

THIRTY-THIRD DAY

St. Paul, Minnesota, Wednesday, April 10, 2013

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Ralph Olsen.

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	Eaton	Johnson	Osmek	Skoe
Bakk	Eken	Kent	Pappas	Sparks
Benson	Fischbach	Kiffmeyer	Petersen, B.	Stumpf
Bonoff	Franzen	Koenen	Pratt	Thompson
Brown	Gazelka	Limmer	Rest	Tomassoni
Carlson	Goodwin	Lourey	Rosen	Torres Ray
Chamberlain	Hall	Marty	Ruud	Weber
Champion	Hawj	Metzen	Saxhaug	Westrom
Cohen	Hayden	Miller	Scalze	Wiger
Dahle	Hoffman	Nelson	Schmit	Wiklund
Dahms	Housley	Newman	Senjem	
Dibble	Ingebrigtsen	Nienow	Sheran	
Dziedzic	Jensen	Ortman	Sieben	

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

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 129, 194, 290, 527, 648 and 1587.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 8, 2013

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 129: A bill for an act relating to commerce; regulating mortgage foreclosures; clarifying the definition of a foreclosure consultant; amending Minnesota Statutes 2012, section 325N.01.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 294, now on General Orders.

H.F. No. 194: A bill for an act relating to commerce; preventing fraud; requiring a money transmitter to notify the sender when someone tries to receive wired funds at a location other than the location specified by the sender; amending Minnesota Statutes 2012, section 53B.27, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 247, now on General Orders.

H.F. No. 290: A bill for an act relating to state government; modifying false claims provisions; amending Minnesota Statutes 2012, sections 15C.01; 15C.02; 15C.05; 15C.08; 15C.12; 15C.13; proposing coding for new law in Minnesota Statutes, chapter 15C; repealing Minnesota Statutes 2012, section 15C.14.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 281, now on General Orders.

H.F. No. 527: A bill for an act relating to commerce; regulating money transmitters; clarifying required fraud prevention measures; amending Minnesota Statutes 2012, section 53B.27, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 544, now on General Orders.

H.F. No. 648: A bill for an act relating to commerce; regulating certain lenders that use motor vehicle titles of the borrower as collateral; proposing coding for new law in Minnesota Statutes, chapter 47.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 818, now on General Orders.

H.F. No. 1587: A bill for an act relating to insurance; regulating foreign language policies and advertising; authorizing electronic notices and documents; amending Minnesota Statutes 2012, sections 60A.08, by adding a subdivision; 65A.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 60A; repealing Minnesota Rules, part 2700.0200.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1088, now on General Orders.

REPORTS OF COMMITTEES

Senator Bakk moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1191 and the report pertaining to the appointment. The motion prevailed.

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 1191: A bill for an act relating to retirement; volunteer firefighter relief associations; defining a relief association fiscal year; clarifying leaves exempted from minimum resumption service requirements for break-in-service service credit; mandating municipal approval for certain interest rates creditable to deferred service credits; amending Minnesota Statutes 2012, sections 69.771, subdivision 1; 69.774, subdivision 1; 424A.001, by adding a subdivision; 424A.01, subdivision 6; 424A.015, subdivisions 1, 4; 424A.016, subdivision 6; 424A.02, subdivision 7; 424A.10, subdivisions 1, 2; repealing Minnesota Statutes 2012, section 424A.10, subdivision 5.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE PATROL RETIREMENT PLAN FINANCIAL SOLVENCY MEASURES

Section 1. Minnesota Statutes 2012, section 352B.011, subdivision 4, is amended to read:

Subd. 4. **Average monthly salary.** (a) Subject to the limitations of section 356.611, "average monthly salary" means the average of the highest monthly salaries for five years of service as a member upon which contributions were deducted from pay under section 352B.02, or upon which appropriate contributions or payments were made to the fund to receive allowable service and salary credit as specified under the applicable law. Average monthly salary must be based upon all allowable service if this service is less than five years.

(b) The salary used for the calculation of "average monthly salary" means the salary of the member as defined in section 352.01, subdivision 13. "Average monthly salary" includes the salary of the member during the period of covered employment rendered after reaching the allowable service credit limit of section 352B.08, subdivision 2, paragraph (b). The salary used for the calculation of "average monthly salary" does not include any lump-sum annual leave payments and overtime payments made at the time of separation from state service, any amounts of severance pay, or any reduced salary paid during the period the person is entitled to workers' compensation benefit payments for temporary disability.

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

Sec. 2. Minnesota Statutes 2012, section 352B.02, subdivision 1a, is amended to read:

Subd. 1a. **Member contributions.** (a) The member contribution is the following percentage of the member's salary:

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|--|--------------------------------------|
| (1) before the first day of the first pay period beginning after July 1, 2011 2014 | 10.40 <u>12.4</u> percent |
| (2) on or after the first day of the first pay period beginning after July 1, 2011 2014, to June 30, 2016 | 12.40 <u>13.4</u> percent |
| (3) after June 30, 2016 | <u>14.4</u> percent |

(b) These contributions must be made by deduction from salary as provided in section 352.04, subdivision 4.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 3. Minnesota Statutes 2012, section 352B.02, subdivision 1c, is amended to read:

Subd. 1c. **Employer contributions.** (a) In addition to member contributions, department heads shall pay a sum equal to the specified percentage of the salary upon which deductions were made, which constitutes the employer contribution to the fund as follows:

- | | |
|--|--------------------------------------|
| (1) before the first day of the first pay period beginning after July 1, 2011 <u>2014</u> | 15.60 <u>18.6</u> percent |
| (2) on or after the first day of the first pay period beginning after July 1, 2011 <u>2014</u> , to June 30, 2016 | 18.60 <u>20.1</u> percent |
| (3) after June 30, 2016 | <u>21.6</u> percent |

(b) Department contributions must be paid out of money appropriated to departments for this purpose.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 4. Minnesota Statutes 2012, section 352B.08, subdivision 1, is amended to read:

Subdivision 1. **Eligibility; when to apply; accrual.** (a) Every member who is credited with three or more years of allowable service if first employed before July 1, ~~2010~~ 2013, or with at least five ~~ten~~ years of allowable service if first employed after June 30, ~~2010~~ 2013, is entitled to separate from state service and upon becoming 50 years old, is entitled to receive a life annuity, upon separation from state service.

(b) Members must apply for an annuity in a form and manner prescribed by the executive director.

(c) No application may be made more than 90 days before the date the member is eligible to retire by reason of both age and service requirements.

(d) An annuity begins to accrue no earlier than 180 days before the date the application is filed with the executive director.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 5. Minnesota Statutes 2012, section 352B.08, subdivision 2, is amended to read:

Subd. 2. **Normal retirement annuity.** (a) The annuity must be paid in monthly installments. The annuity shall be equal to the amount determined by multiplying the average monthly salary of the member by the percent specified in section 356.315, subdivision 6, for each year of allowable service and ~~pro rata~~ prorated for additional completed months of allowable service, unless restricted under paragraph (b).

(b) Allowable service in excess of 33 years must not be used in computing the annuity. This restriction does not apply to any member who has at least 28 years of allowable service before July 1, 2013.

(c) When the annuity commences, any member contributions attributable to allowable service not used to compute the annuity due to the restrictions in paragraph (b) must be refunded using procedures specified in section 352B.11, subdivision 1.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 6. Minnesota Statutes 2012, section 352B.08, subdivision 2a, is amended to read:

Subd. 2a. **Early retirement.** Any member who has become at least 50 years old and who has at least three years of allowable service if first employed before July 1, ~~2010~~ 2013, or who has at least ~~five~~ ten years of allowable service if first employed after June 30, ~~2010~~ 2013, is entitled upon application to a reduced retirement annuity equal to the annuity calculated under subdivision 2, reduced by one-tenth of one percent for each month that the member is under age 55 at the time of retirement, if first employed the effective date of retirement is before July 1, 2010, or reduced by two-tenths of one percent 2015. If the effective date of retirement is after June 30, 2015, the reduction is 0.34 percent for each month that the member is under age 55 at the time of retirement if first employed after June 30, 2010.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 7. Minnesota Statutes 2012, section 352B.10, subdivision 5, is amended to read:

Subd. 5. **Optional annuity.** A disablitant may elect, in lieu of spousal survivorship coverage under section 352B.11, subdivisions subdivision 2b and 2c, the normal disability benefit or an optional annuity as provided in section 352B.08, subdivision 3. The choice of an optional annuity must be made in writing, on a form prescribed by the executive director, and must be made before the commencement of the payment of the disability benefit, or within 90 days before reaching age 55 or before reaching the five-year anniversary of the effective date of the disability benefit, whichever is later. The optional annuity is effective on the date on which the disability benefit begins to accrue, or the month following the attainment of age 55 or following the five-year anniversary of the effective date of the disability benefit, whichever is later.

Sec. 8. Minnesota Statutes 2012, section 352B.11, subdivision 1, is amended to read:

Subdivision 1. **Refund of payments.** (a) A member who has not received other benefits under this chapter is entitled to a refund of payments made by salary deduction, plus interest, if the member is separated, either voluntarily or involuntarily, from the state service that entitled the member to membership.

(b) A refund under section 352B.08, subdivision 2, paragraph (c), does not result in a forfeiture of salary credit for the allowable service credit covered by the refund.

~~(b)~~ (c) In the event of the member's death, if there are no survivor benefits payable under this chapter, a refund plus interest is payable to the last designated beneficiary on a form filed with the director before death, or if no designation is filed, is payable to the member's estate. Interest under this subdivision must be calculated as provided in section 352.22, subdivision 2. To receive a refund, the application must be made on a form prescribed by the executive director.

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

Sec. 9. Minnesota Statutes 2012, section 352B.11, subdivision 2b, is amended to read:

Subd. 2b. **Surviving spouse benefit eligibility.** (a) If an active member with three or more years of allowable service if first employed before July 1, ~~2010~~ 2013, or with at least five years of allowable service if first employed after June 30, ~~2010~~ 2013, dies before attaining age 55, the surviving spouse is entitled to the a benefit specified in subdivision 2c, paragraph (b) for life equal to 50 percent of the average monthly salary of the deceased member. On the first of the month next following the date on which the deceased member would have attained exact age 55, in lieu of continued receipt of the prior benefit, the surviving spouse is eligible to commence receipt of the second half of a 100 percent joint and survivor annuity if this provides a larger benefit. The joint and survivor annuity must be computed assuming the exact age 55 for the deceased member and the age of the surviving spouse on the date of death.

(b) If an active member with less than three years of allowable service if first employed before July 1, ~~2010~~ 2013, or with fewer than five years of allowable service if first employed after June 30, ~~2010~~ 2013, dies at any age, the surviving spouse is entitled to receive the a benefit specified in subdivision 2c, paragraph (c) for life equal to 50 percent of the average monthly salary of the deceased member.

(c) If an active member with three or more years of allowable service if first employed before July 1, ~~2010~~ 2013, or with at least five years of allowable service if first employed after June 30, ~~2010~~ 2013, dies on or after attaining exact age 55, the surviving spouse is entitled to receive the benefits specified in subdivision 2c, paragraph (d) a benefit for life equal to 50 percent of the average monthly salary of the deceased member, or the second half of a 100 percent joint and survivor annuity, whichever is larger. The joint and survivor annuity must be computed using the age of the deceased member on the date of death and the age of the surviving spouse on that same date.

(d) If a disabiltant dies while receiving a disability benefit under section 352B.10 or before the benefit under that section commenced, and an optional annuity was not elected under section 352B.10, subdivision 5, the surviving spouse is entitled to receive the a benefit specified in subdivision 2c, paragraph (b) for life equal to 50 percent of the average monthly salary of the deceased member. On the first of the month next following the date on which the deceased member would have attained exact age 55, in lieu of continued receipt of the prior benefit, the surviving spouse is eligible to commence receipt of the second half of a 100 percent joint and survivor annuity if this provides a larger benefit. The joint and survivor annuity must be computed assuming the exact age 55 for the deceased member and the age of the surviving spouse on the date of death.

(e) If a former member with three or more years of allowable service if first employed before July 1, ~~2010~~ 2013, or with at least five years of allowable service if first employed after June 30, ~~2010~~ 2013, who terminated from service and has not received a refund or commenced receipt of any other benefit provided by this chapter, dies, the surviving spouse is entitled to receive the as a benefit specified in subdivision 2c, paragraph (e) the second half of a 100 percent joint and survivor annuity, commencing on the first of the month next following the deceased member's date of death, or the first of the month next following the date on which the deceased member would have attained age 55, whichever is later. The joint and survivor annuity must be computed using the age of the deceased member on the date of death and the age of the surviving spouse on that same date.

(f) If a former member with less than three years of allowable service if first employed before July 1, ~~2010~~ 2013, or with fewer than five years of allowable service if first employed after June 30, ~~2010~~ 2013, who terminated from service and has not received a refund or commenced receipt of any other benefit, if applicable, provided by this chapter, dies, the surviving spouse is entitled to

receive the refund specified in subdivision 2c, paragraph (f) or, if none, the children or, if none, the deceased member's estate is entitled to a refund of the employee contributions plus interest computed as specified in subdivision 1.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 10. Minnesota Statutes 2012, section 356.415, subdivision 1e, is amended to read:

Subd. 1e. **Annual postretirement adjustments; State Patrol retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the State Patrol retirement plan are entitled to a postretirement adjustment annually on January 1, as follows:

(1) a postretirement increase of ~~1.5~~ one percent must be applied each year, effective on January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 18 full months before the January 1 increase; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least six full months, an annual postretirement increase of 1/12 of ~~1.5~~ one percent for each month that the person has been receiving an annuity or benefit must be applied, effective January 1, following the calendar year in which the person has been retired for at least six months, but has been retired for less than 18 months.

(b) The increases provided by this subdivision commence on January 1, ~~2011~~ 2014. Increases under ~~this subdivision paragraph (a)~~ paragraph (a) for the State Patrol retirement plan terminate on December 31 of the calendar year in which the actuarial valuation prepared by the approved actuary under sections 356.214 and 356.215 and the standards for actuarial work promulgated by the Legislative Commission on Pensions and Retirement indicates that the market value of assets of the retirement plan equals or exceeds ~~90~~ 85 percent of the actuarial accrued liability of the retirement plan and increases under ~~subdivision 1 paragraph (c)~~ paragraph (c) recommence after that date.

(c) Retirement annuity, disability benefit, or survivor benefit recipients of the State Patrol retirement plan are entitled to a postretirement adjustment annually on January 1, as follows:

(1) a postretirement increase of 1.5 percent must be applied each year, effective on January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 18 full months before the January 1 increase; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least six full months, an annual postretirement increase of 1/12 of 1.5 percent for each month that the person has been receiving an annuity or benefit must be applied, effective January 1, following the calendar year in which the person has been retired for at least six months, but has been retired for less than 18 months.

(d) Increases under paragraph (c) for the State Patrol retirement plan terminate on December 31 of the calendar year in which the actuarial valuation prepared by the approved actuary under sections 356.214 and 356.215 and the standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement indicates that the market value of assets of the retirement plan equals or exceeds 90 percent of the actuarial accrued liability of the retirement plan and increases under subdivision 1 recommence after that date.

(e) (e) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the applicable covered retirement plan requesting that the increase not be made.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 11. **REPEALER.**

Minnesota Statutes 2012, section 352B.11, subdivision 2c, is repealed.

EFFECTIVE DATE. This section is effective July 1, 2013.

ARTICLE 2

PERA PLANS SALARY DEFINITION

Section 1. Minnesota Statutes 2012, section 353.01, subdivision 10, is amended to read:

Subd. 10. **Salary.** (a) Subject to the limitations of section 356.611, "salary" means:

(1) the wages or periodic compensation of payable to a public employee; by the employing governmental subdivision before:

(i) employee retirement deductions that are designated as picked-up contributions under section 356.62;

(ii) any employee-elected deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs; and also means "wages" and includes net income from fees that would have otherwise been available as a cash payment to the employee; and

(iii) employee deductions for contributions to a supplemental plan or to a governmental trust established under section 356.24, subdivision 1, clause (7), to save for postretirement health care expenses, unless otherwise excluded under paragraph (b);

(2) for a public employee who is covered by a supplemental retirement plan under section 356.24, subdivision 1, clause (8), (9), or (10), or (12) which require all plan contributions be made by the employer; the contribution contributions to the applicable supplemental retirement plan when an agreement between the parties establishes that the contribution contributions will either result in a mandatory reduction of employees' wages through payroll withholdings, or be made in lieu of an amount that would otherwise be paid as wages; and

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

(4) a payment from a public employer through a grievance proceeding, settlement, or court order that is attached to a specific earnings period in which the employee's regular salary was not earned or

paid to the member due to a suspension or a period of involuntary termination that is not a wrongful discharge under section 356.50; provided the amount is not less than the equivalent of the average of the hourly base salary rate in effect during the last six months of allowable service prior to the suspension or period of involuntary termination, plus any applicable increases awarded during the period that would have been paid under a collective bargaining agreement or personnel policy but for the suspension or involuntary termination, multiplied by the average number of regular hours for which the employee was compensated during the six months of allowable service prior to the suspension or period of involuntary termination, but not to exceed the compensation that the public employee would have earned if regularly employed during the applicable period;

(5) the amount paid to a member who is absent from employment by reason of personal, parental, or military leave of absence if equivalent to the hourly base salary rate in effect during the six months of allowable service, or portions thereof, prior to the leave, multiplied by the average number of regular hours for which the employee was compensated during the six months of allowable service prior to the applicable leave of absence;

(6) the amount paid to a member who is absent from employment by reason of an authorized medical leave of absence if specified in advance to be at least one-half, but no more than equal to the earnings the member received, on which contributions were reported and allowable service credited during the six months immediately preceding the medical leave of absence; and

(7) for a public employee who receives in addition to regular salary or in lieu of regular salary increases performance or merit bonus payment under a written compensation plan, policy, or collective bargaining agreement, the compensation paid to the employee for attaining or exceeding performance goals, duties, or measures during a specified period of employment.

(b) Salary does not mean:

(1) the fees paid to district court reporters;

(2) unused annual leave, vacation, or sick leave payments, in the form of lump-sum or periodic payments;

(3) for the donor, payment to another person of the value of hours donated under a benevolent vacation, personal, or sick leave donation program;

(4) any form of severance payments, or retirement incentive payments;

(5) an allowance payment or per diem payments for or reimbursement of expenses;

(6) lump-sum settlements not attached to a specific earnings period; or

(7) workers' compensation payments or disability insurance payments, including payments from employer self-insurance arrangements;

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

(9) employer-paid fringe benefits, including, but not limited to:

(i) employer-paid premiums or supplemental contributions for employees for all types of insurance;

(ii) membership dues or fees for the use of fitness or recreational facilities;

(iii) incentive payments or cash awards relating to a wellness program;

(iv) the value of any nonmonetary benefits;

(v) any form of payment made in lieu of an employer-paid fringe benefit;

(vi) an employer-paid amount made to a deferred compensation or tax-sheltered annuity program; and

(vii) any amount paid by the employer as a supplement to salary, either as a lump-sum amount or a fixed or matching amount paid on a recurring basis, that is not available to the employee as cash;

~~(3)~~ (10) the amount equal to that which the employing governmental subdivision would otherwise pay toward single or family insurance coverage for a covered employee when, through a contract or agreement with some but not all employees, the employer:

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

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

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

~~(4)~~ (11) except as provided in section 353.86 or 353.87, compensation of any kind paid to volunteer ambulance service personnel or volunteer firefighters, as defined in subdivision 35 or 36;

~~(5)~~ (12) the amount of compensation that exceeds the limitation provided in section 356.611; and

~~(6)~~ (13) amounts paid by a federal or state grant for which the grant specifically prohibits grant proceeds from being used to make pension plan contributions, unless the contributions to the plan are made from sources other than the federal or state grant; and

(14) bonus pay that is not performance or merit pay under paragraph (a), clause (6).

(c) Amounts, other than those provided under paragraph (a), clause (4), provided to an employee by the employer through a grievance proceeding, a court order, or a legal settlement are salary only if the settlement or court order is reviewed by the executive director and the amounts are determined by the executive director to be consistent with paragraph (a) and prior determinations.

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

ARTICLE 3

PUBLIC EMPLOYEES POLICE AND FIRE RETIREMENT PLAN FINANCIAL SOLVENCY MEASURES

Section 1. Minnesota Statutes 2012, section 353.01, subdivision 17a, is amended to read:

Subd. 17a. **Average salary.** (a) "Average salary," for purposes of calculating a retirement annuity under section 353.29, subdivision 3, means an amount equivalent to the average of the highest salary of the member, police officer, or firefighter, whichever applies, upon which employee contributions were paid for any five successive years of allowable service, based on dates of salary periods as listed on salary deduction reports. "Average salary" includes the salary of the employee during the period of covered employment rendered after reaching the allowable service credit limit of section 353.651, subdivision 3, paragraph (b). Average salary must be based upon all allowable service if this service is less than five years.

(b) "Average salary" may not include any reduced salary paid during a period in which the employee is entitled to benefit payments from workers' compensation for temporary disability, unless the average salary is higher, including this period.

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

Sec. 2. Minnesota Statutes 2012, section 353.01, subdivision 41, is amended to read:

Subd. 41. **Duty disability.** "Duty disability," physical or psychological, means a condition that is expected to prevent a member, for a period of not less than 12 months, from performing the normal duties of the position held by a person who is a member of the public employees police and fire retirement plan, and that is the direct result of an injury incurred during, or a disease arising out of, ~~the performance of normal duties or the actual performance of less frequent inherently dangerous duties, either of which are specific to protecting the property and personal safety of others and that present inherent dangers~~ that are specific to the positions covered by the public employees police and fire retirement plan.

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

Sec. 3. Minnesota Statutes 2012, section 353.01, subdivision 47, is amended to read:

Subd. 47. **Vesting.** (a) "Vesting" means obtaining a nonforfeitable entitlement to an annuity or benefit from a retirement plan administered by the Public Employees Retirement Association by having credit for sufficient allowable service under paragraph (b) ~~or~~ (c), or (d), whichever applies.

(b) For purposes of qualifying for an annuity or benefit as a basic or coordinated plan member of the general employees retirement plan of the Public Employees Retirement Association:

(1) a public employee who first became a member of the association before July 1, 2010, is 100 percent vested when the person has accrued credit for not less than three years of allowable service as defined under subdivision 16; and

(2) a public employee who first becomes a member of the association after June 30, 2010, is 100 percent vested when the person has accrued credit for not less than five years of allowable service as defined under subdivision 16.

(c) For purposes of qualifying for an annuity or benefit as a member of the ~~police and fire plan or a member of the~~ local government correctional employees retirement plan:

(1) a public employee who first became a member of the association before July 1, 2010, is 100 percent vested when the person has accrued credit for not less than three years of allowable service as defined under subdivision 16; and

(2) a public employee who first becomes a member of the association after June 30, 2010, is vested at the following percentages when the person has accrued credited allowable service as defined under subdivision 16, as follows:

- (i) 50 percent after five years;
- (ii) 60 percent after six years;
- (iii) 70 percent after seven years;
- (iv) 80 percent after eight years;
- (v) 90 percent after nine years; and
- (vi) 100 percent after ten years.

(d) For purposes of qualifying for an annuity or benefit as a member of the public employees police and fire retirement plan:

(1) a public employee who first became a member of the association before July 1, 2010, is 100 percent vested when the person has accrued credit for not less than three years of allowable service as defined under subdivision 16;

(2) a public employee who first becomes a member of the association after June 30, 2010, and before July 1, 2014, is vested at the following percentages when the person has accrued credited allowable service as defined under subdivision 16, as follows:

- (i) 50 percent after five years;
- (ii) 60 percent after six years;
- (iii) 70 percent after seven years;
- (iv) 80 percent after eight years;
- (v) 90 percent after nine years; and
- (vi) 100 percent after ten years; and

(3) a public employee who first becomes a member of the association after June 30, 2014, is vested at the following percentages when the person has accrued credited allowable service as defined under subdivision 16, as follows:

- (i) 50 percent after ten years;
- (ii) 55 percent after 11 years;
- (iii) 60 percent after 12 years;
- (iv) 65 percent after 13 years;

- (v) 70 percent after 14 years;
- (vi) 75 percent after 15 years;
- (vii) 80 percent after 16 years;
- (viii) 85 percent after 17 years;
- (ix) 90 percent after 18 years;
- (x) 95 percent after 19 years; and
- (xi) 100 percent after 20 or more years.

Sec. 4. Minnesota Statutes 2012, section 353.031, subdivision 4, is amended to read:

Subd. 4. **Additional requirements; eligibility for police and fire or local government correctional service retirement plan disability benefits.** (a) If an application for disability benefits is filed within two years of the date of the injury or the onset of the illness that gave rise to the disability application, the application must be supported by evidence that the applicant is unable to perform the duties of the position held by the applicant on the date of the injury or the onset of the illness causing the disability. The employer must provide evidence indicating whether the applicant is able or unable to perform the duties of the position held on the date of the injury or onset of the illness causing the disability ~~and the specifications, a clear explanation of any duties that the individual can or cannot perform, and an explanation of why the employer may or may not authorize continued employment to the applicant in the current or some other position.~~

(b) If an application for disability benefits is filed more than two years after the date of injury or the onset of an illness causing the disability, the application must be supported by evidence that the applicant is unable to perform the ~~most recent~~ duties that ~~are~~ were expected to be performed by the applicant during the 90 days ~~before preceding the filing of last day the application~~ applicant performed services for the employer. The employer must provide evidence of the duties that ~~are~~ were expected to be performed by the applicant during the 90 days ~~before preceding the filing of last day the application~~ applicant performed services, whether the applicant can or cannot perform those duties overall, ~~and the specifications~~ a clear explanation of any duties that the applicant can or cannot perform, and an explanation of ~~why the employer may or may not authorize continued employment to the applicant in the current or some other position.~~

(c) Any report supporting a claim to disability benefits under section 353.656 or 353E.06 must specifically relate the disability to its cause; and for any claim to duty disability from an injury or illness arising out of an act of duty, the report must state the specific act of duty giving rise to the claim, and relate the cause of disability to inherently dangerous duties specific tasks or functions required to be performed by the employee in fulfilling the employee's duty-related acts which must be specific to the inherent dangers of the positions eligible for membership in covered by the public employees police and fire fund plan and the local government correctional service retirement plan. Any report that does not relate the cause of disability to specific ~~acts or functions~~ inherently dangerous duties performed by the employee may not be relied upon as evidence to support eligibility for benefits and may be disregarded in the executive director's decision-making process.

(d) Any application for duty disability must be supported by a first report of injury as defined in section 176.231.

(e) If a member who has applied for and been approved for disability benefits before the termination of service does not terminate service or is not placed on an authorized leave of absence as certified by the governmental subdivision within 45 days following the date on which the application is approved, the application shall be canceled. If an approved application for disability benefits has been canceled, a subsequent application for disability benefits may not be filed on the basis of the same medical condition for a minimum of one year from the date on which the previous application was canceled.

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

Sec. 5. Minnesota Statutes 2012, section 353.35, subdivision 1, is amended to read:

Subdivision 1. **Refund rights.** (a) Except as provided in paragraph (b), when any former member accepts a refund, all existing service credits and all rights and benefits to which the person was entitled prior to the acceptance of the refund must terminate.

(b) A refund under section 353.651, subdivision 3, paragraph (c), does not result in a forfeiture of salary credit for the allowable service credit covered by the refund.

(c) The rights and benefits of a former member must not be restored until the person returns to active service and acquires at least six months of allowable service credit after taking the last refund and repays the refund or refunds taken and interest received under section 353.34, subdivisions 1 and 2, plus interest at an annual rate of 8.5 percent compounded annually. If the person elects to restore service credit in a particular fund from which the person has taken more than one refund, the person must repay all refunds to that fund. All refunds must be repaid within six months of the last date of termination of public service.

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

Sec. 6. Minnesota Statutes 2012, section 353.65, subdivision 2, is amended to read:

Subd. 2. **Employee contribution.** (a) For members other than members who were active members of the former Minneapolis Firefighters Relief Association on December 29, 2011, or for members other than members who were active members of the former Minneapolis Police Relief Association on December 29, 2011, the employee contribution is 9.4 percent an amount equal to the following percentage of the total salary of the each member in calendar year 2010 and is, as follows: 9.6 percent of the salary of the member in each before calendar year after 2010 2014; 10.2 percent in calendar year 2014; and 10.8 percent in calendar year 2015 and thereafter.

(b) For members who were active members of the former Minneapolis Firefighters Relief Association on December 29, 2011, the employee contribution is an amount equal to eight percent of the monthly unit value under section 353.01, subdivision 10a, multiplied by 80 and expressed as a biweekly amount for each member. The employee contribution made by a member with at least 25 years of service credit as an active member of the former Minneapolis Firefighters Relief Association must be deposited in the postretirement health care savings account established under section 352.98.

(c) For members who were active members of the former Minneapolis Police Relief Association on December 29, 2011, the employee contribution is an amount equal to eight percent of the monthly unit value under section 353.01, subdivision 10b, multiplied by 80 and expressed as a biweekly amount for each member. The employee contribution made by a member with at least 25 years of

service credit as an active member of the former Minneapolis Police Relief Association must be deposited in the postretirement health care savings account established under section 352.98.

(d) Contributions under this section must be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, the member's employee contribution is based on the total salary received from all sources.

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

Sec. 7. Minnesota Statutes 2012, section 353.65, subdivision 3, is amended to read:

Subd. 3. **Employer contribution.** (a) With respect to members other than members who were active members of the former Minneapolis Firefighters Relief Association on December 29, 2011, or for members other than members who were active members of the former Minneapolis Police Relief Association on December 29, 2011, the employer contribution is ~~14.1 percent an amount equal to the following percentage of the total salary of the each member in calendar year 2010 and is, as follows: 14.4 percent of the salary of the member in each before calendar year after 2010 2014;~~ 14.4 percent in calendar year 2010 and 2011; 15.3 percent in calendar year 2012; 15.3 percent in calendar year 2013; 15.3 percent in calendar year 2014; and 16.2 percent in calendar year 2015 and thereafter.

(b) With respect to members who were active members of the former Minneapolis Firefighters Relief Association on December 29, 2011, the employer contribution is an amount equal to the amount of the member contributions under subdivision 2, paragraph (b).

(c) With respect to members who were active members of the former Minneapolis Police Relief Association on December 29, 2011, the employer contribution is an amount equal to the amount of the member contributions under subdivision 2, paragraph (c).

(d) Contributions under this subdivision must be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

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

Sec. 8. Minnesota Statutes 2012, section 353.651, subdivision 3, is amended to read:

Subd. 3. **Retirement annuity formula.** (a) The average salary as defined in section 353.01, subdivision 17a, multiplied by the percent specified in section 356.315, subdivision 6, per year multiplied by years of allowable service, multiplied by the applicable vesting percentage indicated in section 353.01, subdivision 47, determines the amount of the normal retirement annuity. If the member has earned allowable service for performing services other than those of a police officer or firefighter, the annuity representing that service must be computed under sections 353.29 and 353.30.

(b) For a member first enrolled in the public employees police and fire retirement plan after June 30, 2014, the average salary as defined in section 353.01, subdivision 17a, paragraph (a), includes salary for all years for which contributions have been reported to the public employees police and fire retirement plan, but allowable service included in the calculation is limited to 33 years and the normal retirement annuity must not exceed 99 percent of the average salary.

(c) When the annuity begins for members of the public employees police and fire retirement plan enrolled after June 30, 2014, a prorated share of the contributions for allowable service exceeding 33 years must be refunded to the member. The prorated share of the contributions to be refunded is determined by multiplying the accumulated deductions paid by the member to the public employees

police and fire retirement plan by a percentage determined using the number of months of service in excess of 396 as the numerator and the total number of months of allowable service on which contributions were reported as the denominator. Interest as defined in section 353.34, subdivision 2, is to be applied to the prorated share of contributions from the first of the 397th month of allowable service reported to the public employees police and fire retirement plan to the first of the month the annuity begins.

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

Sec. 9. Minnesota Statutes 2012, section 353.651, subdivision 4, is amended to read:

Subd. 4. **Early retirement.** (a) A person who becomes a public employees police and fire retirement plan member after June 30, 2007, or a former member who is reinstated as a member of the plan after that date, who is at least 50 years of age and who is at least partially vested under section 353.01, subdivision 47, upon the termination of public service before July 1, 2014, if the person is other than a county sheriff or after January 4, 2015, if the person is a county sheriff is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced by two-tenths of one percent for each month that the member is under age 55 at the time of retirement.

(b) Upon the termination of public service before July 1, 2014, if the person is other than a county sheriff or upon the termination of public service before January 5, 2015, if the person is a county sheriff, any public employees police and fire retirement plan member who first became a member of the plan before July 1, 2007, and who is not specified in paragraph (a), upon attaining at least 50 years of age with at least three years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced by one-tenth of one percent for each month that the member is under age 55 at the time of retirement.

(c) A person other than a county sheriff who is a member of the public employees police and fire retirement plan on or after July 1, 2014, or a county sheriff who is a member of the public employees police and fire retirement plan on or after January 5, 2015, and who is at least 50 years old and is at least partially vested under section 353.01, subdivision 47, and whose benefit effective date is after July 1, 2014, if other than a county sheriff or after January 4, 2015, if a county sheriff and on or before July 1, 2019, is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced for each month the member is under age 55 at the time of retirement by applying a blended monthly rate that is equivalent to the sum of:

(1) one-sixtieth of the annual rate of five percent, prorated for each month the person's benefit effective date is after July 1, 2014, or after December 31, 2014, whichever applies; and

(2) one-sixtieth of the annual rate provided under paragraph (a) or (b), whichever applies, for each month the person's benefit effective date is before July 1, 2019.

(d) A person other than a county sheriff who is a member of the public employees police and fire retirement plan on or after July 1, 2014, or a county sheriff who is a member of the public employees police and fire retirement plan on or after January 5, 2015, and who is at least 50 years old and is at least partially vested under section 353.01, subdivision 47, whose benefit effective date is after July 1, 2019, is entitled, upon application, to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced by five percent annually, prorated for each month that the member is under age 55.

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

Sec. 10. Minnesota Statutes 2012, section 353.657, subdivision 2a, is amended to read:

Subd. 2a. **Death while eligible survivor benefit.** (a) If a member or former member who has attained the age of at least 50 years and either who is vested under section 353.01, subdivision 47, or who has credit for at least 30 years of allowable service, regardless of age attained, dies before the annuity or disability benefit becomes payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive a death while eligible survivor benefit.

(b) Notwithstanding the definition of surviving spouse in section 353.01, subdivision 20, a former spouse of the member, if any, is entitled to a portion of the death while eligible survivor benefit if stipulated under the terms of a marriage dissolution decree filed with the association. If there is no surviving spouse or child or children, a former spouse may be entitled to a lump-sum refund payment under section 353.32, subdivision 1, if provided for in a marriage dissolution decree but not a death while eligible survivor benefit despite the terms of a marriage dissolution decree filed with the association.

(c) The benefit may be elected instead of a refund with interest under section 353.32, subdivision 1, or surviving spouse benefits otherwise payable under subdivisions 1 and 2. The benefit must be an annuity equal to the 100 percent joint and survivor annuity which the member could have qualified for on the date of death, computed as provided in sections 353.651, ~~subdivisions 2 and~~ subdivision 3, and 353.30, subdivision 3.

(d) The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision.

(e) No payment accrues beyond the end of the month in which entitlement to such annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse must be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of such deceased member.

(f) Any member may request in writing, with the signed consent of the spouse, that this subdivision not apply and that payment be made only to the designated beneficiary, as otherwise provided by this chapter.

(g) For a member who is employed as a full-time firefighter by the Department of Military Affairs of the state of Minnesota, allowable service as a full-time state Military Affairs Department firefighter credited by the Minnesota State Retirement System may be used in meeting the minimum allowable service requirement of this subdivision.

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

Sec. 11. Minnesota Statutes 2012, section 353.657, subdivision 3a, is amended to read:

Subd. 3a. **Maximum and minimum family benefits.** (a) The maximum monthly benefit per family must not exceed the following percentages of the member's average monthly salary as specified in subdivision 3:

- (1) 80 percent, if the member's death was a line of duty death; or
- (2) 70 percent, if the member's death was not a line of duty death or occurred while the member was receiving a disability benefit that accrued before July 1, 2007.

(b) The minimum monthly benefit per family, including the joint and survivor optional annuity under subdivision 2a, and section 353.656, subdivision 1a, must not be less than the following percentage of the member's average monthly salary as specified in subdivision 3:

- (1) 60 percent, if the death was a line of duty death; or
- (2) 50 percent, if the death was not a line of duty death or occurred while the member was receiving a disability benefit that accrued before July 1, 2007.

(c) If the maximum under paragraph (a) is exceeded, the monthly benefit of the joint annuitant, surviving spouse, and dependent children, as applicable, must each be reduced to the amount necessary proportionately so that the total family benefit does not exceed the applicable maximum. The joint and survivor optional annuity, surviving spouse, or dependent children benefit, as applicable, must be restored, plus applicable postretirement adjustments under Minnesota Statutes 2008, section 356.41 or section 356.415, as the dependent child or children become no longer dependent under section 353.01, subdivision 15, or in the event of the death of the joint and survivor annuity recipient or the surviving spouse.

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

Sec. 12. Minnesota Statutes 2012, section 353E.001, subdivision 1, is amended to read:

Subdivision 1. **Duty disability.** "Duty disability," physical or psychological, means a condition that is expected to prevent a member, for a period of not less than 12 months, from performing the normal duties of a local government correctional service employee as defined under section 353E.02 and that is the direct result of an injury incurred during, or a disease arising out of, the performance of ~~normal duties or the actual performance of less frequent inherently dangerous duties, either of which are specific to protecting the property and personal safety of others and that present inherent dangers~~ that are specific to the positions covered by the local government correctional service retirement plan.

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

Sec. 13. Minnesota Statutes 2012, section 356.415, subdivision 1b, is amended to read:

Subd. 1b. **Annual postretirement adjustments; PERA; general employees retirement plan and local government correctional retirement plan.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the general employees retirement plan of the Public Employees Retirement Association and the local government correctional service retirement plan are entitled to a postretirement adjustment annually on January 1, as follows:

(1) for ~~January 1, 2011, and~~ each successive January 1 until funding stability is restored for the applicable retirement plan, a postretirement increase of one percent must be applied each year, effective on January 1, to the monthly annuity or benefit amount of each annuitant or benefit recipient who has been receiving an annuity or benefit for at least 12 full months as of the current June 30;

(2) for ~~January 1, 2011, and~~ each successive January 1 until funding stability is restored for the applicable retirement plan, for each annuitant or benefit recipient who has been receiving an annuity

or a benefit for at least one full month, but less than 12 full months as of the current June 30, an annual postretirement increase of 1/12 of one percent for each month the person has been receiving an annuity or benefit must be applied;

(3) for each January 1 following the restoration of funding stability for the applicable retirement plan, a postretirement increase of 2.5 percent must be applied each year, effective January 1, to the monthly annuity or benefit amount of each annuitant or benefit recipient who has been receiving an annuity or benefit for at least 12 full months as of the current June 30; and

(4) for each January 1 following restoration of funding stability for the applicable retirement plan, for each annuity or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the current June 30, an annual postretirement increase of 1/12 of 2.5 percent for each month the person has been receiving an annuity or benefit must be applied.

(b) Funding stability is restored when the market value of assets of the applicable retirement plan equals or exceeds 90 percent of the actuarial accrued liabilities of the applicable plan in the two most recent prior consecutive actuarial valuation valuations prepared under section 356.215 and the standards for actuarial work by the approved actuary retained by the Public Employees Retirement Association under section 356.214.

~~(c) If, after applying the increase as provided for in paragraph (a), clauses (3) and (4), the market value of the applicable retirement plan is determined in the next subsequent actuarial valuation prepared under section 356.215 to be less than 90 percent of the actuarial accrued liability of any of the applicable Public Employees Retirement Association plans; After having met the definition of funding stability under paragraph (b), the increase provided in paragraph (a), clauses (1) and (2), are rather than an increase under subdivision 1, is again to be applied as of the next successive January until funding stability is again restored: in a subsequent year or years if the market value of assets of the applicable plan equals or is less than:~~

(1) 85 percent of the actuarial accrued liabilities of the applicable plan for two consecutive actuarial valuations; or

(2) 80 percent of the actuarial accrued liabilities of the applicable plan for the most recent actuarial valuation.

(d) An increase in annuity or benefit payments under this section must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

(e) The retirement annuity payable to a person who retires before becoming eligible for Social Security benefits and who has elected the optional payment, as provided in section 353.29, subdivision 6, must be treated as the sum of a period-certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period-certain retirement annuity plus the life retirement annuity must be the annuity amount payable until age 62 for section 353.29, subdivision 6. A postretirement adjustment granted on the period-certain retirement annuity must terminate when the period-certain retirement annuity terminates.

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

Sec. 14. Minnesota Statutes 2012, section 356.415, subdivision 1c, is amended to read:

Subd. 1c. **Annual postretirement adjustments; PERA-police and fire.** (a) Retirement annuity, disability benefit, or survivor benefit recipients of the public employees police and fire retirement plan are entitled to a postretirement adjustment annually on January 1, until funding stability is restored, as follows:

(1) for ~~January 1, 2011, and for January 1, 2012~~, for each annuitant or benefit recipient whose annuity or benefit effective date is on or before June 1, 2014, who has been receiving the annuity or benefit for at least 12 full months as of the immediate preceding June 30, an amount equal to one percent in each year; or

(2) for ~~January 1, 2011, and for January 1, 2012~~, for each annuitant or benefit recipient whose annuity or benefit effective date is on or before June 1, 2014, who has been receiving the annuity or benefit for at least one full month, but not less than 11 months, as of the immediate preceding June 30, an amount equal to 1/12 of one percent in each year for each month of annuity or benefit receipt; and

(3) for ~~January 1, 2013, and each successive January 1 that follows the loss of funding stability as defined under paragraph (b) until funding stability as defined under paragraph (b) is again restored~~, for each annuitant or benefit recipient whose annuity or benefit effective date is after June 1, 2014, who ~~has~~ will have been receiving the an annuity or benefit for at least ~~12~~ 36 full months as of the immediate preceding June 30, an amount equal to the percentage increase in the Consumer Price Index for urban wage earners and clerical workers all items index published by the Bureau of Labor Statistics of the United States Department of Labor between the immediate preceding June 30 and the June 30 occurring 12 months previous, but not to exceed 1.5 one percent; or

(4) for ~~January 1, 2013, and each successive January 1 that follows the loss of funding stability as defined under paragraph (b) until funding stability as defined under paragraph (b) is again restored~~, for each annuitant or benefit recipient whose annuity or benefit effective date is after June 1, 2014, who has been receiving the annuity or benefit for at least ~~one~~ 25 full ~~month~~ months, but less than 36 months as of the immediate preceding June 30, an amount equal to 1/12 of the percentage increase in the Consumer Price Index for urban wage earners and clerical workers all items index published by the Bureau of Labor Statistics of the United States Department of Labor between the immediate preceding June 30 and the June 30 occurring 12 months previous for each full month of annuity or benefit receipt, but not to exceed 1/12 of 1.5 one percent for each full month of annuity or benefit receipt during the fiscal year in which the annuity or benefit was effective;

(5) ~~for~~ (b) Retirement annuity, disability benefit, or survivor benefit recipients of the public employees police and fire retirement plan are entitled to a postretirement adjustment annually on each January 1 following the restoration of funding stability as defined under paragraph (b) (c) and during the continuation of funding stability as defined under paragraph (b) (c), as follows:

(1) for each annuitant or benefit recipient who has been receiving the annuity or benefit for at least ~~12~~ 36 full months as of the immediate preceding June 30, an amount equal to the percentage increase in the Consumer Price Index for urban wage earners and clerical workers all items index published by the Bureau of Labor Statistics of the United States Department of Labor between the immediate preceding June 30 and the June 30 occurring 12 months previous, but not to exceed 2.5 percent; and

(6) for each January 1 following the restoration of funding stability as defined under paragraph (b) and during the continuation of funding stability as defined under paragraph (b); (2) for each

annuitant or benefit recipient who has been receiving the annuity or benefit for at least ~~one~~ 25 full month months, but less than 36 full months, as of the immediate preceding June 30, an amount equal to 1/12 of the percentage increase in the Consumer Price Index for urban wage earners and clerical workers all items index published by the Bureau of Labor Statistics of the United States Department of Labor between the immediate preceding June 30 and the June 30 occurring 12 months previous for each full month of annuity or benefit receipt during the fiscal year in which the annuity or benefit was effective, but not to exceed 1/12 of 2.5 percent for each full month of annuity or benefit receipt during the fiscal year in which the annuity or benefit was effective.

(b) ~~(c)~~ Funding stability is restored when the market value of assets of the public employees police and fire retirement plan equals or exceeds 90 percent of the actuarial accrued liabilities of the applicable plan in the two most recent prior consecutive actuarial valuation valuations prepared under section 356.215 and under the standards for actuarial work of the Legislative Commission on Pensions and Retirement by the approved actuary retained by the Public Employees Retirement Association under section 356.214.

(d) After having met the definition of funding stability under paragraph (c), a full or prorated increase, as provided in paragraph (a), clause (1), (2), (3), or (4), whichever applies, rather than adjustments under paragraph (b), is again applied in a subsequent year or years if the market value of assets of the public employees police and fire retirement plan equals or is less than:

(1) 85 percent of the actuarial accrued liabilities of the applicable plan for two consecutive actuarial valuations; or

(2) 80 percent of the actuarial accrued liabilities of the applicable plan for the most recent actuarial valuation.

~~(c)~~ (e) An increase in annuity or benefit payments under this section must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

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

ARTICLE 4

TEACHERS RETIREMENT ASSOCIATION EARLY RETIREMENT REDUCTION FACTORS

Section 1. Minnesota Statutes 2012, section 354.44, subdivision 6, is amended to read:

Subd. 6. **Computation of formula program retirement annuity.** (a) The formula retirement annuity must be computed in accordance with the applicable provisions of the formulas stated in paragraph (b) or (d) on the basis of each member's average salary under section 354.05, subdivision 13a, for the period of the member's formula service credit.

(b) This paragraph, in conjunction with paragraph (c), applies to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e), produces a higher annuity amount, in which case paragraph (d) applies. The average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled for service rendered before July 1, 2006:

	Coordinated Member	Basic Member
Each year of service during first ten	the percent specified in section 356.315, subdivision 1, per year	the percent specified in section 356.315, subdivision 3, per year
Each year of service thereafter	the percent specified in section 356.315, subdivision 2, per year	the percent specified in section 356.315, subdivision 4, per year

For service rendered on or after July 1, 2006, the average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of service credit, determines the amount the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	the percent specified in section 356.315, subdivision 1a, per year	the percent specified in section 356.315, subdivision 3, per year
Each year of service after ten years of service	the percent specified in section 356.315, subdivision 2b, per year	the percent specified in section 356.315, subdivision 4, per year

(c)(i) This paragraph applies only to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in conjunction with this paragraph than when calculated under paragraph (d), in conjunction with paragraph (e).

(ii) Where any member retires prior to normal retirement age under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in paragraph (b) reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month that the member is under age 62.

(iii) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in paragraph (b), without any reduction by reason of early retirement.

(d) This paragraph applies to a member who has become at least 55 years old and first became a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount when calculated under this paragraph and in conjunction with paragraph (e), is higher than it is when calculated under paragraph (b), in conjunction with paragraph (c). For a basic member, the average salary, as defined in section 354.05, subdivision 13a, multiplied by the percent specified by section 356.315, subdivision 4, for each year of service for a basic member shall determine the amount of the retirement annuity to which the basic member is entitled. The annuity of a basic member who was a member of the former Minneapolis Teachers Retirement Fund Association as of June 30, 2006, must be determined according to the annuity formula under the articles of incorporation of the former Minneapolis Teachers Retirement Fund Association in effect as of that date. For a coordinated member, the average salary, as defined in

section 354.05, subdivision 13a, multiplied by the percent specified in section 356.315, subdivision 2, for each year of service rendered before July 1, 2006, and by the percent specified in section 356.315, subdivision 2b, for each year of service rendered on or after July 1, 2006, determines the amount of the retirement annuity to which the coordinated member is entitled.

(e) This paragraph applies to a person who has become at least 55 years old and first becomes a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b), in conjunction with paragraph (c). An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity provided in paragraph (d) reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006. Except in regards to section 354.46, this paragraph remains in effect until June 30, 2015.

(f) After June 30, 2020, this paragraph applies to a person who has become at least 55 years old and first becomes a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b), in conjunction with paragraph (c). An employee who retires under the formula annuity before the normal retirement age is entitled to receive the normal annuity provided in paragraph (d). For a person who is at least age 62 or older and has at least 30 years of service, the annuity must be reduced by an early reduction factor of six percent per year of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee became an employee after June 30, 2006. For a person who is not at least age 62 or older and does not have at least 30 years of service, the annuity would be reduced by an early reduction factor of four percent per year for ages 55 through 59 and seven percent per year of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee became an employee after June 30, 2006.

(g) After June 30, 2015, and before July 1, 2020, for a person who would have a reduced retirement annuity under either paragraph (e) or (f) if they were applicable, the employee is entitled to receive a reduced annuity which must be calculated using a blended reduction factor augmented monthly by 1/60 of the difference between the reduction required under paragraph (e) and the reduction required under paragraph (f).

(f) (h) No retirement annuity is payable to a former employee with a salary that exceeds 95 percent of the governor's salary unless and until the salary figures used in computing the highest five successive years average salary under paragraph (a) have been audited by the Teachers Retirement Association and determined by the executive director to comply with the requirements and limitations of section 354.05, subdivisions 35 and 35a.

EFFECTIVE DATE. This section is effective July 1, 2013.

ARTICLE 5

FIRST CLASS CITY TEACHER RETIREMENT INCREASES AND FINANCIAL SOLVENCY MEASURES

Section 1. **[354.436] DIRECT STATE AID ON BEHALF OF THE FORMER MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION.**

Subdivision 1. **Aid authorization.** The state shall pay \$12,954,000 to the Teachers Retirement Association on behalf of the former Minneapolis Teachers Retirement Fund Association.

Subd. 2. **Aid appropriation.** The commissioner of management and budget shall pay the aid annually on October 1. The amount required is appropriated annually from the general fund to the commissioner of management and budget.

Subd. 3. **Aid expiration.** The aid specified in this section terminates and this section expires when the current assets of the Teachers Retirement Association fund equal or exceed the actuarial accrued liabilities of the fund as determined in the most recent actuarial valuation report for the Teachers Retirement Association fund by the actuary retained under section 356.214, or on the established date for full funding under section 356.215, subdivision 11, whichever occurs earlier.

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

Sec. 2. Minnesota Statutes 2012, section 354A.011, subdivision 21, is amended to read:

Subd. 21. **Retirement.** (a) "Retirement" means the time after the date of cessation of active teaching service by a teacher who is ~~thereafter then~~ entitled to an accrued retirement annuity commencing beginning as designated by the board of trustees and payable ~~pursuant to an~~ upon filing a valid application for an annuity filed with the board. The applicable provisions of law, articles of incorporation and bylaws in effect on the date of cessation of active teaching service thereafter determine the rights of the person.

(b) For members of the St. Paul Teachers Retirement Fund Association, a right to a retirement annuity requires a complete and continuous separation for 90 days from employment in any form with Independent School District No. 625, including service provided to the school district as an independent contractor or as an employee of an independent contractor.

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

Sec. 3. Minnesota Statutes 2012, section 354A.12, subdivision 1, is amended to read:

Subdivision 1. **Employee contributions.** (a) The contribution required to be paid by each member of a teachers retirement fund association is the percentage of total salary specified below for the applicable association and program:

Association and Program	Percentage of Total Salary
Duluth Teachers Retirement Fund Association	
old law and new law	
coordinated programs	

before July 1, 2011 <u>2013</u>	5.5 <u>6.5</u> percent
effective July 1, 2011 <u>2013</u>	6.0 <u>7.0</u> percent
effective July 1, 2012 <u>2014</u>	6.5 <u>7.5</u> percent

St. Paul Teachers Retirement Fund Association

basic program before July 1, 2011	8 percent
basic program after June 30, 2011	8.25 percent
basic program after June 30, 2012	8.5 percent
basic program after June 30, 2013	8.75 percent
basic program after June 30, 2014	9.0 percent
<u>basic program after June 30, 2015</u>	<u>9.5 percent</u>
<u>basic program after June 30, 2016</u>	<u>10.0 percent</u>
coordinated program before July 1, 2011	5.5 percent
coordinated program after June 30, 2011	5.75 percent
coordinated program after June 30, 2012	6.0 percent
coordinated program after June 30, 2013	6.25 percent
coordinated program after June 30, 2014	6.50 percent
<u>coordinated program after June 30, 2015</u>	<u>7.0 percent</u>
<u>coordinated program after June 30, 2016</u>	<u>7.50 percent</u>

(b) Contributions shall be made by deduction from salary and must be remitted directly to the respective teachers retirement fund association at least once each month.

(c) When an employee contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

EFFECTIVE DATE. This section is effective with respect to the Duluth Teachers Retirement Fund Association on July 1, 2013, and is effective with respect to the St. Paul Teachers Retirement Fund Association on the day following final enactment.

Sec. 4. Minnesota Statutes 2012, section 354A.12, subdivision 2a, is amended to read:

Subd. 2a. **Employer regular and additional contributions.** (a) The employing units shall make the following employer contributions to teachers retirement fund associations:

(1) for any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a regular employer contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth Teachers Retirement Fund Association

before July 1, 2011 <u>2013</u>	5.79 <u>6.79</u> percent
effective July 1, 2011 <u>2013</u>	6.29 <u>7.29</u> percent

effective July 1, 2012 <u>2014</u>	6.79 <u>7.50</u> percent
St. Paul Teachers Retirement Fund Association	
before July 1, 2011	4.50 percent
after June 30, 2011	4.75 percent
after June 30, 2012	5.0 percent
after June 30, 2013	5.25 percent
after June 30, 2014	5.5 percent
<u>after June 30, 2015</u>	<u>6.0</u> percent
<u>after June 30, 2016</u>	<u>6.25</u> percent
<u>after June 30, 2017</u>	<u>6.5</u> percent

(2) for any basic member of the St. Paul Teachers Retirement Fund Association, the employing unit shall make a regular employer contribution to the respective retirement fund in an amount according to the schedule below:

before July 1, 2011	8.0 percent of salary
after June 30, 2011	8.25 percent of salary
after June 30, 2012	8.5 percent of salary
after June 30, 2013	8.75 percent of salary
after June 30, 2014	9.0 percent of salary
<u>after June 30, 2015</u>	<u>9.5</u> percent of salary
<u>after June 30, 2016</u>	<u>9.75</u> percent of salary
<u>after June 30, 2017</u>	<u>10.0</u> percent of salary

(3) for a basic member of the St. Paul Teachers Retirement Fund Association, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to 3.64 percent of the salary of the basic member;

(4) for a coordinated member of the St. Paul Teachers Retirement Fund Association, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to the applicable percentage of the coordinated member's salary, as provided below:

St. Paul Teachers Retirement Fund Association	3.84 percent
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(b) The regular and additional employer contributions must be remitted directly to the respective teachers retirement fund association at least once each month. Delinquent amounts are payable with interest under the procedure in subdivision 1a.

(c) Payments of regular and additional employer contributions for school district or technical college employees who are paid from normal operating funds must be made from the appropriate fund of the district or technical college.

(d) When an employer contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

EFFECTIVE DATE. This section is effective with respect to the Duluth Teachers Retirement Fund Association on July 1, 2013, and is effective with respect to the St. Paul Teachers Retirement Fund Association on the day following final enactment.

Sec. 5. Minnesota Statutes 2012, section 354A.12, is amended by adding a subdivision to read:

Subd. 2c. **Duluth Teachers Retirement Fund Association; employer contributions for reemployed annuitants.** The school district shall make the regular employer contributions and additional employer contributions specified in subdivision 2a on behalf of any retired member of the Duluth Teachers Retirement Fund Association who is reemployed by Independent School District No. 709, including providing service to the school district as an independent contractor or as an employee of an independent contractor.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 6. Minnesota Statutes 2012, section 354A.12, is amended by adding a subdivision to read:

Subd. 2d. **St. Paul Teachers Retirement Fund Association; employer contributions for reemployed annuitants.** Independent School District No. 625 shall make the regular employer contribution and additional employer contribution specified in subdivision 2a, plus a supplemental contribution equal to 2.5 percent of salary, on behalf of any retired member of the St. Paul Teachers Retirement Fund Association who is reemployed by Independent School District No. 625, including providing service to the school district as an independent contractor or as an employee of an independent contractor.

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

Sec. 7. Minnesota Statutes 2012, section 354A.12, subdivision 3a, is amended to read:

Subd. 3a. **Special direct state aid to first class city teachers retirement fund associations.** (a) The state shall pay ~~\$346,000~~ \$6,346,000 as special direct state aid to the Duluth Teachers Retirement Fund Association; and ~~\$2,827,000~~ \$9,827,000 to the St. Paul Teachers Retirement Fund Association and, for the former Minneapolis Teachers Retirement Fund Association, \$12,954,000 to the Teachers Retirement Association.

(b) The ~~direct state aids~~ under this subdivision are payable October 1 annually. The commissioner of management and budget shall pay the ~~direct state aid~~ aids specified in this subdivision. The ~~amount~~ amounts required ~~under this subdivision~~ is are appropriated annually from the general fund to the commissioner of management and budget.

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

Sec. 8. Minnesota Statutes 2012, section 354A.12, subdivision 3c, is amended to read:

Subd. 3c. **Termination of supplemental contributions and direct matching and state aid.** (a) The supplemental contributions payable to the St. Paul Teachers Retirement Fund Association by Independent School District No. 625 under section 423A.02, subdivision 3, or the direct and all forms of state aid under subdivision 3a to the St. Paul Teachers Retirement Fund Association must continue until the current assets of the fund equal or exceed the actuarial accrued liability of the fund

as determined in the most recent actuarial report for the fund by the actuary retained under section 356.214 or until June 30, 2037, whichever occurs earlier.

(b) The aid to the Duluth Teachers Retirement Fund Association under section 423A.02, subdivision 3, and all forms of state aid under subdivision 3a to the Duluth Teachers Retirement Fund Association must continue until the current assets of the fund equal or exceed the actuarial accrued liability of the fund as determined in the most recent actuarial report for the fund by the actuary retained under section 356.214 or until the established date for full funding under section 356.215, subdivision 11, whichever occurs earlier.

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

Sec. 9. Minnesota Statutes 2012, section 354A.12, subdivision 7, is amended to read:

Subd. 7. **Recovery of benefit overpayments.** (a) If the executive director discovers, within the time period specified in subdivision 8 following the payment of a refund or the accrual date of any retirement annuity, survivor benefit, or disability benefit, that benefit overpayment has occurred due to using invalid service or salary, or due to any erroneous calculation procedure, the executive director must recalculate the annuity or benefit payable and recover any overpayment. The executive director shall recover the overpayment by requiring direct repayment or by suspending or reducing the payment of a retirement annuity or other benefit payable under this chapter to the applicable person or the person's estate, whichever applies, until all outstanding amounts have been recovered. If a benefit overpayment or improper payment of benefits occurred caused by a failure of the person to satisfy length of separation requirements for retirement under section 354A.011, subdivision 21, the executive director shall recover the improper payments by requiring direct repayment. The repayment must include interest at the rate of 0.71 percent per month from the first of the month in which a monthly benefit amount was paid to the first of the month in which the amount is repaid, with annual compounding.

(b) In the event the executive director determines that an overpaid annuity or benefit that is the result of invalid salary included in the average salary used to calculate the payment amount must be recovered, the executive director must determine the amount of the employee deductions taken in error on the invalid salary, with interest as determined under 354A.37, subdivision 3, and must subtract that amount from the total annuity or benefit overpayment, and the remaining balance of the overpaid annuity or benefit, if any, must be recovered.

(c) If the invalid employee deductions plus interest exceed the amount of the overpaid benefits, the balance must be refunded to the person to whom the benefit or annuity is being paid.

(d) Any invalid employer contributions reported on the invalid salary must be credited against future contributions payable by the employer.

(e) If a member or former member, who is receiving a retirement annuity or disability benefit for which an overpayment is being recovered, dies before recovery of the overpayment is completed and an optional annuity or refund is payable, the remaining balance of the overpaid annuity or benefit must continue to be recovered from the payment to the optional annuity beneficiary or refund recipient.

(f) The board of trustees shall adopt policies directing the period of time and manner for the collection of any overpaid retirement or optional annuity, and survivor or disability benefit, or a refund that the executive director determines must be recovered as provided under this section.

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

Sec. 10. Minnesota Statutes 2012, section 354A.27, is amended by adding a subdivision to read:

Subd. 6a. Postretirement adjustment transition. (a) If the funded ratio of the retirement plan based on the actuarial value of assets is at least 90 percent as reported in the most recent actuarial valuation prepared under sections 356.214 and 356.215, this subdivision expires and subsequent postretirement adjustments are governed by subdivision 7.

(b) Each annuity or benefit recipient of the retirement plan who has been receiving that annuity or benefit for at least 12 months as of the applicable January 1 is eligible to receive a postretirement adjustment of one percent, payable on January 1.

EFFECTIVE DATE. This section is effective July 1, 2013, and applies to the January 1, 2014, postretirement increase.

Sec. 11. Minnesota Statutes 2012, section 354A.27, subdivision 7, is amended to read:

Subd. 7. Calculation of postretirement adjustments. (a) This subdivision applies if subdivision 6 6a has expired.

(b) A percentage adjustment must be computed and paid under this subdivision to eligible persons under subdivision 5. This adjustment is determined by reference to the Consumer Price Index for urban wage earners and clerical workers all items index as reported by the Bureau of Labor Statistics within the United States Department of Labor each year as part of the determination of annual cost-of-living adjustments to recipients of federal old-age, survivors, and disability insurance. For calculations of cost-of-living adjustments under paragraph (c), the term "average third quarter Consumer Price Index value" means the sum of the monthly index values as initially reported by the Bureau of Labor Statistics for the months of July, August, and September, divided by 3.

(c) Before January 1 of each year, the executive director must calculate the amount of the cost-of-living adjustment by dividing the most recent average third quarter index value by the same average third quarter index value from the previous year, subtract one from the resulting quotient, and express the result as a percentage amount, which must be rounded to the nearest one-tenth of one percent.

(d) The amount calculated under paragraph (c) is the full cost-of-living adjustment to be applied as a permanent increase to the regular payment of each eligible member on January 1 of the next calendar year. For any eligible member whose effective date of benefit commencement occurred during the calendar year before the cost-of-living adjustment is applied, the full increase amount must be prorated on the basis of whole calendar quarters in benefit payment status in the calendar year prior to the January 1 on which the cost-of-living adjustment is applied, calculated to the third decimal place.

(e) The adjustment must not be less than zero nor greater than five percent.

(f) If the funding ratio of the plan as determined in the most recent actuarial valuation using the actuarial value of assets is less than 80 percent there will be no postretirement adjustment the following January 1.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 12. Minnesota Statutes 2012, section 354A.31, subdivision 3, is amended to read:

Subd. 3. Resumption of teaching after commencement of a retirement annuity. (a) Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 or any person receiving a basic program retirement annuity under the governing sections in the articles of incorporation or bylaws and who has resumed teaching service for the school district in which the teachers retirement fund association exists is entitled to continue to receive retirement annuity payments, except that all or a portion of the annuity payments must be deferred during the calendar year immediately following the calendar year in which the person's salary from the teaching service is in an amount greater than \$46,000. The amount of the annuity deferral is one-third the salary amount in excess of \$46,000 and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned.

(b) If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment salary exempt from triggering a deferral as specified in this subdivision must be prorated for that calendar year.

(c) After a person has reached the Social Security normal retirement age, no deferral requirement is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists.

(d) The amount of the retirement annuity deferral must be handled or disposed of as provided in section 356.47.

(e) Notwithstanding other paragraphs of this subdivision, for any retired Duluth Teachers Retirement Fund Association member whose effective date of retirement is after June 30, 2013, amounts specified as deferred under this subdivision must instead be forfeited to the Duluth Teachers Retirement Fund Association fund.

(f) Notwithstanding other paragraphs of this subdivision, for any retired St. Paul Teachers Retirement Fund Association basic or coordinated program member whose effective date of retirement is after June 30, 2013, amounts specified as deferred under this subdivision must instead be forfeited to the St. Paul Teachers Retirement Fund Association fund.

(g) For the purpose of this subdivision, salary from teaching service includes: (i) all income for services performed as a consultant or independent contractor; or income resulting from working with the school district in any capacity; and (ii) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent contractor in the school district in which the teachers retirement fund association exists and at the same level as the position occupied by the person who resumes teaching service.

(h) On or before February 15 of each year, each applicable employing unit shall report to the teachers retirement fund association the amount of postretirement salary as defined in this subdivision, earned as a teacher, consultant, or independent contractor during the previous calendar year by each retiree of the teachers retirement fund association for teaching service performed after retirement. The report must be in a format approved by the executive secretary or director.

EFFECTIVE DATE. This section is effective with respect to the Duluth Teachers Retirement Fund Association on July 1, 2013, and is effective with respect to the St. Paul Teachers Retirement Fund Association on the day following final enactment.

Sec. 13. Minnesota Statutes 2012, section 354A.31, subdivision 4, is amended to read:

Subd. 4. **Computation of normal coordinated retirement annuity; St. Paul fund.** (a) This subdivision applies to the coordinated program of the St. Paul Teachers Retirement Fund Association.

(b) The normal coordinated retirement annuity is an amount equal to a retiring coordinated member's average salary under section 354A.011, subdivision 7a, multiplied by the retirement annuity formula percentage.

(c) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member or a member in a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (d) will apply. For service rendered before July 1, 2015, the retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 1, per year for each year of coordinated service for the first ten years and the percent specified in section 356.315, subdivision 2, for each year of coordinated service thereafter. For service rendered after June 30, 2015, the retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 1a, per year for each year of coordinated service for the first ten years and the percent specified in section 356.315, subdivision 2b, for each year of coordinated service thereafter.

(d) This paragraph applies to a person who has become at least 55 years old and who first becomes a member after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7 is higher than it is when calculated under paragraph (c), in conjunction with the provisions of subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 2, for each year of coordinated service rendered before July 1, 2015, and the percent specified in section 356.215, subdivision 2b, for each year of coordinated service thereafter.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 14. Minnesota Statutes 2012, section 354A.31, subdivision 4a, is amended to read:

Subd. 4a. **Computation of normal coordinated retirement annuity; Duluth fund.** (a) This subdivision applies to the new law coordinated program of the Duluth Teachers Retirement Fund Association.

(b) The normal coordinated retirement annuity is an amount equal to a retiring coordinated member's average salary under section 354A.011, subdivision 7a, multiplied by the retirement annuity formula percentage.

(c) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member or a member in a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (d) applies. The retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 1, per year for each year of coordinated program service for the first ten years rendered through June 30, 2013, and the percent specified in section 356.315, subdivision 1a, per year for each year of coordinated program service rendered after June 30, 2013, and the percent specified in section 356.315, subdivision 2, for each subsequent

year of coordinated program service through June 30, 2013, and the percent specified in section 356.315, subdivision 2b, per year for each year of coordinated program service rendered after June 30, 2013.

(d) This paragraph applies to a person who is at least 55 years old and who first becomes a member after June 30, 1989, and to any other member who is at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7, is higher than it is when calculated under paragraph (c) in conjunction with subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is the percent specified in section 356.315, subdivision 2, for each year of coordinated program service through June 30, 2013, and the percent specified in section 356.315, subdivision 2b, per year for each year of coordinated program service rendered after June 30, 2013.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 15. Minnesota Statutes 2012, section 354A.31, subdivision 7, is amended to read:

Subd. 7. **Actuarial reduction for early retirement.** (a) This subdivision applies to a person who has become at least 55 years old and first becomes a coordinated member after June 30, 1989, and to any other coordinated member who has become at least 55 years old and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), ~~and~~ or subdivision 4a, paragraph (d), as applicable, in conjunction with this subdivision than when calculated under subdivision 4, paragraph (c), or subdivision 4a, paragraph (c), in conjunction with subdivision 6.

(b) A coordinated member who retires before the full benefit normal retirement age shall be paid the retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), or subdivision 4a, paragraph (d), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the person initially becomes a teacher after June 30, 2006, whichever is applicable, multiplied by the applicable early retirement factor specified below:

Normal retirement age:	<u>Under age 62</u>		<u>Age 62 or older</u>	
	<u>or less than 30 years of service</u>		<u>with 30 years of service</u>	
	<u>65</u>	<u>66</u>	<u>65</u>	<u>66</u>
<u>Age at retirement</u>				
<u>55</u>	<u>0.5376</u>	<u>0.4592</u>		
<u>56</u>	<u>0.5745</u>	<u>0.4992</u>		
<u>57</u>	<u>0.6092</u>	<u>0.5370</u>		
<u>58</u>	<u>0.6419</u>	<u>0.5726</u>		
<u>59</u>	<u>0.6726</u>	<u>0.6062</u>		
<u>60</u>	<u>0.7354</u>	<u>0.6726</u>		

<u>61</u>	<u>0.7947</u>	<u>0.7354</u>		
<u>62</u>	<u>0.8507</u>	<u>0.7947</u>	<u>0.8831</u>	<u>0.8389</u>
<u>63</u>	<u>0.9035</u>	<u>0.8507</u>	<u>0.9246</u>	<u>0.8831</u>
<u>64</u>	<u>0.9533</u>	<u>0.9035</u>	<u>0.9635</u>	<u>0.9246</u>
<u>65</u>	<u>1.0000</u>	<u>0.9533</u>	<u>1.0000</u>	<u>0.9635</u>
<u>66</u>		<u>1.0000</u>		<u>1.0000</u>

For normal retirement ages between ages 65 and 66, the early retirement factors will be determined by linear interpolation between the early retirement factors applicable for normal retirement ages 65 and 66.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 16. Minnesota Statutes 2012, section 354A.35, subdivision 2, is amended to read:

Subd. 2. **Death while eligible to retire; surviving spouse optional annuity.** (a) The surviving spouse of a vested coordinated member who dies prior to retirement may elect to receive, instead of a refund with interest under subdivision 1, an annuity equal to the 100 percent joint and survivor annuity the member could have qualified for had the member terminated service on the date of death. The surviving spouse eligible for a surviving spouse benefit under this paragraph may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. A surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c) may apply for an annuity at any time after the member's death. The member's surviving spouse shall be paid a joint and survivor annuity under section 354A.32 and computed under section 354A.31.

(b) If the member was under age 55 and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the member and surviving spouse on the date of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6, paragraph (a), to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If a vested member of the Duluth Teachers Retirement Fund Association was under age 55 on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive the 100 percent joint and survivor annuity based on the age of the member and the survivor at the time of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6 or 7, to age 55 and one-half of the early retirement reduction from age 55 to the date payment begins.

(d) If a vested member of the St. Paul Teachers Retirement Fund Association was under age 55 on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive the 100 percent joint and survivor annuity based on the age of the member and the survivor at the time of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6 or 7, to age 55 and one-half of the actuarial equivalent reduction from age 55 to the date payment begins. The actuarial equivalent reduction is calculated so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity and the annuity amount were augmented at an annual rate of 2.5

percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

(d) (e) Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity or surviving spouse benefit payable under this section. The benefits are payable for the life of the surviving spouse, or upon expiration of the term certain benefit payment under subdivision 2b.

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

Sec. 17. Minnesota Statutes 2012, section 356.215, subdivision 8, is amended to read:

Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use the applicable following preretirement interest assumption and the applicable following postretirement interest assumption:

(1) select and ultimate interest rate assumption

plan	ultimate preretirement interest rate assumption	ultimate postretirement interest rate assumption
general state employees retirement plan	8.5%	6.0%
correctional state employees retirement plan	8.5	6.0
State Patrol retirement plan	8.5	6.0
legislators retirement plan	0.0	-2.0 until June 30, 2040, and -2.5 after June 30, 2040
elective state officers retirement plan	0.0	-2.0 until June 30, 2040, and -2.5 after June 30, 2040
judges retirement plan	8.5	6.0
general public employees retirement plan	8.5	6.0
public employees police and fire retirement plan	8.5	6.0
local government correctional service retirement plan	8.5	6.0
teachers retirement plan	8.5	6.0
Duluth teachers retirement plan	8.5	8.5
St. Paul teachers retirement plan	8.5	8.5

Except for the legislators retirement plan and the elective state officers retirement plan, the select preretirement interest rate assumption for the period after June 30, 2012, through June 30, 2017, is 8.0 percent. Except for the legislators retirement plan and the elective state officers retirement plan, the select postretirement interest rate assumption for the period after June 30, 2012, through June 30, 2017, is 5.5 percent, except for the Duluth teachers retirement plan and the St. Paul teachers

retirement plan, each with a select postretirement interest rate assumption for the period after June 30, 2012, through June 30, 2017, of 8.0 percent.

(2) single rate preretirement and postretirement interest rate assumption

plan	interest rate assumption
Bloomington Fire Department Relief Association	6.0
local monthly benefit volunteer firefighters relief associations	5.0

(b) The actuarial valuation must use the applicable following single rate future salary increase assumption, the applicable following modified single rate future salary increase assumption, or the applicable following graded rate future salary increase assumption:

(1) single rate future salary increase assumption

plan	future salary increase assumption
legislators retirement plan	5.0%
judges retirement plan	3.0
Bloomington Fire Department Relief Association	4.0

(2) age-related future salary increase age-related select and ultimate future salary increase assumption or graded rate future salary increase assumption

plan	future salary increase assumption
local government correctional service retirement plan	assumption C
Duluth teachers retirement plan	assumption A
St. Paul teachers retirement plan	assumption B

For plans other than the Duluth teachers retirement plan, the select calculation is: during the designated select period, a designated percentage rate is multiplied by the result of the designated integer minus T, where T is the number of completed years of service, and is added to the applicable future salary increase assumption. The designated select period is ten years and the designated integer is ten for all retirement plans covered by this clause the Duluth Teachers Retirement Fund Association and for the local government correctional service retirement plan and 15 for the St. Paul Teachers Retirement Fund Association. The designated percentage rate is ~~0.3~~ 0.2 percent for the St. Paul Teachers Retirement Fund Association. The select calculation for the Duluth Teachers Retirement Fund Association is 8.00 percent per year for service years one through seven, 7.25 percent per year for service years seven and eight, and 6.50 percent per year for service years eight and nine.

The ultimate future salary increase assumption is:

age	A	B	C
16	8.00% <u>6.00%</u>	6.90% <u>5.90%</u>	9.00%

17	8.00 <u>6.00</u>	6.90 <u>5.90</u>	9.00
18	8.00 <u>6.00</u>	6.90 <u>5.90</u>	9.00
19	8.00 <u>6.00</u>	6.90 <u>5.90</u>	9.00
20	6.90 <u>6.00</u>	6.90 <u>5.90</u>	9.00
21	6.90 <u>6.00</u>	6.90 <u>5.90</u>	8.75
22	6.90 <u>6.00</u>	6.90 <u>5.90</u>	8.50
23	6.85 <u>6.00</u>	6.85 <u>5.85</u>	8.25
24	6.80 <u>6.00</u>	6.80 <u>5.80</u>	8.00
25	6.75 <u>6.00</u>	6.75 <u>5.75</u>	7.75
26	6.70 <u>6.00</u>	6.70 <u>5.70</u>	7.50
27	6.65 <u>6.00</u>	6.65 <u>5.65</u>	7.25
28	6.60 <u>6.00</u>	6.60 <u>5.60</u>	7.00
29	6.55 <u>6.00</u>	6.55 <u>5.55</u>	6.75
30	6.50 <u>6.00</u>	6.50 <u>5.50</u>	6.75
31	6.45 <u>6.00</u>	6.45 <u>5.45</u>	6.50
32	6.40 <u>6.00</u>	6.40 <u>5.40</u>	6.50
33	6.35 <u>6.00</u>	6.35 <u>5.35</u>	6.50
34	6.30 <u>6.00</u>	6.30 <u>5.30</u>	6.25
35	6.25 <u>6.00</u>	6.25 <u>5.25</u>	6.25
36	6.20 <u>5.86</u>	6.20 <u>5.20</u>	6.00
37	6.15 <u>5.73</u>	6.15 <u>5.15</u>	6.00
38	6.10 <u>5.59</u>	6.10 <u>5.10</u>	6.00
39	6.05 <u>5.45</u>	6.05 <u>5.05</u>	5.75
40	6.00 <u>5.31</u>	6.00 <u>5.00</u>	5.75
41	5.90 <u>5.18</u>	5.95 <u>4.95</u>	5.75
42	5.80 <u>5.04</u>	5.90 <u>4.90</u>	5.50
43	5.70 <u>4.90</u>	5.85 <u>4.85</u>	5.25
44	5.60 <u>4.76</u>	5.80 <u>4.80</u>	5.25
45	5.50 <u>4.63</u>	5.75 <u>4.75</u>	5.00
46	5.40 <u>4.49</u>	5.70 <u>4.70</u>	5.00
47	5.30 <u>4.35</u>	5.65 <u>4.65</u>	5.00
48	5.20 <u>4.21</u>	5.60 <u>4.60</u>	5.00
49	5.10 <u>4.08</u>	5.55 <u>4.55</u>	5.00
50	5.00 <u>3.94</u>	5.50 <u>4.50</u>	5.00

51	4.90 <u>3.80</u>	5.45 <u>4.45</u>	5.00
52	4.80 <u>3.66</u>	5.40 <u>4.40</u>	5.00
53	4.70 <u>3.53</u>	5.35 <u>4.35</u>	5.00
54	4.60 <u>3.39</u>	5.30 <u>4.30</u>	5.00
55	4.50 <u>3.25</u>	5.25 <u>4.25</u>	4.75
56	4.40 <u>3.25</u>	5.20 <u>4.20</u>	4.75
57	4.30 <u>3.25</u>	5.15 <u>4.15</u>	4.50
58	4.20 <u>3.25</u>	5.10 <u>4.10</u>	4.25
59	4.10 <u>3.25</u>	5.05 <u>4.05</u>	4.25
60	4.00 <u>3.25</u>	5.00 <u>4.00</u>	4.25
61	3.90 <u>3.25</u>	5.00 <u>4.00</u>	4.25
62	3.80 <u>3.25</u>	5.00 <u>4.00</u>	4.25
63	3.70 <u>3.25</u>	5.00 <u>4.00</u>	4.25
64	3.60 <u>3.25</u>	5.00 <u>4.00</u>	4.25
65	3.50 <u>3.25</u>	5.00 <u>4.00</u>	4.00
66	3.50 <u>3.25</u>	5.00 <u>4.00</u>	4.00
67	3.50 <u>3.25</u>	5.00 <u>4.00</u>	4.00
68	3.50 <u>3.25</u>	5.00 <u>4.00</u>	4.00
69	3.50 <u>3.25</u>	5.00 <u>4.00</u>	4.00
70	3.50 <u>3.25</u>	5.00 <u>4.00</u>	4.00

(3) service-related ultimate future salary increase assumption

general state employees retirement plan of the Minnesota State Retirement System	assumption A
general employees retirement plan of the Public Employees Retirement Association	assumption B
Teachers Retirement Association	assumption C
public employees police and fire retirement plan	assumption D
State Patrol retirement plan	assumption E
correctional state employees retirement plan of the Minnesota State Retirement System	assumption F

service length	A	B	C	D	E	F
1	10.50%	12.03%	12.00%	13.00%	8.00%	6.00%
2	8.10	8.90	9.00	11.00	7.50	5.85

3	6.90	7.46	8.00	9.00	7.00	5.70
4	6.20	6.58	7.50	8.00	6.75	5.55
5	5.70	5.97	7.25	6.50	6.50	5.40
6	5.30	5.52	7.00	6.10	6.25	5.25
7	5.00	5.16	6.85	5.80	6.00	5.10
8	4.70	4.87	6.70	5.60	5.85	4.95
9	4.50	4.63	6.55	5.40	5.70	4.80
10	4.40	4.42	6.40	5.30	5.55	4.65
11	4.20	4.24	6.25	5.20	5.40	4.55
12	4.10	4.08	6.00	5.10	5.25	4.45
13	4.00	3.94	5.75	5.00	5.10	4.35
14	3.80	3.82	5.50	4.90	4.95	4.25
15	3.70	3.70	5.25	4.80	4.80	4.15
16	3.60	3.60	5.00	4.80	4.65	4.05
17	3.50	3.51	4.75	4.80	4.50	3.95
18	3.50	3.50	4.50	4.80	4.35	3.85
19	3.50	3.50	4.25	4.80	4.20	3.75
20	3.50	3.50	4.00	4.80	4.05	3.75
21	3.50	3.50	3.90	4.70	4.00	3.75
22	3.50	3.50	3.80	4.60	4.00	3.75
23	3.50	3.50	3.70	4.50	4.00	3.75
24	3.50	3.50	3.60	4.50	4.00	3.75
25	3.50	3.50	3.50	4.50	4.00	3.75
26	3.50	3.50	3.50	4.50	4.00	3.75
27	3.50	3.50	3.50	4.50	4.00	3.75
28	3.50	3.50	3.50	4.50	4.00	3.75
29	3.50	3.50	3.50	4.50	4.00	3.75
30 or more	3.50	3.50	3.50	4.50	4.00	3.75

(c) The actuarial valuation must use the applicable following payroll growth assumption for calculating the amortization requirement for the unfunded actuarial accrued liability where the amortization retirement is calculated as a level percentage of an increasing payroll:

plan

payroll growth assumption

general state employees retirement plan of the Minnesota State Retirement System	3.75%
correctional state employees retirement plan	3.75
State Patrol retirement plan	3.75
judges retirement plan	3.00
general employees retirement plan of the Public Employees Retirement Association	3.75
public employees police and fire retirement plan	3.75
local government correctional service retirement plan	3.75
teachers retirement plan	3.75
Duluth teachers retirement plan	4.50 <u>3.50</u>
St. Paul teachers retirement plan	5.00 <u>4.00</u>

(d) The assumptions set forth in paragraphs (b) and (c) continue to apply, unless a different salary assumption or a different payroll increase assumption:

(1) has been proposed by the governing board of the applicable retirement plan;

(2) is accompanied by the concurring recommendation of the actuary retained under section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most recent actuarial valuation report if section 356.214 does not apply; and

(3) has been approved or deemed approved under subdivision 18.

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

Sec. 18. Minnesota Statutes 2012, section 356.47, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) This section applies to the balance of annual retirement annuities on the amount of retirement annuity reductions after reemployed annuitant earnings limitations for retirement plans governed by section 352.115, subdivision 10; 353.37; 354.44, subdivision 5; or 354A.31, subdivision 3.

(b) This section also applies to the balance of annual retirement annuities on the amount of retirement annuity reductions under section 354A.31, subdivision 3, for members of the Duluth Teachers Retirement Fund Association whose effective date of retirement is before July 1, 2013.

(c) This section also applies to the balance of annual retirement annuities on the amount of retirement annuity reductions under section 354A.31, subdivision 3, for members of the St. Paul Teachers Retirement Fund Association whose effective date of retirement is before July 1, 2013.

EFFECTIVE DATE. This section is effective with respect to the Duluth Teachers Retirement Fund Association on July 1, 2013, and is effective with respect to the St. Paul Teachers Retirement Fund Association on the day following final enactment.

Sec. 19. Minnesota Statutes 2012, section 423A.02, subdivision 5, is amended to read:

Subd. 5. **Termination of state aid programs.** The amortization state aid, supplemental amortization state aid, and additional amortization state aid programs terminate as of the December 31, next following the date of the actuarial valuation when the assets of the St. Paul Teachers Retirement Fund Association equal the actuarial accrued liability of that plan or ~~December 31, 2009~~ June 30, 2037, whichever is ~~later~~ earlier.

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

Sec. 20. DULUTH TEACHERS RETIREMENT FUND ASSOCIATION BYLAW AMENDMENT AUTHORIZATION.

Consistent with Minnesota Statutes, section 354A.12, subdivision 4, the Duluth Teachers Retirement Fund Association is authorized to amend its articles of incorporation or its bylaws to specify the revised contribution rates under sections 3 and 4, required employee contributions on behalf of reemployed annuitants as specified under section 5, and revised treatment of reemployed annuitant holding accounts under sections 12 and 18.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 21. ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION BYLAW AMENDMENT AUTHORIZATION.

Consistent with Minnesota Statutes, section 354A.12, subdivision 4, the St. Paul Teachers Retirement Fund Association is authorized to amend its articles of incorporation or its bylaws to apply the reduction factors stated in section 15 rather than the actuarial reduction factors previously authorized.

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

Sec. 22. REPEALER.

Minnesota Statutes 2012, section 354A.27, subdivision 6, is repealed.

ARTICLE 6

JUDGES RETIREMENT PLAN FINANCIAL SOLVENCY MEASURES

Section 1. Minnesota Statutes 2012, section 356.315, is amended by adding a subdivision to read:

Subd. 8a. **Judges plan.** The applicable benefit accrual rate is 2.5 percent.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 2. Minnesota Statutes 2012, section 356.415, subdivision 1, is amended to read:

Subdivision 1. **Annual postretirement adjustments; generally.** (a) Except as otherwise provided in subdivision 1a, 1b, 1c, 1d, ~~or 1e,~~ or 1f, retirement annuity, disability benefit, or survivor benefit recipients of a covered retirement plan are entitled to a postretirement adjustment annually on January 1, as follows:

(1) a postretirement increase of 2.5 percent must be applied each year, effective January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months prior to the January 1 increase; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit amount for at least one full month, an annual postretirement increase of 1/12 of 2.5 percent for each month that the person has been receiving an annuity or benefit must be applied, effective on January 1 following the calendar year in which the person has been retired for less than 12 months.

(b) The increases provided by this subdivision commence on January 1, 2010.

(c) An increase in annuity or benefit payments under this section must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the covered retirement plan requesting that the increase not be made.

(d) The retirement annuity payable to a person who retires before becoming eligible for Social Security benefits and who has elected the optional payment as provided in section 353.29, subdivision 6, must be treated as the sum of a period certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period certain retirement annuity plus the life retirement annuity must be the annuity amount payable until age 62 for section 353.29, subdivision 6. A postretirement adjustment granted on the period certain retirement annuity must terminate when the period certain retirement annuity terminates.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 3. Minnesota Statutes 2012, section 356.415, is amended by adding a subdivision to read:

Subd. 1f. Annual postretirement adjustments; Minnesota State Retirement System judges retirement plan. (a) The increases provided under this subdivision begin on January 1, 2014, and are in lieu of increases under subdivision 1 or 1a for retirement annuity, disability benefit, or survivor benefit recipients of the judges retirement plan.

(b) Retirement annuity, disability benefit, or survivor benefit recipients of the judges retirement plan are entitled to a postretirement adjustment annually on January 1, as follows:

(1) a postretirement increase of 1.75 percent must be applied each year, effective on January 1, to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 18 full months before the January 1 increase; and

(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least six full months, an annual postretirement increase of 1/12 of 1.75 percent for each month that the person has been receiving an annuity or benefit must be applied, effective January 1, following the calendar year in which the person has been retired for at least six months, but has been retired for less than 18 months.

(c) Increases under this subdivision terminate on December 31 of the calendar year in which the actuarial valuation prepared by the approved actuary under sections 356.214 and 356.215 and the standards for actuarial work promulgated by the Legislative Commission on Pensions and Retirement indicates that the market value of assets of the judges retirement plan equals or exceeds 70 percent of the actuarial accrued liability of the retirement plan. Increases under subdivision 1 or 1a, whichever is applicable, begin on the January 1 next following that date.

(d) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the applicable covered retirement plan requesting that the increase not be made.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 4. Minnesota Statutes 2012, section 490.121, subdivision 21f, is amended to read:

Subd. 21f. **Normal retirement date.** (a) For a judge in the tier I program, "normal retirement date" means the date a the judge attains the age of 65.

(b) For a judge in the tier II program, "normal retirement date" means the date the judge attains age 66.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 5. Minnesota Statutes 2012, section 490.121, subdivision 22, is amended to read:

Subd. 22. **Service credit limit.** "Service credit limit" means, for a judge covered by tier I, the greater of: (1) 24 years of allowable service under this chapter; or (2), for judges a judge with allowable service rendered before July 1, 1980, the number of years of allowable service under chapter 490, which, when multiplied by the percentage listed in section 356.315, subdivision 7 or 8, whichever is applicable to each year of service, equals 76.8. For a judge covered by tier II, there is no service credit limit.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 6. Minnesota Statutes 2012, section 490.121, is amended by adding a subdivision to read:

Subd. 25. **Tier I.** "Tier I" is the benefit program of the retirement plan with a membership specified by section 490.1221, paragraph (b), and governed by sections 356.315, subdivisions 7 and 8; 356.415, subdivisions 1 and 1f; and 490.121 to 490.133, except as modified in sections 356.315, subdivision 8a; 490.121, subdivision 21f, paragraph (b); 490.1222; 490.123, subdivision 1a, paragraph (b); and 490.124, subdivision 1, paragraphs (c) and (d).

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 7. Minnesota Statutes 2012, section 490.121, is amended by adding a subdivision to read:

Subd. 26. **Tier II.** "Tier II" is the benefit program of the retirement plan with a membership specified by section 490.1221, paragraph (c), and governed by sections 356.315, subdivision 8a; 356.415, subdivisions 1 and 1f; 490.121 to 490.133, as modified in section 490.121, subdivision 21f, paragraph (b); 490.1222; 490.123, subdivision 1a, paragraph (b); and 490.124, subdivision 1, paragraphs (c) and (d).

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 8. **[490.1221] JUDGES PLAN PROGRAMS.**

(a) Members of the judges retirement plan are members of either the tier I or tier II program.

(b) A tier I program judge is a person who was first appointed or elected as a judge before July 1, 2013, who was not eligible for the tier II program because the judge had five or more years of allowable service on or before December 30, 2013, or did not elect that program.

(c) A tier II program judge is a person who:

(1) was first appointed or elected as a judge after June 30, 2013; or

(2) was first appointed or elected as a judge before July 1, 2013, had less than five years of allowable service on or before December 30, 2013, and made an election under section 14 to be in the tier II program.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 9. **[490.1222] APPLICATION OF SERVICE CREDIT LIMIT.**

The service credit limit specified in section 490.121, subdivision 22, does not apply to a judge in the tier II program.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 10. Minnesota Statutes 2012, section 490.123, subdivision 1a, is amended to read:

Subd. 1a. **Member contribution rates.** (a) A judge ~~who is covered by the federal Old Age, Survivors, Disability, and Health Insurance Program and~~ in the tier I program whose service does not exceed the service credit limit in section 490.121, subdivision 22, shall contribute to the fund from each salary payment a sum equal to ~~8.00~~ 9.00 percent of salary.

(b) A judge in the tier II program shall contribute to the fund from each salary payment a sum equal to 7.00 percent of salary.

~~(b) The contribution~~ (c) Contributions under this subdivision ~~is~~ are payable by salary deduction. The deduction must be made by the state court administrator under section 352.04, subdivisions 4, 5, and 8.

EFFECTIVE DATE. This section is effective beginning on the first day of the first full payroll period following an increase in judicial salaries of at least one percent due to action by the legislature during calendar year 2013 or later.

Sec. 11. Minnesota Statutes 2012, section 490.123, subdivision 1b, is amended to read:

Subd. 1b. **Employer contribution rate.** (a) The employer contribution rate to the fund on behalf of a judge is ~~20.5~~ 22.5 percent of salary. The employer obligation continues after a judge exceeds the service credit limit in section 490.121, subdivision 22.

(b) The employer contribution must be paid by the state court administrator. The employer contribution is payable at the same time as member contributions are made under subdivision 1a or as employee contributions are made to the unclassified program governed by chapter 352D for judges whose service exceeds the limit in section 490.121, subdivision 22, are remitted.

EFFECTIVE DATE. This section is effective the first day of the first full payroll period after June 30, 2013.

Sec. 12. Minnesota Statutes 2012, section 490.124, subdivision 1, is amended to read:

Subdivision 1. **Basic Retirement annuity.** (a) Except as qualified hereinafter from and after the mandatory retirement date, the normal retirement date, the early retirement date, or one year from the disability retirement date, as the case may be, a retiring judge is eligible to receive a retirement annuity from the judges' retirement fund.

(b) For a tier I program judge, the retirement annuity is an amount equal to:

(1) the percent specified in section 356.315, subdivision 7, multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service rendered before July 1, 1980; plus

(2) the percent specified in section 356.315, subdivision 8, multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service rendered after June 30, 1980.

(c) For a tier II program judge who was first appointed or elected as a judge before July 1, 2013, the retirement annuity is an amount equal to:

(1) the percent specified in section 356.315, subdivision 8, multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service rendered before January 1, 2014; plus

(2) the percentage specified in section 356.315, subdivision 8a, multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service rendered after December 31, 2013.

(d) For a tier II program judge who was first appointed or elected as a judge after June 30, 2013, the retirement annuity is an amount equal to the percent specified in section 356.315, subdivision 8a, multiplied by the judge's final average compensation with that result then multiplied by the number of years and fractions of years of allowable service.

(e) (e) For a judge in the tier I program, service that exceeds the service credit limit in section 490.121, subdivision 22, must be excluded in calculating the retirement annuity, but the compensation earned by the judge during this period of judicial service must be used in determining a judge's final average compensation and calculating the retirement annuity.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 13. MEMBER CONTRIBUTION INCREASE CONDITION.

Any increase in judicial salaries enacted by the legislature during calendar year 2013 or later is not applicable to a judge in the tier I program if the member contribution rate applicable to that judge in the tier I program under section 10 is not deducted from the salary of the judge.

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

Sec. 14. TIER II PROGRAM ELECTION; PRE-JULY 1, 2013, JUDGES.

Subdivision 1. **Authority.** A person who was first appointed or elected as a judge covered by the Minnesota State Retirement System judges retirement plan before July 1, 2013, is eligible to elect treatment as a tier II program judge if the judge has less than five years of allowable service on the date the judge makes a valid election under subdivision 2.

Subd. 2. **Election procedure.** An eligible judge under subdivision 1 may elect to be subject to provisions of Minnesota Statutes, chapter 490, applicable to a tier II program judge rather than the tier I program by electing that treatment in writing before January 1, 2014, on a form provided by the executive director of the Minnesota State Retirement System.

Subd. 3. **Effect of election.** (a) The election is irrevocable.

(b) An eligible judge who fails to make an election remains in the tier I program.

(c) If the tier II program is elected by an eligible judge, member contributions based on revised member contribution rates under Minnesota Statutes, section 490.123, subdivision 1a, begin on the first day of the first full pay period occurring after January 1, 2014.

EFFECTIVE DATE. This section is effective July 1, 2013.

ARTICLE 7

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 2012, section 356.91, is amended to read:

356.91 VOLUNTARY MEMBERSHIP DUES DEDUCTION.

(a) Upon written authorization of a person receiving an annuity from a public pension fund administered by the Minnesota State Retirement System or the Public Employees Retirement Association, the executive director of the public pension fund ~~may~~ shall deduct from the retirement annuity an amount requested by the annuitant to be paid as membership dues or other payments to any labor organization that is an exclusive bargaining agent representing public employees or an organization representing retired public employees of which the annuitant is a member and shall, on a monthly basis, pay the amount to the organization so designated by the annuitant.

(b) A pension fund and the plan fiduciaries which authorize or administer deductions of dues payments under paragraph (a) are not liable for failure to properly deduct or transmit the dues amounts, provided that the fund and the fiduciaries have acted in good faith.

~~(c) The deductions under paragraph (a) may occur no more frequently than two times per year and may not be used for political purposes. Any labor organization that is an exclusive bargaining agent representing public employees or an organization representing retired public employees may conduct blind mailings to the annuitants of a retirement system specified in paragraph (a) by requesting that the retirement system mail voluntary membership information and dues deduction cards to annuitants. Such mailings shall not be for the purpose of supporting or opposing any candidate, political party, or ballot measure. The organization requesting the blind mailing shall pay all costs associated with these mailings, including but not limited to copying, labeling, mailing, postage, and record keeping. In lieu of administering a blind mailing in-house, a retirement system may transmit annuitant data necessary for conducting a blind mailing to a mail center pursuant to a secure data share agreement with the mail center which provides that neither the organization nor any other entity shall have direct access to the data transmitted by the retirement system. The retirement system shall have no obligation to approve or disapprove, or otherwise be responsible for, the content of the mailings. No organization shall conduct more than two blind mailings per calendar year.~~

~~(d) Any labor organization specified in paragraph (a) shall reimburse the public pension fund for the administrative expense of withholding premium amounts."~~

Delete the title and insert:

"A bill for an act relating to retirement; various retirement plans; redefining salary for benefit and contribution purposes; increasing member and employer contributions; increasing vesting to ten years for new hires; capping allowable service for computing annuities; modifying the trigger for increasing or lowering annual postretirement adjustments for all plans; modifying duty disability definitions and clarifying disability application requirements for the public employees

police and fire and local government correctional plan; increasing the reduction for early retirement; clarifying survivor benefit provisions; delaying the first annual postretirement adjustment for the public employees police and fire retirement plan; increase the normal retirement age for new judge; permitting existing judges to elect to be treated as a new judge for benefit and contribution purposes; mandating certain dues and other payment deductions by MSRS and PERA; modifying the Teachers Retirement Association level benefit tier early retirement reduction factors; increasing member and employer contributions to the Duluth Teachers Retirement Fund Association and the St. Paul Teachers Retirement Fund Association; increasing direct state aid to the DTRFA and to the SPTRFA; increasing the DTRFA and SPTRFA benefit accrual rates for prospective allowable service; revising the DTRFA postretirement adjustment provision; modifying certain salary increase and payroll growth actuarial assumptions; amending Minnesota Statutes 2012, sections 352B.011, subdivision 4; 352B.02, subdivisions 1a, 1c; 352B.08, subdivisions 1, 2, 2a; 352B.10, subdivision 5; 352B.11, subdivisions 1, 2b; 353.01, subdivisions 10, 17a, 41, 47; 353.031, subdivision 4; 353.35, subdivision 1; 353.65, subdivisions 2, 3; 353.651, subdivisions 3, 4; 353.657, subdivisions 2a, 3a; 353E.001, subdivision 1; 354.44, subdivision 6; 354A.011, subdivision 21; 354A.12, subdivisions 1, 2a, 3a, 3c, 7, by adding subdivisions; 354A.27, subdivision 7, by adding a subdivision; 354A.31, subdivisions 3, 4, 4a, 7; 354A.35, subdivision 2; 356.215, subdivision 8; 356.315, by adding a subdivision; 356.415, subdivisions 1, 1b, 1c, 1e, by adding a subdivision; 356.47, subdivision 1; 356.91; 423A.02, subdivision 5; 490.121, subdivisions 21f, 22, by adding subdivisions; 490.123, subdivisions 1a, 1b; 490.124, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 354; 490; repealing Minnesota Statutes 2012, sections 352B.11, subdivision 2c; 354A.27, subdivision 6."

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Bakk from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 248: A bill for an act relating to natural resources; requiring rulemaking to allow mechanical control of narrow-leaved cattail without an aquatic plant management permit.

Reports the same back with the recommendation that the report from the Committee on Environment and Energy, shown in the Journal for March 20, 2013, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Senator Bakk from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 1081: A bill for an act relating to health; changing licensing requirements for businesses regulated by the Board of Pharmacy; clarifying requirements for compounding; making changes to the prescription monitoring program; amending Minnesota Statutes 2012, sections 151.01, subdivisions 14, 16, 17, 27, 28, 29, 30, by adding subdivisions; 151.19, subdivisions 1, 3; 151.211; 151.361, subdivision 2; 151.37, subdivision 2, by adding subdivisions; 151.44; 151.47, subdivision 1, by adding a subdivision; 151.49; 152.126; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 2012, sections 151.19, subdivision 2; 151.25; 151.37, subdivision 11; 151.45; 151.47, subdivision 2; 151.48.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 1081 and that the report from the Committee on Health, Human Services and Housing, shown in the Journal for March 21, 2013, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Judiciary". Amendments adopted. Report adopted.

Senator Bakk from the Committee on Rules and Administration, to which was re-referred

S.F. No. 796: A bill for an act relating to natural resources; modifying game and fish laws; modifying trespassing laws; providing for certain license seizure; modifying fees; modifying invasive species laws; modifying watercraft provisions; creating a Minnesota-Wisconsin Boundary Area Invasive Species Commission; modifying exemptions for the Minnesota Zoological Garden; providing for a special local law in six counties to protect surface water and groundwater; requiring rulemaking; appropriating money; amending Minnesota Statutes 2012, sections 84.027, subdivision 13, by adding subdivisions; 84D.01, subdivision 15a; 84D.03, subdivision 4; 84D.09; 84D.10, subdivisions 1, 4; 84D.105, subdivision 2; 84D.11, by adding subdivisions; 84D.13, subdivision 2, by adding a subdivision; 85A.02, subdivision 10; 86B.005, subdivision 18, by adding subdivisions; 86B.13, by adding a subdivision; 86B.301, subdivision 2; 86B.501, subdivision 1; 86B.825, subdivision 2; 97A.051, subdivision 2; 97A.135, subdivision 3; 97A.420, subdivision 1; 97A.441, subdivision 6; 97A.445, subdivision 1; 97A.451, subdivisions 3, 3b, 4, 5, by adding a subdivision; 97A.475, subdivisions 2, 3, 8; 97A.485, subdivision 6; 97B.001, subdivisions 3, 4; 97B.0215; 97B.022, subdivision 2; 97B.055, subdivision 2; 97B.071; 97B.112; 97C.341; 97C.345, subdivisions 1, 2; 97C.376, subdivisions 1, 2, 3; 103G.271, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 84D; 103G; repealing Minnesota Statutes 2012, sections 84D.01, subdivision 22; 97A.451, subdivision 4a; 97C.346.

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

Page 9, delete section 15

Page 29, line 11, delete "46 and 47" and insert "45 and 46"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "creating"

Page 1, delete line 5

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Bakk from the Committee on Rules and Administration, to which was re-referred

S.F. No. 640: A bill for an act relating to economic development; creating the Trade Policy Advisory Council; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Page 2, line 24, delete "government"

Page 2, line 25, delete "procurement agreements of"

Page 2, line 26, delete "government procurement" and insert "federal trade"

Page 2, line 31, delete "government"

Page 2, line 32, delete "procurement" and insert "federal trade"

Page 2, delete lines 34 and 35

Page 3, line 1, delete "(6)" and insert "(5)"

Page 3, line 3, delete "as directed by the governor or the legislature"

Page 3, line 4, delete "(7)" and insert "(6)"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

Senate Resolution No. 55: A Senate resolution honoring the University of Minnesota women's hockey team for an historic championship season.

Reports the same back with the recommendation that the resolution be adopted. Report adopted.

Senator Bakk moved that Senate Resolution No. 55 be laid on the table. The motion prevailed.

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

H.F. No. 75 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.
75	39				

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

H.F. No. 164 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.
164	118				

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

H.F. No. 607 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.
607	508				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 607 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 607, the first engrossment; and insert the language after the enacting clause of S.F. No. 508, the first engrossment; further, delete the title of H.F. No. 607, the first engrossment; and insert the title of S.F. No. 508, the first engrossment.

And when so amended H.F. No. 607 will be identical to S.F. No. 508, and further recommends that H.F. No. 607 be given its second reading and substituted for S.F. No. 508, 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 Pappas from the Committee on State and Local Government, to which was referred the following appointment:

BOARD OF THE ARTS
Anton Treuer

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

Senator Bakk moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. No. 248 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 75, 164 and 607 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Miller introduced—

S.F. No. 1570: A bill for an act relating to veterans; establishing a veterans home in Fillmore County; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on State and Local Government.

Senator Miller introduced—

S.F. No. 1571: A bill for an act relating to natural resources; modifying Blufflands Trail system; amending Minnesota Statutes 2012, section 85.015, subdivision 7.

Referred to the Committee on Environment and Energy.

Senator Thompson introduced—

S.F. No. 1572: A bill for an act relating to taxation; property; modifying provisions for payment of delinquent taxes; amending Minnesota Statutes 2012, sections 279.37, subdivisions 1a, 2; 281.14; 281.17.

Referred to the Committee on Taxes.

Senators Sieben and Kent introduced—

S.F. No. 1573: A bill for an act relating to capital investment; permitting conveyances of bond-financed property.

Referred to the Committee on Finance.

Senator Ruud introduced—

S.F. No. 1574: A bill for an act relating to transportation; roads; extending the sunset date for provisions pertaining to snow removal in uncompleted subdivisions; amending Minnesota Statutes 2012, section 160.21, subdivision 6.

Referred to the Committee on Transportation and Public Safety.

Senator Rest introduced—

S.F. No. 1575: A bill for an act relating to taxation; corporate franchise; modifying the thresholds for the corporate minimum fee; providing for indexation of the corporate minimum fee; amending Minnesota Statutes 2012, section 290.0922, subdivision 1.

Referred to the Committee on Taxes.

Senator Nienow introduced—

S.F. No. 1576: A bill for an act relating to stadiums; halting construction and sale of bonds until revenues certified; amending Minnesota Statutes 2012, section 16A.965, by adding a subdivision.

Referred to the Committee on Finance.

Senator Eken introduced—

S.F. No. 1577: A bill for an act relating to legacy funding; eligibility for future funding; amending Minnesota Statutes 2012, sections 85.53, subdivision 2; 97A.056, subdivision 11; 114D.50, subdivision 4; 129D.17, subdivision 2.

Referred to the Committee on Finance.

Senator Schmit introduced—

S.F. No. 1578: A bill for an act relating to health; creating an exception to the hospital construction moratorium; amending Minnesota Statutes 2012, section 144.551, subdivision 1.

Referred to the Committee on Health, Human Services and Housing.

Senator Housley introduced—

S.F. No. 1579: A bill for an act relating to transportation; providing for reimbursement of fire department services on certain trunk highways; amending Minnesota Statutes 2012, section 161.465.

Referred to the Committee on Transportation and Public Safety.

Senators Rosen, Sheran and Dahms introduced—

S.F. No. 1580: A bill for an act relating to capital investment; appropriating money for the Rapidan Dam in Blue Earth County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Champion introduced—

S.F. No. 1581: A bill for an act relating to natural resources; extending boundary and authorizing use of funds for North Mississippi Regional Park.

Referred to the Committee on Environment and Energy.

Senator Koenen introduced—

S.F. No. 1582: A bill for an act relating to capital investment; appropriating money for a grant to the city of Maynard for emergency sanitary sewer improvements; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Koenen, Dzedzic, Eken and Hayden introduced—

S.F. No. 1583: A bill for an act relating to taxation; property; modifying definition of income for the property tax refund; decreasing the threshold percentage for the property tax refund for renters; increasing the maximum refund for renters; amending Minnesota Statutes 2012, sections 290A.03, subdivision 3; 290A.04, subdivisions 2a, 4.

Referred to the Committee on Taxes.

Senator Rest introduced—

S.F. No. 1584: A bill for an act relating to state government; repealing the Sunset Act; amending Minnesota Statutes 2012, sections 254A.035, subdivision 2; 254A.04; 256B.093, subdivision 1; 260.835, subdivision 2; Laws 2012, chapter 278, article 1, section 5; repealing Minnesota Statutes 2012, sections 3D.01; 3D.02; 3D.03; 3D.04; 3D.045; 3D.05; 3D.06; 3D.065; 3D.07; 3D.08; 3D.09; 3D.10; 3D.11; 3D.12; 3D.13; 3D.14; 3D.15; 3D.16; 3D.17; 3D.18; 3D.19; 3D.20; 3D.21, subdivisions 2, 3, 4, 5, 6, 7, 8; Laws 2012, chapter 278, article 1, section 6.

Referred to the Committee on State and Local Government.

Senator Reinert introduced—

S.F. No. 1585: A bill for an act relating to capital investment; appropriating money for predesign of renovation of the Lake Superior Zoo; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Benson introduced—

S.F. No. 1586: A bill for an act relating to real estate; amending the requirements for recording a quitclaim deed; amending Minnesota Statutes 2012, section 507.07; proposing coding for new law in Minnesota Statutes, chapter 507.

Referred to the Committee on Judiciary.

Senators Hoffman and Johnson introduced—

S.F. No. 1587: A bill for an act relating to capital investment; appropriating money for the Champlin Mill Pond dam; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Pappas and Gazelka introduced—

S.F. No. 1588: A bill for an act relating to liquor; authorizing a license in St. Paul.

Referred to the Committee on Commerce.

Senators Saxhaug, Dzedzic, Cohen and Rest introduced—

S.F. No. 1589: A bill for an act relating to the operation of state government finance; allowing the secretary of state authority to accept funds from local government units for election systems enhancements and to receive certain funds for the address confidentiality program; allowing the state auditor to charge a onetime user fee for a small city and town accounting system software; changing provisions for bid solicitations and proposals; requiring a report for contracts over \$25,000; changing certain provisions for service contracts and the solicitation process; requiring a determination of the IT cost for agency technology projects; expanding E-Government initiative

and establishing the E-Government Advisory Council; changing certain audit provisions from the state auditor to the legislative auditor; repealing the Minnesota Sunset Act; changing provisions for barbering and cosmetology; changing licensing provisions for accountants; changing a paid military leave provision; modifying provisions in the Veterans Service Office grant program; changing provision in the Minnesota GI Bill program; establishing a veterans home in Beltrami County; making Department of Revenue changes; making compensation council changes and requiring a compensation study; adjusting certain salary groups; establishing administrative penalties; establishing fees; appropriating money; amending Minnesota Statutes 2012, sections 3.099, subdivision 1; 3.855, subdivision 3; 13.591, subdivision 3; 15A.0815, subdivisions 1, 2, 3, 5; 15A.082, subdivision 2; 16A.82; 16C.02, subdivision 13; 16C.06, subdivision 2; 16C.08, subdivision 4; 16C.09; 16C.10, subdivision 6; 16C.145; 16C.33, subdivision 3; 16C.34, subdivision 1; 16E.07, subdivision 6, by adding a subdivision; 32C.04; 43A.17, subdivisions 1, 3; 65B.84, subdivision 1; 154.001, by adding a subdivision; 154.003; 154.02; 154.05; 154.06; 154.065, subdivision 2; 154.07, subdivision 1; 154.08; 154.09; 154.10, subdivision 1; 154.11, subdivision 1; 154.12; 154.14; 154.15, subdivision 2; 154.26; 155A.23, subdivision 3; 155A.25, subdivisions 1a, 4; 155A.27, subdivisions 4, 7, 10; 155A.29, subdivision 2; 155A.30, subdivision 1, by adding subdivisions; 192.26; 197.608, subdivisions 1, 3, 4, 5, 6; 197.791, subdivisions 4, 5; 254A.035, subdivision 2; 254A.04; 256B.093, subdivision 1; 260.835, subdivision 2; 270C.69, subdivision 1; 289A.20, subdivisions 2, 4; 289A.26, subdivision 2a; 295.55, subdivision 4; 297F.09, subdivision 7; 297G.09, subdivision 6; 297I.30, by adding a subdivision; 297I.35, subdivision 2; 326A.04, subdivisions 2, 3, 5, 7; 326A.10; 469.3201; 473.843, subdivision 3; Laws 2012, chapter 278, article 1, section 5; article 2, sections 27; 34; proposing coding for new law in Minnesota Statutes, chapters 4; 5; 5B; 6; 16E; 154; 155A; 198; 297I; 349A; repealing Minnesota Statutes 2012, sections 3D.01; 3D.02; 3D.03; 3D.04; 3D.045; 3D.05; 3D.06; 3D.065; 3D.07; 3D.08; 3D.09; 3D.10; 3D.11; 3D.12; 3D.13; 3D.14; 3D.15; 3D.16; 3D.17; 3D.18; 3D.19; 3D.20; 3D.21, subdivisions 2, 3, 4, 5, 6, 7, 8; 43A.17, subdivision 4; 155A.25, subdivision 1; 168A.40, subdivisions 3, 4; 197.608, subdivision 2a; 270C.145; 326A.03, subdivisions 2, 5, 8; Laws 2012, chapter 278, article 1, section 6; Minnesota Rules, parts 1105.0600; 1105.2550; 1105.2700.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS

Senator Hayden moved that the name of Senator Dziedzic be added as a co-author to S.F. No. 1096. The motion prevailed.

Senator Pederson J. moved that the name of Senator Scalze be added as a co-author to S.F. No. 1407. The motion prevailed.

Senator Eken moved that the name of Senator Latz be added as a co-author to S.F. No. 1494. The motion prevailed.

Senator Koenen moved that the name of Senator Westrom be added as a co-author to S.F. No. 1522. The motion prevailed.

Senator Hayden moved that the name of Senator Champion be added as a co-author to S.F. No. 1544. The motion prevailed.

Senator Ruud moved that S.F. No. 126 be withdrawn from the Committee on Finance and returned to its author. The motion prevailed.

Senator Ruud moved that S.F. No. 1313 be withdrawn from the Committee on Finance and returned to its author. The motion prevailed.

Senators Latz, Bonoff, Rest, Hann and Franzen introduced –

Senate Resolution No. 57: A Senate resolution congratulating the Hopkins High School girls basketball team on winning the 2013 State High School Class 4A girls basketball championship.

Referred to the Committee on Rules and Administration.

Senator Ingebrigtsen introduced –

Senate Resolution No. 58: A Senate resolution congratulating Alexander Luke Schmidt of Alexandria, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senator Anderson introduced –

Senate Resolution No. 59: A Senate resolution commending Cub Scout Owen Potter.

Referred to the Committee on Rules and Administration.

Senators Bakk and Hann introduced –

Senate Resolution No. 60: A Senate resolution adopting Permanent Rules of the Senate.

Senator Bakk moved that Senate Resolution No. 60 be laid on the table. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Senator Bakk moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

S.F. No. 953: A bill for an act relating to health; modifying a social work licensure provision; amending Minnesota Statutes 2012, section 148E.0555, subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Dibble	Hoffman	Metzen	Rosen
Bakk	Dziedzic	Housley	Miller	Ruud
Benson	Eaton	Ingebrigtsen	Nelson	Saxhaug
Bonoff	Eken	Jensen	Newman	Scalze
Brown	Fischbach	Johnson	Nienow	Schmit
Carlson	Franzen	Kent	Ortman	Senjem
Chamberlain	Gazelka	Kiffmeyer	Osmek	Sheran
Champion	Goodwin	Koenen	Pappas	Sieben
Cohen	Hall	Limmer	Petersen, B.	Skoe
Dahle	Hawj	Lourey	Pratt	Sparks
Dahms	Hayden	Marty	Rest	Stumpf

Thompson
Tomassoni

Torres Ray
Weber

Wiger
Wiklund

So the bill passed and its title was agreed to.

RECESS

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Bakk moved that Senate Resolution No. 60 be taken from the table. The motion prevailed.

A Senate resolution adopting Permanent Rules of the Senate.

BE IT RESOLVED by the Senate of the State of Minnesota:

The Permanent Rules of the Senate for the 88th Legislature shall read as follows:

PERMANENT RULES OF THE SENATE

88TH LEGISLATURE (2013 - 2014)

1. PARLIAMENTARY REFERENCE

The rules of parliamentary practice contained in Mason's Manual of Legislative Procedure (1989 edition) govern the Senate in all cases in which they are applicable, and in which they are not inconsistent with these rules and orders of the Senate and the joint rules and orders of the Senate and House of Representatives.

2. REPORTING OF BILLS

Every bill, memorial, order, resolution or vote requiring the approval of the Governor must be reported to the Senate on three different days before its passage.

(a) The first report, called the first reading, is made when it has been received for introduction.

(b) The second report, called the second reading, is made when it has been considered by all the necessary standing committees and is ready for debate.

(c) The third report, called the third reading, is made when it is ready for final passage.

3. BILL INTRODUCTION

3.1 Bills, memorials, and concurrent or joint resolutions may be introduced by a member or by a standing committee.

3.2 The name of the author, authors, or committee must be written on the bill, memorial or resolution. The number of authors may not exceed five.

3.3 An original and two copies are required for introduction.

3.4 A member or a committee desiring to introduce a bill, memorial or concurrent or joint resolution shall deliver it to the office of the Secretary, and the Secretary shall promptly deliver all the bills, memorials or concurrent or joint resolutions to the President who shall present them to the Senate.

3.5 During the period between the last day of the session in any odd-numbered year and the first day of the session in the following year, a bill filed with the Secretary for introduction must be given a file number and may be unofficially referred by the President, with the approval of the Chair of the Committee on Rules and Administration, to an appropriate standing committee of the Senate. All bills filed for introduction during this period must be presented to the Senate when it reconvenes and must be referred to the standing committees previously indicated by the President, subject to objection to the referral under Rule 4.10.

4. BILL REFERRAL

4.1 The President shall refer each bill without motion to the proper standing committee unless otherwise referred by the Senate.

4.2 A bill or resolution may not be referred to committee or amended until it has been given its first reading.

4.3 A member may not object to a bill or resolution on its introduction.

4.4 All bills appropriating money, or obligating the state to pay or expend money, or establishing a policy which to be effective will require expenditure of money, when referred to and reported by any other than the Committee on Finance, must be referred before passage to the Committee on Finance.

4.5 All bills delegating rulemaking to a department or agency of state government and all bills exempting a department or agency of state government from rulemaking, when referred to and reported by any other than the Committee on State Government Innovation and Veterans and Local Government, must be referred before passage to the Committee on State Government Innovation and Veterans and Local Government.

4.6 All bills creating a new commission, council, task force, board, or other body to which a member of the legislature will be appointed must be referred before passage both to the Committee on State Government Innovation and Veterans and Local Government and to the Committee on Rules and Administration.

4.7 All bills authorizing or increasing a sentence of imprisonment to a state correctional institution must be referred before passage to the Committee on Judiciary.

4.8 All resolutions required to follow the same procedure as bills must be referred before passage to the Committee on Rules and Administration.

4.9 A bill introduced by a committee need not be referred to a standing committee unless a question arises. It must lie over one day before being given its second reading.

4.10 A member may question the reference of a bill during the order of business of first reading on the day of introduction. When a member questions the reference of a bill, the bill must be referred without debate to the Committee on Rules and Administration to report the proper reference. Upon adoption of the report of the Committee on Rules and Administration, the bill must be referred accordingly.

5. RECALL FROM COMMITTEE

5.1 With the concurrence of the chief author of the bill, before the deadline for committee action on a bill, a majority of the whole Senate may recall the bill from a committee and re-refer it to any other committee or place it on General Orders. After the committee deadline for action on a bill, 41 affirmative votes of the whole Senate may recall the bill from any committee and re-refer it to any other committee or place it on General Orders.

5.2 By a report of the Committee on Rules and Administration adopted by the Senate, the Committee on Rules and Administration, on request of the chief author, may remove a bill from committee and re-refer it to any other committee or place it on General Orders.

6. RESOLUTIONS

6.1 Memorial resolutions addressed to the President or the Congress of the United States, or a house or member of Congress, or a department or officer of the United States, or a state or foreign government, joint resolutions, and resolutions requiring the signature of the Governor must follow the same procedure as bills before being adopted.

6.2 A resolution may not be changed to a bill, and a bill may not be changed to a resolution.

6.3 ~~When a member gives notice of intent to debate~~ Upon the request of a member, a resolution not required to follow the same procedure as bills and not offered by the Committee on Rules and Administration, ~~the resolution must be referred to the Committee on Rules and Administration. If the resolution is not referred to the Committee on Rules and Administration, the resolution must lie over one calendar day without debate or other action,~~ upon the request of a member.

6.4 ~~Upon the request of a member, the resolution must be referred to the proper committee. If a question arises concerning the proper reference the procedure provided by Rule 4.10 applies.~~

7. BUDGET TARGETS

7.1 The Committees on Taxes and on Finance must hold hearings as necessary to determine state revenues and appropriations for the fiscal biennium.

7.2 ~~At least 15 days before the deadline for committees other than the Committee on Finance to act favorably on omnibus appropriations bills~~ Within 30 days after the last state general fund revenue and expenditure forecast for the next fiscal biennium becomes available during the regular

session in the odd-numbered year, targets for the general fund budget must be publicly announced by the Chair of the Committee on Finance or the Chair of the Committee on Rules and Administration. Subsequent adjustments to the targets required under this rule shall be made by public announcement of the chair of the Committee on Rules and Administration.

7.3 The omnibus tax and appropriation bills are:

- (1) the omnibus tax bill;
- (2) the E-12 education appropriations bill;
- (3) the higher education and workforce development appropriations bill;
- (4) the health and human services appropriations bill;
- (5) the environment, economic development and agriculture appropriations bill;
- (6) the judiciary appropriations bill;
- (7) the state departments and veterans appropriations bill;
- (8) the transportation and public safety appropriations bill; and
- (9) the omnibus capital investment bill.

An omnibus appropriation or tax bill may not be divided.

7.4 An amendment to an omnibus appropriation or tax bill that is a Senate file or an unofficial engrossment of a House file is out of order if it will:

(1) increase net appropriations from a fund for a fiscal biennium, without a corresponding increase in net revenue, compared to the bill as it was reported to the floor of the Senate, without a corresponding increase in net revenue;

~~7.5 An amendment to an omnibus appropriation or tax bill that is a Senate file or an unofficial engrossment of a House file is out of order if it will (2) reduce net revenue to a fund for a fiscal biennium, without a corresponding reduction in net appropriations, compared to the bill as it was reported to the floor of the Senate, without a corresponding reduction in net appropriations;~~

~~7.6 An amendment to an omnibus appropriation or tax bill that is a Senate file or an unofficial engrossment of a House file is out of order if it will (3) change appropriations, transfers, or revenues to an agency that was not in the bill as it was reported to the floor of the Senate; or will~~

(4) create or increase the amount of a tax expenditure by reducing appropriations, transfers, or revenues to an agency that was not in the bill as it was reported to the floor of the Senate.

8. CONFIRMATIONS

8.1 Every gubernatorial appointment requiring the advice and consent of the Senate must be referred by the President to the appropriate committee. If a question arises as to the proper committee, the appointment must be referred without debate to the Committee on Rules and Administration for a report making the proper reference.

8.2 An appointment referred to committee and not reported to the Senate within 60 legislative days after it was referred is withdrawn from committee and placed on the confirmation calendar for consideration by the Senate before adjournment of the regular session, unless the appointee's term has expired or the appointee is no longer serving.

8.3 The final question on the appointment is, "Will the Senate, having given its advice, now consent to this appointment?" The question must not be put the same day the appointment is received or on the day it is reported by committee except by unanimous consent. Confirmation of the appointment requires the affirmative vote of a majority of the whole Senate.

9. STANDING COMMITTEES

The standing committees of the Senate are as follows:

Capital Investment

Commerce

Education

Environment and Energy

Finance

Health, Human Services and Housing

Higher Education and Workforce Development

Jobs, Agriculture and Rural Development

Judiciary

Rules and Administration

State and Local Government

Taxes

Transportation and Public Safety

10. APPOINTMENTS TO STANDING COMMITTEES

10.1 The majority and minority groups must each be represented on all standing committees of the Senate substantially in proportion to their numbers in the Senate. The majority group shall assign the number of positions the minority group will hold on each committee and budget division. The minority group must be given adequate notice of its positions before the session begins.

10.2 Both the majority and minority groups shall appoint their own members to fill the number of positions each group will hold on each committee and budget division. The minority group shall transmit notice of its assignments to the majority group within 14 calendar days after receipt of the notice of positions available. The minority group may designate a ranking member for each committee. Nothing prohibits a member of the minority group from serving as chair or vice chair of a committee, subcommittee, division, or commission. If the minority group for any reason fails

to make its appointments pursuant to this rule, the majority group may make all the committee and budget division assignments.

10.3 The majority and minority committee assignments are subject to the uniform criteria governing committee assignments applicable to both the majority and minority groups. The uniform criteria must be adopted by the Committee on Rules and Administration.

~~10.3~~ 10.4 The Senate resolution establishing representation on all Senate standing committees must set forth committee assignments as made by the majority and minority groups.

~~10.4~~ 10.5 A member may not serve as the chair of the same standing committee or the same division of a standing committee, or a committee with substantially the same jurisdiction, for more than three consecutive Senate terms. This limit does not apply to the Committee on Rules and Administration.

~~10.5~~ 10.6 After the organization of the Senate and after consultation with and the approval of the minority leader, the Chair of the Committee on Rules and Administration may add members to or delete members from a standing committee or division.

11. APPOINTMENTS BY SUBCOMMITTEE ON COMMITTEES

11.1 The Committee on Rules and Administration may constitute a standing Subcommittee on Committees, the report of which within its jurisdiction has the effect of a report of the Committee on Rules and Administration. The subcommittee consists of at least five members, including members of the minority group substantially in proportion to their number in the Senate.

11.2 Unless otherwise provided, the Subcommittee on Committees shall appoint all members of commissions or other bodies authorized to be appointed by the Senate and report the appointments to the Senate.

12. COMMITTEE MEETINGS

12.1 All meetings of the Senate, its committees, committee divisions, and subcommittees are open to the public. A meeting of a caucus of the members of any of those bodies from the same political party need not be open to the public. A caucus of the Hennepin county, Ramsey county, or St. Louis county delegation is open to the public. For purposes of this rule, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the body.

12.2 Any person may submit to the Chair of the Committee on Rules and Administration a complaint that members have violated the open meeting requirements of Minnesota Statutes, section 3.055. The complaint must be in writing. The Chair of the Committee on Rules and Administration shall immediately forward the complaint in writing to the Subcommittee on Ethical Conduct without disclosing the identity of the complainant. The complaint must not be further disclosed without the consent of the complainant, except to the members against whom the complaint was made, unless the complaint was made by a member of the Senate in writing under oath, in which case the investigatory procedures of Rule 55 apply.

12.3 To the extent practical, a committee ~~or~~ subcommittee, or division shall announce each meeting to the public at least three calendar days before convening. The notice must state the name of the committee ~~or~~ subcommittee, or division, the bill or bills to be considered, and the place and

time of meeting. A bill may not be considered on the day it was introduced. The notice must be posted on the Senate's Web site and on all Senate bulletin boards in the Capitol and the State Office Building. A notice must be sent to the House of Representatives for posting as it deems necessary. If the three-day notice requirement cannot be met, the committee or subcommittee, or division shall give simultaneous notice to all of the known proponents and opponents of the bill as soon as practicable.

12.4 A Senate committee or subcommittee, or division shall adjourn no later than midnight each day, unless two-thirds of the members present vote to suspend this requirement.

12.5 Committees and subcommittees, and divisions may not meet while the Senate is in session without permission of the Senate. The names of the members excused shall be printed in the Journal.

12.6 A majority of its members constitutes a quorum of a committee or subcommittee, or division.

12.7 Each standing committee of the Senate, including a subcommittee or division of the committee, may at any time sit and act, investigate and take testimony on any matter within its jurisdiction, report hearings held by it, and make expenditures as authorized by the Committee on Rules and Administration.

12.8 A standing committee, but not a subcommittee or division, may require by subpoena or otherwise the attendance and testimony of witnesses and the production of correspondence, books, papers, and documents, in the manner provided by Minnesota Statutes, section 3.153.

12.9 Upon the request of a member of a committee or subcommittee, or division to which a bill has been referred, or upon the request of the chief author of the bill, a record must be made of the vote on the bill or any amendment in the committee or subcommittee, or division.

12.10 Upon request of three members of the committee before the vote is taken, the record of a roll call vote in a standing committee must accompany the committee report and be printed in the Journal.

12.11 A committee report may only be based on action taken at a regular or special meeting of the committee. A report in violation of this rule is out of order.

12.12 No Senate committee, division, or subcommittee shall permit any appointed officer or employee of the executive branch, registered lobbyist, or lobbyist principal to be seated at the committee table with members of the Senate during an official meeting of a committee of the Senate.

13. HOUR OF CONVENING

If the Senate adjourns without setting a time to reconvene, the Senate shall convene on the next legislative day at 11:00 a.m.

14. PRESIDENT

14.1 The President shall take the chair at the time to which the Senate adjourned. The President shall immediately call the members to order and, on the appearance of a quorum, shall proceed with the regular order of business.

14.2 The President may call a member to preside. In the absence of the President, the President Pro Tem, the Chair of the Committee on Rules and Administration, or the Chair's designee, shall preside over the Senate. In the absence of the President and the Chair, the Senate may select a member to perform the duties of the President. Substitutions do not extend beyond adjournment.

14.3 The President shall preserve order and decorum, may speak on points of order in preference to members, and shall also decide all questions of order, subject to an appeal to the Senate by a member.

14.4 An appeal is decided by a majority vote of those present and voting. Upon an appeal from the decision of the President, the question is, "Shall the decision of the President be the judgment of the Senate?"

14.5 The President shall sign all acts, memorials, addresses and resolutions. All writs, warrants, and subpoenas issued by the Senate must be signed by the President and attested by the Secretary.

14.6 Upon a finding by the Committee on Rules and Administration that the President refuses or is unable to sign any of the documents described in this rule, the Chair of the Committee on Rules and Administration, or some other member selected by the committee, shall assume the duties of the President under this rule until the President is able to sign the documents described or until the Senate elects a new President, whichever occurs first.

15. ADMISSION TO SENATE CHAMBER

15.1 The Senate Chamber is reserved for Senate use.

15.2 A person may not be admitted to the Senate Chamber except as provided in these rules. A member, an officer, the constitutional officers, ex-Governors of the State of Minnesota, members of the House, judges of the trial and appellate courts and members of Congress may be admitted.

15.3 Past members of Congress or of the state legislature who are not interested in any claim or directly in a bill pending before the legislature may be personally admitted by a member of the Senate.

15.4 An employee of either house may be admitted at the request of a member or an officer of the Senate.

15.5 A member of another state, provincial, or national legislative body may be admitted to the floor by any member of the Senate. A member of another legislative body who is admitted to the floor may be introduced to the Senate by the President.

15.6 The President may designate and personally admit the person who will provide the prayer and the person who will lead the Pledge of Allegiance.

15.7 When the Senate is not meeting, a person who is not a member may be admitted to the floor at the request of a member or an officer.

15.8 Public hearings may not be held in the Senate Chamber. The Senate Chamber may not be used for any commercial purpose.

15.9 The Retiring Room of the Senate is reserved for the exclusive use of the members of the Senate at all times. The Sergeant at Arms shall strictly enforce this rule.

15.10 When a member-elect is sworn in, the member-elect may request that one guest be admitted until the member-elect has been sworn in.

16. CREDENTIALS FOR NEWS COVERAGE

~~16.1 The credentialing process for individuals and organizations who provide news coverage of the legislature will be administered and the provisions of this rule enforced exclusively by the Sergeant at Arms, with the exception of an appeal under Rule 16.4.~~

~~16.2 (a) The Secretary of the Senate shall provide a reasonable number of spaces on the Senate floor and in the Senate gallery for individuals and organizations with credentials and passes issued under this rule. The Sergeant at Arms may not issue credentials or day passes under this rule 16.3 to political organizations. For the purposes of this rule, "political organization" means an organization owned or controlled by a registered lobbyist, a political party, or any party organization. "Political organization" also includes an organization registered with the Campaign Finance Board, the Federal Election Commission, or an organization subject to Minnesota Statutes, chapter 10A or 211A.~~

~~16.3 (b) Due to the limited space available for organizations or individuals providing news coverage of the Senate, the Senate finds that there is a compelling public interest in limiting credentials issued under this rule to organizations or individuals who demonstrate that they provide frequent regular news coverage of the legislature. For that reason, the following rules apply: For session credentials, an organization or individual must submit an application to the Sergeant at Arms. The Sergeant at Arms must review the application and approve or reject it within 14 days after receipt. Upon the request of the Sergeant at Arms, an applicant for credentials must provide evidence of the applicant's activities in providing regular news coverage of the legislature.~~

~~(a) Organizations or individuals requesting credentials must furnish, upon the request of the Sergeant at Arms, three Evidence of regular news coverage must include examples of news coverage of legislative matters produced by the organization or individual applicant. The examples must include written, video, or audio coverage written or recorded in the past year, and a description of how they were publicly distributed. Any opinion expressed in the examples is not subject to review under this rule at any time. An organization requesting credentials may include only one individual.~~

~~(b) For session credentials, an organization or individual must submit an application to the Sergeant at Arms. The Sergeant at Arms must review the application and approve or reject it within 14 days after receipt.~~

~~(c) If an application is rejected, the Sergeant at Arms must state the reason for the rejection in writing and notify the applicant, the Secretary of the Senate, the Majority Leader, and the Minority Leader in writing.~~

~~(d) An appeal of a denial of credentials must be made in writing to the Secretary of the Senate, the Senate Majority Leader, and the Senate Minority Leader. The Committee on Rules and Administration shall review and decide the appeal within 14 days after receiving a letter of appeal.~~

~~(d) 16.2 The Sergeant at Arms may grant day passes upon the request of a member or upon the request of an individual or organization who has not applied for credentials and who is not prohibited from receiving credentials under Rule 16.2 Rule 16.1, paragraph (a).~~

~~16.4 An appeal of a denial of credentials must be made in writing to the Secretary of the Senate, the Senate Majority Leader, and the Senate Minority Leader. The Committee on Rules and Administration shall review and decide the appeal within 14 days after receiving a letter of appeal.~~

~~16.5 For individuals and organizations with credentials and passes issued under this rule, The Secretary of the Senate shall provide at least six spaces on the Senate floor and at least ten spaces in the Senate gallery. Because of limited space on the floor, at least four spaces must be reserved for credentialed individuals from news organizations with leases in the Capitol press area. At least four seats in the gallery must be reserved for credentialed individuals from television news stations with leases in the Capitol press area. All other gallery access will be provided on a first-come, first-served basis to individuals and organizations with credentials and passes issued under this rule. The Sergeant at Arms shall ensure that an opportunity to register for access under this rule is publicly available outside the main doors of the Senate Chamber at all times. This procedure will be used to determine floor access priority for individuals with credentials whose organizations do not lease space in the Capitol press area. If the designated floor and gallery space is full, the Sergeant at Arms may limit access for an organization to one individual in order to provide space for individuals from other organizations. Individuals with session credentials have priority for admission over individuals with day passes. All credentialed individuals shall be admitted to the floor when the Senate is not meeting in the same manner provided for credentialed individuals who have been admitted to the floor when the Senate is meeting. The documents provided to credentialed individuals present on the floor when the Senate is meeting shall be made available in the Senate Information Office to other credentialed individuals.~~

~~16.6~~ 16.3 The Secretary shall compile and distribute to the public a directory of individuals and organizations who have been issued credentials under Rule ~~16.3~~ 16.1 to provide news coverage from the Senate floor. The directory must include each individual's picture and organization and a brief biography.

~~16.7~~ 16.4 The Secretary must issue each individual or organization with credentials an identification badge showing the individual's name and organization. The individual must wear the badge when in the Senate Chamber.

17. DECORUM

17.1 In case of a disturbance or disorderly conduct in the lobbies or galleries, the President may order them cleared.

17.2 A member may not introduce a visitor or visitors in the galleries from the floor or rostrum of the Senate.

17.3 Smoking is not permitted in the Senate Chamber or galleries, the Retiring Room, hearing rooms, offices, or other spaces under the control of the Senate.

17.4 During floor proceedings, picture taking by persons other than accredited news or legislative photographers, picture taking with floodlights or flash units, and visual or audible disruptions are prohibited. At all times, demonstrations and food or beverages are prohibited in the Senate Chamber and in the galleries.

17.5 Television recording or broadcasting on the Senate floor is under the direction of the Secretary.

18. ORDER OF BUSINESS

18.1 The order of business is as follows:

1. Petitions, letters, remonstrances.
2. Executive and official communications.
3. Messages from the House of Representatives.
4. First reading of House bills.
5. Reports of committees.
 - (a) From standing committees.
 - (b) From select committees.
6. Second reading of Senate bills.
7. Second reading of House bills.
8. Introduction and first reading of Senate bills.
9. Motions and Resolutions.
10. Calendar.
11. Consent Calendar.
12. General Orders.
13. Announcements of Senate interest.

18.2 Under the order of business of Motions and Resolutions, the Senate may by a majority vote of the whole Senate temporarily revert or proceed to any other order of business.

19. PETITIONS AND OTHER COMMUNICATIONS

19.1 In presenting a petition, memorial, remonstrance or other communication addressed to the Senate, a member shall only state the general purpose of it.

19.2 Every petition, memorial, remonstrance, resolution, bill and report of committee, must have an appropriate title, and the name of the member presenting it written on it.

19.3 Every written communication distributed to members in the Senate Chamber must have the name of the member or officer distributing it displayed on it.

20. MESSAGES FROM THE HOUSE

A message from the House of Representatives that a Senate bill has been amended, and the amendment, must be printed and placed on the members' desks before a member may move to concur in the House amendment. If the amendment has been printed in the House Journal for a preceding day and is available to the members, the Journal copy may serve as the printed copy.

21. OBJECTIONS TO COMMITTEE REFERRALS

A member may question the proper reference of a bill at the time the bill is reported by a standing committee to which it was previously referred. When a member questions the reference of a bill, the bill must be referred without debate to the Committee on Rules and Administration to report the proper reference. Upon adoption of the report of the Committee on Rules and Administration, the bill must be referred accordingly.

22. GENERAL ORDERS

22.1 The Secretary shall make a list of all bills, resolutions, reports of committees, and other proceedings of the Senate that are referred to the Committee of the Whole and number them. The lists are called the "General Orders".

22.2 Items on General Orders may be taken up in the order in which they are numbered, as ordered by the Chair of the Committee on Rules and Administration, or as otherwise ordered by a majority of the committee.

22.3 General Orders, together with all bills required to be included on it, must be electronically available or printed at least one calendar day before being considered in Committee of the Whole.

22.4 With the concurrence of the chief author of the bill, a majority of the whole Senate may at any time take a bill from the table and place it on General Orders.

23. COMMITTEE OF THE WHOLE

23.1 All bills, memorials, orders, resolutions and votes requiring the approval of the Governor must, after a second reading, be considered in Committee of the Whole before they are finally acted upon by the Senate, unless considered on the Consent Calendar or as a Special Order.

23.2 The President may call a member to the Chair when the Senate resolves itself into the Committee of the Whole.

23.3 The rules observed in the Senate govern, as far as practicable, the proceedings of the Committee of the Whole, and the Chair of the Committee of the Whole has the powers of the President, as appropriate. However, a member may speak more than twice on the same subject and a call for the previous question may not be made.

23.4 A member may request a roll call vote. The vote must be recorded in the Journal along with the amendment.

23.5 The recommendations of the Committee of the Whole must be reported to the Senate. The question is on the adoption or rejection of the report, and no other question may be admitted. The question may be divided to permit separate Senate action on the report as to any bill.

23.6 On adoption of the report of the Committee of the Whole, all bills recommended to pass must be placed on the Calendar.

24. CALENDAR

24.1 The Secretary shall make a Calendar of all bills, resolutions and other matters approved by the Committee of the Whole for final action. The Secretary shall place them on the Calendar in the order in which they have been acted upon in Committee of the Whole.

24.2 The Calendar must be electronically available or printed at least one calendar day before the matters on it are considered.

25. CONSENT CALENDAR

25.1 If a committee determines that a bill it recommends to pass is not likely to be opposed, the committee may recommend that the bill be placed on the Consent Calendar. If the committee report is adopted, the bill must be electronically available or printed and placed on the Consent Calendar after its second reading. On the question of adoption of the report, the question of accepting the recommendation that the bill be placed on the Consent Calendar may be divided from the question of adopting the report in other respects.

25.2 A majority of the whole Senate, or the Chair of the Committee on Rules and Administration, may order a bill on General Orders placed on the Consent Calendar.

25.3 The Consent Calendar must be electronically available or printed at least one calendar day before the matters on it are considered.

25.4 If a member objects to consideration of a bill on the Consent Calendar at any time during its consideration in the Senate before the question on final passage is put, and that objection is supported by at least two other members, the bill is referred to the Committee of the Whole, and the Secretary shall place it at the bottom of General Orders subject to Rule 22.2, except that it need not lie over one calendar day before consideration in the Committee of the Whole.

26. SPECIAL ORDERS

26.1 The Chair of the Committee on Rules and Administration, or the Chair's designee, may designate a special order for a bill that has been given its second reading.

26.2 A special order may provide that the bill be considered immediately, at a time certain, or after specific other business is completed.

26.3 During consideration of a special order, Rule 36.5 is suspended.

26.4 As nearly as applicable, debate on the bill and all proceedings including amendments and substitutions must be conducted as in the Committee of the Whole.

26.5 On any question, a member may request a roll call vote, which must be entered in the Journal.

26.6 Unless it is otherwise disposed of, after consideration a bill on Special Orders must immediately proceed to its third reading and final passage.

27. MOTIONS

27.1 A motion or amendment must be written if a member requests. It must identify the member or committee offering it.

27.2 When a motion is made, it must be stated by the President. If it is in writing, it must be handed to the Secretary and read to the members.

27.3 After a motion is stated by the President, or read by the Secretary, it is in possession of the Senate, but may be withdrawn by the author at any time before decision or amendment.

28. PRECEDENCE OF MOTIONS

28.1 When a question is under debate no motion may be made, except:

1. To adjourn.
2. To recess.
3. To reconsider.
4. To lay on the table.
5. For the previous question.
6. To refer.
7. To postpone to a day certain.
8. To amend.
9. To postpone indefinitely.

28.2 Motions numbered 1, 2, 4 and 5 above are not debatable.

28.3 These motions have precedence in the foregoing order; but when a motion for the previous question has been made, or the main question ordered, a motion to lay on the table is not in order.

28.4 A motion to postpone to a day certain, to refer, to postpone indefinitely, or to amend, having been decided, may not again be put on the same day, nor at the same stage of the bill or proposition.

29. MOTION TO ADJOURN

A motion to adjourn or a motion to adjourn to a time certain is always in order. The latter motion is debatable solely as to the time. When either motion is rejected, it may not be renewed until further business has been transacted.

30. MOTION TO RECONSIDER

30.1 When a motion or question has been decided, a member who voted with the prevailing side may move for reconsideration:

- (1) on the same day on which the vote was taken;

(2) within the next two calendar days; or

(3) if after the time provided under clause (1) or (2), on the first day the Senate meets after the vote was taken. The motion takes precedence over all other questions except a motion to adjourn or recess.

30.2 When a motion to adjourn is adopted before the disposition of a motion for reconsideration, the motion for reconsideration must lie over until the next succeeding day the Senate meets except as provided in this rule.

30.3 When notice of intent to move reconsideration of the final action of the Senate on a question is given by a member, the Secretary shall retain the subject of the notice until after the expiration of the time during which the motion can be made.

30.4 A notice of intent to move for reconsideration is not in order after the Tuesday before the third Saturday in May, but a motion to reconsider may be made.

30.5 A motion for reconsideration having been once voted on may not be made again nor reconsidered.

31. MOTION FOR THE PREVIOUS QUESTION

31.1 Unless a motion for the previous question is made specifically applicable to a subsidiary motion, it must be in this form: "Shall the main question now be put?" If the motion for the previous question is supported by a majority of the members present, its effect is to put an end to all debate and bring the Senate to a direct vote upon all pending amendments in their order and then upon the main question.

31.2 On a motion for the previous question, a call of the Senate is in order before the President submits the question to the Senate.

31.3 On a motion for the previous question there is no debate. All incidental questions of order, arising after a motion is made for the previous question, and pending the motion, must be decided, whether on appeal or otherwise, without debate.

32. MOTION TO REFER

A bill or resolution may be referred to committee at any time before its passage. If an amendment is reported on the referral to any committee other than the Committee of the Whole, it must again be read the second time, considered in Committee of the Whole, read the third time and placed on final passage. If the referral is to the Committee of the Whole it must be placed at the head of General Orders, except when the referral is from the Consent Calendar under Rule 25.4.

33. MOTION TO AMEND BILL OR RESOLUTION

33.1 A motion to amend must be written if a member requests. It must identify the member offering it.

33.2 In drawing an amendment to a bill or resolution, reference must be made, first to the number of the bill, then to the page, and then to the line or lines where language is to be stricken or inserted.

33.3 In filling blanks, the largest sum, the longest time and the greatest distance must be first taken.

33.4 The title to a bill may be amended by the Secretary at any time the bill is amended by the Senate.

33.5 An amendment is not in order to a bill on the Calendar or after third reading without the unanimous consent of the Senate unless it:

- (1) fills a blank;
- (2) amends the title;
- (3) is proposed to the chief author of the bill by the Revisor of Statutes to correct technical defects found by the Revisor while engrossing earlier amendments to the bill; or
- (4) is proposed to a bill on the Consent Calendar before the bill is given its third reading.

34. MOTION TO SUSPEND RULES

34.1 A rule may be suspended by a vote of at least two-thirds of the whole Senate.

34.2 A motion to suspend the rules for the purpose of advancing a bill may be made only under the order of business, "Motions and Resolutions".

35. GERMANENESS

35.1 An amendment proposed to the Senate or to the Committee of the Whole that is not germane is out of order.

35.2 A non-germane amendment includes one that:

- (1) relates to a substantially different subject; or
- (2) is intended to accomplish a substantially different purpose, than that of the original bill to which it is proposed.

35.3 An amendment to insert a constitutional amendment is not germane to a bill that does not already include a constitutional amendment.

35.4 Whether an amendment is germane is to be decided by the President, who may put the question to the body if the President chooses.

35.5 A motion to remove an amendment placed on a House bill under Rule 45.1 is out of order if removal of the amendment would make a portion of the House bill not germane to the Senate companion for which it was substituted.

35.6 If a House amendment to a Senate bill is not germane to the Senate bill, a motion to concur in the House amendment is out of order.

36. DEBATE

36.1 When a member is about to speak to the Senate, the member shall rise and respectfully address "Madam (or Mr.) President." The member may not proceed to speak further until recognized by the President.

36.2 The member shall speak only to the question under debate and avoid personality.

36.3 The member may inform the Senate of the Governor's position on a bill and on its status in the House of Representatives.

36.4 In discussing a resolution, each member is limited to ten minutes.

36.5 A member may not speak more than twice on the same question on the same day without permission of the Senate.

36.6 When a member is speaking, no one may stand between the member speaking and the President.

36.7 A member may not speak without using a microphone.

36.8 All remarks during debate shall be addressed to the President.

36.9 When the President puts a question, or addresses the Senate, no one may walk out of or cross the Chamber.

36.10 When a member is called to order, the member shall be silent until it is determined whether or not the member is in order. If a member is called to order for words spoken in debate, the words excepted to must be taken down in writing by the Secretary immediately.

36.11 Debate on the report of a conference committee is in order at any time after the report has been made available electronically or printed and placed on the desk of each member, or at an earlier time agreed to by a majority of the whole Senate.

37. ABSENCE OF MEMBERS

A member or officer of the Senate may not be absent from a session of the Senate unless excused by the Senate. The name of a member excused must be printed in the Journal.

38. CALL OF THE SENATE

38.1 A member may impose a call of the Senate requiring the attendance of all members before any further proceedings occur except a motion to adjourn.

38.2 Upon the imposition of a call, a member may request a record of those present and the Sergeant at Arms shall bring in the absent members.

38.3 When the Senate has been placed under call, a member may demand that the doors be closed and that no member be permitted to leave the Chamber until the matter or question, if any, under consideration at the time of the call is disposed of, or until the call is lifted by a majority of the whole Senate, or until the Senate adjourns.

38.4 A majority of the whole Senate may excuse members not answering the call.

38.5 A call may not be imposed after voting has commenced.

39. DIVISION OF QUESTION

39.1 A member may call for a division of the question when the division is possible. A motion to strike and insert is indivisible.

39.2 The defeat of a motion to strike does not preclude an amendment nor a motion to strike and insert.

40. VOTING

40.1 The President shall distinctly state the question before taking the vote. The President shall declare the result of the vote. If a member questions the result of a vote, the President shall order a division.

40.2 A member may vote on a question or be counted on a division only at the member's own seat in the Senate Chamber.

40.3 At any time before the start of voting on a question, a member may request a roll call vote, which must be entered in the Journal, unless at the time the request is made, the Senate is taking a roll call vote using the electrical voting system.

40.4 Unless otherwise ordered, a roll call vote, except upon elections, may be taken by means of the electrical voting system under the control of the President.

40.5 A roll call vote may not be interrupted except to close the roll as provided in Rule 41.3.

40.6 A member or other person may not proceed to or remain by the Secretary's desk while a roll call or division is being taken.

41. MEMBERS TO VOTE UNLESS EXCUSED

41.1 Every member who is in the Senate Chamber during a roll call, including in the Committee of the Whole, shall vote upon the request of another member unless excused by the Senate.

41.2 A motion by a member to be excused from voting must be made before the question is put. A member wishing to be excused from voting may make a brief statement of the reason for making the request. The question on the motion to excuse must be taken without further debate.

41.3 When members have had an opportunity to vote and fail to do so, a majority of the whole Senate may, by motion, direct the President to close the roll.

41.4 The vote on a motion to close the roll must be taken without debate. No member is required to vote on the motion.

42. FINAL PASSAGE

The final question on a bill or other matter requiring action by both Houses after its first and second reading, and after the consideration in Committee of the Whole, is on its final passage.

43. TRANSMITTING BILLS TO THE HOUSE

43.1 Except when a motion to reconsider has been made as provided in Rule 30, immediately after the passage of a bill or other matter in which the concurrence of the House of Representatives is requested, the Secretary shall transmit it to the House.

43.2 On the concurrence of a bill or other matter of the House by the Senate, or on the concurrence or disagreement in a vote of the House, the Secretary shall notify the House.

44. ENGROSSING AND ENROLLING OF BILLS

44.1 The Secretary and the Engrossing Secretary shall ensure that every bill, memorial, or resolution originating in the Senate is carefully engrossed before it is transmitted to the House of Representatives for concurrence.

All engrossing and enrolling of bills shall be done at the direction and under authority of the Senate.

44.2 The Secretary shall ensure that every bill, memorial, or resolution originating in the Senate is carefully enrolled by the Revisor of Statutes before it is presented to the Governor or filed with the Secretary of State.

45. COMPARISON AND SUBSTITUTION OF BILLS

45.1 A House bill, after its first reading, must be referred as follows, unless there is a motion by the Chair of the Committee on Rules and Administration or a designee of the Chair:

(a) If there is no Senate companion bill, the House bill must be referred to the appropriate standing committee, unless there is objection under Rule 4.10.

(b) If there is a Senate companion bill, the House bill must be referred to the standing committee possessing the Senate companion.

(c) If the Senate companion bill has been reported to the Senate, the House bill must be referred to the Committee on Rules and Administration, which shall report whether the House bill is identical to the Senate companion bill. If the bills are identical, the report must recommend that the House bill be given its second reading and substituted for the Senate companion bill and the Senate companion bill be indefinitely postponed. If the House bill is not identical to the Senate companion bill, the report of the committee must recommend an amendment to the House bill that when adopted will render the House bill identical to the Senate bill. Upon adoption of a committee report containing the proposed amendment, the House bill as amended must be given its second reading and substituted for the Senate companion bill and the Senate companion bill must be indefinitely postponed.

45.2 The Secretary shall prepare and submit reports under this rule on behalf of the Committee on Rules and Administration.

45.3 A House bill placed on the Calendar by substitution must not be given its third reading on the same day as the substitution.

46. CONFERENCE COMMITTEES

46.1 The Committee on Rules and Administration may constitute a standing Subcommittee on Conference Committees, the report of which within its jurisdiction has the effect of a report of the Committee on Rules and Administration. The subcommittee consists of three members, one of whom must be a member of the minority group.

46.2 The Subcommittee on Conference Committees shall appoint all conference committees of the Senate and report the appointments to the Senate. In the appointment of members of conference committees between the two houses, the Subcommittee on Conference Committees shall appoint those who are in accord with the position of the Senate. Whenever practical, the subcommittee shall give preference to authors of bills in dispute and to members of standing committees in which the bills were considered.

47. DISPOSITION OF BILLS ON ADJOURNMENT

Adjournment of the regular session in an odd-numbered year to a date certain in the following year is equivalent to daily adjournment, except that a bill on the Calendar, Consent Calendar, General Orders, or table, other than a bill laid on the table after being vetoed by the governor or after its conference committee has been discharged under Joint Rule 3.02, must be returned to the standing committee other than the Committee on Rules and Administration from which it was last reported to the Senate, unless otherwise provided for by motion before adjournment.

48. PRINTING AND DISTRIBUTION OF BILLS

48.1 Unless otherwise ordered by the Senate, all Senate bills that have been reported upon favorably or without recommendation by a committee must be electronically available or printed before consideration by the Senate or the Committee of the Whole.

48.2 A House bill amended by the Senate must be unofficially engrossed and electronically available or printed when placed on General Orders.

48.3 A bill may be electronically available or printed by order of the Secretary when amended after second reading.

48.4 A bill must be electronically available or printed when ordered by the Senate.

48.5 Action by the Senate on a bill that has not been printed is a waiver of the printing requirement.

48.6 To the extent practical, the Secretary shall provide a copy of any bill to the public and may charge a reasonable fee.

49. JOURNAL AND INDEX

49.1 The Secretary shall keep a correct Journal of the proceedings of the Senate and shall perform other duties assigned to the Secretary.

49.2 The Secretary shall not permit Journal records, accounts or papers to be taken out of the Secretary's custody, other than in the regular mode of business. If a document in the Secretary's charge is missing, the Secretary shall report the fact to the President, so that inquiry may be made.

49.3 The Secretary shall supervise the recording of proceedings in the Journal, the engrossing, transcribing and copying of bills and resolutions, and generally perform the duties of Secretary, under direction of the Committee on Rules and Administration.

49.4 The Journal of each day's proceedings is open for correction at any time during the session of the next day the Senate meets. Unless corrected on that day, the Journal stands approved.

49.5 The Secretary shall keep a record of all Senate and House bills showing the status of each bill pending, until its final passage.

50. ELECTRONIC RECORDINGS

50.1 The Secretary shall cause to be recorded on electronic media the proceedings of the Senate, the Committee of the Whole, and each standing committee ~~and~~ subcommittee, and division. Each electronic record must be clearly labeled to show the name of the body whose proceedings are recorded and the dates the proceedings occurred. Each electronic record of the proceedings of the Senate and the Committee of the Whole must be accompanied by a log showing the number of each bill considered and the places on the record where consideration of the bill occurred.

50.2 Within two working days after each Senate session, the Secretary shall make a copy of the electronic record and corresponding log of proceedings of the Senate and the Committee of the Whole available to the Legislative Reference Library.

50.3 Within one week after each meeting of a standing committee ~~or~~ subcommittee, or division, the Secretary shall make the electronic record of the meeting available to the Legislative Reference Library, together with an agenda showing bills considered and any action taken on them.

50.4 Upon completion and approval of the minutes of the meeting of a standing committee, subcommittee, or division, the Secretary shall ensure that the completed minutes of the meeting are made available to the public. By October 1st of each year, the Secretary shall promptly deliver a copy of the minutes for each meeting held in that calendar year before October 1st to the Legislative Reference Library.

50.5 The Secretary shall keep a record of each session of the Senate and the Committee of the Whole, each meeting of a Senate standing committee ~~or~~ subcommittee, or division and the date on which the electronic record of the session or meeting was made available to the Legislative Reference Library. The Library shall keep a similar record of all electronic records to which it has been given access.

50.6 The Library shall provide committee staff with reasonable access to Senate electronic records and shall provide the public with convenient facilities to listen to them.

50.7 The Secretary shall make copies of Senate electronic records available to the public for a fee determined by the Secretary to be adequate to cover the cost of preparing the copies. A copy must be provided free to a member of the Senate upon request for use in legislative business.

50.8 The Secretary shall keep the original electronic record and log of each session of the Senate and the Committee of the Whole until the end of the period for which the members of the existing House of Representatives have been elected, at which time the electronic record may be preserved or disposed of as the Secretary sees fit. The Legislative Reference Library shall keep electronic records, logs, and minutes forwarded to it until two years after the end of the period for which the members of the existing Senate have been elected, at which time they may be preserved or disposed of as the Library sees fit.

50.9 The Senate intends that testimony and discussion preserved under this rule not be admissible in any court or administrative proceeding on an issue of legislative intent.

51. OTHER DUTIES OF SECRETARY

51.1 The Secretary shall not issue a certificate authorizing the payment of money by virtue of a motion or resolution, unless the motion or resolution is voted for by a majority of the whole Senate on a roll call vote.

51.2 The Secretary and the Engrossing Secretary shall correct all mistakes in numbering the sections and reference to them, whether the errors occur in the original bill or are caused by amendments to it.

51.3 The Secretary is the agent of the Senate for the purchase of supplies and services. The Secretary's records on purchase of supplies and services are open for inspection.

51.4 The Secretary shall adopt administrative controls to ensure that each member is accountable for the member's own long distance telephone calls and that Senate telephones are used only for Senate business.

51.5 By the 15th day of April, July, October, and January of each year, the Secretary shall submit a detailed report of Senate expenditures during the previous quarter to the Committee on Rules and Administration.

51.6 The Secretary's public records may be inspected during normal business hours.

52. SERGEANT AT ARMS

The Sergeant at Arms shall:

- (1) execute all orders of the President;
- (2) perform all assigned duties connected with the police and good order of the Senate Chamber;
- (3) exercise supervision over the entry and exit of all persons to and from the Chamber;
- (4) see that messages are promptly delivered;
- (5) see that the hall is properly ventilated and the temperature is properly regulated;
- (6) see that the Chamber is open for the use of members of the Senate at least one-half hour before the start of a session; and
- (7) perform all other services pertaining to the office of Sergeant.

53. BUDGET AND EXPENDITURES

53.1 The Committee on Rules and Administration shall adopt an operating budget for the Senate and post it on the Senate Web site.

53.2 All propositions for the appointment and payment of employees of the Senate or for expenditures of the legislature, other than those provided by law, must be referred without debate to the Committee on Rules and Administration.

54. EMPLOYEES

54.1 The Committee on Rules and Administration shall establish positions, set compensation, appoint employees, and authorize expense reimbursement for employees as it deems necessary to carry out the work of the Senate. At the request of any committee member, an action of the committee must be submitted as a Senate resolution for adoption by the Senate.

54.2 The Secretary shall keep a roster of all employees of the Senate, including positions and compensation, which must be open for inspection by the public.

54.3 The Secretary shall post, in a public place in the Capitol or on the Senate Web site, a notice of every vacant position on the permanent staff of the Senate. The notice must remain posted for at least ~~two weeks~~ one week, and no vacancy may be filled until the period of posting has elapsed.

54.4 Except as otherwise provided in these rules, the Committee on Rules and Administration has full and exclusive authority over, and charge of all employees of the Senate both elected and appointed. The committee has the sole and exclusive power and authority to assign them to duties other than for which they were elected or appointed as the committee may provide.

54.5 The committee may make employment rules and regulations. In case of violation of an order of the committee by an employee, or in case of a violation of a rule or regulation made by the committee, or in case of misconduct or omission by an employee, the Committee on Rules and Administration may hear complaints and discharge the employee or impose discipline, a fine, or other punishment upon the employee. The committee may, by a vote of a majority of the members of the committee, discuss an employee disciplinary proceeding under this rule in an executive session to which the open meeting requirements of Rules 12.1 to 12.3 do not apply.

54.6 The Secretary shall supervise the employees under the direction of the Committee on Rules and Administration.

55. SUBCOMMITTEE ON ETHICAL CONDUCT

55.1 The Committee on Rules and Administration shall appoint a Subcommittee on Ethical Conduct of the Committee on Rules and Administration consisting of four members, two from the majority group and two from the minority group.

55.2 The subcommittee shall serve in an advisory capacity to a member or employee upon written request and shall issue recommendations to the member or employee. A member may request the subcommittee to provide its advice on a potential conflict of interest to the member in private. If so requested, the subcommittee shall conduct its proceedings on the advisory opinion in private. The request, proceedings on the request, and any advice given by the subcommittee in response to the

request must remain private. The member may not use an advisory opinion from the subcommittee as a defense to a complaint under this rule unless the opinion has been adopted by the subcommittee at a public meeting.

55.3 The subcommittee shall investigate a complaint made in writing by a member of the Senate under oath. The complaint must be received before adjournment sine die in the last year of a senate term or during a special session held after that time regarding improper conduct by a member or employee of the Senate. The subcommittee has the powers of a standing committee to issue subpoenas under Minnesota Statutes, section 3.153.

55.4 Within 30 calendar days after receiving a complaint, the subcommittee must meet and either make a finding of no probable cause, vote to defer action until a certain time, or proceed with its investigation.

55.5 In order to determine whether there is probable cause to believe that improper conduct has occurred, the subcommittee may, by a vote of three of its members, conduct a preliminary inquiry in executive session to which the open meeting requirements of Rules 12.1 to 12.3 do not apply. The executive session may be ordered by a vote of three of its members whenever the subcommittee determines that matters relating to probable cause are likely to be discussed. The executive session must be limited to matters relating to probable cause. Upon a finding of probable cause, further proceedings on the complaint are open to the public.

55.6 The subcommittee may appoint special counsel to provide expert advice on how to conduct its proceedings. The subcommittee may appoint a suitable person to conduct the investigation and report findings of fact and recommendations for action to the subcommittee.

55.7 If, after investigation, the subcommittee finds the complaint substantiated by the evidence, it shall recommend to the Committee on Rules and Administration appropriate disciplinary action.

55.8 To minimize disruption of its public proceedings, the subcommittee may require that television coverage be pooled or be provided by Senate media services.

55.9 If criminal proceedings relating to the same conduct have begun, the subcommittee may defer its proceedings until the criminal proceedings have been completed.

55.10 The Senate intends that proceedings of the Subcommittee on Ethical Conduct not be admissible in any criminal proceeding.

56. STANDARDS OF ETHICAL CONDUCT

56.1 Members shall adhere to the highest standard of ethical conduct as embodied in the Minnesota Constitution, state law, and these rules.

56.2 A member shall not publish or distribute written material if the member knows or has reason to know that the material includes any statement that is false or clearly misleading, concerning a public policy issue or concerning the member's or another member's voting record or position on a public policy issue.

56.3 Improper conduct includes conduct that violates a rule or administrative policy of the Senate, that violates accepted norms of Senate behavior, that betrays the public trust, or that tends to bring the Senate into dishonor or disrepute.

56.4 Members of the Senate shall disclose potential conflicts of interest in the discharge of senatorial duties as provided in Minnesota Statutes, section 10A.07.

57. LOBBYISTS

57.1 A lobbyist shall not appear before a Senate committee pursuant to the lobbyist's employment unless the lobbyist is in compliance with the law requiring lobbyist registration, Minnesota Statutes, sections 10A.03 to 10A.06. A lobbyist, when appearing before a committee, shall disclose to the committee on whose behalf the lobbyist speaks and the purpose of the lobbyist's appearance.

57.2 A lobbyist shall not knowingly, either directly or through a third party, furnish false or misleading information or make a false or misleading statement that is relevant and material to a matter before the Senate or any of its committees, subcommittees, or divisions when the lobbyist knows or should know it will influence the judgment or action of the Senate or any of its committees or, subcommittees, or divisions.

57.3 The Subcommittee on Ethical Conduct shall investigate a complaint by a member of the Senate in writing under oath received before adjournment sine die in the last year of a Senate term or during a special session held after that time that a lobbyist has violated Rule 57.1 or 57.2. The investigatory procedures of Rule 55 apply, except as provided in this rule. The complaint and proceedings on the complaint are private until the subcommittee has found probable cause to believe that a violation of Rule 57.1 or 57.2 has occurred, unless they are made public by the lobbyist whose conduct is the subject of the complaint or by the vote of at least three members of the subcommittee.

58. AMENDMENTS TO RULES

Every proposition to amend a rule of the Senate must be referred to the Committee on Rules and Administration. The proposition may not be acted upon until the report of the committee is received by the Senate.

Senator Hall moved to amend Senate Resolution No. 60 as follows:

Page 9, line 29, after the period, insert "The person providing the prayer may provide the prayer in the person's own manner and may provide a prayer that is in accordance with the person's conscience and religious tradition."

CALL OF THE SENATE

Senator Hall imposed a call of the Senate for the balance of the proceedings on Senate Resolution No. 60. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Hall amendment.

The roll was called, and there were yeas 25 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Dahms	Housley	Nelson	Osmek
Benson	Fischbach	Ingebrigtsen	Newman	Petersen, B.
Brown	Gazelka	Kiffmeyer	Nienow	Pratt
Chamberlain	Hall	Limmer	Ortman	Rosen

Ruud Senjem Thompson Weber Westrom

Those who voted in the negative were:

Bakk	Eaton	Johnson	Rest	Tomassoni
Bonoff	Eken	Kent	Saxhaug	Torres Ray
Carlson	Franzen	Koenen	Scalze	Wiger
Champion	Goodwin	Lourey	Schmit	Wiklund
Cohen	Hawj	Marty	Sheran	
Dahle	Hayden	Metzen	Skoe	
Dibble	Hoffman	Miller	Sparks	
Dziedzic	Jensen	Pappas	Stumpf	

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

Senator Nienow moved to amend Senate Resolution No. 60 as follows:

Page 23, after line 11, insert:

"Except after the last Thursday on which the Legislature can meet in a regular session in odd-numbered years, and after the last Thursday on which the Legislature intended, when it adopted the concurrent resolution required by Temporary Joint Rule 2.03, to meet in regular session in even-numbered years, and notwithstanding Temporary Joint Rule 2.06, a written or electronic copy of a report of a conference committee shall be placed on the desk of each member of the Senate, or delivered electronically, 24 hours before action on the report by the Senate. This requirement may be suspended by 41 affirmative votes of the whole Senate."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Gazelka	Miller	Petersen, B.	Weber
Benson	Hall	Nelson	Pratt	Westrom
Brown	Housley	Newman	Rosen	
Chamberlain	Ingebrigtsen	Nienow	Ruud	
Dahms	Kiffmeyer	Ortman	Senjem	
Fischbach	Limmer	Osmek	Thompson	

Those who voted in the negative were:

Bakk	Eaton	Jensen	Pappas	Sparks
Bonoff	Eken	Johnson	Rest	Stumpf
Carlson	Franzen	Kent	Saxhaug	Tomassoni
Cohen	Goodwin	Koenen	Scalze	Torres Ray
Dahle	Hawj	Lourey	Schmit	Wiger
Dibble	Hayden	Marty	Sheran	Wiklund
Dziedzic	Hoffman	Metzen	Skoe	

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

Senator Nienow moved to amend Senate Resolution No. 60 as follows:

Page 21, line 24, after the period, insert "The Senate may not take action on final passage of a bill unless the bill has been made available to all members of the Senate, either electronically or in writing, for more than 24 hours before consideration of the bill. This requirement may be suspended by 41 affirmative votes of the whole Senate."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Gazelka	Miller	Petersen, B.	Weber
Benson	Hall	Nelson	Pratt	Westrom
Brown	Housley	Newman	Rosen	
Chamberlain	Ingebrigtsen	Nienow	Ruud	
Dahms	Kiffmeyer	Ortman	Senjem	
Fischbach	Limmer	Osmek	Thompson	

Those who voted in the negative were:

Bakk	Eaton	Jensen	Pappas	Sparks
Bonoff	Eken	Johnson	Rest	Stumpf
Carlson	Franzen	Kent	Saxhaug	Tomassoni
Cohen	Goodwin	Koenen	Scalze	Torres Ray
Dahle	Hawj	Lourey	Schmit	Wiger
Dibble	Hayden	Marty	Sheran	Wiklund
Dziedzic	Hoffman	Metzen	Skoe	

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

Senator Bakk moved the adoption of Senate Resolution No. 60.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Eaton	Jensen	Nienow	Senjem
Bakk	Eken	Johnson	Ortman	Sheran
Benson	Fischbach	Kent	Osmek	Skoe
Bonoff	Franzen	Kiffmeyer	Pappas	Sparks
Brown	Gazelka	Koenen	Petersen, B.	Stumpf
Carlson	Goodwin	Limmer	Pratt	Thompson
Chamberlain	Hall	Lourey	Rest	Tomassoni
Cohen	Hawj	Marty	Rosen	Torres Ray
Dahle	Hayden	Metzen	Ruud	Weber
Dahms	Hoffman	Miller	Saxhaug	Westrom
Dibble	Housley	Nelson	Scalze	Wiger
Dziedzic	Ingebrigtsen	Newman	Schmit	Wiklund

The motion prevailed. So the resolution was adopted.

MEMBERS EXCUSED

Senators Clausen; Hann; Latz; Pederson, J. and Reinert were excused from the Session of today. Senator Westrom was excused from the Session of today from 11:00 to 11:25 a.m. Senator Sieben was excused from the Session of today at 12:15 p.m. Senator Champion was excused from the Session of today at 1:05 p.m.

ADJOURNMENT

Senator Bakk moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 11, 2013. The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate

