

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-THIRD LEGISLATURE

FIFTY-FOURTH DAY

St. Paul, Minnesota, Monday, May 12, 2003

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Pastor Gary F. Anderson.

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

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 719:

H.F. No. 719: A bill for an act relating to liquor; modifying a posting provision; authorizing cities to issue licenses in addition to the number allowed by law; amending Minnesota Statutes 2002, section 340A.318, subdivision 3.

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

Beard, Westerberg and Juhnke have been appointed as such committee on the part of the House.

House File No. 719 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, First Assistant Chief Clerk, House of Representatives
Transmitted May 9, 2003

Senator Pappas moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 719, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 990: A bill for an act relating to state government; changing certain wild rice provisions; authorizing certain embargoes; clarifying certain food provisions; clarifying an enforcement provision; changing a milk storage requirement; changing certain procedures and requirements for organic food; providing for compliance with federal law; extending a provision authorizing certain emergency restrictions; clarifying animal feedlot regulation; changing fuel provisions; changing veterans homes provisions; providing for the headquarters of the departments of agriculture and health to be named after Orville L. Freeman; eliminating a requirement for anaplasmosis testing; requiring certain reports; amending Minnesota Statutes 2002, sections 30.49, subdivision 6; 31.05, by adding a subdivision; 31.101, subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12; 31.102, subdivision 1; 31.103, subdivision 1; 31.92, subdivision 3, by adding subdivisions; 31.94; 32.01, subdivision 10; 32.21, subdivision 4; 32.394, subdivisions 4, 8c; 32.415; 35.0661, subdivision 4; 35.243; 41A.09, subdivision 1a; 116.07, subdivision 7; 198.001, by adding a subdivision; 198.004, subdivision 1; 198.005; 198.007; 239.791, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 31; repealing Minnesota Statutes 2002, sections 31.92, subdivisions 2a, 5; 31.93; 31.95; 32.391, subdivisions 1a, 1b, 1c; 35.251; 198.001, subdivision 7; 198.002, subdivision 5; 198.003, subdivision 2; Minnesota Rules, parts 1700.0800; 1700.1000; 1700.1300; 1705.0550; 1705.0560; 1705.0570; 1705.0580; 1705.0590; 1705.0600; 1705.0610; 1705.0630; 1715.1430.

Senate File No. 990 is herewith returned to the Senate.

Albin A. Mathiowetz, First Assistant Chief Clerk, House of Representatives
Returned May 9, 2003

Senator Hottinger, for Senator Murphy, moved that the Senate do not concur in the amendments by the House to S.F. No. 990, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 778 and 1016.

Albin A. Mathiowetz, First Assistant Chief Clerk, House of Representatives
Transmitted May 9, 2003

FIRST READING OF HOUSE BILLS

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

H.F. No. 778: A bill for an act relating to family law; reforming and recodifying the law relating to marriage dissolution, child custody, child support, maintenance, and property division; changing a fee; making style and form changes; changing certain child support, residence change, and pension distribution provisions; classifying certain data; requiring additional information; clarifying and improving certain procedures and support enforcement provisions; clarifying a funding provision; providing alternate forms of marriage solemnization; appropriating money; amending Minnesota Statutes 2002, sections 13.69, subdivision 1; 171.06, subdivision 3; 171.07, by adding a subdivision; 257C.01, subdivision 2; 357.021, by adding a subdivision; 517.18; 518.002; 518.003, subdivisions 1, 3; 518.005; 518.01; 518.02; 518.03; 518.04; 518.05; 518.055; 518.06; 518.07; 518.09; 518.091; 518.10; 518.11; 518.12; 518.13; 518.131; 518.14, subdivision 1; 518.148; 518.155; 518.156; 518.157, subdivisions 1, 2, 3, 5, 6; 518.165; 518.166; 518.167, subdivisions 3, 4, 5; 518.168; 518.1705, subdivisions 2, 6, 7, 8, 9; 518.171, subdivision 7; 518.175; 518.1751, subdivisions 1b, 2, 2a, 2b, 2c, 3; 518.1752; 518.176; 518.177; 518.178; 518.179, subdivision 1; 518.18; 518.191, subdivision 1; 518.195, subdivisions 2, 3; 518.24; 518.25; 518.27; 518.54, subdivisions 1, 5, 6, 7, 8; 518.55; 518.551, subdivisions 5, 12, 13; 518.552; 518.58; 518.581; 518.582; 518.6111, subdivision 7; 518.612; 518.619; 518.62; 518.64, subdivisions 1, 2, by adding a subdivision; 518.641; 518.642; 518.646; 518.65; 518.68, subdivisions 1, 2; 519.11, subdivision 1; 548.091, subdivision 1a; 552.01, subdivisions 2, 3, 5, 7; 552.04, subdivision 15; 552.06, subdivisions 1, 2, 5, 6; 609.375, subdivision 2b; Laws 1997, chapter 245, article 2, section 11; proposing coding for new law in Minnesota Statutes, chapter 97A; proposing coding for new law as Minnesota Statutes, chapters 517A; 517B; 517C; repealing Minnesota Statutes 2002, sections 518.111; 518.14, subdivision 2; 518.17; 518.171; 518.1752; 518.185; 518.24; 518.255; 518.54, subdivisions 2, 4a, 13, 14; 518.55, subdivision 4; 518.551; 518.5513; 518.553; 518.57; 518.575; 518.585; 518.5851; 518.5852; 518.5853; 518.61; 518.6111; 518.614; 518.615; 518.616; 518.617; 518.618; 518.6195; 518.6196; 518.62; 518.64, subdivisions 4, 4a, 5; 518.68.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 758, now on General Orders.

H.F. No. 1016: A bill for an act relating to insurance; regulating Medicare supplement insurance; conforming state law to the minimum federal standards; regulating loss ratios on health coverages; requiring evaluation of certain mandated health benefit proposals; amending Minnesota Statutes 2002, sections 62A.021, subdivision 1; 62A.31, subdivisions 1f, 1u, by adding a subdivision; 62A.315; 62A.316; 62J.52, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 62J.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1363, now on General Orders.

REPORTS OF COMMITTEES

Senator Hottinger moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Cohen from the Committee on Finance, to which was referred

H.F. No. 943: A bill for an act relating to state government; modifying practices and procedures relating to state finance; transferring state treasurer duties to the commissioner of finance; amending Minnesota Statutes 2002, sections 7.26; 15.62, subdivisions 2, 3; 16A.10, subdivisions 1, 2; 16A.11, subdivision 3; 16A.127, subdivision 4; 16A.1285, subdivision 3; 16A.129, subdivision 3; 16A.133, subdivision 1; 16A.14, subdivision 3; 16A.17, by adding a subdivision; 16A.27, subdivision 5; 16A.40; 16A.46; 16A.501; 16A.626; 16A.642, subdivision 1;

16D.09, subdivision 1; 16D.13, subdivisions 1, 2; 35.08; 35.09, subdivision 3; 49.24, subdivisions 13, 16; 84A.11; 84A.23, subdivision 4; 84A.33, subdivision 4; 84A.40; 85A.05, subdivision 2; 94.53; 115A.58, subdivision 2; 116.16, subdivision 4; 116.17, subdivision 2; 122A.21; 126C.72, subdivision 2; 127A.40; 161.05, subdivision 3; 161.07; 167.50, subdivision 2; 174.51, subdivision 2; 176.181, subdivision 2; 176.581; 190.11; 241.08, subdivision 1; 241.10; 241.13, subdivision 1; 244.19, subdivision 7; 245.697, subdivision 2a; 246.15, subdivision 1; 246.18, subdivision 1; 246.21; 276.11, subdivision 1; 280.29; 293.06; 299D.03, subdivision 5; 352.05; 352B.03, subdivision 2; 354.06, subdivision 3; 354.52, subdivision 5; 385.05; 475A.04; 475A.06, subdivision 2; 481.01; 490.123, subdivision 2; 525.161; 525.841; repealing Minnesota Statutes 2002, sections 7.21; 16A.06, subdivision 10; 16A.131, subdivision 1; 16D.03, subdivision 3; 16D.09, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 3 and 4, delete section 5

Pages 4 and 5, delete section 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "16A.11, subdivision 3;"

Page 1, line 8, delete "16A.1285, subdivision 3;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 1278: A bill for an act relating to crime prevention; clarifying the reporting requirements of the predatory offender registration law; providing for lifetime supervision of certain repeat sex offenders; amending Minnesota Statutes 2002, sections 243.166, subdivisions 3, 4a; 609.109, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 3 to 5, delete section 3

Page 5, line 3, delete "DATES" and insert "DATE"

Page 5, delete lines 7 and 8

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete everything before "amending"

Page 1, delete lines 6 and 7 and insert "2002, section 243.166, subdivisions 3, 4a."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 904: A bill for an act relating to state government; state vehicles; regulating the leasing or other acquisition of motor vehicles for the use of state officials and employees; amending Minnesota Statutes 2002, section 16B.54, by adding a subdivision.

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

Senator Cohen from the Committee on Finance, to which was referred

S.F. No. 1470: A bill for an act relating to state government; adjusting certain appropriations.

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

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 190: A bill for an act relating to retirement; Hennepin county supplemental retirement program; Minneapolis firefighters relief association; allowing the county administrator to approve certain participant requests; providing for an increase in the compensation for the executive secretary of the Minneapolis firefighters relief association; amending Minnesota Statutes 2002, sections 383B.49; 383B.493; 423C.03, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

MINNESOTA STATE COLLEGES
AND UNIVERSITIES SYSTEM
EARLY RETIREMENT INCENTIVES

Section 1. [136F.475] [MNSCU; EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.]

(a) Notwithstanding any provision of law to the contrary, the board of trustees of the Minnesota state colleges and universities may offer a targeted early retirement incentive program for its employees.

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

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

(2) cash incentives; and

(3) employer contributions to the postretirement health care savings plan established under section 352.98. Any postseparation health or medical insurance coverage for incentive recipients who are age 65 or older must be coordinated with federal Medicare benefits.

(c) The board of trustees of the Minnesota state colleges and universities system shall establish the eligibility requirements for system employees to receive an incentive. The type and the amount of the incentive to be offered may vary by employee classification, as specified by the board.

(d) The president of a college or university, or the chancellor with respect to the office of the chancellor, consistent with the board's program provisions under paragraph (b) and with the board's eligibility requirements under paragraph (c), may designate specific departments or programs at the college or university whose employees are 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 president of the applicable college or university. The eligible employee's agreement must include a certification that the individual would not have voluntarily separated from service within two years of the separation date if the early separation incentive was not offered.

(f) A decision by the president of a college or university or the chancellor with respect to the office of the chancellor, not to offer an incentive may not be grieved.

(g) The cost of the incentive is payable solely by the college or university or the office of the chancellor on whose behalf the president or chancellor offered the incentive. If a college or university is merged, the remaining cost of any early retirement incentive must be borne by the successor institution. If a college or university is closed, the remaining cost of any early retirement incentive must be borne by the board of trustees of the Minnesota state colleges and universities system.

(h) A person must be at least 55 years of age to be eligible to receive an early retirement incentive under this section.

Sec. 2. [136F.476] [APPLICATION OF OTHER LAWS.]

(a) Unilateral implementation of section 136F.475 by the board of trustees of the Minnesota state colleges and universities system or by a president of a college or university is not an unfair labor practice under chapter 179A.

(b) The authority in section 136F.475 for a college or university to pay health, medical, and dental insurance premiums for former employees granted an early retirement incentive is not subject to the limits of section 179A.20, subdivision 2a.

Sec. 3. [REPORTING.]

Each college or university that offers early retirement incentives under section 1 shall annually report to the Minnesota colleges and universities board the types of early retirement incentives offered, the number of individuals receiving each type of incentive, and the cost or savings resulting from the incentives. The Minnesota state colleges and universities board shall report summary data on the incentives offered under section 1 to the legislative commission on pensions and retirement.

Sec. 4. [SEPARATION FROM SERVICE.]

Except in urgent situations approved by the board or for employees who are covered by Minnesota Statutes, sections 136F.48 and 354.445, a person receiving an early retirement incentive under section 1 shall not be reemployed by the Minnesota state colleges and universities for at least three years following retirement under section 1.

Sec. 5. [EFFECTIVE DATE; EXPIRATION.]

Sections 1 to 4 are effective on the day following final enactment and expire on June 30, 2008.

ARTICLE 2

MINNESOTA STATE RETIREMENT SYSTEM

EARLY RETIREMENT INCENTIVES

Section 1. [EARLY RETIREMENT INCENTIVE.]

Subdivision 1. [ELIGIBILITY.] (a) An appointing authority in the executive or legislative branch of state government may offer the early retirement incentive in this section to an employee who:

(1) has at least five years of allowable service in one or a combination of the funds listed in Minnesota Statutes, section 356.30, subdivision 3, and upon retirement is immediately eligible for a retirement annuity from one or more of these funds; and

(2) terminates state service after the effective date of this section and before September 1, 2003.

(b) For purposes of this section, the executive branch of state government includes the departments of the state listed in Minnesota Statutes, section 15.01, any board, committee, council, authority, or advisory task force that is funded wholly or primarily from the general fund, the metropolitan council, the Minnesota state colleges and universities system, the university of Minnesota, or the Minnesota historical society.

(c) For purposes of this section, the executive branch of state government does not include the state board of investment, the Minnesota state retirement system, the public employees retirement association, or the teachers retirement association.

Subd. 2. [INCENTIVE.] (a) For an employee eligible under subdivision 1, the employer may provide an amount up to \$15,000, to be used:

(1) for an employee who terminates state service after the effective date of this section and on or before July 15, 2003, for deposit in the employee's account in the health care savings plan established by Minnesota Statutes, section 352.98; or

(2) for an employee who terminates state service after July 15, 2003, and before September 1, 2003:

(i) notwithstanding Minnesota Statutes, section 352.01, subdivision 11, 356.55, or 356.551, for purchase of allowable service credit for unperformed service that is sufficient to enable the employee to retire under Minnesota Statutes, section 352.116, subdivision 1, paragraph (b); or

(ii) for purchase of a lifetime annuity or annuity for a specific number of years from the state unclassified retirement program to provide additional benefits under Minnesota Statutes, section 352D.06, subdivision 1.

(b) An employee is eligible for the payment under paragraph (a), clause (2), item (i), if the employee uses money from a deferred compensation account that, combined with the payment under clause (2), item (i), would be sufficient to purchase enough service credit to qualify for retirement under Minnesota Statutes, section 352.116, subdivision 1, paragraph (b).

Subd. 3. [DESIGNATION OF POSITIONS; EMPLOYER DISCRETION.] (a) Before offering an incentive under this section, an appointing authority must designate the job classifications or positions within job classifications that qualify for the incentive. The appointing authority may modify this designation at any time. For agencies in the executive branch, the positions or groups of positions and the individuals to which the agency intends to offer early retirement incentives must be reviewed by and approved by the commissioner of finance prior to the incentive offer being made. If the commissioner of finance finds that the salary savings intended to be obtained from the early retirement incentive offer exceed the amount of the early retirement incentive to be offered, the commissioner shall approve the offer. Before January 15, 2004, the commissioner shall provide a report to the legislative commission on pensions and retirement indicating the number of individuals receiving each type of incentive, and the cost and savings resulting from the incentive.

(b) Designation of positions eligible for the incentive under this section, participation of individual employees, and the amount of the payment under this section are at the sole discretion of the appointing authority. Unilateral implementation of this section by the employer is not an unfair labor practice under Minnesota Statutes, chapter 179A.

Subd. 4. [STATUS AS ALLOWABLE SERVICE CREDIT.] Any allowable service credit purchased as provided in subdivision 2, paragraph (a), clause (2), item (i), must be considered to be allowable service credit under Minnesota Statutes, section 352.01, subdivision 11.

Subd. 5. [PROHIBITION ON REHIRE OR RETENTION AS CONSULTANT.] A person who accepts an early retirement incentive under this section is prohibited for a period of three years from being rehired by any state employer or from being retained as a consultant by a state employing agency.

Sec. 2. [PHASED RETIREMENT.]

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

(1) on the effective date of this section is regularly scheduled to work 1,040 or more hours a year in a position covered by the Minnesota state retirement system general employees retirement plan, correctional plan, or unclassified plan;

(2) enters into an agreement with the appointing authority to work a reduced schedule that is both (i) a reduction of at least 25 percent from the number of regularly scheduled work hours; and (ii) 1,040 hours or less in the covered position; and

(3) at the time of entering into the agreement under clause (2), meets the age and service requirements necessary to receive a retirement annuity from the plan.

(b) Notwithstanding any law to the contrary, for service under an agreement entered into under paragraph (a), an employee agrees to terminate public employment satisfying requirements necessary for the commencement of the retirement annuity, and agrees to reemployment with the applicable employer under terms and conditions specified in this section. If an eligible public employee commences receipt of the annuity, the provisions of Minnesota Statutes, section 352.115, subdivision 10, governing annuities of reemployed annuitants, shall not apply for the duration of the agreement.

(c) The amount of hours worked, the work schedule, and the duration of the phased retirement employment 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 phased retirement under this section is available to an employee.

(d) Notwithstanding any law to the contrary, a person may not earn service credit in the Minnesota state retirement system 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.

(e) 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.

(f) An agreement under this section may apply only to work through June 30, 2005.

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 1,040 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 1,040 hours or less in the covered position.

(b) Notwithstanding any law to the contrary, for service under an agreement entered into under paragraph (a), contributions may be made to the applicable plan of the Minnesota state retirement system as if the employee had not reduced hours. The employee must pay the additional employee contributions and the employer must pay the additional employer contributions necessary to bring the service credit and salary up to the level prior to the voluntary reduction in hours. Contributions must be made in a time and manner prescribed by the executive director of the Minnesota state retirement system.

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

(d) A person who works under this section is a member of the appropriate bargaining unit; is

covered by the appropriate collective bargaining contract or compensation plan; and is eligible for health care coverage as provided in the collective bargaining contract or compensation plan.

(e) An agreement under this section may apply only to work through June 30, 2005.

Sec. 4. [VOLUNTARY UNPAID LEAVE OF ABSENCE.]

Appointing authorities in state government may allow each employee to take unpaid leaves of absence for up to 1,040 hours between June 1, 2003, and June 30, 2005. 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 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 both the employee and employer contributions to the unclassified plan during the leave of absence. 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.

Sec. 5. [RELATIONSHIP OF SECTIONS.]

(a) An employee covered by a phased retirement agreement under section 2 may not be covered by the voluntary hour reduction provisions of section 3 or by a voluntary unpaid leave of absence agreement under section 4 during the same time period or any later time period.

(b) An employee covered by the voluntary hour reduction provisions of section 3:

(1) may not be covered by a phased retirement agreement under section 2 during the same time period, but may be covered by a phased retirement agreement under section 2 during a later time period; and

(2) may be covered by the voluntary leave of absence provision of section 4 during an earlier or later time period.

(c) An employee may receive the early retirement incentive in section 1 after being covered under section 2, 3, or 4. An employee who receives an incentive under section 1 may not later be covered by section 2, 3, or 4.

Sec. 6. [PROGRAM APPLICATION REQUIREMENTS.]

(a) No agreement between an eligible employee and a governmental subdivision under this article is effective unless the employee acknowledges acceptance of the terms of the agreement in writing on a form prescribed by the Minnesota state retirement system executive director.

(b) A copy of the signed agreement must be transmitted to the Minnesota state retirement system executive director within 30 days after the agreement is executed.

(c) To be eligible for an early retirement incentive under section 1 or 2, the eligible employee's signed agreement must include a certification that the individual would not have voluntarily separated from service within two years of the separation date if the early separation incentive was not offered.

Sec. 7. [EMPLOYEE EXCLUSION.]

This article does not apply to any employee who provides service to more than one employer or appointing authority as specified in this article, or who earns service credit during the time period covered by this article, except as specified in this article, in any Minnesota public employee plan other than a volunteer fire plan.

Sec. 8. [EXCLUSION DUE TO BENEFIT RECEIPT.]

Unless otherwise specified, this article does not apply to an individual who is receiving a retirement annuity from any retirement plan enumerated in Minnesota Statutes, section 356.30, or from any retirement plan governed by Minnesota Statutes, section 69.77.

Sec. 9. [EXCLUSION FOR SOCIAL SECURITY BENEFIT ELIGIBILITY.]

This article does not apply if the individual is eligible for the receipt of an unreduced benefit under the federal old age, survivors, and disability insurance program.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective on the day following final enactment.

ARTICLE 3

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

EARLY RETIREMENT INCENTIVES

Section 1. [APPLICATION.]

Unless otherwise specified, this article applies to governmental subdivisions as specified in Minnesota Statutes, section 353.01, subdivision 6, and public employees providing service to the applicable employer and covered by the public employees retirement association general plan or police and fire plan under Minnesota Statutes, chapter 353, or the public employees retirement association local government correctional service retirement plan under Minnesota Statutes, chapter 353E.

Sec. 2. [EMPLOYEE EXCLUSION.]

This article does not apply to any employee who provides service to more than one governmental subdivision, or who earns service credit during the time period covered by this article in any Minnesota public employee plan, other than a volunteer fire plan or a plan administered by the public employees retirement association under conditions specified in this article.

Sec. 3. [PHASED RETIREMENT.]

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

(1) on the effective date of this section is regularly scheduled to work 1,040 or more hours a year in a position covered by an applicable retirement plan;

(2) enters into an agreement with the governmental subdivision to work a reduced schedule that is both:

(i) a reduction of at least 25 percent from the number of regularly scheduled work hours; and

(ii) 1,040 hours or less in the covered position; and

(3) at the time of entering into the agreement under clause (2), meets the age and service requirements necessary to receive a retirement benefit from the applicable plan.

(b) Notwithstanding any law to the contrary, for service under an agreement entered into under paragraph (a), an employee agrees to terminate public employment meeting requirements of Minnesota Statutes, section 353.01, subdivision 11a, and agrees to reemployment with the applicable governmental subdivision under terms and conditions specified in this section. If an eligible public employee commences receipt of an annuity from a plan specified in section 1, the provisions of Minnesota Statutes, section 353.37, governing annuities of reemployed annuitants shall not apply for the duration of the agreement.

(c) The number of hours worked, the work schedule, and the duration of the phased retirement employment must be mutually agreed to by the employee and the governmental subdivision. The

governmental subdivision may not require a person to waive any rights under a collective bargaining agreement as a condition of participation in this section. The governmental subdivision has sole discretion to determine if and the extent to which phased retirement under this section is available to an employee.

(d) Notwithstanding any law to the contrary, a person may not earn service credit in 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.

(e) A person who works under this section and meets the definition of public employee under Minnesota Statutes, section 179A.03, subdivision 14, is a member of the appropriate bargaining unit, is covered by the appropriate collective bargaining contract or personnel policy, and is eligible for health care coverage as provided in the collective bargaining contract or personnel policy.

(f) An agreement under this section may apply only to work through June 30, 2005.

Sec. 4. [VOLUNTARY HOUR REDUCTION PLAN.]

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

(1) on the effective date of this section is regularly scheduled to work 1,040 or more hours a year in a position covered by a pension plan administered by the public employees retirement association; and

(2) enters into an agreement with a governmental subdivision to work a reduced schedule of 1,040 or less hours in the covered position.

(b) Notwithstanding any law to the contrary, for service under an agreement entered into under paragraph (a), contributions may be made to the applicable plan of the public employees retirement association as if the employee had not reduced hours. The employee must pay the employee contributions and the employer must pay employer and 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 public employees retirement association.

(c) The number of hours worked, the work schedule, and the duration of the voluntary hour reduction must be mutually agreed to by the employee and the governmental subdivision. The governmental subdivision may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section. The governmental subdivision 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 and meets the definition of public employee under Minnesota Statutes, section 179A.03, subdivision 14, is a member of an appropriate bargaining unit, is covered by an appropriate collective bargaining contract or personnel policy, and is eligible for health care coverage as provided in a collective bargaining contract or personnel policy.

(e) An agreement under this section may apply only to work through June 30, 2005.

Sec. 5. [VOLUNTARY UNPAID LEAVE OF ABSENCE.]

(a) Governmental subdivisions may allow employees to take unpaid leaves of absence between June 1, 2003, and June 30, 2005. Each governmental subdivision approving a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and accrue service credit and credited salary in the public employees retirement association as if the employee had actually been employed during the time of leave. 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 governmental subdivision shall

attempt to grant requests for the unpaid leaves of absence consistent with the need to continue efficient operation of the governmental subdivision. However, each governmental subdivision 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 personnel policy.

(b) To receive eligible service credit, 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 governmental subdivision must pay the employer contribution and the additional employer contribution. The governmental subdivision may, at its discretion, pay employee, employer, and additional employer contributions to the public employees retirement association for the period of leave under this section. Contributions must be made in a time and manner prescribed by the executive director of the public employees retirement association.

Sec. 6. [DESIGNATION OF POSITIONS; EMPLOYER DISCRETION.]

Before agreeing to an option under this article, a governmental subdivision must designate the job classifications or positions within job classifications that qualify for each option. The governmental subdivision may modify this designation at any time. Designation of positions eligible for the options and participation of individual employees under this act are at the sole discretion of the governmental subdivision. Implementation of this act by the employer is not an unfair labor practice under Minnesota Statutes, chapter 179A, or an unfair discriminatory practice under Minnesota Statutes, chapter 363.

Sec. 7. [PROGRAM APPLICATION REQUIREMENTS.]

(a) No agreement between an eligible public employee and a governmental subdivision under this article is effective unless the employee acknowledges acceptance of the terms of the agreement in writing on a form prescribed by the public employees retirement association executive director.

(b) A copy of the signed agreement must be transmitted to the public employees retirement association executive director within 30 days after the agreement is executed.

Sec. 8. [RELATIONSHIP OF SECTIONS.]

(a) An employee covered by a phased retirement agreement under section 3 may not be covered by the voluntary hour reduction provisions of section 4 or by a voluntary unpaid leave of absence agreement under section 5 during the same time period or any later time period.

(b) An employee covered by the voluntary hour reduction provisions of section 4:

(1) may not be covered by a phased retirement agreement under section 3 during the same time period, but may be covered by a phased retirement agreement under section 3 during a later time period; and

(2) may be covered by the voluntary leave of absence provision of section 5 during an earlier or later time period.

Sec. 9. [GOVERNMENTAL SUBDIVISION LIMITATION.]

Notwithstanding Minnesota Statutes, section 353.01, subdivision 6, paragraph (b), to the contrary, for purposes of this article the public employees retirement association is not a governmental subdivision.

Sec. 10. [EXCLUSION DUE TO BENEFIT RECEIPT.]

Unless otherwise specified, this article does not apply to an individual who is receiving a retirement annuity from any retirement plan enumerated in Minnesota Statutes, section 356.30, or from any retirement plan governed by Minnesota Statutes, section 69.77.

Sec. 11. [EXCLUSION FOR SOCIAL SECURITY BENEFIT ELIGIBILITY.]

This article does not apply if the individual is eligible for the receipt of an unreduced benefit under the federal old age, survivors, and disability insurance program.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective on the day following final enactment.

ARTICLE 4

TEACHERS RETIREMENT ASSOCIATION

EXTENDED LEAVE PROVISIONS

Section 1. Minnesota Statutes 2002, section 122A.46, subdivision 9, is amended to read:

Subd. 9. [BENEFITS.] A teacher on an extended leave of absence shall receive all of the health, accident, medical, surgical and hospitalization insurance or benefits, for both the teacher and the teacher's dependents, for which the teacher would otherwise be eligible if not on an extended leave. A teacher shall receive the coverage if such coverage is available from the school district's insurer, if the teacher requests the coverage, and if the teacher either (a) reimburses the district for the full amount of the premium necessary to maintain the coverage within one month following preceding the district's payment of the premium, or (b) if the district is wholly or partially self-insured, pays the district, according to a schedule agreed upon by the teacher and the school board, an amount determined by the school board to be the amount that would be charged for the coverage chosen by the teacher if the school board purchased all health, accident, medical, surgical and hospitalization coverage for its teachers from an insurer. A school district may enter into an agreement with the exclusive bargaining representative of teachers in the district where the district agrees to pay all or a portion of the premium for such coverage. Any such agreement must include a sunset of eligibility to qualify for the payment and must not be a continuing part of the collective bargaining agreement.

Sec. 2. Minnesota Statutes 2002, section 354.094, subdivision 1, is amended to read:

Subdivision 1. [SERVICE CREDIT CONTRIBUTIONS.] Upon granting any extended leave of absence under section 122A.46 or 136F.43, the employing unit granting the leave must certify the leave to the association on a form specified by the executive director. A member granted an extended leave of absence under section 122A.46 or 136F.43 may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of the leave, provided that the member and the employing board make the required employer contribution in any proportion they may agree upon, during the period of the leave. The employer may enter into an agreement with the exclusive bargaining representative of teachers in the district under which all or a portion of the employee's contribution is paid by the employer. Any such agreement must include a sunset of eligibility to qualify for the payment and must not be a continuing part of the collective bargaining agreement. The leave period must not exceed five years. A member may not receive more than five years of allowable service credit under this section. The employee and employer contributions must be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave must be made on or before the later of June 30 of each fiscal year for which service credit is received or within 30 days after first notification of the amount due, if requested by the member, is given by the association. No payment is permitted after the following September 30. Payments received after June 30 must include interest at an annual rate of 8.5 percent from June 30 through the end of the month in which payment is received. Notwithstanding the provisions of any agreements to the contrary, employee and employer contributions may not be made to receive allowable service credit if the member does not have full reinstatement rights as provided in section 122A.46 or 136F.43, both during and at the end of the extended leave.

Sec. 3. [EFFECTIVE DATE.]

(a) Sections 1 and 2 are effective on the day following final enactment and apply to agreements in effect or entered into after that date.

(b) The amendments to sections 1 and 2 are repealed on July 1, 2005.

ARTICLE 5

PUBLIC EMPLOYEES RETIREMENT

ASSOCIATION CHANGES

Section 1. Minnesota Statutes 2002, section 353.01, subdivision 2d, is amended to read:

Subd. 2d. [OPTIONAL MEMBERSHIP.] (a) Membership in the association is optional by action of the individual employee for the following public employees who meet the conditions set forth in subdivision 2a:

(1) members of the coordinated plan who are also employees of labor organizations as defined in section 353.017, subdivision 1, for their employment by the labor organization only if they elect to have membership under section 353.017, subdivision 2;

(2) persons who are elected or persons who are appointed to elected positions other than local governing body elected positions who elect to participate by filing a written election for membership;

(3) members of the association who are appointed by the governor to be a state department head and who elect not to be covered by the general state employees retirement plan of the Minnesota state retirement system under section 352.021; ~~and~~

(4) city managers as defined in section 353.028, subdivision 1, who do not elect to be excluded from membership in the association under section 353.028, subdivision 2; and

(5) employees of the port authority of the city of St. Paul who were at least age 45 on January 1, 2003, and who elect to participate by filing a written election for membership.

(b) Membership in the association is optional by action of the governmental subdivision for the employees of the following governmental subdivisions under the conditions specified:

(1) the Minnesota association of townships if the board of the association, at its option, certifies to the executive director that its employees are to be included for purposes of retirement coverage, in which case the status of the association as a participating employer is permanent; and

(2) a county historical society if the county in which the historical society is located, at its option, certifies to the executive director that the employees of the historical society are to be county employees for purposes of retirement coverage under this chapter. The status as a county employee must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society.

(c) For employees who are covered by paragraph (a), clause (1), (2), or (3), or covered by paragraph (b), if the necessary membership election is not made, the employee is excluded from retirement coverage under this chapter. For employees who are covered by paragraph (a), clause (4), if the necessary election is not made, the employee must become a member and have retirement coverage under this chapter. The option to become a member, once exercised under this subdivision, may not be withdrawn until termination of public service as defined under subdivision 11a.

Sec. 2. Minnesota Statutes 2002, section 353.01, subdivision 6, is amended to read:

Subd. 6. [GOVERNMENTAL SUBDIVISION.] (a) "Governmental subdivision" means a county, city, town, school district within this state, or a department or unit of state government, or any public body whose revenues are derived from taxation, fees, assessments or from other sources.

(b) Governmental subdivision also means the public employees retirement association, the league of Minnesota cities, the association of metropolitan municipalities, public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions,

the association of Minnesota counties, the metropolitan intercounty association, the Minnesota municipal utilities association, the metropolitan airports commission, the Minneapolis employees retirement fund for employment initially commenced after June 30, 1979, the range association of municipalities and schools, soil and water conservation districts, economic development authorities created or operating under sections 469.090 to 469.108, the port authority of the city of St. Paul, the Spring Lake Park fire department, incorporated, and the Dakota county agricultural society.

(c) Governmental subdivision does not mean any municipal housing and redevelopment authority organized under the provisions of sections 469.001 to 469.047; or any port authority organized under sections 469.048 to 469.089 other than the port authority of the city of St. Paul; or any hospital district organized or reorganized prior to July 1, 1975, under sections 447.31 to 447.37 or the successor of the district, nor the Minneapolis community development agency.

Sec. 3. Minnesota Statutes 2002, section 353.028, subdivision 2, is amended to read:

Subd. 2. [ELECTION.] (a) A city manager may elect to be excluded from membership in the association. The election of exclusion must be made within six months following the commencement of employment, in writing on a form prescribed by the executive director, and must be approved by a resolution of the governing body of the city. The election of exclusion is not effective until it is filed with the executive director. Membership of a city manager in the association ceases on the date the written election is received by the executive director or upon a later date specified. ~~The election to be excluded from membership must include a provision agreeing that the person will not at any time in the future seek authorization to purchase service credit for any period of excluded service and is irrevocable.~~ Employee and employer contributions made on behalf of a person exercising the option to be excluded from membership under this section must be refunded in accordance with section 353.27, subdivision 7.

(b) A city manager who has elected exclusion under this subdivision may elect to revoke that action by filing a written notice with the executive director. The notice must be on a form prescribed by the executive director and must be approved by a resolution of the governing body of the city. Membership of the city manager in the association resumes prospectively from the date of the first day of the pay period for which contributions were deducted or, if pay period coverage dates are not provided, the date on which the notice of revocation or contributions are received in the office of the association, provided that the notice of revocation is received by the association within 60 days of the receipt of contributions.

(c) An election under paragraph (b) is irrevocable. Any election under paragraph (a) or (b) must include a statement that the individual will not seek authorization to purchase service credit for any period of excluded service.

Sec. 4. Minnesota Statutes 2002, section 353D.01, subdivision 2, is amended to read:

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

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

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

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

(4) members of a municipal rescue squad associated with Litchfield in Meeker county, or of a county rescue squad associated with Kandiyohi county, if an independent nonprofit rescue squad

corporation, incorporated under chapter 317A, performing emergency management services, and if not affiliated with a fire department or ambulance service and if its members are not eligible for membership in that fire department's or ambulance service's relief association or comparable pension plan; and

(5) employees of the port authority of the city of St. Paul who elect to participate in the plan under section 353D.02, subdivision 5, and who are not members of the public employees retirement association under section 353.01, subdivision 7.

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

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

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

Sec. 5. Minnesota Statutes 2002, section 353D.02, is amended by adding a subdivision to read:

Subd. 5. [ST. PAUL PORT AUTHORITY PERSONNEL.] Employees of the port authority of the city of St. Paul who do not elect to participate in the general employees retirement plan may elect to participate in the plan by filing a membership application on a form prescribed by the executive director of the association authorizing contributions to be deducted from the employee's salary. Participation begins on the first day of the pay period for which the contributions were deducted or, if pay period coverage dates are not provided, the date on which the membership application or the contributions are received in the office of the association, whichever is received first, if the membership application is received by the association within 60 days of the receipt of the contributions. An election to participate in the plan is irrevocable.

Sec. 6. [PERA-GENERAL; PRIOR ST. PAUL PORT AUTHORITY SERVICE CREDIT PURCHASE.]

Subdivision 1. [ELIGIBILITY.] A full-time salaried employee or a permanent part-time salaried employee of the port authority of the city of St. Paul who was employed by the port authority during all or part of the period from July 1, 1993, to July 1, 2003, and who is a member of the general employees retirement plan of the public employees retirement association may purchase allowable service credit from the general employees retirement plan.

Subd. 2. [PURCHASABLE SERVICE; MAXIMUM.] (a) The service credit that is purchasable under subdivision 1 is a period or periods of employment by the port authority of the city of St. Paul that would have been eligible service for coverage by the general employees retirement plan of the public employees retirement association if the service had been rendered after July 1, 2003.

(b) The maximum period of allowable service credit in the general employees retirement plan of the public employees retirement association for purchase under this section is ten years.

Subd. 3. [PURCHASE PAYMENT REQUIREMENT.] (a) To purchase the service credit, the payment amount must be calculated under Minnesota Statutes, section 356.55.

(b) Notwithstanding any provision of Minnesota Statutes, section 356.55, to the contrary, the prior service credit purchase payment may be made in whole or in part on an institution-to-institution basis from a plan qualified under the federal Internal Revenue Code, sections 401(a), 401(k), or 414(h), or from an annuity qualified under the federal Internal Revenue

Code, section 403, or from a deferred compensation plan under the federal Internal Revenue Code, section 457, to the extent permitted by the applicable federal law. In no event may a prior service credit purchase transfer be paid directly to the person purchasing the service.

Subd. 4. [DOCUMENTATION; SERVICE CREDIT GRANT.] (a) An eligible person described in subdivision 1 must provide any documentation related to eligibility to make this service credit purchase required by the executive director of the public employees retirement association.

(b) Allowable service credit for the purchase period or periods must be granted by the general employees retirement plan of the public employees retirement association on behalf of the eligible person upon receipt of the prior service credit purchase payment amount.

Sec. 7. [PRIOR SERVICE; VESTING.]

For purposes of vesting under Minnesota Statutes, section 353.29, subdivision 1, only, a full-time salaried employee or a permanent part-time salaried employee of the port authority of the city of St. Paul who was employed by the port authority on July 1, 2003, and who is a member of the general employees retirement plan of the public employees retirement association may use months of employment with the port authority before that date. This service may not be used to calculate a retirement annuity or a disability benefit provided for under Minnesota Statutes, chapter 353.

Sec. 8. [DEFINED CONTRIBUTION PLAN; ONE-TIME ELECTION.]

Employees of the port authority of the city of St. Paul who do not exercise the right to become members of the general employees retirement plan of the public employees retirement association under section 1 may, by one-time election, choose to participate in the public employees retirement association's defined contribution plan under Minnesota Statutes, sections 353D.01 through 353D.10. The election is irrevocable.

Sec. 9. [EFFECTIVE DATE.]

(a) Sections 1 to 8 are effective on the day following final enactment.

(b) Coverage under the general employees retirement plan of the public employees retirement association under sections 1 and 2 commence on July 1, 2003.

ARTICLE 6

LOCAL PENSION FUND CHANGES

Section 1. Minnesota Statutes 2002, section 383B.49, is amended to read:

383B.49 [SUPPLEMENTAL RETIREMENT BENEFITS; REDEMPTION OF SHARES.]

When requested to do so, in writing, on forms provided by the county, by a participant, surviving spouse, a guardian of a surviving child or a personal representative, whichever is applicable, the county of Hennepin shall redeem shares in the accounts of the Minnesota supplemental investment fund standing in a participant's share account record under the following circumstances and in accordance with the laws and regulations governing the Minnesota supplemental investment fund:

(1) A participant who is no longer employed by the county of Hennepin is entitled to receive the cash realized on the redemption of the shares to the credit of the participant's share account record of the person. The participant may request the redemption of all or a portion of the shares in the participant's share account record of the person, but may not request more than one redemption in any one calendar year. If only a portion of the shares in the participant's share account record is requested to be redeemed the person may request to redeem not less than 20 percent of the shares in any one calendar year and the redemption must be completed in no more than five years. An election is irrevocable except that a participant may request an amendment of the election to redeem all of the person's remaining shares. All requests under this paragraph are

subject to application to and approval of the Hennepin county board administrator, in its the sole discretion of the administrator.

(2) In the event of the death of a participant leaving a surviving spouse, the surviving spouse is entitled to receive the cash realized on the redemption of all or a portion of the shares in the participant's share account record of the deceased spouse, but in no event may the spouse request more than one redemption in each calendar year. If only a portion of the shares in the participant's share account record is requested to be redeemed, the surviving spouse may request the redemption of not less than 20 percent of the shares in any one calendar year. Redemption must be completed in no more than five years. An election is irrevocable except that the surviving spouse may request an amendment of the election to redeem all of the participant's remaining shares. All requests under this paragraph are subject to application to and approval of the Hennepin county board administrator, in its the sole discretion of the administrator. Upon the death of the surviving spouse, any shares remaining in the participant's share account record must be redeemed by the county of Hennepin and the cash realized from the redemption distributed to the estate of the surviving spouse.

(3) In the event of the death of a participant leaving no surviving spouse, but leaving a minor surviving child or minor surviving children, the guardianship estate of the minor child is, or the guardianship estates of the minor children are, entitled to receive the cash realized on the redemption of all shares to the credit of the participant's share account record of the deceased participant. In the event of minor surviving children, the cash realized must be paid in equal shares to the guardianship estates of the minor surviving children.

(4) In the event of the death of a participant leaving no surviving spouse and no minor surviving children, the estate of the deceased participant is entitled to receive the cash realized on the redemption of all shares to the credit of the participant's share account record of the deceased participant.

Sec. 2. Minnesota Statutes 2002, section 383B.493, is amended to read:

383B.493 [WITHDRAWAL FROM PARTICIPATION.]

Notwithstanding Laws 1982, chapter 450, or any other law to the contrary, a Hennepin county employee participating in the Hennepin county supplemental retirement program pursuant to Laws 1982, chapter 450 may, in the event of an unforeseeable emergency, apply to the county to discontinue participation in the program. Employees who are no longer participating in the program may apply for the redemption of all shares credited to their share account record. Applications are subject to approval of the Hennepin county board of commissioners administrator in its the sole discretion of the administrator. For the purposes of this section, the term "unforeseeable emergency" shall mean a severe financial hardship to the participant resulting from a sudden and unexpected illness or accident of the participant or a person dependent upon the participant, loss of participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. Applications based on foreseeable expenditures normally budgetable shall not be approved. A participant exercising the option provided by this section shall be ineligible for further participation in the supplemental retirement program.

Sec. 3. [EVELETH RETIRED POLICE AND FIRE TRUST FUND; AD HOC POSTRETIREMENT ADJUSTMENT.]

In addition to the current pensions and other retirement benefits payable, the pensions and retirement benefits payable to retired police officers and firefighters and their surviving spouses by the Eveleth police and fire trust fund are increased by \$100 per month. Increases are retroactive to January 1, 2003.

Sec. 4. [EFFECTIVE DATE.]

(a) Sections 1 and 2 are effective upon approval by the Hennepin county board of commissioners and compliance with Minnesota Statutes, section 645.021.

(b) Section 3 is effective on the day after the date on which the Eveleth city council and the chief clerical officer of the city of Eveleth comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 7

GENERAL SERVICE CREDIT PURCHASES

Section 1. Minnesota Statutes 2002, section 356.55, subdivision 7, is amended to read:

Subd. 7. [EXPIRATION OF PURCHASE PAYMENT DETERMINATION PROCEDURE.]

(a) This section expires and is repealed on July 1, ~~2003~~ 2004.

(b) Authority for any public pension plan to accept a prior service credit payment that is calculated in a timely fashion under this section expires on October 1, ~~2003~~ 2004.

Sec. 2. Laws 1999, chapter 222, article 16, section 16, as amended by Laws 2002, chapter 392, article 7, section 1, is amended to read:

Sec. 16. [REPEALER.]

Sections 1 to 13 are repealed on May 16, ~~2003~~ 2004.

Sec. 3. Laws 2000, chapter 461, article 4, section 4, 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, ~~2003~~ 2004.

Sec. 4. Laws 2000, chapter 461, article 12, section 20, as amended by Laws 2002, chapter 392, article 7, section 2, is amended to read:

Sec. 20. [EFFECTIVE DATE.]

(a) Sections 4, 5, and 11 to 20 are effective on the day following final enactment.

(b) Sections 1, 2, 3, and 6 to 10 are effective on the day following final enactment and apply retroactively to a faculty member of the Lake Superior College who was granted an extended leave of absence under article 19, section 4, of the united technical college educators master agreement for the 1999-2000 academic year prior to March 20, 2000.

(c) Sections 5, 11, and 14, paragraph (c), expire on May 16, ~~2003~~ 2004.

Sec. 5. Laws 2001, First Special Session chapter 10, article 6, section 21, as amended by Laws 2002, chapter 392, article 7, section 3, is amended to read:

Sec. 21. [EXPIRATION DATE.]

(a) The amendments in sections 1, 2, 3, 4, 10, 12, 16, 17, 18, 19, and 20 expire May 16, ~~2003~~ 2004.

(b) Sections 9 and 15 expire May 16, ~~2003~~ 2004.

Sec. 6. [REPEALER.]

Minnesota Statutes 2002, sections 354.541 and 354A.109, are repealed on May 16, 2004.

Sec. 7. [EFFECTIVE DATE.]

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

ARTICLE 8

SUPPLEMENTAL PENSION PLANS

Section 1. Minnesota Statutes 2002, section 356.24, subdivision 1, is amended to read:

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

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits;

(3) to the individual retirement account plan established by chapter 354B;

(4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(5) for employees other than personnel employed by the board of trustees of the Minnesota state colleges and universities and covered under the higher education supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy of the public employer or in the collective bargaining agreement between the public employer and the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee;

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

(ii) in payment of the applicable portion of the contribution made to any investment eligible under section 403(b) of the Internal Revenue Code, if the employing unit has complied with any applicable pension plan provisions of the Internal Revenue Code with respect to the tax-sheltered annuity program during the preceding calendar year;

(6) for personnel employed by the board of trustees of the Minnesota state colleges and universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,700 a year for each employee;

(7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of a public employer with the exclusive representative of the covered employees in an appropriate unit;

(8) to the laborer's national industrial pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$2,000 per year per employee;

(9) to the plumbers' and pipefitters' national pension fund or to a plumbers' and pipefitters' local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$2,000 per year per employee;

(10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$2,000 per year per employee; or

(11) to a supplemental plan organized and operated under the federal Internal Revenue Code, as amended, that is wholly and solely funded by the employee's accumulated sick leave, accumulated vacation leave, and accumulated severance pay.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment.

ARTICLE 9

VOLUNTEER FIREFIGHTER RELIEF

ASSOCIATION CHANGES

Section 1. Minnesota Statutes 2002, section 424A.02, subdivision 3, is amended to read:

Subd. 3. [FLEXIBLE SERVICE PENSION MAXIMUMS.] (a) Annually on or before August 1 of each year as part of the certification of the financial requirements and minimum municipal obligation made pursuant to determined under section 69.772, subdivision 4, or 69.773, subdivision 5, as applicable, the secretary or some other official of the relief association designated in the bylaws of each relief association shall calculate and certify to the governing body of the applicable qualified municipality the average amount of available financing per active covered firefighter for the most recent three-year period. The amount of available financing shall include any amounts of fire state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated pursuant to sections under section 69.772, subdivision 2; 69.773, subdivisions 2 and 4; or 69.774, subdivision 2, if any.

(b) The maximum service pension which the relief association has authority to provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met must be determined using the table in paragraph (c) or (d), whichever applies.

(c) For a relief association where the governing bylaws provide for a monthly service pension to a retiring member, the maximum monthly service pension amount per month for each year of service credited that may be provided for in the bylaws is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
\$...	\$.25
42	.50
84	1.00
126	1.50
168	2.00
209	2.50
252	3.00
294	3.50
335	4.00
378	4.50
420	5.00
503	6.00
587	7.00
672	8.00
755	9.00
839	10.00
923	11.00

1007	12.00
1090	13.00
1175	14.00
1259	15.00
1342	16.00
1427	17.00
1510	18.00
1594	19.00
1677	20.00
1762	21.00
1845	22.00
1888	22.50
1929	23.00
2014	24.00
2098	25.00
2183	26.00
2267	27.00
2351	28.00
2436	29.00
2520	30.00
2604	31.00
2689	32.00
2773	33.00
2857	34.00
2942	35.00
3026	36.00
3110	37.00
3963 <u>3194</u>	38.00
4047 <u>3278</u>	39.00
4137 <u>3362</u>	40.00

Effective beginning December 31, 2000:

4227 <u>3446</u>	41.00
4317 <u>3530</u>	42.00
4407 <u>3614</u>	43.00
4497 <u>3698</u>	44.00

Effective beginning December 31, 2001:

4587 <u>3782</u>	45.00
4677 <u>3866</u>	46.00
4767 <u>3950</u>	47.00
4857 <u>4034</u>	48.00

Effective beginning December 31, 2002:

4947 <u>4118</u>	49.00
5037 <u>4202</u>	50.00
5127 <u>4286</u>	51.00
5217 <u>4370</u>	52.00

Effective beginning December 31, 2003:

5307 <u>4454</u>	53.00
5397 <u>4538</u>	54.00
5487 <u>4622</u>	55.00
5577 <u>4706</u>	56.00

(d) For a relief association in which the governing bylaws provide for a lump sum service pension to a retiring member, the maximum lump sum service pension amount for each year of service credited that may be provided for in the bylaws is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service
\$.	\$10
11	20
16	30
23	40
27	50
32	60
43	80
54	100
65	120
77	140
86	160
97	180
108	200
131	240
151	280
173	320
194	360
216	400
239	440
259	480
281	520
302	560
324	600
347	640
367	680
389	720
410	760
432	800
486	900
540	1000
594	1100
648	1200
702	1300
756	1400
810	1500
864	1600
918	1700
972	1800
1026	1900

1080	2000
1134	2100
1188	2200
1242	2300
1296	2400
1350	2500
1404	2600
1458	2700
1512	2800
1566	2900
1620	3000
1672	3100
1726	3200
1753	3250
1780	3300
1820	3375
1834	3400
1888	3500
1942	3600
1996	3700
2023	3750
2050	3800
2104	3900
2158	4000
2212	4100
2265	4200
2319	4300
2373	4400
2427	4500
2481	4600
2535	4700
2589	4800
2643	4900
2697	5000
2751	5100
2805	5200
2859	5300
2913	5400
2967	5500
Effective beginning December 31, 2000:	
3021	5600
3075	5700
3129	5800
3183	5900
3237	6000
Effective beginning December 31, 2001:	
3291	6100
3345	6200

3399	6300
3453	6400
3507	6500

~~Effective beginning December 31, 2002:~~

3561	6600
3615	6700
3669	6800
3723	6900
3777	7000

Effective beginning December 31, 2003:

3831	7100
3885	7200
3939	7300
3993	7400
4047	7500

(e) For a relief association in which the governing bylaws provide for a monthly benefit service pension as an alternative form of service pension payment to a lump sum service pension, the maximum service pension amount for each pension payment type must be determined using the applicable table contained in this subdivision.

(f) If a relief association establishes a service pension in compliance with the applicable maximum contained in paragraph (c) or (d) and the minimum average amount of available financing per active covered firefighter is subsequently reduced because of a reduction in fire state aid or because of an increase in the number of active firefighters, the relief association may continue to provide the prior service pension amount specified in its bylaws, but may not increase the service pension amount until the minimum average amount of available financing per firefighter under the table in paragraph (c) or (d), whichever applies, permits.

(g) No relief association is authorized to provide a service pension in an amount greater than the largest applicable flexible service pension maximum amount even if the amount of available financing per firefighter is greater than the financing amount associated with the largest applicable flexible service pension maximum.

Sec. 2. [BENEFIT RATIFICATION; WHITE BEAR LAKE.]

Notwithstanding Minnesota Statutes, section 424A.02, subdivisions 3 and 3a, to the contrary, the service pension amounts specified in the bylaws of the White Bear Lake fire department relief association following bylaw amendments in January 1999 and prior to the effective date of this section are ratified.

Sec. 3. [EFFECTIVE DATE.]

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

ARTICLE 10

TEACHER PLAN ACTUARIAL STUDY

Section 1. [ACTUARIAL STUDY OF COSTS TO RESTRUCTURE TEACHER PLANS.]

Subdivision 1. [STUDY MANDATED.] The actuary retained by the legislative commission on pensions and retirement shall prepare an additional actuarial valuation report, using the results of

the 2003 actuarial valuation reports prepared under Minnesota Statutes, section 356.215, that considers the feasibility of restructuring the Minnesota teachers retirement association, the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, and the Duluth teachers retirement plan and fund association into a new restructured fund.

Subd. 2. [CONTENTS OF STUDY.] The actuarial valuation report must be based on the proposals put forth in the report mandated by the legislature in Laws 2001, First Special Session chapter 10, article 11, section 20, and filed February 15, 2002, including changes to the postretirement adjustment, benefits, and restructuring administrative costs and including asset transfers.

Subd. 3. [INFORMATION PROVIDED.] The executive director of the teachers retirement association, the executive secretary of the Duluth teachers retirement fund association, the executive director of the St. Paul teachers retirement fund association, and the executive director of the Minneapolis teachers retirement fund association must consult with the task force established under Laws 2001, First Special Session chapter 10, article 11, section 20, and must provide the commission-retained actuary with all necessary information requested for the preparation of this report.

Subd. 4. [COSTS.] The cost of the actuarial valuation report mandated in this section will be paid by the pension funds named in this legislation. The cost must be allocated equally between the four pension funds. The executive director of the Minneapolis teachers retirement fund association shall serve as the fiscal agent for this study, shall pay its cost, and shall be reimbursed by the other three retirement funds for their appropriate share.

Subd. 5. [FILING DATE.] The report must be filed by January 15, 2004, with the chair of the legislative commission on pensions and retirement, the chair of the senate committee on state and local government operations, and the chair of the house committee on government operations and veterans affairs policy.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment.

ARTICLE 11

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION: HOSPITAL PRIVATIZATION

Section 1. Minnesota Statutes 2002, section 353F.02, subdivision 4, is amended to read:

Subd. 4. [MEDICAL FACILITY.] "Medical facility" means:

- (1) the Glencoe area health center;
- (2) the Luverne public hospital;
- (3) the Waconia-Ridgeview medical center; and
- (4) the Kanabec hospital; and
- (5) the Renville county hospital in Olivia.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective upon the latter of:

- (1) the day after the governing body of Renville county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3; and
- (2) the first day of the month next following certification to the Renville county board by the

executive director of the public employees retirement association that the actuarial accrued liability of the special benefit coverage proposed for extension to the privatized Renville county hospital employees under section 1 does not exceed the actuarial gain otherwise to be accrued by the public employees retirement association, as calculated by the consulting actuary retained by the legislative commission on pensions and retirement. The cost of the actuarial calculations must be borne by the Renville county hospital.

ARTICLE 12

MINNEAPOLIS FIREFIGHTERS RELIEF
ASSOCIATION CHANGES

Section 1. Minnesota Statutes 2002, section 423C.03, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION OF OFFICERS AND BOARD MEMBERS.] Notwithstanding any other law to the contrary, the association may provide for payment of the following salaries to its officers and board members:

(1) the executive secretary may receive a salary not exceeding 30 percent of the maximum salary of a first grade firefighter if the executive secretary is an active member of the relief association;

(2) the executive secretary may receive a salary not exceeding 50 percent of the maximum salary of a first grade firefighter if the executive secretary is not an active member of the relief association;

(3) the president may receive a salary not exceeding ten percent of the maximum salary of a first grade firefighter; and

(3) (4) all other elected members of the board may receive a salary not exceeding 2.5 percent of the maximum salary of a first grade firefighter.

Sec. 2. Minnesota Statutes 2002, section 423C.08, is amended to read:

423C.08 [MEMBER CONTRIBUTION REFUND TO BENEFICIARY UPON DEATH.]

If an active, deferred, or retired member of the association dies and no survivor benefit is payable, the designated beneficiary of the decedent or, if none, the legal representative of the estate of the decedent is entitled, upon application, to a refund. The refund shall be an amount equal to the member contributions to the credit of the decedent, plus interest on those contributions at an annual compounded rate of five percent from the first day of the month following the date of the contribution to the first day of the month following the date of death of the decedent, reduced by the sum of any service pension or disability benefit previously paid by the fund to the decedent.

Sec. 3. [INTENT.]

Section 2 is intended to bring the Minneapolis firefighters relief association's statutory provision which provides for a refund of member contributions where the decedent does not leave a surviving spouse or children in conformance with Minnesota Statutes 2002, section 423A.18.

Sec. 4. [EFFECTIVE DATE.]

(a) The board of the Minneapolis firefighters relief association may increase the salary of the executive secretary subject to the applicable maximum set forth in section 1.

(b) Any salary increase under paragraph (a) may be effective on September 1, 2002, or any time thereafter as designated by the relief association board providing that the requirements specified in section 1 are satisfied during the applicable timer period.

(c) Section 2 is effective retroactive to September 25, 2001. Section 3 is effective on the day following final enactment.

ARTICLE 13
INDIVIDUAL SERVICE CREDIT PURCHASES

Section 1. Laws 2000, chapter 461, article 19, section 6, is amended to read:

Sec. 6. [MTRFA; PRIOR SERVICE CREDIT PURCHASE FOR UNCREDITED TEACHING SERVICE PERIODS.]

(a) An eligible person described in paragraph (b) is entitled to purchase allowable service credit from the Minneapolis teachers retirement fund association basic program for the periods of teaching employment specified in paragraph (c) by making the payment required under Minnesota Statutes, section 356.55.

(b) An eligible person is a person who:

(1) was employed by special school district No. 1 (Minneapolis) as a long call reserve teacher from October 1972 to June 1973 and was covered by the Minneapolis employees retirement fund;

(2) was employed by special school district No. 1 (Minneapolis) as a school social worker at Franklin junior high school from August 28, 1973, through June 12, 1974, and from August 29, 1974, through June 11, 1975, without retirement coverage;

(3) was employed by special school district No. 1 (Minneapolis) as a school social worker at North high school from August 29, 1975, through December 19, 1975, covered by the Minneapolis teachers retirement fund association;

(4) was retained by special school district No. 1 (Minneapolis) in the capacity of a school social worker at North high school as an hourly wage social worker from August 1976 through June 1983 without retirement coverage; and

(5) is currently employed by Hennepin county covered by the public employees retirement association.

(c) The periods for allowable service credit purchase are August 28, 1973, through June 12, 1974; and August 29, 1974, through June 11, 1975.

(d) An eligible person must provide any relevant documentation related to eligibility to make this service credit purchase required by the executive director of the Minneapolis teachers retirement fund association.

(e) Allowable service credit for the purchase periods must be granted by the Minneapolis teachers retirement fund association to the account of the eligible person upon receipt of the prior service credit purchase payment amount. Authority provided by this section is voided if payment is not made before July 1, 2003, or before commencing receipt of an annuity from the Minneapolis teachers retirement fund association, whichever is earlier.

(f) ~~The prior service credit purchase payment amount shall be computed by the actuary retained by the legislative commission on pensions and retirement. That computation must give recognition, in applying the process stated in Minnesota Statutes, section 356.55, give recognition to the liabilities that would be created in the Minneapolis teachers retirement fund association and other Minnesota public pension funds due to the service credit purchase.~~

(g) Following receipt of that purchase payment amount, the executive director of the Minneapolis teachers retirement fund association shall allocate and transmit that amount to the applicable pension administrations, as determined under paragraph (f).

Sec. 2. [PUBLIC EMPLOYEES POLICE AND FIRE PLAN; PURCHASE OF PRIOR SERVICE CREDIT.]

Subdivision 1. [AUTHORIZATION.] (a) A member of the public employees police and fire retirement plan who was initially employed as a police officer by the city of St. Louis Park, who

was subsequently employed as the public safety director by the metropolitan airports commission, who is currently on a leave of absence from the metropolitan airports commission, and who has at least three years of allowable service credit with the public employees police and fire retirement plan is entitled to purchase up to 11.333 years of allowable service credit for employment as a full time police officer by the city of St. Louis Park if the employment was covered by a local relief association governed by Minnesota Statutes, section 69.77.

(b) The authorization under paragraph (a) applies notwithstanding any contrary provision of Minnesota Statutes, section 353A.10. To purchase the service credit, the amount of \$183,329.38 must be paid. The purchase payment may be a combination of the following:

(1) amounts transferred from the person's federal Internal Revenue Code section 457 deferred compensation plan on an institution-to-institution basis;

(2) any amount accrued by and potentially payable to the person by the metropolitan airports commission under the applicable employment benefit plan as accumulated sick leave, transferred on an institution-to-institution basis; and

(3) the balance paid by the eligible person under paragraph (a).

(c) The authorization under paragraph (a) applies only if the person and the person's spouse waive any right to receive a current or deferred service pension or retirement annuity or a current disability benefit under the former St. Louis Park police relief association benefit plan for that service.

(d) Authority to make the payment under this section expires on September 15, 2003.

Subd. 2. [APPLICATION AND DOCUMENTATION.] A person who desires to purchase service credit under subdivision 1 must apply in writing with the executive director of the public employees retirement association to make the purchase. The application must include all necessary documentation of the person's qualifications to make the purchase, signed written permission to allow the executive director to request and receive necessary verification of applicable facts and eligibility requirements, and any other relevant information that the executive director may require.

Subd. 3. [SERVICE CREDIT GRANT.] Allowable service credit for the purchase period must be granted by the public employees police and fire retirement plan to the purchasing person only upon receipt of the purchase payment amount. Payment must be made before the person's effective date of retirement.

Sec. 3. [TEACHERS RETIREMENT ASSOCIATION; SERVICE CREDIT PURCHASE FOR SABBATICAL LEAVES.]

(a) Notwithstanding Minnesota Statutes, section 354.092, or any other law to the contrary, an eligible person described in paragraph (b) is entitled to purchase not more than three years of allowable service credit from the teachers retirement association for sabbatical leave as defined in Minnesota Statutes, section 122A.49.

(b) An eligible person is a person who:

(1) worked as a teacher for independent school district No. 191, Burnsville-Eagan-Savage;

(2) was on sabbatical leave at some time between January 1, 1982, and December 31, 1989; and

(3) did not receive service credit for time on sabbatical leave because the leave was not properly reported to the teachers retirement association.

(c) An eligible person described in paragraph (b) must apply with the executive director of the teachers retirement association to make a service credit purchase under this section. The application must be in writing and must include all necessary documentation of the applicability of this section and any other relevant information that the executive director may require.

(d) Allowable service credit for the purchase periods must be granted by the teachers retirement association to the account of an eligible person upon receipt of the portion of the prior service credit purchase payment amount payable under paragraph (e) in a lump sum by the applicable eligible person.

(e) Notwithstanding Minnesota Statutes, section 356.55 or 356.551, whichever is applicable, an eligible person may pay before September 1, 2003, or the date of termination from service, whichever is earlier, an amount equal to the employee contribution rate or rates in effect during the applicable sabbatical leave period or periods specified in paragraph (b) applied to the actual salary rate or rates in effect during that period or periods, plus annual compound interest at the rate of 8.5 percent from the midpoint of each applicable sabbatical leave period, to the date on which the payment is actually made. Independent school district No. 191 must pay the remaining balance of the prior service credit purchase payment amount calculated under Minnesota Statutes, section 356.55 or 356.551, whichever is applicable, within 30 days of the payment by an eligible person. The executive director of the teachers retirement association must notify the superintendent of independent school district No. 191 of its payment amount and payment due date if an eligible person makes the required payment.

(f) If independent school district No. 191 fails to pay its portion of the required prior service credit purchase payment amount, the executive director of the teachers retirement association must notify the commissioner of finance of that fact and the commissioner of finance must order that the required employer payment be deducted from the next subsequent payment or payments of state education aid to the school district and be transmitted to the teachers retirement association.

Sec. 4. [EFFECTIVE DATE.]

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

ARTICLE 14

VARIOUS ONE PERSON AND SMALL GROUP RETIREMENT CHANGES

Section 1. [SPECIAL SCHOOL DISTRICT NO. 1; QUALIFIED PART-TIME TEACHER PROGRAM RETROACTIVE COVERAGE.]

(a) Notwithstanding any provision of Minnesota Statutes, section 354A.094, to the contrary, the Minneapolis teachers retirement fund association must accept the application for full-time retirement coverage filed by special school district No. 1, for the 2001-2002 school year, for a teacher who:

- (1) was born on March 10, 1950;
 - (2) is a basic plan member of the Minneapolis teachers retirement fund association;
 - (3) first became a Minneapolis teachers retirement fund association member in August 1972;
- and
- (4) entered into a job sharing arrangement with another Minneapolis teachers retirement fund association member for the 2001-2002 school year but failed to enter into a qualified part-time teacher agreement for that school year due to employer error.

(b) A person described in paragraph (a) is authorized to receive full-time salary and service credit in the Minneapolis teachers retirement fund association basic program for service under Minnesota Statutes, section 354A.094, for the 2001-2002 school year, if all conditions required by this section are met.

(c) To receive the full-time equivalent service and salary credit for the 2001-2002 school year provided by this section, an eligible individual described in paragraph (a) must pay the applicable employee contribution under Minnesota Statutes, section 354A.12, subdivision 1, on the difference between the amount of the person's compensation from which employee contributions

were actually deducted and the amount of the person's full-time equivalent salary under Minnesota Statutes, section 354A.094, subdivision 4. Payment under this paragraph must include 8.5 percent interest, compounded annually, on the additional contribution amounts, computed from the date the additional contributions would have occurred if deducted from pay, until paid.

(d) If payment is made under paragraph (c), following notification by the Minneapolis teachers retirement fund association, special school district No. 1, Minneapolis, may make payment under Minnesota Statutes, section 356.55 or 356.551, whichever is applicable, reflecting the increased annuity value that would occur if the eligible individual were included in the qualified part-time teacher program under Minnesota Statutes, section 354A.094, during the 2001-2002 school year, after deducting amounts paid under paragraph (c). If special school district No. 1, Minneapolis, does not pay the balance within 30 days of notification by the executive director of the Minneapolis teachers retirement fund association of the payment of the member contribution payment by the eligible person under paragraph (c), the executive director shall notify the commissioner of finance of that fact and the commissioner shall deduct from any state aid payable to the school district that amount, plus interest on that amount of 1.5 percent per month for each month or portion of a month that has elapsed from the effective date of this section.

(e) Payments under this section must be made in a lump sum to the Minneapolis teachers retirement fund association. Payment under paragraph (c) must occur on or before June 30, 2003, or the effective date of retirement, whichever is earlier. Payment by the employer under paragraph (d) must be made within 30 days following payment by the eligible employee.

(f) The eligible person must provide any relevant documentation that the Minneapolis teachers retirement fund association may request.

Sec. 2. [DULUTH TEACHERS RETIREMENT FUND ASSOCIATION; AUTHORIZATION OF A SERVICE CREDIT PURCHASE FOR CERTAIN PRIOR PART-TIME EMPLOYMENT.]

(a) Notwithstanding any provision of law to the contrary, an eligible person described in paragraph (b) is authorized to purchase service credit from the Duluth teachers retirement fund association for the uncredited part-time employment period described in paragraph (c).

(b) An eligible person is a person who:

(1) was born on October 13, 1949;

(2) was initially employed by independent school district No. 709, Duluth, on December 4, 1972;

(3) is a current employee of independent school district No. 709, Duluth, and is a current member of the Duluth teachers retirement fund association;

(4) was employed on a part-time basis by independent school district No. 709, Duluth, for the 2001-2002 school year but did not participate in the part-time teaching program under Minnesota Statutes, section 354A.094, while employed on a part-time basis for the 2001-2002 school year; and

(5) met the requirements to participate in the part-time teaching program under Minnesota Statutes, section 354A.094, subdivisions 2 and 3, except for the filing by the school district of a copy of the program agreement in a timely fashion.

(c) The period is September 4, 2001, to June 7, 2002.

(d) The prior service credit purchase payment amount must be determined under Minnesota Statutes, section 356.55 or 356.551, whichever applies.

(e) Credit for the higher salary for the purchase period must be granted by the Duluth teachers retirement fund association to the eligible person upon the receipt of the prior service credit payment.

(f) The authority to make the prior service credit purchase payment contributions expires 60 days after the effective date or on the date of the termination of active service by the eligible person, whichever occurs earlier.

Sec. 3. [SURVIVOR BENEFITS.]

Notwithstanding any provision of Minnesota Statutes, section 353.657, subdivision 1, requiring a specified period of marriage to obtain survivor benefits, the surviving spouse of a firefighter who was born on March 11, 1969, and who died in an accident on February 6, 2000, is entitled to survivor benefits provided in Minnesota Statutes, section 353.657.

Sec. 4. [MSRS-GENERAL; REFUND ELIGIBILITY IN CERTAIN INSTANCES.]

Notwithstanding any provision of Minnesota Statutes, section 352.22, subdivision 1, to the contrary, a person who previously has been employed as a state employee, who was placed on a medical leave of absence before April 1, 2002, and who was still on the medical leave on April 1, 2003, is eligible to receive a refund under Minnesota Statutes, section 352.22, if the person has not again become a state employee covered by the system on the refund application date.

Sec. 5. [EFFECTIVE DATE.]

(a) Sections 1 to 4 are effective on the day following final enactment.

(b) Section 3 applies retroactively to the surviving spouse of a person who died on or after February 1, 2000."

Delete the title and insert:

"A bill for an act relating to retirement; various retirement plans; allowing the Hennepin county administrator to approve certain Hennepin county supplemental retirement participant requests; providing for an increase in the compensation for the executive secretary of the Minneapolis firefighters relief association; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund retirees and survivors; providing for continued retirement coverage for the Red Wing learning center staff; modifying the Minneapolis firefighters relief association death refund provision; authorizing a coverage election change by a certain Bemidji city council member; providing retroactive coverage under the qualified part-time teacher program for certain Minneapolis and Duluth teachers; including St. Paul port authority employees in PERA-general coverage; allowing prior service credit purchases by certain St. Paul port authority employees; extending the sunset of various service credit purchase provisions to 2003; providing an expiration date for a prior MTRFA service credit purchase; authorizing the Minnesota state colleges and universities system to formulate an early retirement incentive program; providing various local public employee and state government executive and legislative branch early retirement incentives; providing enhanced teachers retirement association extended leave provisions; extending supplemental benefit plan status to local plumbers' and pipefitters' union pension plans; correcting a mistake in the flexible service pension maximum financial requirements for monthly benefit volunteer firefighter relief associations; providing an additional deferred volunteer firefighter service pensioner interest payment option; revising ratifying monthly benefit service pension amounts for the White Bear Lake fire department relief association; authorizing a former St. Louis Park police officer to purchase service credit covered by a local police relief association; authorizing purchases of service credit for unreported sabbatical leaves; authorizing a refund to a state employee on a medical leave; amending Minnesota Statutes 2002, sections 122A.46, subdivision 9; 353.01, subdivisions 2d, 6; 353.028, subdivision 2; 353D.01, subdivision 2; 353D.02, by adding a subdivision; 353F.02, subdivision 4; 354.094, subdivision 1; 356.24, subdivision 1; 356.55, subdivision 7; 383B.49; 383B.493; 423C.03, subdivision 3; 423C.08; 424A.02, subdivision 3; Laws 1999, chapter 222, article 16, section 16, as amended; Laws 2000, chapter 461, article 4, section 4; Laws 2000, chapter 461, article 12, section 20, as amended; Laws 2000, chapter 461, article 19, section 6; Laws 2001, First Special Session chapter 10, article 6, section 21, as amended; proposing coding for new law in Minnesota Statutes, chapter 136F; repealing Minnesota Statutes 2002, sections 354.541; 354A.109."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 1011 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1011	1234				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 1095 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		1095	1060		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 1119 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1119	1035				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1119 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1119 and insert the language after the enacting clause of S.F. No. 1035, the first engrossment; further, delete the title of H.F. No. 1119 and insert the title of S.F. No. 1035, the first engrossment.

And when so amended H.F. No. 1119 will be identical to S.F. No. 1035, and further recommends that H.F. No. 1119 be given its second reading and substituted for S.F. No. 1035, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Hottinger, from the Committee on Rules and Administration, to which was referred

H.F. No. 624 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
624	1070				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 624 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 624 and insert the language after the enacting clause of S.F. No. 1070, the first engrossment; further, delete the title of H.F. No. 624 and insert the title of S.F. No. 1070, the first engrossment.

And when so amended H.F. No. 624 will be identical to S.F. No. 1070, and further recommends that H.F. No. 624 be given its second reading and substituted for S.F. No. 1070, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1278, 904, 1470 and 190 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 943, 1011, 1095, 1119 and 624 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Kleis moved that the name of Senator Wiger be added as a co-author to S.F. No. 153. The motion prevailed.

Senator Kubly moved that H.F. No. 956, No. 19 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

SPECIAL ORDERS

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

H.F. Nos. 784, 1244, S.F. No. 333, H.F. No. 1059 and S.F. No. 552.

SPECIAL ORDER

H.F. No. 784: A bill for an act relating to crimes; prohibiting interfering with emergency communications; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 6, as follows:

Those who voted in the affirmative were:

Bakk	Higgins	Larson	Pappas	Skoe
Belanger	Hottinger	Limmer	Pariseau	Skoglund
Berglin	Johnson, D.E.	Lourey	Ranum	Solon
Betzold	Johnson, D.J.	Marko	Rest	Sparks
Chaudhary	Kelley	Marty	Robling	Stumpf
Cohen	Kierlin	Metzen	Rosen	Tomassoni
Day	Kleis	Michel	Ruud	Vickerman
Dibble	Knutson	Neuville	Sams	Wergin
Dille	Koering	Nienow	Saxhaug	Wiger
Fischbach	Kubly	Ortman	Scheid	
Foley	Langseth	Ourada	Senjem	

Those who voted in the negative were:

Frederickson	Hann	LeClair	Olson	Reiter
Gaither				

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1244: A bill for an act relating to lawful gambling; making various clarifying and technical changes; providing and modifying definitions; permitting resale of certain gambling equipment; providing for fees, prices, and prize limits; clarifying requirements for gambling managers and employees, premises, records and reports; regulating linked bingo games; clarifying conduct of high school raffles; amending Minnesota Statutes 2002, sections 349.12, subdivisions 4, 18, 19, 25, by adding subdivisions; 349.151, subdivisions 4, 4b; 349.153; 349.155, subdivision 3; 349.161, subdivision 5; 349.163, subdivision 3; 349.166, subdivisions 1, 2; 349.167, subdivisions 4, 6, 7; 349.168, subdivisions 1, 2, 6, by adding a subdivision; 349.169, subdivisions 1, 3; 349.17, subdivisions 3, 6, 7, by adding a subdivision; 349.18, subdivision 1; 349.19, subdivision 3, by adding a subdivision; 349.191, subdivisions 1, 1a; 349.211, subdivision 1, by adding a subdivision; 609.761, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 2002, sections 349.168, subdivision 9.

Senator Vickerman moved that the amendment made to H.F. No. 1244 by the Committee on Rules and Administration in the report adopted May 7, 2003, pursuant to Rule 45, be stricken.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 29 and nays 32, as follows:

Those who voted in the affirmative were:

Bakk	Kierlin	Lourey	Rosen	Stumpf
Cohen	Kleis	Metzen	Sams	Tomassoni
Fischbach	Knutson	Pappas	Saxhaug	Vickerman
Higgins	Kubly	Pariseau	Scheid	Wergin
Johnson, D.E.	Langseth	Reiter	Skoe	Wiger
Kelley	Larson	Rest	Sparks	

Those who voted in the negative were:

Bachmann	Dille	Jungbauer	Moua	Ruud
Belanger	Foley	Koering	Neuville	Senjem
Berglin	Frederickson	LeClair	Nienow	Skoglund
Betzold	Gaither	Limmer	Olson	Solon
Chaudhary	Hann	Marko	Pogemiller	
Day	Hottinger	Marty	Ranum	
Dibble	Johnson, D.J.	Michel	Robling	

The motion did not prevail.

Senator Vickerman moved that H.F. No. 1244 be laid on the table. The motion prevailed.

SPECIAL ORDER

S.F. No. 333: A bill for an act relating to health; modifying provisions relating to the practice of speech-language pathology or audiology; amending Minnesota Statutes 2002, sections 148.511; 148.512, subdivisions 2, 4, 6, 7, 8, 12, 13, 14, 15, 16, 17, 18, 20; 148.513; 148.514; 148.515, subdivisions 2, 4; 148.516; 148.5161; 148.517; 148.518; 148.519; 148.5191; 148.5193, subdivisions 1, 4, 6, 6a, 7, 8; 148.5194, subdivisions 1, 2, 3, 3a; 148.5195, subdivisions 2, 3, 4, 5, 6; 148.5196; 153A.14, subdivisions 2a, 2i; 153A.17; 153A.20, subdivision 1; repealing Minnesota Statutes 2002, sections 148.512, subdivision 11; 148.515, subdivisions 3, 5.

Senator Sams moved to amend S.F. No. 333 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 148.511, is amended to read:

148.511 [~~SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS~~ SCOPE.]

Sections 148.511 to 148.5196 apply ~~only to persons who are applicants for registration licensure, who are registered, who use protected titles, or who represent that they are registered licensed, or who engage in the practice of speech-language pathology or audiology.~~ Sections 148.511 to 148.5196 do not apply to school personnel licensed by the board of teaching, ~~provided that school personnel practicing within the scope of their licensed occupation preface titles protected under section 148.513 with the words "school" or "educational." and practicing within the scope of their school license under Minnesota Rules, part 8710.6000.~~

Sec. 2. Minnesota Statutes 2002, section 148.512, subdivision 2, is amended to read:

Subd. 2. [~~ACCREDITED EDUCATIONAL INSTITUTION.~~] "Accredited educational institution" means a university, ~~or college, or other post-secondary educational institution that offers speech-language pathology or audiology training graduate degrees and that is accredited by the American Speech-Language-Hearing Association or the National Council for Accreditation of Teacher Education~~ Council on Academic Accreditation in Audiology and Speech Language Pathology, a body recognized by the United States Department of Education, or an equivalent as determined by the commissioner.

Sec. 3. Minnesota Statutes 2002, section 148.512, subdivision 4, is amended to read:

Subd. 4. [~~APPLICANT.~~] "Applicant" means a person who applies to the commissioner for registration licensure or registration licensure renewal.

Sec. 4. Minnesota Statutes 2002, section 148.512, subdivision 6, is amended to read:

Subd. 6. [~~AUDIOLOGIST.~~] "Audiologist" means a natural person who engages in the practice of audiology, meets the qualifications required by sections 148.511 to 148.5196, and ~~registers as an audiologist with is licensed by the commissioner.~~ Audiologist also means a natural person using any descriptive word with the title audiologist.

Sec. 5. Minnesota Statutes 2002, section 148.512, subdivision 7, is amended to read:

Subd. 7. [~~COMMISSIONER.~~] "Commissioner" means the commissioner of ~~the department of health or a designee.~~

Sec. 6. Minnesota Statutes 2002, section 148.512, subdivision 8, is amended to read:

Subd. 8. [~~CONTACT HOUR.~~] "Contact hour" means an instructional session of ~~50~~ 60 consecutive minutes, excluding coffee breaks, registration, meals without a speaker, and social activities.

Sec. 7. Minnesota Statutes 2002, section 148.512, subdivision 12, is amended to read:

Subd. 12. [PRACTICE OF AUDIOLOGY.] The "practice of audiology" means:

- (1) ~~screening~~, identification, assessment, and interpretation, diagnosis, rehabilitation, and prevention of hearing disorders;
- (2) conservation of the auditory system function; development and implementation of hearing conservation programs;
- (3) measurement, assessment, and interpretation of auditory and vestibular function;
- (4) selecting, fitting, and dispensing of assistive listening devices, alerting and amplification devices, and systems for personal and public use, including hearing aids and devices, and providing training in their use;
- (5) aural habilitation and rehabilitation and related counseling for hearing impaired individuals and their families;
- (6) screening of speech, language, voice, or fluency for the purposes of audiologic evaluation or identification of possible communication disorders; or
- (7) teaching of, consultation or research about, or supervision of the functions in clauses (1) to (6).

The practice of audiology does not include the practice of medicine and surgery, or osteopathic medicine and surgery, or medical diagnosis that is commonly performed by a physician.

Sec. 8. Minnesota Statutes 2002, section 148.512, subdivision 13, is amended to read:

Subd. 13. [PRACTICE OF SPEECH-LANGUAGE PATHOLOGY.] The "practice of speech-language pathology" means:

- (1) ~~screening~~, identification, assessment and interpretation, diagnosis, habilitation, rehabilitation, treatment and prevention of disorders of speech, articulation, fluency, voice, and language;
- (2) ~~screening~~, identification, assessment, and interpretation, diagnosis, habilitation, and rehabilitation of disorders of oral-pharyngeal function and related disorders;
- (3) ~~screening~~, identification, assessment, and interpretation, diagnosis, habilitation, and rehabilitation of communication disorders associated with cognition;
- (4) assessing, selecting, and developing augmentative and alternative communication systems and providing training in their use;
- (5) aural habilitation and rehabilitation and related counseling for hearing impaired individuals and their families;
- (6) enhancing speech-language proficiency and communication effectiveness;
- (7) audiometric screening for the purposes of speech-language evaluation or for the identification of possible hearing disorders; or
- (8) teaching of, consultation or research about, or supervision of the functions in clauses (1) to (7).

The practice of speech-language pathology does not include the practice of medicine and surgery, or osteopathic medicine and surgery, or medical diagnosis that is commonly performed by a physician.

Sec. 9. Minnesota Statutes 2002, section 148.512, subdivision 14, is amended to read:

Subd. 14. [~~REGISTER LICENSE OR REGISTERED LICENSED.~~] "Register" "License" or "registered" "licensed" means the act or status of a natural person who meets the requirements of sections 148.511 to 148.5196 and ~~who is authorized by the commissioner to use the titles in section 148.513.~~

Sec. 10. Minnesota Statutes 2002, section 148.512, subdivision 15, is amended to read:

Subd. 15. [~~REGISTRANT LICENSEE.~~] "Registrant" "Licensee" means ~~a person~~ an individual who meets the requirements of sections 148.511 to 148.5196 and ~~is authorized by the commissioner to use the titles in section 148.513.~~

Sec. 11. Minnesota Statutes 2002, section 148.512, subdivision 16, is amended to read:

Subd. 16. [~~REGISTRATION LICENSURE.~~] "Registration" "Licensure" is the system of regulation defined in section 214.001, subdivision 3, paragraph (c), and is the process specified in sections 148.511 to 148.5196.

Sec. 12. Minnesota Statutes 2002, section 148.512, subdivision 17, is amended to read:

Subd. 17. [~~SPEECH-LANGUAGE PATHOLOGIST.~~] "Speech-language pathologist" means a person who practices speech-language pathology, meets the qualifications under sections 148.511 to 148.5196, and ~~registers with~~ is licensed by the commissioner. ~~Speech-language pathologist also means a natural person using, as an occupational title, a term identified in section 148.513.~~

Sec. 13. Minnesota Statutes 2002, section 148.512, subdivision 18, is amended to read:

Subd. 18. [~~SUPERVISEE.~~] "Supervisee" means ~~an individual~~ a person who, under the direction or evaluation of a supervisor, is:

- (1) engaging in the supervised practice of speech-language pathology or audiology;
- (2) performing a function of supervised clinical training as a student of speech-language pathology or audiology; or
- (3) performing a function of supervised postgraduate or doctoral clinical experience in speech-language pathology or audiology.

Sec. 14. Minnesota Statutes 2002, section 148.512, subdivision 20, is amended to read:

Subd. 20. [~~SUPERVISOR.~~] "Supervisor" means a person who has the authority to direct or evaluate a supervisee and who is:

- (1) is a registered licensed speech-language pathologist or audiologist; or
- (2) when the commissioner determines that supervision by a registered licensed speech-language pathologist or audiologist as required in clause (1) is unobtainable, and in other situations considered appropriate by the commissioner, is a person practicing speech-language pathology or audiology who holds a current certificate of clinical competence from the American Speech-Language-Hearing Association or board certification in audiology by the American Board of Audiology.

Sec. 15. Minnesota Statutes 2002, section 148.513, is amended to read:

148.513 [~~LICENSURE; PROTECTED TITLES AND RESTRICTIONS ON USE; EXEMPTIONS.~~]

(a) ~~A person shall not use a title relating to speech-language pathology or audiology, except as provided in paragraphs (b) and (c).~~

Subdivision 1. [UNLICENSED PRACTICE PROHIBITED.] A person must not engage in the practice of speech-language pathology or audiology unless the person is licensed as a speech-language pathologist or an audiologist under sections 148.511 to 148.5196.

(b) Subd. 2. [PROTECTED TITLES AND RESTRICTIONS ON USE.] Use of the following terms or initials which represent the following terms, alone or in combination with any word or words, by any person to form an occupational title is prohibited unless that person is registered licensed under sections 148.511 to 148.5196:

- (1) speech-language;
- (2) speech-language pathologist, S, SP, or SLP;
- (3) speech pathologist;
- (4) language pathologist;
- (5) audiologist, A, or AUD;
- (6) speech therapist; ør
- (7) speech clinician;
- (8) speech correctionist;
- (9) speech clinician;
- (10) language therapist;
- (11) voice therapist;
- (12) voice pathologist;
- (13) logopedist;
- (14) communicologist;
- (15) aphasiologist;
- (16) phoniatrist;
- (17) audiometrist;
- (18) audioprosthologist;
- (19) hearing therapist;
- (20) hearing clinician; or
- (21) hearing aid audiologist.

(c) Use of the term "Minnesota ~~registered~~ licensed" in conjunction with the titles protected under this section by any person is prohibited unless that person is ~~registered~~ licensed under sections 148.511 to 148.5196.

Subd. 3. [EXEMPTION.] (a) Nothing in sections 148.511 to 148.5196 prohibits the practice of any profession or occupation licensed, certified, or registered by the state by any person duly licensed, certified, or registered to practice the profession or occupation or to perform any act that falls within the scope of practice of the profession or occupation.

(b) Subdivision 1 does not apply to a student participating in supervised field work or supervised course work that is necessary to meet the requirements of section 148.515, subdivision 2 or 3, if the person is designated by a title which clearly indicates the person's status as a student trainee.

(c) Subdivisions 1 and 2 do not apply to a person visiting and then leaving the state and using titles restricted under this section while in the state, if the titles are used no more than 30 days in a calendar year as part of a professional activity that is limited in scope and duration and is in

association with an audiologist or speech-language pathologist licensed under sections 148.511 to 148.5196.

Sec. 16. Minnesota Statutes 2002, section 148.514, is amended to read:

148.514 [GENERAL REGISTRATION LICENSURE REQUIREMENTS; PROCEDURES AND QUALIFICATIONS.]

Subdivision 1. [GENERAL REGISTRATION LICENSURE PROCEDURES.] An applicant for registration licensure must:

- (1) submit an application as required under section 148.519, subdivision 1; and
- (2) submit all fees required under section 148.5194.

Subd. 2. [GENERAL REGISTRATION LICENSURE QUALIFICATIONS.] An applicant for registration licensure must possess the qualifications required in one of the following clauses:

- (1) a person who applies for registration licensure and does not meet the requirements in clause (2) or (3), must meet the requirements in section 148.515;
- (2) a person who applies for registration licensure and who has a current certificate of clinical competence issued by the American Speech-Language-Hearing Association, or board certification by the American Board of Audiology, must meet the requirements of section 148.516; or
- (3) a person who applies for registration licensure by reciprocity must meet the requirements under section 148.517.

Sec. 17. Minnesota Statutes 2002, section 148.515, subdivision 2, is amended to read:

Subd. 2. [MASTER'S OR DOCTORAL DEGREE REQUIRED.] (a) An applicant must possess a master's or doctoral degree that meets the requirements of ~~paragraphs~~ paragraph (b) to (h). If completing a doctoral program in which a master's degree has not been conferred, an applicant must submit a transcript showing completion of course work equivalent to, or exceeding, a master's degree that meets the requirement of paragraph (b).

(b) All of the applicant's graduate coursework and clinical practicum required in the professional area for which registration licensure is sought must have been initiated and completed at an institution whose program was accredited by the educational standards board of the ~~American Speech-Language-Hearing Association Council on Academic Accreditation in Audiology and Speech-Language Pathology, a body recognized by the United States Department of Education, or an equivalent as determined by the commissioner,~~ in the area for which registration licensure is sought.

~~(c) The master's degree training must include a minimum of 112.5 quarter credits or 75 semester credits or their equivalent of academic coursework that includes basic science coursework and professional coursework.~~

~~(d) Applicants for registration in either speech-language pathology or audiology must complete 40.5 quarter credits of the 112.5 quarter credits or 27 of the 75 semester credits or their equivalent in basic science coursework, distributed as follows:~~

- ~~(1) nine quarter credits or six semester credits or their equivalent must be in biological or physical sciences and mathematics;~~
- ~~(2) nine quarter credits or six semester credits or their equivalent must be in behavioral or social sciences, including normal aspects of human behavior and communication; and~~
- ~~(3) 22.5 quarter credits or 15 semester credits or their equivalent must be in basic human communication processes and must include coursework in each of the following three areas of speech, language, and hearing:~~

- (i) ~~the anatomic and physiologic bases;~~
- (ii) ~~the physical and psychophysical bases; and~~
- (iii) ~~the linguistic and psycholinguistic aspects.~~

~~(e) All applicants for registration must complete 54 quarter credits of the 112.5 quarter credits or 36 semester credits of the 75 semester credits or their equivalent in professional coursework. The coursework must include the nature, prevention, evaluation, and treatment of speech, language, and hearing disorders. The coursework must encompass courses in speech, language, and hearing that concern disorders primarily affecting children as well as disorders primarily affecting adults. A minimum of 45 of the 54 quarter credits or 30 of the 36 semester credits or their equivalent must be courses for which graduate credit was received. A minimum of 31.5 of the 45 quarter credits or 21 of the 30 semester credits must be in the professional area for which registration is sought.~~

~~(f) Applicants seeking registration as speech-language pathologists must complete the following professional coursework:~~

~~(1) 45 quarter credits of the 54 quarter credits of the professional coursework or 30 semester credits of the 36 semester credits of the professional coursework or their equivalent must be in courses pertaining to speech-language pathology and nine quarter credits of the 54 quarter credits or six semester credits of the 36 semester credits or their equivalent in courses in the area of audiology; and~~

~~(2) the 45 quarter credits or 30 semester credits or their equivalent pertaining to speech-language pathology must include at least nine quarter credits or six semester credits or their equivalent in speech disorders and nine quarter credits or six semester credits or their equivalent in language disorders. The nine quarter credits or six semester credits or their equivalent in the area of audiology must include at least 4.5 quarter credits or three semester credits or their equivalent in hearing disorders and hearing evaluation and 4.5 quarter credits or three semester credits or their equivalent in habilitative and rehabilitative procedures.~~

~~(g) Applicants seeking registration as an audiologist must complete professional coursework as follows:~~

~~(1) 45 quarter credits of the 54 quarter credits or 30 semester credits of the 36 semester credits or their equivalent of coursework must be in audiology. At least nine quarter credits of the 45 quarter credits or six semester credits of the 30 semester credits in audiology must be in hearing disorders and hearing evaluation and at least nine quarter credits or six semester credits or their equivalent must be in habilitative or rehabilitative procedures with individuals who have hearing impairment; and~~

~~(2) nine quarter credits of the 54 quarter credits or six semester credits of the 36 semester credits or their equivalent in the area of speech-language pathology. At least 4.5 quarter credits of the nine quarter credits or three semester credits of the six semester credits must be in speech disorders and at least 4.5 quarter credits of the nine quarter credits or three semester credits of the six semester credits must be in language disorders. This coursework in speech-language pathology must concern the nature, prevention, evaluation, and treatment of speech and language disorders not associated with hearing impairment.~~

~~(h) Of the professional coursework required in paragraphs (f) and (g), no more than nine quarter credits or six semester credits or their equivalent associated with clinical training may be counted toward the minimum of 54 quarter credits or 36 semester credits or their equivalent of professional coursework. However, those hours may not be used to satisfy the minimum of nine quarter credits or six semester credit hours in hearing disorders or evaluation, nine quarter credits or six semester credits in habilitative or rehabilitative procedures, or nine quarter credits or six semester credits in speech-language pathology.~~

Sec. 18. Minnesota Statutes 2002, section 148.515, subdivision 4, is amended to read:

Subd. 4. ~~[SUPERVISED POSTGRADUATE GRADUATE OR DOCTORAL CLINICAL EXPERIENCE REQUIRED.]~~ (a) ~~An applicant must complete no less than nine months or its equivalent of full-time supervised postgraduate clinical experience according to paragraphs (b) to (h) the graduate or doctoral clinical experience required by the American Speech-Language-Hearing Association, the American Board of Audiology, or an equivalent, as determined by the commissioner, and must achieve a qualifying examination score on the National Examination in Speech-Language Pathology or Audiology.~~

~~(b) Supervision in the postgraduate clinical experience includes both on-site observation and other monitoring activities. On-site observation must involve the supervisor, the supervisee, and the client receiving speech-language pathology or audiology services. On-site observation must include direct observation by the supervisor of treatment given by the supervisee. Other monitoring activities may be executed by correspondence and include, but are not limited to, conferences with the supervisee, evaluation of written reports, and evaluations by professional colleagues. Other monitoring activities do not include the client receiving speech-language pathology or audiology services but must involve direct or indirect evaluative contact by the supervisor of the supervisee.~~

~~(c) The applicant must, as part of the postgraduate clinical experience, be supervised by an individual who meets the definition of section 148.512, subdivision 20, and:~~

~~(1) when registration as a speech-language pathologist is sought, is a registered speech-language pathologist or hold a current certificate of clinical competence in speech-language pathology from the American Speech-Language-Hearing Association; and~~

~~(2) when registration as an audiologist is sought, is a registered audiologist or hold a current certificate of clinical competence in audiology from the American Speech-Language-Hearing Association.~~

~~(d) The applicant may not begin the postgraduate clinical experience until the applicant has completed the academic coursework and clinical training in subdivisions 2 and 3.~~

~~(e) To be considered full time, at least 30 hours per week must be spent over a nine-month period in clinical work. Equivalent time periods may include part-time professional employment as follows:~~

~~(1) 12 months of at least 25 hours per week;~~

~~(2) 15 months of at least 20 hours per week; or~~

~~(3) 18 months of at least 15 hours per week.~~

~~(f) The applicant's postgraduate clinical experience must include direct clinical experience with patients, consultations, report writing, record keeping, or other duties relevant to clinical work. A minimum of 80 percent of the clinical experience must be in direct contact with persons who have communication handicaps. If the applicant uses part-time employment to fulfill the postgraduate clinical experience requirement, all of the minimum required hours of the part-time work week requirement must be spent in direct professional experience.~~

~~(g) The applicant must complete the postgraduate clinical experience within a maximum of 36 consecutive months and must be supervised in no less than 36 activities, including 18 one-hour on-site observations. A maximum of six hours can be accrued in one day. A minimum of six one-hour on-site observations must be accrued during each one-third of the experience.~~

~~(h) The applicant must complete 18 other monitored activities and complete at least one monitored activity each month of the postgraduate clinical experience. Alternatives to on-site observation and monitoring activities include activities supervised by correspondence, evaluation of written reports, and evaluations by professional colleagues.~~

Sec. 19. Minnesota Statutes 2002, section 148.516, is amended to read:

148.516 [~~REGISTRATION LICENSURE~~ BY EQUIVALENCY.]

An applicant who applies for ~~registration licensure~~ by equivalency must show evidence of possessing a current certificate of clinical competence issued by the American Speech-Language-Hearing Association or board certification by the American Board of Audiology and must meet the requirements of section 148.514.

Sec. 20. Minnesota Statutes 2002, section 148.5161, is amended to read:

148.5161 [~~TEMPORARY REGISTRATION CLINICAL FELLOWSHIP LICENSURE OR DOCTORAL EXTERNSHIP LICENSURE.~~]

Subdivision 1. [~~APPLICATION.~~] The commissioner shall issue ~~temporary registration clinical fellowship licensure or doctoral externship licensure~~ as a speech-language pathologist or audiologist to an applicant who has applied for ~~registration licensure~~ under section 148.515, who is not the subject of a disciplinary action or past disciplinary action, and who has not violated a provision of section 148.5195, subdivision 3.

Subd. 2. [~~PROCEDURES.~~] To be eligible for ~~temporary registration clinical fellowship licensure or doctoral externship licensure~~, an applicant must submit an application form provided by the commissioner, the fees required by section 148.5194, and evidence of successful completion of the requirements in section 148.515, ~~subdivisions subdivision 2 and 3.~~

Subd. 3. [~~SUPERVISION REQUIRED.~~] (a) A ~~temporary registrant clinical fellowship licensee or doctoral externship licensee~~ must practice under the supervision of an individual who meets the requirements of section 148.512, subdivision 20. Supervision must conform to the requirements in paragraphs (b) to ~~(g)~~ (e).

(b) Supervision must include both on-site observation and other monitoring activities. On-site observation must involve the supervisor, the ~~supervisee clinical fellowship licensee or doctoral externship licensee~~, and the client receiving speech-language pathology or audiology services and must include direct observation by the supervisor of treatment given by the ~~supervisee clinical fellowship licensee or doctoral externship licensee~~. Other monitoring activities must involve direct or indirect evaluative contact by the supervisor of the ~~supervisee clinical fellowship licensee or doctoral externship licensee~~, may be executed by correspondence, and may include, but are not limited to, conferences with the ~~supervisee clinical fellowship licensee or doctoral externship licensee~~, evaluation of written reports, and evaluations by professional colleagues. Other monitoring activities do not include the client receiving speech-language pathology or audiology services.

(c) The ~~temporary registrant clinical fellowship licensee or doctoral externship licensee~~ must be supervised by an individual who meets the definition of section 148.512, subdivision 20, and:

(1) when the ~~temporary registrant clinical fellowship licensee or doctoral externship licensee~~ is a speech-language pathologist, is a ~~registered licensed speech-language pathologist~~, or holds a current certificate of clinical competence in speech-language pathology from the American Speech-Language-Hearing Association; and or

(2) when the ~~temporary registrant clinical fellowship licensee or doctoral externship licensee~~ is an audiologist, is a ~~registered licensed audiologist~~, or holds a current certificate of clinical competence in audiology from the American Speech-Language-Hearing Association or board certification in audiology by the American Board of Audiology.

(d) ~~Temporary registration Clinical fellowship licensure or doctoral externship licensure~~ shall not be granted until the applicant has completed the academic coursework and clinical training in section 148.515, subdivisions subdivision 2 and 3.

(e) ~~The temporary registrant must be supervised in no less than 36 activities, including 18 one-hour on-site observations. A maximum of six hours may be accrued in one day. A minimum of six one-hour on-site observations must be accrued during each one-third of the experience.~~

~~(f) The temporary registrant must complete 18 other monitored activities and complete at least one monitored activity each month.~~

~~(g) The temporary registrant clinical fellowship licensee or doctoral externship licensee must provide verification of supervision on the application form provided by the commissioner.~~

Subd. 4. ~~[DOCTORAL EXTERNSHIP LICENSURE.] Doctoral candidates in audiology completing their final externship as part of their training program are eligible to receive a provisional license in audiology and are not required to complete the postgraduate clinical fellowship year.~~

Subd. 5. ~~[EXPIRATION OF TEMPORARY REGISTRATION CLINICAL FELLOWSHIP OR DOCTORAL EXTERNSHIP LICENSURE.] A temporary registration clinical fellowship license or doctoral externship license issued to a person pursuant to subdivision 2 expires 18 months after issuance or on the date the commissioner grants or denies registration licensure, whichever occurs first. Upon application, a temporary registration clinical fellowship license or doctoral externship license shall be renewed once to persons who have not met the supervised postgraduate clinical experience requirement under section 148.515, subdivision 4, within the initial temporary registration clinical fellowship license or doctoral externship license period and meet the requirements of subdivision 1.~~

Subd. 5 6. ~~[TITLE USED.] A temporary registrant licensee with a clinical fellowship or doctoral externship shall be identified by one of the protected titles and a designation indicating clinical fellowship status.~~

Sec. 21. Minnesota Statutes 2002, section 148.517, is amended to read:

148.517 ~~[REGISTRATION LICENSURE BY RECIPROCITY.]~~

Subdivision 1. ~~[APPLICABILITY.] An applicant who applies for registration licensure as a speech-language pathologist or audiologist by reciprocity must meet the requirements of subdivisions 2 and 3.~~

Subd. 2. ~~[CURRENT CREDENTIALS REQUIRED.] An applicant applying for registration licensure by reciprocity must provide evidence to the commissioner that the applicant holds a current and unrestricted credential for the practice of speech-language pathology or audiology in another jurisdiction that has requirements equivalent to or higher than those in effect for determining whether an applicant in this state is qualified to be registered licensed as a speech-language pathologist or audiologist. An applicant who provides sufficient evidence need not meet the requirements of section 148.515, provided that the applicant otherwise meets all other requirements of section 148.514.~~

Subd. 3. ~~[VERIFICATION OF CREDENTIALS REQUIRED.] An applicant for registration licensure by reciprocity under subdivision 2, must have maintained the appropriate government body and unrestricted credentials in each jurisdiction in which the applicant holds a credential submit letters during the last five years as demonstrated by submitting letters of verification to the commissioner. Each letter must state the applicant's name, date of birth, credential number, date of issuance, a statement regarding disciplinary actions, if any, taken against the applicant, and the terms under which the credential was issued.~~

Subd. 4. ~~[TEMPORARY REGISTRATION LICENSURE.] (a) The commissioner shall issue temporary registration licensure as a speech-language pathologist, an audiologist, or both, to an applicant who has applied for registration licensure under this section sections 148.515, 148.516, 148.517, or 148.518, subdivisions 1 and 2, and who:~~

(1) submits a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 148.5195, subdivision 3; and

(2) either:

(i) provides a copy of a current credential as a speech-language pathologist, an audiologist, or both, held in the District of Columbia or a state or territory of the United States; or

(ii) provides a copy of a current certificate of clinical competence issued by the American Speech-Language-Hearing Association or its equivalent board certification in audiology by the American Board of Audiology.

(b) A temporary registration license issued to a person under this subdivision expires 90 days after it is issued or on the date the commissioner grants or denies registration licensure, whichever occurs first.

(c) Upon application, a temporary registration license shall be renewed once to a person who is able to demonstrate good cause for failure to meet the requirements for registration licensure within the initial temporary registration licensure period and who is not the subject of a disciplinary action or disqualified on the basis of section 148.5195, subdivision 3.

Sec. 22. Minnesota Statutes 2002, section 148.518, is amended to read:

148.518 [REGISTRATION LICENSURE FOLLOWING LAPSE OF REGISTERED LICENSURE STATUS.]

~~Subdivision 1. [LAPSE OF THREE YEARS OR LESS.]~~ For an applicant whose registered licensure status has lapsed ~~for three years or less~~, the applicant must:

(1) apply for registration licensure renewal according to section 148.5191 and document compliance with the continuing education requirements of section 148.5193 since the applicant's registration license lapsed; or

(2) fulfill the requirements of section 148.517; or

~~Subd. 2. [LAPSE OF MORE THAN THREE YEARS.]~~ For an applicant whose registered status has lapsed ~~for more than three years~~, the applicant must:

(1) apply for registration renewal according to section 148.5191 and obtain a qualifying score on the examination described in section 148.515, subdivision 5, within one year of the application date ~~for registration renewal~~;

(2) apply for renewal according to section 148.5191, provide evidence to the commissioner that the applicant holds a current and unrestricted credential for the practice of speech-language pathology from the Minnesota board of teaching or for the practice of speech-language pathology or audiology in another jurisdiction and provide evidence that the applicant's credential from the Minnesota board of teaching or another jurisdiction has been held in good standing during the period of lapse;

(3) apply for renewal according to section 148.5191 and submit documentation of having completed a combination of speech-language pathology or audiology courses or a speech-language pathology or audiology refresher program that contains both a theoretical and clinical component preapproved or approved by the commissioner. Only courses completed within one year preceding the date of the application or one year after the date of the application will qualify for approval; or

(4) apply for renewal according to section 148.5191 and submit proof of successful completion and verified documentation of 160 hours of supervised practice approved by the commissioner. To participate in a supervised practice, the applicant shall first apply and obtain temporary registration according to section 148.5161, provide evidence to the commissioner that the applicant holds a current and unrestricted credential for the practice of speech-language pathology from the Minnesota board of teaching or for the practice of speech-language pathology or audiology in another jurisdiction that has requirements equivalent to or higher than those in effect for Minnesota, and provide evidence of compliance with Minnesota board of teaching or that jurisdiction's continuing education requirements.

Sec. 23. Minnesota Statutes 2002, section 148.519, is amended to read:

148.519 [~~REGISTRATION LICENSURE PROCEDURES.~~]

Subdivision 1. [~~APPLICATIONS FOR REGISTRATION LICENSURE.~~] (a) An applicant for registration licensure must:

(1) submit a completed application for registration licensure on forms provided by the commissioner. The application must include the applicant's name, certification number under chapter 153A, if applicable, business address and telephone number, or home address and telephone number if the applicant practices speech-language pathology or audiology out of the home, and a description of the applicant's education, training, and experience, including previous work history for the five years immediately preceding the date of application. The commissioner may ask the applicant to provide additional information necessary to clarify information submitted in the application; and

(2) submit documentation of the certificate of clinical competence issued by the American Speech-Language-Hearing Association, board certification by the American Board of Audiology, or satisfy the following requirements:

(2) (i) submit a transcript showing the completion of a master's or doctoral degree or its equivalent meeting the requirements of section 148.515, subdivision 2;

(3) (ii) submit documentation of the required hours of supervised clinical training meeting the requirements of section 148.515, subdivision 3;

(4) (iii) submit documentation of the postgraduate clinical or doctoral clinical experience meeting the requirements of section 148.515, subdivision 4; and

(5) (iv) submit documentation of receiving a qualifying score on an examination meeting the requirements of section 148.515, subdivision 5;

(b) In addition, an applicant must:

(6) (1) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(7) (2) submit with the application all fees required by section 148.5194; and

(8) (3) sign a waiver authorizing the commissioner to obtain access to the applicant's records in this or any other state in which the applicant has engaged in the practice of speech-language pathology or audiology.

Subd. 2. [~~ACTION ON APPLICATIONS FOR REGISTRATION LICENSURE.~~] (a) The commissioner shall act on an application for registration licensure according to paragraphs (b) to (d).

(b) The commissioner shall determine if the applicant meets the requirements for registration licensure. The commissioner or advisory council may investigate information provided by an applicant to determine whether the information is accurate and complete.

(c) The commissioner shall notify an applicant, via certified mail, of action taken on the application and of the grounds for denying registration licensure if registration licensure is denied.

(d) An applicant denied registration licensure may make a written request to the commissioner, within 30 days of the date of notification to the applicant, to appear before the advisory council and for the advisory council to review the commissioner's decision to deny the applicant's registration. After reviewing the denial, the advisory council shall make a recommendation to the commissioner as to whether the denial should be affirmed. An applicant is allowed no more than one request for a review of denial of registration in any one registration renewal period for reconsideration of the denial. Individuals requesting reconsideration may submit information that the applicant wants considered in the reconsideration. After reconsideration of the commissioner's

determination to deny licensure, the commissioner shall determine whether the original determination should be affirmed or modified. An applicant may make only one request in any one biennial license period for reconsideration of the commissioner's determination to deny licensure.

Subd. 3. [CHANGE OF ADDRESS.] A licensee who changes addresses must inform the commissioner, in writing, of the change of address within 30 days. All notices or other correspondence mailed to or served on a licensee by the commissioner at the licensee's address on file with the commissioner shall be considered as having been received by the licensee.

Sec. 24. Minnesota Statutes 2002, section 148.5191, is amended to read:

148.5191 [REGISTRATION LICENSURE RENEWAL.]

Subdivision 1. [RENEWAL REQUIREMENTS.] To renew ~~registration~~ licensure, an applicant must:

(1) biennially complete a renewal application on a form provided by the commissioner and submit the biennial renewal fee;

(2) meet the continuing education requirements of section 148.5193 and submit evidence of attending continuing education courses, as required in section 148.5193, subdivision 6; and

(3) submit additional information if requested by the commissioner to clarify information presented in the renewal application. The information must be submitted within 30 days after the commissioner's request.

Subd. 2. [LATE FEE.] An application submitted after the renewal deadline date must be accompanied by a late fee as provided in section 148.5194, subdivision 4.

Subd. 3. [REGISTRATION LICENSURE RENEWAL NOTICE.] Registration Licensure renewal is on a biennial basis. At least 60 days before the registration licensure expiration date, the commissioner shall send out a renewal notice to the registrant's licensee's last known address. The notice shall include a renewal application and notice of fees required for renewal. If the registrant licensee does not receive the renewal notice, the registrant licensee is still required to meet the deadline for renewal to qualify for continuous registered licensure status.

Subd. 4. [RENEWAL DEADLINE.] Each ~~registration-certificate~~ license, including a temporary ~~registration-certificate~~ license provided under section 148.5161, must state an expiration date. An application for ~~registration~~ licensure renewal must be received by the department of health or postmarked at least 30 days before the expiration date. If the postmark is illegible, the application shall be considered timely if received at least 21 days before the expiration date.

When the commissioner establishes the renewal schedule for an applicant, ~~registrant~~ licensee, or temporary ~~registrant~~ licensee, if the period before the expiration date is less than two years, the fee shall be prorated.

Sec. 25. Minnesota Statutes 2002, section 148.5193, subdivision 1, is amended to read:

Subdivision 1. [NUMBER OF CONTACT HOURS REQUIRED.] (a) An applicant for ~~registration~~ licensure renewal must meet the requirements for continuing education ~~according to stipulated by the American Speech-Language-Hearing Association or the American Board of Audiology, or satisfy the requirements described in paragraphs (b) to (e).~~

(b) An applicant for ~~registration~~ licensure renewal as either a speech-language pathologist or an audiologist must provide evidence to the commissioner of a minimum of 30 contact hours of continuing education offered by a continuing education sponsor within the two years immediately preceding ~~registration~~ licensure renewal. A minimum of 20 contact hours of continuing education must be directly related to the ~~registrant's licensee's~~ area of registration licensure. Ten contact hours of continuing education may be in areas generally related to the ~~registrant's licensee's~~ area of registration licensure.

(c) An applicant for registration licensure renewal as both a speech-language pathologist and an audiologist must attest to and document completion of a minimum of 36 contact hours of continuing education offered by a continuing education sponsor within the two years immediately preceding registration licensure renewal. A minimum of 15 contact hours must be received in the area of speech-language pathology and a minimum of 15 contact hours must be received in the area of audiology. Six contact hours of continuing education may be in areas generally related to the registrant's licensee's areas of registration licensure.

(d) If the registrant licensee is licensed by the board of teaching:

(1) activities that are approved in the categories of Minnesota Rules, part 8700.1000, subpart 3, items A and B, and that relate to speech-language pathology, shall be considered:

- (i) offered by a sponsor of continuing education; and
- (ii) directly related to speech-language pathology;

(2) activities that are approved in the categories of Minnesota Rules, part 8700.1000, subpart 3, shall be considered:

- (i) offered by a sponsor of continuing education; and
- (ii) generally related to speech-language pathology; and

(3) one clock hour as defined in Minnesota Rules, part 8700.1000, subpart 1, is equivalent to ~~1.2~~ 1.0 contact hours of continuing education.

(e) Contact hours cannot be accumulated in advance and transferred to a future continuing education period.

Sec. 26. Minnesota Statutes 2002, section 148.5193, subdivision 4, is amended to read:

Subd. 4. [EARNING CONTINUING EDUCATION CONTACT HOURS THROUGH CONTACT HOUR EQUIVALENTS.] (a) A registrant licensee who teaches continuing education courses or presents or publishes for educational purposes may obtain contact hour equivalents according to paragraphs (b) to (d).

(b) The sponsor of the course must meet the requirements of subdivision 2.

(c) A registrant licensee may not obtain more than six contact hours in any two-year continuing education period by teaching continuing education courses.

(d) A registrant licensee may obtain two contact hours for each hour spent teaching a course. Contact hours may be claimed only once for teaching the same course in any two-year continuing education period.

Sec. 27. Minnesota Statutes 2002, section 148.5193, subdivision 6, is amended to read:

Subd. 6. [RECORDS OF ATTENDANCE.] (a) A registrant licensee must maintain for four years records of attending the continuing education contact hours required for registration licensure renewal.

(b) An applicant for registration licensure renewal must submit documentation demonstrating compliance with continuing education requirements of the American Speech-Language-Hearing Association on the American Board of Audiology or an equivalent, or the following information on a form provided by the commissioner: the sponsoring organization, the dates of the course, the course name, the number of contact hours completed, and the name and signature of the registrant licensee. The form must be submitted with the renewal application under section 148.5191, subdivision 1.

Sec. 28. Minnesota Statutes 2002, section 148.5193, subdivision 6a, is amended to read:

Subd. 6a. [VERIFICATION OF ATTENDANCE.] An applicant for registration licensure renewal must submit verification of attendance as follows:

(1) a certificate of attendance from the sponsor with the continuing education course name, course date, and registrant's licensee's name. If a certificate is not available, the commissioner may accept other evidence of attendance such as a confirmation or statement of registration for regional or national annual conferences or conventions of professional associations, a copy of the continuing education courses indicating those attended, and an affidavit of attendance;

(2) a copy of a record of attendance from the sponsor of the continuing education course;

(3) a signature of the presenter or a designee at the continuing education activity on the continuing education report form;

(4) a summary or outline of the educational content of an audio or video educational activity if a designee is not available to sign the continuing education report form;

(5) for self-study programs, a certificate of completion or other documentation indicating that the individual has demonstrated knowledge and has successfully completed the program; and or

(6) for attendance at a university, college, or vocational course, an official transcript.

Sec. 29. Minnesota Statutes 2002, section 148.5193, subdivision 7, is amended to read:

Subd. 7. [VERIFICATION OF CONTINUING EDUCATION REPORTS.] The commissioner may request a registrant licensee or continuing education sponsor to verify the continuing education to which the registrant licensee attested. Documentation may come directly from the registrant licensee, the continuing education sponsor, or from a national accrediting or certifying organization which maintains the records.

Sec. 30. Minnesota Statutes 2002, section 148.5193, subdivision 8, is amended to read:

Subd. 8. [WAIVER OF CONTINUING EDUCATION REQUIREMENTS.] The commissioner may grant a waiver of the requirements of this section in cases where the requirements would impose an undue burden on the registrant licensee. A registrant licensee must request in writing a waiver of the requirements of this section. The request for a waiver must cite this section, the reasons for requesting the waiver, the period of time the registrant licensee wishes to have the continuing education requirement waived, and the alternative measures that will be taken if a waiver is granted. The commissioner shall set forth, in writing, the reasons for granting or denying the waiver. Waivers granted by the commissioner shall specify in writing the time limitation and required alternative measures to be taken by the registrant licensee.

Sec. 31. Minnesota Statutes 2002, section 148.5194, subdivision 1, is amended to read:

Subdivision 1. [FEE PRORATION.] The commissioner shall prorate the registration licensure fee for clinical fellowship, doctoral externship, temporary, and first time registrants licensees according to the number of months that have elapsed between the date registration the license is issued and the date registration the license must be renewed under section 148.5191, subdivision 4.

Sec. 32. Minnesota Statutes 2002, section 148.5194, subdivision 2, is amended to read:

Subd. 2. [BIENNIAL REGISTRATION LICENSURE FEE.] The fee for initial registration licensure and biennial registration licensure, temporary registration licensure, or renewal is \$200.

Sec. 33. Minnesota Statutes 2002, section 148.5194, subdivision 3, is amended to read:

Subd. 3. [BIENNIAL REGISTRATION LICENSURE FEE FOR DUAL REGISTRATION LICENSURE AS A SPEECH-LANGUAGE PATHOLOGIST AND AUDIOLOGIST.] The fee for initial registration licensure and biennial registration licensure, clinical fellowship, doctoral externship, temporary registration license, or renewal is \$200.

Sec. 34. Minnesota Statutes 2002, section 148.5194, subdivision 3a, is amended to read:

Subd. 3a. [SURCHARGE FEE.] Notwithstanding section 16A.1285, subdivision 2, for a period of four years following July 1, 1999, an applicant for ~~registration licensure~~ or ~~registration licensure~~ renewal must pay a surcharge fee of \$25 in addition to any other fees due upon ~~registration licensure~~ or ~~registration licensure~~ renewal. This subdivision expires June 30, 2003.

Sec. 35. Minnesota Statutes 2002, section 148.5195, subdivision 2, is amended to read:

Subd. 2. [RIGHTS OF APPLICANTS AND REGISTRANTS LICENSEES.] The rights of an applicant denied ~~registration licensure~~ are stated in section 148.519, subdivision 2, paragraph (d). A ~~registrant licensee~~ shall not be subjected to disciplinary action under this section without first having an opportunity for a contested case hearing under chapter 14.

Sec. 36. Minnesota Statutes 2002, section 148.5195, subdivision 3, is amended to read:

Subd. 3. [GROUNDS FOR DISCIPLINARY ACTION BY COMMISSIONER.] The commissioner may take any of the disciplinary actions listed in subdivision 4 on proof that the individual has:

(1) intentionally submitted false or misleading information to the commissioner or the advisory council;

(2) failed, within 30 days, to provide information in response to a written request, via certified mail, by the commissioner or advisory council;

(3) performed services of a speech-language pathologist or audiologist in an incompetent or negligent manner;

(4) violated sections 148.511 to 148.5196;

(5) failed to perform services with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

(6) violated any state or federal law, rule, or regulation, and the violation is a felony or misdemeanor, an essential element of which is dishonesty, or which relates directly or indirectly to the practice of speech-language pathology or audiology. Conviction for violating any state or federal law which relates to speech-language pathology or audiology is necessarily considered to constitute a violation, except as provided in chapter 364;

(7) aided or abetted another person in violating any provision of sections 148.511 to 148.5196;

(8) been or is being disciplined by another jurisdiction, if any of the grounds for the discipline is the same or substantially equivalent to those under sections 148.511 to 148.5196;

(9) not cooperated with the commissioner or advisory council in an investigation conducted according to subdivision 1;

(10) advertised in a manner that is false or misleading;

(11) engaged in conduct likely to deceive, defraud, or harm the public; or demonstrated a willful or careless disregard for the health, welfare, or safety of a client;

(12) failed to disclose to the consumer any fee splitting or any promise to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

(13) engaged in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(14) obtained money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

(15) performed services for a client who had no possibility of benefiting from the services;

(16) failed to refer a client for medical evaluation or to other health care professionals when appropriate or when a client indicated symptoms associated with diseases that could be medically or surgically treated;

(17) if the individual is a dispenser of hearing instruments as defined by section 153A.13, subdivision 5, had the certification required by chapter 153A, denied, suspended, or revoked according to chapter 153A; or

(18) used the term doctor of audiology, doctor of speech-language pathology, AuD, or SLPD without having obtained the degree from an institution accredited by the North Central Association of Colleges and Secondary Schools ~~or the American Speech-Language-Hearing Association, the Council on Academic Accreditation in Audiology and Speech-Language Pathology, the United States Department of Education, or an equivalent.~~

Sec. 37. Minnesota Statutes 2002, section 148.5195, subdivision 4, is amended to read:

Subd. 4. [DISCIPLINARY ACTIONS.] If the commissioner finds that an individual should be disciplined according to subdivision 3, the commissioner may take any one or more of the following actions:

(1) refuse to grant or renew ~~registration~~ licensure;

(2) suspend ~~registration~~ licensure for a period not exceeding one year;

(3) revoke ~~registration~~ licensure; or

(4) take any reasonable lesser action against an individual upon proof that the individual has violated sections 148.511 to 148.5196; or

(5) impose, for each violation, a civil penalty not exceeding \$7,500 that deprives the licensee of any economic advantage gained by the violation and that reimburses the department of health for costs of the investigation and proceedings resulting in disciplinary action, including the amount paid for services of the administrative hearings, the amount paid for services of the office of the attorney general, attorney fees, court reporters, witnesses, reproduction of records, advisory council members' per diem compensation, department staff time, and expense incurred by advisory council members and department staff.

Sec. 38. Minnesota Statutes 2002, section 148.5195, subdivision 5, is amended to read:

Subd. 5. [CONSEQUENCES OF DISCIPLINARY ACTIONS.] Upon the suspension or revocation of ~~registration~~ licensure, the speech-language pathologist or audiologist shall cease to practice speech-language pathology or audiology, to use titles protected under sections 148.511 to 148.5196, and ~~shall cease to represent to the public that the speech-language pathologist or audiologist is registered~~ licensed by the commissioner.

Sec. 39. Minnesota Statutes 2002, section 148.5195, subdivision 6, is amended to read:

Subd. 6. [REINSTATEMENT REQUIREMENTS AFTER DISCIPLINARY ACTION.] A speech-language pathologist or audiologist who has had ~~registration~~ licensure suspended may petition on forms provided by the commissioner for reinstatement following the period of suspension specified by the commissioner. The requirements of section 148.5191 for renewing ~~registration~~ licensure must be met before ~~registration~~ licensure may be reinstated.

Sec. 40. Minnesota Statutes 2002, section 148.5196, is amended to read:

148.5196 [SPEECH-LANGUAGE PATHOLOGIST AND AUDIOLOGIST ADVISORY COUNCIL.]

Subdivision 1. [MEMBERSHIP.] The commissioner shall appoint ~~seven~~ eight persons to a speech-language pathologist and audiologist advisory council. The ~~seven~~ eight persons must include:

(1) two public members, as defined in section 214.02. The public members shall be either persons receiving services of a speech-language pathologist or audiologist, or family members of or caregivers to such persons;

(2) two speech-language pathologists ~~registered~~ licensed under sections 148.511 to 148.5196, one of whom is currently and has been, for the five years immediately preceding the appointment, engaged in the practice of speech-language pathology in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, and government agencies;

(3) one speech-language pathologist ~~registered~~ licensed under sections 148.511 to 148.5196, who is currently and has been, for the five years immediately preceding the appointment, employed by a Minnesota public school district or a Minnesota public school district consortium that is authorized by Minnesota Statutes and who is licensed in ~~communication disorders~~ speech-language pathology by the Minnesota board of teaching; and

(4) two audiologists ~~registered~~ licensed under sections 148.511 to 148.5196, one of whom is currently and has been, for the five years immediately preceding the appointment, engaged in the practice of audiology in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, industry, and government agencies; and

(5) one physician licensed under chapter 147 and certified by the American Board of Otolaryngology as a head and neck specialist.

Subd. 2. [ORGANIZATION.] The advisory council shall be organized and administered under section 15.059.

Subd. 3. [DUTIES.] The advisory council shall:

(1) advise the commissioner regarding speech-language pathologist and audiologist ~~registration~~ licensure standards;

(2) advise the commissioner on enforcement of sections 148.511 to 148.5196;

(3) provide for distribution of information regarding speech-language pathologist and audiologist ~~registration~~ licensure standards;

(4) review applications and make recommendations to the commissioner on granting or denying ~~registration~~ licensure or ~~registration~~ licensure renewal;

(5) review reports of investigations relating to individuals and make recommendations to the commissioner as to whether ~~registration~~ licensure should be denied or disciplinary action taken against the individual;

(6) advise the commissioner regarding approval of continuing education activities provided by sponsors using the criteria in section 148.5193, subdivision 2; and

(7) perform other duties authorized for advisory councils under chapter 214, or as directed by the commissioner.

Sec. 41. Minnesota Statutes 2002, section 153A.14, subdivision 2a, is amended to read:

Subd. 2a. [EXEMPTION FROM WRITTEN EXAMINATION REQUIREMENT.] Persons completing the audiology registration requirements of section 148.515 after January 1, 1996, are exempt from the written examination requirements of subdivision 2h, paragraph (a), clause (1). Minnesota registration or American Speech-Language-Hearing Association certification licensure, a current certification of clinical competence issued by the American Speech-Language-Hearing Association, board certification in audiology by the American Board of Audiology, or an equivalent, as an audiologist is not required but may be submitted as evidence qualifying for exemption from the written examination if the requirements are completed after January 1, 1996.

Persons qualifying for written examination exemption must fulfill the other credentialing requirements under subdivisions 1 and 2 before a certificate may be issued by the commissioner.

Sec. 42. Minnesota Statutes 2002, section 153A.14, subdivision 2i, is amended to read:

Subd. 2i. [CONTINUING EDUCATION REQUIREMENT.] On forms provided by the commissioner, each certified dispenser must submit with the application for renewal of certification evidence of completion of ten course hours of continuing education earned within the 12-month period of July 1 to June 30 immediately preceding renewal. Continuing education courses must be directly related to hearing instrument dispensing and approved by the International Hearing Society or qualify for continuing education approved for Minnesota registered licensed audiologists. Evidence of completion of the ten course hours of continuing education must be submitted with renewal applications by October 1 of each year. This requirement does not apply to dispensers certified for less than one year. The first report of evidence of completion of the continuing education credits shall be due October 1, 1997.

Sec. 43. Minnesota Statutes 2002, section 153A.17, is amended to read:

153A.17 [EXPENSES; FEES.]

The expenses for administering the certification requirements including the complaint handling system for hearing aid dispensers in sections 153A.14 and 153A.15 and the consumer information center under section 153A.18 must be paid from initial application and examination fees, renewal fees, penalties, and fines. All fees are nonrefundable. The certificate application fee is \$165 for audiologists registered licensed under section 148.511 and \$490 for all others, the examination fee is \$200 for the written portion and \$200 for the practical portion each time one or the other is taken, and the trainee application fee is \$100. Notwithstanding the policy set forth in section 16A.1285, subdivision 2, a surcharge of \$165 for audiologists registered licensed under section 148.511 and \$330 for all others shall be paid at the time of application or renewal until June 30, 2003, to recover the commissioner's accumulated direct expenditures for administering the requirements of this chapter. The penalty fee for late submission of a renewal application is \$200. All fees, penalties, and fines received must be deposited in the state government special revenue fund. The commissioner may prorate the certification fee for new applicants based on the number of quarters remaining in the annual certification period.

Sec. 44. Minnesota Statutes 2002, section 153A.20, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The commissioner shall appoint nine persons to a hearing instrument dispenser advisory council.

(a) The nine persons must include:

(1) three public members, as defined in section 214.02. At least one of the public members shall be a hearing instrument user and one of the public members shall be either a hearing instrument user or an advocate of one; and

(2) three hearing instrument dispensers certified under sections 153A.14 to 153A.20, each of whom is currently, and has been for the five years immediately preceding their appointment, engaged in hearing instrument dispensing in Minnesota and who represent the occupation of hearing instrument dispensing and who are not audiologists; and

(3) three audiologists who are certified hearing instrument dispensers or are registered licensed as audiologists under chapter 148.

(b) The factors the commissioner may consider when appointing advisory council members include, but are not limited to, professional affiliation, geographical location, and type of practice.

(c) No two members of the advisory council shall be employees of, or have binding contracts requiring sales exclusively for, the same hearing instrument manufacturer or the same employer.

Sec. 45. [REVISOR INSTRUCTION.]

The revisor shall renumber Minnesota Statutes, section 148.517, subdivision 4, as Minnesota Statutes, section 148.5175.

Sec. 46. [REPEALER.]

Minnesota Statutes 2002, sections 148.512, subdivision 11; and 148.515, subdivisions 3 and 5, are repealed."

The motion prevailed. So the amendment was adopted.

S.F. No. 333 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 1059: A bill for an act relating to housing; housing finance agency; making various clarifying, technical, and other changes to agency programs; increasing debt ceiling; extending civil service pilot project; amending Minnesota Statutes 2002, sections 462A.05, by adding a subdivision; 462A.057, subdivision 1; 462A.073, subdivision 2; 462A.21, subdivision 3a; 462A.22, subdivisions 1, 7; Laws 1993, chapter 301, section 1, subdivision 4, as amended; Laws 1995, chapter 248, article 12, section 2, as amended.

Senator Saxhaug moved that the amendment made to H.F. No. 1059 by the Committee on Rules and Administration in the report adopted April 22, 2003, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1059 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Bachmann	Fischbach	Kierlin	Marko	Ranum
Bakk	Foley	Kleis	Marty	Reiter
Belanger	Frederickson	Knutson	Metzen	Rest
Berglin	Gaither	Koering	Michel	Robling
Betzold	Hann	Kubly	Moua	Rosen
Chaudhary	Higgins	Langseth	Neuville	Ruud
Cohen	Johnson, D.E.	Larson	Nienow	Sams
Day	Johnson, D.J.	LeClair	Olson	Saxhaug
Dibble	Jungbauer	Limmer	Ortman	Scheid
Dille	Kelley	Lourey	Pappas	Senjem

Skoe
Skoglund

Solon
Sparks

Stumpf
Tomassoni

Vickerman
Wergin

Wiger

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 552: A bill for an act relating to claims against the state; providing for payment of various claims; authorizing a payment; confirming a decision; appropriating money.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 11, as follows:

Those who voted in the affirmative were:

Bakk	Johnson, D.E.	Lourey	Reiter	Skoglund
Belanger	Jungbauer	Marko	Rest	Solon
Berglin	Kelley	Marty	Robling	Sparks
Betzold	Kierlin	Metzen	Rosen	Stumpf
Chaudhary	Knutson	Michel	Ruud	Tomassoni
Cohen	Koering	Moua	Sams	Vickerman
Dibble	Kubly	Neuville	Saxhaug	Wergin
Dille	Langseth	Ortman	Scheid	Wiger
Foley	Larson	Pappas	Senjem	
Higgins	Limmer	Ranum	Skoe	

Those who voted in the negative were:

Bachmann	Gaither	Johnson, D.J.	LeClair	Olson
Day	Hann	Kleis	Nienow	Pariseau
Frederickson				

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Senators Bachmann, Olson, Jungbauer and Fischbach introduced--

S.F. No. 1544: A bill for an act relating to transportation; enacting the Minnesota Regulated Public Transit Utilities Act; providing for regulation of transit services; requiring legislative reports; proposing coding for new law as Minnesota Statutes, chapter 216E.

Referred to the Committee on Finance.

Senator Cohen introduced--

S.F. No. 1545: A bill for an act relating to courts; creating a guardian ad litem task force.

Referred to the Committee on Judiciary.

Senators Betzold and Limmer introduced--

S.F. No. 1546: A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2002, section 298.22, subdivision 1.

Referred to the Committee on Rules and Administration.

RECESS

Senator Hottinger moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

Senator Hottinger imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Hottinger moved that H.F. No. 1597 be taken from the table, given a second reading, and placed on General Orders. The motion prevailed.

H.F. No. 1597 was read the second time.

Pursuant to Rule 26, Senator Hottinger, Chair of the Committee on Rules and Administration, designated S.F. No. 794 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 794: A bill for an act relating to energy; amending the definition of a radioactive waste management facility; increasing funding for renewable development; specifying the applicability of the renewable development fund; authorizing sufficient dry cask storage capacity to allow the nuclear reactors at the Prairie Island nuclear generation facility to operate until the end of their current licenses; modifying duties of the legislative energy task force; amending Minnesota Statutes 2002, sections 116C.71, subdivision 7; 116C.779; 216B.1645, subdivision 2; 216B.1691, subdivisions 1, 2; 216B.241, subdivision 1b; 216B.2424, subdivision 5; 216C.051, subdivisions 2, 3, 6, 9, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116C; 216B; repealing Minnesota Statutes 2002, section 216C.051, subdivisions 1, 4, 5.

Senator Murphy moved to amend S.F. No. 794 as follows:

Page 4, after line 15, insert:

"Subd. 4. [ENVIRONMENTAL REVIEW AND PROTECTION.] (a) The siting, construction, and operation of an independent spent fuel storage installation located on the site of a Minnesota generation facility for dry cask storage of spent nuclear fuel generated solely by that facility is subject to all environmental review and protection provisions of chapters 115, 115B, 116, 116B, 116C, 116D, and 216B and rules associated with those chapters, except those statutes and rules that apply specifically to a radioactive waste management facility as defined in section 116C.71, subdivision 7.

(b) An environmental impact statement is required under chapter 116D for a proposal to construct and operate a new or expanded independent spent fuel storage installation. The

environmental quality board shall be the responsible governmental unit for the environmental impact statement. Prior to finding the statement adequate, the board must find that the applicant has demonstrated that the facility is designed to provide a reasonable expectation that the operation of the facility will not result in groundwater contamination in excess of the standards established in section 116C.76, subdivision 1, clauses (1) to (3)."

Senator Bachmann moved to amend the Murphy amendment to S.F. No. 794 as follows:

Page 1, lines 14 and 15, delete "or expanded"

CALL OF THE SENATE

Senator Kelley imposed a call of the Senate for the balance of the proceedings on S.F. No. 794. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Bachmann amendment to the Murphy amendment.

The roll was called, and there were yeas 29 and nays 37, as follows:

Those who voted in the affirmative were:

Bachmann	Hann	Knutson	Nienow	Robling
Belanger	Johnson, D.J.	Koering	Olson	Rosen
Day	Jungbauer	Larson	Ortman	Ruud
Dille	Kierlin	LeClair	Ourada	Senjem
Fischbach	Kiscaden	Limmer	Pariseau	Wergin
Gaither	Kleis	Michel	Reiter	

Those who voted in the negative were:

Anderson	Frederickson	Marko	Ranum	Sparks
Bakk	Higgins	Marty	Rest	Stumpf
Berglin	Hottinger	Metzen	Sams	Tomassoni
Betzold	Johnson, D.E.	Moua	Saxhaug	Vickerman
Chaudhary	Kelley	Murphy	Scheid	Wiger
Cohen	Kubly	Neuville	Skoe	
Dibble	Langseth	Pappas	Skoglund	
Foley	Lourey	Pogemiller	Solon	

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

Senator Murphy withdrew his amendment.

Senator Murphy moved to amend S.F. No. 794 as follows:

Page 5, line 16, delete "including" and insert "or" and after "fuel" insert "from mixed municipal solid waste"

Page 6, line 4, strike "at least" and delete "but" and delete "more" and insert "less"

Page 6, line 7, delete "including" and insert "or"

Page 6, line 8, after the first "fuel" insert "from mixed municipal solid waste"

The motion prevailed. So the amendment was adopted.

Senator Murphy then moved to amend S.F. No. 794 as follows:

Page 17, line 28, delete "included in the plan" and insert "described in the primary emission reduction proposal"

The motion prevailed. So the amendment was adopted.

Senator Murphy then moved to amend S.F. No. 794 as follows:

Page 3, line 27, after the period, insert "In any proceeding under this subdivision, the commission may make a decision that could result in a shut-down of a nuclear generating facility."

The motion prevailed. So the amendment was adopted.

Senator Hann moved to amend S.F. No. 794 as follows:

Page 2, lines 15 and 17, delete "and sustainable"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 47 and nays 18, as follows:

Those who voted in the affirmative were:

Anderson	Hann	Langseth	Ourada	Skoe
Bachmann	Johnson, D.E.	Larson	Pariseau	Solon
Bakk	Johnson, D.J.	LeClair	Pogemiller	Stumpf
Belanger	Jungbauer	Limmer	Reiter	Tomassoni
Betzold	Kierlin	Marty	Robling	Vickerman
Cohen	Kiscaden	Michel	Ruud	Wergin
Day	Kleis	Murphy	Sams	Wiger
Dille	Knutson	Nienow	Saxhaug	
Fischbach	Koering	Olson	Scheid	
Gaither	Kubly	Ortman	Senjem	

Those who voted in the negative were:

Berglin	Frederickson	Lourey	Neuville	Skoglund
Chaudhary	Higgins	Marko	Ranum	Sparks
Dibble	Hottinger	Metzen	Rest	
Foley	Kelley	Moua	Rosen	

The motion prevailed. So the amendment was adopted.

Senator Murphy moved to amend S.F. No. 794 as follows:

Pages 4 and 5, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 2002, section 216B.1645, is amended by adding a subdivision to read:

Subd. 4. [SETTLEMENT WITH MDEWAKANTON DAKOTA TRIBAL COUNCIL AT PRAIRIE ISLAND.] The commission shall approve a rate schedule providing for the automatic adjustment of charges to recover the costs or expenses of a settlement between the public utility that owns the Prairie Island nuclear generation facility and the Mdewakanton Dakota Tribal Council at Prairie Island, resolving outstanding disputes regarding the provisions of Laws 1994, chapter 641, article 1, section 4. The settlement must provide for annual payments, not to exceed \$2,500,000 annually by the public utility to the Prairie Island Indian Community, to be used for, among other purposes, acquiring up to 1,500 contiguous or noncontiguous acres of land in the state of Minnesota within 50 miles of the tribal community's reservation at Prairie Island to be taken into trust by the federal government for the benefit of the tribal community for housing and other residential purposes. The legislature acknowledges that the intent to purchase land by the tribe for relocation purposes is part of the settlement agreement and this legislation. However, the state, through the governor, reserves the right to support or oppose any particular application to place land in trust status."

Amend the title accordingly

Senator Neuville moved to amend the Murphy amendment to S.F. No. 794 as follows:

Page 1, line 17, delete "50" and insert "ten"

Page 1, line 23, delete everything after the period

Page 1, delete lines 24 and 25 and insert "This legislation shall not be effective until a contract is executed between the state, the public utility that owns the Prairie Island nuclear generation facility, and the Mdewakanton Dakota Tribal Council, incorporating the provisions of this legislation, and also including the tribe's waiver of any right to use newly purchased land for gaming purposes, until authorized by law."

The question was taken on the adoption of the Neuville amendment to the Murphy amendment.

The roll was called, and there were yeas 21 and nays 43, as follows:

Those who voted in the affirmative were:

Bachmann	Jungbauer	LeClair	Ortman	Wergin
Day	Kierlin	Limmer	Pariseau	
Fischbach	Kleis	Neuville	Robling	
Hann	Knutson	Nienow	Rosen	
Johnson, D.J.	Larson	Olson	Senjem	

Those who voted in the negative were:

Anderson	Frederickson	Langseth	Pappas	Skoglund
Bakk	Gaither	Lourey	Pogemiller	Solon
Belanger	Higgins	Marko	Ranum	Sparks
Berglin	Hottinger	Marty	Reiter	Stumpf
Betzold	Johnson, D.E.	Metzen	Rest	Tomassoni
Cohen	Kelley	Michel	Sams	Vickerman
Dibble	Kiscaden	Moua	Saxhaug	Wiger
Dille	Koering	Murphy	Scheid	
Foley	Kubly	Ourada	Skoe	

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

The question recurred on the adoption of the Murphy amendment. The motion prevailed. So the amendment was adopted.

Senator Murphy moved to amend S.F. No. 794 as follows:

Page 10, line 6, strike "50" and insert "55"

Page 17, line 6, delete "83" and insert "88"

The motion prevailed. So the amendment was adopted.

Senator Murphy then moved to amend S.F. No. 794 as follows:

Page 2, line 10, delete "\$8,500,000" and insert "\$11,000,000"

Page 2, line 24, after "allocated" insert "from unobligated funds in the account as of June 30, 2003,"

The motion prevailed. So the amendment was adopted.

Senator Murphy then moved to amend S.F. No. 794 as follows:

Page 6, after line 28, insert:

"Sec. 8. Minnesota Statutes 2002, section 216B.1691, is amended by adding a subdivision to read:

Subd. 3. [REQUIREMENT.] The good faith objective set forth in subdivision 2 shall be a requirement for the public utility that owns the Prairie Island nuclear generation plant. The objective is not a requirement to the extent that the eligible resources are not the utility's least cost resource, including the costs of ancillary services and other generation and transmission upgrades necessary to manage the intermittent nature of certain renewable resources or implementation of the objective can reasonably be shown to jeopardize the reliability of the electric system."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Murphy then moved to amend the Murphy amendment to S.F. No. 794 as follows:

Page 1, lines 8 and 9, delete "not"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Murphy amendment, as amended.

The roll was called, and there were yeas 44 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Marko	Reiter	Skoglund
Bakk	Higgins	Marty	Rest	Solon
Berglin	Hottinger	Metzen	Robling	Sparks
Betzold	Johnson, D.E.	Michel	Rosen	Stumpf
Chaudhary	Kelley	Moua	Sams	Tomassoni
Cohen	Kierlin	Murphy	Saxhaug	Vickerman
Dille	Kubly	Ourada	Scheid	Wergin
Foley	Langseth	Pogemiller	Senjem	Wiger
Frederickson	Lourey	Ranum	Skoe	

Those who voted in the negative were:

Bachmann	Fischbach	Kiscaden	LeClair	Olson
Belanger	Hann	Knutson	Limmer	Ortman
Day	Johnson, D.J.	Koering	Neuville	Pappas
Dibble	Jungbauer	Larson	Nienow	Pariseau

The motion prevailed. So the Murphy amendment, as amended, was adopted.

Senator Lourey moved to amend S.F. No. 794 as follows:

Page 19, line 8, delete "without" and insert "following"

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

Senator Murphy moved to amend S.F. No. 794 as follows:

Page 6, after line 28, insert:

"Sec. 8. Minnesota Statutes 2002, section 216B.1691, is amended by adding a subdivision to read:

Subd. 3. [TRANSMISSION.] (a) Each public electric utility shall determine necessary transmission upgrades to support development of renewable energy resources required to meet the renewable energy objective under this section and shall:

(1) seek approval for those upgrades from the appropriate regional transmission entity or entities at the earliest practicable date; and

(2) submit to the commission an application for certificates of need for those transmission upgrades, with a firm schedule for construction, not later than January 1, 2005.

(b) Transmission capacity upgrades under paragraph (a) qualify for rate treatment provided under section 216B.1645, provided the utility coordinates the construction of the transmission capacity with the signing of power purchase agreements for wind generation."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Ourada moved to amend S.F. No. 794 as follows:

Page 13, line 29, delete "and"

Page 13, line 30, before the period, insert "; and

(6) clean coal technology"

The motion prevailed. So the amendment was adopted.

Senator Bachmann moved to amend S.F. No. 794 as follows:

Page 16, line 11, delete "sustainable" and insert "renewable"

The motion prevailed. So the amendment was adopted.

Senator Murphy moved to amend S.F. No. 794 as follows:

Page 4, after line 15, insert:

"Subd. 4. [WATER STANDARDS.] The standards established in section 116C.76, subdivision 1, clauses (1) to (3), apply to an independent spent fuel installation. Such an installation must be operated in accordance with those standards."

The motion prevailed. So the amendment was adopted.

Senator Murphy then moved to amend S.F. No. 794 as follows:

Page 12, after line 5, insert:

"Sec. 10. Minnesota Statutes 2002, section 216B.243, subdivision 3b, is amended to read:

Subd. 3b. [NUCLEAR POWER PLANT; NEW CONSTRUCTION PROHIBITED; RELICENSING.] (a) The commission may not issue a certificate of need for the construction of a new nuclear-powered electric generating plant.

(b) Any certificate of need for additional storage of spent nuclear fuel for a facility seeking a license extension shall address the impacts of continued operations over the period for which approval is sought.

(c) Within 30 days of issuing a decision to authorize continued operation of a nuclear generation facility, the commission must forward its decision to the chairs of the house of representatives and senate committees with jurisdiction over energy regulation and environmental protections. A decision by the commission to authorize continued operation of a nuclear generation facility under paragraph (b) is not effective until ratified by a law that contains no other provisions than the ratification required by this subdivision."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Tomassoni moved to amend S.F. No. 794 as follows:

Page 19, line 14, delete "and"

Page 19, line 26, before the period, insert ";

(6) shall, subject to approval of the terms and conditions thereof by the commission, be entitled to enter into a contract with an eligible entity to provide 450 megawatts of baseload capacity and energy under a long-term contract; and

(7) shall make a good-faith effort to secure funding from the United States Department of Energy and the United States Department of Agriculture to conduct a demonstration project at the facility for either geologic or terrestrial carbon sequestration projects to achieve reductions in facility emissions or carbon dioxide"

Page 19, line 27, delete "competitive"

Page 19, line 28, delete everything before "to" and insert " a proposal"

Page 19, line 29, delete "are" and insert "is"

The motion prevailed. So the amendment was adopted.

Senator Pappas moved to amend S.F. No. 794 as follows:

Page 17, line 10, delete everything after the period

Page 17, delete lines 11 to 13

The motion prevailed. So the amendment was adopted.

Senator Murphy moved to amend S.F. No. 794 as follows:

Page 4, after line 15, insert:

"Subd. 4. [ENVIRONMENTAL REVIEW AND PROTECTION.] (a) The siting, construction, and operation of an independent spent fuel storage installation located on the site of a Minnesota generation facility for dry cask storage of spent nuclear fuel generated solely by that facility is subject to all environmental review and protection provisions of chapters 115, 115B, 116, 116B, 116C, 116D, and 216B and rules associated with those chapters, except those statutes and rules that apply specifically to a radioactive waste management facility as defined in section 116C.71, subdivision 7.

(b) An environmental impact statement is required under chapter 116D for a proposal to construct and operate a new or expanded independent spent fuel storage installation. The environmental quality board shall be the responsible governmental unit for the environmental impact statement. Prior to finding the statement adequate, the board must find that the applicant has demonstrated that the facility is designed to provide a reasonable expectation that the operation of the facility will not result in groundwater contamination in excess of the standards established in section 116C.76, subdivision 1, clauses (1) to (3)."

The motion prevailed. So the amendment was adopted.

Senator Kelley moved to amend S.F. No. 794 as follows:

Page 17, after line 2, insert:

"Sec. 15. Minnesota Statutes 2002, section 216C.052, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATIVE ISSUES.] (a) The commissioner may select the administrator who shall serve for a four-year term. The administrator may not have been a party or a participant in a commission energy proceeding for at least one year prior to selection by the commissioner. The commissioner shall oversee and direct the work of the administrator, annually review the expenses of the administrator, and annually approve the budget of the administrator. The administrator may hire staff and may contract for technical expertise in performing duties when existing state resources are required for other state responsibilities or when special expertise is required. The salary of the administrator is governed by section 15A.0815, subdivision 2.

(b) Costs relating to a specific proceeding, analysis, or project are not general administrative costs. For purposes of this section, "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state.

(c) The department of commerce shall pay:

(1) the general administrative costs of the administrator, not to exceed ~~\$1,500,000~~ \$1,000,000 in a fiscal year, and shall assess energy utilities ~~for reimbursement~~ for those administrative costs. These costs must be consistent with the budget approved by the commissioner under paragraph (a). The department shall apportion the costs among all energy utilities in proportion to their respective gross operating revenues from sales of gas or electric service within the state during the last calendar year, and shall then render a bill to each utility on a regular basis; and

(2) costs relating to a specific proceeding analysis or project and shall render a bill ~~for reimbursement~~ to the specific energy utility or utilities participating in the proceeding, analysis, or project directly, either at the conclusion of a particular proceeding, analysis, or project, or from time to time during the course of the proceeding, analysis, or project.

(d) For purposes of administrative efficiency, the department shall assess energy utilities and issue bills in accordance with the billing and assessment procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision. The amount of the bills rendered by the department under paragraph (c) must be paid by the energy utility into an account in the special revenue fund in the state treasury within 30 days from the date of billing and is appropriated to the commissioner for the purposes provided in this section. The commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover amounts paid by utilities under this section. All amounts assessed under this section are in addition to amounts appropriated to the commission and the department by other law.

Subd. 3. [ASSESSMENT AND APPROPRIATION.] In addition to the amount noted in subdivision 2, the commissioner of commerce shall transfer may assess utilities, using the mechanism specified in that subdivision, up to an additional \$500,000 annually of the amounts provided for in subdivision 2 to the commissioner of administration through June 30, 2006. The amounts assessed under this subdivision are appropriated to the commissioner, and some or all of the amounts assessed may be transferred to the commissioner of administration, for the purposes provided specified in section 16B.325 and Laws 2001, chapter 212, article 1, section 3, as needed to implement that section those sections."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Kelley moved to amend S.F. No. 794 as follows:

Page 4, after line 15, insert:

"Sec. 4. [216B.013] [HYDROGEN ENERGY ECONOMY GOAL.]

It is a goal of this state that Minnesota move to hydrogen as an increasing source of energy for its electrical power, heating, and transportation needs."

Page 20, after line 2, insert:

"Sec. 20. [DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT; PROGRAM DEVELOPMENT.]

Subdivision 1. [DEVELOPMENT OF BUSINESSES ENGAGED IN HYDROGEN PRODUCTION.] The department of trade and economic development must develop a targeted program to promote and encourage the development and attraction of businesses engaged in the biocatalysis of agricultural and forestry plant products for the production of hydrogen, the manufacture of hydrogen fuel cells, and hydrogen electrolysis from renewable energy sources. The program may make use of existing departmental programs, either alone or in combination. The department shall report to the legislature by January 15, 2004, on legislative changes or additional funding needed, if any, to accomplish the purposes of this section.

Subd. 2. [ENERGY INNOVATION ZONES.] (a) The commissioner of trade and economic development, in consultation with the commissioners of commerce and revenue, shall develop a plan to designate not more than three energy innovation zones to spur the development of fuel cells, fuel cell components, hydrogen infrastructure, and other energy efficiency and renewable energy technologies in the state. In developing the criteria for the designations, the commissioner shall consider:

- (1) the availability of business, academic, and government partners;
- (2) the likelihood of establishing a distributed, renewable energy microgrid to power the zone, providing below-market electricity and heat to businesses from within the zone;
- (3) the prospect of tenants for the zone that will represent net new jobs to the state; and
- (4) the likelihood of the production, storage, distribution, and use of hydrogen, including its use in fuel cells, for electricity and heat.

(b) Energy under paragraph (a), clause (2), must come from one or more of the following renewable sources: wind, water, sun, biomass, not including municipal solid waste, or hydrogen reformed from natural gas up to 2010.

(c) The plan must allow for interested parties to form energy innovation cooperatives. In addition, the commissioner must consider the feasibility of the sale of energy innovation bonds for the construction of qualifying facilities.

(d) In drafting the plan, the commissioner must consider incentives for investment in the zone, including:

- (1) subsidization of construction of qualifying facilities;
- (2) long-term contracts for market-rate heat and power;
- (3) exemption from laws giving exclusive service territory;
- (4) streamlined interconnection to the existing power grid;
- (5) exemptions from property tax;
- (6) expedited permitting;
- (7) methods for providing technical assistance; and
- (8) other methods of encouraging the development and use and development of fuel cell and hydrogen generation technologies.

(e) The commissioner shall report to the legislature by January 15, 2004, on legislative changes and necessary funding to accomplish the purposes of this subdivision.

Sec. 21. [DEMONSTRATION PROJECT.]

(a) The department of commerce, in cooperation with the department of trade and economic development, must develop and issue a request for proposal for the construction of a hydrogen-to-electricity demonstration project with the following components:

- (1) commercial-scale windmill-powered electrolysis of water to hydrogen;
- (2) on-site storage of hydrogen and fuel cells for hydrogen-to-electricity conversion to maintain the supply of electricity in the absence of wind;
- (3) a hydrogen pipeline of less than ten miles to a public facility demonstration site; and
- (4) a public facility with on-site hydrogen fuel cells providing hydrogen-to-electricity and, if practicable, heating/cooling function.

(b) For purposes of this section, a "public facility" is a municipal building, public school, state college or university, or other public building."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Sparks moved to amend S.F. No. 794 as follows:

Page 2, after line 36, insert:

"Subd. 3. [WIND ENERGY PRODUCTION INCENTIVE.] (a) Until January 1, 2018, up to \$7,000,000 annually must be allocated from available funds in the account to fund the renewable energy production incentive for up to 150 megawatts of electricity generated by wind energy conversion systems larger than 40 kilowatts in size that are eligible for the incentive under section 216C.41. Any portion of the \$7,000,000 not expended in any calendar year for the incentive is available for other spending purposes under this section. This subdivision does not create an obligation to contribute funds to the account.

(b) The department of commerce shall determine eligibility of projects under section 216C.41 for the purposes of this subdivision. At least quarterly, the department of commerce shall notify the public utility of the name and address of each eligible project owner and the amount due to each project under section 216C.41. The public utility shall make payments within 15 working days after receipt of notification of payments due. Payments made more than 15 working days following receipt of notification of payments due must include late fees of:

- (1) five percent for payments made up to 20 working days of notification;
- (2) ten percent for payments made up to 25 working days of notification; and
- (3) 25 percent for payments made after 25 working days of notification.

Late fees required under this section may not be charged to the renewable development account and may not be recovered from ratepayers."

Page 17, after line 2, insert:

"Sec. 15. Minnesota Statutes 2002, section 216C.41, subdivision 1, is amended to read:

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

(b) "Qualified hydroelectric facility" means a hydroelectric generating facility in this state that:

- (1) is located at the site of a dam, if the dam was in existence as of March 31, 1994; and
- (2) begins generating electricity after July 1, 1994, or generates electricity after substantial refurbishing of a facility that begins after July 1, 2001.

(c) "Qualified wind energy conversion facility" means a wind energy conversion system in this state that:

(1) produces two megawatts or less of electricity as measured by nameplate rating and begins generating electricity after December 31, 1996, and before July 1, 1999;

(2) begins generating electricity after June 30, 1999, produces two megawatts or less of electricity as measured by nameplate rating, and is:

(i) ~~located within one county and~~ owned by a natural person who owns the land where the facility is sited;

(ii) owned by a Minnesota small business as defined in section 645.445;

- (iii) owned by a Minnesota nonprofit organization; or
 - (iv) owned by a tribal council if the facility is located within the boundaries of the reservation;
or
 - (v) owned by a Minnesota municipal utility or a Minnesota cooperative electric association; or
 - (vi) owned by a Minnesota political subdivision or local government, including, but not limited to, a county, statutory or home rule charter city, town, school district, or any other local or regional governmental organization such as a board, commission, or association; or
- (3) begins generating electricity after June 30, 1999, produces seven megawatts or less of electricity as measured by nameplate rating, and:
- (i) is owned by a cooperative organized under chapter 308A other than a Minnesota cooperative electric association; and
 - (ii) ~~all shares and membership in the cooperative are held by natural persons or estates, at least 51 percent of whom reside in a county or contiguous to a county where the wind energy production facilities of the cooperative are located~~ Minnesota residents or estates of persons who were Minnesota residents.
- (d) "Qualified on-farm biogas recovery facility" means an anaerobic digester system that:
- (1) is located at the site of an agricultural operation;
 - (2) is owned by a natural person who owns or rents the land where the facility is located; and
 - (3) begins generating electricity after July 1, 2001.
- (e) "Anaerobic digester system" means a system of components that processes animal waste based on the absence of oxygen and produces gas used to generate electricity.

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

Sec. 16. Minnesota Statutes 2002, section 216C.41, subdivision 2, is amended to read:

Subd. 2. [INCENTIVE PAYMENT; APPROPRIATION.] (a) Incentive payments must be made according to this section to (1) a qualified on-farm biogas recovery facility, (2) the owner or operator of a qualified hydropower facility or qualified wind energy conversion facility for electric energy generated and sold by the facility, (3) a publicly owned hydropower facility for electric energy that is generated by the facility and used by the owner of the facility outside the facility, or (4) the owner of a publicly owned dam that is in need of substantial repair, for electric energy that is generated by a hydropower facility at the dam and the annual incentive payments will be used to fund the structural repairs and replacement of structural components of the dam, or to retire debt incurred to fund those repairs.

(b) Payment may only be made upon receipt by the commissioner of finance of an incentive payment application that establishes that the applicant is eligible to receive an incentive payment and that satisfies other requirements the commissioner deems necessary. The application must be in a form and submitted at a time the commissioner establishes.

(c) There is annually appropriated from the general fund to the commissioner of commerce sums sufficient to make the payments required under this section, other than the amounts funded by the renewable development account as specified in subdivision 5a.

Sec. 17. Minnesota Statutes 2002, section 216C.41, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY WINDOW.] Payments may be made under this section only for electricity generated:

- (1) from a qualified hydroelectric facility that is operational and generating electricity before December 31, 2005;

(2) from a qualified wind energy conversion facility that is operational and generating electricity before January 1, ~~2005~~ 2007; or

(3) from a qualified on-farm biogas recovery facility from July 1, 2001, through December 31, 2015.

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

Sec. 18. Minnesota Statutes 2002, section 216C.41, subdivision 4, is amended to read:

Subd. 4. [PAYMENT PERIOD.] (a) A facility may receive payments under this section for a ten-year period. No payment under this section may be made for electricity generated:

(1) by a qualified hydroelectric facility after December 31, 2015;

(2) by a qualified wind energy conversion facility after December 31, ~~2015~~ 2017; or

(3) by a qualified on-farm biogas recovery facility after December 31, 2015.

(b) The payment period begins and runs consecutively from ~~the first year in which electricity generated from the facility is eligible for incentive payment~~ the date the facility begins generating electricity or, in the case of refurbishment of a hydropower facility, after substantial repairs to the hydropower facility dam funded by the incentive payments are initiated.

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

Sec. 19. Minnesota Statutes 2002, section 216C.41, subdivision 5, is amended to read:

Subd. 5. [AMOUNT OF PAYMENT; WIND FACILITIES LIMIT.] (a) An incentive payment is based on the number of kilowatt hours of electricity generated. The amount of the payment is:

(1) for a facility described under subdivision 2, paragraph (a), clause (4), 1.0 cent per kilowatt hour; and

(2) for all other facilities, 1.5 cents per kilowatt hour.

For electricity generated by qualified wind energy conversion facilities greater than 40 kilowatts nameplate capacity, the incentive payment under this section is limited to no more than 100 megawatts of nameplate capacity. ~~During any period in which qualifying claims for incentive payments exceed 100 megawatts of nameplate capacity, the payments must be made to producers in the order in which the production capacity was brought into production.~~

(b) For wind energy conversion systems installed and contracted for after January 1, 2002, the total size of a wind energy conversion system under this section must be determined according to this paragraph. Unless the systems are interconnected with different distribution systems, the nameplate capacity of one wind energy conversion system must be combined with the nameplate capacity of any other wind energy conversion system that is:

(1) located within five miles of the wind energy conversion system;

(2) constructed within the same calendar year as the wind energy conversion system; and

(3) under common ownership.

In the case of a dispute, the commissioner of commerce shall determine the total size of the system, and shall draw all reasonable inferences in favor of combining the systems.

(c) In making a determination under paragraph (b), the commissioner of commerce may determine that two wind energy conversion systems are under common ownership when the underlying ownership structure contains similar persons or entities, even if the ownership shares differ between the two systems. Wind energy conversion systems are not under common ownership solely because the same person or entity provided equity financing for the systems.

(d) A qualified wind energy conversion system is eligible for the incentive on the date the commissioner receives:

(1) an application for payment of the incentive;

(2) one of the following:

(i) a copy of a signed power purchase agreement;

(ii) a copy of a binding agreement other than a power purchase agreement to sell electricity generated by the facility to a third person; or

(iii) if the facility developer or owner will sell electricity to its own members or customers, a copy of the purchase order for equipment to construct the facility with a delivery date and a copy of a signed receipt for a nonrefundable deposit; and

(3) any other information the commissioner deems necessary to determine whether the proposed facility qualifies for the incentive under this section.

(e) The commissioner or the commissioner's designee shall determine whether a facility qualifies for the incentive and respond in writing to the applicant approving or denying the application within 15 working days of receipt of the information required in paragraph (d). A facility that is not operational within 18 months of receipt of a letter of approval is no longer approved for the incentive. The commissioner shall notify an applicant of potential loss of approval not less than 60 days prior to the end of the 18-month period. Eligibility for a facility that loses approval may be reestablished as of the date the commissioner receives a new completed application. Approval applies only to the person or persons who applied for the incentive and may not be transferred to any other person or persons.

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

Sec. 20. Minnesota Statutes 2002, section 216C.41, is amended by adding a subdivision to read:

Subd. 5a. [ADDITIONAL SMALL WIND ENERGY PRODUCTION INCENTIVE.] The department of commerce shall authorize payment of the renewable energy production incentive to wind energy conversion systems larger than 40 kilowatts in size for 150 megawatts of nameplate capacity in addition to the capacity authorized under subdivision 5. Payment of the incentive shall be made from the renewable energy development account as provided under section 116C.779, subdivision 3. Any amount needed to fully fund incentive payments under this subdivision in addition to funds available in the renewable energy development account will be provided under subdivision 2, notwithstanding the limit specified in subdivision 5."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Neuville moved to amend S.F. No. 794 as follows:

Page 12, after line 5, insert:

"Sec. 10. [216B.361] [TOWNSHIP AGREEMENT WITH NATURAL GAS UTILITY.]

A township may enter into an agreement with a public utility providing natural gas services to provide such services within a designated portion or all of the township. If a city annexes township land for which a utility has an agreement with a township to serve, the utility shall continue to have a nonexclusive right to offer and provide service in the area identified by the agreement with the township for the term of that agreement, subject to the authority of the annexing city to manage public rights-of-way within the city as provided in sections 216B.36, 237.162, and 237.163.

Nothing in this section precludes a city from acquiring the property of a public utility under

sections 216B.45 to 216B.47 for the purpose of allowing the city to own and operate a natural gas utility, or to extend natural gas and other utility services into newly annexed areas."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Frederickson moved to amend the Neuville amendment to S.F. No. 794 as follows:

Page 1, line 6, delete "such"

The motion prevailed. So the amendment to the amendment was adopted.

Senator Anderson moved to amend the Neuville amendment to S.F. No. 794 as follows:

Page 1, line 13, delete "mange" and insert "manage"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Neuville amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 794 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 42 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.E.	Metzen	Robling	Sparks
Bakk	Kelley	Michel	Rosen	Stumpf
Belanger	Kiscaden	Moua	Ruud	Tomassoni
Betzold	Kleis	Murphy	Sams	Vickerman
Dille	Knutson	Nienow	Saxhaug	Wergin
Fischbach	Kubly	Ourada	Scheid	Wiger
Foley	Langseth	Pappas	Senjem	
Gaither	Lourey	Reiter	Skoe	
Hottinger	Marko	Rest	Solon	

Those who voted in the negative were:

Bachmann	Dibble	Jungbauer	Limmer	Pariseau
Berglin	Frederickson	Kierlin	Marty	Pogemiller
Chaudhary	Hann	Koering	Neuville	Ranum
Cohen	Higgins	Larson	Olson	Skoglund
Day	Johnson, D.J.	LeClair	Ortman	

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

APPOINTMENTS

Senator Hottinger from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 677: Senators Scheid, Kiscaden and Pappas.

S.F. No. 990: Senators Murphy, Dille and Kubly.

H.F. No. 719: Senators Pappas, Higgins and Ourada

Senator Hottinger moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Senator McGinn was excused from the Session of today. Senators Bachmann and Jungbauer were excused from the Session of today from 12:45 to 1:00 p.m. Senators Anderson and Murphy were excused from the Session of today from 12:55 to 1:30 p.m. Senator Pogemiller was excused from the Session of today from 12:45 to 1:15 p.m. Senator Kiscaden was excused from the Session of today from 12:45 to 1:30 p.m.

ADJOURNMENT

Senator Hottinger moved that the Senate do now adjourn until 10:00 a.m., Tuesday, May 13, 2003. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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