States Code, title 18, section 2721, data on individuals provided to register a motor vehicle is public data on individuals and shall be disclosed as permitted by United States Code, title 18, section 2721, subsection (b).~~ Subd. 3. [PRIVACY CLASSIFICATION FOR PERSONAL SAFETY.] The registered owner of a vehicle who is an

individual may request, in writing, that the registered owner's residence address or name and residence address be classified as "private data on individuals," as defined in section 13.02, subdivision 12. The commissioner shall grant the classification on receipt of a signed statement by the registered owner that the classification is required for the safety of the registered owner or the registered owner's family, if the statement also provides a valid, existing address where the registered owner consents to receive service of process. The commissioner shall use the service of process mailing address in place of the registered owner's residence address in all documents and notices pertaining to the vehicle. The residence address or name and residence address and any information provided in the classification request, other than the individual's service for process mailing address, are private data on individuals but may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518.54, subdivision 9.

Sec. 59. Minnesota Statutes 2004, section 168A.04, is amended by adding a subdivision to read:

Subd. 2a. [ALTERNATE MAILING ADDRESS.] If the United States Postal Service will not deliver mail to the residence address of a registered owner who is an individual as listed on the title application, then the registered owner must provide verification from the United States Postal Service that mail will not be delivered to the registered owner's residence address and that mail will be delivered to a specified alternate mailing address. When an applicant provides an alternate mailing address under this subdivision, the commissioner shall use the alternate mailing address in lieu of the residence address for all notices and mailings to the registered owner.

Sec. 60. Minnesota Statutes 2004, section 169.09, subdivision 1, is amended to read:

Subdivision 1. [DRIVER TO STOP FOR ACCIDENT WITH ~~PERSON~~ INDIVIDUAL.] The driver of any motor vehicle involved in an accident resulting in immediately demonstrable bodily injury to or death of any ~~person~~ individual shall immediately stop the vehicle at the scene of the accident, or as close to the scene as possible~~,~~ but shall then return to and in every event~~,~~ shall remain at~~,~~ the scene of the accident, until the driver has fulfilled the requirements of this ~~chapter~~ section as to the giving of information. The stop ~~shall~~ must be made without unnecessarily obstructing traffic.

Sec. 61. Minnesota Statutes 2004, section 169.09, subdivision 2, is amended to read:

Subd. 2. [DRIVER TO STOP FOR ACCIDENT TO PROPERTY.] The driver of any motor vehicle involved in an accident to a vehicle ~~which is~~ driven or attended by any ~~person~~ individual shall immediately stop ~~such~~ the motor vehicle at the scene of ~~such~~ the accident, or as close ~~thereto~~ to the accident as possible~~,~~ but shall forthwith return to~~,~~ and in every event shall remain at~~,~~ the scene of the accident, until the driver has fulfilled the requirements of this ~~chapter~~ section as to the giving of information. ~~Every such~~ The stop ~~shall~~ must be made without unnecessarily obstructing traffic ~~more than is necessary~~.

Sec. 62. Minnesota Statutes 2004, section 169.09, subdivision 3, is amended to read:

Subd. 3. [DRIVER TO GIVE INFORMATION.] (a) The driver of any motor vehicle involved in an accident resulting in bodily injury to or death of any ~~person~~ individual, or damage to any vehicle ~~which is~~ driven or attended by any ~~person~~ individual, shall stop and give the driver's name, address, and date of birth and the registration plate number of the vehicle being driven~~, and~~. The driver shall, upon request and if available, exhibit the driver's license or permit to drive to the ~~person~~ individual struck or the driver or occupant of or ~~person~~ individual attending any vehicle collided with. The driver also shall give the information and upon request exhibit the license or permit to any ~~police~~ peace officer at the scene of the accident or who is investigating the accident. The driver shall render reasonable assistance to any ~~person~~ individual injured in the accident.

(b) If not given at the scene of the accident, the driver, within 72 hours ~~thereafter~~ after the accident, shall give ~~upon~~, on request to any ~~person~~ individual involved in the accident or to a peace officer investigating the accident, the name and address of the insurer providing ~~automobile~~ vehicle liability insurance coverage, and the local insurance agent for the insurer.

Sec. 63. Minnesota Statutes 2004, section 169.09, subdivision 4, is amended to read:

Subd. 4. [COLLISION WITH UNATTENDED VEHICLE.] The driver of any motor vehicle ~~which~~ that collides with and damages any vehicle ~~which~~ that is unattended shall immediately stop and either locate and notify the driver or owner of the vehicle of the name and address of the driver and registered owner of the vehicle striking the unattended vehicle, shall report ~~the~~ this same information to a ~~police~~ peace officer, or shall leave in a conspicuous place in or secured to the vehicle struck, a written notice giving the name and address of the driver and of the registered owner of the vehicle doing the striking.

Sec. 64. Minnesota Statutes 2004, section 169.09, subdivision 5, is amended to read:

Subd. 5. [NOTIFY OWNER OF DAMAGED PROPERTY.] The driver of any vehicle involved in an accident resulting only in damage to fixtures legally upon or adjacent to a highway shall take reasonable steps to locate and notify the owner or person in charge of ~~such~~ the property of ~~such~~ that fact ~~and~~, of the driver's name and address, and of the registration plate number of the vehicle being driven and shall, upon request and if available, exhibit the driver's ~~or chauffeur's~~ license, and make report of ~~such~~ the accident in every case. The report ~~shall~~ must be made in the same manner as a report made pursuant to subdivision 7.

Sec. 65. Minnesota Statutes 2004, section 169.09, subdivision 6, is amended to read:

Subd. 6. [~~NOTIFY POLICE~~ NOTICE OF PERSONAL INJURY.] The driver of a vehicle involved in an accident resulting in bodily injury to or death of any ~~person~~ individual shall, after compliance with ~~the provisions of~~ this section~~,~~ and by the quickest means of communication, give notice of the accident to the local police department~~,~~ if the accident occurs within a municipality, ~~or~~ to a State Patrol officer if the accident occurs on a trunk highway, or to the office of the sheriff of the county.

Sec. 66. Minnesota Statutes 2004, section 169.09, subdivision 7, is amended to read:

Subd. 7. [ACCIDENT REPORT TO COMMISSIONER.] (a) The driver of a vehicle involved in an accident resulting in bodily injury to or death of any ~~person~~ individual or total property damage to an apparent extent of $1,000 or more, shall forward a written report of the accident to the commissioner of public safety within ten days ~~thereof~~ of the accident. On the required report, the driver shall provide the commissioner with the name and policy number of the insurer providing vehicle liability insurance coverage at the time of the accident.

(b) On determining that the original report of any driver of a vehicle involved in an accident of which report must be made as provided in this section is insufficient, the commissioner of public safety may require the driver to file supplementary ~~reports~~ information.

Sec. 67. Minnesota Statutes 2004, section 169.09, subdivision 8, is amended to read:

Subd. 8. [OFFICER TO REPORT ACCIDENT TO COMMISSIONER.] A ~~law enforcement~~ peace officer who, in the regular course of duty, investigates ~~a motor vehicle~~ an accident that must be reported under this section shall, within ten days after the date of the accident, forward an electronic or written report of the accident ~~to~~ as prescribed by the commissioner of public safety.

Sec. 68. Minnesota Statutes 2004, section 169.09, subdivision 9, is amended to read:

Subd. 9. [ACCIDENT REPORT ~~FORMS~~ FORMAT.] The ~~Department~~ commissioner of public safety shall ~~prepare electronic or written forms~~ prescribe the format for the accident reports required under this section. Upon request the ~~department~~ commissioner shall ~~supply~~ make available the ~~forms~~ format to police departments, coroners, sheriffs, garages, and other suitable agencies or individuals. ~~The forms must be appropriate with respect to the persons required to make the reports and the purposes to be served.~~ The electronic or written report ~~forms~~ to be completed by ~~persons~~ individuals involved in accidents and by investigating peace officers must ~~call for sufficiently detailed information to~~ disclose ~~with reference to a traffic accident~~ the causes, existing conditions ~~then existing~~, and the ~~persons~~ individuals and vehicles involved.

Sec. 69. Minnesota Statutes 2004, section 169.09, subdivision 11, is amended to read:

Subd. 11. [CORONER TO REPORT DEATH.] Every coroner or other official performing like functions shall report in writing to the ~~Department~~ commissioner of public safety the death of any ~~person~~ individual within the coroner's jurisdiction as the result of an accident involving a ~~motor~~ vehicle and the circumstances of the accident. The report ~~shall~~ must be made within 15 days after the death.

In the case of drivers killed in ~~motor~~ vehicle accidents and of the death of pedestrians 16 years of age or older, who die within four hours after an accident, the coroner or other official performing like functions shall examine the body and shall make tests as are necessary to determine the presence and percentage concentration of alcohol, and drugs if feasible, in the blood of the victim. This information ~~shall~~ must be included in each report submitted pursuant to the provisions of this subdivision and shall be tabulated on a monthly basis by the ~~Department~~ commissioner of public safety. This information may be used only for statistical purposes ~~which~~ that do not reveal the identity of the deceased.

Sec. 70. Minnesota Statutes 2004, section 169.09, subdivision 12, is amended to read:

Subd. 12. [GARAGE TO REPORT BULLET DAMAGE.] The ~~person~~ individual in charge of any garage or repair shop to which is brought any ~~motor~~ vehicle ~~which~~ that shows evidence of having been struck by any bullet shall immediately report to the local police or sheriff and to the commissioner of public safety within 24 hours after ~~such motor~~ the vehicle is received, giving the engine number if any, registration plate number, and the name and address of the registered owner or operator of ~~such~~ the vehicle.

Sec. 71. Minnesota Statutes 2004, section 169.09, subdivision 14, is amended to read:

Subd. 14. [PENALTIES.] (a) The driver of any vehicle who violates subdivision 1 or 6 and who did not cause the accident is punishable as follows:

(1) if the accident results in the death of any ~~person~~ individual, the driver is guilty of a felony and may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than $5,000, or both;

(2) if the accident results in great bodily harm to any ~~person~~ individual, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than two years, or to payment of a fine of not more than $4,000, or both; or

(3) if the accident results in substantial bodily harm to any ~~person~~ individual, as defined in section 609.02, subdivision 7a, the driver may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than $3,000, or both.

(b) The driver of any vehicle involved in an accident not resulting in substantial bodily harm or death who violates subdivision 1 or 6 may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than $3,000, or both.

(c) Any person who violates subdivision 2, 3, 4, 5, 7, 8, ~~10,~~ 11, or 12 is guilty of a misdemeanor.

(d) 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 violations of this section.

Sec. 72. Minnesota Statutes 2004, section 169.09, subdivision 15, is amended to read:

Subd. 15. [DEFENSE.] It is an affirmative defense to prosecution under subdivisions 1, 2, and 6 that the driver left the scene of the accident to take any ~~person~~ individual suffering immediately demonstrable bodily injury in the accident to receive emergency medical care if the driver of the involved vehicle gives notice to a law enforcement agency as required by subdivision 6 as soon as reasonably feasible after the emergency medical care has been undertaken.

Sec. 73. Minnesota Statutes 2004, section 169.09, is amended by adding a subdivision to read:

Subd. 16. [COMMISSIONER AS AGENT FOR SERVICE OF PROCESS.] The use and operation by a resident of this state or the resident's agent, or by a nonresident or the nonresident's agent, of a motor vehicle within the state of Minnesota, is deemed an irrevocable appointment by the resident if absent from this state continuously for six months or more following an accident, or by the nonresident at any time, of the commissioner of public safety to be the resident's or nonresident's true and lawful attorney upon whom may be served all legal process in any action or proceeding against the resident or nonresident or the executor, administrator, or personal representative of the resident or nonresident growing out of the use and operation of a motor vehicle within this state, resulting in damages or loss to person or property, whether the damage or loss occurs on a highway or on abutting public or private property. This appointment is binding upon the nonresident's executor, administrator, or personal representative. The use or operation of a motor vehicle by the resident or nonresident is a signification of agreement that any process in any action against the resident or nonresident or executor, administrator, or personal representative of the resident or nonresident that is so served has the same legal force and validity as if served upon the resident or nonresident personally or on the executor, administrator, or personal representative of the resident or nonresident. Service of process must be made by serving a copy thereof upon the commissioner or by filing a copy in the commissioner's office, together with payment of a fee of $20, and is deemed sufficient service upon the absent resident or the nonresident or the executor, administrator, or personal representative of the resident or nonresident; provided that notice of service and a copy of the process are sent by mail by the plaintiff within ten days to the defendant at the defendant's last known address and that the plaintiff's affidavit of compliance with the provisions of this chapter is attached to the summons.

Sec. 74. Minnesota Statutes 2004, section 169.09, is amended by adding a subdivision to read:

Subd. 17. [INFORMATION; VEHICLE OWNERS.] If an accident report has been prepared by a person involved in an accident and no report has been prepared by a law enforcement officer, the owners of the vehicles involved in an accident shall have the same access to information maintained by the Department of Public Safety, Driver and Vehicle Services Division, about the vehicles, their owners, and their drivers that would have been available to a law enforcement officer reporting on the accident.

Sec. 75. Minnesota Statutes 2004, section 169.09, is amended by adding a subdivision to read:

Subd. 18. [CONTINUANCE OF COURT PROCEEDING; COSTS.] The court in which the action is pending may order a continuance as may be necessary to afford the defendant reasonable opportunity to defend the action, not exceeding 90 days from the date of filing of the action in that court. The fee of $20 paid by the plaintiff to the commissioner at the time of service of the proceedings must be taxed in the plaintiff's cost if the plaintiff prevails in the suit. The commissioner shall keep a record of all processes so served, which must show the day and hour of service.

Sec. 76. Minnesota Statutes 2004, section 171.07, subdivision 1, is amended to read:

Subdivision 1. [LICENSE; CONTENTS.] (a) Upon the payment of the required fee, the department shall issue to every qualifying applicant a license designating the type or class of vehicles the applicant is authorized to drive as applied for. This license must bear a distinguishing number assigned to the licensee~~,~~; the licensee's full name, date of birth, and residence address ~~and permanent mailing address if different,~~; a description of the licensee in a manner as the commissioner deems necessary~~,~~; and the usual signature of the licensee. No license is valid unless it bears the usual signature of the licensee. Every license must bear a colored photograph or an electronically produced image of the licensee.

(b) If the United States Postal Service will not deliver mail to the applicant's residence address as listed on the license, then the applicant shall provide verification from the United States Postal Service that mail will not be delivered to the applicant's residence address and that mail will be delivered to a specified alternate mailing address. When an applicant provides an alternate mailing address under this subdivision, the commissioner shall use the alternate mailing address in lieu of the applicant's residence address for all notices and mailings to the applicant.

(c) Every license issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

~~(c)~~ (d) The department shall use processes in issuing a license that prohibit, as nearly as possible, the ability to alter or reproduce a license, or prohibit the ability to superimpose a photograph or electronically produced image on a license, without ready detection.

~~(d)~~ (e) A license issued to an applicant age 65 or over must be plainly marked "senior" if requested by the applicant.

Sec. 77. Minnesota Statutes 2004, section 171.07, subdivision 3, is amended to read:

Subd. 3. [IDENTIFICATION CARD; FEE.] (a) Upon payment of the required fee, the department shall issue to every qualifying applicant a Minnesota identification card. The department may not issue a Minnesota identification card to ~~a person~~ an individual who has a driver's license, other than a limited license. The card must bear a distinguishing number assigned to the applicant; a colored photograph or an electronically produced image of the applicant; the applicant's full name, date of birth, and residence address; a description of the applicant in the manner as the commissioner deems necessary; and the usual signature of the applicant.

(b) If the United States Postal Service will not deliver mail to the applicant's residence address as listed on the Minnesota identification card, then the applicant shall provide verification from the United States Postal Service that mail will not be delivered to the applicant's residence address and that mail will be delivered to a specified alternate mailing address. When an applicant provides an alternate mailing address under this subdivision, the commissioner shall use the alternate mailing address in lieu of the applicant's residence address for all notices and mailings to the applicant.

(c) Each identification card issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

~~(c)~~ (d) Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

~~(d)~~ (e) The fee for a Minnesota identification card is 50 cents when issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2; a physically disabled person, as defined in section 169.345, subdivision 2; or, a person with mental illness, as described in section 245.462, subdivision 20, paragraph (c).

Sec. 78. Minnesota Statutes 2004, section 171.12, subdivision 7, is amended to read:

Subd. 7. [PRIVACY OF ~~RESIDENCE ADDRESS~~ DATA.] (a) ~~An applicant for a driver's license or a Minnesota identification card may request that the applicant's residence address be classified as private data on individuals, as defined in section 13.02, subdivision 12. The commissioner shall grant the classification upon receipt of a signed statement by the individual that the classification is required for the safety of the applicant or the applicant's family, if the statement also provides a valid, existing address where the applicant consents to receive service of process. The commissioner shall use the mailing address in place of the residence address in all documents and notices pertaining to the driver's license or identification card. The residence address and any information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518.54, subdivision 9.~~ Data on individuals provided to obtain a driver's license or Minnesota identification card shall be treated as provided by United States Code, title 18, section 2721, as in effect on May 23, 2005, and shall be disclosed as required or permitted by that section.

(b) An applicant for a driver's license or a Minnesota identification card ~~must be informed in a clear and conspicuous manner on the forms for the issuance or renewal that~~ may consent, in writing, to the commissioner to disclose the applicant's personal information ~~may be disclosed~~ exempted by United States Code, title 18, section 2721, to any person who makes a request for the personal information~~, and that except for uses permitted by United States Code, title 18, section~~

~~2721, subsection (b), the applicant may prohibit disclosure of the personal information by so indicating on the form~~. If the applicant so authorizes disclosures, the commissioner shall implement the request and the information may be used.

(c) If authorized by an applicant for a driver's license or a Minnesota identification card ~~must be also informed in a clear and conspicuous manner on forms that~~, as indicated in paragraph (b), the applicant's personal information may be used, rented, or sold solely for bulk distribution by organizations for business purposes, including surveys, marketing, or solicitation. ~~The commissioner shall implement methods and procedures that enable the applicant to request that bulk surveys, marketing, or solicitation not be directed to the applicant. If the applicant so requests, the commissioner shall implement the request in a timely manner and the personal information may not be so used.~~

(d) ~~To the extent permitted by United States Code, title 18, section 2721, data on individuals provided to obtain a Minnesota identification card or a driver's license is public data on individuals and shall be disclosed as permitted by United States Code, title 18, section 2721, subsection (b).~~ An applicant for a driver's license, instruction permit, or Minnesota identification card may request that the applicant's residence address be classified as "private data on individuals," as defined in section 13.02, subdivision 12. The commissioner shall grant the classification on receipt of a signed statement by the individual that the classification is required for the safety of the applicant or the applicant's family, if the statement also provides a valid, existing address where the applicant consents to receive service of process. The commissioner shall use the service for process mailing address in place of the residence address in all documents and notices pertaining to the driver's license, instruction permit, or Minnesota identification card. The residence address and any information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518.54, subdivision 9.

Sec. 79. Minnesota Statutes 2004, section 270B.01, subdivision 5, is amended to read:

Subd. 5. [TAXPAYER IDENTITY.] "Taxpayer identity" means the name of a person with respect to whom a return is filed, or the person's mailing address, or the person's taxpayer identifying number. "Taxpayer identity" does not include the state taxpayer identifying number of a business entity, which is classified as public data.

Sec. 80. Minnesota Statutes 2004, section 270B.03, subdivision 1, is amended to read:

Subdivision 1. [WHO MAY INSPECT.] Returns and return information must, on request, be made open to inspection by or disclosure to the data subject. The request must be made in writing or in accordance with written procedures of the chief disclosure officer of the department that have been approved by the commissioner to establish the identification of the person making the request as the data subject. For purposes of this chapter, the following are the data subject:

(1) in the case of an individual return, that individual;

(2) in the case of an income tax return filed jointly, either of the individuals with respect to whom the return is filed;

(3) ~~in the case of a partnership return, any person who was a member of the partnership during any part of the period covered by the return;~~

~~(4) in the case of the return of a corporation or its subsidiary:~~

~~(i) any person designated by resolution of the board of directors or other similar governing body;~~

~~(ii) any officer or employee of the corporation upon written request signed by any officer and attested to by the secretary or another officer;~~

~~(iii) any bona fide shareholder of record owning one percent or more of the outstanding stock of the corporation;~~

~~(iv) if the corporation is a corporation that has made an election under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1988, any person who was a shareholder during any part of the period covered by the return during which an election was in effect; or~~

~~(v) if the corporation has been dissolved, any person authorized by state law to act for the corporation or any person who would have been authorized if the corporation had not been dissolved~~ in the case of a return filed by a business entity, an officer of a corporation, a shareholder owning more than one percent of the stock, or any shareholder of an S corporation; a general partner in a partnership; the owner of a sole proprietorship; a member or manager of a limited liability company; a participant in a joint venture; the individual who signed the return on behalf of the business entity; or an employee who is responsible for handling the tax matters of the business entity, such as the tax manager, bookkeeper, or managing agent;

~~(5)~~ (4) in the case of an estate return:

(i) the personal representative or trustee of the estate; and

(ii) any beneficiary of the estate as shown on the federal estate tax return;

~~(6)~~ (5) in the case of a trust return:

(i) the trustee or trustees, jointly or separately; and

(ii) any beneficiary of the trust as shown in the trust instrument;

~~(7)~~ (6) if liability has been assessed to a transferee under section 289A.31, subdivision 3, the transferee is the data subject with regard to the returns and return information relating to the assessed liability;

~~(8)~~ (7) in the case of an Indian tribal government or an Indian tribal government-owned entity,

(i) the chair of the tribal government, or

(ii) any person authorized by the tribal government; and

~~(9)~~ (8) in the case of a successor as defined in section 270.102, subdivision 1, paragraph (b), the successor is the data subject and information may be disclosed as provided by section 270.102, subdivision 4.

Sec. 81. [299C.40] [COMPREHENSIVE INCIDENT-BASED REPORTING SYSTEM.]

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

(b) "CIBRS" means the Comprehensive Incident-Based Reporting System, located in the Department of Public Safety and managed by the Bureau of Criminal Apprehension, Criminal Justice Information Systems Section. A reference in this section to "CIBRS" includes the Bureau of Criminal Apprehension.

(c) "Law enforcement agency" means a Minnesota municipal police department, the Metropolitan Transit Police, the Metropolitan Airports Police, the University of Minnesota Police Department, a Minnesota county sheriff's department, the Bureau of Criminal Apprehension, or the Minnesota State Patrol.

Subd. 2. [PURPOSE.] CIBRS is a statewide system containing data from law enforcement agencies. Data in CIBRS must be made available to law enforcement agencies in order to prepare a case against a person, whether known or unknown, for the commission of a crime or other offense for which the agency has investigative authority, or for purposes of background investigations required by section 626.87.

Subd. 3. [DATA PRACTICES ACT GOVERNS.] The provisions of chapter 13 apply to this section.

Subd. 4. [DATA CLASSIFICATION; GENERAL RULE; CHANGES IN CLASSIFICATION; AUDIT TRAIL.] (a) The classification of data in the law enforcement agency does not change after the data is submitted to CIBRS. If CIBRS is the only source of data made public by section 13.82, subdivisions 2, 3, 6, and 7, data described in those subdivisions must be downloaded and made available to the public as required by section 13.03.

(b) Data on individuals created, collected, received, maintained, or disseminated by CIBRS is classified as confidential data on individuals as defined in section 13.02, subdivision 3, and becomes private data on individuals as defined in section 13.02, subdivision 12, as provided by this section.

(c) Data not on individuals created, collected, received, maintained, or disseminated by CIBRS is classified as protected nonpublic data as defined in section 13.02, subdivision 13, and becomes nonpublic data as defined in section 13.02, subdivision 9, as provided by this section.

(d) Confidential or protected nonpublic data created, collected, received, maintained, or disseminated by CIBRS must automatically change classification from confidential data to private data or from protected nonpublic data to nonpublic data on the earlier of the following dates:

(1) upon receipt by CIBRS of notice from a law enforcement agency that an investigation has become inactive; or

(2) when the data has not been updated by the law enforcement agency that submitted it for a period of 120 days.

(e) For the purposes of this section, an investigation becomes inactive upon the occurrence of any of the events listed in section 13.82, subdivision 7, clauses (a) to (c).

(f) Ten days before making a data classification change because data has not been updated, CIBRS must notify the law enforcement agency that submitted the data that a classification change will be made on the 120th day. The notification must inform the law enforcement agency that the data will retain its classification as confidential or protected nonpublic data if the law enforcement agency updates the data or notifies CIBRS that the investigation is still active before the 120th day. A new 120-day period begins if the data is updated or if a law enforcement agency notifies CIBRS that an active investigation is continuing.

(g) A law enforcement agency that submits data to CIBRS must notify CIBRS if an investigation has become inactive so that the data is classified as private data or nonpublic data. The law enforcement agency must provide this notice to CIBRS within ten days after an investigation becomes inactive.

(h) All queries and responses and all actions in which data is submitted to CIBRS, changes classification, or is disseminated by CIBRS to any law enforcement agency must be recorded in the CIBRS audit trail.

Subd. 5. [ACCESS TO CIBRS DATA BY LAW ENFORCEMENT AGENCY PERSONNEL.] Only law enforcement agency personnel with certification from the Bureau of Criminal Apprehension may enter, update, or access CIBRS data. The ability of particular law enforcement agency personnel to enter, update, or access CIBRS data must be limited through the use of purpose codes that correspond to the official duties and training level of the personnel.

Subd. 6. [ACCESS TO CIBRS DATA BY DATA SUBJECT.] Upon request to the Bureau of Criminal Apprehension or to a law enforcement agency participating in CIBRS an individual shall be informed whether the individual is the subject of private or confidential data held by CIBRS. An individual who is the subject of private data held by CIBRS may obtain access to the data by making a request to the Bureau of Criminal Apprehension or to a participating law enforcement agency. Private data provided to the subject under this subdivision must also include the name of the law enforcement agency that submitted the data to CIBRS and the name, telephone number, and address of the responsible authority for the data.

Subd. 7. [CHALLENGE TO COMPLETENESS AND ACCURACY OF DATA.] An

individual who is the subject of public or private data held by CIBRS and who wants to challenge the completeness or accuracy of the data under section 13.04, subdivision 4, must notify in writing the responsible authority for the data. A law enforcement agency must notify the Bureau of Criminal Apprehension when data held by CIBRS is challenged. The notification must identify the data that was challenged and the subject of the data. CIBRS must include any notification received under this paragraph whenever disseminating data about which no determination has been made. When the responsible authority of a law enforcement agency completes, corrects, or destroys successfully challenged data, the corrected data must be submitted to CIBRS and any future dissemination must be of the corrected data.

Sec. 82. [299C.405] [SUBSCRIPTION SERVICE.]

(a) For the purposes of this subdivision "subscription service" means a process by which law enforcement agency personnel may obtain ongoing, automatic electronic notice of any contacts an individual has with any criminal justice agency.

(b) The Department of Public Safety must not establish a subscription service without prior legislative authorization.

Sec. 83. [325E.317] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 325E.317 and 325E.318, the terms defined in this section have the meanings given.

Subd. 2. [PROVIDER.] "Provider" means a provider of wireless telecommunications services.

Subd. 3. [TELECOMMUNICATIONS SERVICES.] "Telecommunications services" has the meaning given in section 297A.61, subdivision 24, paragraph (a).

Subd. 4. [WIRELESS DIRECTORY ASSISTANCE SERVICE.] "Wireless directory assistance service" means any service for connecting calling parties to a wireless telecommunications services customer when the calling parties themselves do not possess the customer's wireless telephone number information.

Subd. 5. [WIRELESS TELECOMMUNICATIONS SERVICES.] "Wireless telecommunications services" has the meaning given in section 325F.695.

Subd. 6. [WIRELESS TELEPHONE DIRECTORY.] "Wireless telephone directory" means a directory or database containing wireless telephone number information or any other identifying information by which a calling party may reach a wireless telecommunications services customer.

Subd. 7. [WIRELESS TELEPHONE NUMBER INFORMATION.] "Wireless telephone number information" means the telephone number, electronic address, and any other identifying information by which a calling party may reach a wireless telecommunications services customer, which is assigned by a provider to the customer and includes the customer's name and address.

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

Sec. 84. [325E.318] [WIRELESS DIRECTORIES.]

Subdivision 1. [NOTICE.] No provider of wireless telecommunications service, or any direct or indirect affiliate or agent of a provider, may include the wireless telephone number information of a customer in a wireless telephone directory assistance service database or publish, sell, or otherwise disseminate the contents of a wireless telephone directory assistance service database unless the provider provides a conspicuous notice to the subscriber informing the subscriber that the subscriber will not be listed in a wireless directory assistance service database without the subscriber's prior express authorization.

Subd. 2. [AUTHORIZATION.] (a) A provider, or any direct or indirect affiliate or agent of a provider, may not disclose, provide, or sell a customer's wireless telephone number information, or any part thereof, for inclusion in a wireless telephone directory of any form, and may not sell a

wireless telephone directory containing a customer's wireless telephone number information without first receiving prior express authorization from the customer. The customer's authorization must meet the following requirements:

(1) consent shall be affirmatively obtained separately from the execution of the service contract via verifiable means; and

(2) consent shall be unambiguous and conspicuously disclose that the subscriber is consenting to have the customer's dialing number sold or licensed as part of a publicly available directory assistance database.

(b) A record of the authorization shall be maintained for the duration of the service contract or any extension of the contract.

(c) A subscriber who provides express consent pursuant to paragraph (a) may revoke that consent via verifiable means at any time. A provider must comply with the customer's request to be removed from the directory and remove such listing from directory assistance within 60 days.

Subd. 3. [NO FEE TO RETAIN PRIVACY.] A customer shall not be charged for opting not to be listed in a wireless telephone directory.

Subd. 4. [REMEDIES.] Every knowing violation of this section is punishable by a fine of up to $500 for each violation with a maximum aggregated amount of $10,000 for a provider, of which $100 per violation shall be paid to each victim of the violation. The attorney general may bring actions to enforce compliance with this section. For the first violation by any company or organization of this section, the attorney general shall notify the company with a letter of warning that the section has been violated. No telephone corporation, nor any official or employee of a telephone corporation, shall be subject to criminal or civil liability for the release of customer information as authorized by this section.

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

Sec. 85. [325E.59] [USE OF SOCIAL SECURITY NUMBERS.]

Subdivision 1. [GENERALLY.] A person or entity, not including a government entity, may not do any of the following:

(1) publicly post or publicly display in any manner an individual's Social Security number. "Publicly post" or "publicly display" means to intentionally communicate or otherwise make available to the general public;

(2) print an individual's Social Security number on any card required for the individual to access products or services provided by the person or entity;

(3) require an individual to transmit the individual's Social Security number over the Internet, unless the connection is secure or the Social Security number is encrypted;

(4) require an individual to use the individual's Social Security number to access an Internet Web site, unless a password or unique personal identification number or other authentication device is also required to access the Internet Web site; or

(5) print a number that the person or entity knows to be an individual's Social Security number on any materials that are mailed to the individual, unless state or federal law requires the Social Security number to be on the document to be mailed. If, in connection with a transaction involving or otherwise relating to an individual, a person or entity receives a number from a third party, that person or entity is under no duty to inquire or otherwise determine whether the number is or includes that individual's Social Security number and may print that number on materials mailed to the individual, unless the person or entity receiving the number has actual knowledge that the number is or includes the individual's Social Security number.

Notwithstanding clauses (1) to (5), Social Security numbers may be included in applications

and forms sent by mail, including documents sent as part of an application or enrollment process, or to establish, amend, or terminate an account, contract, or policy, or to confirm the accuracy of the Social Security number. Nothing in this paragraph authorizes inclusion of a Social Security number on the outside of a mailing.

Except as provided in subdivision 2, this section applies only to the use of Social Security numbers on or after July 1, 2007.

Subd. 2. [CONTINUATION OF PRIOR USE.] A person or entity, not including a government entity, that has used, prior to July 1, 2007, an individual's Social Security number in a manner inconsistent with subdivision 1, may continue using that individual's Social Security number in that manner on or after July 1, 2007, if all the following conditions are met:

(1) the use of the Social Security number is continuous. If the use is stopped for any reason, subdivision 1 applies;

(2) the individual is provided an annual disclosure, commencing in 2007, that informs the individual that the individual has the right to stop the use of the individual's Social Security number in a manner prohibited by subdivision 1;

(3) a written request by an individual to stop the use of the individual's Social Security number in a manner prohibited by subdivision 1 must be implemented within 30 days of the receipt of the request. A fee may not be charged for implementing the request; and

(4) a person or entity, not including a government entity, shall not deny services to an individual because the individual makes a written request pursuant to this subdivision.

Subd. 3. [COORDINATION WITH OTHER LAW.] This section does not prevent the collection, use, or release of a Social Security number as required by state or federal law or the use of a Social Security number for internal verification or administrative purposes.

Subd. 4. [PUBLIC RECORDS.] This section does not apply to documents that are recorded or required to be open to the public under chapter 13 or by other law.

Subd. 5. [DEFINITIONS.] For purposes of this section, "government entity" has the meaning given in section 13.02, subdivision 7a, but does not include the Minnesota state colleges and universities or the University of Minnesota.

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

Sec. 86. [REPORT TO LEGISLATURE.]

By January 15, 2006, the commissioner of public safety must report to the chair of the house Public Safety Policy and Finance Committee and the chair of the senate Crime Prevention and Public Safety Committee and the ranking minority members of those committees and make legislative recommendations on possible use of CIBRS data for background checks required by law, a process for criminal records expungement by the subject of CIBRS data, and retention schedules for CIBRS data.

By January 15, 2006, the commissioner of public safety must also report to the chair of the house Committee on Public Safety Policy and Finance and the chair of the senate Committee on Crime Prevention and the ranking minority members of those committees on the advisability of prohibiting the possession or use of devices or chemicals to falsify results of drug and alcohol testing as defined in Minnesota Statutes, section 181.95, subdivision 5, or to place false DNA evidence at the scene of a crime.

Sec. 87. [REVIEW OF STATE HANDLING OF GENETIC INFORMATION.]

The commissioner of administration shall review the applicable laws, rules, and policies to determine whether the state handles genetic information on individuals in a manner that appropriately takes into account the possible effect of release or nonrelease of that information on

the genetic privacy of relatives of the individuals. The commissioner shall report the results of the review, including any recommendations for legislative changes, to the chairs of the house Civil Law Committee and the senate Judiciary Committee and the ranking minority members of those committees by January 15, 2006.

Sec. 88. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber each section of Minnesota Statutes in column A with the number in column B. The revisor shall also make any necessary cross-reference changes.

Column A	Column B
170.24	169.09, subdivision 14a
170.54	169.09, subdivision 5a

Sec. 89. [REPEALER.]

Minnesota Statutes 2004, sections 13.04, subdivision 5; 169.09, subdivision 10; and 170.55, are repealed."

Delete the title and insert:

"A bill for an act relating to data practices; making technical, conforming, and clarifying changes to the Minnesota Government Data Practices Act; defining terms; classifying, regulating, and reviewing access to and dissemination of certain data; providing notice of breaches in security; regulating certain fees; providing for the conduct of certain board and council meetings; modifying provisions regulating motor vehicle and driver applications and records; regulating disclosure of nonidentifying sales tax returns; modifying vehicle accident reports and procedures; providing for treatment of data held by the comprehensive incident-based reporting system; regulating use of Social Security numbers; classifying certain animal health data; defining terms and regulating data privacy practices for wireless telecommunications; providing for a review of the handling of genetic information; amending Minnesota Statutes 2004, sections 3.978, subdivision 2; 11A.24, subdivision 6; 13.01, subdivisions 1, 3; 13.02, subdivision 7; 13.03, subdivisions 1, 2, 3, 4, 5, 6, 8; 13.04, subdivisions 2, 4; 13.05, subdivisions 1, 4, 6, 7, 8, 9; 13.06, subdivisions 1, 2, 3, 4; 13.07; 13.072, subdivision 4; 13.073, subdivision 3; 13.08, subdivisions 1, 2, 5; 13.32, by adding a subdivision; 13.37, subdivisions 1, 2, 3; 13.3805, by adding a subdivision; 13.43, subdivisions 1, 2, 3; 13.46, subdivision 4; 13.591, by adding subdivisions; 13.601, by adding a subdivision; 13.635, by adding a subdivision; 13.643, by adding a subdivision; 13.72, by adding subdivisions; 13.82, subdivisions 1, 16; 16C.06, subdivision 5; 116J.68, by adding a subdivision; 116L.03, by adding a subdivision; 116L.665, by adding a subdivision; 116M.15, by adding a subdivision; 116U.25; 168.346; 168A.04, by adding a subdivision; 169.09, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 14, 15, by adding subdivisions; 171.07, subdivisions 1, 3; 171.12, subdivision 7; 270B.01, subdivision 5; 270B.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 13; 41A; 299C; 325E; repealing Minnesota Statutes 2004, sections 13.04, subdivision 5; 169.09, subdivision 10; 170.55."

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

House Conferees: (Signed) Mary Liz Holberg, Tom Emmer, Keith M. Ellison

Senate Conferees: (Signed) Wesley J. Skoglund, Don Betzold, Warren Limmer

Senator Skoglund moved that the foregoing recommendations and Conference Committee Report on H.F. No. 225 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 225 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 60 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kubly	Neuville	Sams
Bakk	Gaither	Langseth	Nienow	Saxhaug
Belanger	Gerlach	Larson	Olson	Scheid
Berglin	Hann	Limmer	Ortman	Senjem
Betzold	Hottinger	Lourey	Ourada	Skoe
Chaudhary	Johnson, D.E.	Marko	Pappas	Solon
Cohen	Johnson, D.J.	Marty	Pogemiller	Sparks
Day	Kelley	McGinn	Ranum	Stumpf
Dibble	Kierlin	Metzen	Rest	Tomassoni
Dille	Kiscaden	Michel	Robling	Vickerman
Fischbach	Kleis	Moua	Rosen	Wergin
Foley	Koering	Murphy	Ruud	Wiger

Those who voted in the negative were:

Bachmann	Jungbauer	LeClair	Pariseau	Reiter

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1816, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1816 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1816

A bill for an act relating to human services; extending coverage of certain mental health services; changing certain civil commitment provisions; establishing a task force to study disposition of persons committed as sexually dangerous or sexual psychopathic personality; requiring a report; amending Minnesota Statutes 2004, sections 148C.11, subdivision 1; 253B.02, subdivisions 7, 9; 253B.05, subdivision 2; 256.9693; 256B.0624, by adding a subdivision; 260C.141, subdivision 2; 260C.193, subdivision 2; 260C.201, subdivisions 1, 2; 260C.205; 260C.212, subdivision 1; 609.2231, subdivision 3; repealing Laws 2001, First Special Session chapter 9, article 9, section 52; Laws 2002, chapter 335, section 4.

May 23, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 1816, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1816 be further amended as follows:

Page 23, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for childrens' mental health services;"

Page 1, line 12, delete "609.2231,"

Page 1, line 13, delete "subdivision 3;"

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

House Conferees: (Signed) Tom Emmer, Fran Bradley, Thomas Huntley

Senate Conferees: (Signed) Linda Berglin, Becky Lourey, Michelle L. Fischbach

Senator Berglin moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1816 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1816 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Nienow	Saxhaug
Bachmann	Gaither	Larson	Olson	Scheid
Bakk	Gerlach	LeClair	Ortman	Senjem
Belanger	Hann	Limmer	Ourada	Skoe
Berglin	Johnson, D.E.	Lourey	Pappas	Skoglund
Betzold	Johnson, D.J.	Marko	Pariseau	Solon
Chaudhary	Jungbauer	Marty	Ranum	Sparks
Cohen	Kelley	McGinn	Reiter	Stumpf
Day	Kierlin	Metzen	Rest	Tomassoni
Dibble	Kiscaden	Michel	Robling	Vickerman
Dille	Kleis	Moua	Rosen	Wergin
Fischbach	Koering	Murphy	Ruud	Wiger
Foley	Kubly	Neuville	Sams	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Neuville moved that S.F. No. 1733, No. 92 on General Orders, be stricken and laid on the table.The motion prevailed.

RECESS

Senator Johnson, D.E. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2121, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2121 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 23, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2121

A bill for an act relating to commerce; requiring businesses that possess personal data to notify persons whose personal information has been disclosed to unauthorized persons; proposing coding for new law in Minnesota Statutes, chapter 325E.

May 23, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 2121, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2121 be further amended as follows:

Page 4, after line 5, insert:

"Subd. 5. [SECURITY ASSESSMENTS.] Each government entity shall conduct a comprehensive security assessment of any personal information maintained by the government entity."

Page 4, line 6, delete "5" and insert "6"

Page 4, delete line 7

Page 4, line 8, before "enforce" insert "shall"

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

House Conferees: (Signed) Jeff Johnson, Tim Wilkin, Jim Davnie

Senate Conferees: (Signed) Satveer Chaudhary, David C. Gaither

Senator Chaudhary moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2121 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2121 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kubly	Neuville	Sams
Bachmann	Gaither	Langseth	Nienow	Saxhaug
Bakk	Hann	Larson	Olson	Scheid
Belanger	Higgins	LeClair	Ortman	Senjem
Berglin	Hottinger	Limmer	Ourada	Skoe
Betzold	Johnson, D.E.	Lourey	Pappas	Skoglund
Chaudhary	Johnson, D.J.	Marko	Pariseau	Solon
Cohen	Jungbauer	Marty	Pogemiller	Sparks
Day	Kelley	McGinn	Ranum	Stumpf
Dibble	Kierlin	Metzen	Reiter	Tomassoni
Dille	Kiscaden	Michel	Robling	Vickerman
Fischbach	Kleis	Moua	Rosen	Wergin
Foley	Koering	Murphy	Ruud	Wiger

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Dibble moved that S.F. No. 1552, No. 63 on General Orders, be stricken and laid on the table. The motion prevailed.

Senator Dibble moved that S.F. No. 404, No. 10 on General Orders, be stricken and laid on the table. The motion prevailed.

Senator Hann moved that S.F. No. 631, No. 98 on General Orders, be stricken and laid on the table. The motion prevailed.

Senator Dibble moved that S.F. No. 796, No. 50 on General Orders, be stricken and laid on the table. The motion prevailed.

Senator Anderson moved that S.F. No. 900, No. 60 on General Orders, be stricken and laid on the table. The motion prevailed.

Senator Anderson moved that S.F. No. 1687, No. 71 on General Orders, be stricken and laid on the table. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Senators Kiscaden, Frederickson, Anderson, Pappas and Kierlin introduced--

S.F. No. 2341: A bill for an act relating to jobs; requiring capital budget requests for workforce centers to be presented by the commissioner of employment and economic development; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Finance.

Senators Skoe, Langseth and Stumpf introduced--

S.F. No. 2342: A bill for an act relating to capital improvements; providing for a grant to Independent School District No. 38, Red Lake, for school construction costs and related improvements; authorizing bonds; appropriating money.

Referred to the Committee on Finance.

Senator Stumpf introduced--

S.F. No. 2343: A bill for an act relating to capital improvements; relating to flood damage mitigation; appropriating money and authorizing issuance of bonds for repair of a dike in the city of St. Vincent.

Referred to the Committee on Finance.

Senator Betzold introduced--

S.F. No. 2344: A bill for an act relating to metropolitan government; providing for planning, construction, and operation of commuter rail lines located in whole or in part within metropolitan area; amending Minnesota Statutes 2004, section 174.82; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on State and Local Government Operations.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Olson moved that S.F. No. 1778, No. 85 on General Orders, be stricken and laid on the table. The motion prevailed.

Senators Johnson, D.E. and Day introduced--

Senate Concurrent Resolution No. 7: A Senate concurrent resolution relating to adjournment of the Senate and House of Representatives until 2006.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon their adjournments on May 23, 2005, the Senate may set its next day of meeting for Tuesday, February 28, 2006, at 12:00 noon and the House of Representatives may set its next day of meeting for Tuesday, February 28, 2006, at 12:00 noon.

2. By the adoption of this resolution, each house consents to adjournment of the other house for more than three days.

Senator Johnson, D.E. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Senators Johnson, D.E. and Day introduced--

Senate Resolution No. 115: A Senate resolution relating to conduct of Senate business during the interim between Sessions.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The powers, duties and procedures set forth in this resolution apply during the interim between the adjournment of the 84th Legislature, 2005 session and the convening of the 84th Legislature, 2006 session.

The Subcommittee on Committees of the Committee on Rules and Administration shall appoint

persons as necessary to fill any vacancies that may occur in commissions and other bodies whose members are to be appointed by the Senate authorized by rule, statute, resolution, or otherwise.

The Committee on Rules and Administration shall establish positions, set compensation and benefits, appoint employees and authorize expense reimbursement as it deems proper to carry out the work of the Senate.

The Secretary of the Senate shall classify as eligible for benefits under Minnesota Statutes, sections 3.095 and 43A.24, those Senate employees heretofore or hereafter certified as eligible for benefits by the Committee on Rules and Administration.

The Secretary of the Senate may employ after the close of the session the employees necessary to finish the business of the Senate at the salaries paid under the rules of the Senate for the 2005 regular session. The Secretary of the Senate may employ the necessary employees to prepare for the 2006 session at the salaries in effect at that time.

The Secretary of the Senate, as authorized and directed by the Committee on Rules and Administration, shall furnish each member of the Senate with postage and supplies and, upon proper verification of the expenses incurred, shall reimburse each member for expenses as authorized from time to time by the Committee on Rules and Administration.

The Secretary of the Senate shall correct and approve the Journal of the Senate for those days that have not been corrected and approved by the Senate, and shall correct printing errors found in the Journal of the Senate for the 2005 session. The Secretary of the Senate may include in the Senate Journal proceedings of the last day, appointments by the Subcommittee on Committees to interim commissions created by legislative action, permanent commissions or committees established by statute, standing committees, official communications and other matters of record received on or after May 23, 2005.

The Secretary of the Senate may pay election and litigation costs as authorized by the Committee on Rules and Administration.

The Secretary of the Senate, with the approval of the Committee on Rules and Administration, shall secure bids and enter into contracts for remodeling and improvement of Senate office space, and shall purchase all supplies, equipment, and other goods and services necessary to carry out the work of the Senate. Contracts in excess of $10,000 must be signed by the Chair of the Committee on Rules and Administration and another member designated by the Chair.

The Secretary of the Senate shall draw warrants from the legislative expense fund in payment of the accounts referred to in this resolution.

All Senate records, including committee books, are subject to the direction of the Committee on Rules and Administration.

The Senate Chamber, retiring room, committee rooms, all conference rooms, storage rooms, Secretary of the Senate's office, Rules and Administration office, and any and all other space assigned to the Senate, are reserved for use by the Senate and its standing committees only and must not be released or used for any other purpose except upon the authorization of the Secretary of the Senate with the approval of the Committee on Rules and Administration or its Chair.

The Custodian of the Capitol shall continue to provide parking space for members and staff of the Legislature under Senate Concurrent Resolution No. 2.

Senator Johnson, D.E. moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Bachmann	Bakk	Belanger	Berglin

Betzold	Higgins	Larson	Olson	Sams
Chaudhary	Hottinger	LeClair	Ortman	Saxhaug
Cohen	Johnson, D.E.	Lourey	Ourada	Senjem
Day	Johnson, D.J.	Marko	Pappas	Skoe
Dibble	Jungbauer	Marty	Pariseau	Skoglund
Dille	Kelley	McGinn	Pogemiller	Sparks
Fischbach	Kierlin	Metzen	Ranum	Stumpf
Foley	Kiscaden	Michel	Reiter	Tomassoni
Frederickson	Kleis	Moua	Rest	Vickerman
Gaither	Koering	Murphy	Robling	Wergin
Gerlach	Kubly	Neuville	Rosen	Wiger
Hann	Langseth	Nienow	Ruud	

The motion prevailed. So the resolution was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 2286 and that the rules of the Senate be so far suspended as to give S.F. No. 2286, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 2286: A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2004, section 66A.02, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Olson	Scheid
Bachmann	Gerlach	Larson	Ortman	Senjem
Bakk	Hann	LeClair	Ourada	Skoe
Belanger	Higgins	Limmer	Pappas	Skoglund
Berglin	Hottinger	Lourey	Pariseau	Solon
Betzold	Johnson, D.E.	Marko	Pogemiller	Sparks
Chaudhary	Johnson, D.J.	Marty	Ranum	Stumpf
Cohen	Jungbauer	McGinn	Reiter	Tomassoni
Day	Kelley	Metzen	Rest	Vickerman
Dibble	Kierlin	Michel	Robling	Wergin
Dille	Kiscaden	Moua	Rosen	Wiger
Fischbach	Kleis	Murphy	Ruud	
Foley	Koering	Neuville	Sams	
Frederickson	Kubly	Nienow	Saxhaug	

So the bill passed and its title was agreed to.

Senator Betzold moved that S.F. No. 2286 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1231: A bill for an act relating to real property; regulating sign and flag display; amending Minnesota Statutes 2004, sections 515.07; 515B.2-103; 515B.3-102; proposing coding for new law in Minnesota Statutes, chapter 500.

Senate File No. 1231 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

CONCURRENCE AND REPASSAGE

Senator Betzold moved that the Senate concur in the amendments by the House to S.F. No. 1231 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1231 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Olson	Scheid
Bachmann	Gerlach	Larson	Ortman	Senjem
Bakk	Hann	LeClair	Ourada	Skoe
Belanger	Higgins	Limmer	Pappas	Skoglund
Berglin	Hottinger	Lourey	Pariseau	Solon
Betzold	Johnson, D.E.	Marko	Pogemiller	Sparks
Chaudhary	Johnson, D.J.	Marty	Ranum	Stumpf
Cohen	Jungbauer	McGinn	Reiter	Tomassoni
Day	Kelley	Metzen	Rest	Vickerman
Dibble	Kierlin	Michel	Robling	Wergin
Dille	Kiscaden	Moua	Rosen	Wiger
Fischbach	Kleis	Murphy	Ruud	
Foley	Koering	Neuville	Sams	
Frederickson	Kubly	Nienow	Saxhaug	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2093 and 953.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1555, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1555: A bill for an act relating to gambling; amending various provisions relating to lawful gambling; amending and providing definitions; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2004, sections 349.12, subdivisions 5, 25, 33, by adding subdivisions; 349.15, subdivision 1; 349.151, subdivisions 4, 4b; 349.152, subdivision 2; 349.153; 349.155, subdivision 3; 349.16, subdivisions 2, 8; 349.161, subdivision 5; 349.162, subdivisions 1, 4, 5; 349.163, subdivision 3; 349.1635, subdivision 4; 349.166, subdivisions 1, 2; 349.167, subdivision 1; 349.168, subdivision 8; 349.17, subdivisions 5, 7; 349.1711, subdivision 1; 349.173; 349.18, subdivision 1; 349.19, subdivisions 4, 5, 10; 349.211, subdivision 2c; 349.2125, subdivision 1; 349.213; 609.75, subdivision 1; repealing Minnesota Statutes 2004, sections 349.162, subdivision 3; 349.164; 349.17, subdivision 1.

Senate File No. 1555 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 630, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 630: A bill for an act relating to civil law; increasing fees related to marriage and child support; reforming law relating to child support; establishing criteria for support obligations; defining parents' rights and responsibilities; appropriating money; amending Minnesota Statutes 2004, sections 357.021, subdivisions 1a, 2; 518.005, by adding a subdivision; 518.54; 518.55, subdivision 4; 518.551, subdivisions 5, 5b; 518.62; 518.64, subdivision 2, by adding subdivisions; 518.68, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 2004, sections 518.171; 518.54, subdivisions 2, 4, 4a; 518.551, subdivisions 1, 5a, 5c, 5f.

Senate File No. 630 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 644: A bill for an act relating to family law; requiring notification of noncustodial parents, corrections agents, local welfare agencies, and the court, of residence of a custodial parent with certain convicted persons; changing certain presumptions relating to paternity; disallowing certain convicted persons from becoming custodians of unrelated children; changing certain procedures for removal of a child's residence from Minnesota; requiring certain information in summary real estate disposition judgments; identifying pension plans subject to marital property division; authorizing the Department of Human Services to collect spousal maintenance; changing certain provisions concerning adoption communication or contact agreements; appropriating money; amending Minnesota Statutes 2004, sections 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivision 5; 257C.03, subdivision 7; 259.24, subdivisions 1, 2a, 5, 6a; 259.58; 260C.201, subdivision 11; 260C.212, subdivision 4; 518.091, subdivision 1; 518.1705, subdivisions 4, 7; 518.175, subdivision 3; 518.179, by adding a subdivision; 518.18; 518.191, subdivision 2; 518.54, subdivisions 4a, 14, by adding a subdivision; 518.551, subdivision 1; 518.58, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 244; 257; 260C.

There has been appointed as such committee on the part of the House:

Smith, Mahoney and Eastlund.

Senate File No. 644 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 23, 2005

MEMBERS EXCUSED

Senator Sams was excused from the Session of today from 9:00 to 11:30 a.m. and from 1:45 to 3:30 p.m. and from 10:25 to 10:30 p.m. Senator Reiter was excused from the Session of today from 10:30 to 10:45 a.m. Senator Bachmann was excused from the Session of today from 10:45 to 10:55 a.m. and from 3:30 to 4:00 p.m. and from 8:30 to 10:20 p.m. Senator Kelley was excused from the Session of today from 11:10 to 11:20 a.m. and from 4:40 to 4:50 p.m. Senator Pariseau was excused from the Session of today from 11:20 a.m. to 1:50 p.m. Senator Ranum was excused from the Session of today from 11:25 to 11:45 a.m. Senator Betzold was excused from the Session of today from 1:30 to 3:30 p.m. Senator Chaudhary was excused from the Session of today from 1:45 to 6:20 p.m. Senator Saxhaug was excused from the Session of today from 2:35 to 3:10 p.m. Senator Larson was excused from the Session of today from 4:25 to 4:45 p.m. Senator Limmer was excused from the Session of today from 4:30 to 4:45 p.m. and from 10:00 to 10:30 p.m. Senators Metzen and Vickerman were excused from the Session of today from 5:00 to 5:20 p.m. Senator Nienow was excused from the Session of today from 8:30 to 8:55 p.m.

ADJOURNMENT

Senator Johnson, D.E. moved that the Senate do now adjourn. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate