

(c) For each year of the biennium ending June 30, 2007, the commissioner shall make available additional allocations for traumatic brain injury waived services covered under Minnesota Statutes, section 256B.49, at a rate of 165 per year. Priorities for the allocation of funds shall be for individuals anticipated to be discharged from institutional settings or who are at imminent risk of a placement in an institutional setting.

Presented to the governor May 31, 2005

Signed by the governor June 3, 2005, 9:00 a.m.

CHAPTER 156—H.F.No. 1481

An act relating to government operations; appropriating money for the general legislative and administrative expenses of state government; regulating state and local government operations; modifying provisions related to public employment; ratifying certain labor agreements and compensation plans; regulating elections and campaign finance; regulating Minneapolis teacher pensions; modifying provisions related to the military and veterans; authorizing rulemaking; amending Minnesota Statutes 2004, sections 10A.01, subdivisions 5, 26, 35; 10A.025, by adding a subdivision; 10A.071, subdivision 3; 10A.08; 10A.20, subdivision 5; 10A.27, subdivision 1; 10A.28, subdivision 2; 10A.31, subdivisions 4, 5; 11A.24, subdivision 6; 13.635, by adding a subdivision; 14.19; 15.054; 15.06, by adding a subdivision; 16A.103, by adding a subdivision; 16A.1286, subdivision 3; 16A.151, subdivision 2; 16A.152, subdivision 2; 16A.1522, subdivision 1; 16A.281; 16B.04, subdivision 2; 16B.33, subdivision 4; 16B.48, subdivisions 4, 5; 16C.10, subdivision 7; 16C.144; 16C.16, subdivision 1; 16C.26, subdivisions 3, 4; 16C.28, subdivision 2; 16E.01, subdivisions 1, 3; 16E.02; 16E.03, subdivisions 1, 2, 3, 7; 16E.04; 16E.0465, subdivisions 1, 2; 16E.055; 16E.07, subdivision 8; 43A.23, subdivision 1; 190.16, by adding a subdivision; 192.19; 192.261, subdivision 2; 192.501, subdivision 2; 193.29, subdivision 3; 193.30; 193.31; 197.608, subdivision 5; 200.02, subdivisions 7, 23, by adding a subdivision; 201.014, subdivision 2; 201.061, subdivision 3; 201.071, subdivision 1; 201.091, subdivisions 4, 5; 201.15; 203B.01, subdivision 3; 203B.04, subdivisions 1, 4, by adding a subdivision; 203B.07, subdivision 2; 203B.11, subdivision 1; 203B.12, subdivision 2; 203B.20; 203B.21, subdivisions 1, 3; 203B.24, subdivision 1; 204B.06, subdivisions 1, 4; 204B.10, subdivision 6; 204B.14, subdivision 2; 204B.16, subdivisions 1, 5; 204B.18, subdivision 1; 204B.24; 204B.27, subdivision 1; 204C.05, subdivision 1a; 204C.06, subdivision 2; 204C.07, subdivision 4, by adding a subdivision; 204C.08, subdivision 1a; 204C.10; 204C.12, subdivision 2; 204C.24, subdivision 1; 204C.28, subdivision 1; 204C.50, subdivisions 1, 2; 204D.03, by adding a subdivision; 204D.14, subdivision 3; 204D.27, subdivision 5; 205.175, subdivision 2; 205A.09, subdivision 1; 206.57, subdivision 5; 208.03; 208.04, subdivision 1; 208.05; 208.06; 208.07; 208.08; 211B.13, subdivision 1; 240A.03, subdivision 5, by adding a subdivision; 299C.65, subdivisions 1, 2; 349A.10, subdivision 3; 359.01, by adding a subdivision; 383B.151; 403.36, subdivision 1; 447.32, subdivision 4; 471.895, subdivision 3; 471.975; 507.093; 507.24, subdivision 2; 524.5-310; Laws 1998, chapter 404, section 15, subdivision 2, as amended; Laws 2000, chapter 461, article 4, section 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 5; 6; 8; 10; 14; 15; 16B; 16C; 16E; 43A; 168; 190; 298; 471; 507; repealing Minnesota Statutes 2004, sections 3.9222; 16A.151, subdivision 5; 16A.30; 16B.48, subdivision 3; 16B.52; 16E.0465, subdivision 3; 43A.11, subdivision 2; 197.455, subdivision 3; 204C.50,

New language is indicated by underline, deletions by ~~strikeout~~.

subdivision 7; 471.68, subdivision 3; Minnesota Rules, parts 4501.0300, subparts 1, 4; 4501.0500, subpart 4; 4501.0600; 4503.0200, subpart 4; 4503.0300, subpart 2; 4503.0400, subpart 2; 4503.0500, subpart 9; 4503.0800, subpart 1.

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 from the general fund, or another fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "2005," "2006," and "2007," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 2005, June 30, 2006, or June 30, 2007, respectively.

SUMMARY BY FUND

	2006	2007	TOTAL
General	\$ 295,666,000	\$ 301,319,000	\$ 596,985,000
Health Care Access	1,782,000	1,782,000	3,564,000
State Government Special Revenue	2,178,000	2,194,000	4,372,000
Environmental	436,000	436,000	872,000
Remediation	484,000	484,000	968,000
Special Revenue	4,395,000	5,541,000	9,936,000
Highway User Tax Distribution	2,097,000	2,097,000	4,194,000
Workers' Compensation	7,552,000	7,458,000	15,010,000
TOTAL	\$ 314,590,000	\$ 321,311,000	\$ 635,901,000

APPROPRIATIONS
Available for the Year
Ending June 30
2006 2007

Sec. 2. LEGISLATURE

Subdivision 1. Total Appropriation	\$54,272,000	\$62,042,000
------------------------------------	--------------	--------------

Summary by Fund

General	54,144,000	61,914,000
Health Care Access	128,000	128,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Senate

17,965,000	20,654,000
------------	------------

Subd. 3. House of Representatives

24,177,000	27,790,000
------------	------------

During the biennium ending June 30, 2007, any revenues received by the house of representatives from sponsorship notices in broadcast or print media are appropriated to the house of representatives.

Subd. 4. Legislative Coordinating Commission

12,130,000	13,598,000
------------	------------

Summary by Fund

General	12,002,000	13,470,000
Health Care Access	128,000	128,000

\$360,000 the first year and \$360,000 the second year are for public information television, Internet, Intranet, and other transmission of legislative activities. At least one-half must go for programming to be broadcast and transmitted to rural Minnesota.

On July 1, 2005, the commissioner of finance shall transfer \$1,764,000 of unspent fees from the special revenue fund dedicated for the Electronic Real Estate Recording Task Force to the general fund.

On July 1, 2005, the commissioner of finance shall cancel \$2,500,000 of the legislature's accumulated carryforward account balances, divided equally between the senate and house balances, to the general fund.

\$4,645,000 the first year and \$5,143,000 the second year are for the Office of the Revisor of Statutes.

\$1,016,000 the first year and \$1,154,000 the second year are for the Legislative Reference Library.

\$4,530,000 the first year and \$5,206,000 the second year are for the Office of the Legislative Auditor.

During the biennium ending June 30, 2007, the commission shall study and report to the legislature on all matters relating to the economic status of women in Minnesota, including: (1) the contributions of women to the economy; (2) economic security of homemakers and women in the labor force; (3) opportunities for education and vocational training; (4) employment opportunities; (5) women's access to benefits and services provided to citizens of this state;

and (6) laws and business practices constituting barriers to the full participation by women in the economy. The commission shall also study the adequacy of programs and services relating to families in Minnesota. The commission shall communicate its findings and make recommendations to the legislature on an ongoing basis.

During the biennium ending June 30, 2007, the Legislative Coordinating Commission must coordinate efforts of the senate, house of representatives, and the state chief information officer to provide wireless Internet service in the Capitol and the State Office Building. The commission may accept non-state funds to support the installation and support of wireless Internet access, which are appropriated to the commission for this purpose. Services provided by the chief information officer under this provision are available to the public. Any provision of wireless Internet access services under this provision must include appropriate security measures, and be coordinated with overall state telecommunications and security strategies and architectures.

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR

3,584,000

3,584,000

This appropriation is to fund the offices of the governor and lieutenant governor.

\$19,000 the first year and \$19,000 the second year are for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

By September 1 of each year, the commissioner of finance shall report to the chairs of the senate Governmental Operations Budget Division and the house State Government Finance Division any personnel costs incurred by the Office of the Governor and Lieutenant Governor that were

supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs of the divisions before initiating any interagency agreements.

Sec. 4. STATE AUDITOR	8,273,000	8,273,000
Sec. 5. ATTORNEY GENERAL	25,152,000	25,192,000

Summary by Fund

General	22,745,000	22,769,000	
State Government			
Special Revenue	1,778,000	1,794,000	
Environmental	145,000	145,000	
Remediation	484,000	484,000	
Sec. 6. SECRETARY OF STATE	5,905,000	6,077,000	

\$25,000 each year is for the use of the task force established in Minnesota Statutes, section 507.094, for the purposes in that section. \$25,000 is included in the base budget for fiscal year 2008 for this purpose.

Sec. 7. CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD	694,000	694,000
--	---------	---------

Sec. 8. INVESTMENT BOARD	2,167,000	2,167,000
--------------------------	-----------	-----------

Sec. 9. OFFICE OF ENTERPRISE TECHNOLOGY	1,803,000	1,803,000
---	-----------	-----------

Sec. 10. ADMINISTRATIVE HEARINGS	7,714,000	7,620,000
----------------------------------	-----------	-----------

Summary by Fund

General	262,000	262,000
Workers' Compensation	7,452,000	7,358,000

\$203,000 the first year and \$109,000 the second year are from the workers' compensation fund for technology improvements. The base appropriation for these improvements is \$158,000 in fiscal year 2008 and \$165,000 in fiscal year 2009.

For fiscal years 2006 and 2007, the Administrative Law Division of the Office of Administrative Hearings shall charge the fees approved by the commissioner of finance under Minnesota Statutes, section 16A.126.

Sec. 11. ADMINISTRATION

Subdivision 1. Total

Appropriation	25,558,000	20,375,000
---------------	------------	------------

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. State Facilities Services

16,070,000	10,946,000
------------	------------

\$5,124,000 the first year is for onetime funding of agency relocation expenses. The Department of Human Services will obtain federal reimbursement for associated relocation expenses. This amount, estimated to be \$1,870,000, will be deposited in the general fund.

\$7,888,000 the first year and \$7,888,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

\$2,000,000 of the balance in the state building code account in the state government special revenue fund is canceled to the general fund.

\$1,950,000 the first year and \$1,950,000 the second year of the balance in the facilities repair and replacement account in the special revenue fund is canceled to the general fund. This is a onetime cancellation.

Subd. 3. State and Community Services

2,921,000	3,012,000
-----------	-----------

\$714,000 the first year and \$805,000 the second year are for the Land Management Information Center. The base appropriation is \$258,000 in fiscal year 2008 and \$258,000 in fiscal year 2009.

\$190,000 the first year and \$190,000 the second year are for equipment grants to Minnesota Public Radio, Inc. This appropriation is contingent on Minnesota Public Radio, Inc. making public a list containing the position and salary of each employee and single individual providing personal services under a contract who is paid more than \$100,000 per year by Minnesota Public Radio, Inc. or a related organization as defined in Minnesota Statutes, section 317A.011, subdivision 18.

Any unencumbered balance remaining the first year for grants to public television or radio stations does not cancel and is available for the second year.

Sec. 12. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

269,000

270,000

During the biennium ending June 30, 2007, money received by the board from public agencies, as provided by Minnesota Statutes, section 15B.17, subdivision 1, is appropriated to the board.

Sec. 13. FINANCE

Subdivision 1. Total Appropriation

14,808,000

14,808,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

No later than June 30, 2006, and June 30, 2007, the commissioner of finance, in consultation with the commissioner of administration, must determine the savings attributable to the "Drive to Excellence" in fiscal year 2006 and fiscal year 2007, respectively. The savings are estimated to be \$1,000,000 for the biennium. The commissioner must deposit the amount determined for each year in the general fund.

Subd. 2. State Financial Management

8,447,000	8,447,000
-----------	-----------

Subd. 3. Information and Management Services

6,361,000	6,361,000
-----------	-----------

Up to \$3,000,000 of the amounts billed to state agencies under Minnesota Statutes, section 16A.1286, for the biennium ending June 30, 2005, and not needed to provide statewide system services during that time, must be carried forward from fiscal year 2005 to fiscal year 2006. On July 1, 2005, the commissioner shall transfer that amount to the general fund.

Sec. 14. EMPLOYEE RELATIONS	5,667,000	5,556,000
-----------------------------	-----------	-----------

Sec. 15. REVENUE

Subdivision 1. Total Appropriation	101,644,000	105,442,000
------------------------------------	-------------	-------------

Summary by Fund

General	97,602,000	101,400,000
Health Care Access	1,654,000	1,654,000
Highway User Tax Distribution	2,097,000	2,097,000
Environmental	291,000	291,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Tax System Management

84,712,000	87,351,000
------------	------------

Summary by Fund

General	80,670,000	83,309,000
Health Care Access	1,654,000	1,654,000
Highway User Tax Distribution	2,097,000	2,097,000
Environmental	291,000	291,000

\$6,311,000 the first year and \$7,950,000 the second year are for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund

revenues of \$49,400,000 for the biennium ending June 30, 2007.

The department must report to the chairs of the house of representatives Ways and Means and senate Finance Committees by March 1, 2006, and January 15, 2007, on the following performance indicators:

(1) the number of corporations noncompliant with the corporate tax system each year and the percentage and dollar amounts of valid tax liabilities collected;

(2) the number of businesses noncompliant with the sales and use tax system and the percentage and dollar amount of the valid tax liabilities collected; and

(3) the number of individual noncompliant cases resolved and the percentage and dollar amounts of valid tax liabilities collected.

The reports must also identify base-level expenditures and staff positions related to compliance and audit activities, including baseline information as of January 1, 2004. The information must be provided at the budget activity level.

\$30,000 the first year and \$30,000 the second year are for preparation of the income tax sample.

Subd. 3. Accounts Receivable Management

16,932,000 18,091,000

\$1,208,000 the first year and \$2,367,000 the second year are for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general revenues of \$41,300,000 for the biennium ending June 30, 2007.

The commissioner, in consultation with other state agencies and local units of government, shall develop recommendations for: (1) consolidating and coordinating the collection of debt owed to governmental units; (2) eliminating the fragmentation of contacts from government agencies with debtors owing such debts; (3) reducing the cost of collecting debt owed to governmental units; and (4) the collection of substantially larger portions of the debt owed to all government units.

The commissioner shall report the recommendations to the governor and the chairs of the legislative committees with jurisdiction over the department by February 15, 2006.

Sec. 16. MILITARY AFFAIRS

Subdivision 1. Total Appropriation		17,922,000	18,439,000
	Summary by Fund		
General	17,584,000	17,584,000	
Special Revenue	338,000	855,000	

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Maintenance of Training Facilities

5,590,000	5,590,000
-----------	-----------

Subd. 3. General Support

1,787,000	1,787,000
-----------	-----------

\$30,000 the first year and \$30,000 the second year are for the operation and staffing of the Minnesota National Guard Youth Camp at Camp Ripley. This is a onetime appropriation and must be matched by nonstate sources.

Subd. 4. Enlistment Incentives

10,207,000	10,207,000
------------	------------

\$3,850,000 each year is to provide the additional amount needed for full funding of the tuition reimbursement program in Minnesota Statutes, section 192.501, subdivision 2.

\$1,500,000 each year is for reenlistment bonuses under Minnesota Statutes, section 192.501, subdivision 1b.

\$338,000 the first year and \$855,000 the second year are from the account established in new Minnesota Statutes, section 190.19, for grants under that section.

If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended.

Sec. 17. VETERANS AFFAIRS		4,706,000	4,970,000
	Summary by Fund		
General	4,369,000	4,115,000	
Special Revenue	337,000	855,000	

\$357,000 the first year and \$103,000 the second year are from the general fund, and \$337,000 the first year and \$855,000 the second year are from the account established in Minnesota Statutes, section 190.19, for: (1) veterans' services provided by Veterans of Foreign Wars, the Military Order of the Purple Heart, Disabled American Veterans, and the Vietnam Veterans of America; (2) grants for veterans' services to the Vinland Center and the Minnesota Assistance Council for Veterans; and (3) an outreach and assistance initiative for underserved veterans. The general fund portion of this appropriation must first be used for the base budget funding for the organizations listed in clause (1).

Any balance in the first year does not cancel but is available in the second year.

In each fiscal year, the commissioner of finance must distribute the amounts received in the account established in Minnesota Statutes, section 190.19, so that the appropriations from the account are divided equally between this section and section 16, subdivision 4.

Sec. 18. GAMBLING CONTROL	2,800,000	2,800,000
---------------------------	-----------	-----------

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

Sec. 19. RACING COMMISSION	674,000	835,000
----------------------------	---------	---------

(a) These appropriations are from the racing and card playing regulation account in the special revenue fund.

(b) \$253,000 for the fiscal year ending June 30, 2006, and \$414,000 for the fiscal year ending June 30, 2007, are from the racing and card playing regulation account in the special revenue fund. If the commission does not spend all of the revenue from the interim license fee authorized by Laws 2003, First Special Session chapter 1, article 2, section 69, in fiscal year 2005 or fiscal year 2006, the commission must reduce the amount of fees charged to the feepayers in fiscal year 2007 by the amount unspent. The Racing Commission must file monthly expenditure reports with the commissioner of finance for money spent from the appropriation in this paragraph.

(c) The racing commission may not hire new employees or enter into new contracts with money subject to paragraph (b) before resolution of the petition for judicial review filed by the Columbus Concerned Citizens Group.

Sec. 20. STATE LOTTERY

Notwithstanding Minnesota Statutes, section 349A.10, the operating budget must not exceed \$26,700,000 in fiscal year 2006 and \$27,350,000 in fiscal year 2007.

On July 1, 2005, the director of the State Lottery shall transfer unclaimed prize funds accumulated before July 1, 2003, in the amount of \$2,187,000, to the general fund.

Sec. 21. TORT CLAIMS	161,000	161,000
----------------------	---------	---------

To be spent by the commissioner of finance.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 22. MINNESOTA STATE RETIREMENT SYSTEM	1,176,000	1,205,000
---	-----------	-----------

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

(a) Legislators

783,000	802,000
---------	---------

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

(b) Constitutional Officers

393,000	403,000
---------	---------

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

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

Sec. 23. MINNEAPOLIS EMPLOYEES RETIREMENT FUND	8,065,000	8,065,000
---	-----------	-----------

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

Sec. 24. MINNEAPOLIS TEACHERS RETIREMENT FUND	15,800,000	15,800,000
---	------------	------------

The amounts estimated to be needed are as follows:

(a) Special direct state aid to first class city teachers retirement funds

13,300,000	13,300,000
------------	------------

Authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

(b) Special direct state matching aid to Minneapolis Teachers Retirement Fund

2,500,000	2,500,000
-----------	-----------

Authorized under Minnesota Statutes, section 354A.12, subdivision 3b.

Sec. 25. ST. PAUL TEACHERS RETIREMENT FUND	2,967,000	2,967,000
--	-----------	-----------

The amounts estimated to be needed for special direct state aid to first class city teachers retirement funds authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 26. AMATEUR SPORTS COMMISSION	300,000	206,000
------------------------------------	---------	---------

Sec. 27. COUNCIL ON BLACK MINNESOTANS	278,000	278,000
---------------------------------------	---------	---------

Sec. 28. COUNCIL ON CHICANO/LATINO AFFAIRS	271,000	271,000
--	---------	---------

Sec. 29. COUNCIL ON ASIAN-PACIFIC MINNESOTANS	239,000	240,000
---	---------	---------

Sec. 30. INDIAN AFFAIRS COUNCIL	475,000	475,000
---------------------------------	---------	---------

Sec. 31. GENERAL CONTINGENT ACCOUNTS	1,000,000	500,000
--------------------------------------	-----------	---------

Summary by Fund

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

The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

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

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

Sec. 32. RACING COMMISSION APPROPRIATION

\$156,000 in fiscal year 2005 is appropriated to the Minnesota Racing Commission from the special revenue fund. \$113,000 of this amount is from the interim license fee authorized by Laws 2003, First Special Session chapter 1, article 2, section 69, to defray the regulatory oversight and legal costs associated with the class A license approved by the commission on January 19, 2005. Any unexpended portion of this appropriation remains available in fiscal year 2006.

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

Sec. 33. DEPARTMENT OF PUBLIC SAFETY

246,000 196,000

These appropriations are for the costs of issuing the "Support Our Troops" license plates. These appropriations are from the vehicle services operating account in the special revenue fund.

New language is indicated by underline, deletions by ~~strikeout~~.

ARTICLE 2

STATE GOVERNMENT OPERATIONS

Section 1. [5.31] STATEWIDE VOTER REGISTRATION SYSTEM.

The secretary of state may sell intellectual property rights associated with the statewide voter registration system to other states or to units of local government in other states. Receipts from the sale must be deposited in the state treasury and credited to the Help America Vote Act account.

Sec. 2. [6.755] REPORTS TO THE LEGISLATURE.

Section 3.195 applies to the state auditor. For purposes of determining whether members or employees of the legislature wish to receive reports or publications prepared by the state auditor, the state auditor may send a brief listing of reports to each member. The state auditor must deliver reports or publications to the legislature electronically whenever it is cost effective.

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

Sec. 3. [6.79] STATE MANDATES.

A county, town, school district, or statutory or home rule charter city may file a written resolution with the state auditor objecting to a state mandate or making recommendations for reforming a state mandate. The state auditor must list on the state auditor's Web site a list of all state mandates cited in a resolution under this section, and the name of the unit of local government citing the mandate.

Sec. 4. [6.80] RULE AND LAW WAIVER REQUESTS.

Subdivision 1. GENERALLY. (a) Except as provided in paragraph (b), a local government unit may request the state auditor to grant a waiver from one or more administrative rules or a temporary, limited exemption from enforcement of state procedural laws governing delivery of services by the local government unit. Two or more local government units may submit a joint application for a waiver or exemption under this section if they propose to cooperate in providing a service or program that is subject to the rule or law. Before submitting an application to the state auditor, the governing body of the local government unit must approve, in concept, the proposed waiver or exemption at a meeting required to be public under chapter 13D. A local government unit or two or more units acting jointly may apply for a waiver or exemption on behalf of a nonprofit organization providing services to clients whose costs are paid by the unit or units. A waiver or exemption granted to a nonprofit organization under this section applies to services provided to all the organization's clients.

(b) A school district that is granted a variance from rules of the commissioner of education under section 122A.163, need not apply for a waiver of those rules under this section. A school district may not seek a waiver of rules under this section if the commissioner of education has authority to grant a variance to the rules under section

New language is indicated by underline, deletions by ~~strikeout~~.

122A.163. This paragraph does not preclude a school district from being included in a cooperative effort with another local government unit under this section.

(c) Before petitioning the state auditor's office for an exemption from an administrative rule, the petitioner must have requested and been denied such an exemption from the appropriate agency pursuant to sections 14.055 and 14.056.

Subd. 2. APPLICATION. A local government unit requesting a waiver of a rule or exemption from enforcement of a law under this section shall present a written application to the state auditor. The application must include:

(1) the name and address of the entity for whom a waiver of a rule or exemption from enforcement of a law is being requested;

(2) identification of the service or program at issue;

(3) identification of the administrative rule or the law imposing a procedural requirement with respect to which the waiver or exemption is sought;

(4) a description of the improved service outcome sought, including an explanation of the effect of the waiver or exemption in accomplishing that outcome, and why that outcome cannot be accomplished under established rules or laws;

(5) information on the state auditor's office treatment on similar cases;

(6) the name, address, and telephone number of any person, business, or other government unit the petitioner knows would be adversely affected by the grant of the petition; and

(7) a signed statement as to the accuracy of the facts presented.

A copy of the application must be provided by the requesting local government unit to the exclusive representative certified under section 179A.12 to represent employees who provide the service or program affected by the requested waiver or exemption.

Subd. 3. REVIEW PROCESS. (a) Upon receipt of an application from a local government unit, the state auditor shall review the application. The state auditor shall dismiss an application if the application proposes a waiver of rules or exemption from enforcement of laws that would result in due process violations, violations of federal law or the state or federal constitution, or the loss of services to people who are entitled to them.

(b) The state auditor shall determine whether a law from which an exemption for enforcement is sought is a procedural law, specifying how a local government unit is to achieve an outcome, rather than a substantive law prescribing the outcome or otherwise establishing policy. For the purposes of this section, "procedural law" does not include a statutory notice requirement. In making the determination, the state auditor shall consider whether the law specifies such requirements as:

(1) who must deliver a service;

(2) where the service must be delivered;

New language is indicated by underline, deletions by strikeout.

(3) to whom and in what form reports regarding the service must be made; and

(4) how long or how often the service must be made available to a given recipient.

(c) If the application requests a waiver of a rule or temporary, limited exemptions from enforcement of a procedural law over which the Metropolitan Council or a metropolitan agency has jurisdiction, the state auditor shall also transmit a copy of the application to the council or applicable metropolitan agency, whichever has jurisdiction, for review and comment. The council or agency shall report its comments to the board within 60 days of the date the application was transmitted to the council or agency. The council or agency may point out any resources or technical assistance it may be able to provide a local government unit submitting a request under this section.

(d) Within 15 days after receipt of the application, the state auditor shall transmit a copy of it to the commissioner of each agency having jurisdiction over a rule or law from which a waiver or exemption is sought. The agency may mail a notice that it has received an application for a waiver or exemption to all persons who have registered with the agency under section 14.14, subdivision 1a, identifying the rule or law from which a waiver or exemption is requested. If no agency has jurisdiction over the rule or law, the state auditor shall transmit a copy of the application to the attorney general. The agency shall inform the state auditor of its agreement with or objection to and grounds for objection to the waiver or exemption request within 60 days of the date when the application was transmitted to it. An agency's failure to do so is considered agreement to the waiver or exemption. The state auditor shall decide whether to grant a waiver or exemption at the end of the 60-day response period. Interested persons may submit written comments to the state auditor on the waiver or exemption request up to the end of the 60-day response period.

(e) If the exclusive representative of the affected employees of the requesting local government unit objects to the waiver or exemption request it may inform the state auditor of the objection to and the grounds for the objection to the waiver or exemption request within 60 days of the receipt of the application.

Subd. 4. HEARING. If a state agency under subdivision 3, paragraph (d), or the exclusive representative of the affected employees under subdivision 3, paragraph (e), has objected to a waiver or exemption request, the state auditor's office shall set a date for a hearing on the applications. The hearing must be conducted informally at a time and place determined by all parties. Persons representing the local government unit shall present their case for the waiver or exemption, and persons representing the agency or the exclusive representative of the affected employees shall explain their objection to it. The state auditor may request additional information from the local government unit or either objecting party. The state auditor may also request, either before or at the hearing, information or comments from representatives of business, labor, local governments, state agencies, consultants, and members of the public. If necessary, the hearing may be continued for a later date. The state auditor may modify the terms of the waiver or exemption request in arriving at the agreement required under subdivision 5.

Subd. 5. CONDITIONS OF AGREEMENTS. (a) In determining whether to grant a petition for a waiver of a rule or exemption from enforcement of a law, the state

New language is indicated by underline, deletions by strikeout:

auditor should consider the following factors:

(1) whether there is a true and unique impediment under current law to accomplishing the goal of the local government unit;

(2) granting the waiver of a rule or exemption from enforcement of law will only change procedural requirements of a local government unit;

(3) the purpose of any rule or law that is waived is still being met in another manner;

(4) granting the proposed waiver of a rule or exemption from enforcement of a law would result in a more efficient means of providing government services; and

(5) granting the proposed waiver will not have a significant negative impact on other state government, local government units, businesses, or citizens.

(b) If the state auditor grants a request for a waiver or exemption, the state auditor and the local government unit shall enter into an agreement providing for the delivery of the service or program that is the subject of the application. The agreement must specify desired outcomes, the reasons why the desired outcomes cannot be met under current laws or rules, and the means of measurement by which the state auditor will determine whether the outcomes specified in the agreement have been met. The agreement must specify the duration of the waiver or exemption. The duration of a waiver from an administrative rule may be for no less than two years and no more than four years, subject to renewal if both parties agree. An exemption from enforcement of a law terminates ten days after adjournment of the regular legislative session held during the calendar year following the year when the exemption is granted, unless the legislature has acted to extend or make permanent the exemption.

(c) The state auditor must report any grants of waivers or exemptions to the legislature, including the chairs of the governmental operations and appropriate policy committees in the house and senate, and the governor within 30 days.

(d) The state auditor may reconsider or renegotiate the agreement if the rule or law affected by the waiver or exemption is amended or repealed during the term of the original agreement. A waiver of a rule under this section has the effect of a variance granted by an agency under section 14.055. A local unit of government that is granted an exemption from enforcement of a procedural requirement in state law under this section is exempt from that law for the duration of the exemption. The state auditor may require periodic reports from the local government unit, or conduct investigations of the service or program.

Subd. 6. ENFORCEMENT. If the state auditor finds that the local government unit is failing to comply with the terms of the agreement under subdivision 5, the state auditor may rescind the agreement. Upon the rescission, the local unit of government becomes subject to the rules and laws covered by the agreement.

Subd. 7. ACCESS TO DATA. If a local government unit, through a cooperative program under this section, gains access to data collected, created, received, or maintained by another local government that is classified as not public, the unit gaining

New language is indicated by underline, deletions by ~~strikeout~~.

access is governed by the same restrictions on access to and use of the data as the unit that collected, created, received, or maintained the data.

Sec. 5. [8.065] PRIVATE ATTORNEY CONTRACTS.

The attorney general may not enter into a contract for legal services in which the fees and expenses paid by the state exceed, or can reasonably be expected to exceed, \$1,000,000 unless the attorney general first submits the proposed contract to the Legislative Advisory Commission, and waits at least 20 days to receive a possible recommendation from the commission.

Sec. 6. [10.60] PUBLIC WEB SITES AND PUBLICATIONS.

Subdivision 1. DEFINITIONS. For purposes of this section:

(1) "political subdivision" means a county, statutory or home rule charter city, town, school district, or other municipal corporation, and the Metropolitan Council and a metropolitan or regional agency;

(2) "publication" means a document printed with public money by an elected or appointed official of a state agency or political subdivision that is intended to be distributed publicly outside of the state agency or political subdivision;

(3) "state agency" means an entity in the executive, judicial, or legislative branch of state government; and

(4) "Web site" means a site maintained on the World Wide Web that is available for unrestricted public access and that is maintained with public money by an elected or appointed official of a state agency or political subdivision.

Subd. 2. PURPOSE OF WEB SITE AND PUBLICATIONS. The purpose of a Web site and a publication must be to provide information about the duties and jurisdiction of a state agency or political subdivision or to facilitate access to public services and information related to the responsibilities or functions of the state agency or political subdivision.

Subd. 3. PROHIBITIONS. (a) A Web site or publication must not include pictures or other materials that tend to attribute the Web site or publication to an individual or group of individuals instead of to a public office, state agency, or political subdivision. A publication must not include the words "with the compliments of" or contain letters of personal greeting that promote an elected or appointed official of a state agency or political subdivision.

(b) A Web site may not contain a link to a Weblog or site maintained by a candidate, a political committee, a political party or party unit, a principal campaign committee, or a state committee. Terms used in this paragraph have the meanings given them in chapter 10A, except that "candidate" also includes a candidate for an elected office of a political subdivision.

Subd. 4. PERMITTED MATERIAL. (a) Material specified in this subdivision may be included on a Web site or in a publication, but only if the material complies with subdivision 2. This subdivision is not a comprehensive list of material that may

New language is indicated by underline, deletions by strikeout.

be contained on a Web site or in a publication, if the material complies with subdivision 2.

(b) A Web site or publication may include biographical information about an elected or appointed official, a single official photograph of the official, and photographs of the official performing functions related to the office. There is no limitation on photographs, Webcasts, archives of Webcasts, and audio or video files that facilitate access to information or services or inform the public about the duties and obligations of the office or that are intended to promote trade or tourism. A state Web site or publication may include photographs or information involving civic or charitable work done by the governor's spouse, provided that these activities relate to the functions of the governor's office.

(c) A Web site or publication may include press releases, proposals, policy positions, and other information directly related to the legal functions, duties, and jurisdiction of a public official or organization.

Subd. 5. OTHER STANDARDS. This section does not prohibit a state agency or political subdivision from adopting more restrictive standards for the content of a Web site or publication maintained by the agency or political subdivision.

Subd. 6. ENFORCEMENT. Violation of this section is not a crime and is not subject to civil penalty.

EFFECTIVE DATE. This section is effective for state agencies July 1, 2005. This section is effective for political subdivisions July 1, 2006.

Sec. 7. Minnesota Statutes 2004, section 11A.24, subdivision 6, is amended to read:

Subd. 6. **OTHER INVESTMENTS.** (a) In addition to the investments authorized in subdivisions 1 to 5, and subject to the provisions in paragraph (b), the state board may invest funds in:

(1) venture capital investment businesses through participation in limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations;

(2) real estate ownership interests or loans secured by mortgages or deeds of trust or shares of real estate investment trusts through investment in limited partnerships, bank sponsored collective funds, trusts, mortgage participation agreements, and insurance company commingled accounts, including separate accounts;

(3) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940, and closed-end mutual funds listed on an exchange regulated by a governmental agency;

(4) resource investments through limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations; and

New language is indicated by underline, deletions by ~~strikeout~~.

(5) international securities.

(b) The investments authorized in paragraph (a) must conform to the following provisions:

(1) the aggregate value of all investments made according to paragraph (a), clauses (1) to (4), may not exceed 35 percent of the market value of the fund for which the state board is investing;

(2) there must be at least four unrelated owners of the investment other than the state board for investments made under paragraph (a), clause (1), (2), (3), or (4);

(3) state board participation in an investment vehicle is limited to 20 percent thereof for investments made under paragraph (a), clause (1), (2), (3), or (4); and

(4) state board participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The state board may not engage in any activity as a limited partner which creates general liability.

(c) All financial, business, or proprietary data collected, created, received, or maintained by the state board in connection with investments authorized by paragraph (a), clause (1), (2), or (4), are nonpublic data under section 13.02, subdivision 9. As used in this paragraph, "financial, business, or proprietary data" means data, as determined by the responsible authority for the state board, that is of a financial, business, or proprietary nature, the release of which could cause competitive harm to the state board, the legal entity in which the state board has invested or has considered an investment, the managing entity of an investment, or a portfolio company in which the legal entity holds an interest. As used in this section, "business data" is data described in section 13.591, subdivision 1. Regardless of whether they could be considered financial, business, or proprietary data, the following data received, prepared, used, or retained by the state board in connection with investments authorized by paragraph (a), clause (1), (2), or (4), are public at all times:

(1) the name and industry group classification of the legal entity in which the state board has invested or in which the state board has considered an investment;

(2) the state board commitment amount, if any;

(3) the funded amount of the state board's commitment to date, if any;

(4) the market value of the investment by the state board;

(5) the state board's internal rate of return for the investment, including expenditures and receipts used in the calculation of the investment's internal rate of return; and

(6) the age of the investment in years.

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

Sec. 8. Minnesota Statutes 2004, section 13.635, is amended by adding a subdivision to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 1a. STATE BOARD OF INVESTMENT. Certain government data of the State Board of Investment related to investments are classified under section 11A.24, subdivision 6.

Sec. 9. [14.127] LEGISLATIVE APPROVAL REQUIRED.

Subdivision 1. COST THRESHOLDS. An agency must determine if the cost of complying with a proposed rule in the first year after the rule takes effect will exceed \$25,000 for: (1) any one business that has less than 50 full-time employees; or (2) any one statutory or home rule charter city that has less than ten full-time employees. For purposes of this section, "business" means a business entity organized for profit or as a nonprofit, and includes an individual, partnership, corporation, joint venture, association, or cooperative.

Subd. 2. AGENCY DETERMINATION. An agency must make the determination required by subdivision 1 before the close of the hearing record, or before the agency submits the record to the administrative law judge if there is no hearing. The administrative law judge must review and approve or disapprove the agency determination under this section.

Subd. 3. LEGISLATIVE APPROVAL REQUIRED. If the agency determines that the cost exceeds the threshold in subdivision 1, or if the administrative law judge disapproves the agency's determination that the cost does not exceed the threshold in subdivision 1, any business that has less than 50 full-time employees or any statutory or home rule charter city that has less than ten full-time employees may file a written statement with the agency claiming a temporary exemption from the rules. Upon filing of such a statement with the agency, the rules do not apply to that business or that city until the rules are approved by a law enacted after the agency determination or administrative law judge disapproval.

Subd. 4. EXCEPTIONS. (a) Subdivision 3 does not apply if the administrative law judge approves an agency's determination that the legislature has appropriated money to sufficiently fund the expected cost of the rule upon the business or city proposed to be regulated by the rule.

(b) Subdivision 3 does not apply if the administrative law judge approves an agency's determination that the rule has been proposed pursuant to a specific federal statutory or regulatory mandate.

(c) This section does not apply if the rule is adopted under section 14.388 or under another law specifying that the rulemaking procedures of this chapter do not apply.

(d) This section does not apply to a rule adopted by the Public Utilities Commission.

(e) Subdivision 3 does not apply if the governor waives application of subdivision 3. The governor may issue a waiver at any time, either before or after the rule would take effect, but for the requirement of legislative approval. As soon as possible after issuing a waiver under this paragraph, the governor must send notice of the waiver to the speaker of the house of representatives and the president of the senate and must publish notice of this determination in the State Register.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 5. SEVERABILITY. If an administrative law judge determines that part of a proposed rule exceeds the threshold specified in subdivision 1, but that a severable portion of a proposed rule does not exceed the threshold in subdivision 1, the administrative law judge may provide that the severable portion of the rule that does not exceed the threshold may take effect without legislative approval.

EFFECTIVE DATE. This section is effective July 1, 2005. This section applies to any rule for which the hearing record has not closed before July 1, 2005, or, if there is no public hearing, for which the agency has not submitted the record to the administrative law judge before that date.

Sec. 10. Minnesota Statutes 2004, section 14.19, is amended to read:

14.19 DEADLINE TO COMPLETE RULEMAKING.

Within 180 days after issuance of the administrative law judge's report or that of the chief administrative law judge, the agency shall submit its notice of adoption, amendment, or repeal to the State Register for publication. If the agency has not submitted its notice to the State Register within 180 days, the rule is automatically withdrawn. The agency may not adopt the withdrawn rules without again following the procedures of sections 14.05 to 14.28, with the exception of section 14.101, if the noncompliance is approved by the chief administrative law judge. The agency shall report to the Legislative Coordinating Commission, other appropriate committees of the legislature, and the governor its failure to adopt rules and the reasons for that failure. The 180-day time limit of this section does not include:

(1) any days used for review by the chief administrative law judge or the commission if the review is required by law; or

(2) days during which the rule cannot be adopted, because of votes by legislative committees under section 14.126; or

(3) days during which the rule cannot be adopted because approval of the legislature is required under section 14.127.

Sec. 11. Minnesota Statutes 2004, section 15.054, is amended to read:

15.054 PUBLIC EMPLOYEES NOT TO PURCHASE MERCHANDISE FROM GOVERNMENTAL AGENCIES; EXCEPTIONS; PENALTY.

No officer or employee of the state or any of its political subdivisions shall sell or procure for sale or possess or control for sale to any other officer or employee of the state or subdivision, as appropriate, any property or materials owned by the state or subdivision except pursuant to conditions provided in this section. Property or materials owned by the state or a subdivision and not needed for public purposes, may be sold to an employee of the state or subdivision after reasonable public notice at a public auction or by sealed response, if the employee is not directly involved in the auction or process pertaining to the administration and collection of sealed responses. Requirements for reasonable public notice may be prescribed by other law or

New language is indicated by underline, deletions by ~~strikeout~~.

ordinance so long as at least one week's published notice is specified. An employee of the state or a political subdivision may purchase no more than one motor vehicle from the state ~~in any 12-month period at any one auction.~~ A person violating the provisions of this section is guilty of a misdemeanor. This section shall not apply to the sale of property or materials acquired or produced by the state or subdivision for sale to the general public in the ordinary course of business. Nothing in this section shall prohibit an employee of the state or a political subdivision from selling or possessing for sale public property if the sale or possession for sale is in the ordinary course of business or normal course of the employee's duties.

Sec. 12. [15.60] PUBLIC SAFETY OFFICERS; AMERICAN FLAG.

(a) A public employer may not forbid a peace officer or firefighter from wearing a patch or pin depicting the flag of the United States of America on the employee's uniform, according to customary and standard flag etiquette. However, a public employer may limit the size of a flag patch worn on a uniform to no more than three inches by five inches.

(b) For purposes of this section:

(1) "peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c) or (f);

(2) "firefighter" means a person as defined in section 299A.41, subdivision 4, clause (3) or (4); and

(3) "public employer" has the meaning given in section 179A.03, subdivision 15, and also includes a municipal fire department and an independent nonprofit firefighting corporation.

(c) A peace officer or firefighter who believes a public employer is violating this section may request the attorney general to issue an opinion on the issue. Upon request, the attorney general must issue a written opinion, which is binding, unless a court makes a contrary decision. If after issuing an opinion, the attorney general determines that a public employer continues to violate this section, the attorney general may bring an action in district court to compel compliance.

Sec. 13. Minnesota Statutes 2004, section 16A.103, is amended by adding a subdivision to read:

Subd. 4. REPORT ON EXPENDITURE INCREASES. By January 10 of an odd-numbered year, the commissioner of finance must report on those programs or components of programs for which expenditures for the next biennium according to the forecast issued the previous November are projected to increase more than 15 percent over the expenditures for that program in the current biennium. The report must include an analysis of the factors that are causing the increases in expenditures.

Sec. 14. Minnesota Statutes 2004, section 16A.1286, subdivision 3, is amended to read:

Subd. 3. **APPROPRIATION.** Money transferred into the account is appropriated to the commissioner to pay for statewide systems services ~~during the biennium in which it is appropriated.~~

New language is indicated by underline, deletions by strikeout.

Sec. 15. Minnesota Statutes 2004, section 16A.151, subdivision 2, is amended to read:

Subd. 2. **EXCEPTIONS.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3) or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Subdivision 1 does not apply to a recovery or settlement of less than \$750,000.

Sec. 16. Minnesota Statutes 2004, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **ADDITIONAL REVENUES; PRIORITY.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve; and

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, paragraph (c), and Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session

New language is indicated by underline, deletions by ~~strikeout~~.

chapter 23, section 20, by the same amount.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) To the extent that a positive unrestricted budgetary general fund balance is projected, appropriations under this section must be made before any transfer is made under section 16A.1522 takes effect.

(d) The commissioner of finance shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 17. Minnesota Statutes 2004, section 16A.1522, subdivision 1, is amended to read:

Subdivision 1. **FORECAST.** If, on the basis of a forecast of general fund revenues and expenditures in November of an even-numbered year or February of an odd-numbered year, the commissioner projects a positive unrestricted budgetary general fund balance at the close of the biennium that exceeds one-half of one percent of total general fund biennial revenues, the commissioner shall designate the entire balance as available for rebate to the taxpayers of this state. ~~In forecasting, projecting, or designating the unrestricted budgetary general fund balance or general fund biennial revenue under this section, the commissioner shall not include any balance or revenue attributable to settlement payments received after July 1, 1998, and before July 1, 2001, as defined in Section 11B of the settlement document, filed May 18, 1998, in State v. Philip Morris, Inc., No. C1-94-8565 (Minnesota District Court, Second Judicial District).~~

Sec. 18. Minnesota Statutes 2004, section 16A.281, is amended to read:

16A.281 APPROPRIATIONS TO LEGISLATURE.

Except as provided in this section, section 16A.28 applies to appropriations made to the legislature, the senate, the house of representatives, or its committees or commissions. An appropriation made to the legislature, the senate, the house of representatives, or a legislative commission or committee other than a standing committee, if not spent during the first year, may be spent during the second year of a biennium. An unexpended balance not carried forward and remaining unexpended and unencumbered at the end of a biennium lapses and shall be returned to the fund from which appropriated. Balances may be carried forward into the next biennium and credited to special accounts to be used only as follows: (1) for nonrecurring expenditures on investments that enhance efficiency or improve effectiveness; (2) to pay expenses associated with special sessions, interim activities, public hearings, or other public outreach efforts and related activities; and (3) to pay severance costs of involuntary terminations. The approval of the commissioner of finance under section

New language is indicated by underline, deletions by ~~strikeout~~.

16A.28, subdivision 2, does not apply to the legislature. An appropriation made to the legislature, the senate, the house of representatives, or a standing committee for all or part of a biennium may be spent in either year of the biennium.

Sec. 19. [16B.296] TRANSFER OF REAL PROPERTY.

Notwithstanding any law to the contrary, real property purchased in whole or in part with state funds may not be transferred for less than the appraised value, or if the property has not been appraised, for less than the fair market value as determined by the commissioner of administration. This section does not apply to a department listed in section 15.01, the Minnesota State Colleges and Universities, the University of Minnesota, or a political subdivision of the state.

Sec. 20. Minnesota Statutes 2004, section 16B.33, subdivision 4, is amended to read:

Subd. 4. **DESIGNER SELECTION PROCESS.** (a) **PUBLICITY.** Upon receipt of a request from a user agency for a primary designer, the board shall publicize the proposed project in order to determine the identity of designers interested in the design work on the project. The board shall establish criteria for the selection process and make this information public, and shall compile data on and conduct interviews of designers. The board's selection criteria must include consideration of each interested designer's performance on previous projects for the state or any other person. Upon completing the process, the board shall select the primary designer and shall state its reasons in writing. If the board's vote for the selection of a primary designer results in a tie vote, the nonvoting member appointed under subdivision 2, paragraph (b), must vote for the selection of the primary designer. Notification to the commissioner of the selection shall be made not more than 60 days after receipt from a user agency of a request for a primary designer. The commissioner shall promptly notify the designer and the user agency. The commissioner shall negotiate the designer's fee and prepare the contract to be entered into between the designer and the user agency.

(b) **CONFLICT OF INTEREST.** A board member may not participate in the review, discussion, or selection of a designer or firm in which the member has a financial interest.

(c) **SELECTION BY COMMISSIONER.** In the event the board receives a request for a primary designer on a project, the estimated cost of which is less than the limit established by subdivision 3, or a planning project with estimated fees of less than the limit established by subdivision 3, the board may submit the request to the commissioner of administration, with or without recommendations, and the commissioner shall thereupon select the primary designer for the project.

(d) **SECOND SELECTION.** If the designer selected for a project declines the appointment or is unable to reach agreement with the commissioner on the fee or the terms of the contract, the commissioner shall, within 60 days after the first appointment, request the board to make another selection.

(e) **SIXTY DAYS TO SELECT.** If the board fails to make a selection and forward its recommendation to the commissioner within 60 days of the user agency's

New language is indicated by underline, deletions by ~~strikeout~~.

request for a designer, the commissioner may appoint a designer to the project without the recommendation of the board.

(f) **LESS THAN SATISFACTORY PERFORMANCE.** The commissioner, or the University of Minnesota and the Minnesota State Colleges and Universities for projects under their supervision, shall forward to the board a written report describing each instance in which the performance of a designer selected by the board or the commissioner has been less than satisfactory. Criteria for determining satisfaction include the ability of the designer to complete design work on time, to provide a design responsive to program needs within the constraints of the budget, to solve design problems and achieve a design consistent with the proposed function of the building, to avoid costly design errors or omissions, and to observe the construction work. These reports are public data and are available for inspection under section 13.03.

Sec. 21. **[16C.064] COST-BENEFIT ANALYSIS.**

(a) The commissioner or an agency official to whom the commissioner has delegated duties under section 16C.03, subdivision 16, may not approve a contract or purchase of goods or services in an amount greater than \$50,000,000 unless a cost-benefit analysis has been completed and shows a positive benefit to the public. The Management Analysis Division must perform or direct the performance of the analysis. Money appropriated for the contract or purchase must be used to pay for the analysis. A cost-benefit analysis must be performed for a project if an aggregation of contracts or purchases for a project exceeds \$50,000,000.

(b) All cost-benefit analysis documents under this section, including preliminary drafts and notes, are public data.

(c) If a cost-benefit analysis does not show a positive benefit to the public, the governor may approve a contract or purchase of goods or services if a cost-effectiveness study had been done that shows the proposed project is the most effective way to provide a necessary public good.

(d) This section applies to contracts for goods or services that are expected to have a useful life of more than three years. This section does not apply for purchase of goods or services for response to a natural disaster if an emergency has been declared by the governor. This section does not apply to contracts involving the Minnesota state colleges and universities, state buildings, or state highways.

(e) This section is repealed effective July 1, 2008.

Sec. 22. Minnesota Statutes 2004, section 16C.10, subdivision 7 is amended to read:

Subd. 7. **REVERSE AUCTION.** (a) For the purpose of this subdivision, "reverse auction" means a purchasing process in which vendors compete to provide goods or engineering design or computer services at the lowest selling price in an open and interactive environment.

(b) The provisions of sections 13.591, subdivision 3, and 16C.06, subdivision 2, do not apply when the commissioner determines that a reverse auction is the appropriate purchasing process.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 23. **[16C.143] ENERGY FORWARD PRICING MECHANISMS.**

Subdivision 1. DEFINITIONS. The following definitions apply in this section:

(1) "energy" means natural gas, heating oil, propane, and any other energy source except electricity used in state facilities; and

(2) "forward pricing mechanism" means a contract or financial instrument that obligates a state agency to buy or sell a specified quantity of energy at a future date at a set price.

Subd. 2. AUTHORITY. Notwithstanding any other law to the contrary, the commissioner may use forward pricing mechanisms for budget risk reduction.

Subd. 3. CONDITIONS. Forward pricing mechanism transactions must be made only under the following conditions:

(1) the quantity of energy affected by the forward pricing mechanism must not exceed 90 percent of the estimated energy use for the state agency for the same period, which shall not exceed 24 months; and

(2) a separate account must be established for each state agency using a forward pricing mechanism.

Subd. 4. WRITTEN POLICIES AND PROCEDURES. Before exercising the authority under this section, the commissioner must develop written policies and procedures governing the use of forward pricing mechanisms.

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

Sec. 24. Minnesota Statutes 2004, section 16C.144, is amended to read:

16C.144 GUARANTEED ENERGY SAVINGS CONTRACTS PROGRAM.

Subdivision 1. DEFINITIONS. The following definitions apply to this section.

(a) "Utility" means electricity, natural gas, or other energy resource, water, and wastewater.

(b) "Utility cost savings" means the difference between the utility costs under the precontract conditions and the utility costs after the changes have been made under the contract. Such savings shall be calculated in comparison to an established baseline of utility costs installation of the utility cost-savings measures pursuant to the guaranteed energy savings agreement and the baseline utility costs after baseline adjustments have been made.

(c) "Established baseline" means the precontract utilities, operations, and maintenance costs.

(d) "Baseline" means the preagreement utilities, operations, and maintenance costs.

(d) "Utility cost-savings measure" means a measure that produces utility cost savings and/or operation and maintenance cost savings.

New language is indicated by underline, deletions by ~~strikeout~~.

(e) “Operation and maintenance cost savings” means a measurable decrease in difference between operation and maintenance costs after the installation of the utility cost-savings measures pursuant to the guaranteed energy savings agreement and the baseline operation and maintenance costs that is a direct result of the implementation of one or more utility cost-savings measures but does after inflation adjustments have been made. Operation and maintenance costs savings shall not include savings from in-house staff labor. Such savings shall be calculated in comparison to an established baseline of operation and maintenance costs.

(f) “Guaranteed energy savings contract agreement” means a contract an agreement for the evaluation, recommendation, and installation of one or more utility cost-savings measures that includes the qualified provider’s guarantee as required under subdivision 2. The contract must provide that all payments are to be made over time but not to exceed ten years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the utility cost-savings measures.

(g) “Baseline adjustments” means adjusting the established utility cost savings baselines in paragraphs (b) and (d) annually for changes in the following variables:

- (1) utility rates;
- (2) number of days in the utility billing cycle;
- (3) square footage of the facility;
- (4) operational schedule of the facility;
- (5) facility temperature set points;
- (6) weather; and
- (7) amount of equipment or lighting utilized in the facility.

(h) “Inflation adjustment” means adjusting the operation and maintenance cost-savings baseline annually for inflation.

(i) “Lease purchase contract agreement” means a contract an agreement obligating the state to make regular lease payments to satisfy the lease costs of the utility cost-savings measures until the final payment, after which time the utility cost-savings measures become the sole property of the state of Minnesota.

(j) “Qualified provider” means a person or business experienced in the design, implementation, and installation of utility cost-savings measures.

(k) “Engineering report” means a report prepared by a professional engineer licensed by the state of Minnesota summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, and estimates of the amounts by which utility and operation and maintenance costs will be reduced.

(l) “Capital cost avoidance” means money expended by a state agency to pay for utility cost-savings measures with a guaranteed savings contract agreement so long

New language is indicated by underline, deletions by ~~strikeout~~.

as the measures that are being implemented to achieve the utility, operation, and maintenance cost savings are a significant portion of an overall project as determined by the commissioner.

(4) (m) "Guaranteed energy savings contracting program guidelines" means policies, procedures, and requirements of guaranteed savings contracts agreements established by the Department of Administration upon enacting this legislation.

Subd. 2. **GUARANTEED ENERGY SAVINGS CONTRACT AGREEMENT.** The commissioner may enter into a guaranteed energy savings contract agreement with a qualified provider if:

(1) the qualified provider is selected through a competitive process in accordance with the guaranteed energy savings contracting program guidelines within the Department of Administration;

(2) the qualified provider agrees to submit an engineering report prior to the execution of the guaranteed energy savings contract agreement. The cost of the engineering report may be considered as part of the implementation costs if the commissioner enters into a guaranteed energy savings agreement with the provider;

(3) the term of the guaranteed energy savings agreement shall not exceed 15 years from the date of final installation;

(4) the commissioner finds that the amount it would spend on the utility cost-savings measures recommended in the engineering report will not exceed the amount to be saved in utility operation and maintenance costs over ten 15 years from the date of implementation of utility cost-savings measures;

(4) (5) the qualified provider provides a written guarantee that the annual utility, operation, and maintenance cost savings during the term of the guaranteed energy savings agreement will meet or exceed the costs of the guaranteed savings contract annual payments due under a lease purchase agreement. The qualified provider shall reimburse the state for any shortfall of guaranteed utility, operation, and maintenance cost savings; and

(5) (6) the qualified provider gives a sufficient bond in accordance with section 574.26 to the commissioner for the faithful implementation and installation of the utility cost-savings measures.

Subd. 3. **LEASE PURCHASE CONTRACT AGREEMENT.** The commissioner may enter into a lease purchase agreement with any party for the implementation of utility cost-savings measures in accordance with an engineering report the guaranteed energy savings agreement. The implementation costs of the utility cost-savings measures recommended in the engineering report shall not exceed the amount to be saved in utility and operation and maintenance costs over the term of the lease purchase agreement. The term of the lease purchase agreement shall not exceed ten 15 years from the date of final installation. The lease is assignable in accordance with terms approved by the commissioner of finance.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 4. **USE OF CAPITAL COST AVOIDANCE.** The affected state agency may contribute funds for capital cost avoidance for guaranteed energy savings contracts agreements. Use of capital cost avoidance is subject to the guaranteed energy savings contracting program guidelines within the Department of Administration.

Subd. 5. **REPORT.** By January 15 of ~~2005 and~~ 2007, the commissioner of administration shall submit to the commissioner of finance and the chairs of the senate and house of representatives capital investment committees a list of projects in the agency that have been funded using guaranteed energy savings, as outlined in this section, during the preceding biennium. For each guaranteed energy savings contract agreement entered into, the commissioner of administration shall contract with an independent third party to evaluate the cost-effectiveness of each utility cost-savings measure implemented to ensure that such measures were the least-cost measures available. For the purposes of this section, "independent third party" means an entity not affiliated with the qualified provider, that is not involved in creating or providing conservation project services to that provider, and that has expertise (or access to expertise) in energy savings practices.

Subd. 6. **CONTRACT LIMITS.** ~~Contracts may not be entered into after June 30, 2007.~~

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

Sec. 25. Minnesota Statutes 2004, section 16C.16, subdivision 1, is amended to read:

Subdivision 1. **SMALL BUSINESS PROCUREMENTS.** (a) The commissioner shall for each fiscal year ensure that small businesses receive at least 25 percent of the value of anticipated total state procurement of goods and services, including printing and construction. The commissioner shall divide the procurements so designated into contract award units of economically feasible production runs in order to facilitate offers or bids from small businesses.

(b) The commissioner must solicit and encourage Minnesota small businesses to submit responses or bids when the commissioner is entering into master contracts. If cost-effective, when entering into a master contract, the commissioner must attempt to negotiate contract terms that allow agencies the option of purchasing from small businesses, particularly small businesses that are geographically proximate to the entity making the purchase.

(c) In making the annual designation of such procurements the commissioner shall attempt (1) to vary the included procurements so that a variety of goods and services produced by different small businesses are obtained each year, and (2) to designate small business procurements in a manner that will encourage proportional distribution of such awards among the geographical regions of the state. To promote the geographical distribution of awards, the commissioner may designate a portion of the small business procurement for award to bidders from a specified congressional district or other geographical region specified by the commissioner. The failure of the commissioner to designate particular procurements shall not be deemed to prohibit or

New language is indicated by underline, deletions by ~~strikeout~~.

discourage small businesses from seeking the procurement award through the normal process.

Sec. 26. [16C.231] SURPLUS PROPERTY.

Notwithstanding section 15.054 or 16C.23, the commissioner may sell a surplus gun used by a state trooper to the trooper who used the gun in the course of employment. The sale price must be the fair market value of the gun, as determined by the commissioner.

Sec. 27. Minnesota Statutes 2004, section 16C.26, subdivision 3, is amended to read:

Subd. 3. PUBLICATION OF NOTICE; EXPENDITURES OVER \$15,000 \$25,000. If the amount of an expenditure is estimated to exceed \$15,000 \$25,000, sealed bids must be solicited by public notice inserted at least once in a newspaper or trade journal not less than seven days before the final date of submitting bids in a manner designated by the commissioner. The commissioner shall designate the newspaper or trade journal for that publication and may designate different newspapers or journals according to the nature of the purchase or contract. To the extent practical, this must include posting on a state Web site. For expenditures over \$50,000, the commissioner shall also solicit sealed bids by sending providing notices by mail to all prospective bidders known to the commissioner and by posting notice on a public bulletin board in the commissioner's office a state Web site at least five seven days before the final date of submitting bids. All bids over \$50,000 must be sealed when they are received and must be opened in public at the hour stated in the notice. All original bids and all documents pertaining to the award of a contract must be retained and made a part of a permanent file or record and remain open to public inspection.

Sec. 28. Minnesota Statutes 2004, section 16C.26, subdivision 4, is amended to read:

Subd. 4. BUILDING AND CONSTRUCTION CONTRACTS; \$15,000 \$50,000 OR LESS. All contracts, the amount of which is estimated to be \$15,000 or less, may be made either upon competitive bids or in the open market, in the discretion of the commissioner. So far as practicable, however, they must be based on at least three competitive bids which must be permanently recorded. An informal bid may be used for building, construction, and repair contracts that are estimated at less than \$50,000. Informal bids must be authenticated by the bidder in a manner specified by the commissioner.

Sec. 29. Minnesota Statutes 2004, section 16C.28, subdivision 2, is amended to read:

Subd. 2. ALTERATIONS AND ERASURES. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid must be rejected unless the alteration or erasure is corrected under this subdivision in a manner that is clear and authenticated by an authorized representative of the responder. An alteration or erasure may be crossed out and the correction printed in ink or typewritten adjacent to it and initialed in ink by the person signing the bid by an authorized representative of the responder.

New language is indicated by underline, deletions by strikeout.

Sec. 30. [168.1298] SPECIAL "SUPPORT OUR TROOPS" LICENSE PLATES.

Subdivision 1. GENERAL REQUIREMENTS AND PROCEDURES. (a) The commissioner shall issue special "Support Our Troops" license plates to an applicant who:

(1) is an owner of a passenger automobile, one-ton pickup truck, recreational vehicle, or motorcycle;

(2) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;

(3) pays the registration tax required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$30 annually to the Minnesota "Support Our Troops" account established in section 190.19; and

(6) complies with laws and rules governing registration and licensing of vehicles and drivers.

(b) The license application under this section must indicate that the annual contribution specified under paragraph (a), clause (5), is a minimum contribution to receive the plates and that the applicant may make an additional contribution to the account.

Subd. 2. DESIGN. After consultation with interested groups, the adjutant general and the commissioner of veterans affairs shall design the special plate, subject to the approval of the commissioner.

Subd. 3. NO REFUND. Contributions under this section must not be refunded.

Subd. 4. PLATE TRANSFERS. Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile, one-ton pickup truck, recreational vehicle, or motorcycle owned by the individual to whom the special plates were issued.

Subd. 5. CONTRIBUTION AND FEES CREDITED. Contributions under subdivision 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the Minnesota "Support Our Troops" account established in section 190.19. The fees collected under this section must be deposited in the vehicle services operating account in the special revenue fund.

Subd. 6. RECORD. The commissioner shall maintain a record of the number of plates issued under this section.

Sec. 31. [190.19] MINNESOTA "SUPPORT OUR TROOPS" ACCOUNT.

Subdivision 1. ESTABLISHMENT. The Minnesota "Support Our Troops" account is established in the special revenue fund. The account shall consist of contributions from private sources and appropriations.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. **USES.** (a) Money appropriated from the Minnesota "Support Our Troops" account may be used for:

- (1) grants directly to eligible individuals;
- (2) grants to one or more eligible foundations for the purpose of making grants to eligible individuals, as provided in this section; or
- (3) veterans' services.

(b) The term, "eligible individual" includes any person who is:

(1) a member of the Minnesota National Guard or a reserve unit based in Minnesota who has been called to active service as defined in section 190.05, subdivision 5;

(2) a Minnesota resident who is a member of a military reserve unit not based in Minnesota, if the member is called to active service as defined in section 190.05, subdivision 5;

(3) any other Minnesota resident performing active service for any branch of the military of the United States; and

(4) members of the immediate family of an individual identified in clause (1), (2), or (3). For purposes of this clause, "immediate family" means the individual's spouse and minor children and, if they are dependents of the member of the military, the member's parents, grandparents, siblings, stepchildren, and adult children.

(c) The term "eligible foundation" includes any organization that:

(1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code;

(2) has articles of incorporation under chapter 317A specifying the purpose of the organization as including the provision of financial assistance to members of the Minnesota National Guard and other United States armed forces reserves and their families and survivors; and

(3) agrees in writing to distribute any grant money received from the adjutant general under this section to eligible individuals as defined in this section and in accordance with any written policies and rules the adjutant general may impose as conditions of the grant to the foundation.

(d) The maximum grant awarded to an eligible individual in a calendar year with funds from the Minnesota "Support Our Troops" account, either through an eligible institution or directly from the adjutant general, may not exceed \$2,000.

Subd. 3. **ANNUAL REPORT.** The adjutant general must report by February 1, 2007, and each year thereafter, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over military and veterans' affairs on the number, amounts, and use of grants made by the adjutant general from the Minnesota "Support Our Troops" account in the previous year.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 32. Minnesota Statutes 2004, section 240A.03, subdivision 5, is amended to read:

Subd. 5. **EXEMPTION OF PROPERTY.** Real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for the purposes of amateur sports facilities is declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and is exempt from ad valorem taxation by the state or any political subdivision of the state, provided that the properties are subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. The exemption from ad valorem taxation under this subdivision does not apply to land that is leased by the commission to any entity, public or private. No possible use of any of the properties in any manner different from their use under sections 240A.01 to 240A.07 at the time may be considered in determining the special benefit received by the properties. Assessments are subject to confirmation by the commission, whose determination of the benefits is subject to court review. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 240A.01 to 240A.07 is exempt from taxation regardless of the length of the lease.

Sec. 33. Minnesota Statutes 2004, section 240A.03, is amended by adding a subdivision to read:

Subd. 16. **FINANCIAL REPORTS.** By January 15 of each year, the commission must report to the chairs of the legislative committees with jurisdiction over the commission and its finances regarding the revenue received by the commission from leases in the previous fiscal year. The report must detail revenue received from individual lessees and costs incurred by the commission for maintenance and operation of the leased property. The report must also estimate the revenue from leases for the current and following fiscal years.

Sec. 34. **[298.215] IRON RANGE RESOURCES AND REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.**

(a) Notwithstanding any law to the contrary, the commissioner of iron range resources and rehabilitation, in consultation with the commissioner of employee relations, may offer a targeted early separation incentive program for employees of the commissioner who have attained the age of 60 years and have at least five years of allowable service credit under chapter 352, or who have received credit for at least 30 years of allowable service under the provisions of chapter 352.

(b) The early separation incentive program may include one or more of the following:

(1) employer-paid postseparation health, medical, and dental insurance until age 65; and

(2) cash incentives that may, but are not required to be, used to purchase additional years of service credit through the Minnesota State Retirement System, to

New language is indicated by underline, deletions by ~~strikeout~~.

the extent that the purchases are otherwise authorized by law.

(c) The commissioner of iron range resources and rehabilitation shall establish eligibility requirements for employees to receive an incentive.

(d) The commissioner of iron range resources and rehabilitation, consistent with the established program provisions under paragraph (b), and with the eligibility requirements under paragraph (c), may designate specific programs or employees as eligible to be offered the incentive program.

(e) Acceptance of the offered incentive must be voluntary on the part of the employee and must be in writing. The incentive may only be offered at the sole discretion of the commissioner of iron range resources and rehabilitation.

(f) The cost of the incentive is payable solely by funds made available to the commissioner of iron range resources and rehabilitation by law, but only on prior approval of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

(g) This section and section 298.216 are repealed June 30, 2006.

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

Sec. 35. **[298.216] APPLICATION OF OTHER LAWS.**

Unilateral implementation of section 298.215 by the commissioner of iron range resources and rehabilitation is not an unfair labor practice under chapter 179A.

Sec. 36. Minnesota Statutes 2004, section 349A.10, subdivision 3, is amended to read:

Subd. 3. **LOTTERY OPERATIONS.** (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) Except as provided in paragraph (e), the director may not credit in any fiscal year thereafter amounts to the lottery operations account which when totaled exceed 15 ~~nine~~ percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend after July 1, 1991, more than 2-3/4 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the lottery is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.

New language is indicated by underline, deletions by ~~strikeout~~.

(e) In addition to the amounts credited to the lottery operations account under paragraph (b), the director is authorized, if necessary, to meet the current obligations of the lottery and to credit up to 25 percent of an amount equal to the average annual amount which was authorized to be credited to the lottery operations account for the previous three fiscal years but was not needed to meet the obligations of the lottery.

Sec. 37. Minnesota Statutes 2004, section 359.01, is amended by adding a subdivision to read:

Subd. 4. APPLICATION. The secretary of state shall prepare the application form for a commission. The form may request personal information about the applicant, including, but not limited to, relevant civil litigation, occupational license history, and criminal background, if any. For the purposes of this section, "criminal background" includes, but is not limited to, criminal charges, arrests, indictments, pleas, and convictions.

Sec. 38. [471.661] OUT-OF-STATE TRAVEL.

By January 1, 2006, the governing body of each statutory or home rule charter city, county, school district, regional agency, or other political subdivision, except a town, must develop a policy that controls travel outside the state of Minnesota for the applicable elected officials of the relevant unit of government. The policy must be approved by a recorded vote and specify:

- (1) when travel outside the state is appropriate;
- (2) applicable expense limits; and
- (3) procedures for approval of the travel.

The policy must be made available for public inspection upon request and reviewed annually. Subsequent changes to the policy must be approved by a recorded vote.

Sec. 39. [471.701] SALARY DATA.

A city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees. This notice may be provided on the homepage of the primary Web site maintained by the political subdivision for a period of not less than 90 consecutive days, in a publication of the political subdivision that is distributed to all residents in the political subdivision, or as part of the annual notice of proposed property taxes prepared under section 275.065.

Sec. 40. Minnesota Statutes 2004, section 507.093, is amended to read:

507.093 STANDARDS FOR DOCUMENTS TO BE RECORDED OR FILED.

(a) The following standards are imposed on documents to be recorded with the county recorder or filed with the registrar of titles:

New language is indicated by underline, deletions by ~~strikeout~~.

(1) The document shall consist of one or more individual sheets measuring no larger than 8.5 inches by 14 inches.

(2) The form of the document shall be printed, typewritten, or computer generated in black ink and the form of the document shall not be smaller than 8-point type.

(3) The document shall be on white paper of not less than 20-pound weight with no background color, images, or writing and shall have a clear border of approximately one-half inch on the top, bottom, and each side.

(4) The first page of the document shall contain a blank space at the top measuring three inches, as measured from the top of the page. The right half to be used by the county recorder for recording information or registrar of titles for filing information and the left half to be used by the county auditor or treasurer for certification.

(5) The title of the document shall be prominently displayed at the top of the first page below the blank space referred to in clause (4).

(6) No additional sheet shall be attached or affixed to a page that covers up any information or printed part of the form.

(7) A document presented for recording or filing must be sufficiently legible to reproduce a readable copy using the county recorder's or registrar of title's current method of reproduction.

(b) The standards in this paragraph (a) do not apply to a document that is recorded or filed as part of a pilot project for the electronic filing of real estate documents implemented by the task force created in Laws 2000, chapter 391, and continued by standards established by the Electronic Real Estate Recording Task Force created under section 507.094. A county that participated in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391, may continue to record or file documents electronically, if:

(1) the county complies with standards adopted by that task force; and

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

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

(i) the document to be recorded or filed is of a type included in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391;

(ii) the county complies with the standards adopted by the task force;

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

(iv) the task force created under section 507.094 votes to accept a written certification of compliance with paragraph (b), clause (2), of this section by the county board and county recorder of the county to implement electronic filing under this section.

New language is indicated by underline, deletions by ~~strikeout~~.

(b) The recording or filing fee for a document that does not conform to the standards in paragraph (a) shall be increased as provided in sections 357.18, subdivision 5; 508.82; and 508A.82.

(c) The recorder or registrar shall refund the recording or filing fee to the applicant if the real estate documents are not filed or registered within 30 days after receipt, or as otherwise provided by section 386.30.

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

Sec. 41. [507.094] ELECTRONIC REAL ESTATE RECORDING TASK FORCE.

Subdivision 1. CREATION; MEMBERSHIP. (a) The Electronic Real Estate Recording Task Force established under this section shall continue the work of the task force established under Laws 2000, chapter 391, to implement and make recommendations for implementation of electronic filing and recording of real estate documents.

(b) The task force consists of 17 members. The secretary of state is a member and the chair of the task force and shall convene the first meeting of the task force. Members who are appointed under this section shall serve for a term of three years beginning July 1, 2005. The task force must include:

(1) four county government officials appointed by the Association of County Officers, including two county recorders, one county auditor, and one county treasurer;

(2) two county board members appointed by the Association of Minnesota Counties, including one board member from within the seven-county metropolitan area and one board member from outside the seven-county metropolitan area;

(3) seven members from the private sector recommended by their industries and appointed by the governor, including representatives of:

(i) real estate attorneys, real estate agents;

(ii) mortgage companies, and other real estate lenders; and

(iii) technical and industry experts in electronic commerce and electronic records management and preservation who are not vendors of real estate related services to counties;

(4) a nonvoting representative selected by the Minnesota Historical Society; and

(5) two representatives of title companies.

(c) The task force may refer items to subcommittees. The chair shall recommend and the task force shall appoint the membership of a subcommittee. An individual may be appointed to serve on a subcommittee without serving on the task force.

Subd. 2. STUDY AND RECOMMENDATIONS. (a) The task force shall continue the work of the task force created by Laws 2000, chapter 391, and make recommendations regarding implementation of a system for electronic filing and recording of real estate documents and shall consider:

New language is indicated by underline, deletions by ~~strikeout~~.

- (1) technology and computer needs;
- (2) legal issues such as authenticity, security, timing and priority of recordings, and the relationship between electronic and paper recorder systems;
- (3) a timetable and plan for implementing electronic recording, considering types of documents and entities using electronic recording;
- (4) permissive versus mandatory systems; and
- (5) other relevant issues identified by the task force.

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

(b) The task force may commence establishing standards for the electronic recording of the remaining residential real estate deed and mortgage documents and establish pilot projects to complete the testing and functions of the task force established in Laws 2000, chapter 391, after considering national standards from the Mortgage Industry Standards Maintenance Organization, the Property Records Industry Association, or other recognized national groups.

(c) The task force shall submit a report to the legislature by January 15 of each year during its existence reporting on the progress toward the goals provided in this subdivision.

Subd. 3. DONATIONS; REIMBURSEMENT. The task force may accept donations of money or resources, including loaned employees or other services. The donations are appropriated to the task force and must be under the sole control of the task force.

Subd. 4. EXPIRATION. This section expires June 30, 2008.

EFFECTIVE DATE. This section is effective July 1, 2005.

Sec. 42. Minnesota Statutes 2004, section 507.24, subdivision 2, is amended to read:

Subd. 2. ORIGINAL SIGNATURES REQUIRED. (a) Unless otherwise provided by law, an instrument affecting real estate that is to be recorded as provided in this section or other applicable law must contain the original signatures of the parties who execute it and of the notary public or other officer taking an acknowledgment. However, a financing statement that is recorded as a filing pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment.

(b) Any electronic instruments, including signatures and seals, affecting real estate may only be recorded as part of a pilot project for the electronic filing of real estate documents implemented by the task force created in Laws 2000, chapter 391, or by the

New language is indicated by underline, deletions by ~~strikeout~~.

Electronic Real Estate Recording Task Force created under section 507.094. A county that participated in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391, may continue to record or file documents electronically, if:

- (1) the county complies with standards adopted by the task force; and
- (2) the county uses software that was validated by the task force.

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

(i) the document to be recorded or filed is of a type included in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391;

(ii) the county complies with the standards adopted by the task force;

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

(iv) the task force created under section 507.094, votes to accept a written certification of compliance with paragraph (b), clause (2), of this section by the county board and county recorder of the county to implement electronic filing under this section.

(c) Notices filed pursuant to section 168A.141, subdivisions 1 and 3, need not contain an acknowledgment.

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

Sec. 43. Laws 1998, chapter 404, section 15, subdivision 2, as amended by Laws 2005, chapter 20, article 1, section 40, is amended to read:

Subd. 2. National Sports Center

4,800,000

\$1,700,000 is to purchase and develop land adjacent to the National Sports Center in Blaine for use as athletic fields.

\$3,100,000 is to develop the National Children's Golf Course. The primary purpose of the National Children's Golf Course is to serve youth of 18 years and younger. Market rates must be charged for adult golf.

The Minnesota Amateur Sports Commission may lease up to 20 percent of the area of the land purchased with money from the general fund appropriations in this subdivision for a term of up to 30 years to one or more governmental or private entities for

New language is indicated by underline, deletions by ~~strikeout~~.

any use by the lessee, whether public or private, so long as the use provides some benefit to amateur sports. The commission must submit proposed leases for the land described in this subdivision to the chairs of the legislative committees with jurisdiction over state government policy and finance for review at least 30 days before the leases may be entered into by the commission. Up to \$300,000 of lease payments received by the commission are each fiscal year is appropriated to the commission for the purposes specified in Minnesota Statutes, chapter 240A. The land purchased from the general fund appropriations may be used for any amateur sport.

EFFECTIVE DATE. This section is effective retroactively on the effective date of Laws 2005, chapter 20, article 1, section 40.

Sec. 44. BUILDING LEASE.

Notwithstanding any provision of Minnesota Statutes, section 16B.24, or other law or rule to the contrary, the commissioner of administration may, without approval of the State Executive Council, enter into a lease of up to ten years with a private tenant for use of the state-owned building at 168 Aurora Avenue in the city of St. Paul as a child care and after-school activity facility. If leased to a faith-based organization, the program may not promote any particular faith and must operate in a nondiscriminatory manner.

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

Sec. 45. SALE OF STATE LAND.

Subdivision 1. STATE LAND SALES. The commissioner of administration shall coordinate with the head of each department or agency having control of state-owned land to identify and sell at least \$6,440,000 of state-owned land. Sales should be completed according to law and as provided in this section as soon as practicable but no later than June 30, 2007. Notwithstanding Minnesota Statutes, sections 16B.281 and 16B.282, 94.09 and 94.10, or any other law to the contrary, the commissioner may offer land for public sale by only providing notice of lands or an offer of sale of lands to state departments or agencies, the University of Minnesota, cities, counties, towns, school districts, or other public entities.

Subd. 2. ANTICIPATED SAVINGS. Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or other law to the contrary, the amount of the proceeds from the sale of land under this section that exceeds the actual expenses of selling the land must be deposited in the general fund, except as otherwise provided by the commissioner of finance. Notwithstanding Minnesota Statutes, section 94.11 or

New language is indicated by underline, deletions by ~~strikeout~~.

16B.283, the commissioner of finance may establish the timing of payments for land purchased under this section. If the total of all money deposited into the general fund from the proceeds of the sale of land under this section is anticipated to be less than \$6,440,000, the governor must allocate the amount of the difference as reductions to general fund operating expenditures for other executive agencies for the biennium ending June 30, 2007.

Subd. 3. SALE OF STATE LANDS REVOLVING LOAN FUND. \$290,000 is appropriated from the general fund in fiscal year 2006 to the commissioner of administration for purposes of paying the actual expenses of selling state-owned lands to achieve the anticipated savings required in this section. From the gross proceeds of land sales under this section, the commissioner of administration must cancel the amount of the appropriation in this subdivision to the general fund by June 30, 2007.

Sec. 46. FORD BUILDING.

The Ford Building at 117 University Avenue in St. Paul may not be demolished during the biennium ending June 30, 2007. By January 15, 2006, the commissioner of administration, in consultation with interested legislators, private sector real estate professionals, historic preservation specialists, and representatives of the city of St. Paul, neighboring property, and St. Paul neighborhood associations, must report to the legislature with recommendations regarding potential means of preserving and using the Ford Building. The report must include:

- (1) availability of potential lessees for the building;
- (2) constraints on leasing the building, including the requirement to pay off any state general obligation bonds previously used in maintaining or rehabilitating the building; and
- (3) the cost of restoring and rehabilitating the building, and the feasibility of various means of paying these costs, including potential use of revenue bonds.

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

Sec. 47. STATE HEALTH CARE PURCHASING AUTHORITY.

Subdivision 1. PURCHASING AUTHORITY CREATED. By December 15, 2005, the commissioner of employee relations, in consultation with the commissioners of health, human services, labor and industry, corrections, commerce, and administration and the Minnesota Comprehensive Health Association board of directors, may enter into interagency agreements regarding the formation of the Minnesota Health Care Purchasing Authority for the purpose of implementing a unified strategy and joint purchasing of health care services for the state of Minnesota. The strategy shall include implementing a process that examines the health care purchasing decisions and coverage in terms of cost and medical efficacy based on reliable research evidence to ensure access to appropriate and necessary health care. By December 15, 2005, the commissioners shall submit to the legislature a report and draft legislation for the creation of the purchasing authority responsible for all state purchasing of health care.

New language is indicated by underline, deletions by strikeout.

Subd. 2. PRINCIPLES OF STATE PURCHASING. The purchasing authority shall prepare and submit to the governor and legislature an annual report and plan for the unified purchasing of health care services. The plan must:

- (1) promote personal choice and responsibility;
- (2) encourage and promote better health of patients and residents of the state;
- (3) provide incentives to privately based health plans and health care delivery systems to improve efficiency and quality;
- (4) use community standards and measurement methods for determining the value of specific health care services based on quality and performance; and
- (5) separate the health care purchasing functions of state government from those activities relating to regulation and delivery of services, but require consistent use of uniform quality and performance standards and methods for purchasing, regulation, and delivery of health care services.

Subd. 3. PURCHASING AND COVERAGE GUIDELINES. The purchasing authority shall convene a panel of health care policy experts and health care providers to establish a process to select evidence-based guidelines based on sound research evidence and implement an integrated approach using these guidelines for purchasing decisions and coverage design.

Subd. 4. PUBLIC AND PRIVATE PURCHASERS. (a) The purchasing authority shall prepare and submit to the governor and legislature by December 15, 2005, a plan for permitting public employers, including school districts, cities, counties, and other governmental entities, to purchase a secure benefit set with the state purchasing authority. The secure benefit set must include the services described under subdivision 6.

(b) Notwithstanding any laws to the contrary, the commissioner of employee relations may expand the range of health coverage options available to purchase under the public employees insurance program established under Minnesota Statutes, section 43A.316, including the option to purchase the secure benefit set as defined under subdivision 6. Under this option, public employers may purchase health coverage for their employees through the public employees insurance program beginning July 1, 2006.

(c) The purchasing authority shall include in the plan described in paragraph (a) recommendations for:

(1) a process for permitting nursing homes and other long-term care providers to purchase the secure benefit set with the assistance of the state health care purchasing authority as part of a separate risk pool; and

(2) a process for permitting individuals to purchase the secure benefit set as part of a separate risk pool through the state health care purchasing authority beginning January 1, 2009.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 5. COORDINATION AND COMMON STANDARDS FOR STATE PURCHASING AND REGULATION. The purchasing authority, in consultation with all state agencies, boards, and commissioners that have responsibility for purchasing or for regulating individuals and organizations that provide health coverage or deliver health care services, shall prepare and submit to the governor and legislature by December 15, 2005, a report and draft legislation that will:

(1) require all state purchasing and regulatory requirements to use common standards and measurement methods for quality and performance; and

(2) provide for the coordination of health care purchasing strategies and activities administered by the state, including, but not limited to, the state employees group insurance plan, the public employees insurance program, purchasing activities for public and private employers and individuals established under subdivision 4, and health care programs administered by the commissioner of human services or the commissioner of health.

Subd. 6. SECURE BENEFIT SET DEVELOPMENT. The purchasing authority, in consultation with a panel of health care policy experts, shall define a secure benefit set that includes coverage for preventive health services, as specified in preventive services guidelines for children and adults developed by the Institute for Clinical Systems Improvement, prescription drug coverage, and catastrophic coverage. Nothing in this section authorizes the purchasing authority to change the benefits covered by the medical assistance, MinnesotaCare, or general assistance medical care programs to the extent these benefits are specified in state or federal law.

Subd. 7. SPECIAL POPULATIONS. In developing a plan for the unified purchasing of health care services and a secure benefit set, the purchasing authority must take into account the needs of special populations, including, but not limited to, persons who are elderly or disabled and persons with chronic conditions.

Subd. 8. COST AND QUALITY DISCLOSURE. The purchasing authority, in cooperation with organizations representing consumers, employers, physicians and other health professionals, hospitals, long-term care facilities, health plan companies, quality improvement organizations, research and education institutions, and other appropriate constituencies, shall identify and contract with a private, nonprofit organization to serve as a statewide source of comparative information on health care costs and quality.

Sec. 48. TRAINING SERVICES.

During the biennium ending June 30, 2007, state executive branch agencies must consider using services provided by Government Training Services before contracting with other outside vendors for similar services.

Sec. 49. STUDY OF WATER AND SEWER BILLING.

The director of the Legislative Coordinating Commission must provide administrative support to a working group to study issues relating to collection of delinquent

New language is indicated by underline, deletions by strikeout.

water and sewer bills from owners, lessees, and occupants of rental property. The group consists of the following members:

(1) two representatives of cities;

(2) two representatives of residential rental property owners;

(3) one representative of tenants;

(4) one legislator from the majority caucus of the house of representatives appointed by the speaker, and one legislator from the minority caucus of the house appointed by the minority leader;

(5) one representative of the majority and minority caucuses of the senate, appointed by the senate subcommittee on committees; and

(6) one public member appointed by the speaker of the house of representatives and one public member appointed by the majority leader of the senate.

Members specified in clauses (1) to (3) must be appointed jointly by the speaker of the house of representatives and the majority leader of the senate.

The working group must report findings and recommendations to the legislature by January 15, 2006. This section expires on the day following the date the working group submits its report.

Sec. 50. PORTRAITS.

The Capitol Area Architectural and Planning Board, in consultation with the Minnesota Historical Society, must request the Smithsonian Institution to extend the period during which the portraits of Julia Finch Gilbert and Cass Gilbert are displayed in the Capitol building. In negotiating an extension of the loan period, the board must request that the portraits remain on display in the Capitol when they are not being publicly displayed elsewhere, but must recognize that it is desirable for the portraits to be displayed in other buildings designed by Cass Gilbert, in conjunction with centennial celebrations for those buildings.

Sec. 51. COYA KNUTSON MEMORIAL.

The commissioner of administration shall establish a memorial in the Capitol building honoring Coya Knutson. The commissioner, with the assistance and approval of the Capitol Area Architectural and Planning Board, shall select an appropriate site. The commissioner may accept donations from nonstate sources for the memorial, and this money is appropriated to the commissioner for purposes of the memorial.

Sec. 52. REPEALER.

(a) Minnesota Statutes 2004, sections 3.9222; 16A.151, subdivision 5; 16A.30; and 16B.52, are repealed.

(b) Minnesota Statutes 2004, section 471.68, subdivision 3, is repealed effective July 1, 2006.

New language is indicated by underline, deletions by strikeout.

ARTICLE 3**PUBLIC EMPLOYMENT**

Section 1. Minnesota Statutes 2004, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. **GENERAL.** The commissioner is authorized to request bids from ~~carriers or to negotiate with carriers~~ and to enter into contracts with ~~carriers parties~~ which in the judgment of the commissioner are best qualified to ~~underwrite and provide service to the benefit plans~~. Contracts entered into ~~with carriers~~ are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate premium rates and coverage provisions with all carriers licensed under chapters 62A, 62C, and 62D. ~~The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D.~~ Contracts to underwrite the benefit plans must be bid or negotiated separately from contracts to service the benefit plans, which may be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers, and any other factors which the commissioner deems appropriate. Each benefit contract must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. ~~The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C, and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs. A carrier licensed under chapter 62A is exempt from the taxes imposed by chapter 297I on premiums paid to it by the state.~~

All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

Sec. 2. [43A.346] POSTRETIREMENT OPTION.

Subdivision 1. DEFINITION. For purposes of this section, "state employee" means a person currently occupying a civil service position in the executive branch of state government, the Minnesota State Retirement System, or the Office of the

New language is indicated by underline, deletions by ~~strikeout~~.

Legislative Auditor, or a person employed by the Metropolitan Council.

' Subd. 2. **ELIGIBILITY.** This section applies to a state or Metropolitan Council employee who:

(1) for at least the five years immediately preceding separation under clause (2), has been regularly scheduled to work 1,044 or more hours per year in a position covered by a pension plan administered by the Minnesota State Retirement System or the Public Employees Retirement Association;

(2) terminates state or Metropolitan Council employment;

(3) at the time of termination under clause (2), meets the age and service requirements necessary to receive an unreduced retirement annuity from the plan and satisfies requirements for the commencement of the retirement annuity or, for an employee under the unclassified employees retirement plan, meets the age and service requirements necessary to receive an unreduced retirement annuity from the plan and satisfies requirements for the commencement of the retirement annuity or elects a lump-sum payment; and

(4) agrees to accept a postretirement option position with the same or a different appointing authority, working a reduced schedule that is both (i) a reduction of at least 25 percent from the employee's number of regularly scheduled work hours; and (ii) 1,044 hours or less in state or Metropolitan Council service.

Subd. 3. **UNCLASSIFIED SERVICE.** Notwithstanding any law to the contrary, state postretirement option positions shall be in the unclassified service but shall not be covered by the Minnesota State Retirement System unclassified employees plan.

Subd. 4. **ANNUITY REDUCTION NOT APPLICABLE.** Notwithstanding any law to the contrary, when an eligible state employee in a postretirement option position under this section commences receipt of the annuity, the provisions of section 352.115, subdivision 10, or 353.37 governing annuities of reemployed annuitants, shall not apply for the duration of employment in the position.

Subd. 5. **APPOINTING AUTHORITY DISCRETION.** The appointing authority has sole discretion to determine if and the extent to which a postretirement option position under this section is available to a state employee. Any offer of such a position must be made in writing to the employee by the appointing authority on a form prescribed by the Department of Employee Relations and the Minnesota State Retirement System or the Public Employees Retirement Association. The appointing authority may not require a person to waive any rights under a collective bargaining agreement or unrepresented employee compensation plan as a condition of participation.

Subd. 6. **DURATION.** Postretirement option employment shall be for an initial period not to exceed one year. During that period, the appointing authority may not modify the conditions specified in the written offer without the employee's agreement, except as required by law or by the collective bargaining agreement or compensation plan applicable to the employee. At the end of the initial period, the appointing

New language is indicated by underline, deletions by strikeout.

authority has sole discretion to determine if the offer of a postretirement option position will be renewed, renewed with modifications, or terminated. Postretirement option employment may be renewed for periods of up to one year, not to exceed a total duration of five years. No person shall be employed in one or a combination of postretirement option positions under this section for a total of more than five years.

Subd. 7. COPY TO FUND. The appointing authority shall provide the Minnesota State Retirement System or the Public Employees Retirement Association with a copy of the offer, the employee's acceptance of the terms, and any subsequent renewal agreement.

Subd. 8. NO SERVICE CREDIT. Notwithstanding any law to the contrary, a person may not earn service credit in the Minnesota State Retirement System or the Public Employees Retirement Association for employment covered under this section, and employer contributions and payroll deductions for the retirement fund must not be made based on earnings of a person working under this section. No change shall be made to a monthly annuity or retirement allowance based on employment under this section.

Subd. 9. INSURANCE CONTRIBUTION. Notwithstanding any law to the contrary, the appointing authority must make an employer insurance contribution for a person who is employed in a postretirement option position under this section and who is not receiving any other state-paid or Metropolitan Council-paid employer insurance contribution. The amount of the contribution must be equal to the percent time worked in the postretirement option position (hours scheduled to be worked annually divided by 2,088) times 1.5 times the full employer contribution for employee-only health and dental coverage. The appointing authority must contribute that amount to a health reimbursement arrangement.

Subd. 10. SUBSEQUENT EMPLOYMENT. If a person has been in a postretirement option position and accepts any other position in state or Metropolitan Council-paid service, in the subsequent state or Metropolitan Council-paid employment the person may not earn service credit in the Minnesota State Retirement System or Public Employees Retirement Association, no employer contributions or payroll deductions for the retirement fund shall be made, and the provisions of section 352.115, subdivision 10, or section 353.37, shall apply.

Sec. 3. VOLUNTARY HOUR REDUCTION PLAN.

(a) This section applies to a state employee who:

(1) on the effective date of this section is regularly scheduled to work 1,044 or more hours a year in a position covered by a pension plan administered by the Minnesota state retirement system; and

(2) enters into an agreement with the appointing authority to work a reduced schedule of 1,044 hours or less in the covered position.

(b) Notwithstanding any law to the contrary, for service under an agreement entered into under paragraph (a), contributions may be made to the applicable plan of

New language is indicated by underline, deletions by ~~strikeout~~.

the Minnesota state retirement system as if the employee had not reduced hours. The employee must pay the additional employee contributions and the employer must pay the additional employer contributions necessary to bring the service credit and salary up to the level prior to the voluntary reduction in hours. Contributions must be made in a time and manner prescribed by the executive director of the Minnesota state retirement system.

(c) The amount of hours worked, the work schedule, and the duration of the voluntary hour reduction must be mutually agreed to by the employee and the appointing authority. The appointing authority may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section. The appointing authority has sole discretion to determine if and the extent to which voluntary hour reduction under this section is available to an employee.

(d) A person who works under this section is a member of the appropriate bargaining unit; is covered by the appropriate collective bargaining contract or compensation plan; and is eligible for health care coverage as provided in the collective bargaining contract or compensation plan.

(e) An agreement under this section may apply only to work through June 30, 2007.

Sec. 4. VOLUNTARY UNPAID LEAVE OF ABSENCE.

(a) Appointing authorities in state government may allow each employee to take unpaid leaves of absence for up to 1,040 hours between July 1, 2005, and June 30, 2007. Each appointing authority approving such a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and, if payments are made under paragraph (b), accrue service credit and credited salary in the state retirement plans as if the employee had actually been employed during the time of leave. An employee covered by the unclassified plan may voluntarily make the employee contributions to the unclassified plan during the leave of absence. If the employee makes these contributions, the appointing authority must make the employer contribution. If the leave of absence is for one full pay period or longer, any holiday pay shall be included in the first payroll warrant after return from the leave of absence. The appointing authority shall attempt to grant requests for the unpaid leaves of absence consistent with the need to continue efficient operation of the agency. However, each appointing authority shall retain discretion to grant or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject to the applicable provisions of collective bargaining agreements and compensation plans.

(b) To receive eligible service credit and credited salary in a defined benefit plan, the member shall pay an amount equal to the applicable employee contribution rates. If an employee pays the employee contribution for the period of the leave under this section, the appointing authority must pay the employer contribution. The appointing authority may, at its discretion, pay the employee contributions. Contributions must be made in a time and manner prescribed by the executive director of the applicable pension plan.

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

New language is indicated by underline, deletions by strikeout.

Sec. 5. LABOR AGREEMENTS AND COMPENSATION PLANS.

Subdivision 1. AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES. The arbitration award and labor agreement between the state of Minnesota and the American Federation of State, County, and Municipal Employees, unit 8, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on June 14, 2004, is ratified.

Subd. 2. MINNESOTA LAW ENFORCEMENT ASSOCIATION; ARBITRATION AWARD. The arbitration award between the state of Minnesota and the Minnesota Law Enforcement Association, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on June 14, 2004, is ratified.

Subd. 3. HIGHER EDUCATION SERVICES OFFICE; COMPENSATION PLAN. The compensation plan for unrepresented employees of the Higher Education Services Office, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on June 14, 2004, is ratified.

Subd. 4. MINNESOTA LAW ENFORCEMENT ASSOCIATION; BARGAINING AGREEMENT. The collective bargaining agreement between the state of Minnesota and the Minnesota Law Enforcement Association, submitted to the Legislative Coordinating Commission Subcommittee on Employee Relations on September 29, 2004, and implemented after 30 days on October 30, 2004, is ratified.

Subd. 5. INTER FACULTY ORGANIZATION. The collective bargaining agreement between the state of Minnesota and the Inter Faculty Organization, submitted to the Legislative Coordinating Commission Subcommittee on Employee Relations on September 29, 2004, and implemented after 30 days on October 29, 2004, is ratified.

Subd. 6. MINNESOTA NURSES ASSOCIATION. The arbitration award and the collective bargaining agreement between the state of Minnesota and the Minnesota Nurses Association, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on December 20, 2004, is ratified.

Subd. 7. TEACHERS RETIREMENT ASSOCIATION. The proposal to increase the salary of the executive director of the Teachers Retirement Association, as modified and approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on December 20, 2004, is ratified.

Subd. 8. MINNESOTA STATE RETIREMENT SYSTEM. The proposal to increase the salary of the executive director of the Minnesota State Retirement System, as modified and approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on December 20, 2004, is ratified.

Subd. 9. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION. The proposal to increase the salary of the executive director of the Public Employees Retirement Association, as modified and approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on December 20, 2004, is ratified.

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

New language is indicated by underline, deletions by ~~strikeout~~.

ARTICLE 4

MILITARY AND VETERANS

Section 1. Minnesota Statutes 2004, section 190.16, is amended by adding a subdivision to read:

Subd. 6a. RENTAL OF CAMP RIPLEY FACILITIES. The adjutant general or the adjutant general's designee may rent buildings or other facilities at Camp Ripley to persons under terms and conditions specified by the adjutant general or designee. Subject to any prohibitions or restrictions in any agreement between the United States and the state of Minnesota, proceeds of rentals under this subdivision must be applied as follows:

- (1) payment of increased utilities, maintenance, or other costs directly attributable to the rental;
- (2) other operating and maintenance or repair costs for the building or facility being rented; and
- (3) maintenance and improvement of buildings or other facilities at Camp Ripley.

Rentals under this subdivision must be made under terms and conditions that do not conflict with the use of Camp Ripley for military purposes.

Sec. 2. Minnesota Statutes 2004, section 192.19, is amended to read:

192.19 RETIRED MEMBERS MAY BE ORDERED TO ACTIVE DUTY.

The commander-in-chief or the adjutant general may assign officers, warrant officers, and enlisted personnel on the retired list, with their consent, to temporary active service in recruiting, upon courts-martial, courts of inquiry and boards, to staff duty not involving service with troops, or in charge of a military reservation left temporarily without officers. Such personnel while so assigned shall receive the full pay and allowances of their grades at time of retirement, except that the commander-in-chief or the adjutant general may authorize pay and allowances in a higher grade when it is considered appropriate based on special skills or experience of the person being assigned to temporary active service.

Sec. 3. Minnesota Statutes 2004, section 192.261, subdivision 2, is amended to read:

Subd. 2. **REINSTATEMENT.** Except as otherwise hereinafter provided, upon the completion of such service such officer or employee shall be reinstated in the public position, which was held at the time of entry into such service, or a public

New language is indicated by underline, deletions by ~~strikeout~~.

position of like seniority, status, and pay if such is available at the same salary which the officer or employee would have received if the leave had not been taken, upon the following conditions: (1) that the position has not been abolished or that the term thereof, if limited, has not expired; (2) that the officer or employee is not physically or mentally disabled from performing the duties of such position; (3) that the officer or employee makes written application for reinstatement to the appointing authority within 90 days after termination of such service, or 90 days after discharge from hospitalization or medical treatment which immediately follows the termination of, and results from, such service; provided such application shall be made within one year and 90 days after termination of such service notwithstanding such hospitalization or medical treatment; (4) that the officer or employee submits an honorable discharge or other form of release by proper authority indicating that the officer's or employee's military or naval service was satisfactory. Upon such reinstatement the officer or employee shall have the same rights with respect to accrued and future seniority status, efficiency rating, vacation, sick leave, and other benefits as if that officer or employee had been actually employed during the time of such leave. The officer or employee reinstated under this section is entitled to vacation and sick leave with pay as provided in any applicable civil service rules, collective bargaining agreement, or compensation plan, and accumulates vacation and sick leave from the time the person enters active military service until the date of reinstatement without regard to any otherwise applicable limits on civil service rules limiting the number of days which may be accumulated. No officer or employee so reinstated shall be removed or discharged within one year thereafter except for cause, after notice and hearing; but this shall not operate to extend a term of service limited by law.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any public officer or public employee serving in active military service on or after September 11, 2001.

Sec. 4. Minnesota Statutes 2004, section 192.501, subdivision 2, is amended to read:

Subd. 2. **TUITION AND TEXTBOOK REIMBURSEMENT GRANT PROGRAM.** (a) The adjutant general shall establish a program to provide tuition and textbook reimbursement grants to eligible members of the Minnesota National Guard within the limitations of this subdivision.

(b) Eligibility is limited to a member of the National Guard who:

- (1) is serving satisfactorily as defined by the adjutant general;
- (2) is attending a postsecondary educational institution, as defined by section 136A.15, subdivision 6, including a vocational or technical school operated or regulated by this state or another state or province; and
- (3) provides proof of satisfactory completion of coursework, as defined by the adjutant general.

In addition, (c) Notwithstanding paragraph (b), clause (1), for a person who:

New language is indicated by underline, deletions by ~~strikeout~~.

(1) has satisfactorily completed the person's service contract in the Minnesota National Guard or the portion of it involving selective reserve status, for which any part of that service was spent serving honorably in federal active service or federally funded state active service since September 11, 2001, the person's eligibility is extended for a period of two years, plus an amount of time equal to the duration of that person's active service, subject to the credit hours limit in paragraph (g); or

(2) has served honorably in the Minnesota National Guard and has been separated or discharged from that organization due to a service-connected injury, disease, or disability, the eligibility period is extended for eight years beyond the date of separation, subject to the credit hours limit in paragraph (g).

(d) If a member of the Minnesota National Guard is killed in the line of state active service or federally funded state active service, as defined in section 190.05, subdivisions 5a and 5b, the member's surviving spouse, and any surviving dependent who has not yet reached 24 years of age, is eligible for a tuition and textbook reimbursement grant, with each eligible person independently subject to the credit hours limit in paragraph (g).

(e) The adjutant general may, within the limitations of this paragraph paragraphs (b) to (d) and other applicable laws, determine additional eligibility criteria for the grant, and must specify the criteria in department regulations and publish changes as necessary.

(e) (f) The amount of a tuition and textbook reimbursement grant must be specified on a schedule as determined and published in department regulations by the adjutant general, but is limited to a maximum of an amount equal to the greater of:

(1) up to 100 percent of the cost of tuition for lower division programs in the College of Liberal Arts at the Twin Cities campus of the University of Minnesota in the most recent academic year; or

(2) up to 100 percent of the cost of tuition for the program in which the person is enrolled at that Minnesota public institution, or if that public institution is outside the state of Minnesota, for the cost of a comparable program at the University of Minnesota, except that in the case of a survivor as defined in paragraph (b) (d), the amount of the tuition and textbook reimbursement grant for coursework satisfactorily completed by the person is limited to 100 percent of the cost of tuition for postsecondary courses at a Minnesota public educational institution.

Paragraph (g) Paragraphs (b) to (e) notwithstanding, a person is no longer eligible for a grant under this subdivision once the person has received grants under this subdivision for the equivalent of 208 quarter credits or 144 semester credits of coursework.

(d) (h) Tuition and textbook reimbursement grants received under this subdivision may not be considered by the Minnesota Higher Education Services Office or by any other state board, commission, or entity in determining a person's eligibility for a scholarship or grant-in-aid under sections 136A.095 to 136A.1311.

New language is indicated by underline, deletions by ~~strikeout~~.

(e) (i) If a member fails to complete a term of enlistment during which a tuition and textbook reimbursement grant was paid, the adjutant general may seek to recoup a prorated amount as determined by the adjutant general. However, this authority does not apply to a person whose separation from the Minnesota National Guard is due to a medical condition or financial hardship.

(j) For purposes of this section, the terms "active service," "state active service," "federally funded state active service," and "federal active service" have the meanings given in section 190.05, subdivisions 5 to 5c, respectively, except that for purposes of paragraph (c), clause (1), these terms exclude service performed exclusively for purposes of:

(1) basic combat training, advanced individual training, annual training, and periodic inactive duty training;

(2) special training periodically made available to reserve members;

(3) service performed in accordance with section 190.08, subdivision 3; and

(4) service performed as part of the active guard/reserve program pursuant to United States Code, title 32, section 502(f), or other applicable authority.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to persons who have served in the Minnesota National Guard at anytime since September 11, 2001, and if the person has died in the line of service, to the person's surviving spouse and dependents.

Sec. 5. Minnesota Statutes 2004, section 193.29, subdivision 3, is amended to read:

Subd. 3. **JOINT BOARDS.** In all cases in which more than one company or other unit of the military forces shall occupy the same armory, the armory board shall consist of officers military personnel assigned to the units or organizations quartered therein. The adjutant general shall designate by order from time to time the representatives of each unit quartered therein to comprise the armory board for each armory. In the discretion of the adjutant general, the membership of the board may be comprised of officers, warrant officers, and enlisted personnel and may be changed from time to time so as to give the several organizations quartered therein proper representation on the board.

Sec. 6. Minnesota Statutes 2004, section 193.30, is amended to read:

193.30 **COMMANDING OFFICERS MANAGEMENT OF ARMORY BOARD.**

The senior ~~officer~~ member on each armory board shall be the chair, and the junior ~~officer~~ member thereof shall be the recorder. A record of the proceedings of the board shall be kept, and all motions offered, whether seconded or not, shall be put to a vote and the result recorded. In the case of a tie vote the adjutant general, upon the request of any member, shall decide. The governor may make and alter rules for the government of armory boards, officers, and other persons having charge of armories, arsenals, or other military property of the state.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 7. Minnesota Statutes 2004, section 193.31, is amended to read:

193.31 SENIOR OFFICER TO CONTROL OF DRILL HALL.

The senior officer member of any company or other organization assembling at an armory for drill or instruction shall have control of the drill hall or other portion of the premises used therefor during such occupancy, subject to the rules prescribed for its use and the orders of that officer's member's superior. Any person who intrudes contrary to orders, or who interrupts, molests, or insults any troops so assembled, or who refuses to leave the premises when properly requested so to do, shall be guilty of a misdemeanor. Nothing in this section shall prevent reasonable inspection of the premises by the proper municipal officer, or by the lessor thereof in accordance with the terms of the lease.

Sec. 8. Minnesota Statutes 2004, section 197.608, subdivision 5, is amended to read:

Subd. 5. **QUALIFYING USES.** The commissioner shall consult with the Minnesota Association of County Veterans Service Officers in developing a list of qualifying uses for grants awarded under this program. The commissioner is authorized to use any unexpended funding for this program to provide training and education for county veterans service officers.

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

Sec. 9. Minnesota Statutes 2004, section 471.975, is amended to read:

471.975 MAY PAY DIFFERENTIAL OF RESERVE ON ACTIVE DUTY.

(a) Except as provided in paragraph (b), a statutory or home rule charter city, county, town, or other political subdivision may pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's basic active duty military salary and the salary the member would be paid as an active political subdivision employee, including any adjustments the member would have received if not on leave of absence. This payment may be made only to a person whose basic active duty military salary is less than the salary the person would be paid as an active political subdivision employee. Back pay authorized by this section may be paid in a lump sum. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.

(b) Subject to the limits under paragraph (g), each school district shall pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's basic active duty military salary and the salary the member would be paid as an active school district employee, including any adjustments the member would have received if not on leave of absence. The pay differential must be based on a comparison between the member's daily rate of active duty pay, calculated by dividing the member's military

New language is indicated by underline, deletions by ~~strikeout~~.

monthly salary by the number of paid days in the month, and the member's daily rate of pay for the member's school district salary, calculated by dividing the member's total school district salary by the number of contract days. The member's salary as a school district employee must include the member's basic salary and any additional salary the member earns from the school district for cocurricular activities. The differential payment under this paragraph must be the difference between the daily rates of military pay times the number of school district contract days the member misses because of military active duty. This payment may be made only to a person whose basic active duty military salary is less than the salary the person would be paid as an active school district employee. Payments may be made at the intervals at which the member received pay as a school district employee. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.

(c) An eligible member of the reserve components of the armed forces of the United States is a reservist or National Guard member who was an employee of a political subdivision at the time the member reported for active service on or after May 29, 2003, or who is on active service on May 29, 2003.

(d) ~~Notwithstanding other obligations under law and~~ Except as provided in paragraph (e) and elsewhere in Minnesota Statutes, a statutory or home rule charter city, county, town, or other political subdivision has total discretion regarding employee benefit continuation for a member who reports for active service and the terms and conditions of any benefit.

(e) A school district must continue the employee's enrollment in health and dental coverage, and the employer contribution toward that coverage, until the employee is covered by health and dental coverage provided by the armed forces. If the employee had elected dependent coverage for health or dental coverage as of the time that the employee reported for active service, a school district must offer the employee the option to continue the dependent coverage at the employee's own expense. A school district must permit the employee to continue participating in any pretax account in which the employee participated when the employee reported for active service, to the extent of employee pay available for that purpose.

(f) For purposes of this section, "active service" has the meaning given in section 190.05, subdivision 5, but excludes service performed exclusively for purposes of:

- (1) basic combat training, advanced individual training, annual training, and periodic inactive duty training;
- (2) special training periodically made available to reserve members; and
- (3) service performed in accordance with section 190.08, subdivision 3.

(g) A school district making payments under paragraph (b) shall place a sum equal to any difference between the amount of salary that would have been paid to the employee who is receiving the payments and the amount of salary being paid to substitutes for that employee into a special fund that must be used to pay or partially

New language is indicated by underline, deletions by ~~strikeout~~.

pay the deployed employee's payments under paragraph (b). A school district is required to pay only this amount to the deployed school district employee.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any public officer or public employee serving in active military service on or after September 11, 2001.

Sec. 10. Laws 2000, chapter 461, article 4, section 4, as amended by Laws 2003, First Special Session chapter 12, article 6, section 3, and Laws 2004, chapter 267, article 17, section 7, is amended to read:

Sec. 4. EFFECTIVE DATE; SUNSET REPEALER.

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

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

Sec. 11. PLAQUE HONORING VETERANS OF THE PERSIAN GULF WAR.

A memorial plaque may be placed in the court of honor on the capitol grounds to recognize the valiant service to our nation by the thousands of brave men and women who served honorably as members of the United States Armed Forces during the Persian Gulf War. The plaque must be furnished by a person or organization other than the Department of Veterans Affairs and must be approved by the commissioner of veterans affairs and the Capitol Area Architectural and Planning Board.

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

Sec. 12. REPEALER.

Minnesota Statutes 2004, sections 43A.11, subdivision 2; and 197.455, subdivision 3, are repealed.

ARTICLE 5

OFFICE OF ENTERPRISE TECHNOLOGY

Section 1. Minnesota Statutes 2004, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **PUBLIC OFFICIAL.** "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;

New language is indicated by underline, deletions by ~~strikeout~~.

- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;
- (6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;
- (7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- (8) executive director of the State Board of Investment;
- (9) deputy of any official listed in clauses (7) and (8);
- (10) judge of the Workers' Compensation Court of Appeals;
- (11) administrative law judge or compensation judge in the State Office of Administrative Hearings or referee in the Department of Employment and Economic Development;
- (12) member, regional administrator, division director, general counsel, or operations manager of the metropolitan council;
- (13) member or chief administrator of a metropolitan agency;
- (14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;
- (15) member or executive director of the Higher Education Facilities Authority;
- (16) member of the board of directors or president of Minnesota Technology, Inc.;
- or
- (17) member of the board of directors or executive director of the Minnesota State High School League.

Sec. 2. Minnesota Statutes 2004, section 15.06, is amended by adding a subdivision to read:

Subd. 1a. APPLICATION TO OFFICE OF ENTERPRISE TECHNOLOGY. For the purposes of this section, references to "commissioner" include the chief information officer of the Office of Enterprise Technology.

Sec. 3. Minnesota Statutes 2004, section 16B.04, subdivision 2, is amended to read:

Subd. 2. POWERS AND DUTIES, GENERAL. Subject to other provisions of this chapter, the commissioner is authorized to:

- (1) supervise, control, review, and approve all state contracts and purchasing;

New language is indicated by underline, deletions by ~~strikeout~~.

(2) provide agencies with supplies and equipment and operate all central store or supply rooms serving more than one agency;

(3) approve all computer plans and contracts, and oversee the state's data processing system;

(4) investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;

(5) (4) manage and control state property, real and personal;

(6) (5) maintain and operate all state buildings, as described in section 16B.24, subdivision 1;

(7) (6) supervise, control, review, and approve all capital improvements to state buildings and the capitol building and grounds;

(8) (7) provide central duplicating, printing, and mail facilities;

(9) (8) oversee publication of official documents and provide for their sale;

(10) (9) manage and operate parking facilities for state employees and a central motor pool for travel on state business;

(11) (10) establish and administer a State Building Code; and

(12) (11) provide rental space within the capitol complex for a private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter. The commissioner shall report back to the legislature by October 1, 1984, with the recommendation to implement the private day care operation.

Sec. 4. Minnesota Statutes 2004, section 16B.48, subdivision 4, is amended to read:

Subd. 4. **REIMBURSEMENTS.** Except as specifically provided otherwise by law, each agency shall reimburse ~~intertechologies and~~ the general services revolving funds for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund must include reasonable overhead costs. The commissioner of administration shall report the rates to be charged for each the general services revolving fund funds no later than July 1 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Department of Administration. The commissioner of finance shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of finance, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's

New language is indicated by underline, deletions by ~~strikeout~~.

estimated obligation for a period of at least 60 days. All reimbursements and other money received by the commissioner of administration under this section must be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and finance, must be transferred to the general fund.

Sec. 5. Minnesota Statutes 2004, section 16B.48, subdivision 5, is amended to read:

Subd. 5. **LIQUIDATION.** If the ~~intertechnologies~~ or general services revolving ~~fund~~ ~~is~~ funds are abolished or liquidated, the total net profit from the operation of each fund must be distributed to the various funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during the same period of time.

Sec. 6. Minnesota Statutes 2004, section 16E.01, subdivision 1, is amended to read:

Subdivision 1. **PURPOSE CREATION; CHIEF INFORMATION OFFICER.** The Office of Enterprise Technology, referred to in this chapter as the "office," is under the supervision of the commissioner of administration an agency in the executive branch headed by the state chief information officer. The appointment of the chief information officer is subject to the advice and consent of the senate under section 15.066.

Subd. 1a. **RESPONSIBILITIES.** The office shall provide oversight, leadership, and direction for information and ~~communications~~ telecommunications technology policy and the management, delivery, and security of information and telecommunications technology systems and services in Minnesota. The office shall ~~coordinate~~ manage strategic investments in information and ~~communications~~ telecommunications technology systems and services to encourage the development of a technically literate society and, to ensure sufficient access to and efficient delivery of government services, and to maximize benefits for the state government as an enterprise.

Sec. 7. Minnesota Statutes 2004, section 16E.01, subdivision 3, is amended to read:

Subd. 3. **DUTIES.** (a) The office shall:

(1) coordinate manage the efficient and effective use of available federal, state, local, and ~~private~~ public-private resources to develop statewide information and ~~communications~~ telecommunications technology systems and services and its infrastructure;

(2) review approve state agency and intergovernmental information and ~~communications~~ telecommunications technology systems and services development efforts involving state or intergovernmental funding, including federal funding, provide

New language is indicated by underline, deletions by ~~strikeout~~.

information to the legislature regarding projects reviewed, and recommend projects for inclusion in the governor's budget under section 16A.11;

(3) ~~encourage~~ ensure cooperation and collaboration among state and local governments in developing ~~intergovernmental communication and information and telecommunications technology systems and services~~, and define the structure and responsibilities of the ~~Information Policy Council~~ a representative governance structure;

(4) cooperate and collaborate with the legislative and judicial branches in the development of information and communications systems in those branches;

(5) continue the development of North Star, the state's official comprehensive on-line service and information initiative;

(6) promote and collaborate with the state's agencies in the state's transition to an effectively competitive telecommunications market;

(7) collaborate with entities carrying out education and lifelong learning initiatives to assist Minnesotans in developing technical literacy and obtaining access to ongoing learning resources;

(8) promote and coordinate public information access and network initiatives, consistent with chapter 13, to connect Minnesota's citizens and communities to each other, to their governments, and to the world;

(9) promote and coordinate electronic commerce initiatives to ensure that Minnesota businesses and citizens can successfully compete in the global economy;

(10) manage and ~~promote and coordinate~~ the regular and periodic reinvestment in the ~~core information and communications~~ telecommunications technology systems and services infrastructure so that state and local government agencies can effectively and efficiently serve their customers;

(11) facilitate the cooperative development of and ensure compliance with standards and policies for information and telecommunications technology systems and services, electronic data practices and privacy, and electronic commerce among international, national, state, and local public and private organizations; and

(12) ~~work with others to avoid eliminate~~ unnecessary duplication of existing information and telecommunications technology systems and services provided by other public and private organizations while building on the existing governmental, educational, business, health care, and economic development infrastructures;

(13) identify, sponsor, develop, and execute shared information and telecommunications technology projects and ongoing operations; and

(14) ensure overall security of the state's information and technology systems and services.

(b) The ~~commissioner of administration~~ chief information officer in consultation with the commissioner of finance ~~may~~ must determine that when it is cost-effective for

New language is indicated by underline, deletions by ~~strikeout~~.

agencies to develop and use shared information and ~~communications~~ telecommunications technology systems and services for the delivery of electronic government services. This determination may be made if an agency proposes a new system that duplicates an existing system, a system in development, or a system being proposed by another agency. The ~~commissioner of administration~~ chief information officer may require agencies to use shared information and telecommunications technology systems and services. The chief information officer shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to agencies and other governmental entities sufficient to cover the actual development, operating, maintenance, and administrative costs of the shared systems. The methodology for billing may include the use of interagency agreements, or other means as allowed by law.

Sec. 8. Minnesota Statutes 2004, section 16E.02, is amended to read:

16E.02 OFFICE OF ENTERPRISE TECHNOLOGY; STRUCTURE AND PERSONNEL.

Subdivision 1. **OFFICE MANAGEMENT AND STRUCTURE.** (a) The commissioner of administration chief information officer is appointed by the governor. The chief information officer serves in the unclassified service at the pleasure of the governor. The chief information officer must have experience leading enterprise-level information technology organizations. The chief information officer is the state's chief information officer and information and telecommunications technology advisor to the governor.

(b) The chief information officer may appoint other employees of the office. The staff of the office must include individuals knowledgeable in information and ~~communications~~ telecommunications technology systems and services and individuals with specialized training in information security.

Subd. 1a. **ACCOUNTABILITY.** The chief information officer reports to the governor. The chief information officer must consult regularly with the commissioners of administration, finance, human services, revenue, and other commissioners as designated by the governor, on technology projects, standards, and services as well as management of resources and staff utilization.

Subd. 2. **INTERGOVERNMENTAL PARTICIPATION.** The commissioner of administration chief information officer or the commissioner's chief information officer's designee shall serve as a member of the Minnesota Education Telecommunications Council, the Geographic Information Systems Council, and the Library Planning Task Force, or their respective successor organizations, and as a nonvoting member of Minnesota Technology, Inc. and the Minnesota Health Data Institute as a nonvoting member.

Subd. 3. **ADMINISTRATIVE SUPPORT.** The commissioner of administration must provide office space and administrative support services to the office. The office must reimburse the commissioner for these services.

Sec. 9. Minnesota Statutes 2004, section 16E.03, subdivision 1, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **DEFINITIONS.** For the purposes of sections 16E.03 to 16E.05 chapter 16E, the following terms have the meanings given them.

(a) “Information and telecommunications technology systems and services” means all computing and telecommunications hardware and software, the activities undertaken to secure that hardware and software, and the activities undertaken to acquire, transport, process, analyze, store, and disseminate information electronically. “Information and telecommunications technology systems and services” includes all proposed expenditures for computing and telecommunications hardware and software, security for that hardware and software, and related consulting or other professional services.

(a) (b) “Information and communications telecommunications technology project” means the development or acquisition of information and communications technology devices and systems, but does not include the state information infrastructure or its contractors.

(b) “Data processing device or system” means equipment or computer programs, including computer hardware, firmware, software, and communication protocols, used in connection with the processing of information through electronic data processing means, and includes data communication devices used in connection with computer facilities for the transmission of data. an effort to acquire or produce information and telecommunications technology systems and services.

(c) “Telecommunications” means voice, video, and data electronic transmissions transported by wire, wireless, fiber-optic, radio, or other available transport technology.

(d) “Cyber security” means the protection of data and systems in networks connected to the Internet.

(e) (e) “State agency” means an agency in the executive branch of state government and includes the Minnesota Higher Education Services Office, but does not include the Minnesota State Colleges and Universities unless specifically provided elsewhere in this chapter.

Sec. 10. Minnesota Statutes 2004, section 16E.03, subdivision 2, is amended to read:

Subd. 2. **COMMISSIONER'S CHIEF INFORMATION OFFICER RESPONSIBILITY.** ~~The commissioner~~ chief information officer shall coordinate the state's information and ~~communications~~ telecommunications technology systems and services to serve the needs of the state government. ~~The commissioner~~ chief information officer shall:

(1) ~~coordinate~~ coordinate the design of a master plan for information and ~~communications~~ telecommunications technology systems and services in the state and its political subdivisions and shall report on the plan to the governor and legislature at the beginning of each regular session;

New language is indicated by underline, deletions by ~~strikeout~~.

(2) coordinate, review, and approve all information and communications telecommu-
nications technology plans and contracts projects and oversee the state's informa-
tion and communications telecommunications technology systems and services;

(3) establish and enforce compliance with standards for information and commu-
nications telecommunications technology systems and services that encourage com-
petition are cost-effective and support open systems environments and that are
compatible with state, national, and international standards; and

(4) maintain a library of systems and programs developed by the state and its
political subdivisions for use by agencies of government;

(5) direct and manage the shared operations of the state's information and
telecommunications technology systems and services; and

(6) establish and enforce standards and ensure acquisition of hardware and
software necessary to protect data and systems in state agency networks connected to
the Internet.

Sec. 11. Minnesota Statutes 2004, section 16E.03, subdivision 3, is amended to read:

Subd. 3. **EVALUATION AND APPROVAL.** A state agency may not undertake an information and ~~communications telecommunications~~ technology project until it has been evaluated according to the procedures developed under subdivision 4. The ~~governor or governor's designee~~ chief information officer shall give written approval of the proposed project. If the proposed project is not approved ~~When notified by the chief information officer that a project has not been approved,~~ the commissioner of finance shall cancel the unencumbered balance of any appropriation allotted for the project. ~~This subdivision does not apply to acquisitions or development of information and communications systems that have anticipated total cost of less than \$100,000. The Minnesota State Colleges and Universities shall submit for approval any project related to acquisitions or development of information and communications systems that has a total anticipated cost of more than \$250,000.~~

Sec. 12. Minnesota Statutes 2004, section 16E.03, subdivision 7, is amended to read:

Subd. 7. **DATA CYBER SECURITY SYSTEMS.** In consultation with the attorney general and appropriate agency heads, the ~~commissioner~~ chief information officer shall develop data cyber security policies, guidelines, and standards, and the ~~commissioner of administration~~ shall install and administer state data security systems on the state's centralized computer facility facilities consistent with these policies, guidelines, standards, and state law to ensure the integrity of computer-based and other data and to ensure applicable limitations on access to data, consistent with the public's right to know as defined in chapter 13. The chief information officer is responsible for overall security of state agency networks connected to the Internet. Each department or agency head is responsible for the security of the department's or agency's data within the guidelines of established enterprise policy.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 13. Minnesota Statutes 2004, section 16E.04, is amended to read:

16E.04 INFORMATION AND COMMUNICATIONS TELECOMMUNICATIONS TECHNOLOGY POLICY.

Subdivision 1. **DEVELOPMENT.** The office shall ~~coordinate with state agencies in developing and establishing~~ develop, establish, and enforce policies and standards for state agencies to follow in developing and purchasing information and ~~communications~~ telecommunications technology systems and services and training appropriate persons in their use. The office shall develop, promote, and ~~coordinate~~ manage state technology, architecture, standards and guidelines, information needs analysis techniques, contracts for the purchase of equipment and services, and training of state agency personnel on these issues.

Subd. 2. **RESPONSIBILITIES.** (a) In addition to other activities prescribed by law, the office shall carry out the duties set out in this subdivision.

(b) The office shall develop and establish a state information architecture to ensure that ~~the~~ state agency development and purchase of information and communications systems, equipment, and services is designed to ensure that individual agency information systems complement and do not needlessly duplicate or conflict with the systems of other agencies. When state agencies have need for the same or similar public data, the ~~commissioner~~ chief information officer, in coordination with the affected agencies, shall ~~promote~~ manage the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. The office shall ensure compliance with the architecture.

(c) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's mission and the state's requirements and functions. The office shall review and approve agency technology plans to ensure consistency with enterprise information and telecommunications technology strategy.

(d) The office shall review and approve agency requests for ~~legislative appropriations~~ funding for the development or purchase of information systems equipment or software before the requests may be included in the governor's budget.

(e) The office shall review major purchases of information systems equipment to:

(1) ensure that the equipment follows the standards and guidelines of the state information architecture;

(2) ensure that ~~the~~ equipment is consistent with the information management principles adopted by the Information Policy Council;

(3) ~~evaluate whether~~ the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and

(4) (3) ensure that the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that

New language is indicated by underline, deletions by ~~strikeout~~.

the agency purchasing the equipment has special needs justifying the inconsistency.

(f) The office shall review the operation of information systems by state agencies and provide advice and assistance to ensure that these systems are operated efficiently and securely and continually meet the standards and guidelines established by the office. The standards and guidelines must emphasize uniformity that is cost-effective for the enterprise, that encourages information interchange, open systems environments, and portability of information whenever practicable and consistent with an agency's authority and chapter 13.

(g) The office shall conduct a comprehensive review at least every three years of the information systems investments that have been made by state agencies and higher education institutions. The review must include recommendations on any information systems applications that could be provided in a more cost-beneficial manner by an outside source. The office must report the results of its review to the legislature and the governor.

Subd. 3. RISK ASSESSMENT AND MITIGATION. (a) A risk assessment and risk mitigation plan are required for an all information systems development ~~project~~ estimated to cost more than \$1,000,000 that is projects undertaken by a state agency in the executive or judicial branch or by a constitutional officer. The ~~commissioner of administration~~ chief information officer must contract with an entity outside of state government to conduct the initial assessment and prepare the mitigation plan for a project estimated to cost more than \$5,000,000. The outside entity conducting the risk assessment and preparing the mitigation plan must not have any other direct or indirect financial interest in the project. The risk assessment and risk mitigation plan must provide for periodic monitoring by the commissioner until the project is completed.

(b) The risk assessment and risk mitigation plan must be paid for with money appropriated for the information systems development and telecommunications technology project. The chief information officer must notify the commissioner of finance when work has begun on a project and must identify the proposed budget for the project. The commissioner of finance shall ensure that no more than ten percent of the amount anticipated to proposed budget be spent on the project, other than the money spent on the risk assessment and risk mitigation plan, may be is spent until the risk assessment and mitigation plan are reported to the commissioner of administration chief information officer and the commissioner chief information officer has approved the risk mitigation plan.

Sec. 14. Minnesota Statutes 2004, section 16E.0465, subdivision 1, is amended to read:

Subdivision 1. **APPLICATION.** This section applies to an appropriation of more than \$1,000,000 of state or federal funds to a state agency for any information and ~~communications~~ telecommunications technology project or data processing device or system or for any phase of such a project, device, or system. For purposes of this section, an appropriation of state or federal funds to a state agency includes an appropriation:

New language is indicated by underline, deletions by ~~strikeout~~.

- (1) to the Minnesota State Colleges and Universities;
- (2) to a constitutional officer;
- (3) (2) for a project that includes both a state agency and units of local government; and
- (4) (3) to a state agency for grants to be made to other entities.

Sec. 15. Minnesota Statutes 2004, section 16E.0465, subdivision 2, is amended to read:

Subd. 2. **REQUIRED REVIEW AND APPROVAL.** (a) A state agency receiving an appropriation for an information and ~~communications~~ telecommunications technology project or data processing device or system subject to this section must divide the project into phases.

(b) The commissioner of finance may not authorize the encumbrance or expenditure of an appropriation of state funds to a state agency for any phase of a project, device, or system subject to this section unless the Office of Enterprise Technology has reviewed each phase of the project, device, or system, and based on this review, the ~~commissioner of administration~~ chief information officer has determined for each phase that:

- (1) the project is compatible with the state information architecture and other policies and standards established by the ~~commissioner of administration~~ chief information officer; and
- (2) the agency is able to accomplish the goals of the phase of the project with the funds appropriated; and
- (3) the project supports the enterprise information technology strategy.

Sec. 16. Minnesota Statutes 2004, section 16E.055, is amended to read:

16E.055 ~~COMMON WEB FORMAT~~ ELECTRONIC GOVERNMENT SERVICES.

A state agency that implements electronic government services for fees, licenses, sales, or other purposes must use a ~~common Web page format approved by the commissioner of administration for those electronic government services. The commissioner may create a~~ single entry site created by the chief information officer for all agencies to use for electronic government services.

Sec. 17. Minnesota Statutes 2004, section 16E.07, subdivision 8, is amended to read:

Subd. 8. **SECURE TRANSACTION SYSTEM.** The office shall plan and develop a secure transaction system to support delivery of government services electronically. A state agency that implements electronic government services for fees, licenses, sales, or other purposes must use the secure transaction system developed in accordance with this section.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 18. [16E.14] ENTERPRISE TECHNOLOGY REVOLVING FUND.

Subdivision 1. CREATION. The enterprise technology revolving fund is created in the state treasury.

Subd. 2. APPROPRIATION AND USES OF FUND. Money in the enterprise technology revolving fund is appropriated annually to the chief information officer to operate information and telecommunications services, including management, consultation, and design services.

Subd. 3. REIMBURSEMENTS. Except as specifically provided otherwise by law, each agency shall reimburse the enterprise technology revolving fund for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the chief information officer is authorized and directed to furnish an agency. The chief information officer shall report the rates to be charged for the revolving fund no later than July 1 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Office of Enterprise Technology.

Subd. 4. CASH FLOW. The commissioner of finance shall make appropriate transfers to the revolving fund when requested by the chief information officer. The chief information officer may make allotments and encumbrances in anticipation of such transfers. In addition, the chief information officer, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving fund sufficient to cover the office's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the chief information officer under this section must be deposited in the enterprise technology revolving fund.

Subd. 5. LIQUIDATION. If the enterprise technology revolving fund is abolished or liquidated, the total net profit from the operation of the fund must be distributed to the various funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during the same period of time.

Sec. 19. Minnesota Statutes 2004, section 299C.65, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP, DUTIES.** (a) The Criminal and Juvenile Justice Information Policy Group consists of the commissioner of corrections, the commissioner of public safety, the ~~commissioner of administration~~ state chief information officer, the commissioner of finance, and four members of the judicial branch appointed by the chief justice of the Supreme Court. The policy group may appoint additional, nonvoting members as necessary from time to time.

(b) The commissioner of public safety is designated as the chair of the policy group. The commissioner and the policy group have overall responsibility for the successful completion of statewide criminal justice information system integration (CriMNet). The policy group may hire a program manager to manage the CriMNet

New language is indicated by underline, deletions by ~~strikeout~~.

projects and to be responsible for the day-to-day operations of CriMNet. The policy group must ensure that generally accepted project management techniques are utilized for each CriMNet project, including:

- (1) clear sponsorship;
- (2) scope management;
- (3) project planning, control, and execution;
- (4) continuous risk assessment and mitigation;
- (5) cost management;
- (6) quality management reviews;
- (7) communications management; and
- (8) proven methodology.

(c) Products and services for CriMNet project management, system design, implementation, and application hosting must be acquired using an appropriate procurement process, which includes:

- (1) a determination of required products and services;
- (2) a request for proposal development and identification of potential sources;
- (3) competitive bid solicitation, evaluation, and selection; and
- (4) contract administration and close-out.

(d) The policy group shall study and make recommendations to the governor, the Supreme Court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on gross misdemeanor-level and felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

New language is indicated by underline, deletions by ~~strikeout~~.

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

(10) the impact of integrated criminal justice information systems on individual privacy rights;

(11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes;

(12) the collection of data on race and ethnicity in criminal justice information systems;

(13) the development of a tracking system for domestic abuse orders for protection;

(14) processes for expungement, correction of inaccurate records, destruction of records, and other matters relating to the privacy interests of individuals; and

(15) the development of a database for extended jurisdiction juvenile records and whether the records should be public or private and how long they should be retained.

Sec. 20. Minnesota Statutes 2004, section 299C.65, subdivision 2, is amended to read:

Subd. 2. **REPORT, TASK FORCE.** (a) The policy group shall file an annual report with the governor, Supreme Court, and chairs and ranking minority members of the senate and house committees and divisions with jurisdiction over criminal justice funding and policy by December 1 of each year.

(b) The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently. To assist them in developing their recommendations, the policy group shall appoint a task force consisting of its members or their designees and the following additional members:

(1) the director of the Office of Strategic and Long-Range Planning;

(2) two sheriffs recommended by the Minnesota Sheriffs Association;

(3) two police chiefs recommended by the Minnesota Chiefs of Police Association;

New language is indicated by underline, deletions by ~~strikeout~~.

(4) two county attorneys recommended by the Minnesota County Attorneys Association;

(5) two city attorneys recommended by the Minnesota League of Cities;

(6) two public defenders appointed by the Board of Public Defense;

(7) two district judges appointed by the Conference of Chief Judges, one of whom is currently assigned to the juvenile court;

(8) two community corrections administrators recommended by the Minnesota Association of Counties, one of whom represents a community corrections act county;

(9) two probation officers;

(10) four public members, one of whom has been a victim of crime, and two who are representatives of the private business community who have expertise in integrated information systems;

(11) two court administrators;

(12) one member of the house of representatives appointed by the speaker of the house;

(13) one member of the senate appointed by the majority leader;

(14) the attorney general or a designee;

(15) the ~~commissioner of administration~~ state chief information officer or a designee;

(16) an individual recommended by the Minnesota League of Cities; and

(17) an individual recommended by the Minnesota Association of Counties.

In making these appointments, the appointing authority shall select members with expertise in integrated data systems or best practices.

(c) The commissioner of public safety may appoint additional, nonvoting members to the task force as necessary from time to time.

Sec. 21. Minnesota Statutes 2004, section 403.36, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP.** (a) The commissioner of public safety shall convene and chair the Statewide Radio Board to develop a project plan for a statewide, shared, trunked public safety radio communication system. The system may be referred to as "Allied Radio Matrix for Emergency Response," or "ARMER."

(b) The board consists of the following members or their designees:

(1) the commissioner of public safety;

(2) the commissioner of transportation;

(3) the ~~commissioner of administration~~ state chief information officer;

New language is indicated by underline, deletions by ~~strikeout~~.

- (4) the commissioner of natural resources;
- (5) the chief of the Minnesota State Patrol;
- (6) the commissioner of health;
- (7) the commissioner of finance;
- (8) two elected city officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the League of Minnesota Cities;
- (9) two elected county officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Association of Minnesota Counties;
- (10) two sheriffs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Minnesota Sheriffs' Association;
- (11) two chiefs of police, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Chiefs' of Police Association;
- (12) two fire chiefs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Fire Chiefs' Association;
- (13) two representatives of emergency medical service providers, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Ambulance Association;
- (14) the chair of the Metropolitan Radio Board; and
- (15) a representative of Greater Minnesota elected by those units of government in phase three and any subsequent phase of development as defined in the statewide, shared radio and communication plan, who have submitted a plan to the Statewide Radio Board and where development has been initiated.

(c) The Statewide Radio Board shall coordinate the appointment of board members representing Greater Minnesota with the appointing authorities and may designate the geographic region or regions from which an appointed board member is selected where necessary to provide representation from throughout the state.

Sec. 22. **TRANSFER OF DUTIES.**

Responsibilities of the commissioner of administration for state telecommunications systems, state information infrastructure, and electronic conduct of state business under Minnesota Statutes, sections 16B.405; 16B.44; 16B.46; 16B.465; 16B.466; and 16B.467, are transferred to the Office of Enterprise Technology. All positions in the Office of Technology and the Intertechnologies Group are transferred to the Office of

New language is indicated by underline, deletions by ~~strikeout~~.

Enterprise Technology. Minnesota Statutes, section 15.039, applies to the transfer of responsibilities in this section.

Sec. 23. REVISOR INSTRUCTION.

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall:

(1) substitute the term "chief information officer" for "commissioner" and "commissioner of administration" in the following sections: 16B.405; 16B.44; 16B.46; 16B.465; 16B.466; 16B.467; 16E.03, subdivisions 4, 5, 6, and 8; 16E.035; and 16E.07, subdivision 4;

(2) substitute the term "Office of Enterprise Technology" for the term "Office of Technology"; and

(3) recodify the following sections into chapter 16E: 16B.405; 16B.44; 16B.46; 16B.465; 16B.466; and 16B.467.

Sec. 24. REPEALER.

Minnesota Statutes 2004, sections 16B.48, subdivision 3; and 16E.0465, subdivision 3, are repealed.

ARTICLE 6

ELECTIONS AND CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2004, section 10A.01, subdivision 5, is amended to read:

Subd. 5. ASSOCIATED BUSINESS. "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of \$50, except for actual and reasonable expenses, in any month as a director, officer, owner, member, partner, employer or employee, or whose securities the individual holds worth \$2,500 or more at fair market value.

Sec. 2. Minnesota Statutes 2004, section 10A.01, subdivision 26, is amended to read:

Subd. 26. NONCAMPAIGN DISBURSEMENT. "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

- (1) payment for accounting and legal services;
- (2) return of a contribution to the source;

New language is indicated by underline, deletions by ~~strikeout~~.

(3) repayment of a loan made to the principal campaign committee by that committee;

(4) return of a public subsidy;

(5) payment for food, beverages, entertainment, and facility rental for a fund-raising event;

(6) services for a constituent by a member of the legislature or a constitutional officer in the executive branch, including the costs of preparing and distributing a suggestion or idea solicitation to constituents, performed from the beginning of the term of office to adjournment sine die of the legislature in the election year for the office held, and half the cost of services for a constituent by a member of the legislature or a constitutional officer in the executive branch performed from adjournment sine die to 60 days after adjournment sine die;

(7) payment for food and beverages provided to campaign consumed by a candidate or volunteers while they are engaged in campaign activities;

(8) payment for food or a beverage consumed while attending a reception or meeting directly related to legislative duties;

(9) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;

~~(9)~~ (10) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;

~~(10)~~ (11) costs of child care for the candidate's children when campaigning;

~~(11)~~ (12) fees paid to attend a campaign school;

~~(12)~~ (13) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;

~~(13)~~ (14) interest on loans paid by a principal campaign committee on outstanding loans;

~~(14)~~ (15) filing fees;

~~(15)~~ (16) post-general election thank-you notes or advertisements in the news media;

~~(16)~~ (17) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;

~~(17)~~ (18) contributions to a party unit; and

~~(18)~~ (19) payments for funeral gifts or memorials; and

(20) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

New language is indicated by underline, deletions by ~~strikeout~~.

The board must determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

A noncampaign disbursement is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

Sec. 3. Minnesota Statutes 2004, section 10A.025, is amended by adding a subdivision to read:

Subd. 1a. **ELECTRONIC FILING.** A report or statement required to be filed under this chapter may be filed electronically. The board shall adopt rules to regulate electronic filing and to ensure that the electronic filing process is secure.

Sec. 4. Minnesota Statutes 2004, section 10A.071, subdivision 3, is amended to read:

Subd. 3. **EXCEPTIONS.** (a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section 10A.01, subdivision 11;

(2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

(3) services of insignificant monetary value;

(4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;

(5) a trinket or memento of ~~insignificant value~~ costing \$5 or less;

(6) informational material of unexceptional value; or

(7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not officials, and an equivalent gift is given to the other members of the group; or

(2) by a lobbyist or principal who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

Sec. 5. Minnesota Statutes 2004, section 10A.08, is amended to read:

10A.08 REPRESENTATION DISCLOSURE.

A public official who represents a client for a fee before an individual, board, commission, or agency that has rulemaking authority in a hearing conducted under chapter 14, must disclose the official's participation in the action to the board within

New language is indicated by underline, deletions by ~~strikeout~~.

14 days after the appearance. The board must send a notice by certified mail to any public official who fails to disclose the participation within 14 days after the appearance. If the public official fails to disclose the participation within ten business days after the notice was sent, the board may impose a late filing fee of \$5 per day, not to exceed \$100, starting on the 11th day after the notice was sent. The board must send an additional notice by certified mail to a public official who fails to disclose the participation within 14 days after the first notice was sent by the board that the public official may be subject to a civil penalty for failure to disclose the participation. A public official who fails to disclose the participation within seven days after the second notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 6. Minnesota Statutes 2004, section 10A.20, subdivision 5, is amended to read:

Subd. 5. **PREELECTION REPORTS.** In a statewide election any loan, contribution, or contributions from any one source totaling \$2,000 or more, or in any judicial district or legislative election totaling more than \$400, received between the last day covered in the last report before an election and the election must be reported to the board in one of the following ways:

- (1) in person within 48 hours after its receipt;
- (2) by telegram or mailgram within 48 hours after its receipt; ~~or~~
- (3) by certified mail sent within 48 hours after its receipt; or
- (4) by electronic means sent within 48 hours after its receipt.

These loans and contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary in which the statewide or legislative candidate is unopposed.

Sec. 7. Minnesota Statutes 2004, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. **CONTRIBUTION LIMITS.** (a) Except as provided in subdivision 2, a candidate must not permit the candidate's principal campaign committee to accept aggregate contributions made or delivered by any individual, political committee, or political fund in excess of the following:

- (1) to candidates for governor and lieutenant governor running together, \$2,000 in an election year for the office sought and \$500 in other years;
- (2) to a candidate for attorney general, \$1,000 in an election year for the office sought and \$200 in other years;
- (3) to a candidate for the office of secretary of state or state auditor, \$500 in an election year for the office sought and \$100 in other years;
- (4) to a candidate for state senator, \$500 in an election year for the office sought and \$100 in other years; and

New language is indicated by underline, deletions by ~~strikeout~~.

(5) to a candidate for state representative, \$500 in an election year for the office sought and \$100 in the other year.

(b) The following deliveries are not subject to the bundling limitation in this subdivision:

(1) delivery of contributions collected by a member of the candidate's principal campaign committee, such as a block worker or a volunteer who hosts a fund-raising event, to the committee's treasurer; and

(2) a delivery made by an individual on behalf of the individual's spouse.

(c) A lobbyist, political committee, political party unit, or political fund must not make a contribution a candidate is prohibited from accepting.

Sec. 8. Minnesota Statutes 2004, section 10A.28, subdivision 2, is amended to read:

Subd. 2. **EXCEEDING CONTRIBUTION LIMITS.** ~~A political committee, political fund, or principal campaign committee that makes a contribution, or a candidate who permits the candidate's principal campaign committee to accept contributions, in excess of the limits imposed by section 10A.27 is subject to a civil penalty of up to four times the amount by which the contribution exceeded the limits. The following are subject to a civil penalty of up to four times the amount by which a contribution exceeds the applicable limits:~~

(1) a lobbyist, political committee, or political fund that makes a contribution in excess of the limits imposed by section 10A.27, subdivisions 1 and 8;

(2) a principal campaign committee that makes a contribution in excess of the limits imposed by section 10A.27, subdivision 2;

(3) a political party unit that makes a contribution in excess of the limits imposed by section 10A.27, subdivisions 2 and 8; or

(4) a candidate who permits the candidate's principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27.

Sec. 9. Minnesota Statutes 2004, section 10A.31, subdivision 4, is amended to read:

Subd. 4. **APPROPRIATION.** (a) The amounts designated by individuals for the state elections campaign fund, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign fund, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), ~~\$1,500,000~~ \$1,250,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

New language is indicated by underline, deletions by ~~strikeout~~.

Of this appropriation, \$65,000 each fiscal year must be set aside to pay assessments made by the Office of Administrative Hearings under section 211B.37. Amounts remaining after all assessments have been paid must be canceled to the general account.

Sec. 10. Minnesota Statutes 2004, section 10A.31, subdivision 5, is amended to read:

Subd. 5. **ALLOCATION.** (a) **GENERAL ACCOUNT.** In each calendar year the money in the general account must be allocated to candidates as follows:

- (1) 21 percent for the offices of governor and lieutenant governor together;
- (2) 4.2 percent for the office of attorney general;
- (3) 2.4 percent each for the offices of secretary of state and state auditor;
- (4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative; and
- (5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

(b) **PARTY ACCOUNT.** In each calendar year the money in each party account must be allocated as follows:

- (1) 14 percent for the offices of governor and lieutenant governor together;
- (2) 2.8 percent for the office of attorney general;
- (3) 1.6 percent each for the offices of secretary of state and state auditor;
- (4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative;
- (5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative; and

(6) ten percent or \$50,000, whichever is less, for the state committee of a political party; one-third of any amount in excess of that allocated to the state committee of a political party under this clause must be allocated to the office of state senator and two-thirds must be allocated to the office of state representative under clause (4).

Money allocated to each state committee under clause (6) must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275. Money allocated to a state committee under clause (6) must be paid to the committee by the board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the Department of Revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the Department

New language is indicated by underline, deletions by ~~strikeout~~.

of Revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the Department of Revenue to the board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the Department of Revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

Sec. 11. Minnesota Statutes 2004, section 200.02, subdivision 7, is amended to read:

Subd. 7. **MAJOR POLITICAL PARTY.** (a) "Major political party" means a political party that maintains a party organization in the state, political division or precinct in question and that has presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the last preceding state general election for presidential electors; and

whose candidate received votes in each county in that election and received votes from not less than five percent of the total number of individuals who voted in that election.

(b) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and that has presented at least 45 candidates for election to the office of state representative, 23 candidates for election to the office of state senator, four candidates for election to the office of representative in Congress, and one candidate for election to each of the following offices: governor and lieutenant governor, attorney general, secretary of state, and state auditor, at the last preceding state general election for those offices.

(c) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and whose members present to the secretary of state at any time before the close of filing for the state partisan primary ballot a petition for a place on the state partisan primary ballot, which petition contains signatures of a number of the party members equal to at least five percent of the total number of individuals who voted in the preceding state general election.

(~~e~~) (d) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (a) or a political party that presents candidates at an election as required by paragraph (b) becomes a major political party as of January 1 following that election and retains its major party status ~~notwithstanding that for at least two state general elections even if~~ the party fails to present a

New language is indicated by underline, deletions by ~~strikeout~~.

candidate who receives the number and percentage of votes required under paragraph (a) or fails to present candidates as required by paragraph (b) at the following subsequent state general election elections.

(d) (e) A major political party whose candidates fail to receive the number and percentage of votes required under paragraph (a) and that fails to present candidates as required by paragraph (b) at either each of two consecutive state general election elections described by paragraph (a) or (b), respectively, loses major party status as of December 31 following the most recent later of the two consecutive state general election elections.

Sec. 12. Minnesota Statutes 2004, section 200.02, subdivision 23, is amended to read:

Subd. 23. **MINOR POLITICAL PARTY.** (a) "Minor political party" means a political party that is not a major political party as defined by subdivision 7 and that has adopted a state constitution, designated a state party chair, held a state convention in the last two years, filed with the secretary of state no later than December 31 following the most recent state general election a certification that the party has met the foregoing requirements, and met the requirements of paragraph (b) or (e), as applicable.

(b) To be considered a minor party in all elections statewide, the political party must have presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general, at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the preceding state general election for presidential electors; and

who received votes in each county that in the aggregate equal at least one percent of the total number of individuals who voted in the election, or its members must have presented to the secretary of state at any time before the close of filing for the state partisan primary ballot a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least one percent of the total number of individuals who voted in the preceding state general election.

(c) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (b) becomes a minor political party as of January 1 following that election and retains its minor party status notwithstanding that for at least two state general elections even if the party fails to present a candidate who receives the number and percentage of votes required under paragraph (b) at the following subsequent state general election elections.

(d) A minor political party whose candidates fail to receive the number and percentage of votes required under paragraph (b) at either each of two consecutive state general election elections described by paragraph (b) loses minor party status as of

New language is indicated by underline, deletions by ~~strikeout~~.

December 31 following the most recent later of the two consecutive state general election elections.

(e) A minor party that qualifies to be a major party loses its status as a minor party at the time it becomes a major party. Votes received by the candidates of a major party must be counted in determining whether the party received sufficient votes to qualify as a minor party, notwithstanding that the party does not receive sufficient votes to retain its major party status. To be considered a minor party in an election in a legislative district, the political party must have presented at least one candidate for a legislative office in that district who received votes from at least ten percent of the total number of individuals who voted for that office, or its members must have presented to the secretary of state a nominating petition in a form prescribed by the secretary of state containing the signatures of party members in a number equal to at least ten percent of the total number of individuals who voted in the preceding state general election for that legislative office.

Sec. 13. Minnesota Statutes 2004, section 200.02, is amended by adding a subdivision to read:

Subd. 24. **METROPOLITAN AREA.** “Metropolitan area” means the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright.

Sec. 14. Minnesota Statutes 2004, section 201.014, subdivision 2, is amended to read:

Subd. 2. **NOT ELIGIBLE.** The following individuals are not eligible to vote. Any individual:

- (a) Convicted of treason or any felony whose civil rights have not been restored;
- (b) Under a guardianship of the person in which the court order provides that the ward does not retain revokes the ward’s right to vote; or
- (c) Found by a court of law to be legally incompetent.

Sec. 15. Minnesota Statutes 2004, section 201.061, subdivision 3, is amended to read:

Subd. 3. **ELECTION DAY REGISTRATION.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

- (1) presenting a driver’s license or Minnesota identification card issued pursuant to section 171.07;
- (2) presenting any document approved by the secretary of state as proper identification;

New language is indicated by underline, deletions by ~~strikeout~~.

(3) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to 15 proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the voter is registered to vote in the precinct, personally knows that the individual is a resident of the precinct, and is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application and the information on the oath must be recorded on the records of both the voter registering on election day and the voter who is vouching for the person's residence, and entered into the statewide voter registration system by the county auditor when the voter registration application is entered into that system.

(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.

(c) "Residential facility" means transitional housing as defined in section 119A.43, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the

New language is indicated by underline, deletions by ~~strikeout~~.

commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.

(d) For tribal band members living on an Indian reservation, an individual may prove residence for purposes of registering by presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, ~~street~~ address, signature, and picture of the individual. ~~The county auditor of each county having territory within the reservation shall maintain a record of the number of election day registrations accepted under this section.~~

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 16. Minnesota Statutes 2004, section 201.071, subdivision 1, is amended to read:

Subdivision 1. **FORM.** A voter registration application must be of suitable size and weight for mailing and contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; and voter's signature. The registration application may include the voter's e-mail address, if provided by the voter, and the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

- (1) will be at least 18 years old on election day;
- (2) am a citizen of the United States;
- (3) will have resided in Minnesota for 20 days immediately preceding election day;
- (4) maintain residence at the address given on the registration form;
- (5) am not under court-ordered guardianship ~~of the person where I have not retained the in which the court order revokes my~~ right to vote;
- (6) have not been found by a court to be legally incompetent to vote;
- (7) have not the right to vote because, if I have been convicted of a felony without having my civil rights restored, my felony sentence has expired (been completed) or I have been discharged from my sentence; and

New language is indicated by underline, deletions by ~~strikeout~~.

(8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act may also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

Sec. 17. Minnesota Statutes 2004, section 201.091, subdivision 4, is amended to read:

Subd. 4. **PUBLIC INFORMATION LISTS.** The county auditor shall make available for inspection a public information list which must contain the name, address, year of birth, and voting history of each registered voter in the county. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The county auditor may adopt reasonable rules governing access to the list. No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists and other information from the statewide registration system for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.

Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

Upon receipt of a written request and a copy of the court order statement signed by the voter that withholding the voter's name from the public information list is

New language is indicated by underline, deletions by ~~strikeout~~.

required for the safety of the voter or the voter's family, the secretary of state and county auditor must withhold from the public information list the name of any a registered voter placed under court-ordered protection.

Sec. 18. Minnesota Statutes 2004, section 201.091, subdivision 5, is amended to read:

Subd. 5. COPY OF LIST TO REGISTERED VOTER. The county auditors and the secretary of state shall provide copies of the public information lists in electronic or other media to any voter registered in Minnesota within ten days of receiving a written or electronic request accompanied by payment of the cost of reproduction. The county auditors and the secretary of state shall make a copy of the list available for public inspection without cost. An individual who inspects or acquires a copy of a public information list may not use any information contained in it for purposes unrelated to elections, political activities, or law enforcement.

Sec. 19. Minnesota Statutes 2004, section 201.15, is amended to read:

201.15 DISTRICT JUDGE, REPORT GUARDIANSHIPS AND COMMITMENTS.

Subdivision 1. GUARDIANSHIPS AND INCOMPETENTS. Pursuant to the Help America Vote Act of 2002, Public Law 107-252, the state court administrator shall report monthly by electronic means to the secretary of state the name, address, and date of birth of each individual 18 years of age or over, who during the month preceding the date of the report:

(a) was placed under a guardianship of the person in which the court order provides that the ward does not retain revokes the ward's right to vote; or

(b) was adjudged legally incompetent.

The court administrator shall also report the same information for each individual transferred to the jurisdiction of the court who meets a condition specified in clause (a) or (b). The secretary of state shall determine if any of the persons in the report is registered to vote and shall prepare a list of those registrants for the county auditor. The county auditor shall change the status on the record in the statewide registration system of any individual named in the report to indicate that the individual is not eligible to reregister or vote.

Subd. 2. RESTORATION TO CAPACITY GUARDIANSHIP TERMINATION OR MODIFICATION. Pursuant to the Help America Vote Act of 2002, Public Law 107-252, the state court administrator shall report monthly by electronic means to the secretary of state the name, address, and date of birth of each individual ~~transferred from whose guardianship to conservatorship or who is restored to capacity by the court~~ was modified to restore the ward's right to vote or whose guardianship was terminated by order of the court under section 524.5-317 after being ineligible to vote for any of the reasons specified in subdivision 1. The secretary of state shall determine if any of the persons in the report is registered to vote and shall prepare a list of those registrants for the county auditor. The county auditor shall change the status on the voter's record in the statewide registration system to "active."

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 20. Minnesota Statutes 2004, section 203B.01, subdivision 3, is amended to read:

Subd. 3. **MILITARY.** "Military" means the Army, Navy, Air Force, Marine Corps, Coast Guard or Merchant Marine of the United States, and all other uniformed services as defined in United States Code, title 42, section 1973ff-6.

Sec. 21. Minnesota Statutes 2004, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. **APPLICATION PROCEDURES.** Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. The county auditor shall prepare absentee ballot application forms in the format provided ~~in the rules of~~ by the secretary of state, notwithstanding rules on absentee ballot forms, and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

- (a) the county auditor of the county where the applicant maintains residence; or
- (b) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02. The application may contain a request for the voter's date of birth, which must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election. The absentee ballot applications or a list of persons applying for an absentee ballot may not be made available for public inspection until the close of voting on election day.

An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot application.

Sec. 22. Minnesota Statutes 2004, section 203B.04, subdivision 4, is amended to read:

Subd. 4. **REGISTRATION AT TIME OF APPLICATION.** An eligible voter who is not registered to vote but who is otherwise eligible to vote by absentee ballot may register by including a completed voter registration card with the absentee ballot. The individual shall present proof of residence as required by section 201.061, subdivision 3, to the individual who witnesses the marking of the absentee ballots. A

New language is indicated by underline, deletions by ~~strikeout~~.

military voter, as defined in section 203B.01, may register in this manner if voting pursuant to sections 203B.04 to 203B.15, or may register pursuant to sections 203B.16 to 203B.27.

Sec. 23. Minnesota Statutes 2004, section 203B.04, is amended by adding a subdivision to read:

Subd. 6. ONGOING ABSENTEE STATUS; TERMINATION. (a) An eligible voter may apply to a county auditor or municipal clerk for status as an ongoing absentee voter who reasonably expects to meet the requirements of section 203B.02, subdivision 1. Each applicant must automatically be provided with an absentee ballot application for each ensuing election other than an election by mail conducted under section 204B.45, and must have the status of ongoing absentee voter indicated on the voter's registration record.

(b) Ongoing absentee voter status ends on:

(1) the voter's written request;

(2) the voter's death;

(3) return of an ongoing absentee ballot as undeliverable;

(4) a change in the voter's status so that the voter is not eligible to vote under section 201.15 or 201.155; or

(5) placement of the voter's registration on inactive status under section 201.171.

Sec. 24. Minnesota Statutes 2004, section 203B.07, subdivision 2, is amended to read:

Subd. 2. DESIGN OF ENVELOPES. The return envelope shall be of sufficient size to conveniently enclose and contain the ballot envelope and a voter registration card folded along its perforations. The return envelope shall be designed to open on the left-hand end. Notwithstanding any rule to the contrary, the return envelope must be designed in one of the following ways:

(1) it must be of sufficient size to contain an additional envelope that when sealed, conceals the signature, identification, and other information; or

(2) it must provide an additional flap that when sealed, conceals the signature, identification, and other information. Election officials may open the flap or the additional envelope at any time after receiving the returned ballot to inspect the returned certificate for completeness or to ascertain other information. A certificate of eligibility to vote by absentee ballot shall be printed on the right hand ~~three-fourths~~ of the back of the envelope. The certificate shall contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot. The certificate shall also contain a statement signed by a person who is registered to vote in Minnesota or by a notary public or other individual authorized to administer oaths stating that:

(a) the ballots were displayed to that individual unmarked;

New language is indicated by underline, deletions by ~~strikeout~~.

(b) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; and

(c) if the voter was not previously registered, the voter has provided proof of residence as required by section 201.061, subdivision 3.

The county auditor or municipal clerk shall affix first class postage to the return envelopes.

Sec. 25. Minnesota Statutes 2004, section 203B.11, subdivision 1, is amended to read:

Subdivision 1. **GENERALLY.** Each full-time municipal clerk or school district clerk who has authority under section 203B.05 to administer absentee voting laws shall designate election judges to deliver absentee ballots in accordance with this section. The county auditor ~~may~~ **must** also designate election judges to perform the duties in this section. A ballot may be delivered only to an eligible voter who is a temporary or permanent resident or patient in a health care facility or hospital located in the municipality in which the voter maintains residence. The ballots shall be delivered by two election judges, each of whom is affiliated with a different major political party. When the election judges deliver or return ballots as provided in this section, they shall travel together in the same vehicle. Both election judges shall be present when an applicant completes the certificate of eligibility and marks the absentee ballots, and may assist an applicant as provided in section 204C.15. The election judges shall deposit the return envelopes containing the marked absentee ballots in a sealed container and return them to the clerk on the same day that they are delivered and marked.

Sec. 26. Minnesota Statutes 2004, section 203B.12, subdivision 2, is amended to read:

Subd. 2. **EXAMINATION OF RETURN ENVELOPES.** Two or more election judges shall examine each return envelope and shall mark it accepted or rejected in the manner provided in this subdivision. If a ballot has been prepared under section 204B.12, subdivision 2a, or 204B.41, the election judges shall not begin removing ballot envelopes from the return envelopes until 8:00 p.m. on election day, either in the polling place or at an absentee ballot board established under section 203B.13.

The election judges shall mark the return envelope "Accepted" and initial or sign the return envelope below the word "Accepted" if the election judges or a majority of them are satisfied that:

- (1) the voter's name and address on the return envelope are the same as the information provided on the absentee ballot application;
- (2) the voter's signature on the return envelope is the genuine signature of the individual who made the application for ballots and the certificate has been completed as prescribed in the directions for casting an absentee ballot, except that if a person

New language is indicated by underline, deletions by ~~strikeout~~.

other than the voter applied for the absentee ballot under applicable Minnesota Rules, the signature is not required to match;

(3) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the return envelope; and

(4) the voter has not already voted at that election, either in person or by absentee ballot.

There is no other reason for rejecting an absentee ballot. In particular, failure to place the envelope within the security envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

The return envelope from accepted ballots must be preserved and returned to the county auditor.

If all or a majority of the election judges examining return envelopes find that an absent voter has failed to meet one of the requirements prescribed in clauses (1) to (4), they shall mark the return envelope "Rejected," initial or sign it below the word "Rejected," and return it to the county auditor.

Sec. 27. Minnesota Statutes 2004, section 203B.20, is amended to read:

203B.20 CHALLENGES.

Except as provided in this section, the eligibility or residence of a voter whose application for absentee ballots is recorded under section 203B.19 may be challenged in the manner set forth by section 201.195. The county auditor or municipal clerk shall not be required to serve a copy of the petition and notice of hearing on the challenged voter. If the absentee ballot application was submitted on behalf of a voter by an individual authorized under section 203B.17, subdivision 1, paragraph (a), the county auditor must attempt to notify the individual who submitted the application of the challenge. The county auditor may contact other registered voters to request information that may resolve any discrepancies appearing in the application. All reasonable doubt shall be resolved in favor of the validity of the application. If the voter's challenge is affirmed, the county auditor shall provide the challenged voter with a copy of the petition and the decision and shall inform the voter of the right to appeal as provided in section 201.195.

Sec. 28. Minnesota Statutes 2004, section 203B.21, subdivision 1, is amended to read:

Subdivision 1. **FORM.** Absentee ballots under sections 203B.16 to 203B.27 shall conform to the requirements of the Minnesota Election Law, except that modifications in the size or form of ballots or envelopes may be made if necessary to satisfy the requirements of the United States postal service. The return envelope must be designed in one of the following ways:

(1) it must be of sufficient size to contain an additional envelope that when sealed, conceals the signature, identification, and other information; or

New language is indicated by underline, deletions by ~~strikeout~~.

(2) it must provide an additional flap that when sealed, conceals the signature, identification, and other information.

The flap or the additional envelope must be perforated to permit election officials to inspect the returned certificate for completeness or to ascertain other information at any time after receiving the returned ballot without opening the return envelope.

Sec. 29. Minnesota Statutes 2004, section 203B.21, subdivision 3, is amended to read:

Subd. 3. **BACK OF RETURN ENVELOPE.** On the back of the return envelope an affidavit form shall appear with space for:

- (a) The voter's address of present or former residence in Minnesota;
- (b) A statement indicating the category described in section 203B.16 to which the voter belongs;
- (c) A statement that the voter has not cast and will not cast another absentee ballot in the same election or elections;
- (d) A statement that the voter personally marked the ballots without showing them to anyone, or if physically unable to mark them, that the voter directed another individual to mark them; and
- (e) The voter's military identification card number, passport number, or, if the voter does not have a valid passport or identification card, the signature and certification of an individual authorized to administer oaths under federal law or the law of the place where the oath was administered or a commissioned or noncommissioned ~~officer~~ personnel of the military not below the rank of sergeant or its equivalent.

The affidavit shall also contain a signed and dated oath in the form required by section 705 of the Help America Vote Act, Public Law 107-252, which must read:

"I swear or affirm, under penalty of perjury, that:

I am a member of the uniformed services or merchant marine on active duty or an eligible spouse or dependent of such a member; a United States citizen temporarily residing outside the United States; or other United States citizen residing outside the United States; and I am a United States citizen, at least 18 years of age (or will be by the date of the election), and I am eligible to vote in the requested jurisdiction; I have not been convicted of a felony, or other disqualifying offense, or been adjudicated mentally incompetent, or, if so, my voting rights have been reinstated; and I am not registering, requesting a ballot, or voting in any other jurisdiction in the United States except the jurisdiction cited in this voting form. In voting, I have marked and sealed my ballot in private and have not allowed any person to observe the marking of the ballot, except for those authorized to assist voters under state or federal law. I have not been influenced.

My signature and date below indicate when I completed this document.

The information on this form is true, accurate, and complete to the best of my knowledge. I understand that a material misstatement of fact in completion of this document may constitute grounds for a conviction for perjury."

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 30. Minnesota Statutes 2004, section 203B.24, subdivision 1, is amended to read:

Subdivision 1. **CHECK OF VOTER ELIGIBILITY; PROPER EXECUTION OF AFFIDAVIT.** Upon receipt of an absentee ballot returned as provided in sections 203B.16 to 203B.27, the election judges shall compare the voter's name with the names appearing on their copy of the application records to insure that the ballot is from a voter eligible to cast an absentee ballot under sections 203B.16 to 203B.27. Any discrepancy or disqualifying fact shall be noted on the envelope by the election judges. The election judges shall mark the return envelope "Accepted" and initial or sign the return envelope below the word "Accepted" if the election judges are satisfied that:

(1) the voter's name on the return envelope appears in substantially the same form as on the application records provided to the election judges by the county auditor;

(2) the voter has signed the federal oath prescribed pursuant to section 705(b)(2) of the Help America Vote Act, Public Law 107-252;

(3) the voter has set forth the voter's military identification number or passport number or, if those numbers do not appear, a person authorized to administer oaths under federal law or the law of the place where the oath was administered or a witness who is military personnel with a rank at or above the rank of sergeant or its equivalent has signed the ballot; and

(4) the voter has not already voted at that election, either in person or by absentee ballot.

An absentee ballot cast pursuant to sections 203B.16 to 203B.27 may only be rejected for the lack of one of clauses (1) to (4). In particular, failure to place the envelope within the security envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

Election judges must note the reason for rejection on the back of the envelope in the space provided for that purpose.

Failure to return unused ballots shall not invalidate a marked ballot, but a ballot shall not be counted if the affidavit on the return envelope is not properly executed. In all other respects the provisions of the Minnesota Election Law governing deposit and counting of ballots shall apply.

Sec. 31. Minnesota Statutes 2004, section 204B.06, subdivision 1, is amended to read:

Subdivision 1. **FORM OF AFFIDAVIT.** (a) An affidavit of candidacy shall state the name of the office sought and, except as provided in subdivision 4, shall state that the candidate:

(1) is an eligible voter;

(2) has no other affidavit on file as a candidate for any office at the same primary or next ensuing general election, except that a candidate for soil and water conservation

New language is indicated by underline, deletions by ~~strikeout~~.

district supervisor in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington County, may also have on file an affidavit of candidacy for mayor or council member of a statutory or home rule charter city of not more than 2,500 population contained in whole or in part in the soil and water conservation district or for town supervisor in a town of not more than 2,500 population contained in whole or in part in the soil and water conservation district; and

(3) is, or will be on assuming the office, 21 years of age or more, and will have maintained residence in the district from which the candidate seeks election for 30 days before the general election.

An affidavit of candidacy must include a statement that the candidate's name as written on the affidavit for ballot designation is the candidate's true name or the name by which the candidate is commonly and generally known in the community.

An affidavit of candidacy for partisan office shall also state the name of the candidate's political party or political principle, stated in three words or less.

~~(b) Candidates for president or vice-president of the United States are not required to file an affidavit of candidacy for office and this subdivision does not apply to those candidates.~~

Sec. 32. Minnesota Statutes 2004, section 204B.06, subdivision 4, is amended to read:

Subd. 4. **PARTICULAR FEDERAL OFFICES.** Candidates for president or vice-president of the United States are not required to file an affidavit of candidacy for office. Candidates who seek nomination for the following offices office of United States senator or representative shall state the following additional information on the affidavit:

(a) (1) for United States senator, that the candidate will be an inhabitant of this state when elected and will be 30 years of age or older and a citizen of the United States for not less than nine years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election; and

(b) (2) for United States representative, that the candidate will be an inhabitant of this state when elected and will be 25 years of age or older and a citizen of the United States for not less than seven years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election;

Subd. 4a. **STATE AND LOCAL OFFICES.** Candidates who seek nomination for the following offices shall state the following additional information on the affidavit:

(c) (1) for governor or lieutenant governor, that on the first Monday of the next January the candidate will be 25 years of age or older and, on the day of the state general election, a resident of Minnesota for not less than one year;

(d) (2) for Supreme Court justice, Court of Appeals judge, or district court judge, that the candidate is learned in the law;

New language is indicated by underline, deletions by ~~strikeout~~.

(e) (3) for county, municipal, school district, or special district office, that the candidate meets any other qualifications for that office prescribed by law;

(f) (4) for senator or representative in the legislature, that on the day of the general or special election to fill the office the candidate will have resided not less than one year in the state and not less than six months in the legislative district from which the candidate seeks election.

Sec. 33. Minnesota Statutes 2004, section 204B.10, subdivision 6, is amended to read:

Subd. 6. **INELIGIBLE VOTER.** Upon receipt of a certified copy of a final judgment or order of a court of competent jurisdiction that a person who has filed an affidavit of candidacy or who has been nominated by petition:

(1) has been convicted of treason or a felony and the person's civil rights have not been restored;

(2) is under guardianship of the person in which the court order revokes the ward's right to vote; or

(3) has been found by a court of law to be legally incompetent;

the filing officer shall notify the person by certified mail at the address shown on the affidavit or petition, and, for offices other than President of the United States, Vice President of the United States, United States Senator, and United States Representative in Congress, shall not certify the person's name to be placed on the ballot. The actions of a filing officer under this subdivision are subject to judicial review under section 204B.44.

Sec. 34. Minnesota Statutes 2004, section 204B.14, subdivision 2, is amended to read:

Subd. 2. **SEPARATE PRECINCTS; COMBINED POLLING PLACE.** (a) The following shall constitute at least one election precinct:

(1) each city ward; and

(2) each town and each statutory city.

(b) A single, accessible, combined polling place may be established no later than June 1 of any year:

(1) for any city of the third or fourth class, any town, or any city having territory in more than one county, in which all the voters of the city or town shall cast their ballots;

(2) for two contiguous precincts in the same municipality that have a combined total of fewer than 500 registered voters; or

(3) for up to four contiguous municipalities located entirely outside the metropolitan area, as defined by section ~~473.121~~, subdivision 2 200.02, subdivision 24, that are contained in the same county.

New language is indicated by underline, deletions by ~~strikeout~~.

A copy of the ordinance or resolution establishing a combined polling place must be filed with the county auditor within 30 days after approval by the governing body. A polling place combined under clause (3) must be approved by the governing body of each participating municipality. A municipality withdrawing from participation in a combined polling place must do so by filing a resolution of withdrawal with the county auditor no later than May 1 of any year.

The secretary of state shall provide a separate polling place roster for each precinct served by the combined polling place. A single set of election judges may be appointed to serve at a combined polling place. The number of election judges required must be based on the total number of persons voting at the last similar election in all precincts to be voting at the combined polling place. Separate ballot boxes must be provided for the ballots from each precinct. The results of the election must be reported separately for each precinct served by the combined polling place, except in a polling place established under clause (2) where one of the precincts has fewer than ten registered voters, in which case the results of that precinct must be reported in the manner specified by the secretary of state.

Sec. 35. Minnesota Statutes 2004, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY; LOCATION.** The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section ~~473.124~~ 200.02, subdivision 24, shall be located within the boundaries of the precinct or within 3,000 feet of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section ~~473.124~~ 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 36. Minnesota Statutes 2004, section 204B.16, subdivision 5, is amended to read:

Subd. 5. **ACCESS BY ELDERLY AND HANDICAPPED PERSONS WITH DISABILITIES.** Each polling place shall be accessible to and usable by elderly individuals and physically handicapped individuals with disabilities. A polling place is deemed to be accessible and usable if it complies with the standards in paragraphs (a) to (f).

(a) At least one set of doors must have a minimum width of ~~31~~ 32 inches if the doors must be used to enter or leave the polling place.

New language is indicated by underline, deletions by ~~strikeout~~.

(b) Any curb adjacent to the main entrance to a polling place must have curb cuts or temporary ramps. Where the main entrance is not the accessible entrance, any curb adjacent to the accessible entrance must also have curb cuts or temporary ramps.

(c) Where the main entrance is not the accessible entrance, a sign shall be posted at the main entrance giving directions to the accessible entrance.

(d) At least one set of stairs must have a temporary handrail and ramp if stairs must be used to enter or leave the polling place.

(e) No barrier in the polling place may impede the path of the physically handicapped persons with disabilities to the voting booth.

(f) At least one handicapped parking space for persons with disabilities, which may be temporarily so designated by the municipality for the day of the election, must be available near the accessible entrance.

The doorway, handrails, ramps, and handicapped parking provided pursuant to this subdivision must conform to the standards specified in the State Building Code for accessibility by handicapped persons with disabilities.

A governing body shall designate as polling places only those places which meet the standards prescribed in this subdivision unless no available place within a precinct is accessible or can be made accessible.

Sec. 37. Minnesota Statutes 2004, section 204B.18, subdivision 1, is amended to read:

Subdivision 1. **BOOTHS; VOTING STATIONS.** Each polling place must contain a number of voting booths or voting stations in proportion to the number of individuals eligible to vote in the precinct. Each booth or station must be at least six feet high, three feet deep and two feet wide with a shelf at least two feet long and one foot wide placed at a convenient height for writing. The booth or station shall be provided with a door or curtains permit the voter to vote privately and independently. Each accessible polling place must have at least one accessible voting booth or other accessible voting station and beginning with federal and state elections held after December 31, 2005, and county, municipal, and school district elections held after December 31, 2007, one voting system that conforms to section 301(a)(3)(B) of the Help America Vote Act, Public Law 107-252. All booths or stations must be constructed so that a voter is free from observation while marking ballots. In all other polling places every effort must be made to provide at least one accessible voting booth or other accessible voting station. During the hours of voting, the booths or stations must have instructions, a pencil, and other supplies needed to mark the ballots. If needed, A chair must be provided for elderly and handicapped voters and voters with disabilities to use while voting or waiting to vote. Stable flat writing surfaces must also be made available to voters who are completing election-related forms. All ballot boxes, voting booths, voting stations, and election judges must be in open public view in the polling place.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 38. Minnesota Statutes 2004, section 204B.24, is amended to read:

204B.24 ELECTION JUDGES; OATH.

Each election judge shall sign the following oath before assuming the duties of the office:

"I solemnly swear that I will perform the duties of election judge according to law and the best of my ability and will diligently endeavor to prevent fraud, deceit and abuse in conducting this election. I will perform my duties in a fair and impartial manner and not attempt to create an advantage for my party or for any candidate."

The oath shall be attached to the summary statement of the election returns of that precinct. If there is no individual present who is authorized to administer oaths, the election judges may administer the oath to each other.

Sec. 39. Minnesota Statutes 2004, section 204B.27, subdivision 1, is amended to read:

Subdivision 1. **BLANK FORMS.** At least ~~25~~ 14 days before every state election the secretary of state shall transmit to each county auditor a sufficient number of blank county abstract forms and other examples of any blank forms to be used as the secretary of state deems necessary for the conduct of the election. County abstract forms may be provided to auditors electronically via the Minnesota State Election Reporting System maintained by the secretary of state, and must be available at least one week prior to the election.

Sec. 40. Minnesota Statutes 2004, section 204C.05, subdivision 1a, is amended to read:

Subd. 1a. **ELECTIONS; ORGANIZED TOWN.** The governing body of a town with less than 500 inhabitants according to the most recent federal decennial census, which is located outside the metropolitan area as defined in section ~~473.121~~ 200.02, subdivision ~~2~~ 24, may fix a later time for voting to begin at state primary, special, or general elections, if approved by a vote of the town electors at the annual town meeting. The question of shorter voting hours must be included in the notice of the annual town meeting before the question may be submitted to the electors at the meeting. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The town clerk shall either post or publish notice of the changed hours and notify the county auditor of the change 30 days before the election.

Sec. 41. Minnesota Statutes 2004, section 204C.06, subdivision 2, is amended to read:

Subd. 2. **INDIVIDUALS ALLOWED IN POLLING PLACE; IDENTIFICATION.** (a) Representatives of the secretary of state's office, the county auditor's office, and the municipal or school district clerk's office may be present at the polling place to observe election procedures. Except for these representatives, election judges, sergeants-at-arms, and challengers, an individual may remain inside the polling place during voting hours only while voting or registering to vote, providing proof of residence for an individual who is registering to vote, or assisting a handicapped voter or a voter who is unable to read English. During voting hours no one except individuals

New language is indicated by underline, deletions by ~~strikeout~~.

receiving, marking, or depositing ballots shall approach within six feet of a voting booth, unless lawfully authorized to do so by an election judge.

(b) Teachers and elementary or secondary school students participating in an educational activity authorized by section 204B.27, subdivision 7, may be present at the polling place during voting hours.

(c) Each official on duty in the polling place must wear an identification badge that shows their role in the election process. The badge must not show their party affiliation.

Sec. 42. Minnesota Statutes 2004, section 204C.07, is amended by adding a subdivision to read:

Subd. 3a. RESIDENCE REQUIREMENT. A challenger must be a resident of this state.

Sec. 43. Minnesota Statutes 2004, section 204C.07, subdivision 4, is amended to read:

Subd. 4. **RESTRICTIONS ON CONDUCT.** An election judge may not be appointed as a challenger. The election judges shall permit challengers appointed pursuant to this section to be present in the polling place during the hours of voting and to remain there until the votes are counted and the results declared. No challenger shall handle or inspect registration cards, files, or lists. Challengers shall not prepare in any manner any list of individuals who have or have not voted. They shall not attempt to influence voting in any manner. They shall not converse with a voter except to determine, in the presence of an election judge, whether the voter is eligible to vote in the precinct.

Sec. 44. Minnesota Statutes 2004, section 204C.08, subdivision 1a, is amended to read:

Subd. 1a. **VOTER'S BILL OF RIGHTS.** The county auditor shall prepare and provide to each polling place sufficient copies of a poster setting forth the Voter's Bill of Rights as set forth in this section. Before the hours of voting are scheduled to begin, the election judges shall post it in a conspicuous location or locations in the polling place. The Voter's Bill of Rights is as follows:

"VOTER'S BILL OF RIGHTS

For all persons residing in this state who meet federal voting eligibility requirements:

- (1) You have the right to be absent from work for the purpose of voting during the morning of election day.
- (2) If you are in line at your polling place any time between 7:00 a.m. and 8:00 p.m., you have the right to vote.
- (3) If you can provide the required proof of residence, you have the right to register to vote and to vote on election day.

New language is indicated by underline, deletions by ~~strikeout~~.

(4) If you are unable to sign your name, you have the right to orally confirm your identity with an election judge and to direct another person to sign your name for you.

(5) You have the right to request special assistance when voting.

(6) If you need assistance, you may be accompanied into the voting booth by a person of your choice, except by an agent of your employer or union or a candidate.

(7) You have the right to bring your minor children into the polling place and into the voting booth with you.

(8) If you have been convicted of a felony but your civil rights have been restored your felony sentence has expired (been completed) or you have been discharged from your sentence, you have the right to vote.

(9) If you are under a guardianship, you have the right to vote, unless the court order revokes your right to vote.

(10) You have the right to vote without anyone in the polling place trying to influence your vote.

(11) If you make a mistake or spoil your ballot before it is submitted, you have the right to receive a replacement ballot and vote.

(12) You have the right to file a written complaint at your polling place if you are dissatisfied with the way an election is being run.

(13) You have the right to take a sample ballot into the voting booth with you.

(14) You have the right to take a copy of this Voter's Bill of Rights into the voting booth with you."

Sec. 45. Minnesota Statutes 2004, section 204C.10, is amended to read:

204C.10 PERMANENT REGISTRATION; VERIFICATION OF REGISTRATION.

(a) An individual seeking to vote shall sign a polling place roster which states that the individual is at least 18 years of age, a citizen of the United States, has resided in Minnesota for 20 days immediately preceding the election, maintains residence at the address shown, is not under a guardianship in which the ~~individual has not retained court order~~ revokes the individual's right to vote, has not been found by a court of law to be legally incompetent to vote or convicted of a felony without having civil rights restored, is registered and has not already voted in the election. The roster must also state: "I understand that deliberately providing false information is a felony punishable by not more than five years imprisonment and a fine of not more than \$10,000, or both."

(b) A judge may, before the applicant signs the roster, confirm the applicant's name, address, and date of birth.

(c) After the applicant signs the roster, the judge shall give the applicant a voter's receipt. The voter shall deliver the voter's receipt to the judge in charge of ballots as

New language is indicated by underline, deletions by ~~strikeout~~.

proof of the voter's right to vote, and thereupon the judge shall hand to the voter the ballot. The voters' receipts must be maintained during the time for notice of filing an election contest.

Sec. 46. Minnesota Statutes 2004, section 204C.12, subdivision 2, is amended to read:

Subd. 2. **STATEMENT OF GROUNDS; OATH.** The challenger shall state the ground for the challenge, and A challenger must be a resident of this state. The secretary of state shall prepare a form that challengers must complete and sign when making a challenge. The form must include space to state the ground for the challenge, a statement that the challenge is based on the challenger's personal knowledge, and a statement that the challenge is made under oath. The form must include a space for the challenger's printed name, signature, telephone number, and address.

An election judge shall administer to the challenged individual the following oath:

"Do you solemnly swear that you will fully and truly answer all questions put to you concerning your eligibility to vote at this election?"

The election judge shall then ask the challenged individual sufficient questions to test that individual's residence and right to vote.

Sec. 47. Minnesota Statutes 2004, section 204C.24, subdivision 1, is amended to read:

Subdivision 1. **INFORMATION REQUIREMENTS.** Precinct summary statements shall be submitted by the election judges in every precinct. For state all elections, the election judges shall complete three or more copies of the summary statements, and each copy shall contain the following information for each kind of ballot:

(a) the number of votes each candidate received or the number of yes and no votes on each question, the number of undervotes or partially blank ballots, and the number of overvotes or partially defective ballots with respect to each office or question;

(b) the number of totally blank ballots, the number of totally defective ballots, the number of spoiled ballots, and the number of unused ballots;

(c) the number of individuals who voted at the election in the precinct;

(d) the number of voters registering on election day in that precinct; and

(e) the signatures of the election judges who counted the ballots certifying that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question.

At least two copies of the summary statement must be prepared for elections not held on the same day as the state elections.

Sec. 48. Minnesota Statutes 2004, section 204C.28, subdivision 1, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **COUNTY AUDITOR.** Every county auditor shall remain at the auditor's office to receive delivery of the returns, to permit public inspection of the summary statements, and to tabulate the votes until all have been tabulated and the results made known, or until 24 hours have elapsed since the end of the hours for voting, whichever occurs first. Every county auditor shall, in the presence of the municipal clerk or the election judges who deliver the returns, make a record of all materials delivered, the time of delivery, and the names of the municipal clerk or election judges who made delivery. The county auditor shall file the record and all envelopes containing ballots in a safe and secure place with envelope seals unbroken. Access to the record and ballots shall be strictly controlled. Accountability and a record of access shall be maintained by the county auditor during the period for contesting elections or, if a contest is filed, until the contest has been finally determined. Thereafter, the record shall be retained in the auditor's office for the same period as the ballots as provided in section 204B.40.

The county auditor shall file all envelopes containing ballots in a safe place with seals unbroken. If the envelopes were previously opened by proper authority for examination or recount, the county auditor shall have the envelopes sealed again and signed by the individuals who made the inspection or recount. The envelopes may be opened by the county canvassing board if necessary to procure election returns that the election judges inadvertently may have sealed in the envelopes with the ballots. In that case, the envelopes shall be sealed again and signed in the same manner as otherwise provided in this subdivision.

Sec. 49. Minnesota Statutes 2004, section 204C.50, subdivision 1, is amended to read:

Subdivision 1. **SELECTION FOR REVIEW; NOTICE.** (a) Postelection review under this section must be conducted only on the election for president, senator or representative in Congress, constitutional offices, and legislative offices.

(b) The Office of the Secretary of State shall, within three days after each state general election beginning in 2006, randomly select 80 precincts for postelection review as defined in this section. The precincts must be selected so that an equal number of precincts are selected in each congressional district of the state. Of the precincts in each congressional district, at least five must have had more than 500 votes cast, and at least two must have had fewer than 500 votes cast. The secretary of state must promptly provide notices of which precincts are chosen to the election administration officials who are responsible for the conduct of elections in those precincts.

(b) (c) One week before the state general election beginning in 2006, the secretary of state must post on the office Web site the date, time, and location at which precincts will be randomly chosen for review under this section. The chair of each major political party may appoint a designee to observe the random selection process.

Sec. 50. Minnesota Statutes 2004, section 204C.50, subdivision 2, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. **SCOPE AND CONDUCT OF REVIEW.** Each review is limited to federal and state offices and must consist of at least the following:

(a) The election officials immediately responsible for a precinct chosen for review must conduct the following review and submit the results in writing to the State Canvassing Board before it meets to canvass the election:

(1) a hand tally of the paper ballots or electronic ballot marker record, of whatever kind used in that precinct, for each contested election;

(2) a recount using the actual machine and software used on election day, if a precinct-count or central-count automated voting system was used; and

(3) a comparison of the hand tally with the reported results for the precinct in the county canvassing board report, as well as the actual tape of any automated tabulation produced by any precinct-count or central-count optical scan equipment that may have been used to tabulate votes cast in that precinct.

(b) The staff of the Office of the Secretary of State shall conduct or directly supervise a review of the procedures used by the election officials at all levels for a precinct chosen for review, including an inspection of the materials retained for the official 22-month retention period, such as the rosters, the incident log, and the ballots themselves. The staff must submit a written report to the secretary of state before the next regularly scheduled meeting of the State Canvassing Board.

Sec. 51. Minnesota Statutes 2004, section 204D.03, is amended by adding a subdivision to read:

Subd. 3. EXCEPTION; CERTAIN PARTISAN CANDIDATES. (a) If no more than one candidate files for nomination by a major political party for a partisan office, the candidate who filed must be declared the nominee upon the close of filing. If every candidate for a partisan office has been declared the nominee upon the close of filing, the office must be omitted from the state primary ballot. If all offices, both partisan and nonpartisan, have been omitted from the state primary ballot in a municipality or county, the governing body of the municipality or county may decide that the state primary will not be conducted in that municipality or county.

(b) Within 15 days after the close of filing, each municipal clerk or county auditor whose governing body has decided not to conduct the state primary shall post notice that the offices have been so omitted and the state primary canceled and shall send a copy of the notice to the secretary of state.

Sec. 52. Minnesota Statutes 2004, section 204D.14, subdivision 3, is amended to read:

Subd. 3. UNCONTESTED JUDICIAL OFFICES. Judicial offices for a specific court for which there is only one candidate filed must appear after all other judicial offices for that same court on the canary ballot.

Sec. 53. Minnesota Statutes 2004, section 204D.27, subdivision 5, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 5. CANVASS; SPECIAL PRIMARY; STATE CANVASSING BOARD.

Not later than four days after the returns of the county canvassing boards are certified to the secretary of state, the State Canvassing Board shall complete its canvass of the special primary. The secretary of state shall then promptly certify to the county auditors the names of the nominated individuals, prepare notices of nomination, and notify each nominee of the nomination.

Sec. 54. Minnesota Statutes 2004, section 205.175, subdivision 2, is amended to read:

Subd. 2. **METROPOLITAN AREA MUNICIPALITIES.** The governing body of a municipality which is located within a metropolitan county as defined by section 473.121 included in the definition of metropolitan area in section 200.02, subdivision 24, may designate the time during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections, provided that the polling places shall open no later than 10:00 a.m. and shall close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the municipal governing body.

Sec. 55. Minnesota Statutes 2004, section 205A.09, subdivision 1, is amended to read:

Subdivision 1. **METROPOLITAN AREA SCHOOL DISTRICTS.** At a school district election in a school district located in whole or in part within a metropolitan county as defined by section 473.121 included in the definition of metropolitan area in section 200.02, subdivision 24, the school board, by resolution adopted before giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all later school district elections. The polling places must open no later than 10:00 a.m. and close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the school board.

Sec. 56. Minnesota Statutes 2004, section 206.57, subdivision 5, is amended to read:

Subd. 5. **VOTING SYSTEM FOR DISABLED VOTERS.** In federal and state elections held after December 31, 2005, and in county, municipal, and school district elections held after December 31, 2007, the voting method used in each polling place must include a voting system that is accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired in a manner that provides the same opportunity for access and participation, including privacy and independence, as for other voters.

Sec. 57. Minnesota Statutes 2004, section 208.03, is amended to read:

208.03 NOMINATION OF PRESIDENTIAL ELECTORS.

Presidential electors for the major political parties of this state shall be nominated by delegate conventions called and held under the supervision of the respective state central committees of the parties of this state. On or before primary election day the chair of the major political party shall certify to the secretary of state the names of the persons nominated as presidential electors, the names of eight alternate presidential electors, and the names of the party candidates for president and vice-president.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 58. Minnesota Statutes 2004, section 208.04, subdivision 1, is amended to read:

Subdivision 1. **FORM OF PRESIDENTIAL BALLOTS.** When presidential electors and alternates are to be voted for, a vote cast for the party candidates for president and vice-president shall be deemed a vote for that party's electors and alternates as filed with the secretary of state. The secretary of state shall certify the names of all duly nominated presidential and vice-presidential candidates to the county auditors of the counties of the state. Each county auditor, subject to the rules of the secretary of state, shall cause the names of the candidates of each major political party and the candidates nominated by petition to be printed in capital letters, set in type of the same size and style as for candidates on the state white ballot, before the party designation. To the left of, and on the same line with the names of the candidates for president and vice-president, near the margin, shall be placed a square or box, in which the voters may indicate their choice by marking an "X."

The form for the presidential ballot and the relative position of the several candidates shall be determined by the rules applicable to other state officers. The state ballot, with the required heading, shall be printed on the same piece of paper and shall be below the presidential ballot with a blank space between one inch in width.

Sec. 59. Minnesota Statutes 2004, section 208.05, is amended to read:

208.05 STATE CANVASSING BOARD.

The State Canvassing Board at its meeting on the second Tuesday after each state general election shall open and canvass the returns made to the secretary of state for presidential electors and alternates, prepare a statement of the number of votes cast for the persons receiving votes for these offices, and declare the person or persons receiving the highest number of votes for each office duly elected. When it appears that more than the number of persons to be elected as presidential electors or alternates have the highest and an equal number of votes, the secretary of state, in the presence of the board shall decide by lot which of the persons shall be declared elected. The governor shall transmit to each person declared elected a certificate of election, signed by the governor, sealed with the state seal, and countersigned by the secretary of state.

Sec. 60. Minnesota Statutes 2004, section 208.06, is amended to read:

208.06 ELECTORS TO MEET AT CAPITOL; FILLING OF VACANCIES.

The presidential electors and alternate presidential electors, before 12:00 M. on the day before that fixed by Congress for the electors to vote for president and vice-president of the United States, shall notify the governor that they are at the State Capitol and ready at the proper time to fulfill their duties as electors. The governor shall deliver to the electors present a certificate of the names of all the electors. If any elector named therein fails to appear before 9:00 a.m. on the day, and at the place, fixed for voting for president and vice-president of the United States, an alternate, chosen from among the alternates by lot, shall be appointed to act for that elector. If more than

eight alternates are necessary, the electors present shall, in the presence of the governor, immediately elect by ballot a person to fill the vacancy. If more than the number of persons required have the highest and an equal number of votes, the governor, in the presence of the electors attending, shall decide by lot which of those persons shall be elected.

Sec. 61. Minnesota Statutes 2004, section 208.07, is amended to read:

208.07 CERTIFICATE OF ELECTORS.

Immediately after the vacancies have been filled, the original electors and alternates present shall certify to the governor the names of the persons elected to complete their number, and the governor shall at once cause written notice to be given to each person elected to fill a vacancy. The persons so chosen shall be presidential electors and shall meet and act with the other electors.

Sec. 62. Minnesota Statutes 2004, section 208.08, is amended to read:

208.08 ELECTORS TO MEET AT STATE CAPITOL.

The original, alternate, and substituted presidential electors, at 12:00 M., shall meet in the executive chamber at the State Capitol and shall perform all the duties imposed upon them as electors by the Constitution and laws of the United States and this state.

Each elector, as a condition of having been chosen under the name of the party of a presidential and a vice-presidential candidate, is obligated to vote for those candidates. The elector shall speak aloud or affirm in a nonverbal manner the name of the candidate for president and for vice-president for whom the elector is voting and then confirm that vote by written public ballot.

If an elector fails to cast a ballot for the presidential or vice-presidential candidate of the party under whose name the elector was chosen, the elector's vote or abstention is invalidated and an alternate presidential elector, chosen by lot from among the alternates, shall cast a ballot in the name of the elector for the presidential and vice-presidential candidate of the party under whose name the elector was chosen. The invalidation of an elector's vote or abstention on the ballot for president or vice-president does not apply if the presidential candidate under whose party's name the elector was chosen has without condition released the elector or has died or become mentally disabled.

Sec. 63. Minnesota Statutes 2004, section 211B.13, subdivision 1, is amended to read:

Subdivision 1. **BRIBERY, ADVANCING MONEY, AND TREATING PROHIBITED.** A person who willfully, directly or indirectly, advances, pays, gives, promises, or lends any money, food, liquor, clothing, entertainment, or other thing of monetary value, or who offers, promises, or endeavors to obtain any money, position, appointment, employment, or other valuable consideration, to or for a person, in order to induce a voter to refrain from voting, or to vote in a particular way, at an election, is guilty of a felony. This section does not prevent a candidate from stating publicly

New language is indicated by underline, deletions by ~~strikeout~~.

preference for or support of another candidate to be voted for at the same primary or election. Refreshments of food or nonalcoholic beverages of nominal having a value up to \$5 consumed on the premises at a private gathering or public meeting are not prohibited under this section.

Sec. 64. Minnesota Statutes 2004, section 383B.151, is amended to read:

383B.151 FINANCIAL INTEREST FORBIDDEN.

No official, person authorized to make purchases, or county employee shall be financially interested, either directly or indirectly, in any contract or purchase order for any goods, materials, supplies, equipment or contracted service furnished to or used by any department, board, commission or agency of the county government. No public official, person authorized to make purchases, or county employee may accept or receive, directly or indirectly from any person, firm or corporation to which any contract or purchase order may be awarded any money or anything of value whatsoever or any promise, obligation or contract for future reward or compensation, except as authorized under section 10A.071, subdivision 3, or 471.895, subdivision 3. Any violation of the provisions of this section shall be a gross misdemeanor.

Sec. 65. Minnesota Statutes 2004, section 447.32, subdivision 4, is amended to read:

Subd. 4. CANDIDATES; BALLOTS; CERTIFYING ELECTION. A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate resides. The affidavit of candidacy must be filed with the city or town clerk not more than ~~ten weeks~~ 70 days nor less than ~~eight weeks~~ 56 days before the first Tuesday after the second first Monday in September ~~November~~ of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be printed on tan paper and prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each

New language is indicated by underline, deletions by ~~strikeout~~.

person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 66. Minnesota Statutes 2004, section 471.895, subdivision 3, is amended to read:

Subd. 3. **EXCEPTIONS.** (a) The prohibitions in this section do not apply if the gift is:

- (1) a contribution as defined in section 211A.01, subdivision 5;
- (2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;
- (3) services of insignificant monetary value;
- (4) a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;
- (5) a trinket or memento of ~~insignificant value~~ costing \$5 or less;
- (6) informational material of unexceptional value; or
- (7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.

(b) The prohibitions in this section do not apply if the gift is given:

- (1) because of the recipient's membership in a group, a majority of whose members are not local officials, and an equivalent gift is given or offered to the other members of the group;
- (2) by an interested person who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family; or
- (3) by a national or multistate organization of governmental organizations or public officials, if a majority of the dues to the organization are paid from public funds, to attendees at a conference sponsored by that organization, if the gift is food or a beverage given at a reception or meal and an equivalent gift is given or offered to all other attendees.

Sec. 67. Minnesota Statutes 2004, section 524.5-310, is amended to read:

524.5-310 FINDINGS; ORDER OF APPOINTMENT.

(a) The court may appoint a limited or unlimited guardian for a respondent only if it finds by clear and convincing evidence that:

- (1) the respondent is an incapacitated person; and

New language is indicated by underline, deletions by ~~strikeout~~.

(2) the respondent's identified needs cannot be met by less restrictive means, including use of appropriate technological assistance.

(b) Alternatively, the court, with appropriate findings, may treat the petition as one for a protective order under section 524.5-401, enter any other appropriate order, or dismiss the proceeding.

(c) The court shall grant to a guardian only those powers necessitated by the ward's limitations and demonstrated needs and, whenever feasible, make appointive and other orders that will encourage the development of the ward's maximum self-reliance and independence. Any power not specifically granted to the guardian, following a written finding by the court of a demonstrated need for that power, is retained by the ward.

(d) Within 14 days after an appointment, a guardian shall send or deliver to the ward, and counsel if represented at the hearing, a copy of the order of appointment accompanied by a notice which advises the ward of the right to appeal the guardianship appointment in the time and manner provided by the Rules of Appellate Procedure.

(e) Each year, within 30 days after the anniversary date of an appointment, a guardian shall send or deliver to the ward a notice of the right to request termination or modification of the guardianship and notice of the status of the ward's right to vote.

Sec. 68. REPEALER.

Minnesota Statutes 2004, section 204C.50, subdivision 7, is repealed.

Minnesota Rules, parts 4501.0300, subparts 1 and 4; 4501.0500, subpart 4; 4501.0600; 4503.0200, subpart 4; 4503.0300, subpart 2; 4503.0400, subpart 2; 4503.0500, subpart 9; and 4503.0800, subpart 1, are repealed.

Presented to the governor May 31, 2005

Signed by the governor June 3, 2005, 4:55 p.m.

CHAPTER 157—H.F.No. 1470

An act relating to environment; authorizing annual adjustment of dry cleaner environmental fees; amending Minnesota Statutes 2004, section 115B.49, by adding a subdivision; repealing Minnesota Statutes 2004, section 115B.49, subdivision 4a.

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

Section 1. Minnesota Statutes 2004, section 115B.49, is amended by adding a subdivision to read:

Subd. 4b. FEE ADJUSTMENT. Notwithstanding section 16A.1285, each fiscal year the commissioner shall adjust the fees in subdivision 4 as necessary to maintain an annual income to the account of \$650,000.

New language is indicated by underline, deletions by ~~strikeout~~.