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; establishing the Minnesota Office on Ethnic Heritage and New Americans and the Minnesota Legislative Commission on Terrorism and Disaster Preparedness; creating the position of poet laureate; defining domestic partner; ratifying labor agreements and compensation plans; providing for continuing appropriations in certain circumstances; providing compensation for a period of partial government shutdown; creating a trust for postemployment benefits; regulating elections and voter registration; establishing a gratuity payment for certain Teacher Retirement Association members; authorizing rulemaking; amending Minnesota Statutes 2006, sections 3.85, subdivision 3; 3.9741, subdivision 1; 5.12, subdivision 1; 6.47; 6.51; 6.54; 6.55; 6.551; 6.57; 6.59; 6.60; 6.62, subdivision 2; 6.63; 6.64; 6.65; 6.66; 6.67; 6.68; 6.70; 6.71; 6.715, by adding a subdivision; 6.76; 13.605, subdivision 1; 15B.17, subdivision 1; 16A.103, subdivision 1e; 16A.11, by adding a subdivision; 16A.1286, subdivision 2; 16B.35, subdivision 1; 16C.02, subdivisions 4, 12, 14, by adding subdivisions; 16C.03, subdivisions 2, 3, 4, 8, 16, by adding subdivisions; 16C.05, subdivisions 1, 2; 16C.08, subdivisions 2, 4, by adding subdivisions; 16C.10, subdivision 7; 16C.16, subdivision 5; 16C.26; 16C.27, subdivision 1; 16C.28; 37.06; 43A.02, by adding a subdivision; 43A.24, subdivision 1; 43A.49; 103C.305, subdivision 3; 103D.355; 103D.811, subdivision 3; 103E.505, subdivision 5; 116A.13, subdivision 5; 123B.52, subdivision 1, by adding a subdivision; 160.17, by adding a subdivision; 160.262, by adding a subdivision; 161.1419, subdivision 8; 161.32, by adding a subdivision; 161.3412, subdivision 1; 161.38, subdivision 4; 181.9413; 200.02, subdivisions 7, 23; 201.016, subdivision 1a; 201.054, subdivision 1; 201.056; 201.061, subdivisions 1, 3, 4, by adding a subdivision; 201.071, subdivisions 1, 3, 4; 201.081; 201.091, subdivisions 1, 8, 9, by adding a subdivision; 201.12; 201.13, subdivision 3; 201.161; 201.171; 201.27, subdivision 1; 203B.02, subdivision 1; 203B.04, subdivisions 1, 4, 6; 203B.05, subdivision 2; 203B.06, subdivision 3; 203B.07, subdivisions 1, 2; 203B.08, subdivision 3; 203B.081; 203B.10; 203B.11, subdivision 4; 203B.12, subdivision 4; 203B.13, subdivisions 1, 2; 203B.16, subdivision 2; 203B.17, subdivision 2; 203B.21, subdivisions 2, 3; 203B.22; 203B.24, subdivision 1; 204B.06, subdivisions 1, 8; 204B.08, subdivision 3; 204B.09, subdivisions 1, 1a, 3; 204B.11, subdivision 2; 204B.16, subdivision 1; 204B.21, subdivision 2, by adding a subdivision; 204B.45, subdivision 2; 204C.06, subdivision 1; 204C.07, subdivision 3a, by adding a subdivision; 205.10, by adding a subdivision; 205.13, by adding a subdivision; 205.16,

subdivisions 3, 4; 205A.05, by adding a subdivision; 205A.07, subdivisions 3, 3a; 205A.10, subdivisions 1, 2; 205A.11, subdivision 2; 206.57, subdivision 5; 206.82, subdivision 2; 206.89, subdivisions 1, 5; 211A.02, subdivision 2; 211A.05, subdivision 1; 211B.03; 211B.11, subdivision 1; 302A.821, subdivision 4; 308A.995, subdivision 4; 308B.121, subdivision 4; 308B.215, subdivision 2; 317A.823, subdivision 1; 321.0206; 325L.03; 336.1-110; 336.9-516; 336.9-525; 356.219, subdivision 1; 358.41; 358.42; 358.50; 359.085, subdivisions 2, 3; 365.37, by adding a subdivision; 374.13; 375.101, subdivision 1, by adding a subdivision; 375.21, by adding a subdivision; 383C.094, by adding a subdivision; 410.12, subdivision 1; 412.311; 429.041, by adding a subdivision; 447.32, subdivision 4; 458D.21, by adding a subdivision; 469.015, by adding a subdivision; 469.068, subdivision 1, by adding a subdivision; 471.345, subdivision 5, by adding subdivisions; 471.61, subdivision 1a; 473.246; 473.523, by adding a subdivision; 473.756, subdivision 12; 477A.014, subdivision 4; 491A.02, subdivision 4; 507.24, subdivision 2; Laws 2004, chapter 293, article 1, section 37, subdivision 2; Laws 2006, chapter 253, section 22, subdivision 1; Laws 2006, chapter 258, section 14, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 3; 4; 5; 6; 8; 11A; 12; 13; 15B; 16A; 16B; 16C; 16E; 43A; 161; 192; 197; 203B; 204B; 308B; 321; 349A; 471; repealing Minnesota Statutes 2006, sections 3.884; 3.8841; 6.56, subdivision 1; 16A.102; 16C.055, subdivision 1; 16C.08, subdivision 4a; 69.051, subdivision 1c; 200.04; 201.061, subdivision 7; 201.096; 203B.02, subdivision 1a; 203B.04, subdivision 5; 203B.13, subdivision 3a; 359.085, subdivision 8; 645.44, subdivision 19.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1
STATE GOVERNMENT APPROPRIATIONS

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009.

	APPROPRIATIONS Available for the Year Ending June 30	
	2008	**2009**
Sec. 2. **LEGISLATURE**		
Subdivision 1. **Total Appropriation**	**$ 68,671,000**	**$ 69,043,000**
Appropriations by Fund		
	2008	2009
General	68,493,000	68,865,000
Health Care Access	178,000	178,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Senate**	22,158,000	21,677,000
Subd. 3. **House of Representatives**	30,586,000	31,746,000

During the biennium ending June 30, 2009, 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**	15,927,000	15,620,000
Appropriations by Fund		
General	15,749,000	15,442,000
Health Care Access	178,000	178,000

$600,000 the first year and $600,000 the second year are for public information television, Internet, Intranet, and other transmission of legislative activities. At least one-half of those amounts must go for programming to be broadcast and transmitted to rural Minnesota.

$5,624,000 the first year and $5,469,000 the second year are for the Office of the Revisor of Statutes.

$1,257,000 the first year and $1,254,000 the second year are for the Legislative Reference Library.

$5,594,000 the first year and $5,595,000 the second year are for the Office of the Legislative Auditor.

All legislative offices should, whenever possible, implement information technology systems that are compatible and work seamlessly across the legislature. Wherever

possible, single systems should be implemented to avoid unnecessary duplication and inefficiency. The directors of information technology for the senate, house of representatives, and the Legislative Coordinating Commission must submit a written report describing their efforts to collaborate on implementing shared information technology systems. The report must be submitted to the chairs of the house of representatives and senate committees with jurisdiction over rules and to the Legislative Coordinating Commission on January 15, 2008, and January 15, 2009.

Sec. 3. **GOVERNOR AND LIEUTENANT GOVERNOR** **$ 3,647,000 $ 3,712,000**

(a) This appropriation is to fund the Office 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.

(b) 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** **$ 9,234,000 $ 9,220,000**

Sec. 5. **ATTORNEY GENERAL** **$ 26,628,000 $ 26,633,000**

Appropriations by Fund

	2008	2009
General	24,514,000	24,514,000
State Government Special Revenue	1,719,000	1,724,000
Environmental	145,000	145,000
Remediation	250,000	250,000

Sec. 6. **SECRETARY OF STATE** **$ 9,677,000 $ 6,747,000**

Appropriations by Fund

	2008	2009
General	6,833,000	6,747,000
State Government Special Revenue	2,844,000	

$310,000 of this appropriation must be transferred to the Help America Vote Act account and is designated as a portion of the match required by section 253(b)(5) of the Help America Vote Act.

$2,844,000 the first year is appropriated from the Help America Vote Act account for the purposes and uses authorized by federal law. This appropriation is available until June 30, 2009.

Notwithstanding Laws 2005, chapter 162, section 34, subdivision 7, any balance remaining in the Help America Vote Act account after previous appropriations and the appropriations in this section is appropriated to the secretary of state for the purposes of the account. This appropriation is available until June 30, 2011.

$250,000 the first year is for a grant to Kids Voting Minnesota, to educate children about

voting and the democratic process. This appropriation is available until spent.

Sec. 7. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**	**$**	**708,000**	**$**	**722,000**
Sec. 8. **INVESTMENT BOARD**	**$**	**151,000**	**$**	**151,000**
Sec. 9. **OFFICE OF ENTERPRISE TECHNOLOGY**	**$**	**17,969,000**	**$**	**5,287,000**

(a) $2,000,000 the first year is for the first phase of an electronic licensing system. This is a onetime appropriation. This appropriation carries forward to the second year.

(b) $10,000,000 the first year is for information technology security.

(c) $500,000 the first year and $500,000 the second year are for oversight and analysis of state technology investments.

(d) $1,456,000 the first year and $1,000,000 the second year are for small agency technology infrastructure. During the first biennium, these amounts are intended to include hardware and software improvements for the Asian-Pacific Council, the Capitol Area Architectural and Planning Board, the Minnesota Library for the Blind, the Minnesota State Academies, and the Ombudsman for Mental Health and Developmental Disabilities. Ongoing funding for improvements made during fiscal years 2008 and 2009 may be added to the base funding for those agencies in fiscal years 2010 and 2011.

(e) $68,000 is for an electronic documents study and report.

(f) $200,000 is for grants to be distributed to the counties participating in the development of the integrated financial system for enhancements to the system. Enhancements include:

(1) systems to improve the tracking and reporting of state and federal grants;

(2) electronic payments to vendors;

(3) electronic posting of state payments to the financial system;

(4) automating revenue collection and posting through check conversion, automatic clearing house transactions, or credit card processing;

(5) improvements to county budgetary systems;

(6) storage or linkage of electronic documents;

(7) improved executive level reporting and extraction of data; and

(8) improved information and reporting for audits.

The grant funds shall be distributed on a pro rata basis to each of the counties participating in the development of the integrated financial system. The Minnesota Counties Computer Cooperative, acting as a fiscal agent for the participating counties, shall receive the grant money for the counties. The grants will only be distributed after $600,000 is expended or provided from other sources. The chief information officer may require

a report or such other information as the chief information officer deems appropriate to verify that the requirements of this section have been met. This appropriation is available until June 30, 2011, and cancels on that date.

Sec. 10. **ADMINISTRATIVE HEARINGS** **$ 8,087,000 $ 7,801,000**

Appropriations by Fund	2008	2009
General	281,000	285,000
Workers' Compensation	7,806,000	7,516,000

$266,000 each year is for two workers' compensation judges, to be located in Duluth.

Sec. 11. **ADMINISTRATION**

Subdivision 1. **Total Appropriation** **$ 24,887,000 $ 20,282,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **State Facilities Services** 14,746,000 11,458,000

(a) $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.

(b) $2,500,000 the first year is to purchase and implement a Web-enabled, shared computer system to facilitate the state's real property portfolio management.

(c) $250,000 the first year and $250,000 the second year are for the energy conservation recommissioning activities in state buildings.

Subd. 3. **State and Community Services** 3,420,000 3,583,000

(a) $60,000 the first year and $240,000 the second year are to fund activities to prepare for and promote the 2010 census. Base funding for this activity is $260,000 in fiscal year 2010 and $180,000 in fiscal year 2011.

(b) $1,100,000 the first year and $1,100,000 the second year are for the Land Management Information Center.

(c) $196,000 the first year and $196,000 the second year are for the Office of the State Archaeologist.

Subd. 4. **Administrative Management Services** 6,121,000 5,241,000

(a) $125,000 the first year is to create an Office of Grants Management to standardize state grants management policies and procedures. For the fiscal year beginning July 1, 2008, the commissioner must deduct from state grants subject to nongovernmental entities up to $125,000, as necessary to fund the commissioner's duties under new Minnesota Statutes, sections 16B.97 and 16B.98. The amount deducted from appropriations for these grants is transferred to the commissioner for purposes of administering those sections.

(b) $285,000 the first year is to fund a pilot project to reduce state expenditures on professional/technical contracts negotiations.

(c) $250,000 the first year and $250,000 the second year are to establish a small agency resource team to consolidate and streamline the human resources and financial management activities for small state agencies, boards, and councils.

(d) $425,000 the first year is a onetime appropriation for a targeted group business disparity study. The commissioner must cooperate with units of local government conducting similar studies.

(e) $74,000 the first year and $74,000 the second year are for the Council on Developmental Disabilities.

(f) $53,000 the first year and $36,000 the second year are for the genetic information work group and report.

(g) $250,000 in fiscal year 2008 and $250,000 in fiscal year 2009 are for a grant to the Council on Developmental Disabilities for the purpose of establishing a statewide self-advocacy network for persons with intellectual and developmental disabilities (ID/DD). The self-advocacy network shall:

(1) ensure that persons with ID/DD are informed of their rights in employment, housing, transportation, voting, government policy, and other issues pertinent to the ID/DD community;

(2) provide public education and awareness of the civil and human rights issues persons with ID/DD face;

(3) provide funds, technical assistance, and other resources for self-advocacy groups across the state; and

(4) organize systems of communications to facilitate an exchange of information between self-advocacy groups.

This appropriation is in addition to any other appropriations and must be added to the base appropriation beginning in fiscal year 2010.

(h) $75,000 is for purposes of promotion of document imaging work in government agencies to be done by persons with developmental disabilities.

Subd. 5. **Fiscal Agent** 600,000

(a) $100,000 the first year is for the sustainable growth working group.

(b) $500,000 is for a grant to Washington County for capital improvements detailed in the approved planned unit development for the Disabled Veteran's Rest Camp to provide increased capacity, amenities, access, and safety for Minnesota veterans.

Sec. 12. **CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD** **$ 428,000 $ 372,000**

$65,000 in fiscal year 2008 is for the decennial expenses related to the board's duties under Minnesota Statutes, section 473.864, subdivisions 1 and 2. Money appropriated in fiscal year 2008 is available until June 30, 2009. This is a onetime appropriation.

Sec. 13. **FINANCE**

Subdivision 1. **Total Appropriation** **$ 22,382,000 $ 15,331,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **State Financial Management** 8,912,000 8,752,000

(a) $315,000 the first year is for the state's share of the cost of bankruptcy counsel representing joint interests of the state and the city of Duluth in the Northwest Airlines bankruptcy. This is a onetime appropriation.

(b) Notwithstanding the provisions of Minnesota Statutes, section 16A.1522, subdivision 4, the commissioner of finance shall designate any positive general fund budgetary balance on June 30, 2007, as an unrestricted balance. Money so designated shall remain available for general fund appropriations authorized in fiscal years 2008 and 2009.

Subd. 3. **Information and Management Services** 13,470,000 6,579,000

$7,000,000 the first year is for costs related to the Minnesota Accounting and Procurement System (MAPS). $6,500,000 is to implement remediation strategies as necessary to avoid a systemic failure. $500,000 of the first year total is for planning for the system's eventual replacement.

Sec. 14. **EMPLOYEE RELATIONS** **$ 6,385,000 $ 5,947,000**

(a) $250,000 each year is for the Center for Health Care Purchasing Improvement.

(b) $186,000 the first year and $203,000 the second year are for transfer to state agencies for additional expenses incurred as a result of expanded use of sick leave authorized by this act.

(c) $350,000 the first year is to support the use of an electronic portfolio system to provide personal health records for MnSCU

employees and other participants in the state employee group insurance program. Of this amount, $50,000 is for transfer to the University of Minnesota Health Informatics Division to evaluate the use and impact of personal health records on these employees. This appropriation is available until June 30, 2009.

Sec. 15. **REVENUE**

Subdivision 1. **Total Appropriation** **$ 128,562,000 $ 121,466,000**

Appropriations by Fund

	2008	2009
General	124,462,000	117,306,000
Health Care Access	1,680,000	1,707,000
Highway User Tax Distribution	2,125,000	2,154,000
Environmental	295,000	299,000

The amounts that may be spent for each purpose are specified in subdivisions 2 and 3.

Subd. 2. **Tax System Management** 108,401,000 99,616,000

Appropriations by Fund

	2008	2009
General	104,301,000	95,456,000
Health Care Access	1,680,000	1,707,000
Highway User Tax Distribution	2,125,000	2,154,000
Environmental	295,000	299,000

(a) $6,910,000 the first year and $8,704,000 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 $42,400,000 for the biennium ending June 30, 2009.

(b) The department must report to the chairs of the house of representatives Ways and

Means and senate Finance Committees by March 1, 2008, and January 15, 2009, 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.

(c) The reports must also identify base-level expenditures and staff positions related to compliance and audit activities, including baseline information as of January 1, 2006. The information must be provided at the budget activity level.

(d) $12,000,000 the first year is for the purchase and development of an integrated tax software package.

(e) $75,000 the first year and $75,000 the second year are for grants to one or more nonprofit organizations, qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. For purposes of this paragraph, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income and disadvantaged Minnesota residents to help them file federal and

state income tax returns and Minnesota property tax refund claims and may include providing personal representation before the Department of Revenue and Internal Revenue Service.

Subd. 3. **Accounts Receivable Management** 20,161,000 21,850,000

$1,750,000 the first year and $3,110,000 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 $60,000,000 for the biennium ending June 30, 2009.

Sec. 16. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation** **$ 21,814,000 $ 20,123,000**

Appropriations by Fund

	2008	2009
General	21,476,000	19,785,000
Special Revenue	338,000	338,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Maintenance of Training Facilities** 7,504,000 7,448,000

$185,000 the first year is to pay special assessments levied against state property. This is a onetime appropriation.

Subd. 3. **General Support** 4,101,000 2,464,000

Appropriations by Fund

General	3,763,000	2,126,000
Special Revenue	338,000	338,000

(a) $1,500,000 the first year is for the Minnesota National Guard reintegration

program. This appropriation is available until spent.

(b) $275,000 the first year and $285,000 the second year are for additional staffing.

(c) $338,000 each year is from the account in the special revenue fund established in Minnesota Statutes, section 190.19, for grants under that section.

(d) $25,000 the first year is for a longitudinal study measuring improvement in academic achievement as a result of participation in the Starbase program.

Subd. 4. **Enlistment Incentives** 10,209,000 10,211,000

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. **GAMBLING CONTROL** **$ 2,846,000 $ 2,893,000**

These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 18. **RACING COMMISSION** **$ 1,130,000 $ 899,000**

(a) These appropriations are from racing regulation accounts in the special revenue fund.

(b) $295,000 the first year and $64,000 the second year and thereafter are for information technology improvements implemented in consultation with the Office of Enterprise Technology as part of the small agency technology initiative.

Sec. 19. **STATE LOTTERY**

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the operating budget must not exceed $27,378,000 in fiscal year 2008 and $28,141,000 in fiscal year 2009.

Sec. 20. **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. 21. **MINNESOTA STATE RETIREMENT SYSTEM**	**$**	**1,608,000**	**$**	**1,649,000**

(a) The amounts estimated to be needed for each program are as follows:

(1) **Legislators**	1,170,000	1,200,000

Under Minnesota Statutes, sections 3A.03, subdivision 2, 3A.04, subdivisions 3 and 4; and 3A.115.

(2) **Constitutional Officers**	438,000	449,000

Under Minnesota Statutes, sections 352C.031, subdivision 5; 352C.04, subdivision 3; and 352C.09, subdivision 2.

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 22. **MINNEAPOLIS EMPLOYEES RETIREMENT FUND**	**$**	**9,000,000**	**$**	**9,000,000**

The amounts estimated to be needed under Minnesota Statutes, section 422A.101, subdivision 3.

Sec. 23. **TEACHERS RETIREMENT ASSOCIATION** **$ 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 authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c. 13,300,000 13,300,000

(b) Special direct state matching aid to Minneapolis Teachers Retirement Fund authorized under Minnesota Statutes, section 354A.12, subdivision 3b. 2,500,000 2,500,000

Sec. 24. **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. 25. **GENERAL CONTINGENT ACCOUNTS** **$ 1,000,000 $ 500,000**

Appropriations by Fund

	2008	2009
General	500,000	-0-
State Government Special Revenue	400,000	400,000
Workers' Compensation	100,000	100,000

(a) 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.

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(c) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 26. **MANAGERIAL POSITION REDUCTIONS.**

The governor must reduce the number of deputy commissioners, assistant commissioners, and positions designated as unclassified under authority of Minnesota Statutes, section 43A.08, subdivision 1a, by an amount that will generate savings to the general fund of $775,000 in the biennium ending June 30, 2009, and $7,600,000 in the biennium ending June 30, 2011.

ARTICLE 2
STATE GOVERNMENT OPERATIONS

Section 1. **[3.052] SCHEDULE FOR CONSIDERATION OF LEGISLATION.**

Subdivision 1. **Agency bills.** An executive department or agency intending to urge the legislature to adopt a bill shall deliver the bill to the revisor of statutes by November 1 before the regular session at which adoption will be urged. This deadline does not apply: (1) to bills necessary to implement the governor's budget proposals; (2) to other bills that are policy initiatives of the governor, as opposed to administrative initiatives of a department or agency; or (3) as otherwise provided in section 3C.035.

Subd. 2. **State of the state.** The governor is encouraged to submit a state of the state address in January of each odd-numbered year and within the first ten days after the start of the legislative session in an even-numbered year. Before or during this address, the governor is encouraged to announce major legislative policy initiatives that the governor intends to promote that year.

Subd. 3. **Executive submission of budget bills.** The governor must submit bills necessary to implement the governor's operating budget to the legislature within one week after the date specified in section 16A.11 for the governor to submit the detailed operating budget to the legislature. The bills must be provided to the speaker of the house of representatives and the majority leader of the senate in a manner ready for formal introduction and final consideration.

Sec. 2. **[3.181] PRINTED MATERIALS.**

If paper copies of legislative bills and amendments are printed, they must be printed on paper that measures 8-1/2 inches by 11 inches.

EFFECTIVE DATE. This section is effective January 1, 2009.

Sec. 3. **[3.3051] PUBLIC INFORMATION.**

The Legislative Coordinating Commission must establish a joint legislative public information office.

The office is the legislative entity responsible for:

(1) producing legislative directories and rosters, news magazines, and general educational materials about the legislative process;

(2) in cooperation with other legislative offices, providing schedules of legislative meetings;

(3) producing television coverage of certain legislative proceedings; and

(4) performing other functions assigned by the Legislative Coordinating Commission.

Sec. 4. **[3.306] MEETING TIMES.**

The house of representatives and the senate must adopt rules that set one time as the regular hour of convening daily sessions in both houses.

Sec. 5. **[3.3061] JOINT STANDING COMMITTEES.**

The house of representatives and the senate are encouraged to adopt rules that:

(1) establish a system of joint standing committees to consider and report on legislation and conduct other legislative business, except that each house may separately establish a committee on rules and administration and a committee on ethics; or

(2) provide that house and senate committees with similar jurisdiction will meet at the same time to facilitate joint meetings.

Sec. 6. Minnesota Statutes 2006, section 3.85, subdivision 3, is amended to read:

Subd. 3. **Membership.** The commission consists of ~~five~~ seven members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration and ~~five~~ seven members of the house of representatives appointed by the speaker. Members shall be appointed at the commencement of each regular session of the legislature for a two-year term beginning January 16 of the first year of the regular session. Members continue to serve until their successors are appointed. Vacancies that occur while the legislature is in session shall be filled like regular appointments. If the legislature is not in session, senate vacancies shall be filled by the last Subcommittee on Committees of the senate Committee on Rules and Administration or other appointing authority designated

by the senate rules, and house vacancies shall be filled by the last speaker of the house, or if the speaker is not available, by the last chair of the house Rules Committee.

Sec. 7. **[3.9228] MINNESOTA OFFICE ON ETHNIC HERITAGE AND NEW AMERICANS.**

Subdivision 1. **Office established.** The Minnesota Office of Ethnic Heritage and New Americans is established to: (1) recognize the state's rich ethnic diversity and the contributions that immigrants have made to the state's social, economic, and cultural history; and (2) capitalize on and develop the strengths of the immigrant community in Minnesota. The commission shall assist state government to foster an understanding and appreciation of ethnic and cultural diversity in Minnesota, to more effectively identify the underutilized resources within the immigrant community and to facilitate the full participation of immigrants in social, cultural, and political life in this state.

Subd. 2. **Membership.** The Minnesota Office of Ethnic Heritage and New Americans consists of 14 members: the Subcommittee on Committees of the Committee on Rules and Administration of the senate shall appoint two public members and two senators; and the speaker of the house of representatives shall appoint two public members and two members of the house of representatives. The governor shall appoint six public members.

Appointees must have proven experience and dedication to working with the wide range of ethnic communities within Minnesota, the immigrant community, and possess training and experience in business, management, economics, public policy, legal affairs, and social work. The appointing authorities shall seek to collaborate with each other and with the councils established in sections 3.9223, 3.9225, and 3.9226 to ensure that the public membership of the commission is ethnically and geographically diverse and is reasonably balanced by gender.

Compensation and the filling of vacancies or appointed members are as provided in section 15.0575. The appointments required under this subdivision must be completed no later than September 1, 2007.

Subd. 3. **Organization.** As soon as possible after the appointments under subdivision 2 have been completed, the executive director of the Legislative Coordinating Commission shall convene the first meeting of the commission. The members of the commission shall select their chairperson at the first meeting.

Subd. 4. **Assistance.** The Legislative Coordinating Commission shall provide the administrative and clerical support services necessary for the operation of the Minnesota Office on Ethnic Heritage and New Americans.

Subd. 5. **Duties.** The Minnesota Office of Ethnic Heritage and New Americans shall:

(1) work with community leaders, the legislature, and the executive branch to develop programs and proposals that will encourage ethnic identity, preserve ethnic heritage, and promote education of the public about the state's heritage and cultural history;

(2) make recommendations to the legislature and the governor intended to foster the understanding and appreciation of cultural diversity in the state;

(3) maintain association with ethnic, cultural, and minority groups to determine community needs;

(4) study and consider opportunities and issues for the immigrant community in this state, including:

(i) steps to eliminate underutilization of immigrants in the state's work force;

(ii) improving the efficient use of existing state programs and services; and

(iii) other appropriate steps to improve the economic and social condition of immigrants in this state.

By December 1, 2008, the commission shall report to the chairs of the legislative committees and divisions with jurisdiction over issues affecting ethnic heritage and immigrants. The report must include a discussion of the items listed in this subdivision together with recommendations for state agencies and the legislature, including any proposed legislation necessary to accomplish the recommendations. The executive director of the Legislative Coordinating Commission shall ensure that copies of the report are available on the Legislative Coordinating Commission's Web site.

Subd. 6. **Expiration.** This section expires on June 30, 2009.

Sec. 8. Minnesota Statutes 2006, section 3.9741, subdivision 1, is amended to read:

Subdivision 1. **Metropolitan Commission.** Upon the audit of the financial accounts and affairs of a commission under section 473.595, 473.604, or 473.703, the affected Metropolitan Commission is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill the Metropolitan Commission either monthly or at the completion of the audit. All collections received for the audits must be ~~deposited in the general fund~~ added to the appropriation for the legislative auditor.

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

Sec. 9. **[4.60] POET LAUREATE.**

(a) The position of poet laureate of the state of Minnesota is established. The Minnesota Humanities Commission must solicit nominations for the poet laureate

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

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

Sec. 10. Minnesota Statutes 2006, section 5.12, subdivision 1, is amended to read:

Subdivision 1. **Fees.** The secretary of state shall charge a fee of $5 for each certificate or certification of a copy of any document filed in the Office of the Secretary of State. The secretary of state shall charge a fee of $3 for a copy of an original filing of a corporation, limited partnership, assumed name, or trade or service mark~~, or for the complete record of a certificate of assumed name~~. The secretary of state shall charge a fee of $3 for a copy of any or all subsequent filings of a corporation, limited partnership, assumed name, or trade or service mark. The secretary of state shall charge a fee of $1 per page for copies of other nonuniform commercial code documents filed with the secretary of state. At the time of filing, the secretary of state may provide at the public counter, without charge, a copy of a filing, ten or fewer pages in length, to the person making the filing.

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

Sec. 11. **[5.32] TEMPORARY TECHNOLOGY SURCHARGE.**

Subdivision 1. **Surcharge.** For fiscal years 2008 and 2009, the following technology surcharges are imposed on the filing fees required under the following statutes:

(1) $25 for articles of incorporation filed under section 302A.151;

(2) $25 for articles of organization filed under section 322B.17;

(3) $25 for applications for certificates of authority to transact business in Minnesota filed under section 303.06;

(4) $20 for annual reports filed by non-Minnesota corporations under section 303.14; and

(5) $50 for reinstatements to authority to transact business in Minnesota filed under section 303.19.

Subd. 2. **Deposit.** The surcharges listed in subdivision 1 shall be deposited into the uniform commercial code account.

Subd. 3. **Expiration.** This section expires June 30, 2009.

Sec. 12. **[6.465] DEFINITIONS.**

Subdivision 1. **Application.** For the purposes of this chapter, the terms defined in this section have the meaning given them.

Subd. 2. **Political subdivision.** "Political subdivision" means a county, home rule charter or statutory city, town, school district, metropolitan or regional agency, public corporation, political subdivision, or special district as defined in subdivision 3. "Political subdivision" does not include a metropolitan or regional agency or a public corporation audited by the legislative auditor.

Subd. 3. **Special district.** "Special district" means a public entity with a special or limited purpose, financed by property tax revenues or other public funds, that is not included in a city, county, or town financial report as a component of that local government, that is created or authorized by law, and that is governed by (1) persons directly elected to the governing board of the district, (2) persons appointed to the governing board of the district by local elected officials, (3) local elected officials who serve on the board by virtue of their elected office, or (4) a combination of these methods of selection. Special district includes special taxing districts listed in section 275.066.

Sec. 13. Minnesota Statutes 2006, section 6.47, is amended to read:

6.47 ACCOUNTING AND BUDGETING SYSTEMS; INVESTIGATION, FORMS.

The state auditor shall inquire into the accounting and budgeting systems of all ~~local units of government~~ political subdivisions and shall prescribe suitable systems of accounts and budgeting, and forms, books, and instructions concerning the same. At the request of any ~~local unit of government~~ political subdivision the state auditor may install such systems. ~~The state auditor shall recommend a form for order- and warrant-checks of all local units of government which shall conform, so far as consistent with statutory and charter requirements, to approved banking practice in order to facilitate handling of such instruments by banks and other depositories.~~

Sec. 14. Minnesota Statutes 2006, section 6.51, is amended to read:

6.51 ~~SCHOOL DISTRICTS, TOWNS, AND STATUTORY CITIES~~ OTHER POLITICAL SUBDIVISIONS.

All powers and duties of the state auditor herein imposed and conferred with respect to the supervision, inspection, and examination of books and accounts of cities in section 6.50 are herewith extended to all ~~school districts, towns, and statutory cities~~ political subdivisions of this state. A copy of the report of such examination shall be filed, subject

to public inspection, with the clerk or chief administrative officer of the ~~town, statutory city, or school district~~ political subdivision receiving such examination, and an additional copy with the county auditor of the county in which the administrative offices of ~~such town, statutory city, or school district~~ the political subdivision are located. If such report disclose malfeasance, misfeasance, or nonfeasance in office, the state auditor shall file such copy with the county attorney of the county in which the administrative offices of ~~such school district, town, or statutory city~~ the political subdivision are located, and the county attorney shall institute such proceedings as the law and the public interest require.

Sec. 15. Minnesota Statutes 2006, section 6.54, is amended to read:

6.54 EXAMINATION OF ~~COUNTY AND MUNICIPAL~~ POLITICAL SUBDIVISION RECORDS PURSUANT TO PETITION.

Subdivision 1. **Petition of voters for audit.** The registered voters in a ~~county or home rule charter or statutory city~~ political subdivision other than a town or school district or the electors at an annual or special town meeting of a town may petition the state auditor to examine the books, records, accounts, and affairs of the ~~county, home rule charter or statutory city, town,~~ political subdivision or of any organizational unit, activity, project, enterprise, or fund thereof; and the scope of the examination may be limited by the petition, but the examination shall cover, at least, all cash received and disbursed and the transactions relating thereto, provided that the state auditor shall not examine more than the six latest years preceding the circulation of the petition, unless it appears to the state auditor during the examination that the audit period should be extended to permit a full recovery under bonds furnished by public officers or employees, and may if it appears to the auditor in the public interest confine the period or the scope of audit or both period and scope of audit, to less than that requested by the petition. In the case of a ~~county or home rule charter or statutory city~~ political subdivision other than a town or school district, the petition shall be signed by a number of registered voters at least equal to 20 percent of those voting in the last presidential election.

Subd. 2. **School districts.** The eligible voters of any school district may petition the state auditor, who shall be subject to the same restrictions regarding the scope and period of audit, provided that the petition shall be signed by at least ten eligible voters for each 50 resident pupils in average daily membership during the preceding school year as shown on the records in the office of the commissioner of education. In the case of school districts, the petition shall be signed by at least ten eligible voters.

Subd. 3. **Certifications required.** At the time it is circulated, every petition shall contain a statement that the cost of the audit will be borne by the ~~county, city, or school~~

~~district~~ political subdivision as provided by law. Thirty days before the petition is delivered to the state auditor it shall be presented to the appropriate ~~city or school district~~ clerk or chief administrative officer of the political subdivision and the county auditor. The county auditor shall determine and certify whether the petition is signed by the required number of registered voters or eligible voters as the case may be. The certificate shall be conclusive evidence thereof in any action or proceeding for the recovery of the costs, charges, and expenses of any examination made pursuant to the petition.

Sec. 16. Minnesota Statutes 2006, section 6.55, is amended to read:

6.55 EXAMINATION OF RECORDS PURSUANT TO RESOLUTION OF GOVERNING BODY.

The governing body of any ~~city, town, county or school district,~~ political subdivision by appropriate resolution may ask the state auditor to examine the books, records, accounts and affairs of their government, or of any organizational unit, activity, project, enterprise, or fund thereof; and the state auditor shall examine the same upon receiving, pursuant to said resolution, a written request signed by a majority of the members of the governing body; and the governing body of any ~~public utility commission, or of any public corporation having a body politic and corporate~~ political subdivision, or of any instrumentality joint or several of any ~~city, town, county, or school district~~ political subdivision, may request an audit of its books, records, accounts and affairs in the same manner; provided that the scope of the examination may be limited by the request, but such examination shall cover, at least, all cash received and disbursed and the transactions relating thereto. Such written request shall be presented to the clerk, ~~or~~ recording officer, or chief administrative officer of ~~such city, town, county, school district, public utility commission, public corporation,~~ the political subdivision or instrumentality, before being presented to the state auditor, who shall determine whether the same is signed by a majority of the members of such governing body and, if found to be so signed, shall certify such fact, and the fact that such resolution was passed, which certificate shall be conclusive evidence thereof in any action or proceedings for the recovery of the costs, charges and expenses of any examination made pursuant to such request. Nothing contained in any of the laws of the state relating to the state auditor, shall be so construed as to prevent any ~~county, city, town, or school district~~ political subdivision from employing a certified public accountant to examine its books, records, accounts, and affairs. For the purposes of this section, the governing body of a town is the town board.

Sec. 17. Minnesota Statutes 2006, section 6.551, is amended to read:

6.551 EXAMINATION OF GRANTEES AND CONTRACTORS OF ~~LOCAL GOVERNMENTS~~ POLITICAL SUBDIVISIONS.

The state auditor may examine the books, records, documents, and accounting procedures and practices of a contractor or grantee of a ~~local government~~ political subdivision pursuant to section 16C.05, subdivision 5. The examination shall be limited to the books, records, documents, and accounting procedures and practices that are relevant to the contract or transaction with the ~~local government~~ political subdivision.

Sec. 18. Minnesota Statutes 2006, section 6.57, is amended to read:

6.57 COST OF EXAMINATION, COLLECTION.

On July ~~first,~~ 1 of each year, the state auditor shall certify all uncollected claims for the examination of any ~~county, city, town, or school district which~~ political subdivision that have remained unpaid for a period of three months from the date of such claim. The auditor shall forthwith notify the clerk, ~~or~~ recording officer, or chief administrative officer of each ~~county, city, town, or school district~~ political subdivision against which the state has a claim that, if the same is not paid, with interest at the rate of six percent per annum from the date of the claim, within 90 days, the full amount thereof will be certified to the county auditor of the county having such examination, or to the county auditor for the county or counties in which ~~such city, town, or school district~~ the political subdivision is situated, for collection by special tax levy, as herein provided. Such notice shall be served by certified mail and the deposit thereof in the United States mail shall constitute due and legal service thereof upon the ~~county, city, town, or school district~~ political subdivision.

Sec. 19. Minnesota Statutes 2006, section 6.59, is amended to read:

6.59 CLAIM OF STATE FOR COST OF EXAMINATION, CONTEST.

On or before September ~~first~~ 1 of each year, following service of the notice, any ~~such county, city, town, or school district~~ political subdivision may serve notice, in writing, upon the attorney general that it desires to contest the legality of the state's claim, and the attorney general shall forthwith file with the court administrator of the district court of the county having such examination, or in which ~~such city, town, or school district~~ the political subdivision, or major part thereof, is situated, a verified statement of the state's claim, duly itemized and serve upon the auditor ~~or~~, clerk, or chief administrative officer of ~~such county, city, town, or school district~~ the political subdivision, by certified mail, a copy of such statement. ~~Such county, city, town, or school district~~ The political

subdivision may file with the court administrator of such district court, within ten days after the service of such statement upon it, verified objections to the state's claim, and such district court shall thereupon summarily, in or out of term, hear and determine the amount due the state, if any, for such examination, at a time and place fixed by the court therefor. The court administrator of court shall certify to the county auditor of the county having such examination, or to the county auditor of the county or counties in which ~~such city, town, or school district~~ the political subdivision is situated, the amount so determined by the court to be due to the state, if any.

Sec. 20. Minnesota Statutes 2006, section 6.60, is amended to read:

6.60 STATE AUDITOR, CERTIFICATION OF AMOUNTS DUE.

On October ~~first,~~ 1 of each year, the state auditor shall certify the respective amounts due the state from the various ~~counties, cities, towns, and school districts~~ political subdivisions, including interest computed to July first, following, to the county auditor of the county having such examination, or to the county auditor of the county in which any ~~such city, town, or school district~~ political subdivision is, in whole or in part, situated. The county auditor, upon receiving a certificate from the state auditor, or a certificate from the court administrator, as provided in section 6.59, shall include the amount of the state's claim, with 25 percent added, in the tax levy for general revenue purposes of the ~~county or municipality~~ political subdivision liable therefor, and such additional levy shall not be within any limitation imposed by law upon the amount of taxes which may be levied for revenue purposes. Upon completion of the June tax settlement following such levy the county treasurer shall deduct from the amount apportioned to the ~~county or municipality~~ political subdivision for general revenue purposes, the amount due the state, including interest, and remit the same to the commissioner of finance.

Sec. 21. Minnesota Statutes 2006, section 6.62, subdivision 2, is amended to read:

Subd. 2. **Cost of postaudit.** The amount of said levy shall be the amount of the claim or claims submitted by the state auditor for such services or the auditor's estimate of the entire cost, and said amount shall be certified by the governing body, after the request or petition for the audit has been filed, to the county auditor, along with amounts requested for other governmental purposes. If such levy has been made in excess of statutory limitations, and if the request or petition is withdrawn after the amount of the levy has been certified but the levy cannot be canceled because it has been spread on the tax lists, the governing body shall cause the proceeds of such levy to be transferred to the general fund and reduce the succeeding year's levy for general purposes accordingly. Provided,

however, ~~counties, cities, and other governmental units~~ political subdivisions whose financial affairs are required by statute or charter to be audited at regular intervals may levy annually or biennially in anticipation of the audit expense, without the presentment of such claim or estimate by the state auditor.

Sec. 22. Minnesota Statutes 2006, section 6.63, is amended to read:

6.63 APPLICATION.

The units of government set forth in sections ~~6.56,~~ 6.465, 6.57, 6.59, 6.60, and 6.62 shall be construed, where applicable, to include, in addition to those therein specifically named, public utility commissions, public corporations, and instrumentalities.

Sec. 23. Minnesota Statutes 2006, section 6.64, is amended to read:

6.64 COOPERATION WITH PUBLIC ACCOUNTANTS; PUBLIC ACCOUNTANT DEFINED.

There shall be mutual cooperation between the state auditor and public accountants in the performance of auditing, accounting, and other related services for ~~counties, cities, towns, school districts, and other public corporations~~ political subdivisions. For the purposes of sections 6.64 to 6.71 and section 6.756, the term public accountant shall have the meaning ascribed to it in section 412.222.

Sec. 24. Minnesota Statutes 2006, section 6.65, is amended to read:

6.65 MINIMUM PROCEDURES FOR AUDITORS, PRESCRIBED.

The state auditor shall prescribe minimum procedures and the audit scope for auditing the books, records, accounts, and affairs of ~~counties and local governments~~ political subdivisions in Minnesota. The minimum scope for audits of all ~~local governments~~ political subdivisions must include financial and legal compliance audits. Audits of all school districts must include a determination of compliance with uniform financial accounting and reporting standards. The state auditor shall promulgate an audit guide for legal compliance audits, in consultation with representatives of the state auditor, the attorney general, towns, cities, counties, school districts, and private sector public accountants.

Sec. 25. Minnesota Statutes 2006, section 6.66, is amended to read:

6.66 CERTAIN PRACTICES OF PUBLIC ACCOUNTANTS AUTHORIZED.

Any public accountant may engage in the practice of auditing the books, records, accounts, and affairs of ~~counties, cities, towns, school districts, and other public corporations which~~ political subdivisions that are not otherwise required by law to be audited exclusively by the state auditor.

Sec. 26. Minnesota Statutes 2006, section 6.67, is amended to read:

6.67 PUBLIC ACCOUNTANTS; REPORT OF EVIDENCE POINTING TO MISCONDUCT.

Whenever a public accountant in the course of auditing the books and affairs of a ~~county, city, town, school district, or other public corporations,~~ political subdivision shall discover evidence pointing to nonfeasance, misfeasance, or malfeasance, on the part of an officer or employee in the conduct of duties and affairs, the public accountant shall promptly make a report of such discovery to the state auditor and the county attorney of the county in which the ~~governmental unit~~ political subdivision is situated and the public accountant shall also furnish a copy of the report of audit upon completion to said officers. The county attorney shall act on such report in the same manner as required by law for reports made to the county attorney by the state auditor.

Sec. 27. Minnesota Statutes 2006, section 6.68, is amended to read:

6.68 STATE AUDITOR MAY ASSIST PUBLIC ACCOUNTANT IN AUDIT.

Subdivision 1. **Request to governing body.** If in an audit of a ~~county, city, town, school district, or other public corporation,~~ political subdivision a public accountant has need of the assistance of the state auditor, the accountant may obtain such assistance by requesting the governing body of the ~~governmental unit~~ political subdivision being examined to request the state auditor to perform such auditing or investigative services, or both, as the matter and the public interest require.

Subd. 2. **Auditor's report; payment.** The state auditor shall work in close cooperation with the public accountant in rendering the services so requested and the state auditor shall make such report of findings to the county attorney as is required by law to be made of nonfeasance, misfeasance, and malfeasance discovered by the state auditor. The ~~governmental unit~~ political subdivision shall be liable for the payment of such services so performed by the state auditor in the same manner as if it had requested the services pursuant to section 6.55.

Sec. 28. Minnesota Statutes 2006, section 6.70, is amended to read:

6.70 ACCESS TO REPORTS.

The state auditor and the public accountants shall have reasonable access to each other's audit reports, working papers, and audit programs concerning audits made by each of ~~counties, cities, towns, school districts, and other public corporations~~ the political subdivisions.

Sec. 29. Minnesota Statutes 2006, section 6.71, is amended to read:

6.71 SCOPE OF AUDITOR'S INVESTIGATION.

Whenever the governing body of a ~~county, city, town, or school district~~ political subdivision shall have requested a public accountant to make an audit of its books and affairs, and such audit is in progress or has been completed, and registered voters or electors petition or the governing body requests or both the state auditor to make an examination covering the same, or part of the same, period, the state auditor may, in the public interest, limit the scope of the examination to less than that specified in section 6.54, but the scope shall cover, at least, an investigation of those complaints which are within the state auditor's powers and duties to investigate.

Sec. 30. Minnesota Statutes 2006, section 6.715, is amended by adding a subdivision to read:

Subd. 5. **Review of data; data protection.** If, before releasing a report, the state auditor provides a person with data relating to the audit for the purpose of review and verification of the data, the person must protect the data from unlawful disclosure or be subject to the penalties and liabilities provided in sections 13.08 and 13.09.

Sec. 31. **[6.756] SPECIAL DISTRICTS; INFORMATION REQUIRED TO BE FILED WITH STATE AUDITOR; AUDITS.**

Subdivision 1. **Governance documents must be filed.** Each special district must file with the state auditor, within 60 days of adoption, any document relating to the governance of the district, including articles of incorporation, bylaws, or agreements, and any amendment to these documents.

Subd. 2. **Audit requirements.** (a) A special district with total annual revenue greater than the threshold amount for cities under section 412.591, subdivision 3, paragraph (b), must provide for an annual audit of the district's financial affairs by the state auditor or a public accountant in accordance with minimum auditing procedures prescribed by the state auditor.

(b) A special district with total annual revenue that is equal to or less than the threshold amount for cities under section 412.591, subdivision 3, paragraph (b), must provide for an audit of the district's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years. The audit must be for a one-year period to be determined at random by the person conducting the audit. The audited financial statement must be prepared in a form prescribed by the state auditor similar to the reporting requirements for cities under 2,500 in population. For any year in which a special district is not audited, the district must prepare a financial statement in a form prescribed by the state auditor similar to the reporting requirements for cities reporting on a cash basis and file that statement with the state auditor.

(c) This subdivision does not apply to a special district subject to financial auditing and reporting requirements under other law.

Subd. 3. **Presentation to governing board; filing with state auditor.** Except as provided by other law, financial statements and audits must be completed, presented to the district's governing board, and filed with the state auditor within 180 days after the end of the district's fiscal year.

Sec. 32. Minnesota Statutes 2006, section 6.76, is amended to read:

6.76 ~~LOCAL GOVERNMENTAL~~ POLITICAL SUBDIVISION EXPENDITURES FOR LOBBYISTS.

(a) On or before January 31 of each year, all ~~counties, cities, school districts, metropolitan agencies, regional railroad authorities, and the Metropolitan Council~~ political subdivisions shall report to the state auditor, on forms prescribed by the auditor, their estimated expenditures paid for the previous calendar year to a lobbyist as defined in section 10A.01, subdivision 21, except payments to associations of ~~local governments~~ political subdivisions that are reported under paragraph (b), and to any staff person not registered as a lobbyist, over 25 percent of whose time is spent during the legislative session on legislative matters.

(b) Associations of ~~local governments~~ political subdivisions subject to this section shall report annually, on or before January 31, to the state auditor and the association's members the proportionate amount of each member's dues spent for lobbying purposes.

(c) For purposes of this section, "political subdivision" has the meaning given in section 6.465, but also includes a metropolitan or regional agency or a public corporation audited by the legislative auditor.

Sec. 33. **[8.37] ASSISTANCE TO VETERANS.**

The attorney general may advise and assist veterans and their families as to services available from public and private agencies. For purposes of this section, "veteran" means any veteran or active member of the United States armed services, including the National Guard and Reserves.

Sec. 34. **[11A.27] REPORT ON INVESTMENT CONSULTANT ACTIVITIES AND DELIVERABLES.**

(a) Annually, on or before November 1, the State Board of Investment shall file a report with the Legislative Reference Library on the activities and work product during that year of any investment consultants retained by the board.

(b) The report must include the following items:

(1) the total contract fee paid to each investment consultant;

(2) a listing of the projects in which the investment consultant was involved; and

(3) examples of the written work product provided by the investment consultant on those projects during the report coverage period.

EFFECTIVE DATE. This section is effective June 30, 2007.

Sec. 35. **[12.62] MINNESOTA LEGISLATIVE COMMISSION ON TERRORISM AND DISASTER PREPAREDNESS.**

Subdivision 1. **Creation; duties.** The Legislative Commission on Terrorism and Disaster Preparedness is established to:

(1) advise the legislature on issues related to homeland security, emergency management, man-made and natural disasters, terrorism, bioterrorism, public health emergencies, and vulnerabilities in the public and private infrastructures;

(2) oversee the disaster preparation activities of the Department of Health, Department of Public Safety, and any other state agency, office, commission, or board that is within the commission's purview, and make recommendations to these organizations of changes or additions to the organizations' disaster preparedness and risk reduction work plans that the commission deems advisable; and

(3) make policy and finance recommendations to improve the state's public and private capacity to prevent, respond to, and recover from man-made and natural threats to the state.

Subd. 2. **Membership.** (a) The commission consists of:

(1) three members of the house of representatives, one of whom must be a member of the minority party, to be appointed by the speaker of the house of representatives;

(2) three members of the senate, one of whom must be a member of the minority party, to be appointed by the senate majority leader;

(3) the commissioner of public safety, or a designee, as an ex-officio member;

(4) the commissioner of health, or a designee, as an ex-officio member;

(5) the attorney general, or a designee, as an ex-officio member;

(6) two citizen members with relevant expertise, selected by the speaker of the house of representatives;

(7) two citizen members with relevant expertise, selected by the senate majority leader;

(8) two citizen members, selected by the speaker of the house of representatives; and

(9) two citizen members, selected by the senate majority leader.

(b) Members serve for a term expiring at the close of each regular session of the legislature but continue to serve until their successors are appointed. Members may be reappointed. The appointing authority shall fill vacancies.

(c) One member, elected by a majority of members, shall serve as the commission chair. The commission chair should have relevant subject matter education, training, and experience. The commission is authorized to elect a vice-chair and other officers as it deems necessary. The commission shall determine the duties of each officer.

(d) The commission chair shall convene meetings of the commission on a regular basis.

Subd. 3. **Compensation.** Compensation of legislative members is as provided in section 3.101. Compensation of the remaining members is as provided in section 15.0575.

Subd. 4. **Staff.** The commission may appoint and fix the compensation of such additional legal and other personnel and consultants or contract for services to supply necessary data as may be necessary to enable the commission to carry out its functions.

Subd. 5. **Data from state agencies; availability.** The commission may request information from any state officer or agency or political subdivision of the state in order to assist the commission in carrying out its duties and the state officer, agency, or subdivision must promptly furnish any data required, subject to applicable requirements or restrictions imposed by chapter 13 and section 15.17.

Subd. 6. **Report.** By January 15 of each year, the commission must submit a report that contains the commission's policy and appropriation recommendations to the legislature, the commissioner of health, and the commissioner of public safety.

Subd. 7. **Repeal.** This section is repealed June 30, 2011.

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

Sec. 36. **[13.595] GRANTS.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given them.

(a) "Completion of the evaluation process" means that the granting agency has completed negotiating the grant agreement with the selected grantee.

(b) "Grant agreement" means the document that details the responsibilities of the grantee and the granting agency and the value to be provided to the grantee.

(c) "Grantee" means a person that applies for or receives a grant.

(d) "Granting agency" means the government entity that provides the grant.

(e) "Opened" means the act that occurs once the deadline for submitting a response to a proposal to the granting agency has been reached.

(f) "Request for proposal" means the data outlining the responsibilities the granting agency wants the grantee to assume.

(g) "Response" means the data submitted by a grantee as required by a request for proposal.

Subd. 2. **Request for applications.** Data created by a granting agency to create a request for proposal is classified as nonpublic until the request for proposal is published. To the extent that a granting agency involves persons outside the granting agency to create the request for proposal, the data remain nonpublic in the hands of all persons who may not further disseminate any data that are created or reviewed as part of the request for proposal development. At publication, the data in the request for proposal is public.

Subd. 3. **Responses to request for proposals.** (a) Responses submitted by a grantee are private or nonpublic until the responses are opened. Once the responses are opened, the name and address of the grantee and the amount requested is public. All other data in a response is private or nonpublic data until completion of the evaluation process. After a granting agency has completed the evaluation process, all remaining data in the responses is public with the exception of trade secret data as defined and classified in section 13.37. A statement by a grantee that the response is copyrighted or otherwise protected does not prevent public access to the response.

(b) If all responses are rejected prior to completion of the evaluation process, all data, other than that made public at the opening, remain private or nonpublic until a resolicitation of proposals results in completion of the evaluation process or a determination is made to abandon the grant. If the rejection occurs after the completion of the evaluation process, the data remain public. If a resolicitation of proposals does not occur within one year of the grant opening date, the remaining data become public.

Subd. 4. **Evaluation data.** (a) Data created or maintained by a granting agency as part of the evaluation process referred to in this section are protected nonpublic data until 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 granting agency asks individuals outside the granting agency to assist with the evaluation of the responses, the granting agency may share not public data in the responses with those individuals. The individuals participating in the evaluation may not further disseminate the not public data they review.

Sec. 37. Minnesota Statutes 2006, section 13.605, subdivision 1, is amended to read:

Subdivision 1. **Legislative and budget proposal data.** (a) **Definition.** As used in this section, "state administration" means the governor's office, the Department of Finance, and any state agency that is under the direct control of the governor.

(b) **Classifications.** Legislative and budget proposals, including preliminary drafts, that are created, collected, or maintained by the state administration are protected nonpublic data~~. After~~ until the budget is presented to the legislature by the state administration~~, supporting data, including agency requests,~~ and are public data after the budget is presented to the legislature. ~~Supporting data do not include preliminary drafts.~~ The state administration may disclose any of the data within the state administration and to the public at any time if disclosure would aid the administration in considering and preparing its proposals.

Sec. 38. **[15B.055] PARKING SPACES.**

To provide the public with greater access to legislative proceedings, all parking spaces on Aurora Avenue in front of the Capitol building must be reserved for the public.

Sec. 39. Minnesota Statutes 2006, section 15B.17, subdivision 1, is amended to read:

Subdivision 1. **Proposals.** (a) Before a state agency or other public body develops~~,~~ ~~to submit to the legislature and the governor,~~ a budget proposal or plans for capital improvements within the Capitol Area to submit to the legislature and the governor, it must consult with the board.

(b) The public body must provide enough money for the board's review and planning if the board decides its review and planning services are necessary. Money received by the board under this subdivision is deposited in the special revenue fund and appropriated to the board.

Sec. 40. Minnesota Statutes 2006, section 16A.103, subdivision 1e, is amended to read:

Subd. 1e. **Economic information.** The commissioner must review economic information including economic forecasts with legislative fiscal staff no later than two weeks before the forecast is released. The commissioner must invite the chairs and lead minority members of the senate ~~State Government~~ Finance Committee and the house Ways and Means Committee, and legislative fiscal staff to attend any meetings held with outside economic advisors. The commissioner must provide legislative fiscal staff with monthly economic forecast information received from outside sources.

Sec. 41. **[16A.104] BASE BUDGET DETAIL.**

Within one week of the release of the budget forecasts required in section 16A.103 in November of an even-numbered year and February of an odd-numbered year, the commissioner of finance must provide to the legislature information that illustrates how the base level budget for the next biennium is projected to be spent. In designing the report, the commissioner must consult with the chairs of the house of representatives and senate Finance Committees and the house of representatives Committee on Ways and Means.

Sec. 42. **[16A.107] CASH FLOW FORECAST.**

Within two weeks after the November forecast of state revenue and expenditures under section 16A.103, the commissioner shall deliver to the governor and the legislature a forecast of cash flow for the general fund, showing the expected maximum and minimum cash balance in the fund for each month of the forecast period.

Sec. 43. Minnesota Statutes 2006, section 16A.11, is amended by adding a subdivision to read:

Subd. 3d. **Budget bills.** The necessary bills to implement the governor's operating budget must be submitted to the legislature within two weeks after the operating budget was submitted. The necessary bills to implement the governor's capital budget must be submitted to the legislature within two weeks after the capital budget was submitted.

Sec. 44. **[16A.117] CONTINUING APPROPRIATIONS.**

If a major appropriation bill to fund a given state agency for the next biennium has not been passed in the same form by the house of representatives and senate and been presented to the governor before July 1 of an odd-numbered year, amounts sufficient to continue operation of that agency and the programs administered by that agency through July 31 of the fiscal year beginning in the same calendar year at the base level for that

fiscal year, as determined according to section 16A.11, subdivision 3, and previous appropriation acts, are appropriated to the agency from the appropriate funds and accounts in the state treasury. The base level for an appropriation that was designated as onetime or was onetime in nature is zero. Determination of the amount appropriated may be made on a proration of the annual amount or another reasonable basis as determined by the commissioner of finance.

Sec. 45. Minnesota Statutes 2006, section 16A.1286, subdivision 2, is amended to read:

Subd. 2. **Billing procedures.** The commissioner may bill up to $7,520,000 in each fiscal year for statewide systems services provided to state agencies, judicial branch agencies, the University of Minnesota, the Minnesota State Colleges and Universities, and other entities. ~~Billing must be based only on usage of services relating to statewide systems provided by the Intertechnologies Division.~~ Each agency shall transfer from agency operating appropriations to the statewide systems account the amount billed by the commissioner. Billing policies and procedures related to statewide systems services must be developed by the commissioner in consultation with the commissioners of employee relations and administration, the University of Minnesota, and the Minnesota State Colleges and Universities.

Sec. 46. **[16B.327] DEFINITIONS.**

Subdivision 1. **Application.** For the purposes of section 16B.328, the definitions in this section have the meanings given.

Subd. 2. **Energy conservation.** "Energy conservation" means reducing energy use and includes: (1) using a light with lower wattage; and (2) using devices such as time controls, motion detectors, or on and off switches that limit unnecessary use of lighting.

Subd. 3. **Cutoff luminaire.** "Cutoff luminaire" means a luminaire in which 2.5 percent or less of the lamp lumens are emitted above a horizontal plane through the luminaire's lowest part and ten percent or less of the lamp lumens are emitted at a vertical angle 80 degrees above the luminaire's lowest point.

Subd. 4. **Light pollution.** "Light pollution" means the shining of light produced by a luminaire above the height of the luminaire and into the sky.

Subd. 5. **Lumen.** "Lumen" means a unit of luminous flux. One footcandle is one lumen per square foot. For purposes of section 16B.328, the lumen-output values are the initial lumen output rating of the lamp.

Subd. 6. **Luminaire** "Luminaire" means a complete lighting unit consisting of a light source and all necessary mechanical, electrical, and decorative parts.

Subd. 7. **Outdoor lighting fixture.** "Outdoor lighting fixture" means any type of fixed or movable lighting equipment that is designed or used for illumination outdoors. The term includes billboard lighting, streetlights, searchlights, and other lighting used for advertising purposes and area lighting. The term does not include lighting equipment that is required by law to be installed on motor vehicles or lighting required for the safe operation of aircraft.

Sec. 47. **[16B.328] STANDARDS FOR STATE FUNDED OUTDOOR LIGHTING FIXTURES; MODEL ORDINANCE.**

Subdivision 1. **Outdoor lighting fixtures.** (a) An outdoor lighting fixture may be installed or replaced using state funds only if:

(1) the new or replacement outdoor lighting fixture is a cutoff luminaire if the rated output of the outdoor lighting fixture is greater than 1,800 lumens;

(2) the minimum illuminance adequate for the intended purpose is used with consideration given to nationally recognized standards;

(3) for lighting of a designated highway of the state highway system, the Department of Transportation determines that the purpose of the outdoor lighting fixture cannot be achieved by the installation of reflective road markers, lines, warning or informational signs, or other effective passive methods; and

(4) full consideration has been given to energy conservation and savings, reducing glare, minimizing light pollution, and preserving the natural night environment.

(b) Paragraph (a) does not apply if:

(1) a federal law, rule, or regulation preempts state law;

(2) the outdoor lighting fixture is used on a temporary basis because emergency personnel require additional illumination for emergency procedures;

(3) the outdoor lighting fixture is used on a temporary basis for nighttime work;

(4) special events or situations require additional illumination, provided that the illumination installed shields the outdoor lighting fixtures from direct view and minimizes upward lighting and light pollution;

(5) the outdoor lighting fixture is used solely to highlight the aesthetic aspects of a single object or distinctive building; or

(6) a compelling safety interest exists that cannot be addressed by another method.

(c) This subdivision does not apply to the operation and maintenance of lights or lighting systems purchased or installed, or for which design work is completed, before August 1, 2007.

(d) This section does not apply if a state agency or local unit of government determines that compliance with this section would:

(i) require an increased use of electricity;

(ii) increase the construction cost of a lighting system more than 15 percent over the construction cost of a lighting system that does not comply with this section;

(iii) increase the cost of operation and maintenance of the lighting system more than ten percent over the cost of operating and maintaining the existing lighting system over the life of the lighting system; or

(iv) result in a negative safety impact.

Subd. 2. **Model ordinance.** The commissioner of administration, in consultation with the commissioner of commerce, associations for local governments, and any other interested person, shall develop a model ordinance that can be adapted for use by cities, counties, and towns, governing outdoor lighting to reduce light pollution. The model ordinance must include provisions addressing elements similar to those in subdivision 1. In addition, the model ordinance must address:

(1) standards for lighting on private property, outdoor advertising, lighting on commercial, industrial, or institutional property, canopies covering fueling stations, and public streets, sidewalks, and alleys;

(2) how illumination levels should be measured;

(3) possible exemptions, such as for temporary emergency or hazard lighting;

(4) recommended elements for an exterior lighting plan for a development;

(5) treatment of nonconforming lighting;

(6) lighting standards that might apply in special subdistricts;

(7) light pole maximum heights; and

(8) light trespass.

Sec. 48. Minnesota Statutes 2006, section 16B.35, subdivision 1, is amended to read:

Subdivision 1. **Percent of appropriations for art.** An appropriation for the construction or alteration of any state building may contain an amount not to exceed ~~the lesser of $100,000 or~~ one percent of the total appropriation for the building for the acquisition of works of art, excluding landscaping, which may be an integral part of the building or its grounds, attached to the building or grounds or capable of being displayed in other state buildings. ~~If the appropriation for works of art is limited by the $100,000 cap in this section, the appropriation for the construction or alteration of the building must be reduced to reflect the reduced amount that will be spent on works of art.~~ Money used for this purpose is available only for the acquisition of works of art to be exhibited in areas

of a building or its grounds accessible, on a regular basis, to members of the public. No more than ten percent of the total amount available each fiscal year under this subdivision may be used for administrative expenses, either by the commissioner of administration or by any other entity to whom the commissioner delegates administrative authority. For the purposes of this section "state building" means a building the construction or alteration of which is paid for wholly or in part by the state.

EFFECTIVE DATE. This section is effective July 1, 2007. The repeal of the $100,000 limit in this section applies to appropriations made before, on, or after that date.

Sec. 49. **[16B.97] GRANTS MANAGEMENT.**

Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose authorized by law instead of acquiring by professional/technical contract, purchase, lease, or barter property or services for the direct benefit or use of the granting agency.

(b) This section does not apply to capital project grants to political subdivisions as defined by section 16A.86.

Subd. 2. **Grants governance.** The commissioner shall provide leadership and direction for policy related to grants management in Minnesota in order to foster more consistent, streamlined interaction between executive agencies, funders, and grantees that will enhance access to grant opportunities and information and lead to greater program accountability and transparency. The commissioner has the duties and powers stated in this section. An executive agency must do what the commissioner requires under this section.

Subd. 3. **Discretionary powers.** The commissioner has the authority to:

(1) review grants management practices and propose policy and procedure improvements to the governor, legislature, executive agencies, and the federal government;

(2) sponsor, support, and facilitate innovative and collaborative grants management projects with public and private organizations;

(3) review, recommend, and implement alternative strategies for grants management;

(4) collect and disseminate information, issue reports relating to grants management, and sponsor and conduct conferences and studies; and

(5) participate in conferences and other appropriate activities related to grants management issues.

Subd. 4. **Duties.** (a) The commissioner shall:

(1) create general grants management policies and procedures that are applicable to all executive agencies. The commissioner may approve exceptions to these policies and procedures for particular grant programs. Exceptions shall expire or be renewed after five years. Executive agencies shall retain management of individual grants programs;

(2) provide a central point of contact concerning statewide grants management policies and procedures;

(3) serve as a resource to executive agencies in such areas as training, evaluation, collaboration, and best practices in grants management;

(4) ensure grants management needs are considered in the development, upgrade, and use of statewide administrative systems and leverage existing technology whereever possible;

(5) oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management activities;

(6) provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and waste in grants processes;

(7) forward received comments to the appropriate agency for further action, and may follow up as necessary; and

(8) provide a single listing of all available executive agency competitive grant opportunities and resulting grant recipients.

(b) The commissioner may determine that it is cost-effective for agencies to develop and use shared grants management technology systems. This system would be governed under section 16E.01, subdivision 3, paragraph (b).

(c) The duties assigned to the commissioner in this subdivision with respect to grants also apply to easements granted by executive agencies.

Sec. 50. **[16B.98] GRANT AGREEMENTS.**

Subdivision 1. **Limitation.** As a condition of receiving a grant from an appropriation of state funds, the recipient of the grant must agree to minimize administrative costs. The granting agency is responsible for negotiating appropriate limits to these costs so that the state derives the optimum benefit for grant funding.

Subd. 2. **Ethical practices and conflict of interest.** An employee of the executive branch involved directly or indirectly in grants processes, at any level, is subject to the code of ethics in section 43A.38.

Subd. 3. **Conflict of interest.** (a) The commissioner must develop policies regarding code of ethics and conflict of interest designed to prevent conflicts of interest for employees, committee members, or others involved in the recommendation, award, and administration of grants. The policies must apply to employees who are directly or indirectly in the grants process, which may include the following:

(1) developing request for proposals or evaluation criteria;

(2) drafting, recommending, awarding, amending, revising, or entering into grant agreements;

(3) evaluating or monitoring performance; or

(4) authorizing payments.

(b) The policies must include:

(1) a process to make all parties to the grant aware of policies and laws relating to conflict of interest, and training on how to avoid and address potential conflicts; and

(2) a process under which those who have a conflict of interest or a potential conflict of interest must disclose the matter.

(c) If the employee, appointing authority, or commissioner determines that a conflict of interest exists, the matter shall be assigned to another employee who does not have a conflict of interest. If it is not possible to assign the matter to an employee who does not have a conflict of interest, interested personnel shall be notified of the conflict and the employee may proceed with the assignment.

Subd. 4. **Reporting of violations.** A state employee who discovers evidence of violation of laws or rules governing grants is encouraged to report the violation or suspected violation to the employee's supervisor, the commissioner or the commissioner's designee, or the legislative auditor. The legislative auditor shall report to the Legislative Audit Commission if there are multiple complaints about the same agency. The auditor's report to the Legislative Audit Commission under this section must disclose only the number and type of violations alleged. An employee making a good faith report under this section has the protections provided for under section 181.932, prohibiting the employer from discriminating against the employee.

Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement is not valid and the state is not bound by the grant unless:

(1) the grant has been executed by the head of the agency or a delegate who is party to the grant; and

(2) the accounting system shows an encumbrance for the amount of the grant in accordance with policy approved by the commissioner.

(b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state.

(c) A fully executed copy of the grant agreement with all amendments and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 8.

(d) Grant agreements must comply with policies established by the commissioner for minimum grant agreement standards and practices.

(e) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

Subd. 6. **Grant administration.** A granting agency shall diligently administer and monitor any grant it has entered into.

Subd. 7. **Grant payments.** Payments to the grantee may not be issued until the grant agreement is fully executed.

Subd. 8. **Audit.** (a) A grant agreement made by an executive agency must include an expressed or implied audit clause that provides that the books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years from the grant agreement end date, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

(b) If the granting agency is a local unit of government, and the governing body of the local unit of government requests that the state auditor examine the books, records, documents, and accounting procedures and practices of the grantee or other party according to this subdivision, the granting agency shall be liable for the cost of the examination. If the granting agency is a local unit of government, and the grantee or other party requests that the state auditor examine all books, records, documents, and accounting procedures and practices related to the grant, the grantee or other party that requested the examination shall be liable for the cost of the examination.

Subd. 9. **Authority of attorney general.** The attorney general may pursue remedies available by law to avoid the obligation of an agency to pay under a grant or to recover payments made if activities under the grant are so unsatisfactory, incomplete, or inconsistent that payment would involve unjust enrichment. The contrary opinion of the granting agency does not affect the power of the attorney general under this subdivision.

Subd. 10. **Grants with Indian tribes and bands.** Notwithstanding any other law, an agency may not require an Indian tribe or band to deny its sovereignty as a requirement or condition of a grant with an agency.

Sec. 51. Minnesota Statutes 2006, section 16C.02, is amended by adding a subdivision to read:

Subd. 3a. **Best and final offer.** "Best and final offer" means an optional step in the solicitation process in which responders are requested to improve their response by methods including, but not limited to, the reduction of cost, clarification or modification of the response, or the provision of additional information.

Sec. 52. Minnesota Statutes 2006, section 16C.02, subdivision 4, is amended to read:

Subd. 4. **Best value.** "Best value" describes a result intended in the acquisition of all goods and services. Price must be one of the evaluation criteria when acquiring goods and services. Other evaluation criteria may include, but are not limited to, environmental considerations, quality, and vendor performance. In achieving "best value" strategic sourcing tools, including but not limited to best and final offers, negotiations, contract consolidation, product standardization, and mandatory-use enterprise contracts shall be used at the commissioner's discretion.

Sec. 53. Minnesota Statutes 2006, section 16C.02, is amended by adding a subdivision to read:

Subd. 6a. **Enterprise procurement.** "Enterprise procurement" means the process undertaken by the commissioner to leverage economies of scale of multiple end users to achieve cost savings and other favorable terms in contracts for goods and services.

Sec. 54. Minnesota Statutes 2006, section 16C.02, subdivision 12, is amended to read:

Subd. 12. **Request for proposal or RFP.** "Request for proposal" or "RFP" means a solicitation in which it is not advantageous to set forth all the actual, detailed requirements at the time of solicitation and responses are ~~subject to negotiation~~ negotiated to achieve best value for the state.

Sec. 55. Minnesota Statutes 2006, section 16C.02, subdivision 14, is amended to read:

Subd. 14. **Response.** "Response" means the offer received from a vendor in response to a solicitation. A response includes submissions commonly referred to as "offers," "bids," "quotes," ~~or~~ "proposals~~.~~," "best and final offers," or "negotiated offers."

Sec. 56. Minnesota Statutes 2006, section 16C.02, is amended by adding a subdivision to read:

Subd. 20. **Strategic sourcing.** "Strategic sourcing" means methods used to analyze and reduce spending on goods and services, including but not limited to spend analysis, product standardization, contract consolidation, negotiations, multiple jurisdiction purchasing alliances, reverse and forward auctions, life-cycle costing, and other techniques.

Sec. 57. Minnesota Statutes 2006, section 16C.03, subdivision 2, is amended to read:

Subd. 2. **Rulemaking authority.** Subject to chapter 14, the commissioner may adopt rules, consistent with this chapter and chapter 16B, relating to the following topics:

(1) procurement process including solicitations and responses to solicitations, bid security, vendor errors, opening of responses, award of contracts, tied bids, and award protest process;

(2) contract performance and failure to perform;

(3) authority to debar or suspend vendors, and reinstatement of vendors;

(4) contract cancellation;

(5) procurement from rehabilitation facilities; and

(6) organizational conflicts of interest.

Sec. 58. Minnesota Statutes 2006, section 16C.03, subdivision 4, is amended to read:

Subd. 4. **Contracting authority.** The commissioner shall conduct all contracting by, for, and between agencies and perform all contract management and review functions for contracts, except those functions specifically delegated to be performed by the contracting agency, the attorney general, or otherwise provided for by law. The commissioner may require that agency staff participate in the development of enterprise procurements including the development of product standards, specifications and other requirements.

Sec. 59. Minnesota Statutes 2006, section 16C.03, subdivision 8, is amended to read:

Subd. 8. **Policy and procedures.** The commissioner is authorized to issue policies, procedures, and standards applicable to all acquisition activities by and for agencies. Consistent with the authority specified in this chapter, the commissioner shall develop and implement policies, procedures, and standards ensuring the optimal use of strategic sourcing techniques.

Sec. 60. Minnesota Statutes 2006, section 16C.03, subdivision 16, is amended to read:

Subd. 16. **Delegation of duties.** The commissioner may delegate duties imposed by this chapter to the head of an agency and to any subordinate of the agency head. Delegated duties shall be exercised in the name of the commissioner and under the commissioner's direct supervision and control. A delegation of duties may include, but is not limited to, allowing individuals within agencies to acquire goods, services, and utilities within dollar limitations and for designated types of acquisitions. Delegation of contract management and review functions must be filed with the secretary of state and may not, except with respect to delegations within the Department of Administration, exceed two years in duration. The commissioner may withdraw any delegation at the commissioner's sole discretion. The commissioner may require an agency head or subordinate to accept delegated responsibility to procure goods or services intended for the exclusive use of the agency receiving the delegation.

Sec. 61. **[16C.046] WEB SITE WITH SEARCHABLE DATABASE ON STATE CONTRACTS AND GRANTS.**

(a) The commissioner of administration must maintain a Web site with a searchable database providing the public with information on state contracts, including grant contracts. The database must include the following information for each state contract valued in excess of $25,000:

(1) the name and address of the entity receiving the contract;

(2) the name of the agency entering into the contract;

(3) whether the contract is:

(i) for goods;

(ii) for professional or technical services;

(iii) for services other than professional and technical services; or

(iv) a grant;

(4) a brief statement of the purpose of the contract or grant;

(5) the amount of the contract or grant and the fund from which this amount will be paid; and

(6) the dollar value of state contracts, other than grants, the entity has received in each fiscal year and the dollar value of state grants the entity has received in each fiscal year.

(b) Required information on a new contract or grant must be entered into the database within 30 days of the time the contract is entered into.

(c) For purposes of this section, a "grant" is a contract between a state agency and a recipient, the primary purpose of which is to transfer cash or a thing of value to the recipient to support a public purpose. Grant does not include payments to units of local

government, payments to state employees, or payments made under laws providing for assistance to individuals.

(d) The database must include information on grants and contracts entered into beginning with fiscal year 2008 funds, and must retain that data for ten years.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 62. Minnesota Statutes 2006, section 16C.05, subdivision 1, is amended to read:

Subdivision 1. **Agency cooperation.** Agencies shall fully cooperate with the commissioner in the management and review of state contracts and in the development and implementation of strategic sourcing techniques.

Sec. 63. Minnesota Statutes 2006, section 16C.05, subdivision 2, is amended to read:

Subd. 2. **Creation and validity of contracts.** (a) A contract is not valid and the state is not bound by it and no agency, without the prior written approval of the commissioner granted pursuant to subdivision 2a, may authorize work to begin on it unless:

(1) it has first been executed by the head of the agency or a delegate who is a party to the contract;

(2) it has been approved by the commissioner; and

(3) the accounting system shows an encumbrance for the amount of the contract liability, except as allowed by policy approved by the commissioner and commissioner of finance for routine, low-dollar procurements.

(b) The combined contract and amendments must 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.

(c) Grants, interagency agreements, purchase orders, work orders, and annual plans need not, in the discretion of the commissioner and attorney general, require the signature of the commissioner and/or the attorney general. A signature is not required for work orders and amendments to work orders related to Department of Transportation contracts. Bond purchase agreements by the Minnesota Public Facilities Authority do not require the approval of the commissioner.

(d) Amendments to contracts must entail tasks that are substantially similar to those in the original contract or involve tasks that are so closely related to the original contract that it would be impracticable for a different contractor to perform the work. The commissioner or an agency official to whom the commissioner has delegated contracting

authority under section 16C.03, subdivision 16, must determine that an amendment would serve the interest of the state better than a new contract and would cost no more.

(e) A fully executed copy of every contract, amendments to the contract, and performance evaluations relating to the contract must be kept on file at the contracting agency for a time equal to that specified for contract vendors and other parties in subdivision 5.

(f) The attorney general must periodically review and evaluate a sample of state agency contracts to ensure compliance with laws.

Sec. 64. Minnesota Statutes 2006, section 16C.08, is amended by adding a subdivision to read:

Subd. 1a. **Enterprise procurement.** Notwithstanding section 15.061 or any other law, the commissioner shall, to the fullest extent practicable, conduct enterprise procurements that result in the establishment of professional or technical contracts for use by multiple state agencies. The commissioner is authorized to mandate use of any contract entered into as a result of an enterprise procurement process. Agencies shall fully cooperate in the development and use of contracts entered into under this section.

Sec. 65. Minnesota Statutes 2006, section 16C.08, subdivision 2, is amended to read:

Subd. 2. **Duties of contracting agency.** (a) Before an agency may seek approval of a professional or technical services contract valued in excess of $5,000, it must provide the following:

(1) a description of how the proposed contract or amendment is necessary and reasonable to advance the statutory mission of the agency;

(2) a description of the agency's plan to notify firms or individuals who may be available to perform the services called for in the solicitation; ~~and~~

(3) a description of the performance measures or other tools that will be used to monitor and evaluate contract performance~~.~~; and

(4) an explanation detailing, if applicable, why this procurement is being pursued unilaterally by the agency and not as an enterprise procurement.

(b) In addition to paragraph (a), the agency must certify that:

(1) no current state employee is able and available to perform the services called for by the contract;

(2) the normal competitive bidding mechanisms will not provide for adequate performance of the services;

(3) reasonable efforts will be made to publicize the availability of the contract to the public;

(4) the agency will develop and implement a written plan providing for the assignment of specific agency personnel to manage the contract, including a monitoring and liaison function, the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services;

(5) the agency will not allow the contractor to begin work before the contract is fully executed unless an exception under section 16C.05, subdivision 2a, has been granted by the commissioner and funds are fully encumbered;

(6) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract; ~~and~~

(7) in the event the results of the contract work will be carried out or continued by state employees upon completion of the contract, the contractor is required to include state employees in development and training, to the extent necessary to ensure that after completion of the contract, state employees can perform any ongoing work related to the same function~~.~~; and

(8) the agency will not contract out its previously eliminated jobs for four years without first considering the same former employees who are on the seniority unit layoff list who meet the minimum qualifications determined by the agency.

(c) A contract establishes an employment relationship for purposes of paragraph (b), clause (6), if, under federal laws governing the distinction between an employee and an independent contractor, a person would be considered an employee.

Sec. 66. Minnesota Statutes 2006, section 16C.08, subdivision 4, is amended to read:

Subd. 4. **Reports.** (a) The commissioner shall submit to the governor, the chairs of the house Ways and Means and senate Finance Committees, and the Legislative Reference Library a yearly listing of all contracts for professional or technical services executed. The report must identify the contractor, contract amount, duration, and services to be provided. The commissioner shall also issue yearly reports summarizing the contract review activities of the department by fiscal year.

(b) The fiscal year report must be submitted by September 1 of each year and must:

(1) be sorted by agency and by contractor;

(2) show the aggregate value of contracts issued by each agency and issued to each contractor;

(3) distinguish between contracts that are being issued for the first time and contracts that are being extended;

(4) state the termination date of each contract;

(5) identify services by commodity code, including topics such as contracts for training, contracts for research and opinions, and contracts for computer systems; and

(6) identify which contracts were awarded without following the solicitation process in this chapter because it was determined that there was only a single source for the services.

(c) Within 30 days of final completion of a contract over $50,000 covered by this subdivision, the head of the agency entering into the contract must submit a one-page report to the commissioner who must submit a copy to the Legislative Reference Library. The report must:

(1) summarize the purpose of the contract, including why it was necessary to enter into a contract;

(2) state the amount spent on the contract;

~~(3) be accompanied by the performance evaluation prepared according to subdivision 4a; and~~

~~(4)~~ (3) if the contract was awarded without following the solicitation process in this chapter because it was determined that there was only a single source for the services, explain why the agency determined there was only a single source for the services~~.~~; and

(4) include a written performance evaluation of the work done under the contract. The evaluation must include an appraisal of the contractor's timeliness, quality, cost, and overall performance in meeting the terms and objectives of the contract. Contractors may request copies of evaluations prepared under this subdivision and may respond in writing. Contractor responses must be maintained with the contract file.

Sec. 67. Minnesota Statutes 2006, section 16C.08, is amended by adding a subdivision to read:

Subd. 4b. **Limitations on actions.** No action may be maintained by a contractor against an employee or agency who discloses information about a current or former contractor under subdivision 4, unless the contractor demonstrates by clear and convincing evidence that:

(1) the information was false and defamatory;

(2) the employee or agency knew or should have known the information was false and acted with malicious intent to injure the current or former contractor; and

(3) the information was acted upon in a manner that caused harm to the current or former contractor.

Sec. 68. **[16C.086] CALL-CENTER.**

An agency may not enter into a contract for operation of a call-center, or a contract whose primary purpose is to provide similar services answering or responding to telephone calls on behalf of an agency without determining if the service can be provided by state employees, and the services must be provided at offices located in the United States. For purposes of this section, "agency" includes the Minnesota State Colleges and Universities.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to a contract entered into or renewed or otherwise extended after that date.

Sec. 69. Minnesota Statutes 2006, 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 ~~computer~~ services at the lowest selling price in an open and interactive environment. Reverse auctions may not be utilized to procure engineering design services or architectural services or to establish building and construction contracts under sections 16C.26 to 16C.29.

(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. 70. Minnesota Statutes 2006, section 16C.16, subdivision 5, is amended to read:

Subd. 5. **Designation of targeted groups.** (a) The commissioner of administration shall periodically designate businesses that are majority owned and operated by women, persons with a substantial physical disability, or specific minorities as targeted group businesses within purchasing categories as determined by the commissioner. A group may be targeted within a purchasing category if the commissioner determines there is a statistical disparity between the percentage of purchasing from businesses owned by group members and the representation of businesses owned by group members among all businesses in the state in the purchasing category.

(b) In addition to designations under paragraph (a), an individual business may be included as a targeted group business if the commissioner determines that inclusion is necessary to remedy discrimination against the owner based on race, gender, or disability in attempting to operate a business that would provide goods or services to public agencies.

(c) In addition to the designations under paragraphs (a) and (b), the commissioner of administration shall designate businesses that are majority owned and operated by veterans who have served in federal active service as defined in section 190.05, subdivision 5c, in

support of Operation Enduring Freedom or Operation Iraqi Freedom as targeted group businesses within purchasing categories as determined by the commissioner. "Veteran" has the meaning given in section 197.447, and also includes both currently serving and honorably discharged members of the national guard and other military reserves.

~~(c)~~ (d) The designations of purchasing categories and businesses under paragraphs (a) ~~and~~, (b), and (c) are not rules for purposes of chapter 14, and are not subject to rulemaking procedures of that chapter.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 71. **[16C.251] BEST AND FINAL OFFER.**

A "best and final offer" solicitation process may not be used for building and construction contracts.

Sec. 72. **[16E.22] LICENSING SYSTEM.**

The state chief information officer may enter into a professional or technical services contract for information systems development in which the vendor finances all or part of the cost of system development. The state chief information officer may assess and accept a fee for business and occupational licenses for the purpose of developing and maintaining a licensing system.

Sec. 73. Minnesota Statutes 2006, section 37.06, is amended to read:

37.06 SECRETARY; LEGISLATIVE AUDITOR; DUTIES; REPORT.

The secretary shall keep a complete record of the proceedings of the annual meetings of the State Agricultural Society and all meetings of the board of managers and any committee of the board, keep all accounts of the society other than those kept by the treasurer of the society, and perform other duties as directed by the board of managers. On or before December 31 each year, the secretary shall report to the governor for the fiscal year ending October 31 all the proceedings of the society during the current year and its financial condition as appears from its books. This report must contain a full, detailed statement of all receipts and expenditures during the year.

The books and accounts of the society for the fiscal year must be examined and audited annually by the legislative auditor. The cost of the examination must be paid by the society to the state and credited to the ~~general fund~~ appropriation for the legislative auditor.

A summary of this examination, certified by the legislative auditor, must be appended to the secretary's report, along with the legislative auditor's recommendations and the proceedings of the first annual meeting of the society held following the secretary's report, including addresses made at the meeting as directed by the board of managers. The summary, recommendations, and proceedings must be printed in the same manner as the reports of state officers. Copies of the report must be printed annually and distributed as follows: to each society or association entitled to membership in the society, to each newspaper in the state, and the remaining copies as directed by the board of managers.

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

Sec. 74. Minnesota Statutes 2006, section 43A.02, is amended by adding a subdivision to read:

Subd. 18a. **Domestic partner.** "Domestic partner" means a person who has entered into a committed interdependent relationship with another adult, where the partners:

(1) are responsible for each other's basic common welfare;

(2) share a common residence and intend to do so indefinitely;

(3) are not related by blood or adoption to an extent that would prohibit marriage in this state; and

(4) are legally competent and qualified to enter into a contract.

For purposes of this subdivision, domestic partners may share a common residence, even if:

(1) they do not each have a legal right to possess the residence; or

(2) one or both domestic partners possess additional real property.

If one domestic partner temporarily leaves the common residence with the intention to return, the domestic partners continue to share a common residence for the purposes of this subdivision.

Sec. 75. Minnesota Statutes 2006, section 43A.24, subdivision 1, is amended to read:

Subdivision 1. **General.** Employees, including persons on layoff from a civil service position, and employees who are employed less than full time, shall be eligible for state paid life insurance and hospital, medical and dental benefits as provided in collective bargaining agreements or plans established pursuant to section 43A.18. If a collective bargaining agreement or plan provides state paid health insurance for spouses of employees, the insurance must be made available to domestic partners of state employees on the same terms and conditions.

Sec. 76. Minnesota Statutes 2006, section 43A.49, is amended to read:

43A.49 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 June 1, 2003, and June 30, 2005. The 1,040 hour limit replaces, and is not in addition to, limits set in prior laws~~ in each two-year period beginning July 1 of each odd-numbered year. 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 Minnesota State Retirement ~~Association~~ System.

Sec. 77. **[43A.50] CERTIFICATE OF PAY EQUITY COMPLIANCE.**

Subdivision 1. **Scope of application.** For a contract for goods or services in excess of $100,000, a state department or agency may not accept a bid or proposal from a business having more than 40 full-time employees within the state on a single working day during the previous 12 months unless the commissioner has approved the business' plan to establish equitable compensation relationships for its employees and has issued the business a certificate of compliance. A certificate of compliance is valid for two years.

Subd. 2. **Compliance; good faith effort.** (a) The commissioner must approve a plan and issue a certificate of compliance under this section to a business if the business demonstrates that it is in compliance with equitable compensation relationship standards or is making a good faith effort to achieve compliance with those standards. The standards for determining equitable compensation relationships for a business under this section are the same as the standards in sections 471.991 to 471.997 and rules adopted under those sections.

(b) A business that is not in compliance with equitable compensation relationship standards is making a good faith effort to achieve compliance if the commissioner has approved:

(1) a plan for achieving compliance, including the business' proposed actions and response to the commissioner's recommendations; and

(2) a proposed date for achieving compliance and for submitting a revised report for the commissioner's review.

Subd. 3. **Filing fee; account; appropriation.** The commissioner shall collect a $75 fee for each certificate of compliance issued by the commissioner under this section. The proceeds of the fee must be deposited in a pay equity fee special revenue account. Money in the account is appropriated to the commissioner to fund the cost of administering this section.

Subd. 4. **Revocation of certificate.** A certificate of compliance may be suspended or revoked by the commissioner of administration if a holder of a certificate is not effectively implementing or making a good faith effort to implement its approved plan to establish equitable compensation relationships. If a contractor does not effectively implement its approved plan, or fails to make a good faith effort to do so, the commissioner of employee relations may refuse to approve subsequent plans submitted by that business.

Subd. 5. **Revocation of contract.** A contract awarded by a department or agency of the state may be terminated or abridged by the contracting department or agency because of suspension or revocation of a certificate. If a contract is awarded to a person who does not have a contract compliance certificate required, the commissioner may void the contract on behalf of the state.

Subd. 6. **Technical assistance.** If the commissioner of administration has suspended a contractor's certificate of compliance, the commissioner shall provide technical assistance that may enable the contractor to be recertified within 90 days after the contractor's certificate has been suspended.

Subd. 7. **Access to data.** Data submitted to the commissioner by a contractor or potential contractor for purposes of obtaining a certificate of compliance under this

section are private data on individuals or nonpublic data with respect to persons other than department employees. The commissioner's decision to grant, not grant, revoke, or suspend a certificate of compliance is public data.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to contracts for which a state department or agency issues solicitations on or after that date.

Sec. 78. Minnesota Statutes 2006, section 103D.355, is amended to read:

103D.355 ANNUAL AUDIT.

Subdivision 1. **Requirement.** The managers must have an annual audit completed of the books and accounts of the watershed district. The annual audit may be made by a private certified public accountant or by the state auditor. ~~The annual audit must be made by a certified public accountant or the state auditor at least once every five years, or when cumulative district revenues or expenditures exceed an amount established by the board in consultation with the state auditor.~~

Subd. 2. **Audit by state auditor.** (a) ~~If the annual~~ An audit ~~is to be made~~ by the state auditor~~, the audit must~~ may be initiated by a petition of the resident owners of the watershed district or resolution of the managers of the watershed district. The petition must request an annual audit pursuant to the authority granted municipalities under sections 6.54 and 6.55. The state auditor may conduct such examinations of accounts and records as the state auditor may deem the public interest to demand.

(b) If the audit or examination is made by the state auditor, the watershed district receiving the examination must pay the state the total cost and expenses of the examination, including the salaries paid to the examiners while actually engaged in making the examination. The general fund must be credited with all collections made for examinations under this subdivision.

Subd. 3. **Reports for state auditor.** The managers must make and submit reports demanded by the state auditor.

Sec. 79. Minnesota Statutes 2006, section 161.1419, subdivision 8, is amended to read:

Subd. 8. **Expiration.** The commission expires on June 30, ~~2007~~ 2012.

Sec. 80. Minnesota Statutes 2006, section 181.9413, is amended to read:

181.9413 SICK ~~OR INJURED CHILD CARE~~ LEAVE BENEFITS; USE TO CARE FOR CERTAIN RELATIVES.

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, spouse, sibling, parent, grandparent, stepparent, or domestic partner for such reasonable periods as the employee's attendance ~~with the child~~ may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

(c) For purposes of this section, "domestic partner" means a person who has entered into a committed interdependent relationship with another adult, where the partners:

(1) are responsible for each other's basic common welfare;

(2) share a common residence and intend to do so indefinitely;

(3) are not related by blood or adoption to an extent that would prohibit marriage in this state; and

(4) are legally competent and qualified to enter into a contract.

For purposes of this section, domestic partners may share a common residence even if they do not have a legal right to possess the residence or one or both domestic partners possess additional real property.

If one domestic partner temporarily leaves the common residence with the intention to return, the domestic partners continue to share a common residence for the purposes of this section.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to sick leave used on or after that date.

Sec. 81. **[192.382] HONOR GUARDS.**

Upon the death of any person who has honorably served six or more years or is in active service in the Minnesota National Guard, the adjutant general may activate members to serve as an honor guard at the funeral. Members activated for service as honor guards must be paid at the rate provided in section 192.49, subdivision 1 or 2.

Sec. 82. **[192.515] NATIONAL GUARD NONAPPROPRIATED FUND INSTRUMENTALITY.**

Subdivision 1. **Establishment.** The adjutant general may:

(a) establish a Minnesota National Guard Nonappropriated Fund Instrumentality to create, operate, and maintain morale, welfare, and recreation facilities and activities at Camp Ripley and other property owned, leased, or otherwise controlled by the Minnesota Nation Guard; and

(b) create a board to manage the fund established under paragraph (a) and delegate to the board the adjutant general's authority under this section.

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "MNG NAFI" means the Minnesota National Guard Nonappropriated Fund Instrumentality.

(c) "Morale, welfare, and recreation" refers to a facility or activity intended to provide recreational opportunities, promote unit and individual morale, and generally improve the welfare of Minnesota National Guard personnel at Camp Ripley or other properties owned, leased, or otherwise controlled by the Minnesota National Guard. It does not include facilities or services provided by the Army and Air Force Exchange Service. It also does not include facilities or services provided by other instrumentalities through the use of appropriated funds.

Subd. 3. **Use.** The adjutant general may authorize Minnesota National Guard lands and facilities to be used in support of morale, welfare, and recreation activities under this section. That use must not interfere with military operations or training.

Subd. 4. **Funds.** (a) Except as otherwise specifically authorized in this section, no general fund money or other state funds may be used for the purposes authorized under this section.

(b) The MNG NAFI is authorized to accept donations or gifts from public or private sources for purposes authorized under this section, including, but not limited to, federal funds made available to the National Guard for related activities and money received from recycling activities to the extent authorized by federal regulation.

(c) Money received from operation of activities under this section, including, but not limited to, user fees and rental charges must be deposited and managed consistent with this subdivision.

(d) The adjutant general may transfer funds from any existing morale, welfare, or recreation fund to the MNG NAFI.

(e) Money received by the MNG NAFI must be deposited in the Minnesota National Guard morale, welfare, and recreation fund.

(f) Accounts or funds created under this section must be audited annually by officers of the military forces detailed by the adjutant general as military auditors.

Subd. 5. **Rules.** The adjutant general must adopt rules for the establishment, management, and operation of the MNG NAFI consistent with this section.

Sec. 83. **[197.231] HONOR GUARDS.**

The commissioner of veterans affairs shall pay, within available funds and upon request by a local unit of a congressionally chartered veterans organization or its auxiliary, up to $50 to the local unit for each time that local unit provides an honor guard detail at the funeral of a deceased veteran. If the local unit provides a student to play "Taps," the local unit may pay some or all of the $50 to the student.

Sec. 84. Minnesota Statutes 2006, section 302A.821, subdivision 4, is amended to read:

Subd. 4. **Penalty; reinstatement.** (a) A corporation that has failed to file a registration pursuant to the requirements of subdivision 2 must be dissolved by the secretary of state as described in paragraph (b).

(b) If the corporation has not filed the registration ~~for two consecutive~~ during any calendar ~~years~~ year, the secretary of state must issue a certificate of administrative dissolution and the certificate must be filed in the Office of the Secretary of State. ~~The secretary of state shall send notice to the corporation that the corporation has been dissolved and that the corporation may be reinstated by filing a registration and a $25 fee. The notice must be given by United States mail unless the company has indicated to the secretary of state that they are willing to receive notice by electronic notification, in which case the secretary of state may give notice by mail or the indicated means. The secretary of state shall annually inform the attorney general and the commissioner of revenue of the methods by which the names of corporations dissolved under this section during the preceding year may be determined.~~ The secretary of state must ~~also~~ make available in an electronic format the names of the dissolved corporations. A corporation dissolved in this manner is not entitled to the benefits of section 302A.781. The liability, if any, of the shareholders of a corporation dissolved in this manner shall be determined and limited in accordance with section 302A.557, except that the shareholders shall have no liability to any director of the corporation under section 302A.559, subdivision 2.

(c) After administrative dissolution, filing a registration and the $25 fee with the secretary of state:

(1) returns the corporation to good standing as of the date of the dissolution;

(2) validates contracts or other acts within the authority of the articles, and the corporation is liable for those contracts or acts; and

(3) restores to the corporation all assets and rights of the corporation to the extent they were held by the corporation before the dissolution occurred, except to the extent that assets or rights were affected by acts occurring after the dissolution or sold or otherwise distributed after that time.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 85. Minnesota Statutes 2006, section 308A.995, subdivision 4, is amended to read:

Subd. 4. **Penalty; dissolution.** (a) A cooperative that has failed to file a registration pursuant to the requirements of this section by December 31 of the calendar year for which the registration was required must be dissolved by the secretary of state as described in paragraph (b).

(b) If the cooperative has not filed the registration by December 31 of that calendar year, the secretary of state must issue a certificate of involuntary dissolution, and the certificate must be filed in the Office of the Secretary of State. ~~The secretary of state must annually inform the attorney general and the commissioner of revenue of the methods by which the names of cooperatives dissolved under this section during the preceding year may be determined.~~ The secretary of state must ~~also~~ make available in an electronic format the names of the dissolved cooperatives. A cooperative dissolved in this manner is not entitled to the benefits of section 308A.981.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 86. Minnesota Statutes 2006, section 308B.121, subdivision 4, is amended to read:

Subd. 4. **Penalty; dissolution.** (a) A cooperative that has failed to file a registration under the requirements of this section must be dissolved by the secretary of state as described in paragraph (b).

(b) If the cooperative has not filed the registration by December 31 of that calendar year, the secretary of state must issue a certificate of involuntary dissolution and the certificate must be filed in the Office of the Secretary of State. ~~The secretary of state must annually inform the attorney general and the commissioner of revenue of the methods by which the names of cooperatives dissolved under this section during the preceding year may be determined. The secretary of state must also make available in an electronic format the names of the dissolved cooperatives.~~ A cooperative dissolved in this manner is not entitled to the benefits of section 308B.971.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 87. Minnesota Statutes 2006, section 308B.215, subdivision 2, is amended to read:

Subd. 2. **Filing.** The original articles and a designation of the cooperative's registered office and agent~~, including a registration form under section 308B.121,~~ shall be filed with the secretary of state. The fee for filing the articles with the secretary of state is $60.

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

Sec. 88. **[308B.903] NOTICE OF INTENT TO DISSOLVE.**

Before a cooperative begins dissolution, a notice of intent to dissolve must be filed with the secretary of state. The notice must contain:

(1) the name of the cooperative;

(2) the date and place of the members' meeting at which the resolution was approved; and

(3) a statement that the requisite vote of the members approved the proposed dissolution.

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

Sec. 89. Minnesota Statutes 2006, section 317A.823, subdivision 1, is amended to read:

Subdivision 1. **Annual registration.** (a) The secretary of state must send annually to each corporation at the registered office of the corporation a postcard notice announcing the need to file the annual registration and informing the corporation that the annual registration may be filed online and that paper filings may also be made, and informing the corporation that failing to file the annual registration will result in an administrative dissolution of the corporation.

(b) ~~Except for corporations to which paragraph (d) applies,~~ Each calendar year beginning in the calendar year following the calendar year in which a corporation incorporates, a corporation must file with the secretary of state by December 31 of each calendar year a registration containing the information listed in paragraph (c).

(c) The registration must include:

(1) the name of the corporation;

(2) the address of its registered office;

(3) the name of its registered agent, if any; and

(4) the name and business address of the officer or other person exercising the principal functions of president of the corporation.

~~(d) The timely filing of an annual financial report and audit or an annual financial statement under section 69.051, subdivision 1 or 1a, by a volunteer firefighter relief association, as reflected in the notification by the state auditor under section 69.051, subdivision 1c, constitutes presentation of the corporate registration. The secretary of state may reject the registration by the volunteer firefighter relief association. Rejection must occur if the information provided to the state auditor does not match the information in the records of the secretary of state. The volunteer firefighter relief association may amend the articles of incorporation as provided in sections 317A.131 to 317A.151 so that the information from the state auditor may be accepted for filing. The timely filing of an annual financial report and audit or an annual financial statement under section 69.051, subdivision 1 or 1a, does not relieve the volunteer firefighter relief association of the requirement to file amendments to the articles of incorporation directly with the secretary of state.~~

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

Sec. 90. Minnesota Statutes 2006, section 321.0206, is amended to read:

321.0206 DELIVERY TO AND FILING OF RECORDS BY SECRETARY OF STATE; EFFECTIVE TIME AND DATE.

(a) A record authorized or required to be delivered to the secretary of state for filing under this chapter must be captioned to describe the record's purpose, be in a medium permitted by the secretary of state, and be delivered to the secretary of state. Unless the secretary of state determines that a record does not comply with the filing requirements of this chapter, and if the appropriate filing fees have been paid, the secretary of state shall file the record and:

(1) for a statement of dissociation, send:

(A) a copy of the filed statement to the person which the statement indicates has dissociated as a general partner; and

(B) a copy of the filed statement to the limited partnership;

(2) for a statement of withdrawal, send:

(A) a copy of the filed statement to the person on whose behalf the record was filed; and

(B) if the statement refers to an existing limited partnership, a copy of the filed statement to the limited partnership; and

(3) for all other records, send a copy of the filed record to the person on whose behalf the record was filed.

(b) Upon request and payment of a fee, the secretary of state shall send to the requester a certified copy of the requested record.

(c) Except as otherwise provided in sections 321.0116 and 321.0207, a record delivered to the secretary of state for filing under this chapter may specify an effective time and a delayed effective date. Except as otherwise provided in this chapter, a record filed by the secretary of state is effective:

(1) if the record does not specify an effective time and does not specify a delayed effective date, on the date and at the time the record is filed as evidenced by the secretary of state's endorsement of the date and time on the record;

(2) if the record specifies an effective time but not a delayed effective date, on the date the record is filed at the time specified in the record;

(3) if the record specifies a delayed effective date but not an effective time, at 12:01 a.m. on the earlier of:

(A) the specified date; or

(B) the 30th day after the record is filed; or

(4) if the record specifies an effective time and a delayed effective date, at the specified time on the earlier of:

(A) the specified date; or

(B) the 30th day after the record is filed.

(d) The appropriate fees for filings under this chapter are:

(1) for filing a certificate of limited partnership, $100;

(2) for filing an amended certificate of limited partnership, $50;

(3) for filing any other record, other than the annual report required by section 321.0210, for which no fee must be charged, required or permitted to be delivered for filing, $35;

(4) for filing a certificate requesting authority to transact business in Minnesota as a foreign limited partnership, $85;

(5) for filing an application of reinstatement, $25; ~~and~~

(6) for filing a name reservation for a foreign limited partnership name, $35; and

(7) for filing any other record, other than the annual report required by section 321.0210, for which no fee must be charged, required or permitted to be delivered for filing on a foreign limited partnership authorized to transact business in Minnesota, $50.

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

Sec. 91. **[321.0909] NAME CHANGES FILED IN HOME STATE.**

A foreign limited partnership shall notify the secretary of state of any changes to the partnership name filed with the state of formation by filing a certificate from the state of formation certifying to the change of name.

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

Sec. 92. Minnesota Statutes 2006, section 336.1-110, is amended to read:

336.1-110 UNIFORM COMMERCIAL CODE ACCOUNT.

The Uniform Commercial Code account is established as an account in the state treasury. Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under this chapter must be deposited in the state treasury and credited to the Uniform Commercial Code account.

Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the Uniform Commercial Code account.

Money in the Uniform Commercial Code account is continuously appropriated to the secretary of state to implement and maintain the central filing system under this chapter, to provide, improve, and expand other online or remote lien and business entity filing, retrieval, and payment method services provided by the secretary of state, and to provide electronic access to other computerized records maintained by the secretary of state.

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

Sec. 93. Minnesota Statutes 2006, section 336.9-516, is amended to read:

336.9-516 WHAT CONSTITUTES FILING; EFFECTIVENESS OF FILING.

(a) **What constitutes filing.** Except as otherwise provided in subsection (b), communication of a record to a filing office and tender of the filing fee or acceptance of the record by the filing office constitutes filing.

(b) **Refusal to accept record; filing does not occur.** Filing does not occur with respect to a record that a filing office refuses to accept because:

(1) the record is not communicated by a method or medium of communication authorized by the filing office. For purposes of filing office authorization, transmission of records using the Extensible Markup Language (XML) format is authorized by the filing office after the later of July 1, 2007, or the determination of the secretary of state that the central filing system is capable of receiving and processing these records;

(2) an amount equal to or greater than the applicable filing fee is not tendered;

(3) the filing office is unable to index the record because:

(A) in the case of an initial financing statement, the record does not provide a name for the debtor;

(B) in the case of an amendment or correction statement, the record:

(i) does not identify the initial financing statement as required by section 336.9-512 or 336.9-518, as applicable; or

(ii) identifies an initial financing statement whose effectiveness has lapsed under section 336.9-515;

(C) in the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's last name; or

(D) in the case of a record filed or recorded in the filing office described in section 336.9-501(a)(1), the record does not provide a sufficient description of the real property to which it relates;

(4) in the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;

(5) in the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:

(A) provide a mailing address for the debtor;

(B) indicate whether the debtor is an individual or an organization; or

(C) if the financing statement indicates that the debtor is an organization, provide:

(i) a type of organization for the debtor;

(ii) a jurisdiction of organization for the debtor; or

(iii) an organizational identification number for the debtor or indicate that the debtor has none;

(6) in the case of an assignment reflected in an initial financing statement under section 336.9-514(a) or an amendment filed under section 336.9-514(b), the record does not provide a name and mailing address for the assignee; or

(7) in the case of a continuation statement, the record is not filed within the six-month period prescribed by section 336.9-515(d).

(c) **Rules applicable to subsection (b).** For purposes of subsection (b):

(1) a record does not provide information if the filing office is unable to read or decipher the information; and

(2) a record that does not indicate that it is an amendment or identify an initial financing statement to which it relates, as required by section 336.9-512, 336.9-514, or 336.9-518, is an initial financing statement.

(d) **Refusal to accept record; record effective as filed record.** A record that is communicated to the filing office with tender of the filing fee, but which the filing office refuses to accept for a reason other than one set forth in subsection (b), is effective as a filed record except as against a purchaser of the collateral which gives value in reasonable reliance upon the absence of the record from the files.

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

Sec. 94. Minnesota Statutes 2006, section 336.9-525, is amended to read:

336.9-525 FEES.

(a) **Initial financing statement or other record: general rule.** Except as otherwise provided in subsection (d), the fee for filing and indexing a record under this part ~~delivered on paper~~ is $20 ~~and for a record delivered by any electronic means is $15~~. $5 of the fee collected for each request delivered online must be deposited in the uniform commercial code account.

(b) **Number of names.** The number of names required to be indexed does not affect the amount of the fee in subsection (a).

(c) **Response to information request.** The fee for responding to a request for information from the filing office, including for issuing a certificate showing whether there is on file any financing statement naming a particular debtor, ~~delivered on paper~~ is $20 ~~and for a record delivered by any electronic means is $15~~. $5 of the fee collected for each request delivered online must be deposited in the uniform commercial code account.

(d) **Record of mortgage.** This section does not require a fee with respect to a record of a mortgage which is effective as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut under section 336.9-502(c). However, the recording and satisfaction fees that otherwise would be applicable to the record of the mortgage apply.

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

Sec. 95. **[349A.021] LOTTERY OFFICES.**

The State Lottery may not move its operations at its Mountain Iron location to a location outside the Quad-City area of Mountain Iron, Eveleth, Gilbert, and Virginia, and may not reduce the complement of staff employed at this office.

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

Sec. 96. Minnesota Statutes 2006, section 356.219, subdivision 1, is amended to read:

Subdivision 1. **Report required.** (a) Except as indicated in subdivision 4, the State Board of Investment, on behalf of the public pension funds and programs for which it is the investment authority, and any Minnesota public pension plan that is not fully invested through the State Board of Investment, including a local police or firefighters relief association governed by sections 69.77 or 69.771 to 69.775, shall report the information specified in subdivision 3 to the state auditor. A report under this section must be filed electronically with the state auditor, unless the state auditor determines that it is not feasible for a particular plan or association to file electronically. The state auditor may prescribe ~~a form or forms for the purposes of the reporting requirements contained in~~ the format for reports required by this section. The state auditor must attempt to provide access on the state auditor's Web site to reports filed under this section.

(b) A local police or firefighters relief association governed by section 69.77 or sections 69.771 to 69.775 is fully invested during a given calendar year for purposes of this section if all assets of the applicable pension plan beyond sufficient cash equivalent investments to cover six months expected expenses are invested under section 11A.17. The board of any fully invested public pension plan remains responsible for submitting investment policy statements and subsequent revisions as required by subdivision 3, paragraph (a).

(c) For purposes of this section, the State Board of Investment is considered to be the investment authority for any Minnesota public pension fund required to be invested by the State Board of Investment under section 11A.23, or for any Minnesota public pension fund authorized to invest in the supplemental investment fund under section 11A.17 and which is fully invested by the State Board of Investment.

Sec. 97. Minnesota Statutes 2006, section 358.41, is amended to read:

358.41 DEFINITIONS.

As used in sections 358.41 to 358.49:

(1) "Notarial act" means any act that a notary public of this state is authorized to perform, and includes taking an acknowledgment, administering an oath or affirmation, taking a verification upon oath or affirmation, witnessing or attesting a signature, certifying or attesting a copy, and noting a protest of a negotiable instrument. A notary public may perform a notarial act by electronic means.

(2) "Acknowledgment" means a declaration by a person that the person has executed an instrument or electronic record for the purposes stated therein and, if the instrument or electronic record is executed in a representative capacity, that the person signed the instrument with proper authority and executed it as the act of the person or entity represented and identified therein.

(3) "Verification upon oath or affirmation" means a declaration that a statement is true made by a person upon oath or affirmation.

(4) "In a representative capacity" means:

(i) for and on behalf of a corporation, partnership, limited liability company, trust, or other entity, as an authorized officer, agent, partner, trustee, or other representative;

(ii) as a public officer, personal representative, guardian, or other representative, in the capacity recited in the instrument;

(iii) as an attorney in fact for a principal; or

(iv) in any other capacity as an authorized representative of another.

(5) "Notarial officer" means a notary public or other officer authorized to perform notarial acts.

(6) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

(7) "Electronic record" means a record created, generated, sent, communicated, received, or stored by electronic means.

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

Sec. 98. Minnesota Statutes 2006, section 358.42, is amended to read:

358.42 NOTARIAL ACTS.

(a) In taking an acknowledgment, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the person appearing before the officer and making the acknowledgment is the person whose true signature is on the instrument or electronic record.

(b) In taking a verification upon oath or affirmation, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the person appearing before the officer and making the verification is the person whose true signature is made in the presence of the officer on the statement verified.

(c) In witnessing or attesting a signature the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the signature is that of the

person appearing before the officer and named therein. When witnessing or attesting a signature, the officer must be present when the signature is made.

(d) In certifying or attesting a copy of a document, electronic record, or other item, the notarial officer must determine that the proffered copy is a full, true, and accurate transcription or reproduction of that which was copied.

(e) In making or noting a protest of a negotiable instrument or electronic record the notarial officer must determine the matters set forth in section 336.3-505.

(f) A notarial officer has satisfactory evidence that a person is the person whose true signature is on a document or electronic record if that person (i) is personally known to the notarial officer, (ii) is identified upon the oath or affirmation of a credible witness personally known to the notarial officer, or (iii) is identified on the basis of identification documents.

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

Sec. 99. Minnesota Statutes 2006, section 358.50, is amended to read:

358.50 EFFECT OF ACKNOWLEDGMENT.

An acknowledgment made in a representative capacity for and on behalf of a corporation, partnership, limited liability company, trust, or other entity and certified substantially in the form prescribed in this chapter is prima facie evidence that the instrument or electronic record was executed and delivered with proper authority.

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

Sec. 100. Minnesota Statutes 2006, section 359.085, subdivision 2, is amended to read:

Subd. 2. **Verifications.** In taking a verification upon oath or affirmation, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the person appearing before the officer and making the verification is the person whose true signature is made in the presence of the officer on the statement verified.

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

Sec. 101. Minnesota Statutes 2006, section 359.085, subdivision 3, is amended to read:

Subd. 3. **Witnessing or attesting signatures.** In witnessing or attesting a signature, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the signature is that of the person appearing before the officer and named in

the document or electronic record. When witnessing or attesting a signature, the officer must be present when the signature is made.

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

Sec. 102. Minnesota Statutes 2006, section 471.61, subdivision 1a, is amended to read:

Subd. 1a. **Dependents.** Notwithstanding the provisions of Minnesota Statutes 1969, section 471.61, as amended by Laws 1971, chapter 451, section 1, the word "dependents" as used therein shall mean spouse and minor unmarried children under the age of 18 years and dependent students under the age of 25 years actually dependent upon the employee, and others as defined by governmental units at their discretion.

Sec. 103. **[471.6175] TRUST FOR POSTEMPLOYMENT BENEFITS.**

Subdivision 1. **Authorization; establishment.** A political subdivision or other public entity that creates or has created an actuarial liability to pay postemployment benefits to employees or officers after their termination of service may establish a trust to pay those benefits. For purposes of this section, the term "postemployment benefits" means benefits giving rise to a liability under Statement No. 45 of the Governmental Accounting Standards Board and the term "trust" means a trust, a trust account, or a custodial account or contract authorized under section 401(f) of the Internal Revenue Code.

Subd. 2. **Purpose of trust.** The trust established under this section may only be used to pay postemployment benefits and may be either revocable or irrevocable.

Subd. 3. **Trust administrator.** The trust administrator of a trust established under this section shall be either:

(1) the Public Employees Retirement Association;

(2) a bank or banking association incorporated under the laws of the United States or of any state and authorized by the laws under which it is organized to exercise corporate trust powers; or

(3) an insurance company or agency qualified to do business in Minnesota which has at least five years experience in investment products and services for group retirement benefits and which has a specialized department dedicated to services for retirement investment products.

A political subdivision or public entity may, in its discretion and in compliance with any applicable trust document, change trust administrators and transfer trust assets accordingly.

Subd. 4. **Account maintenance.** A political subdivision or other public entity may establish a trust account to be held under the supervision of the trust administrator for the

purposes of this section. A trust administrator shall establish a separate account for each participating political subdivision or public entity. The trust administrator may charge participating political subdivisions and public entities fees for reasonable administrative costs. The amount of any fees charged by the Public Employees Retirement Association is appropriated to the association from the account. A trust administrator may establish other reasonable terms and conditions for creation and maintenance of these accounts. The trust administrator must report electronically to the state auditor the portfolio and performance information specified in section 356.219, subdivision 3, in the manner prescribed by the state auditor.

Subd. 5. **Investment.** (a) The assets of a trust or trust account shall be invested and held as stipulated in paragraphs (b) to (e).

(b) The Public Employees Retirement Association must certify all money in the trust accounts for which it is trust administrator to the State Board of Investment for investment under section 11A.14, subject to the policies and procedures established by the State Board of Investment. Investment earnings must be credited to the trust account of the individual political subdivision or public entity.

(c) A trust administrator, other than the Public Employees Retirement Association, must ensure that all money in the trust accounts for which it is trust administrator is invested by a registered investment adviser, a bank investment trust department, or an insurance company or agency retirement investment department. Investment earnings must be credited to the trust account of the individual political subdivision or public entity.

(d) For trust assets invested by the State Board of Investment, the investment restrictions shall be the same as those generally applicable to the State Board of Investment. For trust assets invested by a trust administrator other than the Public Employees Retirement Association, the assets may only be invested in investments authorized under chapter 118A or section 356A.06, subdivision 7, in the manner specified in the applicable trust document.

(e) A political subdivision or public entity may provide investment direction to a trust administrator in compliance with any applicable trust document.

Subd. 6. **Limit on deposit.** A political subdivision or public entity may not deposit money in a trust or trust account created pursuant to this section if the total amount invested by that political subdivision or public entity would exceed the political subdivision's or public entity's actuarially determined liabilities for postemployment benefits due to officers and employees, as determined under the applicable standards of the Governmental Accounting Standards Board.

Subd. 7. **Withdrawal of funds and termination of account.** (a) For a revocable account, a political subdivision or public entity may withdraw some or all of its money or terminate the trust account for any reason. Money and accrued investment earnings withdrawn from a revocable account must be deposited in a fund separate and distinct from any other funds of the political subdivision or public entity. This money, with accrued investment earnings, must be used to pay legally enforceable postemployment benefits to former officers and employees, unless (i) there has been a change in state or federal law affecting that political subdivision's or public entity's liabilities for postemployment benefits, or (ii) there has been a change in the demographic composition of that political subdivision's or public entity's employees eligible for postemployment benefits, or (iii) there has been a change in the provisions or terms of the postemployment benefits in that political subdivision or public entity including, but not limited to, the portion of the costs eligible employees must pay to receive the benefits, or (iv) other factors exist that have a material effect on that political subdivision's or public entity's actuarially determined liabilities for postemployment benefits, in which event any amount in excess of 100 percent of that political subdivision's or public entity's actuarially determined liabilities for postemployment benefits, as determined under standards of the Government Accounting Standards Board, may be withdrawn and used for any purpose.

(b) For an irrevocable account, a political subdivision or public entity may withdraw money only:

(1) as needed to pay postemployment benefits owed to former officers and employees of the political subdivision or public entity; or

(2) when all postemployment benefit liability owed to former officers or employees of the political subdivision or public entity has been satisfied or otherwise defeased.

(c) A political subdivision or public entity requesting withdrawal of money from an account created under this section must do so at a time and in the manner required by the executive director of the Public Employees Retirement Association or specified in an applicable trust document. The political subdivision or public entity that created the trust must ensure that withdrawals comply with the requirements of this section.

(d) The legislature may not divert funds in these trusts or trust accounts for use for any other purpose.

Subd. 8. **Status of irrevocable trust.** (a) All money in an irrevocable trust or trust account created in this section is held in trust for the exclusive benefit of former officers and employees of the participating political subdivision or public entity, and are not subject to claims by creditors of the state, the participating political subdivision or

public entity, the current or former officers and employees of the political subdivision or public entity, or the trust administrator.

(b) An irrevocable trust fund or trust account created in this section shall be deemed an arrangement equivalent to a trust for all legal purposes.

EFFECTIVE DATE. This section is effective the day following final enactment, and is applicable immediately to all political subdivisions or public entities subject to Statement No. 45 of the Governmental Accounting Standards Board in 2007, to those political subdivisions or public entities whose trusts or trust accounts are validated by section 113, and to those political subdivisions or public entities that have begun consideration of measures to implement Statement No. 45 in 2007. This section is applicable on July 1, 2008, for all other political subdivisions or public entities.

Sec. 104. Minnesota Statutes 2006, section 473.246, is amended to read:

473.246 COUNCIL'S SUBMISSIONS TO ~~LEGISLATIVE COMMISSION~~ LEGISLATURE.

The Metropolitan Council shall submit to the ~~Legislative Commission on Metropolitan Government~~ chairs of the legislative committees with jurisdiction over metropolitan affairs information on the council's tax rates and dollar amounts levied for the current year, proposed property tax rates and levies, operating and capital budgets, work program, capital improvement program, and any other information requested by the ~~commission, for review by the legislative commission, as provided in section 3.8841~~ relevant committees.

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

Sec. 105. Minnesota Statutes 2006, section 477A.014, subdivision 4, is amended to read:

Subd. 4. **Costs.** The director of the Office of Strategic and Long-Range Planning shall annually bill the commissioner of revenue for one-half of the costs incurred by the state demographer in the preparation of materials required by section 4A.02. The state auditor shall bill the commissioner of revenue for the costs of best practices reviews and the services provided by the Government Information Division and the parts of the constitutional office that are related to the government information function, and for the services provided by the Tax Increment Financing Investment and Finance Division required by section 469.3201, not to exceed ~~$217,000~~ $614,000 each fiscal year. The commissioner of administration shall bill the commissioner of revenue for the costs of

the local government records program and the intergovernmental information systems activity, not to exceed $205,800 each fiscal year. The commissioner of employee relations shall bill the commissioner of revenue for the costs of administering the local government pay equity function, not to exceed $55,000 each fiscal year.

Sec. 106. Minnesota Statutes 2006, section 491A.02, subdivision 4, is amended to read:

Subd. 4. **Representation.** (a) A corporation, partnership, limited liability company, sole proprietorship, or association may be represented in conciliation court by an officer, manager, or partner or an agent in the case of a condominium, cooperative, or townhouse association, or may appoint a natural person who is an employee or commercial property manager to appear on its behalf or settle a claim in conciliation court. The state or a political subdivision of the state may be represented in conciliation court by an employee of the pertinent governmental unit without a written authorization. The state also may be represented in conciliation court by an employee of the Division of Risk Management of the Department of Administration without a written authorization. Representation under this subdivision does not constitute the practice of law for purposes of section 481.02, subdivision 8. In the case of an officer, employee, commercial property manager, or agent of a condominium, cooperative, or townhouse association, an authorized power of attorney, corporate authorization resolution, corporate bylaw, or other evidence of authority acceptable to the court must be filed with the claim or presented at the hearing. This subdivision also applies to appearances in district court by a corporation or limited liability company with five or fewer shareholders or members and to any condominium, cooperative, or townhouse association, if the action was removed from conciliation court.

(b) "Commercial property manager" means a corporation, partnership, or limited liability company or its employees who are hired by the owner of commercial real estate to perform a broad range of administrative duties at the property including tenant relations matters, leasing, repairs, maintenance, the negotiation and resolution of tenant disputes, and related matters. In order to appear in conciliation court, a property manager's employees must possess a real estate license under section 82.20 and be authorized by the owner of the property to settle all disputes with tenants and others within the jurisdictional limits of conciliation court.

(c) A commercial property manager who is appointed to settle a claim in conciliation court may not charge or collect a separate fee for services rendered under paragraph (a).

Sec. 107. Minnesota Statutes 2006, 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)(1) 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. The Electronic Real Estate Recording Task Force created under section 507.094 may amend standards set by the task force created in Laws 2000, chapter 391, and may set new or additional standards and establish pilot projects to the full extent permitted in section 507.094, subdivision 2, paragraph (b). Documents recorded in conformity with those standards and in those pilot projects are deemed to meet the requirements of this section.

(2)(i) 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)~~ (A) the county complies with standards adopted by the task force; and

~~(2)~~ (B) the county uses software that was validated by the task force.

(ii) A county that did not participate in the pilot project may record or file a real estate document electronically, if:

~~(i)~~ (A) 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)~~ (B) the county complies with the standards adopted by the task force;

~~(iii)~~ (C) the county uses software that was validated by the task force; and

~~(iv)~~ (D) 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.

Sec. 108. Laws 2006, chapter 253, section 22, subdivision 1, is amended to read:

Subdivision 1. **Genetic information; work group.** (a) The commissioner must create a work group to develop principles for public policy on the use of genetic

information. The work group must include representatives of state government, including the judicial branch, local government, prosecutors, public defenders, the American Civil Liberties Union - Minnesota, the Citizens Council on Health Care, the University of Minnesota Center on Bioethics, the Minnesota Medical Association, the Mayo Clinic and Foundation, the March of Dimes, and representatives of employers, researchers, epidemiologists, laboratories, and insurance companies.

(b) The commissioner of administration and the work group must conduct reviews of the topics in paragraphs (c) to (f), in light of the issues raised in the report on treatment of genetic information under state law required by Laws 2005, chapter 163, section 87. The commissioner must report the results, 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, ~~2008~~ 2009.

(c) The commissioner and the work group must determine whether changes are needed in Minnesota Statutes, section 144.69, dealing with collection of information from cancer patients and their relatives.

(d) The commissioner and the work group must make recommendations whether all relatives affected by a formal three-generation pedigree created by the Department of Health should be able to access the entire data set, rather than only allowing individuals access to the data of which they are the subject.

(e) The commissioner and the work group must identify, and may make recommendations among, options for resolving questions of secondary uses of genetic information.

(f) The commissioner and the work group must make recommendations whether legislative changes are needed regarding access to DNA test results and the specimens used to create the test results held by the Bureau of Criminal Apprehension as part of a criminal investigation.

Sec. 109. Laws 2006, chapter 258, section 14, subdivision 6, is amended to read:

Subd. 6. **Starbase Minnesota** 150,000

For predesign and design of a new facility for the Starbase Minnesota program~~, subject to Minnesota Statutes, section 16A.695~~. This appropriation is from the general fund.

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

Sec. 110. **BOND SALE AUTHORIZATION REDUCED.**

The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by $150,000.

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

Sec. 111. **FORD BUILDING.**

The Ford Building at 117 University Avenue in St. Paul may not be demolished during the biennium ending June 30, 2009.

Sec. 112. **TASK FORCE.**

Subdivision 1. **Creation.** A task force is created to work with the Commissioner of Administration on a disparity study. The task force consists of one member appointed by and serving at the pleasure of each of the following groups:

(1) the Council on Asian-Pacific Minnesotans;

(2) the Council on Black Minnesotans;

(3) the Council on Affairs of Chicano/Latino people;

(4) the Indian Affairs Council;

(5) the Association of Women Contractors; and

(6) the National Association of Minority Contractors.

Subd. 2. **Consultation and approval.** (a) The commissioner must consult with the task force on the design of the disparity study, the nature of the services sought in a request for proposals for the study, the criteria that the commissioner will use to evaluate and select a contractor, and selection of the contractor.

(b) The commissioner must consult with the task force regarding the commissioner's interpretation of data obtained through the study, and on the commissioner's recommendations for any changes in the targeted group purchasing program resulting from the study. The task force may make its own recommendations before the commissioner presents the recommendations in a final report. If the commissioner's recommendations are different from the task force recommendations, the commissioner's report must note the differences.

Subd. 3. **Support services.** The commissioner must provide meeting space and administrative support to the task force.

Subd. 4. **Expiration.** The task force expires at the end of the regular session of the legislature at which the commissioner presents the results of the targeted group business disparity study to the legislature.

Sec. 113. **VALIDATION.**

Any trust or trust account or other custodial account or contract authorized under section 401(f) of the Internal Revenue Code, created prior to June 6, 2006, to pay postemployment benefits to employees or officers after termination of service, is hereby validated, may continue in full force and effect, and shall have continuing authority to accept new funds; however, this section does not validate or correct defects in any previously created trust document. Any funds held by a validated trust or account under this section may be invested as provided in Minnesota Statutes, section 471.6175, subdivision 5. A validated trust or account shall have until January 1, 2008, to bring its trust documents and procedures into compliance with Minnesota Statutes, section 471.6175.

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

Sec. 114. **REPORT; ACCOUNTING PRINCIPLES.**

By October 15, 2007, the commissioner of finance must provide a report listing specific areas where state budgeting practices differ from generally accepted accounting principles and the reasons for those differences. If that difference is a result of direction in law, the report must include the law causing the difference.

Sec. 115. **BUILDING REPLACEMENT FUNDS.**

In addition to the requirements in Laws 2002, chapter 400, section 13, subdivision 7, the commissioner of administration shall collect appropriate rent revenues for the Elmer L. Andersen and Orville L. Freeman buildings to be set aside in a segregated special revenue fund for deferred maintenance and other extraordinary building repairs. Funds shall be expended for these purposes as determined by the commissioner.

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

Sec. 116. **COMPENSATION FOR PERIOD OF PARTIAL GOVERNMENT SHUTDOWN.**

Subdivision 1. **Definitions; coverage.** For purposes of this section:

(1) "employee" means a state employee, as defined in Minnesota Statutes, section 43A.02, subdivision 21, who is a state employee on the effective date of this section and who the commissioner determines was prevented from working because of the partial government shutdown; and

(2) "partial government shutdown" means the period from July 1, 2005, through July 14, 2005, during which appropriations needed to fund certain state government functions had not been enacted.

Subd. 2. **Credit for uncompensated hours.** A state employee who was previously compensated in cash or by a credit to the employee's vacation bank for hours the employee could not work due to the partial government shutdown, must:

(1) be paid an additional amount equal to the previous payment, if the previous payment was made in cash; or

(2) have hours credited to the employee's vacation bank in the same amount as the previous credit.

EFFECTIVE DATE. This section is effective the day following final enactment. The commissioner must make payments or credits required by this section within 30 days of the effective date of this section.

Sec. 117. **ELECTRONIC DOCUMENTS STUDY AND REPORT.**

Subdivision 1. **Study.** The chief information officer of the state shall study how electronic documents and the mechanisms and processes for accessing and reading electronic data can be created, maintained, exchanged, and preserved by the state in a manner that encourages appropriate government control, access, choice, and interoperability. The study must consider, but not be limited to, the policies of other states and nations, management guidelines for state archives as they pertain to electronic documents, public access, expected storage life of electronic documents, costs of implementation, and savings. The chief information officer shall solicit comments regarding the creation, maintenance, exchange, and preservation of electronic documents by the state from stakeholders, including but not limited to the legislative auditor, the attorney general, the state archivist, the state legislative reference librarian, other librarians, representatives of the state historical society, and other historians. The chief information officer shall also solicit comments from members of the public.

Subd. 2. **Report and recommendation.** The chief information officer shall report the officer's findings and recommendations to the chairs of the senate State and Local Government Operations and Oversight Committee; house Government Operations, Reform, Technology and Elections Committee; and the senate and house State Government Finance Divisions by January 15, 2008.

Sec. 118. **LABOR AGREEMENTS AND COMPENSATION PLANS.**

Subdivision 1. **Minnesota Law Enforcement Association.** The labor agreement between the state of Minnesota and the Minnesota Law Enforcement Association, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on August 7, 2006, is ratified.

Subd. 2. **Minnesota Nurses Association.** The labor agreement between the state of Minnesota and the Minnesota Nurses Association, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on September 18, 2006, is ratified.

Subd. 3. **Office of Higher Education.** The amendments to the compensation plan for unrepresented employees of the Office of Higher Education, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on September 18, 2006, are ratified.

Subd. 4. **Gambling Control Board.** The proposal to increase the salary of the director of the Gambling Control Board, as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on August 7, 2006, is ratified.

Subd. 5. **Public Employees Retirement Association.** The proposal to increase the salary of the director of the Public Employees Retirement Association, as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on March 27, 2007, is ratified.

Subd. 6. **Minnesota State Retirement System.** The proposal to increase the salary of the director of the Minnesota State Retirement System, as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on March 27, 2007, is ratified.

Subd. 7. **Teachers Retirement Association.** The proposal to increase the salary of the director of the Teachers Retirement Association, as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on March 27, 2007, is ratified.

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

Sec. 119. **STATE EMPLOYEES ELECTRONIC HEALTH RECORDS PILOT PROJECT.**

Subdivision 1. **Project established.** The Minnesota State Colleges and Universities Board of Trustees (MnSCU), in collaboration with the commissioner of employee relations shall establish an enterprise-wide pilot project to provide consumer-owned electronic personal health records to MnSCU employees and all participants in the state employee group insurance program. If the Department of Employee Relations is abolished, then the

Minnesota State Colleges and Universities Board of Trustees shall work in collaboration with the commissioner of the department responsible for administration of the state employee group insurance program.

Subd. 2. **Project goals.** The goal of the project is to provide consumer-owned electronic personal health records that are portable among health care providers, health plan companies, and employers in order to control costs, improve quality, and enhance safety, and to demonstrate the feasibility of a statewide health information exchange. The pilot project shall coordinate to the extent possible with other health information consumer engagement initiatives in Minnesota designed to support the goal of statewide health information exchange. The electronic personal health records may provide, but are not limited to, the following:

(1) access to electronic medical records;

(2) prescription and appointment information;

(3) information regarding health education, public health, and health cost management; and

(4) privacy, security, and HIPAA compliance.

Sec. 120. **VALUE-ADDED CONTRACT AUTHORITY.**

(a) The director of the Office of Enterprise Technology, with approval of the commissioner of finance, may enter into contracts for: (1) development and implementation of an electronic system for executive branch state agencies to issue licenses; and (2) development and implementation of an integrated system to support tax processing, reporting, and enforcement functions. The director must use funds appropriated by this act for these purposes. In addition, the director may enter into contracts for these purposes under which the vendor initially pays all or part of the costs, and the state accounting system does not show an encumbrance for some or all of the contract liability when the director initially enters into the contracts.

(b) Before entering into a contract authorized by this section, the director must prepare, and the commissioner of finance must approve, a plan for how payments will be made to the vendors under the contracts. If the contracts will involve performance-based payments to the vendor, the plan must describe the criteria for making those payments. If the director intends to pay for all or part of the contract from savings generated, the plan must describe what savings are anticipated, and how the savings will be captured so as to be available to make payments under the contract. The plan must explain how the total contract costs relate to the costs anticipated in the governor's budget recommendations presented to the legislature in 2007.

(c) The director must present the plan required by paragraph (b) to the chairs of the house Ways and Means and Finance Committees and the senate Finance Committee when the director submits the plan to the commissioner of finance for approval. The director must notify these chairs when the commissioner of finance has approved the plan. This notice must include any changes from the original plan.

(d) The director must report to the chairs of the house Ways and Means and Finance Committees and the senate Finance Committee by January 15 each of the next five years after entering into a contract authorized under this section. The report must include a detailed breakdown of how and by whom the contract costs are being paid, and on the cost savings and service improvements achieved as a result of the contract.

Sec. 121. **PRE-1969 TRA MEMBER GRATUITY PAYMENT.**

(a) $4,100,000 is appropriated to the executive director of the Teachers Retirement Association for the payment of a gratuity to persons who were teachers as defined in Minnesota Statutes, section 354.05, subdivision 2, and who rendered teaching service as defined in Minnesota Statutes, section 354.05, subdivision 3, either during the 1968-1969 school year, but were not covered by the improved money purchase program savings clause in Minnesota Statutes, section 354.55, subdivision 17, or before the 1968-1969 school year, did not take a refund of member contributions upon the termination of teacher service, and who were eligible to make an election under Minnesota Statutes 1971, section 354.55, subdivision 8. The payment is intended to reflect the special contribution of these persons to education and to offset any unfulfilled expectation the person may have as to potential benefit levels. The gratuity payment amount for each person is $1,000 or a prorated portion of that amount if, at any time, the executive director of the Teachers Retirement Association determines that payment of the full amount to the remaining participants would likely exceed the appropriation.

(b) The Teachers Retirement Association shall make available to persons eligible to receive a payment under this section on or before August 1, 2007, an application form. Filing an application form is a waiver of any legal, equitable, or legislative claim for any other special consideration and the form must indicate the waiver.

(c) On August 1, 2007, the Teachers Retirement Association shall determine those remaining persons who are eligible to receive a payment under this section and who have not applied for a payment and send to each remaining person, at the person's residence of record, a state warrant of the full or a prorated payment amount. If the recipient negotiates the state warrant, that negotiation constitutes a waiver of any legal, equitable, or legislative claim for any other special consideration as documentation accompanying

the warrant must indicate the waiver. Any warrant under this section expires on August 1, 2009, and the amount of any unnegotiated state warrant under this section cancels to the Teachers Retirement Association.

Sec. 122. **CERTIFICATE OF COMPLIANCE; TEMPORARY PROVISION.**

Subdivision 1. **Pay equity.** Until July 1, 2008, a business that is not in compliance with equitable compensation relationship standards under Minnesota Statutes, section 43A.50, is making a good faith effort to achieve compliance if the commissioner of employee relations has approved:

(1) a statement of the business's intention to prepare a pay equity report and an estimated date no later than July 1, 2008, when the report and plan will be submitted; and

(2) information on the business's current status, including a statement on the existence of a company-wide job evaluation system, the total number of male and female employees of the business, and the business's interest in receiving training on how to establish equitable compensation relationships.

Subd. 2. **Report.** The commissioner of employee relations shall report to the legislature by January 31, 2008, on implementation of this section. The report must include findings and recommendations on any changes needed to ensure that state contractors achieve equitable compensation relationships.

Sec. 123. **SUSTAINABLE GROWTH WORKING GROUP.**

Subdivision 1. **Creation.** The sustainable growth working group consists of the following members:

(1) two senators, including one member of the minority caucus, appointed by the Subcommittee on Committees of the Committee on Rules and Administration;

(2) two members of the house of representatives, one appointed by the speaker and one appointed by the minority leader;

(3) commissioners of the following agencies, or their designees: Department of Natural Resources, Department of Administration, Department of Agriculture, Department of Commerce, Department of Transportation, Department of Employment and Economic Development, Minnesota Housing Finance Agency, and the Minnesota Pollution Control Agency; and the chair of the Metropolitan Council or the chair's designee;

(4) up to 12 public members who have an interest in promoting sustainable communities in Minnesota, including up to six public members appointed by the speaker of the house of representatives and up to six public members appointed by the majority leader of the senate. The appointing authorities must use their best efforts to include at

least one representative from each of the following sectors: business, environmental, energy, affordable housing, transportation, local government, planning, and philanthropic.

The membership of the working group must include balanced representation from rural, urban, and suburban areas of the state.

Subd. 2. **Duties.** The working group must identify strategies, recommendations, and a process for implementing state-level coordination of state and local policies, programs, and regulations in the areas of housing, transportation, natural resource preservation, capital development, economic development, sustainability, and preservation of the environment. The working group must identify sustainable development principles that will guide decision making in Minnesota. The working group must gather information and develop strategies relative to the strategic use of state resources, to be consistent with statewide goals of sustainable development. The working group must report proposed strategies, recommendations, and a process for implementation to the legislature and the governor by February 1, 2008. In its report to the legislature and the governor, the working group must identify its source of funding.

Subd. 3. **Administrative provisions.** (a) The commissioner of administration must convene the initial meeting. Upon request of the working group, the commissioner must provide meeting space and administrative services for the group. The Office of Geographic and Demographic Analysis must provide staff support for the working group. The members of the working group must elect a chair.

(b) Members of the working group serve without compensation but may be reimbursed for expenses under Minnesota Statutes, section 15.059.

(c) The working group expires June 30, 2008.

(d) The working group may accept gifts and grants, which are accepted on behalf of the state and constitute donations to the state. Funds received are appropriated to the commissioner of administration for purposes of the working group.

Sec. 124. **ASSISTANCE.**

House and senate staff must assist the Legislative Coordinating Commission with new duties assigned to the commission by this act.

Sec. 125. **TRAINING SERVICES.**

During the biennium ending June 30, 2009, state executive branch agencies must consider using services provided by government training services before contracting with other outside vendors for similar services.

Sec. 126. **REPEALER.**

Minnesota Statutes 2006, sections 3.884; 3.8841; 6.56, subdivision 1; 16A.102; 16C.055, subdivision 1; 16C.08, subdivision 4a; 69.051, subdivision 1c; 359.085, subdivision 8; and 645.44, subdivision 19, are repealed.

ARTICLE 3
BEST VALUE CONTRACTS

Section 1. Minnesota Statutes 2006, section 16C.02, is amended by adding a subdivision to read:

Subd. 4a. **Best value; construction.** For purposes of construction, building, alteration, improvement, or repair services, "best value" describes the result determined by a procurement method that considers price and performance criteria, which may include, but are not limited to:

(1) the quality of the vendor's or contractor's performance on previous projects;

(2) the timeliness of the vendor's or contractor's performance on previous projects;

(3) the level of customer satisfaction with the vendor's or contractor's performance on previous projects;

(4) the vendor's or contractor's record of performing previous projects on budget and ability to minimize cost overruns;

(5) the vendor's or contractor's ability to minimize change orders;

(6) the vendor's or contractor's ability to prepare appropriate project plans;

(7) the vendor's or contractor's technical capacities;

(8) the individual qualifications of the contractor's key personnel; or

(9) the vendor's or contractor's ability to assess and minimize risks.

"Performance on previous projects" does not include the exercise or assertion of a person's legal rights. This definition does not apply to sections 16C.32, 16C.33, 16C.34, and 16C.35.

Sec. 2. Minnesota Statutes 2006, section 16C.02, is amended by adding a subdivision to read:

Subd. 20. **Vendor.** "Vendor" means a business, including a construction contractor or a natural person, and includes both if the natural person is engaged in a business.

Sec. 3. Minnesota Statutes 2006, section 16C.03, subdivision 3, is amended to read:

Subd. 3. **Acquisition authority.** The commissioner shall acquire all goods, services, and utilities needed by agencies. The commissioner shall acquire goods, services, and

utilities by requests for bids, requests for proposals, reverse auctions as provided in section 16C.10, subdivision 7, or other methods provided by law, unless a section of law requires a particular method of acquisition to be used. The commissioner shall make all decisions regarding acquisition activities. The determination of the acquisition method and all decisions involved in the acquisition process, unless otherwise provided for by law, shall be based on best value which includes an evaluation of price and may include other considerations including, but not limited to, environmental considerations, quality, and vendor performance. A best value determination must be based on the evaluation criteria detailed in the solicitation document. If criteria other than price are used, the solicitation document must state the relative importance of price and other factors. ~~Unless it is determined by the commissioner that an alternative solicitation method provided by law should be used to determine best value, a request for bid must be used to solicit formal responses for all building and construction contracts.~~ Any or all responses may be rejected. When using the request for bid process, the bid must be awarded to the lowest responsive and responsible bidder, taking into consideration conformity with the specifications, terms of delivery, the purpose for which the contract or purchase is intended, the status and capability of the vendor, and other considerations imposed in the request for bids. The commissioner may decide which is the lowest responsible bidder for all purchases and may use the principles of life-cycle costing, where appropriate, in determining the lowest overall bid. The duties set forth in this subdivision are subject to delegation pursuant to this section.

Sec. 4. Minnesota Statutes 2006, section 16C.03, is amended by adding a subdivision to read:

Subd. 3a. **Acquisition authority; construction contracts.** For all building and construction contracts, the commissioner shall award contracts pursuant to section 16C.28, and "best value" shall be defined and applied as set forth in sections 16C.02, subdivision 4a and 16C.28, subdivision 1, paragraph (a), clause (2). The duties set forth in this subdivision are subject to delegation pursuant to this section. The commissioner shall establish procedures for developing and awarding best value requests for proposals for construction projects. The criteria to be used to evaluate the proposals must be included in the solicitation document and must be evaluated in an open and competitive manner.

Sec. 5. Minnesota Statutes 2006, section 16C.03, is amended by adding a subdivision to read:

Subd. 18. **Training.** Users of best value procurement may be trained in the request for proposals process for best value contracting for construction projects. The commissioner may establish a training program for state and local officials and employees, and vendors and contractors, on best value procurement for construction projects, including those governed by section 16C.02, subdivision 4a. If the commissioner establishes such a training program, the state may charge a fee for providing training.

Sec. 6. Minnesota Statutes 2006, section 16C.26, is amended to read:

16C.26 COMPETITIVE BIDS OR PROPOSALS.

Subdivision 1. **Application.** Except as otherwise provided by sections 16C.10, 16C.26 and 16C.27, all contracts for building and construction or repairs must be based on competitive bids or proposals. "Competitive proposals" specifically refers to the method of procurement described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Subd. 2. **Requirement contracts.** Standard requirement price contracts for building and construction must be established by competitive bids as provided in subdivision 1. The standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs or for the addition of similar products or replacement items not significant to the total value of existing contracts. The term of these contracts may not exceed five years including all extensions.

Subd. 3. **Publication of notice; expenditures over $25,000.** If the amount of an expenditure is estimated to exceed $25,000, bids or proposals must be solicited by public notice in a manner designated by the commissioner. To the extent practical, this must include posting on a state Web site. For expenditures over $50,000, when a call for bids is issued the commissioner shall solicit sealed bids by providing notices to all prospective bidders known to the commissioner by posting notice on a state Web site at least 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 proposals responsive to a request for proposals according to section 16C.28, subdivision 1, paragraph (a), clause (2), shall be submitted and evaluated in the manner described in the request for proposals, regardless of the dollar amount. All original bids and proposals 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.

Subd. 4. **Building and construction contracts; $50,000 or less.** 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. Alternatively, a request for proposals may be issued according to section 16C.28, subdivision 1, paragraph (a), clause (2), for such contracts.

Subd. 5. **Standard specifications, security.** Contracts must be based on the standard specifications prescribed and enforced by the commissioner under this chapter, unless otherwise expressly provided or as authorized under section 16C.28, subdivision 1, paragraph (a), clause (2). Each ~~bidder for a contract~~ vendor or contractor must furnish security approved by the commissioner to ensure the making of the contract being bid for.

Subd. 6. **Noncompetitive bids.** Agencies are encouraged to contract with small targeted group businesses designated under section 16C.16 when entering into contracts that are not subject to competitive bidding procedures.

Sec. 7. Minnesota Statutes 2006, section 16C.27, subdivision 1, is amended to read:

Subdivision 1. **Single source of supply.** Competitive bidding ~~is~~ or proposals are not required for contracts clearly and legitimately limited to a single source of supply, and the contract price may be best established by direct negotiation.

Sec. 8. Minnesota Statutes 2006, section 16C.28, is amended to read:

16C.28 CONTRACTS; AWARD.

Subdivision 1. ~~**Lowest responsible bidder**~~ **Award requirements.** (a) All state building and construction contracts entered into by or under the supervision of the commissioner or an agency for which competitive bids or proposals are required ~~must be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, the purpose for which the contract is intended, the status and capability of the vendor, and other considerations imposed in the call for bids. The commissioner may decide which is the lowest responsible bidder for all contracts and may use the principles of life cycle costing, where appropriate, in determining the lowest overall bid. The head of the interested agency shall make the decision, subject to the approval of the commissioner. Any or all bids may be rejected. In a case where competitive bids are required and where all bids are rejected, new bids, if solicited, must be called for as in the first instance, unless otherwise provided by law.~~ may be awarded to either of the following:

(1) the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, the purpose for which the contract is intended, the status and capability of the vendor or contractor, other considerations imposed in the call for bids, and, where appropriate, principles of life-cycle costing; or

(2) the vendor or contractor offering the best value, taking into account the specifications of the request for proposals, the price and performance criteria as set forth in section 16C.02, subdivision 4a, and described in the solicitation document.

(b) The vendor or contractor must secure bonding, commercial general insurance coverage, and workers' compensation insurance coverage under paragraph (a), clause (1) or (2). The commissioner shall determine whether to use the procurement process described in paragraph (a), clause (1), or the procurement process described in paragraph (a), clause (2). If the commissioner uses the method in paragraph (a), clause (2), the head of the agency shall determine which vendor or contractor offers the best value, subject to the approval of the commissioner. Any or all bids or proposals may be rejected.

Subd. 1a. **Establishment and purpose.** (a) The state recognizes the importance of the inclusion of a best value contracting system for construction as an alternative to the current low-bid system of procurement. In order to accomplish that goal, state and local governmental entities shall be able to choose the best value system in different phases.

(b) "Best value" means the procurement method defined in section 16C.02, subdivision 4a.

(c) The following entities are eligible to participate:

(1) phase I: state agencies, counties, cities, and school districts with the highest 25 percent enrollment of students in the state, beginning on the effective date of this section;

(2) phase II: those entities included in phase I, counties with populations over 100,000, and school districts with the highest 50 percent enrollment of students in the state, beginning two years from the effective date of this section; and

(3) phase III: all entities included in phases I and II, and all other counties, towns, school districts, and political subdivisions in the state, beginning three years from the effective date of this section.

(d) The commissioner or any agency for which competitive bids or proposals are required may not use best value contracting as defined in section 16C.02, subdivision 4a, for more than one project annually, or 20 percent of its projects, whichever is greater, in each of the first three fiscal years in which best value construction contracting is used.

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 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 by an authorized representative of the responder.

Subd. 3. **Special circumstances.** The commissioner may reject the bid or proposal of any ~~bidder~~ vendor or contractor who has failed to perform a previous contract with the state. In the case of identical low bids from two or more bidders, the commissioner may use negotiated procurement methods with the tied low bidders for that particular transaction so long as the price paid does not exceed the low tied bid price. The commissioner may award contracts to more than one ~~bidder~~ vendor or contractor in accordance with subdivision 1, if doing so does not decrease the service level or diminish the effect of competition.

Subd. 4. **Record.** A record must be kept of all bids or proposals, including names of bidders, amounts of bids or proposals, and each successful bid or proposal. This record is open to public inspection, subject to section 13.591 and other applicable law.

Subd. 5. **Preferences not cumulative.** The preferences under sections 16B.121, 16C.06, subdivision 7, and 16C.16 apply, but are not cumulative. The total percentage of preference granted on a contract may not exceed the highest percentage of preference allowed for that contract under any one of those sections.

Sec. 9. Minnesota Statutes 2006, section 103D.811, subdivision 3, is amended to read:

Subd. 3. **Awarding of contract.** (a) At a time and place specified in the bid notice, the managers may accept or reject any or all bids and may award the contract to the lowest responsible bidder. The bidder to whom the contract is to be awarded must give a bond, with ample security, conditioned by satisfactory completion of the contract.

(b) Bids must not be considered which in the aggregate exceed by more than 30 percent the total estimated cost of construction or implementation.

(c) As an alternative to the procurement method described in paragraph (a), the managers may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

(d) The contract must be in writing and be accompanied by or refer to the plans and specifications for the work to be done as prepared by the engineer for the watershed district. The plans and specifications shall become a part of the contract.

~~(d)~~ (e) The contract shall be approved by the managers and signed by the president, secretary, and contractor.

Sec. 10. Minnesota Statutes 2006, section 103E.505, subdivision 5, is amended to read:

Subd. 5. **How contract may be awarded.** The contract may be awarded in one job, in sections, or separately for labor and material and ~~must~~ may be let to the lowest

responsible bidder. Alternatively, the contract may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 11. Minnesota Statutes 2006, section 116A.13, subdivision 5, is amended to read:

Subd. 5. **How job may be let.** The job may be let in one job, or in sections, or separately for labor and material, and ~~shall~~ may be let to the lowest responsible bidder or bidders therefor. Alternatively, the contract may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 12. Minnesota Statutes 2006, section 123B.52, subdivision 1, is amended to read:

Subdivision 1. **Contracts.** A contract for work or labor, or for the purchase of furniture, fixtures, or other property, except books registered under the copyright laws, or for the construction or repair of school houses, the estimated cost or value of which shall exceed that specified in section 471.345, subdivision 3, must not be made by the school board without first advertising for bids or proposals by two weeks' published notice in the official newspaper. This notice must state the time and place of receiving bids and contain a brief description of the subject matter.

Additional publication in the official newspaper or elsewhere may be made as the board shall deem necessary.

After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract for which a call for bids has been issued must be awarded to the lowest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law. The person to whom the contract is awarded shall give a sufficient bond to the board for its faithful performance. Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to the purchase of a finished tangible product, a board may require, at its discretion, a performance bond of a contractor in the amount the board considers necessary. A record must be kept of all bids, with names of bidders and amount of bids, and with the successful bid indicated thereon. 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 as provided in this section. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid. In the case of identical low bids from two or more bidders, the board may, at its discretion, utilize negotiated procurement methods

with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. In the case where only a single bid is received, the board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not exceed the original bid. If no satisfactory bid is received, the board may readvertise. Standard requirement price contracts established for supplies or services to be purchased by the district must be established by competitive bids. Such standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. Either party to the contract may request that the other party demonstrate such increase or decrease. The term of such contracts must not exceed two years with an option on the part of the district to renew for an additional two years. Contracts for the purchase of perishable food items, except milk for school lunches and vocational training programs, in any amount may be made by direct negotiation by obtaining two or more written quotations for the purchase or sale, when possible, without advertising for bids or otherwise complying with the requirements of this section or section 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least one year after receipt.

Every contract made without compliance with the provisions of this section shall be void. Except in the case of the destruction of buildings or injury thereto, where the public interest would suffer by delay, contracts for repairs may be made without advertising for bids.

Sec. 13. Minnesota Statutes 2006, section 123B.52, is amended by adding a subdivision to read:

Subd. 1b. **Best value alternative.** As an alternative to the procurement method described in subdivision 1, a contract for construction, building, alteration, improvement, or repair work may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 14. Minnesota Statutes 2006, section 160.17, is amended by adding a subdivision to read:

Subd. 2a. **Best value alternative.** As an alternative to the procurement method referenced in subdivision 2, counties or towns may issue a request for proposal and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 15. Minnesota Statutes 2006, section 160.262, is amended by adding a subdivision to read:

Subd. 5. **Best value alternative.** As an alternative to the procurement method described in subdivision 4, the commissioner may allow for the award of design-build contracts for the projects described in subdivision 4 to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 16. Minnesota Statutes 2006, section 161.32, is amended by adding a subdivision to read:

Subd. 1f. **Best value alternative.** As an alternative to the procurement method described in subdivisions 1a to 1e, the commissioner may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 17. **[161.3206] BEST VALUE CONTRACTING AUTHORITY.**

Notwithstanding sections 16C.25, 161.32, and 161.321, or any other law to the contrary, the commissioner may solicit and award all contracts, other than design-build contracts governed by section 161.3412, for a project on the basis of a best value selection process as defined in section 16C.02, subdivision 4a. Section 16C.08 does not apply to this section.

Sec. 18. Minnesota Statutes 2006, section 161.3412, subdivision 1, is amended to read:

Subdivision 1. **Best value selection for design-build contracts.** Notwithstanding sections 16C.25, 161.32, and 161.321, or any other law to the contrary, the commissioner may solicit and award a design-build contract for a project on the basis of a best value selection process. Section 16C.08 does not apply to design-build contracts to which the commissioner is a party.

Sec. 19. Minnesota Statutes 2006, section 161.38, subdivision 4, is amended to read:

Subd. 4. **Effects on other law of public contract with commissioner.** Whenever the road authority of any city enters into an agreement with the commissioner pursuant to this section, and a portion of the cost is to be assessed against benefited property, the letting of a public contract by the commissioner for the work shall be deemed to comply with statutory or charter provisions requiring the city (1) to advertise for bids before awarding a contract for a public improvement, (2) to let the contract to the lowest

responsible bidder or to the vendor or contractor offering the best value, and (3) to require a performance bond to be filed by the contractor before undertaking the work. The contract so let by the commissioner and the performance bond required of the contractor by the commissioner shall be considered to be the contract and bond of the city for the purposes of complying with the requirements of any applicable law or charter provision, and the bond shall inure to the benefit of the city and operate for their protection to the same extent as though they were parties thereto.

Sec. 20. Minnesota Statutes 2006, section 365.37, is amended by adding a subdivision to read:

Subd. 2a. **Best value alternative.** As an alternative to the procurement method described in subdivision 2, a contract for construction, building, alteration, improvement, or repair work may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 21. Minnesota Statutes 2006, section 374.13, is amended to read:

374.13 TO ADVERTISE FOR BIDS.

Subdivision 1. **Bidding process.** When the plans and specifications are completed and approved by the city council and the county board, the commission shall, after notice appropriate to inform possible bidders, obtain bids or proposals for all or any portion of the work or materials, or both, to be done, performed, or furnished in the construction of the building. All bids or proposals shall be sealed by the bidders or proposers and filed with the commission at or before the time specified for the opening of bids or proposals. At the time and place specified for the opening of bids or proposals, the commission shall meet, open the bids or proposals, tabulate them, and award the contract or contracts to the responsible bidder whose bid or proposal is the most favorable to the city or county, or reject all bids and proposals. If all bids or proposals are rejected, the commission may, after similar notice, obtain more bids or proposals or may modify or change the plans and specifications and submit the modified plans and specifications to the city council and the county board for approval. When the modified or changed plans and specifications are satisfactory to both the city council and the county board, the plans and specifications shall be returned to the commission and the commission shall proceed again, after similar notice, to obtain bids or proposals. Any contract awarded by the commission shall be subject to approval by the city council and the county board.

Subd. 2. **Best value alternative.** As an alternative to the procurement method described in subdivision 1, the commission may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 22. Minnesota Statutes 2006, section 375.21, is amended by adding a subdivision to read:

Subd. 1b. **Best value alternative.** As an alternative to the procurement method described in subdivision 1, a county board may award a contract for construction, building, alteration, improvement, or repair work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 23. Minnesota Statutes 2006, section 383C.094, is amended by adding a subdivision to read:

Subd. 1a. **Contracts in excess of $500; best value alternative.** As an alternative to the procurement method described in subdivision 1, the contract may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 24. Minnesota Statutes 2006, section 412.311, is amended to read:

412.311 CONTRACTS.

Subdivision 1. **Lowest responsible bidder.** Except as provided in sections 471.87 to 471.89, no member of a council shall be directly or indirectly interested in any contract made by the council. Whenever the amount of a contract for the purchase of merchandise, materials or equipment or for any kind of construction work undertaken by the city is estimated to exceed the amount specified by section 471.345, subdivision 3, the contract shall be let to the lowest responsible bidder, after notice has been published once in the official newspaper at least ten days in advance of the last day for the submission of bids. If the amount of the contract exceeds $1,000, it shall be entered into only after compliance with section 471.345.

Subd. 2. **Best value alternative.** As an alternative to the procurement method described in subdivision 1, a contract for construction, building, alteration, improvement, or repair work may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 25. Minnesota Statutes 2006, section 429.041, is amended by adding a subdivision to read:

Subd. 2a. **Best value alternative.** As an alternative to the procurement method described in subdivision 2, the council may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 26. Minnesota Statutes 2006, section 458D.21, is amended by adding a subdivision to read:

Subd. 2a. **Contracts in excess of $5,000; best value alternative.** As an alternative to the procurement method described in subdivision 2, the board may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 27. Minnesota Statutes 2006, section 469.015, is amended by adding a subdivision to read:

Subd. 1a. **Best value alternative.** As an alternative to the procurement method described in subdivision 1, the authority may issue a request for proposals and award the contract to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 28. Minnesota Statutes 2006, section 469.068, subdivision 1, is amended to read:

Subdivision 1. **Contracts; bids; bonds.** All construction work and every purchase of equipment, supplies, or materials necessary in carrying out the purposes of sections 469.048 to 469.068, that involve the expenditure of $1,000 or more, shall be awarded by contract as provided in this subdivision or in subdivision 1a. Before receiving bids under sections 469.048 to 469.068, the authority shall publish, once a week for two consecutive weeks in the official newspaper of the port's city, a notice that bids will be received for the construction work, or purchase of equipment, supplies, or materials. The notice shall state the nature of the work, and the terms and conditions upon which the contract is to be let and name a time and place where the bids will be received, opened, and read publicly, which time shall be not less than seven days after the date of the last publication. After the bids have been received, opened, read publicly, and recorded, the commissioners shall award the contract to the lowest responsible bidder, reserving the right to reject any or all bids. The contract shall be executed in writing and the person to whom the contract is awarded shall give sufficient bond to the board for its faithful performance. If

no satisfactory bid is received, the port authority may readvertise, or, by an affirmative vote of two of its commissioners in the case of a three-member commission, or five of its members in the case of a seven-member commission, may authorize the authority to perform any part or parts of any construction work by day labor under conditions it prescribes. The commissioners may establish reasonable qualifications to determine the fitness and responsibility of bidders, and require bidders to meet the qualifications before bids are accepted. If the commissioners by a two-thirds or five-sevenths vote declare that an emergency exists requiring the immediate purchase of any equipment or material or supplies at a cost in excess of $1,000, but not exceeding $5,000, in amount, or making of emergency repairs, it shall not be necessary to advertise for bids, but the material, equipment, or supplies may be purchased in the open market at the lowest price obtainable, or the emergency repairs may be contracted for or performed without securing formal competitive bids. An emergency, for purposes of this section, is unforeseen circumstances or conditions which result in the jeopardizing of human life or property.

In all contracts involving the employment of labor, the commissioners shall stipulate conditions they deem reasonable, as to the hours of labor and wages and may stipulate as to the residence of employees to be employed by the contractors.

Bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of sections 574.26 to 574.31.

Sec. 29. Minnesota Statutes 2006, section 469.068, is amended by adding a subdivision to read:

Subd. 1a. **Contracts; best value alternative.** As an alternative to the procurement method described in subdivision 1, a contract may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 30. Minnesota Statutes 2006, section 471.345, is amended by adding a subdivision to read:

Subd. 3a. **Contracts over $50,000; best value alternative.** As an alternative to the procurement method described in subdivision 3, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 31. Minnesota Statutes 2006, section 471.345, is amended by adding a subdivision to read:

Subd. 4a. **Contracts from $10,000 to $50,000; best value alternative.** As an alternative to the procurement method described in subdivision 4, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 32. Minnesota Statutes 2006, section 471.345, subdivision 5, is amended to read:

Subd. 5. **Contracts less than $10,000.** If the amount of the contract is estimated to be $10,000 or less, the contract may be made either upon quotation or in the open market, in the discretion of the governing body. If the contract is made upon quotation it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after their receipt. Alternatively, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 33. Minnesota Statutes 2006, section 473.523, is amended by adding a subdivision to read:

Subd. 1a. **Contracts over $50,000; best value alternative.** As an alternative to the procurement method described in subdivision 1, the council may issue a request for proposals and award the contract to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2).

Sec. 34. Minnesota Statutes 2006, section 473.756, subdivision 12, is amended to read:

Subd. 12. **Contracts.** The authority may enter into a development agreement with the team, the county, or any other entity relating to the construction, financing, and use of the ballpark and related facilities and public infrastructure. The authority may contract for materials, supplies, and equipment in accordance with sections 471.345 and 473.754, except that the authority, with the consent of the county, may employ or contract with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, or construction manager with respect to all or any part of the ballpark and public infrastructure. Alternatively, at the request of the team and with the consent of the county, the authority shall authorize the team to provide for the design and construction

of the ballpark and related public infrastructure, subject to terms of Laws 2006, chapter 257. The construction manager may enter into contracts with contractors for labor, materials, supplies, and equipment for the construction of the ballpark and related public infrastructure through the process of public bidding, except that the construction manager may, with the consent of the authority or the team:

(1) narrow the listing of eligible bidders to those which the construction manager determines to possess sufficient expertise to perform the intended functions;

(2) award contracts to the contractors that the construction manager determines provide the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), which are not required to be the lowest responsible bidder; and

(3) for work the construction manager determines to be critical to the completion schedule, award contracts on the basis of competitive proposals or perform work with its own forces without soliciting competitive bids if the construction manager provides evidence of competitive pricing.

The authority shall require that the construction manager certify, before the contract is signed, a fixed and stipulated construction price and completion date to the authority and post a performance bond in an amount at least equal to 100 percent of the certified price, to cover any costs which may be incurred in excess of the certified price, including but not limited to costs incurred by the authority or loss of revenues resulting from incomplete construction on the completion date. The authority may secure surety bonds as provided in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the authority under the provisions of sections 514.01 to 514.16. Contracts for construction and operation of the ballpark must include programs, including Youthbuild, to provide for participation by small local businesses and businesses owned by people of color, and the inclusion of women and people of color in the workforces of contractors and ballpark operators. The construction of the ballpark is a "project" as that term is defined in section 177.42, subdivision 2, and is subject to the prevailing wage law under sections 177.41 to 177.43.

ARTICLE 4
ELECTIONS

Section 1. Minnesota Statutes 2006, 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~~ at least six weeks before the start of the filing period 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. The petition may be circulated at any time after January 1 and more than six weeks before the start of the filing period in the year the petition is submitted.

(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 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 subsequent state general elections.

(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 each of two consecutive state general elections described by

paragraph (a) or (b), respectively, loses major party status as of December 31 following the later of the two consecutive state general elections.

Sec. 2. Minnesota Statutes 2006, section 200.02, subdivision 23, is amended to read:

Subd. 23. **Minor political party.** (a) "Minor political party" means a political party 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~~ at least six weeks before the start of the filing period 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. The petition may be circulated at any time after January 1 and more than six weeks before the start of the filing period in the year the petition is submitted.

(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 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 subsequent state general elections.

(d) A minor political party whose candidates fail to receive the number and percentage of votes required under paragraph (b) at each of two consecutive state general elections described by paragraph (b) loses minor party status as of December 31 following the later of the two consecutive state general 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. 3. Minnesota Statutes 2006, section 201.016, subdivision 1a, is amended to read:

Subd. 1a. **Violations; penalty.** (a) The county auditor shall mail a violation notice to any voter who the county auditor can determine has voted ~~in a precinct other than the precinct in~~ using an address at which the voter ~~maintains~~ does not maintain residence on election day. The notice must be in the form provided by the secretary of state. The county auditor shall also change the status of the voter in the statewide registration system to "challenged" and the voter shall be required to provide proof of residence to either the county auditor or to the election judges in the voter's precinct before voting in the next election. Any of the forms authorized by section 201.061 for registration at the polling place may be used for this purpose.

(b) A voter who votes in a precinct other than the precinct in which the voter maintains residence after receiving an initial violation notice as provided in this subdivision is guilty of a petty misdemeanor.

(c) A voter who votes in a precinct other than the precinct in which the voter maintains residence after having been found to have committed a petty misdemeanor under paragraph (b) is guilty of a misdemeanor.

(d) Reliance by the voter on inaccurate information regarding the location of the voter's polling place provided by the state, county, or municipality is an affirmative defense to a prosecution under this subdivision.

Sec. 4. Minnesota Statutes 2006, section 201.056, is amended to read:

201.056 SIGNATURE OF REGISTERED VOTER; MARKS ALLOWED.

An individual who is unable to write the individual's name shall be required to sign a registration ~~card by making the individual's mark~~ application in the manner provided by section 645.44, subdivision 14. If the individual registers in person and signs by making a mark, the clerk or election judge accepting the registration shall certify the mark by signing the individual's name. If the individual registers by mail and signs by making a

mark, the mark shall be certified by having a voter registered in the individual's precinct sign the individual's name and the voter's own name and give the voter's own address.

Sec. 5. Minnesota Statutes 2006, section 201.061, subdivision 1, is amended to read:

Subdivision 1. **Prior to election day.** At any time except during the 20 days immediately preceding any regularly scheduled election, an eligible voter or any individual who will be an eligible voter at the time of the next election may register to vote in the precinct in which the voter maintains residence by completing a paper voter registration application as described in section 201.071, subdivision 1, and submitting it in person or by mail to the county auditor of that county or to the Secretary of State's Office. If the Web site maintained by the secretary of state provides, an individual who has a Minnesota driver's license, identification card, or learner's permit may register online. A registration that is received no later than 5:00 p.m. on the 21st day preceding any election shall be accepted. An improperly addressed or delivered registration application shall be forwarded within two working days after receipt to the county auditor of the county where the voter maintains residence. A state or local agency or an individual that accepts completed voter registration applications from a voter must submit the completed applications to the secretary of state or the appropriate county auditor within ten business days after the applications are dated by the voter.

For purposes of this section, mail registration is defined as a voter registration application delivered to the secretary of state, county auditor, or municipal clerk by the United States Postal Service or a commercial carrier.

Sec. 6. Minnesota Statutes 2006, section 201.061, is amended by adding a subdivision to read:

Subd. 1b. **Prohibited methods of compensation; penalty.** (a) No individual may be compensated for the solicitation, collection, or acceptance of voter registration applications from voters for submission to the secretary of state, a county auditor, or other local election official in a manner in which payment is calculated by multiplying (1) either a set or variable payment rate, by (2) the number of voter registration applications solicited, collected, or accepted.

(b) No individual may be deprived of compensation or have compensation automatically reduced exclusively for failure to solicit, collect, or accept a minimum number of voter registration applications and no individual may receive additional compensation for reaching or exceeding a minimum number of voter registration applications.

(c) A person who violates this subdivision is guilty of a petty misdemeanor.

Sec. 7. Minnesota Statutes 2006, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) The definitions in this paragraph apply to this subdivision:

(1) "current utility bill" means a utility bill dated within 30 days before the election day or due within 30 days before or after the election;

(2) "photo identification" means identification that displays the name and photo of an individual and that was issued by:

(i) another state for use as a driver's license or identification card;

(ii) a Minnesota college, university, or other postsecondary educational institution or high school as a student identification card; or

(iii) a tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior;

(3) "residential facility" means transitional housing as defined in section 256E.33, 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; and

(4) "utility bill" means a written or electronic bill for gas, electricity, telephone, wireless telephone, cable television, satellite television, solid waste, water, sewer services, or an itemized rent statement.

(b) 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:

(i) a photo identification; and

(ii) a current utility bill or lease, showing the individual's name and valid residential address in the precinct;

(3) 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, address, signature, and picture of the individual;

~~(2)~~ (4) presenting any document approved by the secretary of state as proper identification;

~~(3)~~ (5) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a ~~picture~~ photo identification card; or

~~(4)~~ (6)(i) 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.

(ii) 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 256E.33, 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, an individual may prove residence for purposes of registering by:~~

~~(1) 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, address, signature, and picture of the individual; or~~

~~(2) 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, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.~~

(c) An employee of a residential facility must prove employment with that facility by presenting a current identification card issued by the facility or other official documentation verifying the employee's current status with the facility on election day to be eligible to vouch for individuals residing in that facility.

~~(c)~~ (d) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

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

Sec. 8. Minnesota Statutes 2006, 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, and 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 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 the right to vote because, if I have been convicted of a felony, 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 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.

A paper voter registration application must include space for the voter's signature and be of suitable size and weight for mailing.

Sec. 9. Minnesota Statutes 2006, section 201.091, is amended by adding a subdivision to read:

Subd. 5a. **Registration verification to registered voter.** The secretary of state may provide for voter registration verification to a registered voter on the secretary of state's Web site. An individual using the verification service must provide the individual's name, address, and date of birth when requesting registration verification. If the verification information provided completely matches an active registration record in the statewide registration system, the individual must be informed that the individual is a registered voter and provided with the individual's polling place location. If the verification information provided does not completely match an active registration record in the statewide registration system, the individual must be informed that a registration record at the name and address provided cannot be retrieved and advised to contact the county auditor or secretary of state for further information.

Sec. 10. Minnesota Statutes 2006, section 201.091, subdivision 9, is amended to read:

Subd. 9. **Restricted data.** A list provided for public inspection or purchase, for jury selection, or in response to a law enforcement inquiry, must not include a voter's date of birth or any part of a voter's Social Security number, driver's license number, ~~or~~ identification card number, military identification card number, or passport number.

Sec. 11. Minnesota Statutes 2006, section 201.12, is amended to read:

201.12 PROPER REGISTRATION; VERIFICATION BY MAIL; CHALLENGES.

Subdivision 1. **Notice of registration.** To prevent fraudulent voting and to eliminate excess names, the county auditor may mail to any registered voter a notice stating the voter's name and address as they appear in the registration files. The notice shall request the voter to notify the county auditor if there is any mistake in the information.

Subd. 2. ~~**Challenges**~~ **Moved within state.** If the notice is returned as undeliverable but with a permanent forwarding address in this state, the county auditor shall notify the

auditor of the county where the voter resides. Upon receipt of the notice, the county auditor shall update the voter's address in the statewide voter registration system and mail to the voter the notice of registration required by section 201.121, subdivision 2. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not what the voter intended to be their permanent address.

Subd. 3. **Moved out of state.** If the notice is returned as undeliverable but with a permanent forwarding address outside this state, the county auditor shall promptly mail to the voter at the forwarding address a notice advising the voter that the voter's voter registration in this state will be deleted unless the voter notifies the county auditor within 21 days that the voter intends to retain the former address as the voter's permanent address. If the notice is not received by the deadline, the county auditor shall delete the registration.

Subd. 4. **Challenges.** ~~Upon return of any nonforwardable mailing from an election official, the county auditor or the auditor's staff shall ascertain the name and address of that individual. If the individual is no longer at the address recorded in the statewide registration system~~ If the notice is returned as undeliverable but with no forwarding address, the county auditor shall change the registrant's status to "challenged" in the statewide registration system. An individual challenged in accordance with this subdivision shall comply with the provisions of section 204C.12, before being allowed to vote. If a notice mailed at least 60 days after the return of the first nonforwardable mailing is also returned by the postal service, the county auditor shall change the registrant's status to "inactive" in the statewide registration system.

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

Sec. 12. Minnesota Statutes 2006, section 201.13, subdivision 3, is amended to read:

Subd. 3. **Use of change of address system.** ~~The county auditor may delete the records in the statewide registration system of voters whose change of address can be confirmed by the United States Postal Service. The secretary of state may provide the county auditors with periodic reports on voters whose change of address can be confirmed by the United States Postal Service.~~

(a) At least once each month the secretary of state shall obtain a list of individuals in this state who have filed with the United States Postal Service a change of their permanent address. If an individual is registered as a voter in the statewide voter registration system and the change is to another address in this state, the secretary of state shall transmit the registration by electronic means to the county auditor of the county where the voter resides. Upon receipt of the registration, the county auditor shall update the voter's

address in the statewide voter registration system and mail to the voter the notice of registration required by section 201.121, subdivision 2. The notice must advise the voter that the voter's permanent address has been changed and that the voter must notify the county auditor within 21 days if the new address is not what the voter intended to be the voter's permanent address.

(b) If the change of permanent address is to a forwarding address outside this state, the secretary of state shall notify by electronic means the auditor of the county where the voter formerly resided that the voter has left the state. The county auditor shall promptly mail to the voter at the forwarding address a notice advising the voter that the voter's voter registration in this state will be deleted unless the voter notifies the county auditor within 21 days that the voter intends to retain the former address as the voter's permanent address. If the notice is not received by the deadline, the county auditor shall delete the registration.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 13. Minnesota Statutes 2006, section 201.161, is amended to read:

201.161 AUTOMATIC REGISTRATION OF DRIVER'S LICENSE, INSTRUCTION PERMIT, AND IDENTIFICATION CARD ~~APPLICATIONS~~ APPLICANTS.

Subdivision 1. **Automatic registration.** An individual who properly completes an application for a new or renewed Minnesota driver's license, instruction permit, or identification card, and who is eligible to vote under section 201.014, must be registered to vote as provided in this section, unless the applicant declines to be registered.

Subd. 2. **Applications.** The ~~Department~~ commissioner of public safety, in consultation with the secretary of state, shall change ~~its~~ the applications for an original, duplicate, or change of address driver's license, instruction permit, or identification card so that the forms may also serve as voter registration applications. The forms must contain spaces for all information collected by voter registration applications prescribed by the secretary of state and a box for the applicant to decline to be registered to vote. ~~Applicants for driver's licenses or identification cards must be asked if they want to register to vote at the same time and that~~ If the applicant has not declined to be registered to vote, the commissioner shall transmit the information ~~must be transmitted at least weekly~~ daily by electronic means to the secretary of state. Pursuant to the Help America Vote Act of 2002, Public Law 107-252, the computerized driver's license record containing the voter's name, address, date of birth, citizenship, driver's license number or state identification number,

county, ~~town, and~~ city or town, and signature must be made available for access by the secretary of state and interaction with the statewide voter registration system.

Subd. 3. **Registration.** (a) The secretary of state shall determine whether the applicant is currently registered in the statewide voter registration system. For each currently registered voter whose registration is not changed, the secretary of state shall update the voter's registration date in the statewide voter registration system. For each currently registered voter whose registration is changed, the secretary of state shall transmit the registration daily by electronic means to the county auditor of the county where the voter resides.

(b) If the applicant is not currently registered in the statewide voter registration system, the secretary of state shall determine whether the applicant is 18 years of age or older and a citizen of the United States and compare the voter registration information received from the commissioner of public safety with the information on wards, incompetents, and felons received from the state court administrator under sections 201.15 and 201.155, to determine whether the applicant is eligible to vote. If an applicant is less than 18 years of age, the secretary of state shall wait until the applicant has turned 18 years of age to determine whether the applicant is eligible to vote. For each applicant the secretary of state determines is an eligible voter, the secretary of state shall transmit the registration daily by electronic means to the county auditor of the county where the voter resides.

Subd. 4. **Notice.** Upon receipt of the registration, the county auditor shall mail to the voter the notice of registration required by section 201.121, subdivision 2.

Subd. 5. **Effective date.** An application for registration that is dated during the 20 days before an election in any jurisdiction within which the voter resides is not effective until the day after the election.

Sec. 14. Minnesota Statutes 2006, section 201.171, is amended to read:

201.171 POSTING VOTING HISTORY; FAILURE TO VOTE; REGISTRATION REMOVED.

Within six weeks after every election, the county auditor shall post the voting history for every person who voted in the election. After the close of the calendar year, the secretary of state shall determine if any registrants have not voted during the preceding ~~four~~ six years. The secretary of state shall perform list maintenance by changing the status of those registrants to "inactive" in the statewide registration system. The list maintenance performed must be conducted in a manner that ensures that the name of each registered voter appears in the official list of eligible voters in the statewide registration system.

A voter must not be removed from the official list of eligible voters unless the voter is not eligible or is not registered to vote. List maintenance must include procedures for eliminating duplicate names from the official list of eligible voters.

The secretary of state shall also prepare a report to the county auditor containing the names of all registrants whose status was changed to "inactive."

Registrants whose status was changed to "inactive" must register in the manner specified in section 201.054 before voting in any primary, special primary, general, school district, or special election, as required by section 201.018.

Although not counted in an election, a late or rejected absentee or mail ballot must be considered a vote for the purpose of continuing registration.

Sec. 15. Minnesota Statutes 2006, section 203B.02, subdivision 1, is amended to read:

Subdivision 1. ~~**Unable to go to polling place**~~ **Eligibility for absentee voting.** ~~(a)~~ Any eligible voter ~~who reasonably expects to be unable to go to the polling place on election day in the precinct where the individual maintains residence because of absence from the precinct; illness, including isolation or quarantine under sections 144.419 to 144.4196 or United States Code, title 42, sections 264 to 272; disability; religious discipline; observance of a religious holiday; or service as an election judge in another precinct~~ may vote by absentee ballot as provided in sections 203B.04 to 203B.15.

~~(b) If the governor has declared an emergency and filed the declaration with the secretary of state under section 12.31, and the declaration states that the emergency has made it difficult for voters to go to the polling place on election day, any voter in a precinct covered by the declaration may vote by absentee ballot as provided in sections 203B.04 to 203B.15.~~

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 16. Minnesota Statutes 2006, 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 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)~~ (1) the county auditor of the county where the applicant maintains residence; or

~~(b)~~ (2) 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.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 17. Minnesota Statutes 2006, section 203B.04, subdivision 6, is amended to read:

Subd. 6. **Ongoing absentee status; termination; rules.** (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~~. The voter may decline to receive an absentee ballot for one or more elections, provided the request is received by the county auditor or municipal clerk at least five days before the deadline in section 204B.35 for delivering ballots for the election to which it applies. 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, or as otherwise requested by the voter, 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.

(c) The secretary of state shall adopt rules governing procedures under this subdivision.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 18. Minnesota Statutes 2006, section 203B.06, subdivision 3, is amended to read:

Subd. 3. **Delivery of ballots.** (a) If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor, or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:

(1) mail the ballots to the voter whose signature appears on the application if the application is submitted by mail and does not request commercial shipping under clause (2);

(2) ship the ballots to the voter using a commercial shipper requested by the voter at the voter's expense;

(3) deliver the absentee ballots directly to the voter if the application is submitted in person; or

(4) deliver the absentee ballots in a sealed transmittal envelope to an agent who has been designated to bring the ballots, as provided in section 203B.11, subdivision 4, to a voter who ~~is~~ would have difficulty getting to the polls because of health reasons, or who is disabled, a patient in a health care facility, ~~as provided in section 203B.11, subdivision 4,~~ a resident of a facility providing assisted living services governed by chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4.

(b) If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application. Only one set of ballots may be mailed, shipped, or delivered to an applicant for any election, except as provided in section 203B.13, subdivision 2, or when a replacement ballot has been requested by the voter for a ballot that has been spoiled or lost in transit.

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

Sec. 19. Minnesota Statutes 2006, 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~~ application 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 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. If the voter was not previously registered, 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)~~ (i) the ballots were displayed to that individual unmarked;

~~(b)~~ (ii) 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,~~ (iii) 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.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 20. Minnesota Statutes 2006, section 203B.081, is amended to read:

203B.081 LOCATIONS FOR ABSENTEE VOTING IN PERSON.

An eligible voter may vote by absentee ballot during the 30 days before the election in the office of the county auditor and at any other polling place designated by the county auditor. The county auditor shall make such designations at least 90 days before the election. At least one voting booth and at least one electronic ballot marker in each polling place must be made available by the county auditor for this purpose.

Sec. 21. Minnesota Statutes 2006, section 203B.11, subdivision 4, is amended to read:

Subd. 4. **Agent delivery of ballots.** During the ~~four~~ seven days preceding an election and until 2:00 p.m. on election day, an eligible voter who ~~is~~ would have difficulty getting to the polls because of health reasons, or who is disabled, a patient of a health care facility, a resident of a facility providing assisted living services governed by chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4, may designate an agent to deliver the ballots to the voter from the county auditor or municipal clerk. A candidate at the election may not be designated as an agent. The voted ballots must be returned to the county auditor or municipal clerk no later than 3:00 p.m. on election day. The voter must complete an affidavit requesting the auditor or clerk to provide the agent with the ballots in a sealed transmittal envelope. The affidavit must include a statement from the voter stating that the ballots were delivered to the voter by the agent in the sealed transmittal envelope. An agent may deliver ballots to no more than three persons in any election. The secretary of state shall provide samples of the affidavit and transmission envelope for use by the county auditors.

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

Sec. 22. Minnesota Statutes 2006, section 203B.12, subdivision 4, is amended to read:

Subd. 4. **Placement in container; opening and counting of ballots.** The ballot envelopes from return envelopes marked "Accepted" shall be placed by the election judges in a separate absentee ballot container. The container and each ballot envelope may be opened only after ~~the last regular mail delivery by the United States postal service~~ noon on election day. The ballots shall then be initialed by the election judges in the same manner as ballots delivered by them to voters in person and shall be deposited in the appropriate ballot box.

If more than one ballot of any kind is enclosed in the ballot envelope, none of the ballots of that kind shall be counted but all ballots of that kind shall be returned in the manner provided by section 204C.25 for return of spoiled ballots.

Sec. 23. Minnesota Statutes 2006, section 203B.13, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The governing body of any county ~~that has established a counting center as provided in section 206.85, subdivision 2~~, any municipality, or any school district may by ordinance or resolution, authorize an absentee ballot board. The board shall consist of a sufficient number of election judges appointed as provided in sections 204B.19 to 204B.22.

Sec. 24. Minnesota Statutes 2006, section 203B.13, subdivision 2, is amended to read:

Subd. 2. **Duties.** The absentee ballot board may ~~do any of the following:~~

~~(a) receive from each precinct in the municipality or school district all ballot envelopes marked "Accepted" by the election judges; provided that the governing body of a municipality or the school board of a school district may authorize the board to~~ examine all return absentee ballot envelopes and ~~receive~~ accept or reject absentee ballots in the manner provided in section 203B.12~~;~~.

~~(b) open and count the absentee ballots, tabulating the vote in a manner that indicates each vote of the absentee voter and the total absentee vote cast for each candidate or question in each precinct; or~~

~~(c) report the vote totals tabulated for each precinct.~~

The absentee ballot board may begin the process of examining the return envelopes and marking them "accepted" or "rejected" at any time during the 30 days before the election. If an envelope has been rejected at least five days before the election, the ballots in the envelope must be considered spoiled ballots and the official in charge of the absentee ballot board shall provide the voter with a replacement absentee ballot and return envelope in place of the spoiled ballot. ~~The secretary of state shall provide samples of the replacement ballot and return envelope for use by the county auditor.~~

Sec. 25. Minnesota Statutes 2006, section 203B.16, subdivision 2, is amended to read:

Subd. 2. **Permanent residence outside United States.** Sections 203B.16 to 203B.27 provide the exclusive voting procedure for United States citizens who are living permanently outside the territorial limits of the United States who meet all the qualifications of an eligible voter except residence in Minnesota, but who are authorized by federal law to vote in Minnesota because they maintained residence in Minnesota for at least 20 days immediately prior to their departure from the United States or because, although they have never resided in the United States, they have a parent who is eligible to vote in Minnesota. Individuals described in this subdivision shall be permitted to vote only for the offices of president, vice-president, senator in Congress, and representative in Congress.

EFFECTIVE DATE. This section is effective for elections held after April 1, 2008.

Sec. 26. Minnesota Statutes 2006, section 203B.17, subdivision 2, is amended to read:

Subd. 2. **Required information.** An application shall be accepted if it contains the following information stated under oath:

(a) the voter's name, birthdate, and present address of residence in Minnesota, or former address of residence in Minnesota if the voter is living permanently outside the United States;

(b) a statement indicating that the voter is in the military, or is the spouse or dependent of an individual serving in the military, or is temporarily outside the territorial limits of the United States, or is living permanently outside the territorial limits of the United States and voting under federal law;

(c) a statement that the voter expects to be absent from the precinct at the time of the election;

(d) the address to which absentee ballots are to be mailed;

(e) the voter's signature or the signature and relationship of the individual authorized to apply on the voter's behalf; and

(f) the voter's military identification card number, passport number, or Minnesota driver's license or state identification card number~~;~~; if the voter does not have ~~a valid passport or identification card, the signed statement of an individual authorized to administer oaths or a commissioned or noncommissioned officer of the military not below the rank of sergeant or its equivalent, certifying that the voter or other individual requesting absentee ballots has attested to the truthfulness of the contents of the application under oath.~~

~~The oath taken must be the standard oath prescribed by section 101(b)(7) of the Uniformed and Overseas Citizens Absentee Voting Act.~~

~~A form for providing this information shall be prepared by each county auditor and shall be furnished to individuals who request it pursuant to this section.~~ access to any of these documents, the voter may attest to the truthfulness of the contents of the application under penalty of perjury.

EFFECTIVE DATE. This section is effective for elections held after April 1, 2008.

Sec. 27. Minnesota Statutes 2006, section 203B.21, subdivision 2, is amended to read:

Subd. 2. **Mailing of ballots; return.** Ballots and instructions for marking them, ballot envelopes, and return envelopes shall be sent by first class mail to addresses within the continental United States and by air mail to addresses outside the continental United States, unless the voter requests to have the ballot, instructions, and certificate of voter eligibility sent electronically, as provided for by section 203B.225. The ballot envelope and return envelope shall be marked "Official Ballot," and shall contain sufficient postage to assure proper return delivery. The return envelope shall be addressed to comply with any method for return of absentee ballots as authorized under section 203B.08, subdivision 2.

EFFECTIVE DATE. This section is effective for elections held after April 1, 2008.

Sec. 28. Minnesota Statutes 2006, 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 same voter's military identification card number, passport number, or Minnesota driver's license or state identification card number as provided on the absentee ballot application;; 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 commissioned or noncommissioned personnel of the military not below the rank of sergeant or its equivalent~~ access to any of these documents, the voter may attest to the truthfulness of the contents of the application under penalty of perjury.

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."

EFFECTIVE DATE. This section is effective for elections held after April 1, 2008.

Sec. 29. Minnesota Statutes 2006, section 203B.22, is amended to read:

203B.22 MAILING BALLOTS.

The county auditor shall mail the appropriate ballots, as promptly as possible, to an absent voter whose application has been recorded under section 203B.19. If the county auditor determines that a voter is not eligible to vote at the primary but will be eligible to vote at the general election, only general election ballots shall be mailed. Only one set of ballots shall be mailed to any applicant for any election, except that the county auditor may mail a replacement ballot to a voter whose ballot has been spoiled or lost in transit or whose mailing address has changed after the date on which the original application was submitted as confirmed by the county auditor. Ballots to be sent outside the United States shall be given priority in mailing. A county auditor may make use of any special service provided by the United States government for the mailing of voting materials under sections 203B.16 to 203B.27.

EFFECTIVE DATE. This section is effective for elections held after April 1, 2008.

Sec. 30. **[203B.225] TRANSMITTING AND RETURNING BALLOTS.**

Subdivision 1. **Transmitting ballot and voter certification.** Upon receipt of a properly completed application, the county auditor may electronically transmit to the voter the appropriate ballots, instructions, and affidavit form and certification of voter eligibility provided in section 203B.21, subdivision 3.

Subd. 2. **Returning voted ballots.** The voter must return the voted ballots and the certificate of voter eligibility to the county auditor in a sealed envelope. Upon receipt of a ballot, the county auditor must immediately compare the information provided on the absentee ballot application with the information provided on the certificate of voter eligibility. After the information on the certificate of voter eligibility has been verified, the certificate must be attached to the ballot secrecy envelope and placed with the other absentee ballots for the precinct in which the voter resides.

Subd. 3. **Rejecting transmitted ballots.** If the county auditor cannot verify that the ballots were returned by the same person to whom the absentee ballot application was transmitted, the ballots must be rejected and no votes on the ballots may be counted.

EFFECTIVE DATE. This section is effective for elections held after April 1, 2008.

Sec. 31. **[203B.227] WRITE-IN ABSENTEE BALLOT.**

An eligible voter who will be outside the territorial limits of the United States during the 180 days prior to the state general election may use the federal write-in absentee ballot to vote in any federal, state, or local election.

EFFECTIVE DATE. This section is effective for elections held after April 1, 2008.

Sec. 32. Minnesota Statutes 2006, 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. 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 same 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~~ Minnesota driver's license or state identification card number as submitted on the application, if the voter has one of these documents; 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 ballot 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.

EFFECTIVE DATE. This section is effective for elections held after April 1, 2008.

Sec. 33. **[203B.28] EMERGENCY POWERS.**

(a) If the governor has declared an emergency and filed the declaration with the secretary of state under section 12.31, or if a natural disaster or armed conflict involving the United States Armed Forces, or mobilization of those forces, including National Guard and reserve components of this state, makes substantial compliance with the Uniformed and Overseas Citizens Absentee Voting Act impossible or unreasonable, the secretary of state may prescribe, by emergency orders, special procedures or requirements necessary to facilitate absentee voting by those citizens directly affected who otherwise are eligible to vote in this state.

(b) The secretary of state shall adopt rules describing the emergency powers and the situations in which the powers must be exercised.

EFFECTIVE DATE. Paragraph (a) is effective for elections held after April 1, 2008. Paragraph (b) is effective the day following final enactment.

Sec. 34. Minnesota Statutes 2006, section 204B.06, subdivision 1, is amended to read:

Subdivision 1. **Form of affidavit.** 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. Except as provided in section 204B.09, subdivision 1a, the affidavit of candidacy must include an original signature of the candidate.

Sec. 35. Minnesota Statutes 2006, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. **Candidates in state and county general elections.** (a) Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state, and federal offices filled at the state general election shall be filed not more than 70 days nor less than 56 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period.

(b) Notwithstanding other law to the contrary, the affidavit of candidacy must be signed in the presence of a notarial officer or an individual authorized to administer oaths under section 358.10.

(c) This provision does not apply to candidates for presidential elector nominated by major political parties. Major party candidates for presidential elector are certified under section 208.03. Other candidates for presidential electors may file petitions on or before the state primary day pursuant to section 204B.07, but no earlier than 70 days before the state primary. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing.

(d) Affidavits and petitions for county offices ~~to be voted on in only one county shall~~ must be filed with the county auditor of that county. Affidavits and petitions for federal offices ~~to be voted on in more than one county shall~~ must be filed with the secretary of state. Affidavits and petitions for state offices must be filed with the secretary of state or with the county auditor of the county in which the candidate resides.

Sec. 36. Minnesota Statutes 2006, section 204B.09, subdivision 1a, is amended to read:

Subd. 1a. **Absent candidates.** (a) A candidate for special district, county, state, or federal office who will be absent from the state during the filing period may submit a properly executed affidavit of candidacy, the appropriate filing fee, and any necessary petitions in person to the filing officer. The candidate shall state in writing the reason for

being unable to submit the affidavit during the filing period. The affidavit, filing fee, and petitions must be submitted to the filing officer during the seven days immediately preceding the candidate's absence from the state. Nominating petitions may be signed during the 14 days immediately preceding the date when the affidavit of candidacy is filed.

(b) In extraordinary circumstances beyond the candidate's control that prevent the candidate from filing an affidavit of candidacy authenticated by the candidate's handwritten or other signature meeting the requirements of section 645.44, subdivision 14, the affidavit of candidacy may be filed electronically with the secretary of state along with a written statement of the extraordinary circumstances. The affidavit and statement may be authenticated either by the electronic facsimile signature of the candidate, by an electronic signature consisting of a password assigned by the secretary of state, or by another form of electronic signature approved by the secretary of state. The secretary of state may adopt rules governing the electronic filing of an affidavit of candidacy under this paragraph.

Sec. 37. Minnesota Statutes 2006, section 204B.09, subdivision 3, is amended to read:

Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought no later than the ~~fifth~~ seventh day before the general election. The filing officer shall provide copies of the form to make the request.

(b) A candidate for president of the United States who files a request under this subdivision must include the name of a candidate for vice-president of the United States. The request must also include the name of at least one candidate for presidential elector. The total number of names of candidates for presidential elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.

(c) A candidate for governor who files a request under this subdivision must include the name of a candidate for lieutenant governor.

Sec. 38. Minnesota Statutes 2006, section 204B.11, subdivision 2, is amended to read:

Subd. 2. **Petition in place of filing fee.** At the time of filing an affidavit of candidacy, a candidate may present a petition in place of the filing fee. The petition may be circulated from the date of precinct caucuses to the end of the period for filing affidavits of candidacy. The petition may be signed by any individual eligible to vote for the candidate. A nominating petition filed pursuant to section 204B.07 or 204B.13, subdivision 4, is effective as a petition in place of a filing fee if the nominating petition includes a prominent statement informing the signers of the petition that it will be used for that purpose.

The number of signatures on a petition in place of a filing fee shall be as follows:

(a) for a state office voted on statewide, or for president of the United States, or United States senator, 2,000;

(b) for a congressional office, 1,000;

(c) for a county or legislative office, or for the office of district judge, 500; and

(d) for any other office which requires a filing fee as prescribed by law, municipal charter, or ordinance, the lesser of 500 signatures or five percent of the total number of votes cast in the municipality, ward, or other election district at the preceding general election at which that office was on the ballot.

An official with whom petitions are filed shall make sample forms for petitions in place of filing fees available upon request.

Sec. 39. Minnesota Statutes 2006, 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 200.02, subdivision 24, shall be located within the boundaries of the precinct or within ~~3,000 feet~~ one mile 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 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. 40. Minnesota Statutes 2006, section 204B.21, subdivision 2, is amended to read:

Subd. 2. **Appointing authority; powers and duties.** Election judges for precincts in a municipality shall be appointed by the governing body of the municipality. Election judges for precincts in unorganized territory and for performing election-related duties assigned by the county auditor shall be appointed by the county board. Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as

provided in the agreement to combine for election purposes. Appointments ~~shall~~ may be made from lists furnished pursuant to subdivision 1 subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. At least two election judges in each precinct must be affiliated with different major political parties. If no lists have been furnished or if additional election judges are required ~~after all listed names have been exhausted~~, the appointing authority may appoint ~~any~~ other ~~individual to serve as an election judge subject to the same requirements and qualifications~~ individuals who meet the qualifications to serve as an election judge, including persons who are not affiliated with a major political party. The appointments shall be made at least 25 days before the election at which the election judges will serve.

Sec. 41. Minnesota Statutes 2006, section 204B.21, is amended by adding a subdivision to read:

Subd. 2a. **Town elections.** The provisions of this section and sections 204B.19, subdivision 5; 204C.15; 204C.19; 206.83; and 206.86, subdivision 2, relating to party balance in the appointment of judges and to duties to be performed by judges of different major political parties do not apply to town elections not held in conjunction with a statewide election.

Sec. 42. **[204B.445] VOTER COMPLAINT AND RESOLUTION PROCESS.**

Subdivision 1. **Scope.** An eligible voter may file a complaint to seek the resolution of any of the following conditions that have occurred or are about to occur:

(1) voter records in the statewide registration system are not maintained by the secretary of state or a county auditor in the manner provided in chapter 201;

(2) voters are unable to register to vote in the manner provided by section 201.061;

(3) a voting system, including an electronic ballot marker, meeting the requirements of section 206.80 is not available for use by voters either casting an absentee ballot in person at the locations designated by the county auditor or local election official, or for voting at any polling place on election day; or

(4) the secretary of state, county auditor, or local election official has failed, is failing, or is about to fail to carry out a duty required by Title III of the Help America Vote Act of 2002.

A complaint against a municipal or school district clerk must be filed with the county auditor of the county in which the action has occurred or is about to occur. A complaint against a county auditor must be filed with the secretary of state. A complaint against the secretary of state must be filed with the Office of Administrative Hearings. The secretary

of state shall provide a standard form for a complaint under this section. The form must provide space for the complainant to specify the legal basis for the complaint. The proceedings authorized by this section are not subject to the requirements of chapter 14.

Subd. 2. **Notice of complaint.** The official with whom the complaint is filed must, within seven days after the complaint was filed, provide written notice of the complaint, including a copy of the complaint, to the official against whom the complaint has been made.

Subd. 3. **Response.** Within 14 days after the notice of complaint is received, the official complained against must respond in writing to the complainant and state the manner in which the respondent proposes to resolve the complaint.

Subd. 4. **Hearing.** If the complainant believes the response does not resolve the complaint, the complainant may file, with the official with whom the complaint was filed, a request for a hearing. The request must state the objection to the response and propose to resolve the complaint in a way that is consistent with the Minnesota Election Law. If the complainant makes a request for hearing, a hearing must take place. The official with whom the complaint was filed must rule on the complaint within 14 days after the hearing.

Subd. 5. **Timeline.** A ruling on a complaint must be made no more than 90 days after the complaint is filed. If the official with whom the complaint was filed fails to make that ruling within 90 days after the complaint was filed, that official must provide alternative dispute resolution for the disposition of the complaint. The alternative dispute resolution process must be completed within 60 days of its commencement.

Subd. 6. **Appeal.** No later than 30 days after the ruling, the complainant may appeal the ruling. If the complaint was filed against a municipal clerk, school district clerk, or county auditor, the appeal must be filed with the secretary of state. If the complaint was filed against the secretary of state, the appeal must be filed with the Ramsey County District Court. The appeal must be heard within 14 days. Upon hearing the appeal, the secretary of state or district court may affirm, reverse, or modify the ruling and give appropriate instructions, as needed, to the secretary of state, county auditor, or local election official to resolve the complaint.

Subd. 7. **Remedies; notice.** If the official rules that there has been a violation of Title III of the Help America Vote Act of 2002, the official must provide an appropriate remedy. If the official rules that there has not been a violation, the complaint must be dismissed and the results of the process published by the official.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 43. Minnesota Statutes 2006, section 204B.45, subdivision 2, is amended to read:

Subd. 2. **Procedure.** Notice of the election and the special mail procedure must be given at least six weeks prior to the election. ~~No earlier~~ Not more than ~~20~~ 30 days ~~or~~ nor later than 14 days prior to the election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the town or unorganized territory. No later than 14 days before the election, the auditor must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The auditor or clerk may appoint election judges to examine the return envelopes and mark them "accepted" or "rejected" during the 30 days before the election. If an envelope has been rejected at least five days before the election, the ballots in the envelope must be considered spoiled ballots and the auditor or clerk shall provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. The costs of the mailing shall be paid by the election jurisdiction in which the voter resides. Any ballot received by 8:00 p.m. on the day of the election must be counted.

Sec. 44. Minnesota Statutes 2006, section 204C.06, subdivision 1, is amended to read:

Subdivision 1. **Lingering near polling place.** An individual shall be allowed to go to and from the polling place for the purpose of voting without unlawful interference. No one except an election official or an individual who is waiting to register or to vote shall stand within 100 feet of the ~~entrance to a polling place. The entrance to a polling place is the doorway or point of entry leading into the room or area where voting is occurring~~ building in which a polling place is located.

Sec. 45. Minnesota Statutes 2006, section 204C.07, subdivision 3a, is amended to read:

Subd. 3a. **Residence requirement.** A challenger must be a resident of this state. Appointed challengers seeking admission to a polling place to serve in that capacity must prove their status as a resident of this state by presenting one of the documents listed in section 201.061, subdivision 3, paragraph (b), clauses (1) to (4). Challengers need not prove residence in the precinct in which they seek to act as a challenger.

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

Sec. 46. Minnesota Statutes 2006, section 204C.07, is amended by adding a subdivision to read:

Subd. 3b. **Oath to obey the law.** A challenger must state under oath that the challenger understands and will abide by the laws and rules governing challengers as described in this section and in section 204C.12 and governing challenges to voters as described in section 204C.12.

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

Sec. 47. Minnesota Statutes 2006, section 205.10, is amended by adding a subdivision to read:

Subd. 6. **Cancellation.** A special election ordered by the governing body of the municipality on its own motion under subdivision 1 may be canceled by motion of the governing body, but not less than 46 days before the election.

Sec. 48. Minnesota Statutes 2006, section 205.13, is amended by adding a subdivision to read:

Subd. 7. **Write-in candidates.** A candidate for a city office who wants write-in votes for the candidate to be counted must file a written request with the filing officer for the office sought no later than the seventh day before the general election. The filing officer must provide copies of the form to make the request.

Sec. 49. Minnesota Statutes 2006, section 205.16, subdivision 3, is amended to read:

Subd. 3. **Sample ballot, posting.** For every municipal election, the municipal clerk shall at least ~~four days~~ two weeks before the election ~~post~~ prepare a sample ballot for each precinct in the municipality, make them available for public inspection in the clerk's office ~~for public inspection~~, and post a sample ballot in each polling place on election day.

Sec. 50. Minnesota Statutes 2006, section 205.16, subdivision 4, is amended to read:

Subd. 4. **Notice to auditor.** At least 53 days prior to every municipal election, the municipal clerk shall provide a written notice to the county auditor, including the date of the election, the offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. Not less than 46 days before the election, the municipal clerk must provide written notice to the county auditor of any special election canceled under section 205.10, subdivision 6.

Sec. 51. Minnesota Statutes 2006, section 205A.05, is amended by adding a subdivision to read:

Subd. 3. **Cancellation.** A special election ordered by the school board on its own motion under subdivision 1 may be canceled by motion of the school board, but not less than 46 days before the election.

Sec. 52. Minnesota Statutes 2006, section 205A.07, subdivision 3, is amended to read:

Subd. 3. **Notice to auditor.** At least 53 days prior to every school district election, the school district clerk shall provide a written notice to the county auditor of each county in which the school district is located. The notice must include the date of the election, the offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. For the purposes of meeting the timelines of this section, in a bond election, a notice, including a proposed question, may be provided to the county auditor prior to receipt of a review and comment from the commissioner of education and prior to actual initiation of the election. Not less than 46 days before the election, the school district clerk must provide written notice to the county auditor of any special election canceled under section 205A.05, subdivision 3.

Sec. 53. Minnesota Statutes 2006, section 205A.07, subdivision 3a, is amended to read:

Subd. 3a. **Notice to commissioner of education.** At least 49 days prior to every school district election, under section 123B.62, 123B.63, 126C.17, 126C.69, or 475.58, the school district clerk shall provide a written notice to the commissioner of education. The notice must include the date of the election and the title and language for each ballot question to be voted on at the election. Not less than 46 days before the election, the school district clerk must provide a written notice to the commissioner of education of any special election canceled under section 205A.05, subdivision 3. The certified vote totals for each ballot question shall be provided in a written notice to the commissioner in a timely manner.

Sec. 54. Minnesota Statutes 2006, section 205A.10, subdivision 2, is amended to read:

Subd. 2. **Election, conduct.** A school district election must be by secret ballot and must be held and the returns made in the manner provided for the state general election, as far as practicable. The vote totals from an absentee ballot board established pursuant to section 203B.13 may be tabulated and reported by the school district as a whole rather than by precinct. For school district elections not held in conjunction with a statewide election, the school board shall appoint election judges as provided in section 204B.21, subdivision 2. The provisions of sections 204B.19, subdivision 5; 204B.21, subdivision 2; 204C.15; 204C.19; ~~206.64, subdivision 2;~~ 206.83; and 206.86, subdivision 2, relating to

party balance in appointment of judges and to duties to be performed by judges of different major political parties do not apply to school district elections not held in conjunction with a statewide election.

Sec. 55. Minnesota Statutes 2006, 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~~ city, and school district elections held after December 31, 2007, and in township elections held after December 31, 2009, 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. 56. Minnesota Statutes 2006, section 206.89, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section "postelection review official" means the ~~election administration official who is responsible for the conduct of elections in a precinct selected for review under this section.~~ county auditor, unless the county auditor designates the municipal clerk as the "postelection review official" within 24 hours after the canvass of the state general election.

Sec. 57. Minnesota Statutes 2006, section 206.89, subdivision 5, is amended to read:

Subd. 5. **Additional review.** (a) If the postelection review in one of the reviewed precincts reveals a difference greater than one-half of one percent, or greater than two votes in a precinct where 400 or fewer voters cast ballots, the postelection review official must, within two days, conduct an additional review of the races indicated in subdivision 3 in at least three precincts in the same jurisdiction where the discrepancy was discovered. If all precincts in that jurisdiction have been reviewed, the county auditor must immediately publicly select by lot at least three additional precincts for review. The postelection review official must complete the additional review within two days after the precincts are selected and report the results immediately to the county auditor. If the second review in any of the reviewed precincts also indicates a difference in the vote totals compiled by the voting system that is greater than one-half of one percent from the result indicated by the postelection review, or greater than two votes in a precinct where 400 or fewer voters cast ballots, the county auditor must conduct a review of the ballots from all the remaining precincts in the county for the races indicated in subdivision 3. This review must be completed no later than six weeks after the state general election.

(b) If the results from the countywide reviews from one or more counties comprising in the aggregate more than ten percent of the total number of persons voting in the election clearly indicate that an error in vote counting has occurred, the postelection review official must conduct a manual recount of all the ballots in the district for the affected office. The recount must be completed and the results reported to the appropriate canvassing board no later than ten weeks after the state general election.

Sec. 58. Minnesota Statutes 2006, section 211A.02, subdivision 2, is amended to read:

Subd. 2. **Information required.** The report to be filed by a candidate or committee must include:

(1) the name of the candidate or ballot question;

(2) the printed name ~~and~~, address, telephone number, signature, and e-mail address, if available, of the person responsible for filing the report;

(3) the total amount of receipts and expenditures for the period from the last previous report to five days before the current report is due;

(4) the amount, date, and purpose for each expenditure; and

(5) the name, address, and employer, or occupation if self-employed, of any individual or committee that during the year has made one or more contributions that in the aggregate are equal to or greater than $100, and the amount and date of each contribution.

The filing officer must restrict public access to the address of any individual who has made a contribution equal to or greater than $100 and who has filed with the filing officer a written statement signed by the individual that withholding the individual's address from the financial report is required for the safety of the individual or the individual's family.

Sec. 59. Minnesota Statutes 2006, section 211A.05, subdivision 1, is amended to read:

Subdivision 1. **Penalty.** A candidate who intentionally fails to file a report required by section 211A.02 or a certification required by this section is guilty of a misdemeanor. The treasurer of a committee formed to promote or defeat a ballot question who intentionally fails to file a report required by section 211A.02 or a certification required by this section is guilty of a misdemeanor. Each candidate or treasurer of a committee formed to promote or defeat a ballot question shall certify to the filing officer that all reports required by section 211A.02 have been submitted to the filing officer or that the candidate or committee has not received contributions or made disbursements exceeding $750 in the calendar year. The certification shall be submitted to the filing officer no later than seven days after the general or special election. The secretary of state shall prepare blanks for this certification. An officer who issues a certificate of election to a

candidate who has not certified that all reports required by section 211A.02 have been filed is guilty of a misdemeanor.

Sec. 60. Minnesota Statutes 2006, section 211B.03, is amended to read:

211B.03 USE OF THE TERM REELECT.

(a) A person or candidate may not use the term "reelect" in a campaign for elective office unless the candidate is the incumbent of that office. If the incumbent is seated in that office but was not elected to the office in a general or special election, the incumbent may not use the term "reelect."

(b) In the event of redistricting, a person or candidate may not~~, in the event of redistricting,~~ use the term "reelect" in a campaign for elective office unless the candidate is the incumbent of that office and the office represents any part of the new district.

(c) For purposes of this section, "incumbent" means the individual currently seated in the office for which the election will be held, as of the last day of filing as a candidate for election to that office.

Sec. 61. Minnesota Statutes 2006, section 211B.11, subdivision 1, is amended to read:

Subdivision 1. **Soliciting near polling places.** A person may not display campaign material, post signs, ask, solicit, or in any manner try to induce or persuade a voter within a polling place or within 100 feet of the building in which a polling place is ~~situated, or anywhere on the public property on which a polling place is situated~~ located, on primary or election day to vote for or refrain from voting for a candidate or ballot question. A person may not provide political badges, political buttons, or other political insignia to be worn at or about the polling place on the day of a primary or election. A political badge, political button, or other political insignia may not be worn at or about the polling place on primary or election day. This section applies to areas established by the county auditor or municipal clerk for absentee voting as provided in chapter 203B.

The secretary of state, county auditor, municipal clerk, or school district clerk may provide stickers which contain the words "I VOTED" and nothing more. Election judges may offer a sticker of this type to each voter who has signed the polling place roster.

Sec. 62. Minnesota Statutes 2006, section 325L.03, is amended to read:

325L.03 SCOPE.

(a) Except as otherwise provided in paragraphs (b) and (e), this chapter applies to electronic records and electronic signatures relating to a transaction.

(b) This chapter does not apply to a transaction to the extent it is governed by:

(1) the Uniform Commercial Code other than section 336.1-306, article 2, and article 2A; and

(2) section 145C.03, subdivision 1, relating to requirements for creation of a health care directive; section 507.24, relating to requirements for recording any conveyance, power of attorney, or other instrument affecting real estate; section 523.23, subdivision 3, relating to requirements for creation of a statutory short form power of attorney; and section 253B.03, subdivision 6b, relating to requirements for creation of a declaration of preferences or instructions regarding intrusive mental health treatment.

(c) This chapter applies to an electronic record or electronic signature otherwise excluded from the application of this chapter under paragraph (b) to the extent it is governed by a law other than those specified in paragraph (b).

(d) A transaction subject to this chapter is also subject to other applicable substantive law.

(e) This chapter does not apply to the creation and execution of wills, codicils, or trusts other than trusts relating to the conduct of business, commercial, or governmental purposes.

(f) Except as provided in section 204B.09, subdivision 1a, this chapter does not apply to affidavits of candidacy relating to the conduct of elections.

Sec. 63. Minnesota Statutes 2006, section 375.101, subdivision 1, is amended to read:

Subdivision 1. **Option for filling vacancies; election in 30 to 60 days.** Except as provided in subdivision 3, a vacancy in the office of county commissioner ~~shall~~ may be filled as provided in this subdivision and subdivision 2, or as provided in subdivision 4. If the vacancy is to be filled under this subdivision and subdivision 2, it must be filled at a special election not less than 30 nor more than ~~60~~ 90 days after the vacancy occurs. The special primary or special election may be held on the same day as a regular primary or regular election but the special election shall be held not less than 14 days after the special primary. The person elected at the special election shall take office immediately after receipt of the certificate of election and upon filing the bond and taking the oath of office and shall serve the remainder of the unexpired term. If the county has been reapportioned since the commencement of the term of the vacant office, the election shall be based on the district as reapportioned.

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

Sec. 64. Minnesota Statutes 2006, section 375.101, is amended by adding a subdivision to read:

Subd. 4. **Option for filling vacancies; appointment.** Except as provided in subdivision 3, and as an alternative to the procedure provided in subdivisions 1 and 2, any other vacancy in the office of county commissioner may be filled by board appointment at a regular or special meeting. The appointment shall be evidenced by a resolution entered in the minutes and shall continue until an election is held under this subdivision. All elections to fill vacancies shall be for the unexpired term. If the vacancy occurs before the first day to file affidavits of candidacy for the next county general election and more than two years remain in the unexpired term, a special election shall be held in conjunction with the county general election. The appointed person shall serve until the qualification of the successor elected to fill the unexpired part of the term at that special election. If the vacancy occurs on or after the first day to file affidavits of candidacy for the county general election, or when less than two years remain in the unexpired term, there shall be no special election to fill the vacancy and the appointed person shall serve the remainder of the unexpired term and until a successor is elected and qualifies at the county general election.

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

Sec. 65. Minnesota Statutes 2006, section 410.12, subdivision 1, is amended to read:

Subdivision 1. **Proposals.** The charter commission may propose amendments to such charter and shall do so upon the petition of voters equal in number to five percent of the total votes cast at the last previous state general election in the city. Proposed charter amendments must be submitted at least 12 weeks before the general election. Petitions may be signed no earlier than 26 weeks before the general election. Only registered voters are eligible to sign the petition. All petitions circulated with respect to a charter amendment shall be uniform in character and shall have attached thereto the text of the proposed amendment in full; except that in the case of a proposed amendment containing more than 1,000 words, a true and correct copy of the same may be filed with the city clerk, and the petition shall then contain a summary of not less than 50 nor more than 300 words setting forth in substance the nature of the proposed amendment. Such summary shall contain a statement of the objects and purposes of the amendment proposed and an outline of any proposed new scheme or frame work of government and shall be sufficient to inform the signers of the petition as to what change in government is sought to be accomplished by the amendment. The summary, together with a copy of the proposed amendment, shall first be submitted to the charter commission for its approval as to form and substance. The commission shall within ten days after such submission to it, return the same to the proposers of the amendment with such modifications in statement as it

may deem necessary in order that the summary may fairly comply with the requirements above set forth.

Sec. 66. Minnesota Statutes 2006, 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 70 days nor less than 56 days before the first Tuesday after the first Monday in 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. A candidate for a hospital district office who wants write-in votes for the candidate to be counted must file a written request with the filing officer for the office sought no later than the seventh day before the general election. The filing officer must provide copies of the form to make the request.

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. 67. **AUTOMATIC REGISTRATION.**

An applicant for a Minnesota driver's license, instruction permit, or identification card must not be automatically registered to vote under Minnesota Statutes, section 201.161, until the secretary of state has certified that the system for automatic registration of those applicants has been tested and shown to properly determine whether an applicant is eligible to vote.

Sec. 68. **REPEALER.**

(a) Minnesota Statutes 2006, sections 201.061, subdivision 7; 201.096; 203B.02, subdivision 1a; and 203B.13, subdivision 3a, are repealed.

(b) Minnesota Statutes 2006, section 203B.04, subdivision 5, is repealed effective April 1, 2008.

(c) Minnesota Statutes 2006, section 200.04, is repealed effective January 1, 2008.

ARTICLE 5
ELECTIONS CLARIFICATIONS

Section 1. Minnesota Statutes 2006, section 103C.305, subdivision 3, is amended to read:

Subd. 3. **Ballots.** Ballots shall be prepared by the county auditor. The names of candidates shall be placed on the "canary ballot" described in section 204D.11, subdivision 3. The office title printed on the ballot must be either "Soil and Water Conservation District Supervisor" or "Conservation District Supervisor," based upon the district from which the supervisor is to be elected.

Sec. 2. Minnesota Statutes 2006, section 201.054, subdivision 1, is amended to read:

Subdivision 1. **Registration.** An individual may register to vote:

(1) at any time before the 20th day preceding any election as provided in section 201.061, subdivision 1;

(2) on the day of an election as provided in section 201.061, subdivision 3; or

(3) when submitting an absentee ballot, by enclosing a completed registration ~~card~~ application as provided in section 203B.04, subdivision 4.

Sec. 3. Minnesota Statutes 2006, section 201.061, subdivision 4, is amended to read:

Subd. 4. **Registration by election judges; procedures.** Registration at the polling place on election day shall be conducted by the election judges. The election judge who registers an individual at the polling place on election day shall not handle that voter's ballots at any time prior to the opening of the ballot box after the voting ends. Registration

~~cards~~ applications and forms for oaths shall be available at each polling place. If an individual who registers on election day proves residence by oath of a registered voter, the form containing the oath shall be attached to the individual's registration ~~card~~ application. Registration ~~cards~~ applications completed on election day shall be forwarded to the county auditor who shall add the name of each voter to the registration system unless the information forwarded is substantially deficient. A county auditor who finds an election day registration substantially deficient shall give written notice to the individual whose registration is found deficient. An election day registration shall not be found deficient solely because the individual who provided proof of residence was ineligible to do so.

Sec. 4. Minnesota Statutes 2006, section 201.071, subdivision 3, is amended to read:

Subd. 3. **Deficient registration.** No voter registration application is deficient if it contains the voter's name, address, date of birth, 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 number, the last four digits of the voter's Social Security number, if the voter has been issued a Social Security number, prior registration, if any, and signature. The absence of a zip code number does not cause the registration to be deficient. Failure to check a box on an application form that a voter has certified to be true does not cause the registration to be deficient. The election judges shall request an individual to correct a voter registration application if it is deficient or illegible ~~or if the name or number of the voter's school district is missing or obviously incorrect~~. No eligible voter may be prevented from voting unless the voter's registration application is deficient or the voter is duly and successfully challenged in accordance with section 201.195 or 204C.12.

A voter registration application accepted prior to August 1, 1983, is not deficient for lack of date of birth. The county or municipality may attempt to obtain the date of birth for a voter registration application accepted prior to August 1, 1983, by a request to the voter at any time except at the polling place. Failure by the voter to comply with this request does not make the registration deficient.

A voter registration application accepted before January 1, 2004, is not deficient for lack of a valid Minnesota driver's license or state identification number or the last four digits of a Social Security number. A voter registration application submitted by a voter who does not have a Minnesota driver's license or state identification number, or a Social Security number, is not deficient for lack of any of these numbers.

Sec. 5. Minnesota Statutes 2006, section 201.071, subdivision 4, is amended to read:

Subd. 4. **Change of registration.** ~~Any~~ A county auditor who receives a registration ~~card~~ application indicating that an individual was previously registered in a different county in Minnesota shall ~~notify the county auditor of that county~~ update the voter's record electronically through the statewide registration system in the manner prescribed ~~in the rules of~~ by the secretary of state. ~~A county auditor receiving a registration card indicating that a voter was previously registered in a different precinct in the same county or receiving a notification as provided in this subdivision shall remove that individual's voter registration card from the files. Any~~ A county auditor who receives a registration ~~card~~ application or notification requiring a change of registration records under this subdivision as a result of an election day registration shall also check the statewide registration system to determine whether the individual voted in more than one precinct in the most recent election.

Sec. 6. Minnesota Statutes 2006, section 201.081, is amended to read:

201.081 REGISTRATION FILES.

The statewide registration system is the official record of registered voters. The voter registration ~~cards~~ applications and the terminal providing access to the statewide registration system must be under the control of the county auditor or the public official to whom the county auditor has delegated the responsibility for maintaining voter registration records. The voter registration ~~cards~~ applications and terminals providing access to the statewide registration system must not be removed from the control of the county auditor except as provided in this subdivision. The county auditor may make photographic copies of voter registration ~~cards~~ applications in the manner provided by section 138.17.

A properly completed voter registration ~~card~~ application that has been submitted to the secretary of state or a county auditor must be maintained by the secretary of state or the county auditor for at least 22 months after the date that the information on the ~~card~~ application is entered into the database of the statewide registration system. The secretary of state or the county auditor may dispose of the ~~cards~~ applications after retention for 22 months in the manner provided by section 138.17.

Sec. 7. Minnesota Statutes 2006, section 201.091, subdivision 1, is amended to read:

Subdivision 1. **Master list.** Each county auditor shall prepare and maintain a current list of registered voters in each precinct in the county which is known as the master list. The master list must be created by entering each completed voter registration ~~card~~ application received by the county auditor into the statewide registration system. It must show the name, residence address, and date of birth of each voter registered in

the precinct. The information contained in the master list may only be made available to public officials for purposes related to election administration, jury selection, and in response to a law enforcement inquiry concerning a violation of or failure to comply with any criminal statute or state or local tax statute.

Sec. 8. Minnesota Statutes 2006, section 201.091, subdivision 8, is amended to read:

Subd. 8. **Registration places.** Each county auditor shall designate a number of public buildings in those political subdivisions of the county where preregistration of voters is allowed as provided in section 201.061, subdivision 1, where eligible voters may register to vote. At least one public building must be designated for each 30,000 residents of the county. At least one telecommunications device for the deaf must be available for voter registration information in each county seat and in every city of the first, second, and third class.

An adequate supply of registration ~~cards~~ applications and instructions must be maintained at each designated location, and a designated individual must be available there to accept registration ~~cards~~ applications and transmit them to the county auditor.

A person who, because of disability, needs assistance in order to determine eligibility or to register must be assisted by a designated individual. Assistance includes but is not limited to reading the registration form and instructions and filling out the registration form as directed by the eligible voter.

Sec. 9. Minnesota Statutes 2006, section 201.27, subdivision 1, is amended to read:

Subdivision 1. **Intentional violation.** No officer, deputy, clerk, or other employee shall intentionally:

(1) fail to perform or enforce any of the provisions of this chapter except subdivision 2;

(2) remove a registration ~~card~~ application or record from its proper place in the registration files in a manner or for a purpose not authorized by law;

(3) destroy or make an unauthorized change to a record required to be kept by this chapter; or

(4) add a name or names to the voter registration files, records, or cards, except as authorized by law.

An individual who violates this subdivision is guilty of a felony.

Sec. 10. Minnesota Statutes 2006, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. **Application procedures.** Except as otherwise allowed by subdivision 2 or by section 203B.11, subdivision 4, 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 by the secretary of state, notwithstanding rules on absentee ballot forms, and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) the county auditor of the county where the applicant maintains residence; or

(b) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02. The application may contain a request for the voter's date of birth, which must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election. The absentee ballot applications or a list of persons applying for an absentee ballot may not be made available for public inspection until the close of voting on election day.

An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot application.

Sec. 11. Minnesota Statutes 2006, 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~~ application with the absentee ballot. The individual shall present proof of residence as required by section 201.061, subdivision 3, to the individual who witnesses the marking of the absentee ballots. A military voter, as defined in section 203B.01, may register in this manner if voting pursuant to sections 203B.04 to 203B.15, or may register pursuant to sections 203B.16 to 203B.27.

Sec. 12. Minnesota Statutes 2006, section 203B.05, subdivision 2, is amended to read:

Subd. 2. **City, school district, and town elections.** For city, town, and school district elections not held on the same day as a statewide election, ~~for school district elections not held on the same day as a statewide election, and for town elections conducted under the Australian ballot system,~~ applications for absentee ballots shall be filed with the city, school district, or town clerk and the duties prescribed by this chapter for the county auditor shall be performed by the city, school district, or town clerk unless the county auditor agrees to perform those duties on behalf of the city, school district, or town clerk. The costs incurred to provide absentee ballots and perform the duties prescribed by this subdivision shall be paid by the city, town, or school district holding the election.

Notwithstanding any other law, this chapter applies to school district elections held on the same day as a statewide election or an election for a county or municipality wholly or partially within the school district.

Sec. 13. Minnesota Statutes 2006, section 203B.07, subdivision 1, is amended to read:

Subdivision 1. **Delivery of envelopes, directions.** The county auditor or the municipal clerk shall prepare, print, and transmit a return envelope, a ballot envelope, and a copy of the directions for casting an absentee ballot to each applicant whose application for absentee ballots is accepted pursuant to section 203B.04. The directions for casting an absentee ballot shall be printed in at least 14-point bold type with heavy leading and may be printed on the ballot envelope. When a person requests the directions in Braille or on cassette tape, the county auditor or municipal clerk shall provide them in the form requested. The secretary of state shall prepare Braille and cassette copies and make them available.

When a voter registration ~~card~~ application is sent to the applicant as provided in section 203B.06, subdivision 4, the directions or registration ~~card~~ application shall include instructions for registering to vote.

Sec. 14. Minnesota Statutes 2006, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the return envelope ~~with an official seal of the office~~ and place it in a secure location with other return envelopes received by that office. The county auditor or municipal clerk shall deliver to the appropriate election judges on election day all ballots received before or with the last mail delivery by the United States Postal Service on election day. A town

clerk may request the United States Postal Service to deliver absentee ballots to the polling place on election day instead of to the official address of the town clerk.

Sec. 15. Minnesota Statutes 2006, section 203B.10, is amended to read:

203B.10 DELIVERY OF ABSENTEE BALLOT APPLICATIONS TO ELECTION JUDGES.

(a) On the day before an election:

~~(a)~~ (1) the county auditor shall deliver to the municipal clerks within that county the applications for absentee ballots theretofore received and endorsed as provided in section 203B.06, subdivision 5; and

~~(b)~~ (2) the municipal clerks shall deliver the applications received from the county auditor and the applications for absentee ballots filed with their respective offices and endorsed as provided in section 203B.06, subdivision 5, to the appropriate election judges. Applications received on election day pursuant to section 203B.04, subdivision 2, shall be promptly delivered to the election judges in the precincts or to the judges of an absentee ballot board.

(b) Delivery of the applications to the municipal clerks and election judges in the precinct is not required if the absentee ballot envelopes have been accepted or rejected by an absentee ballot board pursuant to section 203B.13.

Sec. 16. Minnesota Statutes 2006, section 204B.06, subdivision 8, is amended to read:

Subd. 8. **Proof of eligibility.** A candidate for judicial office or for the office of county attorney shall submit with the affidavit of candidacy proof that the candidate is licensed to practice law in this state. Proof means providing a copy of a current attorney license.

A candidate for county sheriff shall submit with the affidavit of candidacy proof of licensure as a peace officer in this state. Proof means providing a copy of a current Peace Officer Standards and Training Board license.

Sec. 17. Minnesota Statutes 2006, section 204B.08, subdivision 3, is amended to read:

Subd. 3. **Number of signatures.** The number of signatures required on a nominating petition shall be as follows:

(a) for a federal or state office voted on statewide ~~or for United States senator~~, one percent of the total number of individuals voting in the state at the last preceding state general election, or 2,000, whichever is less;

(b) for a congressional office, five percent of the total number of individuals voting in the district at the last preceding state general election, or 1,000, whichever is less;

(c) for a county or legislative office, ten percent of the total number of individuals voting in the county or legislative district at the last preceding state or county general election, or 500, whichever is less;

(d) for a municipal office in a city of the first class, the number specified in section 205.121; and

(e) for any other municipal or school district office, ten percent of the total number of individuals voting in the municipality, ward, school district, or other election district at the last preceding municipal, or school district if applicable, general election, or 500, whichever is less.

Sec. 18. Minnesota Statutes 2006, section 205A.10, subdivision 1, is amended to read:

Subdivision 1. **Materials, ballots.** The school district clerk shall prepare and have printed the necessary election materials, including ballots, for a school district election. The ~~name of each candidate for office shall be rotated with the names of the other candidates for the same office so that the name of each candidate appears substantially an equal number of times at the top, at the bottom, and at each intermediate place in the group of candidates for that office~~ names must be arranged on school district ballots in the manner provided in section 204D.08, subdivision 3, for state elections.

Sec. 19. Minnesota Statutes 2006, section 205A.11, subdivision 2, is amended to read:

Subd. 2. **Combined polling place.** When no other election is being held in two or more precincts on the day of a school district election, the school board may designate one or more combined polling places at which the voters in those precincts may vote in the school district election. In school districts that have organized into separate board member election districts under section 205A.12, a combined polling place for a school general election must be arranged so that it does not include more than one board member election district.

Sec. 20. Minnesota Statutes 2006, section 206.82, subdivision 2, is amended to read:

Subd. 2. **Plan.** ~~(a) Subject to paragraph (b),~~ 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.

~~(b) Systems implemented by counties and municipalities in calendar year 2006 are exempt from paragraph (a) and section 206.58, subdivision 4, if:~~

~~(1) the municipality has fewer than 10,000 residents; and~~

~~(2) a valid county plan was filed by the county auditor of the county in which the municipality is located.~~

Sec. 21. Laws 2004, chapter 293, article 1, section 37, subdivision 2, is amended to read:

Subd. 2. **Social security number.** A voter must not be included on the list of voters prepared under Minnesota Statutes, section 201.121, subdivision 1, whose registration is incomplete because of a failure to match the last four digits of the voter's Social Security number until the commissioner of public safety has:

(1) entered into an agreement with the commissioner of the Social Security Administration under Minnesota Statutes, section 201.1615, regarding the use of the last four digits of a Social Security number to verify voter registration information;

~~(2) assembled a complete and current database of the last four digits of the Social Security number of each resident of this state as maintained by the Social Security Administration; and~~

~~(3)~~ (2) certified, along with the secretary of state, that the voter registration system has been tested and shown to properly verify the last four digits of a voter's Social Security number.