

STATE of MINNESOTA

EXECUTIVE



DEPARTMENT

TIM PAWLENTY
GOVERNOR

NOTICE OF APPOINTMENT

DANIEL WOLTER

2224 Water Lilly Lane
Eagan, Minnesota 55122
County of Dakota
Congressional District Two

Because of the special trust and confidence I have in your integrity, judgment and ability, I have appointed and commissioned you to have and to hold the said office of:

MEMBER RESIDING IN DISTRICT 15

METROPOLITAN COUNCIL

Effective: March 1, 2005
Term Expires: January 1, 2007

This appointment carries with it all rights, powers, duties, and emoluments granted by law and pertaining to this position until this appointment is superseded or annulled by me or other lawful authority or by any law of this State.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Minnesota to be affixed at the Capitol in the City of Saint Paul, February 24, 2005.



Handwritten signature of Tim Pawlenty.

Governor

RECEIVED

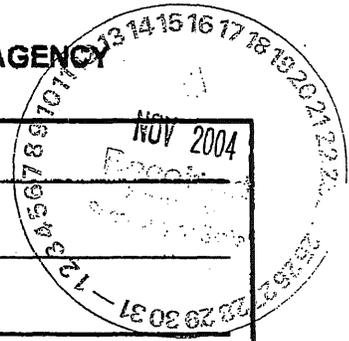
Handwritten signature of Mary Kuffmeier.
Secretary of State

Replacing: Tom Egan

President of the Senate

**STATE OF MINNESOTA
OPEN APPOINTMENTS APPLICATION FOR SERVICE ON STATE AGENCY**

All information on this form is available to the public upon request.



Agency Name: * Metropolitan Council - District 15
 (Name of board, council, commission or task force to which you are applying.)

Position Sought: member, District 15
 (Membership position sought or enter "member" if no specific requirements exist for position sought.)

Applicant Name: * Daniel Wolter
 (First Name) (Last Name)

Applicant Address: * 2224 Water Lilly Ln, Eagan MN 55122
 (City) (State) (Zip)

Day Phone: * 612-625-8510 Evening Phone: (651) 882-7814

E-MAIL: * djwolter@aol.com

County: Dakota MN House of Rep District: 38A U.S. House of Rep District: 2

* Indicates information that will appear on the Office of the Secretary of State web site: www.sos.state.mn.us

Did the Appointing Authority suggest you submit your application? YES _____ NO

Any other information the Nominating Person feels would be helpful to the Appointing Authority:

(Statement may continue on reverse or attached sheets)

I swear that, to the best of my knowledge, the above information is correct and that I satisfy all legally prescribed qualifications for the position sought.

Daniel Wolter 11/16/2004
 (Signature of Applicant) (Date)

* If another person or group is nominating the applicant, the applicant's signature indicates consent to nomination.

OPTIONAL STATISTICAL INFORMATION

The following information is optional and voluntary. Information is collected for, and compiled in, the annual report on the open appointments process pursuant to *Minnesota Statutes* §15.0597.

Sex: Female Male

Political Party: Democratic-Farmer-Labor Green Independence Republican Other _____ No party preference

Race*: African American / Black American Indian / Alaska Native Asian Hispanic Native Hawaiian / Pacific Islander White Other Race _____

Disability: Yes No

National Origin: _____ (* Select as many as apply)
 (Country of Origin or Principle Tribe)

MAIL, FAX, OR SUBMIT APPLICATION IN PERSON, TO: Office of the Secretary of State, Open Appointments
 180 State Office Building
 100 Rev. Dr. Martin Luther King, Jr., Blvd
 St. Paul, MN 55155-1289

FAX: (651) 296-8073
 Phone: (651) 297-5845
 Email: open.appointments@state.mn.us

Applicants will not receive an acknowledgement of submitted applications; the appointing authority will notify you if an interview is desired. By request, this application will be made available in alternative format (for example, braille, large print, audio tape, or computer disk).

FOR OFFICE USE: Sub by AA: _____ AA: governor Trans Date: 11/16/04

CA App revision 3/03

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 FEB 25 2005

President of the Senate

Daniel J. Wolter

2224 Water Lilly Lane
Eagan, MN 55122
(651) 882-7814
(419) 821-0333 fax
(651) 485-3214 cell
djwolter@aol.com

Experience:

- Director, University News Service: February 2005 – present
University of Minnesota – Minneapolis, MN
- Special Assistant to the Governor's Health Cabinet: October 2004 – February 2005
Minnesota Department of Human Services – St. Paul, MN
- Director of Communications: December 2002 – October 2004
Office of Governor Tim Pawlenty – St. Paul, MN
- Director of Speechwriting: April – December 2002
United States Department of Agriculture – Washington, DC
- Director of Public Affairs: March 2001 – April 2002
*Office of the Speaker and Majority Leader
Minnesota House of Representatives – St. Paul, MN*
- Senior Account Executive: January 2000 – March 2001
Weber Shandwick Worldwide – Minneapolis, MN
- Executive Director: April 1999 – January 2000
Delaware Republican State Committee – Wilmington, DE
- Press Secretary: January 1998 – April 1999
Lamar Alexander – Nashville, Tennessee
*(Note: Employed by Campaign for a New American Century from Jan. – Dec., 1998; Alexander for
President Exploratory Committee, Jan. – Apr. 1999)*
- Assistant to the Governor / Deputy Communications Director /
Speechwriter: December 1994 – January 1998
Governor Terry E. Branstad – Des Moines, Iowa
- Communications Director: October 1993 – November 1994
Governor Branstad Committee

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FEB 25 2005

President of the Senate

Education:

Bachelor of Arts Degree cum laude

Drake University, 1993

Des Moines, Iowa

Major: Political Science

Minor: History

Community Involvement:

- Member, Minnesota Commission on National and Community Services (ServeMinnesota) Board of Directors, December 2004 – present
- Vice President, Enclave at River Ridge Townhouse Association, Eagan
- Member, Mt. Olive Lutheran Church, Minneapolis



OFFICE OF GOVERNOR TIM PAWLENTY
130 State Capitol ♦ Saint Paul, MN 55155 ♦ (651) 296-0001

NEWS RELEASE

FOR IMMEDIATE RELEASE:
February 24, 2005

Contact: Brian McClung
(651) 296-0001

GOVERNOR PAWLENTY APPOINTS WOLTER TO METROPOLITAN COUNCIL

Saint Paul – Governor Tim Pawlenty today announced the appointment of Daniel Wolter to the unscheduled vacancy on the Metropolitan Council in District 15.

Wolter, of Eagan, is the director of university news services for the University of Minnesota. He previously served as the special assistant to the Governor's Health Cabinet and communications director for Governor Pawlenty. He has also been the director of speechwriting for the United States Department of Agriculture, director of public affairs for the Minnesota House of Representatives office of the Speaker and Majority Leader, a senior account executive for Weber Shandwick Worldwide, and deputy communications director to Iowa Governor Terry Branstad. Wolter earned his bachelor of arts degree cum laude from Drake University in Des Moines, Iowa in 1993.

Wolter replaces Tom Egan, who resigned after he was elected to the Dakota County Board of Commissioners last November. Six people applied for the Metropolitan Council District 15 position, which includes the Dakota County cities of Burnsville, Inver Grove Heights, South St. Paul and the northern portion of Eagan.

The Metropolitan Council coordinates planning and development in the seven county metropolitan area and directly operates several regional services. The Metropolitan Council consists of 16 metropolitan citizens appointed from geographically-defined districts in the seven county metropolitan area and a chair. All 17 members are appointed by the Governor to four-year terms that are co-terminus with the Governor.

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FEB 25 2005

President of the Senate

Public Official Information

Metropolitan Council

Name: Wolter, Daniel
 Occupation: Director, University News Services
 Business Address: 3 Morrill Hall
 100 Church St SE
 Minneapolis, MN 55455
 Employer Name: Univeristy of Minnesota
 Appointment Date: 03/01/05

Sources of Compensation

Applicable categories

Name of Source	Director	Officer	Owner	Member	Partner	Employer	Employee	Honorariu
.Minnesota Dept. of Human Services							X	

Securities

Name of Securities
 Home Depot, Inc
 Investment Corporation of America in IRA
 Thrivent Mutual Fund in IRA
 Walt Disney Company

Real Property

County	Street Address and Municipality or Section, Township and Range	Own	Mortgage	Contract for deed	option to buy, \$2500	option to buy, \$50,000	Acreage
Dakota	2224 Water Lilly Lane Eagan	No	Yes	No	No	No	No

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MAR 07 2005

Pari-Mutuel Horse Racing Interests

None Reported

President of the Senate

**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
(651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

S.F. No. 1321 - Relating to the Metropolitan Airports Commission

Author: Senator Linda Higgins

Prepared by: Daniel P. McGowan, Senate Counsel (651/296-4397)



Date: March 8, 2005

Section 1 limits the Metropolitan Airports Commission (MAC) to issuing no more than 640 taxicab permits until the average waiting time for a cab is less than one hour per trip, and prohibits the MAC from revoking an existing permit for the sole purpose of reducing the number of cabs serving the airport. Provides that the MAC may impose fees on taxicab service companies, taxicabs, and drivers only by adopting an ordinance and provides that an ordinance that increases permit or licensing fees must be adopted by two-thirds vote of the commission. Requires a public hearing to be held on the question with appropriate notice. Requires the MAC to allow permitted taxicab owners to transfer their business assets and permits and that the MAC may not provide a different standard for transfers between sole proprietors or individual owners than that provided for transfers between two corporations.

Section 2 prohibits the MAC from enacting or enforcing any ordinance, rule, or regulation that would be in conflict with the occupational safety and health standards established in chapter 182, the Minnesota law regulating occupational safety and health, or that which would subject an individual working or traveling at the airport to a greater likelihood of death, serious injury, or harm.

Section 3 requires the MAC to report to the Legislature by February 15 of each year, indicating the amounts of fees, fines, rents, and other payments generated from its landside operations from July 1 to June 30 in the preceding year. Requires that the MAC report all fees that are directly or indirectly paid by the public and report the expenses associated with the activities for which the fees were collected. Provides that if the MAC fees collected during that preceding year exceed its expenses related to the activities for which the fees were collected, the MAC must include in the report a description of the plan to reduce future fee revenue or a description of the plan to increase the quantity or quality of its activities for which the fees are collected so as to eliminate a future surplus or why the surplus experienced in the preceding year is unlikely to be repeated.

DPM:vs

1 Senator Higgins from the Committee on State and Local
2 Government Operations, to which was referred

3 S.F. No. 1083: A bill for an act relating to local
4 government; authorizing the state auditor to waive certain rules
5 and laws applying to local government units; creating a grants
6 board to fund cooperative efforts in public service delivery;
7 proposing coding for new law in Minnesota Statutes, chapter 6.

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

10 Page 4, line 1, after the period, insert "For purposes of
11 this section procedural law does not include a statutory notice
12 requirement."

13 Page 4, line 2, delete "(d)" and insert "(c)"

14 Page 4, line 13, delete "(e)" and insert "(d)"

15 Page 4, line 32, delete "(f)" and insert "(e)"

16 Page 5, line 2, delete "has denied" and insert "under
17 subdivision 3, paragraph (d), or the exclusive representative of
18 the affected employees under subdivision 3, paragraph (e), has
19 objected to"

20 Page 5, line 8, after "agency" insert "or the exclusive
21 representative of the affected employees" and delete "the
22 agency's" and insert "their"

23 Page 5, line 10, delete the first "either" and insert "the
24 local government unit or either objecting"

25 Page 6, line 36, delete "DATE" and insert "DATA"

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

28
29 
30
31 (Committee Chair)

32 April 1, 2005.....
33 (Date of Committee recommendation)

Senators Higgins, Senjem, Junghauer, Chaudhary and Moua introduced--

S.F. No. 1321: Referred to the Committee on State and Local Government Operations.

1 A bill for an act

2 relating to the Metropolitan Airports Commission;
3 providing for additional taxicabs at Minneapolis-St.
4 Paul International Airport; providing a procedure to
5 increase fees on taxicab services; permitting transfer
6 of taxicab permits and assets; prohibiting the
7 enactment of certain unsafe rules; providing for a
8 report; amending Minnesota Statutes 2004, sections
9 221.091, subdivision 3; 473.606, by adding a
10 subdivision; 473.621, by adding a subdivision.

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

12 Section 1. Minnesota Statutes 2004, section 221.091,
13 subdivision 3, is amended to read:

14 Subd. 3. [AUTHORITY OF METROPOLITAN AIRPORTS COMMISSION.]

15 Notwithstanding any other law:

16 (a) The Metropolitan Airports Commission may regulate
17 ground transportation to and from an airport under its
18 jurisdiction, subject to ~~the provisions of paragraph~~
19 paragraphs (b), (c), and (d). The authority under this
20 paragraph includes, but is not limited to, regulating the number
21 and types of transportation services, making concession
22 agreements, and establishing vehicle standards.

23 (b) The Metropolitan Airports Commission may regulate small
24 passenger vehicles, including taxicabs, serving an airport under
25 its jurisdiction only by ordinance. An ordinance adopted under
26 this paragraph must at a minimum (1) define taxicabs and, (2)
27 provide for driver qualifications, insurance, and vehicle
28 safety, and ~~may~~ (3) provide for issuance of permits to taxicabs

1 and other small passenger vehicles, and limits-on (4) limit the
2 number of permits issued to taxicabs in an amount not to exceed
3 640. The Metropolitan Airports Commission may not issue any new
4 taxicab permits until the average waiting time for a taxicab in
5 the line to pick up a passenger is less than one hour per trip,
6 even if the number of permits issued is less than 640. The
7 Metropolitan Airports Commission may not revoke an existing
8 permit solely for the purpose of reducing the number of taxicabs
9 serving the airport. An ordinance under this paragraph may not
10 provide for making concession agreements relating to small
11 passenger vehicle service, including taxicabs.

12 (c) The Metropolitan Airports Commission may impose fees on
13 taxicab service companies, taxicabs, and drivers under its
14 jurisdiction only by ordinance. An ordinance that increases
15 permit or licensing fees must be adopted by a two-thirds vote of
16 the commission. The ordinance may not be voted on or adopted
17 until a public hearing has been held on the question. Notice of
18 the time, place, and purpose of the hearing must be mailed to
19 anyone who would be subject to an increase in permit or
20 licensing fees.

21 (d) The Metropolitan Airports Commission may allow
22 permitted taxicab owners to transfer their business assets and
23 permit. The commission shall not provide a different standard
24 for transfers between sole proprietors or individual owner
25 taxicab operators than that provided for transfers between two
26 corporations.

27 Sec. 2. Minnesota Statutes 2004, section 473.606, is
28 amended by adding a subdivision to read:

29 Subd. 8. [HEALTH AND SAFETY STANDARDS.] The corporation
30 shall not enact or enforce any ordinance, rule, or regulation
31 that would be in conflict with occupational safety and health
32 standards established in section 182.653 and subject any
33 individual working or traveling at the airport to a greater
34 likelihood of death, serious injury, or harm.

35 Sec. 3. Minnesota Statutes 2004, section 473.621, is
36 amended by adding a subdivision to read:

1 Subd. 1c. [ANNUAL REPORT ON FEES.] The corporation shall
2 report to the legislature by February 15 of each year indicating
3 the amount of fees, fines, rents, and other payments generated
4 from its landside operations from July 1 to June 30 in the
5 preceding year. The corporation shall report all fees that are
6 directly or indirectly paid by the public, including fees
7 related to short-term and long-term parking and licensing and
8 permitting fees or rents for ground transportation and
9 taxicabs. The corporation shall also report the expenses
10 associated with the activities for which fees were collected.
11 If the corporation's fees collected from July 1 to June 30 in
12 the preceding year exceed its expenses related to the activities
13 for which the fees were collected, the corporation must include
14 in the report a description of the corporation's plan to reduce
15 future fee revenue or a description of the corporation's plan to
16 increase the quantity or quality of its activities for which the
17 fees are collected so as to eliminate future surplus, or an
18 explanation of why the corporation reasonably does not expect
19 the surplus experienced in the preceding year to be repeated in
20 future years.

1 Senator moves to amend S.F. No. 1321 as follows:

2 Page 2, line 3, delete everything after the period

3 Page 2, delete lines 4 and 5

4 Page 2, line 6, delete everything before "The" and insert

5 "After July 1, 2007, the Metropolitan Airports Commission may

6 issue new permits for taxicabs in an amount exceeding 640, if

7 after a public hearing it finds that more taxicabs are needed to

8 serve the Minneapolis-St. Paul International Airport."

9 Page 2, line 14, before the period, insert "and not solely

10 imposed on a per-trip basis"

11 Page 2, line 21, delete everything after "(d)"

12 Page 2, delete line 22

13 Page 2, line 23, delete everything before "The" and insert "

14 If the Metropolitan Airports Commission allows for permit

15 transfers,"

16 Pages 2 and 3, delete sections 2 and 3

17 Amend the title accordingly

SF 1321

EMERGENCY BULLETIN



CALL
TODAY

651-296-9246

THIS BILL IS
HEARD FRIDAY
DO NOT LET HER
DECIDE FOR YOU!

CALL NOW!!!!

STATE SENATOR LINDA HIGGINS

SENATOR HIGGINS HAS A BILL TO STOP YOU FROM
SENSING YOUR TAXI AT THE AIRPORT NOW AND IN
THE FUTURE!! IF YOU EVER THOUGHT ABOUT GETTING
A PERMIT OR WOULD LIKE THAT CHOICE IN THE FUTURE
HERE ARE YOUR OPTIONS:

1. PERMIT TODAY \$2675.00 WITH NO BILL
 2. PERMIT TOMORROW \$15-\$20,000.00 IF BILL PASSES.
- CALL SENATOR HIGGINS TODAY AND TELL HER THAT
THIS BILL HURTS YOUR FUTURE!!

SENATOR HIGGINS PHONE NUMBER IS 651-296-9246
SENATOR HIGGINS E-MAIL ADDRESS IS
SEN.LINDA.HIGGINS@SENATE.MN

) LEARN WHO YOUR SENATOR IS CALL 651-296-0504
MAKE SURE YOU CALL LINDA AND YOUR SENATOR
BEFORE FRIDAY APRIL 1, 2005

MAKE SURE YOUR VOICE IS HEARD!!!

IF YOU DON'T CALL NOW AND LET HER KNOW WHERE YOU
STAND, SHE WILL DECIDE FOR YOU!!!!!!

SF 1321- MAC

Minneapolis St. Paul International Airport

Tag Transaction Detail Report

Activity from 03/16/05 Thru 03/16/05 and Times From 00:00 Thru 23:59

Printed On: 03/31/2005 At 3:42 PM

Tag Number: MAC.01200764

Page: 1

Operator ID: BLOOMINGTON

VEH NO: 020

DATE	TIME	LANE	STATUS
03/16/05	11:14:50	7 1	EN
03/16/05	12:49:20	7 3	OT
03/16/05	13:17:50	7 2	EX
03/16/05	13:21:44	2 4	EN
03/16/05	13:34:04	2 5	OT
03/16/05	13:42:46	2 3	EX
03/16/05	14:24:50	7 1	EN
03/16/05	15:57:10	7 3	OT
03/16/05	16:12:18	7 2	EX
03/16/05	16:16:10	2 4	EN
03/16/05	16:17:56	2 5	OT
03/16/05	16:23:06	2 3	EX
03/16/05	17:05:14	7 1	EN
03/16/05	18:28:10	7 3	OT
03/16/05	18:42:50	7 2	EX
03/16/05	18:46:36	2 4	EN
03/16/05	18:56:40	2 5	OT
03/16/05	19:03:10	2 3	EX
03/16/05	19:31:26	7 1	EN
03/16/05	21:11:56	7 3	OT
03/16/05	21:26:16	7 2	EX
03/16/05	21:29:50	2 4	EN
03/16/05	21:31:22	2 5	OT
03/16/05	21:36:34	2 3	EX

MAC.01200764

Transactions: 24

Minneapolis St. Paul International Airport
Tag Transaction Detail Report
Activity from 03/17/05 Thru 03/17/05 and Times From 00:00 Thru 23:59
Printed On: 03/31/2005 At 3:42 PM

Tag Number: MAC.01200764

Page: 1

Operator ID: BLOOMINGTON

VEH NO: 020

DATE	TIME	LANE	STATUS
03/17/05	07:48:38	7 1	EN
03/17/05	08:52:10	7 3	OT
03/17/05	09:52:00	7 2	EX
03/17/05	09:55:12	2 4	EN
03/17/05	10:02:02	2 5	OT
03/17/05	10:06:54	2 3	EX
03/17/05	10:44:42	7 1	EN
03/17/05	12:45:56	7 3	OT
03/17/05	13:12:34	7 2	EX
03/17/05	13:16:10	2 4	EN
03/17/05	13:28:44	2 5	OT
03/17/05	13:36:52	2 3	EX
03/17/05	14:19:50	7 1	EN
03/17/05	16:05:58	7 3	OT
03/17/05	16:25:42	7 2	EX
03/17/05	16:29:26	2 4	EN
03/17/05	16:30:40	2 5	OT
03/17/05	16:37:32	2 3	EX
03/17/05	17:20:52	7 1	EN
03/17/05	18:42:22	7 3	OT
03/17/05	18:55:48	7 2	EX
03/17/05	18:59:24	2 4	EN
03/17/05	19:11:24	2 5	OT
03/17/05	19:16:16	2 3	EX
03/17/05	19:19:36	2 4	EN
03/17/05	19:24:24	2 3	EX
03/17/05	19:37:48	7 1	EN
03/17/05	21:19:04	7 3	OT
03/17/05	21:25:46	7 2	EX
03/17/05	21:30:10	2 4	EN
03/17/05	21:32:52	2 5	OT
03/17/05	21:34:44	2 3	EX

MAC.01200764

Transactions: 32

Minneapolis St. Paul International Airport

Tag Transaction Detail Report

Activity from 03/19/05 Thru 03/19/05 and Times From 00:00 Thru 23:59

Printed On: 03/31/2005 At 3:41 PM

Tag Number: MAC.01200764

Page: 1

Operator ID: BLOOMINGTON

VEH NO: 020

DATE	TIME	LANE	STATUS
03/19/05	00:33:24	7 1	EN
03/19/05	00:36:26	7 3	OT
03/19/05	00:47:58	7 2	EX
03/19/05	00:52:04	2 4	EN
03/19/05	00:52:30	2 5	OT
03/19/05	00:55:12	2 3	EX
03/19/05	01:14:28	7 1	EN
03/19/05	01:15:30	7 3	OT
03/19/05	01:30:52	7 2	EX
03/19/05	01:35:02	2 4	EN
03/19/05	01:35:26	2 5	OT
03/19/05	01:40:14	2 3	EX
03/19/05	10:27:54	7 1	EN
03/19/05	10:39:44	7 3	OT
03/19/05	11:11:02	7 2	EX
03/19/05	11:14:50	2 4	EN
03/19/05	11:18:54	2 5	OT
03/19/05	11:23:18	2 3	EX
03/19/05	12:08:44	7 1	EN
03/19/05	12:46:56	7 3	OT
03/19/05	13:09:20	7 2	EX
03/19/05	13:12:54	2 4	EN
03/19/05	13:19:06	2 5	OT
03/19/05	13:29:18	2 3	EX
03/19/05	13:54:22	7 1	EN
03/19/05	14:46:02	7 3	OT
03/19/05	15:39:14	7 2	EX
03/19/05	15:42:16	2 4	EN
03/19/05	15:44:26	2 5	OT
03/19/05	15:53:44	2 3	EX
03/19/05	16:29:24	7 1	EN
03/19/05	17:16:32	7 3	OT
03/19/05	17:52:02	7 2	EX
03/19/05	17:55:52	2 4	EN
03/19/05	18:00:14	2 5	OT
03/19/05	18:01:40	2 3	EX
03/19/05	18:33:00	5 7	EN
03/19/05	18:33:40	6 6	EX
03/19/05	18:48:14	7 1	EN
03/19/05	19:47:54	7 3	OT
03/19/05	20:03:16	7 2	EX
03/19/05	20:07:12	2 4	EN
03/19/05	20:10:26	2 5	OT
03/19/05	20:13:14	2 3	EX

MAC.01200764

Transactions: 44

Minneapolis St. Paul International Airport
Tag Transaction Detail Report
Activity from 03/20/05 Thru 03/20/05 and Times From 00:00 Thru 23:59
Printed On: 03/31/2005 At 3:41 PM

Tag Number: MAC.01200764
Operator ID: BLOOMINGTON

Page: 1

VEH NO: 020

DATE	TIME	LANE	STATUS
03/20/05	08:17:02	7 1	EN
03/20/05	08:17:30	7 3	OT
03/20/05	09:33:08	7 2	EX
03/20/05	09:36:12	2 4	EN
03/20/05	10:06:18	2 5	OT
03/20/05	10:15:28	2 3	EX
03/20/05	10:43:26	7 1	EN
03/20/05	11:13:28	7 3	OT
03/20/05	11:47:00	7 2	EX
03/20/05	11:50:06	2 4	EN
03/20/05	12:08:56	2 5	OT
03/20/05	12:10:32	2 3	EX
03/20/05	13:20:12	7 1	EN
03/20/05	14:07:18	7 3	OT
03/20/05	14:13:48	7 2	EX
03/20/05	14:19:20	2 4	EN
03/20/05	14:20:22	2 5	OT
03/20/05	14:21:50	2 3	EX
03/20/05	14:55:48	7 1	EN
03/20/05	15:50:40	7 3	OT
03/20/05	16:12:24	7 2	EX
03/20/05	16:15:46	2 4	EN
03/20/05	16:18:18	2 5	OT
03/20/05	16:21:26	2 3	EX
03/20/05	16:56:08	7 1	EN
03/20/05	18:01:08	7 3	OT
03/20/05	18:06:00	7 2	EX
03/20/05	18:11:18	2 4	EN
03/20/05	18:13:34	2 5	OT
03/20/05	18:15:36	2 3	EX
03/20/05	19:25:06	7 1	EN
03/20/05	20:32:36	7 3	OT
03/20/05	20:43:24	7 2	EX
03/20/05	20:47:42	2 4	EN
03/20/05	20:47:58	2 5	OT
03/20/05	20:50:58	2 3	EX
03/20/05	21:28:54	7 1	EN
03/20/05	22:01:44	7 3	OT
03/20/05	22:12:52	7 2	EX
03/20/05	22:17:06	2 4	EN
03/20/05	22:22:46	2 5	OT
03/20/05	22:28:06	2 3	EX
03/20/05	22:51:18	7 1	EN
03/20/05	23:32:20	7 3	OT

MAC.01200764

Transactions: 44

Minneapolis St. Paul International Airport
Tag Transaction Detail Report
Activity from 03/21/05 Thru 03/21/05 and Times From 00:00 Thru 23:59
Printed On: 03/31/2005 At 3:41 PM

Tag Number: MAC.01200764

Page: 1

Motor ID: BLOOMINGTON

VEH NO: 020

DATE	TIME	LANE	STATUS
03/21/05	00:00:28	7 2	EX
03/21/05	00:04:06	2 4	EN
03/21/05	00:08:06	2 5	OT
03/21/05	00:10:06	2 3	EX
03/21/05	07:26:08	7 1	EN
03/21/05	08:32:58	7 3	OT
03/21/05	08:40:32	7 2	EX
03/21/05	08:43:56	2 4	EN
03/21/05	08:47:34	2 5	OT
03/21/05	08:54:32	2 3	EX
03/21/05	09:27:10	7 1	EN
03/21/05	10:30:40	7 3	OT
03/21/05	10:37:06	7 2	EX
03/21/05	10:40:54	2 4	EN
03/21/05	10:44:48	2 5	OT
03/21/05	10:47:52	2 3	EX
03/21/05	11:32:22	7 1	EN
03/21/05	12:58:24	7 3	OT
03/21/05	13:22:00	7 2	EX
03/21/05	13:25:04	2 4	EN
03/21/05	13:33:08	2 5	OT
03/21/05	13:35:54	2 3	EX
03/21/05	13:54:04	7 1	EN
03/21/05	14:43:40	7 3	OT
03/21/05	14:53:06	7 2	EX
03/21/05	14:57:48	2 4	EN
03/21/05	15:07:20	2 5	OT
03/21/05	15:15:46	2 3	EX
03/21/05	15:46:52	7 1	EN
03/21/05	16:48:04	7 3	OT
03/21/05	16:59:10	7 2	EX
03/21/05	17:03:02	2 4	EN
03/21/05	17:05:30	2 5	OT
03/21/05	17:12:00	2 3	EX
03/21/05	17:53:18	7 1	EN
03/21/05	19:04:14	7 3	OT
03/21/05	19:34:34	7 2	EX
03/21/05	19:38:28	2 4	EN
03/21/05	19:44:32	2 5	OT
03/21/05	19:47:32	2 3	EX
03/21/05	20:13:18	7 1	EN
03/21/05	21:40:36	7 3	OT
03/21/05	21:52:58	7 2	EX
03/21/05	21:57:16	2 4	EN
03/21/05	21:57:52	2 5	OT
03/21/05	21:59:46	2 3	EX

MAC.01200764

Transactions: 46

Minneapolis St. Paul International Airport
Tag Transaction Detail Report
Activity from 03/22/05 Thru 03/22/05 and Times From 00:00 Thru 23:59
Printed On: 03/31/2005 At 3:41 PM

Tag Number: MAC.01200764
Operator ID: BLOOMINGTON

Page: 1

VEH NO: 020

DATE	TIME	LANE	STATUS
03/22/05	08:11:30	7 1	EN
03/22/05	08:43:44	7 3	OT
03/22/05	09:16:32	7 2	EX
03/22/05	09:19:58	2 4	EN
03/22/05	09:37:28	2 5	OT
03/22/05	09:41:54	2 3	EX
03/22/05	11:05:14	7 1	EN
03/22/05	12:20:52	7 3	OT
03/22/05	12:40:34	7 2	EX
03/22/05	12:44:44	2 4	EN
03/22/05	12:49:32	2 5	OT
03/22/05	12:54:16	2 3	EX
03/22/05	13:29:30	7 1	EN
03/22/05	15:03:14	7 3	OT
03/22/05	15:40:00	7 2	EX
03/22/05	15:44:52	2 4	EN
03/22/05	15:45:44	2 5	OT
03/22/05	15:47:58	2 3	EX
03/22/05	17:08:50	7 1	EN
03/22/05	18:31:24	7 3	OT
03/22/05	18:41:46	7 2	EX
03/22/05	18:45:12	2 4	EN
03/22/05	18:46:46	2 5	OT
03/22/05	18:52:12	2 3	EX
03/22/05	19:25:26	7 1	EN
03/22/05	20:46:44	7 3	OT
03/22/05	21:05:24	7 2	EX
03/22/05	21:09:16	2 4	EN
03/22/05	21:16:32	2 5	OT
03/22/05	21:20:56	2 3	EX

MAC.01200764

Transactions: 30

1 Senator moves to amend S.F. No. 1321 as
2 follows:

Page 2, line 26, after the period, insert "The commission
may regulate permit transfers between interested parties by
requiring (1) a reasonable background check of the transferee;
(2) written disclosure by the transferor of current waiting
times, taxicab rates and fees, the number of permits currently
issued by the commission, and other relevant facts determined by
the commission that should be known to a new taxicab operator;
and (3) a fully executed purchase agreement to be filed with the
commission. The commission may charge a reasonable transfer fee
to cover the costs associated with regulating permit transfers."

13 Amend the title accordingly

Approved
by
Voice Vote

Wednesday, March 9th

1 Senator Higgins from the Committee on State and Local
2 Government Operations, to which was referred

3 S.F. No. 1321: A bill for an act relating to the
4 Metropolitan Airports Commission; providing for additional
5 taxicabs at Minneapolis-St. Paul International Airport;
6 providing a procedure to increase fees on taxicab services;
7 permitting transfer of taxicab permits and assets; prohibiting
8 the enactment of certain unsafe rules; providing for a report;
9 amending Minnesota Statutes 2004, sections 221.091, subdivision
10 3; 473.606, by adding a subdivision; 473.621, by adding a
11 subdivision.

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

14 Page 2, line 3, delete everything after the period

15 Page 2, delete lines 4 and 5

16 Page 2, line 6, delete everything before "The" and insert
17 "After July 1, 2007, the Metropolitan Airports Commission may
18 issue new permits for taxicabs in an amount exceeding 640, if
19 after a public hearing it finds that more taxicabs are needed to
20 serve the Minneapolis-St. Paul International Airport."

21 Page 2, line 14, before the period, insert "and not solely
22 imposed on a per-trip basis"

23 Page 2, line 21, delete everything after "(d)"

24 Page 2, delete line 22

25 Page 2, line 23, delete everything before "The" and insert "
26 If the Metropolitan Airports Commission allows for permit
27 transfers,"

28 Pages 2 and 3, delete sections 2 and 3

29 Amend the title as follows:

30 Page 1, line 6, delete "prohibiting the"

31 Page 1, delete line 7

32 Page 1, line 8, delete "report;" and delete "sections" and
33 insert "section"

34 Page 1, line 9, delete "; 473.606, by adding a" and insert
35 a period

36 Page 1, delete line 10

37 And when so amended the bill be reported to the Senate
38 without recommendation. Amendments adopted. Report adopted.

39
40 (Committee Chair)

41
42 April 1, 2005.....
43 (Date of Committee recommendation)

**Senate Counsel, Research,
and Fiscal Analysis**

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Senate

State of Minnesota

S.F. No. 1083 - Relating to Wavier of Rules and Laws Applying to Local Governmental Units

Author: Senator John C. Hottinger

Prepared by: Daniel P. McGowan, Senate Counsel (651/296-4397)



Date: March 31, 2005

The proposed legislation authorizes the State Auditor to review, modify, reject, or approve applications from local governments for waivers or exemptions from state law or administrative rule and also provides for cooperative service delivery grants. The bill is substantially the same as the law repealed in 2002 that was originally enacted in 1993 that established the Board of Government Innovation and Cooperation.

Section 1 requires the State Auditor to review and decide on applications from local governmental units for waivers from administrative rules and temporary limited exceptions from procedural requirements in state law. Also requires the auditor to review and decide on applications from local governments for grants for cooperative efforts in public service delivery.

Section 2, subdivision 1, establishes a process for one or more local governments to request a waiver or exemption from a state law or rule governing local government service delivery. Requires the local government unit to follow the process for exemption from administrative rules and having that process denied before using the provisions of this bill.

Subdivision 2 requires a written application and a copy to be given to the exclusive bargaining representative of the employees affected by the waiver or exemption.

Subdivision 3 provides a review process and notice to affected state agencies.

Subdivision 4 provides for the State Auditor to hold a hearing if an agency denies a waiver or exemption.

Subdivision 5 lists factors that should be considered in deciding whether to grant a waiver or exemption request and provides for an agreement between the State Auditor and the local governmental unit for providing the delivery of the service or program if the waiver is granted.

Subdivision 6 permits the State Auditor to rescind the agreement if the local government fails to comply with the terms of the agreement.

Subdivision 7 provides that data retains its classification regardless of whether it has been accessed by other local governments under an agreement to access the information.

Section 3, subdivision 1, establishes a Cooperative Grants Board, chaired by the State Auditor, with two members of each house of the Legislature evenly divided between the two political parties, who would give advice to the State Auditor on making decisions about granting a waiver or an exemption.

Subdivision 2 provides for various combinations of government units to apply for grants to develop plans for intergovernmental cooperation in providing services and that joint purchasing is not a sufficient reason for obtaining a grant under this program. Requires that the grants be made on the basis of a scoring system identified in subdivision 4.

Subdivision 3 permits the State Auditor to require repayment of grants made if there is a failure of the plan, and that the money repaid is appropriated to the State Auditor to make other grants.

Subdivision 4 spells out the relative weight for the various factors considered in deciding to award grants. Even though the process for applying and obtaining a grant is spelled out, the bill does not actually fund any grants.

DPM:vs

- 1 Senator moves to amend S.F. No. 1083 as follows:
- 2 Page 4, line 2, delete "(d)" and insert "(c)"
- 3 Page 4, line 13, delete "(e)" and insert "(d)"
- 4 Page 4, line 32, delete "(f)" and insert "(e)"
- 5 Page 5, line 2, delete "has denied" and insert "under
- 6 paragraph (d), or the exclusive representative of the affected
- 7 employees under paragraph (e), has objected to"
- 8 Page 5, line 8, after "agency" insert "or the exclusive
- 9 representative of the affected employees" and delete "the
- 10 agency's" and insert "their"
- 11 Page 5, line 10, delete the first "either" and insert "the
- 12 local government unit or either objecting"
- 13 Page 6, line 36, delete "DATE" and insert "DATA"

**Senators Hottinger, Vickerman, Higgins, Dille and Kierlin introduced--
S.F. No. 1083: Referred to the Committee on State and Local Government Operations.**

1 A bill for an act

2 relating to local government; authorizing the state
3 auditor to waive certain rules and laws applying to
4 local government units; creating a grants board to
5 fund cooperative efforts in public service delivery;
6 proposing coding for new law in Minnesota Statutes,
7 chapter 6.

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

9 LOCAL GOVERNMENT WAIVERS AND GRANTS

10 Section 1. [6.79] [DUTIES OF STATE AUDITOR.]

11 The state auditor shall:

12 (1) accept applications from local government units for
13 waivers of administrative rules and temporary, limited
14 exemptions from enforcement of procedural requirements in state
15 law, and determine whether to approve, modify, or reject the
16 application; and

17 (2) accept applications for grants to local government
18 units and related organizations proposing to promote cooperative
19 efforts in public service delivery and determine whether to
20 approve, modify, or reject the application.

21 Sec. 2. [6.80] [RULE AND LAW WAIVER REQUESTS.]

22 Subdivision 1. [GENERALLY.] (a) Except as provided in
23 paragraph (b), a local government unit may request the state
24 auditor to grant a waiver from one or more administrative rules
25 or a temporary, limited exemption from enforcement of state
26 procedural laws governing delivery of services by the local

1 government unit. Two or more local government units may submit
2 a joint application for a waiver or exemption under this section
3 if they propose to cooperate in providing a service or program
4 that is subject to the rule or law. Before submitting an
5 application to the state auditor, the governing body of the
6 local government unit must approve, in concept, the proposed
7 waiver or exemption at a meeting required to be public under
8 chapter 13D. A local government unit or two or more units
9 acting jointly may apply for a waiver or exemption on behalf of
10 a nonprofit organization providing services to clients whose
11 costs are paid by the unit or units. A waiver or exemption
12 granted to a nonprofit organization under this section applies
13 to services provided to all the organization's clients.

14 (b) A school district that is granted a variance from rules
15 of the commissioner of education under section 122A.163, need
16 not apply for a waiver of those rules under this section. A
17 school district may not seek a waiver of rules under this
18 section if the commissioner of education has authority to grant
19 a variance to the rules under section 122A.163. This paragraph
20 does not preclude a school district from being included in a
21 cooperative effort with another local government unit under this
22 section.

23 (c) Before petitioning the State Auditor's Office for an
24 exemption from an administrative rule, the petitioner must have
25 requested and been denied such an exemption from the appropriate
26 agency pursuant to sections 14.055 and 14.056.

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

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

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

35 (3) identification of the administrative rule or the law

36 imposing a procedural requirement with respect to which the

1 waiver or exemption is sought;

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

6 (5) information on the State Auditor's Office treatment on
 7 similar cases;

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

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

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

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

25 (b) The state auditor shall determine whether a law from
 26 which an exemption for enforcement is sought is a procedural
 27 law, specifying how a local government unit is to achieve an
 28 outcome, rather than a substantive law prescribing the outcome
 29 or otherwise establishing policy. In making its determination,
 30 the state auditor shall consider whether the law specifies such
 31 requirements as:

32 (1) who must deliver a service;

33 (2) where the service must be delivered;

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

36 (4) how long or how often the service must be made

*For purp^{oses} of this section
 procedural law does not include any statutory
 law requirements.*

1 available to a given recipient.

2 (d) If the application is submitted by a local government
3 unit in the metropolitan area or the unit requests a waiver of a
4 rule or temporary, limited exemptions from enforcement of a
5 procedural law over which the Metropolitan Council or a
6 metropolitan agency has jurisdiction, the state auditor shall
7 also transmit a copy of the application to the council for
8 review and comment. The council shall report its comments to
9 the board within 60 days of the date the application was
10 transmitted to the council. The council may point out any
11 resources or technical assistance it may be able to provide a
12 local government submitting a request under this section.

13 (e) Within 15 days after receipt of the application, the
14 state auditor shall transmit a copy of it to the commissioner of
15 each agency having jurisdiction over a rule or law from which a
16 waiver or exemption is sought. The agency may mail a notice
17 that it has received an application for a waiver or exemption to
18 all persons who have registered with the agency under section
19 14.14, subdivision 1a, identifying the rule or law from which a
20 waiver or exemption is requested. If no agency has jurisdiction
21 over the rule or law, the state auditor shall transmit a copy of
22 the application to the attorney general. The agency shall
23 inform the state auditor of its agreement with or objection to
24 and grounds for objection to the waiver or exemption request
25 within 60 days of the date when the application was transmitted
26 to it. An agency's failure to do so is considered agreement to
27 the waiver or exemption. The state auditor shall decide whether
28 to grant a waiver or exemption at the end of the 60-day response
29 period. Interested persons may submit written comments to the
30 state auditor on the waiver or exemption request up to the end
31 of the 60-day response period.

32 (f) If the exclusive representative of the affected
33 employees of the requesting local government unit objects to the
34 waiver or exemption request it may inform the state auditor of
35 the objection to and the grounds for the objection to the waiver
36 or exemption request within 60 days of the receipt of the

1 application.

2 Subd. 4. [HEARING.] If a state agency has denied a waiver
3 or exemption request, the State Auditor's Office shall set a
4 date for a hearing on the applications. The hearing must be
5 conducted informally at a time and place determined by all
6 parties. Persons representing the local government unit shall
7 present their case for the waiver or exemption, and persons
8 representing the agency shall explain the agency's objection to
9 it. The state auditor may request additional information from
10 either party. The state auditor may also request, either before
11 or at the hearing, information or comments from representatives
12 of business, labor, local governments, state agencies,
13 consultants, and members of the public. If necessary, the
14 hearing may be continued for a later date. The state auditor
15 may modify the terms of the waiver or exemption request in
16 arriving at the agreement required under subdivision 5.

17 Subd. 5. [CONDITIONS OF AGREEMENTS.] (a) In determining
18 whether to grant a petition for a waiver of a rule or exemption
19 from enforcement of a law, the state auditor should consider the
20 following factors:

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

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

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

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

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

35 (b) If the state auditor grants a request for a waiver or
36 exemption, the state auditor and the local government unit shall

1 enter into an agreement providing for the delivery of the
2 service or program that is the subject of the application. The
3 agreement must specify desired outcomes, the reasons why the
4 desired outcomes cannot be met under current laws or rules, and
5 the means of measurement by which the state auditor will
6 determine whether the outcomes specified in the agreement have
7 been met. The agreement must specify the duration of the waiver
8 or exemption. The duration of a waiver from an administrative
9 rule may be for no less than two years and no more than four
10 years, subject to renewal if both parties agree. An exemption
11 from enforcement of a law terminates ten days after adjournment
12 of the regular legislative session held during the calendar year
13 following the year when the exemption is granted, unless the
14 legislature has acted to extend or make permanent the exemption.

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

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

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

36 Subd. 7. [ACCESS TO DATE.] If a local government unit,

1 through a cooperative program under this section, gains access
2 to data collected, created, received, or maintained by another
3 local government that is classified as not public, the unit
4 gaining access is governed by the same restrictions on access to
5 and use of the data as the unit that collected, created,
6 received, or maintained the data.

7 Sec. 3. [6.81] [GRANTS PROMOTING COOPERATIVE EFFORTS IN
8 PUBLIC SERVICE DELIVERY.]

9 Subdivision 1. [BOARD.] A cooperative grants board chaired
10 by the state auditor, and made up of two members of the
11 Minnesota house of representatives and two members of the
12 Minnesota senate shall review applications for cooperative
13 efforts in public service delivery made by local units of
14 government for years in which funds have been appropriated for
15 such a purpose. The state auditor, with the advice of the
16 board, shall approve the applications.

17 The speaker of the house of representatives and the house
18 of representatives minority leader shall each appoint a member
19 to the board. The senate majority leader and the senate
20 minority leader shall each appoint a member to the board.

21 Subd. 2. [GRANTS.] Two or more local government units; an
22 association of local governments; a local unit of government
23 acting in conjunction with the Metropolitan Council, an
24 organization, or a state agency; or an organization formed by
25 two or more local units of government under a joint powers
26 agreement may apply to the board for a grant to be used to
27 develop a plan for intergovernmental cooperation in providing
28 services.

29 The purpose of the grants is to promote cooperative efforts
30 in public service delivery by local units of government and
31 include, but are not limited to, covering the initial start-up
32 costs of a cooperative effort and costs associated with planning
33 and integrating a service or function provided by two or more
34 local government units. Agreements solely to make joint
35 purchases are not sufficient to qualify under this section.

36 The application to the board must state what other sources

1 of funding have been considered by the local units of government
2 to implement the project and explain why it is not possible to
3 complete the project without assistance from the board. The
4 state auditor may not award a grant if it determines that the
5 local units of government could complete the project without
6 board assistance. A copy of the application must be submitted
7 by the applicants to the exclusive representatives certified
8 under section 179A.12 to represent employees who provide the
9 service or program affected by the application.

10 The state auditor shall award grants on the basis of each
11 qualified applicant's score under the scoring system in
12 subdivision 4. The amount of a grant under this section may not
13 exceed \$50,000.

14 Subd. 3. [REPAYMENT OF GRANTS.] If the state auditor finds
15 that the grantee has failed to implement the plan according to
16 the terms of the grant agreement, it may require the grantee to
17 repay all or a portion of the grant. All grant money repaid to
18 the state under this section is appropriated to the board for
19 additional grants.

20 Subd. 4. [COOPERATIVE GRANTS SCORING SYSTEM.] In deciding
21 whether to award a grant promoting cooperative efforts in public
22 service delivery, the board shall use the following scoring
23 system:

24 (1) up to 15 points shall be awarded to reflect the extent
25 to which the application demonstrates creative thinking, careful
26 planning, cooperation, involvement of the clients of the
27 affected service, and commitment to assume risk;

28 (2) up to 20 points shall be awarded to reflect the extent
29 to which the proposed project is likely to improve the quality
30 of the service and to have benefits for other local governments;

31 (3) up to 15 points shall be awarded to reflect the extent
32 to which the application's budget provides sufficient detail,
33 maximizes the use of state funds, documents the need for
34 financial assistance, commits to local financial support, and
35 limits expenditures to essential activities;

36 (4) up to 20 points shall be awarded to reflect the extent

1 to which the application reflects the statutory goal of the
2 grant program;

3 (5) up to 15 points shall be awarded to reflect the merit
4 of the proposed project and the extent to which it warrants the
5 state's financial participation;

6 (6) up to five points shall be awarded to reflect the
7 cost/benefit ratio projected for the proposed project;

8 (7) up to five points shall be awarded to reflect the
9 number of government units participating in the proposal; and

10 (8) up to five points shall be awarded to reflect the
11 minimum length of time the application commits to implementation.

1 Senator moves to amend S.F. No. 1083 as follows:

2 Page 4, line 2, delete "(d)" and insert "(c)"

3 Page 4, line 13, delete "(e)" and insert "(d)"

4 Page 4, line 32, delete "(f)" and insert "(e)"

5 Page 5, line 2, delete "has denied" and insert "under
6 paragraph (d), or the exclusive representative of the affected
7 employees under paragraph (e), has objected to"

8 Page 5, line 8, after "agency" insert "or the exclusive
9 representative of the affected employees" and delete "the
10 agency's" and insert "their"

11 Page 5, line 10, delete the first "either" and insert "the
12 local government unit or either objecting"

13 Page 6, line 36, delete "DATE" and insert "DATA"

**Senate Counsel, Research,
and Fiscal Analysis**

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Senate

State of Minnesota

S.F. No. 1956 - Relating to the Hennepin County Medical Center

Author: Senator Linda Berglin

Prepared by: Daniel P. McGowan, Senate Counsel (651/296-4397)

DPM

Date: March 31, 2005

The proposed legislation reorganizes the governance structure of the Hennepin County Medical Center and is organized into three articles:

Article 1 creates the Hennepin Healthcare System, Inc., a public subsidiary of Hennepin County, which would now be responsible for the management and governance of the Hennepin County Medical Center, currently under the control of the Hennepin County Board. The new governance structure would provide for a separate board appointed by the Hennepin County Board, a new human resources system, different public reporting requirements, and the ability to joint venture with other bodies. Even though governed by a separate board, the new Hennepin Healthcare System, Inc. would be under the oversight of the Hennepin County Board.

Article 2 provides various statutory changes to make the new Hennepin Healthcare System, Inc. subject to the Public Employees Labor Relations Act and provides for other labor relations provisions, as well as various technical changes to Minnesota Statutes to bring them into conformity with the changes in the governance structure in Article 1.

Article 3 provides clarifying and conforming changes to Minnesota Statutes as it relates to the retirement options for the employees of the new Hennepin Healthcare System, Inc.

The proponents of the bill have prepared a detailed section-by-section summary of the bill that will be made available to committee members and the general public.

DPM:vs

Senator Berglin introduced--

S.F. No. 1956: Referred to the Committee on State and Local Government Operations.

1 A bill for an act

2 relating to public and municipal corporations;

3 creating a county subsidiary corporation to provide

4 health care and related services, education, and

5 research; providing for governance of Hennepin County

6 Medical Center; amending Minnesota Statutes 2004,

7 sections 179A.03, subdivisions 7, 14, 15; 179A.06,

8 subdivision 2; 179A.16, by adding a subdivision;

9 353.01, subdivisions 2b, 2d, 6; 353.64, subdivision

10 10; 353E.02, subdivision 2a; 383B.117, subdivision 2;

11 383B.217, subdivision 7; 383B.46; proposing coding for

12 new law in Minnesota Statutes, chapters 179A; 383B;

13 repealing Minnesota Statutes 2004, section 383B.217,

14 subdivisions 1, 2, 3, 4, 5, 6, 8.

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

16 ARTICLE 1

17 HENNEPIN HEALTHCARE SYSTEM

18 Section 1. [383B.901] [CREATION OF A COUNTY SUBSIDIARY

19 CORPORATION.]

20 There is created a corporation which shall be public in

21 nature, operating as a subsidiary of the county of Hennepin.

22 The public corporation shall be known as Hennepin Healthcare

23 System, Inc. The purpose of the corporation is to engage in the

24 organization and delivery of health care and related services to

25 the general public, including the indigent as defined by state

26 and federal law and as determined by the Hennepin County Board

27 of Commissioners, and to conduct related programs of education

28 and research. The corporation shall have one class of members,

29 the governing member, who shall be Hennepin County, as

30 represented by the Hennepin County Board of Commissioners. The

1 governing member has all the rights, duties, and privileges
2 specified under this act and the bylaws of the corporation.

3 Sec. 2. [383B.902] [DEFINITIONS.]

4 Subdivision 1. [TERMS.] For the purpose of this act, the
5 terms defined in this section have the meanings given them
6 unless the context clearly indicates otherwise.

7 (a) "Corporation" means the county subsidiary corporation
8 created by section 383B.901.

9 (b) "County" means the county of Hennepin.

10 (c) "County board" means the Hennepin County Board of
11 Commissioners and its members.

12 (d) "HCMC" means the Hennepin County Medical Center, which
13 is the medical center established and operated by the county
14 under section 383B.217.

15 (e) "Effective date" means the effective date of the
16 sections of this act, as defined in section 29.

17 Sec. 3. [383B.903] [BOARD.]

18 Subdivision 1. [GOVERNANCE.] The corporation shall be
19 governed by a board of directors consisting of between 11 and 15
20 directors. Two of the directors on the board of the corporation
21 must be county commissioners currently serving as elected
22 officials on the county board who are chosen and may be removed
23 by a majority vote of the county board.

24 Subd. 2. [TERM, QUORUM, AND MANNER OF ACTING.] The term of
25 office for directors, rules governing quorum, and manner of
26 acting for the board of directors must be specified in the
27 bylaws of the corporation which shall be approved by the county
28 board, except that:

29 (1) a vote of a majority of the board shall be required to
30 hire or discharge the corporation's administrator, to approve
31 the annual budget, and for any action which requires subsequent
32 approval by the county board as specified in section 8; and

33 (2) directors of the board of directors or any committee or
34 advisory assembly or council appointed by the board of directors
35 may participate in a meeting by means of telephone conference or
36 similar communications equipment which enables all persons

1 participating in the meeting to hear each other during the
2 conduct of that meeting. Participation shall be considered
3 presence in person at the meeting for purposes of notice and
4 quorum requirements as specified in the bylaws.

5 Subd. 3. [APPOINTMENT OF BOARD MEMBERS.] The county board
6 shall appoint the initial board of the corporation. Thereafter,
7 the county board shall appoint directors of the corporation by
8 slate to open positions due to the completion of a director's
9 term as specified in the bylaws of the corporation. The slate
10 shall be nominated by a committee of the board of the
11 corporation. The board of the corporation may by majority vote
12 appoint a board member to fill a vacancy on the board occurring
13 prior to the completion of the term, provided the newly
14 appointed board member is submitted to the county board for
15 approval when the next slate of directors is submitted to the
16 county board for approval.

17 Subd. 4. [REMOVAL.] A director who is not a county
18 commissioner may be removed without cause by a two-thirds
19 majority vote of the board of the corporation. The county board
20 may remove any board member for violation of the director's
21 ethical and legal duties as a board member as specified in
22 section 5 or for the repeated failure to act in the best
23 interests of the corporation. In addition, the county board may
24 remove the corporate board in its entirety as specified in
25 section 8, subdivision 7.

26 Sec. 4. [383B.904] [OFFICERS.]

27 Subdivision 1. [ELECTION.] (a) The officers of the board
28 of the corporation shall consist of the chair, vice chair,
29 secretary, treasurer, and other officers as the board shall from
30 time to time deem necessary. The board shall elect officers by
31 a majority vote of the board at the annual meeting, or in the
32 case of the initial board, at the first meeting following
33 appointment by the county board.

34 (b) Any of the offices or functions, with the exception of
35 the chair and vice chair, may be held or exercised by the same
36 person.

1 Subd. 2. [REMOVAL.] An officer may be removed without
2 cause by a two-thirds majority vote of the board of the
3 corporation.

4 Sec. 5. [383B.905] [AUTHORITY AND DUTIES OF OFFICERS AND
5 DIRECTORS.]

6 Subdivision 1. [IN BYLAWS OR BY BOARD.] Officers and
7 directors have the authority and duties in the management of the
8 business of the corporation that the bylaws prescribe or, in the
9 absence of such prescription, as the board determines.

10 Subd. 2. [ORDINARY PRUDENT PERSON STANDARD.] Officers and
11 directors shall discharge their duties in good faith, in the
12 manner the officer or director reasonably believes to be in the
13 best interests of the corporation, and with the care an ordinary
14 prudent person in a like position would exercise under similar
15 circumstances.

16 Subd. 3. [NOT TRUSTEES.] Officers and directors are not
17 considered to be trustees with respect to the corporation or
18 with respect to property held or administered by the
19 corporation, including, without limit, property that may be
20 subject to restrictions imposed by the donor or transferor of
21 the property.

22 Sec. 6. [383B.906] [BYLAWS.]

23 Prior to the appointment of the initial board of the
24 corporation, the county board shall approve the bylaws of the
25 corporation. Thereafter, the board of the corporation may
26 adopt, amend, or repeal bylaws relating to the management of the
27 business or regulation of the affairs of the corporation, except
28 that the county board shall approve any bylaws change relating
29 to:

30 (1) board composition, board and officer selection, terms,
31 removal, or qualifications;

32 (2) the county board's reserved powers as specified in the
33 bylaws;

34 (3) the ability of the corporation to engage in joint
35 ventures;

36 (4) the ability of the corporation to incur debt through

1 the county;

2 (5) the ability of the corporation to create subsidiaries;

3 (6) the ability of the corporation to merge or dissolve;

4 (7) the ability of the corporation to use subsidiaries to

5 undertake functions or activities performed by employees of the

6 corporation; or

7 (8) the mission of the corporation.

8 Sec. 7. [383B.907] [CORPORATE POWERS.]

9 Subdivision 1. [AUTHORITY AND POWERS OF THE

10 BOARD.] Subject to the reserved powers and limitations specified

11 in sections 383B.903, subdivision 3, and 383B.908, or as

12 specified in the bylaws of the corporation, the corporation,

13 through its board, shall, relative to the delivery of health

4 care services, have, in addition to any authority vested by law,

15 the authority and legal capacity of a nonprofit corporation

16 under chapter 317A including the authority to:

17 (1) have members of its governing authority or its officers

18 or administrators serve as directors, officers, or employees of

19 the corporation's ventures, associations, or corporations;

20 (2) hire and discharge an administrator;

21 (3) approve personnel policies and practices, any

22 applicable labor agreements, and levels of compensation and

23 benefits recommended by the administrator;

4 (4) use employees, agents, consultants, and facilities of

25 the county, as necessary in the discretion of the board, paying

26 the county its agreed proportion of the compensation or costs

27 pursuant to an agreement with the county;

28 (5) spend funds, including public funds in any form, or

29 devote the resources of the corporation to recruit and retain

30 physicians whose services are necessary or desirable for meeting

31 the health care needs of the population and for the successful

32 performance of the public purpose of the corporation. Allowable

33 uses of funds and resources include the retirement of medical

34 education debt, payment of onetime amounts in consideration of

35 services rendered or to be rendered, payment of recruitment

36 expenses, payment of moving expenses, and the provision of other

1 financial assistance necessary for the recruitment and retention
2 of physicians, provided that the expenditures in whatever form
3 are reasonable under the facts and circumstances of the
4 situation;

5 (6) offer, directly or indirectly, products and services of
6 the corporation and/or affiliated entities to the general
7 public, and retain any profits earned through the provision of
8 these products and services for the purpose of advancing the
9 mission of the corporation;

10 (7) own shares of stock in business corporations;

11 (8) borrow money and issue bonds in support and promotion
12 of the corporation's purpose and mission and providing any
13 rights and obligations related thereto;

14 (9) accept gifts, grants, loans, or contributions of funds
15 or property or financial or other aid in any form from, and
16 enter into contracts or other transactions with, the federal
17 government, the state of Minnesota, third-party payors, or any
18 other source, and to use any gifts, grants, loans, or
19 contributions for any of its corporate purposes;

20 (10) enter shared service and other cooperative ventures;

21 (11) join or sponsor membership in organizations intended
22 to benefit the corporation;

23 (12) enter partnerships, joint ventures, or other business
24 arrangements to advance the mission of the corporation;

25 (13) sue or be sued; and

26 (14) incorporate other corporations, both for profit and
27 nonprofit.

28 Subd. 2. [OTHER POWERS.] Subject to the reserved powers
29 and limitations specified in sections 383B.903, subdivision 3,
30 and 383B.908, or as specified in the bylaws of the corporation,
31 the corporation shall have all the powers necessary and
32 convenient for the operation, administration, management, and
33 control of the corporation's affairs. The enumeration of
34 specific powers in this section is not intended to restrict the
35 power of the corporation to take any action which, in the
36 exercise of its discretion, is necessary or convenient to

1 further the purposes for which the corporation exists and that
2 is not otherwise prohibited by law, whether or not the power to
3 take the action is necessarily implied from the powers expressly
4 granted.

5 Sec. 8. [383B.908] [LIMITATIONS UPON CORPORATE POWERS;
6 RESERVED POWERS.]

7 Subdivision 1. [POWERS RESERVED TO THE
8 COUNTY.] Notwithstanding the authority granted to the board in
9 section 383B.907, the county board shall retain specific
10 controls over the corporation's mission, ability to incur
11 indebtedness through the county, indigent care, and governance.
12 These county board controls must be specified in the bylaws or
13 other transactional documents, which shall be approved by the
14 county board.

15 Subd. 2. [RESTRICTION ON DISPOSITION OF THE ASSETS.] The
16 corporation shall not have the power to dissolve, merge,
17 consolidate, transfer, liquidate, or otherwise dispose of or
18 distribute all, or substantially all, of the corporation's
19 assets without a county board resolution approved by a majority
20 of the county board.

21 Subd. 3. [DISTRIBUTION OF ASSETS UPON DISSOLUTION.] In the
22 event of the dissolution of the corporation, the net assets of
23 the corporation shall be distributed to the county for public
24 purposes.

25 Subd. 4. [COMPENSATION AND PAYMENT LIMITATIONS.] No part
26 of the net earnings and assets of the corporation shall inure to
27 the benefit of any private individual, nor shall any part of the
28 income or assets of the corporation be distributed to or divided
29 among any private individuals as dividends or otherwise.

30 Subd. 5. [FINANCIAL OVERSIGHT.] The county board shall
31 approve the annual budget of the corporation and receive an
32 annual audited financial statement. The county board shall also
33 retain the right to conduct an independent audit of the finances
34 of the corporation.

35 Subd. 6. [COUNTY SERVICES.] The county board shall retain
36 the authority to require the corporation to provide other health

1 care or health care related services as the county board
2 determines to be in the best interest of the county. The
3 corporation shall provide these services as long as the county
4 board provides funds to pay for the services. Payment to the
5 corporation for the services shall be as agreed between the
6 corporation and the county board.

7 Subd. 7. [DISSOLUTION OR REORGANIZATION OF THE
8 CORPORATION.] The county board shall retain the right to
9 dissolve the corporation, reorganize the corporation, or remove
10 the entire corporate board in order to resume management of
11 Hennepin County Medical Center upon a two-thirds vote of the
12 entire county board.

13 Sec. 9. [383B.909] [CORPORATE SEAL.]

14 The corporation shall not have a corporate seal.

15 Sec. 10. [383B.910] [BOARD MEETINGS.]

16 In accordance with the bylaws of the corporation, the board
17 shall provide for annual, regular, and special meetings to be
18 held at a designated interval throughout the year. Notice of
19 these meetings shall be provided in accordance with the bylaws
20 of the corporation.

21 Sec. 11. [383B.911] [PUBLIC DEPOSITORY.]

22 The corporation shall have jurisdiction over its accounts
23 and payrolls and shall establish and maintain a public
24 depository. The corporation may use the county as a public
25 depository. If the depository is not the county, the depository
26 must be subject to chapter 118A, except that the corporation
27 shall determine the appropriate security. The corporation shall
28 establish and maintain all necessary accounts. The corporation
29 may establish reserve accounts, depreciation accounts, and
30 working capital funds in order to operate on an accrual basis.

31 Sec. 12. [383B.912] [TRANSFER OF RIGHTS.]

32 Subdivision 1. [CORPORATION AS CONTINUATION OF HCMC.] The
33 corporation created by section 383B.901 shall be considered a
34 continuation of HCMC for purposes of all the rights,
35 liabilities, and contractual obligations of the county
36 pertaining to the operations of HCMC except as otherwise

1 provided herein. The corporation succeeds to all rights and
2 contractual obligations of the county pertaining to the
3 operations of HCMC with the same force and effect as if those
4 rights and obligations had been continued by the county itself.

5 Subd. 2. [PENDING MATTERS.] The corporation may conduct
6 and complete any legal action, administrative proceeding, or any
7 other matter commenced by or against HCMC or the county, on
8 behalf of HCMC, which was incurred before or pending as of the
9 effective date, in the same manner, under the same conditions,
10 and with the same effect as though the action, proceeding, or
11 other matter were conducted or completed by HCMC or the county
12 acting on behalf of HCMC.

13 Subd. 3. [TRANSFER OF DOCUMENTS REQUIRED.] On the
14 effective date, HCMC, or the county on behalf of HCMC, shall
15 have the authority to transfer and deliver to the corporation,
16 as specified in the lease and other transactional documents
17 referenced in section 383B.914, all contracts, books, bonds,
18 plans, paper, records, including all personnel and medical
19 records, and other property of every description within the
20 jurisdiction or control of HCMC, or the county acting on behalf
21 of HCMC, except as otherwise provided herein.

22 Subd. 4. [TRANSFER OF FUNDS.] On the effective date, HCMC,
23 or the county on behalf of HCMC, shall have the authority to
24 transfer to the corporation all unspent funds appropriated to
25 HCMC, as specified in the lease and other transactional
26 documents referenced in section 383B.914.

27 Sec. 13. [383B.913] [LEASE OR TRANSFER OF ASSETS.]

28 Subdivision 1. [CORPORATE STATUS.] The corporation shall
29 be considered a "public corporation" for purposes of section
30 465.035.

31 Subd. 2. [LEASE OF REAL PROPERTY.] Notwithstanding any
32 other laws to the contrary, as of the effective date, the county
33 shall have the authority to enter into a lease, mutually
34 agreeable to both parties, with the corporation for
35 substantially all of the real property acquired by or turned
36 over to the county for the establishment, operation, or

1 maintenance of HCMC prior to and as of the effective date and
2 necessary for the operation of the corporation. Subject to
3 restrictions specified in the written lease and other
4 transaction documents by and between the county and the
5 corporation, the county shall lease the real property
6 exclusively to the corporation. For the purposes of this
7 subdivision, real property shall mean the real property used by
8 the county for the operations of HCMC that the county shall
9 lease to Hennepin Healthcare System, Inc., as specified in the
10 lease documents and this act as of the effective date.

11 Subd. 3. [REQUIREMENTS OF LEASE.] In order for the county
12 to enter into the lease described in subdivision 2, the lease
13 must also address the following:

- 14 (1) continued primary use of the property for health and
15 hospital services;
16 (2) indigent care;
17 (3) capital improvements;
18 (4) joint ventures and partnerships;
19 (5) assignments and subleases; and
20 (6) changes to hospital capacity.

21 Subd. 4. [TRANSFER OF ASSETS.] The county shall transfer
22 to the corporation assets as designated by the county in
23 transactional documents accompanying the lease for use in the
24 operations of HCMC. For purposes of this subdivision, assets
25 means the equipment and other personal property used by the
26 county for the operations of HCMC that the county shall transfer
27 to Hennepin Healthcare System, Inc., as specified in the
28 transaction documents and this act as of the effective date.

29 Subd. 5. [NO ADVERTISING OR BIDS.] The county may transfer
30 and lease the assets and real property to the corporation as
31 specified in subdivisions 2 and 3 without first advertising for
32 or soliciting any bids.

33 Sec. 14. [383B.914] [STATUS OF PRESENT EMPLOYEES;
34 BARGAINING UNITS; RETIREMENT COVERAGE.]

35 Subdivision 1. [HEALTH SYSTEM HUMAN RESOURCES
36 SYSTEM.] Persons employed at the corporation created shall be

1 subject to a human resources system that is designed to offer
2 appropriate benefits to workers employed in a health care
3 setting. This human resources system shall replace the general
4 county human resources system prescribed in sections 383B.26 to
5 383B.42, and any rules related to it. The corporation shall
6 have the authority to establish all personnel policies and
7 practices, negotiate applicable labor agreements, and set all
8 levels of compensation and benefits which are considered
9 appropriate by the board except as limited in this section. The
10 human resources system is subject to the following human
11 resources requirements:

12 (1) determine compensation according to the pay equity
13 requirements under sections 471.991 to 471.999;

14 (2) provide preferences for veterans according to the
15 Veterans Preference Act under sections 197.455, 197.46, and
16 375.63; and

17 (3) provide an appeals process for an individual who is
18 discharged, demoted, or suspended.

19 Subd. 2. [EMPLOYEE TRANSFER.] All persons employed by the
20 county whose employment is accounted for in the county
21 enterprise fund for HCMC, on the effective date, shall be
22 transferred to the corporation as specified in the lease and
23 other transactional documents referenced in section 14. The
24 transfer of employees to the corporation under this subdivision
25 does not constitute severance or termination of employment or a
26 layoff entitling transferred employees to severance pay,
27 termination benefits, a retirement plan refund, or any other
28 right that may be applicable in the case of severance,
29 termination, or layoff.

30 Subd. 3. [CURRENT POSITIONS.] Each person employed by the
31 county who is transferred to the corporation on the effective
32 date shall retain employment and accrued benefits, including
33 participation in deferred compensation programs, and will be
34 recorded by most recent date of employment with Hennepin County
35 upon transfer to the corporation created in section 383B.901.

36 Subd. 4. [BARGAINING UNITS.] The corporation shall

1 recognize existing bargaining units organized by employees of
2 HCMC and the exclusive representatives of those bargaining units
3 as of the effective date. The corporation shall adopt all
4 current labor agreements as of the effective date for the term
5 of those agreements, except for countywide references,
6 countywide provisions, and countywide human resources rules.

7 Subd. 5. [GENERAL EMPLOYEE RETIREMENT BENEFITS.] (a)
8 Except as provided in paragraph (b), employees of the
9 corporation, other than paramedics, emergency medical
10 technicians, and protection officers, are "public employees"
11 under chapter 353 and are members of the general employees
12 retirement plan of the Public Employees Retirement Association,
13 including employees transferred to the corporation under
14 subdivision 1 and employees hired by the corporation after the
15 effective date.

16 (b) Notwithstanding sections 356.24 and 356.25, the
17 corporation has the authority to create alternative retirement
18 plans that are not defined benefit pension plans for the
19 following classes of employees: supervisors, managers,
20 physicians, and independent health practitioners, provided the
21 value of the aggregate benefits are substantially comparable to
22 the general employee retirement plan of the Public Employees
23 Retirement Association. These classes of employees are eligible
24 to participate in the general retirement plan of the Public
25 Employees Retirement Association until and unless the
26 corporation creates alternative retirement plans. Only those
27 employees who are within the designated class and who are hired
28 after the date of creation of the alternative plan may be
29 enrolled in the alternative retirement plan in lieu of
30 participation in the general employees retirement plan of the
31 Public Employees Retirement Association. Any alternative
32 retirement benefit plan established by the corporation must
33 comply with the financial reporting requirements for public
34 pension plans under section 356.20 and the investment
35 performance reporting requirements for public pension plans
36 under section 356.219.

1 Subd. 6. [EMPLOYEES ELIGIBLE TO CONTINUE PARTICIPATION IN
2 PUBLIC EMPLOYEE RETIREMENT ASSOCIATION CORRECTIONAL, POLICE AND
3 FIRE BENEFIT PLANS.] Notwithstanding subdivisions 5 and 6, both
4 existing and future employees of the corporation in the
5 positions of paramedic and emergency medical technician, as
6 provided in section 353.64, subdivision 10, are members of the
7 public employees police and fire retirement plan under sections
8 353.63 to 353.68 and in the position of protection officer, as
9 provided in section 353E.02, subdivision 2a, are members of the
10 local government correctional retirement plan under chapter 353E.

11 Subd. 7. [PARTICIPATION IN STATE DEFERRED COMPENSATION
12 PLAN.] (a) Existing employees of the corporation, at the
13 election of the corporation, if otherwise qualified, are
14 eligible to participate in the Hennepin County supplemental
15 retirement plan under sections 383B.46 and 383B.52.

16 (b) Existing and future employees of the corporation, at
17 the election of the corporation, are eligible to participate in
18 the Minnesota state deferred compensation plan under section
19 352.96, the postretirement health care savings plan under
20 section 352.98, and all other deferred compensation arrangements
21 for which all persons employed by the county whose employment is
22 accounted for in the county enterprise fund for HCMC were
23 eligible.

24 Subd. 8. [SUBSIDIARIES.] Any subsidiary created by the
25 corporation shall be subject to the same human resources
26 requirements as those that apply to the corporation under
27 subdivision 1.

28 Sec. 15. [383B.915] [BONDING AUTHORITY OF CORPORATION.]

29 Subdivision 1. [MUNICIPALITY.] The corporation shall be
30 considered a "municipality" pursuant to section 475.51,
31 subdivision 2, for purposes of bond issuance and shall have all
32 the authority conferred on municipalities by chapter 475, unless
33 that authority is modified in this section.

34 Subd. 2. [SALE OF BONDS.] Subject to the reserved powers
35 and limitations specified in section 383B.908 and
36 notwithstanding any of the corporation's enumerated powers, the

1 corporation may issue and sell revenue bonds or other revenue
2 obligations to finance capital improvements or for the
3 acquisition and betterment of facilities or other property to be
4 utilized for the delivery of health care and related research,
5 the establishment of reserves for bond payment, or for other
6 proper corporate purposes.

7 Subd. 3. [SECURITY FOR BONDS.] Subject to the reserved
8 powers and limitations specified in section 383B.908 and
9 notwithstanding any of the corporation's enumerated powers, the
10 bonds may be secured by a mortgage of or security interest in
11 any property owned by the corporation or any interest of the
12 corporation in any property and by a pledge of revenues to be
13 derived from operation of the corporation's facilities as a
14 first and prior lien thereon or as a lien subordinate to the
15 costs of operation and maintenance of the facilities. The bonds
16 must be in an amount, and shall mature, as provided by
17 resolution of the board and may be issued in one or more series
18 and shall bear a date or dates, bear interest at a rate or
19 rates, be in a denomination or denominations, be in the form
20 either coupon or registered, carry the conversion or
21 registration privileges, have rank or priority, be executed in
22 the manner, be payable in medium of payment at the place or
23 places, and be subject to the terms of redemption, with or
24 without premium, as the resolution may provide. The bonds may
25 be sold at public or private sale at a price or prices
26 determined by the resolution. Notwithstanding any law to the
27 contrary, the bonds must be fully negotiable. The corporation
28 may enter into the covenants the board, by resolution, shall
29 deem necessary and proper to secure payment of the bonds. The
30 revenue bonds must state on their face that they are not payable
31 from, nor may be a charge upon, any funds other than the
32 revenues and property pledged or mortgaged for their payment,
33 nor shall the corporation be subject to any liability on them or
34 have the power to obligate itself to pay or pay the revenue
35 bonds from funds other than the revenues and property pledged
36 and mortgaged. No holder or holders of the bonds shall ever

1 have the right to compel any exercise of any taxing power of the
 2 county or any other public body to pay the principal of or
 3 interest on any of them, nor to enforce payment of them against
 4 any property other than that expressly pledged or mortgaged for
 5 their payment.

6 Sec. 16. [383B.916] [FINANCING THROUGH COUNTY.]

7 In addition to the authority granted in section 16, the
 8 county may finance any improvements, equipment, or other
 9 property to be operated by the corporation and may issue bonds
 10 for such purposes pursuant to and subject to the procedures and
 11 limitations set forth in section 373.40, 383B.117, 447.45, or
 12 other law, as appropriate, whether or not the capital
 13 improvement or equipment to be financed is to be owned by the
 14 county or the corporation.

15 Sec. 17. [383B.917] [OPEN MEETING LAW; GOVERNMENT DATA
 16 PRACTICES ACT.]

17 Subdivision 1. [CORPORATION NOT SUBJECT TO OPEN MEETING
 18 LAW AND DATA PRACTICES ACT.] The corporation and any
 19 organization, association, partnership, or corporation created,
 20 controlled, or owned by the corporation, shall not be subject to
 21 the Open Meeting Law, chapter 13D, or the Minnesota Government
 22 Data Practices Act, chapter 13.

23 Subd. 2. [CORPORATION TO MAKE INFORMATION PUBLICLY
 24 AVAILABLE.] The corporation shall make available for public
 25 inspection the following:

26 (1) the corporation's annual audited financial statements,
 27 prepared in accordance with generally accepted accounting
 28 principles, and which shall include all of the information a
 29 charitable organization is required to disclose under section
 30 309.53, subdivision 3;

31 (2) the corporation's current federal tax or informational
 32 return on file with the Internal Revenue Service, if applicable;

33 (3) the corporation's bylaws;

34 (4) the corporation's health services plan; and

35 (5) any material provided to the county board that the
 36 county board would be subject to release under the Minnesota

1 Data Practices Act and other applicable law.

2 Subd. 3. [PUBLIC MEETINGS.] Each year the corporation
3 shall hold a meeting which must be open to the public. At this
4 meeting, the board of directors and the administrator of the
5 corporation shall report on the affairs of the corporation and
6 the goals for the future, including a report on the health
7 services plan specified in section 383B.918. The corporation
8 shall hold additional public meetings during the development and
9 implementation phase of the health services plan for the purpose
10 of informing the public and receiving public comment. That
11 portion of a meeting of the board of directors of the
12 corporation at which the annual budget of the corporation is
13 approved prior to submission to the county board for approval
14 shall be open to the public. Notification of these meetings
15 shall be published on the corporation's Web site and in at least
16 one local paper at least two weeks prior to the meeting. Any
17 meeting at which the county board is discussing the approval of
18 the budget, health services plan, the corporation's audited
19 financial statement, or any other matter subject to the county
20 board's reserved powers as specified in section 383B.908, or in
21 the bylaws, is subject to the requirements of the Minnesota Open
22 Meeting Law and other applicable laws.

23 Sec. 18. [383B.918] [HEALTH SERVICES PLAN.]

24 The corporation shall prepare, and submit to the county
25 board for review and approval, a health services plan that draws
26 from a population health needs assessment and delineates the
27 corporation's role in the community, including education and
28 research. The health services plan shall contain a description
29 of how the corporation shall continue to coordinate with the
30 county to provide health-related services to the residents of
31 Hennepin County, including the indigent as defined by state and
32 federal law and as determined by the Hennepin County Board of
33 Commissioners.

34 Sec. 19. [383B.919] [TORT LIABILITY.]

35 The corporation shall be a "municipality" for purposes of
36 tort liability pursuant to chapter 466.

1 Sec. 20. [383B.920] [REVENUE RECAPTURE ACT.]

2 The corporation shall be considered a "claimant agency" for
3 purposes of the Revenue Recapture Act, chapter 270A.

4 Sec. 21. [383B.921] [PURCHASING.]

5 Subdivision 1. [PUBLIC PROCUREMENT.] Notwithstanding any
6 law to the contrary, contracting and purchasing of goods,
7 materials, supplies, equipment, and services that are included
8 as part of a contract for the purchase of goods, materials,
9 supplies, equipment, or services are specifically exempted from
10 sections 383B.141 to 383B.151 and 471.345 to 471.371, or other
11 applicable laws related to public procurement.

12 Subd. 2. [PURCHASING AND SERVICE CONTRACTS.] The
13 corporation may purchase directly or utilize the services of a
14 nonprofit cooperative hospital service organization, the county,
15 the state of Minnesota, the University of Minnesota, or any
16 other political subdivision or agency of the state of Minnesota
17 in the purchase of all goods, materials, and services that the
18 corporation may require.

19 Sec. 22. [383B.922] [LEGAL COUNSEL.]

20 With respect to the provisions of section 388.051, the
21 corporation shall be deemed a part of Hennepin County for
22 purposes of the Hennepin County attorney serving as legal
23 counsel to the corporation; provided, however, that the
24 corporation and the Hennepin County attorney may enter into an
25 arrangement with respect to the hiring of outside counsel on
26 behalf of the corporation. The corporation shall reimburse the
27 county for legal services provided by the Hennepin County
28 attorney, including any and all costs, and the reimbursement
29 shall be credited to the budget of the Hennepin County attorney.

30 Sec. 23. [383B.923] [SELF-INSURANCE.]

31 Subdivision 1. [SELF-INSURANCE.] The corporation may
32 participate in any self-insurance program established by the
33 county in accordance with section 383B.155.

34 Subd. 2. [ADDITIONAL BENEFITS TO EMPLOYEES.] The
35 corporation may provide for the payment of additional benefits
36 to employees from their accumulated vacation, sick leave, or

1 overtime credits if the employees of the corporation and any of
2 its subsidiaries are entitled to the benefits of the Workers'
3 Compensation Law and have at the time of compensable injury
4 accumulated credits under a vacation, sick leave, or overtime
5 plan or system maintained by the corporation. The additional
6 payments to an employee may not exceed the amount of the total
7 sick leave, vacation, or overtime credits accumulated by the
8 employee and shall not result in the payment of a total weekly
9 rate of compensation that exceeds the weekly wage of the
10 employee. The additional payments to any employee shall be
11 charged against the sick leave, vacation, and overtime credits
12 accumulated by the employee. Employees of the corporation and
13 any of its subsidiaries entitled to the benefits of the Workers'
14 Compensation Law may receive additional benefits pursuant to a
15 collective bargaining agreement or other plan, entered into or
16 in effect on or after January 1, 2003, providing payments by or
17 on behalf of the employer, and these additional benefits may be
18 unrelated to any accumulated sick leave, holiday, or overtime
19 credits and need not be charged against any accumulation;
20 provided that the additional payments must not result in the
21 payment of a total weekly rate of compensation that exceeds the
22 weekly wage of the employee. The corporation and its
23 subsidiaries may adopt rules and regulations consistent with
24 chapter 179, to carry out the section relating to payment of
25 additional benefits to employees from accumulated sick leave,
26 vacation, overtime credits, or other sources.

27 Sec. 24. [383B.924] [HOSPITAL AUTHORITIES.]

28 The corporation shall not be considered a hospital or
29 hospital district subject to section 144.581.

30 Sec. 25. [383B.925] [TAX-EXEMPT STATUS.]

31 The corporation is an organization exempt from taxation
32 pursuant to chapters 290 and 297A.

33 Sec. 26. [383B.926] [PREPAID HEALTH PLAN.]

34 The corporation is a county-affiliated public teaching
35 hospital for purposes of section 256D.03, subdivision 4.

36 Sec. 27. [383B.927] [INTERGOVERNMENTAL TRANSFERS.]

1 For purposes of medical assistance, Medicaid, Medicare, and
 2 other public programs, the corporation shall continue to be a
 3 "unit of state or local government" and a "government owned or
 4 operated hospital," and shall be eligible to receive
 5 "intergovernmental transfers" and "certified public expenditures"
 6 as may be authorized from time to time by the state of Minnesota
 7 or Hennepin County.

8 Sec. 28. [383B.928] [INDIGENT CARE.]

9 Subdivision 1. [SERVICES.] The corporation shall provide
 10 health care and related services for the indigent of the county
 11 as required by the terms of the lease as specified in section
 12 383B.914, subdivision 2, consistent with any agreement for
 13 payment for those services made with the county.

14 Subd. 2. [FUNDS.] Notwithstanding any law to the contrary,
 15 the county may provide funds for the purchase of medical care
 16 for the indigent of the county from a provider selected by the
 17 county with or without public bid.

18 Sec. 29. [EFFECTIVE DATES.]

19 (a) Sections 3 to 8, regarding governance and corporate
 20 powers; section 14, subdivision 1, regarding the establishment
 21 of personnel policies; and section 17, regarding the Minnesota
 22 Open Meeting Law and the Government Data Practices Act are
 23 effective when the initial board of the corporation is appointed
 24 by the county board.

25 (b) The remaining sections of the bill are effective the
 26 day after the county board files a certificate of local approval
 27 in compliance with Minnesota Statutes, section 645.021,
 28 subdivision 3, after which the corporation shall commence
 29 operation and management of Hennepin County Medical Center.

30 ARTICLE 2

31 LABOR RELATIONS; RELATED ISSUES

32 Section 1. Minnesota Statutes 2004, section 179A.03,
 33 subdivision 7, is amended to read:

34 Subd. 7. [ESSENTIAL EMPLOYEE.] "Essential employee" means
 35 firefighters, peace officers subject to licensure under sections
 36 626.84 to 626.863, 911 system and police and fire department

1 public safety dispatchers, guards at correctional facilities,
2 confidential employees, supervisory employees, assistant county
3 attorneys, assistant city attorneys, principals, and assistant
4 principals. However, for state employees, "essential employee"
5 means all employees in law enforcement, health care
6 professionals, correctional guards, professional engineering,
7 and supervisory collective bargaining units, irrespective of
8 severance, and no other employees. For University of Minnesota
9 employees, "essential employee" means all employees in law
10 enforcement, nursing professional and supervisory units,
11 irrespective of severance, and no other employees.
12 "Firefighters" means salaried employees of a fire department
13 whose duties include, directly or indirectly, controlling,
14 extinguishing, preventing, detecting, or investigating fires.
15 Employees for whom the state court administrator is the
16 negotiating employer are not essential employees. For Hennepin
17 Healthcare System, Inc. employees, "essential employees" means
18 all employees.

19 Sec. 2. Minnesota Statutes 2004, section 179A.03,
20 subdivision 14, is amended to read:

21 Subd. 14. [PUBLIC EMPLOYEE OR EMPLOYEE.] "Public employee"
22 or "employee" means any person appointed or employed by a public
23 employer except:

24 (a) elected public officials;

25 (b) election officers;

26 (c) commissioned or enlisted personnel of the Minnesota
27 National Guard;

28 (d) emergency employees who are employed for emergency work
29 caused by natural disaster;

30 (e) part-time employees whose service does not exceed the
31 lesser of 14 hours per week or 35 percent of the normal work
32 week in the employee's appropriate unit;

33 (f) employees whose positions are basically temporary or
34 seasonal in character and: (1) are not for more than 67 working
35 days in any calendar year; or (2) are not for more than 100
36 working days in any calendar year and the employees are under

1 the age of 22, are full-time students enrolled in a nonprofit or
2 public educational institution prior to being hired by the
3 employer, and have indicated, either in an application for
4 employment or by being enrolled at an educational institution
5 for the next academic year or term, an intention to continue as
6 students during or after their temporary employment;

7 (g) employees providing services for not more than two
8 consecutive quarters to the Board of Trustees of the Minnesota
9 State Colleges and Universities under the terms of a
10 professional or technical services contract as defined in
11 section 16C.08, subdivision 1;

12 (h) employees of charitable hospitals as defined by section
13 179.35, subdivision 3;

14 (i) full-time undergraduate students employed by the school
15 which they attend under a work-study program or in connection
16 with the receipt of financial aid, irrespective of number of
17 hours of service per week;

18 (j) an individual who is employed for less than 300 hours
19 in a fiscal year as an instructor in an adult vocational
20 education program;

21 (k) an individual hired by the Board of Trustees of the
22 Minnesota State Colleges and Universities to teach one course
23 for three or fewer credits for one semester in a year;

24 (l) with respect to court employees:

25 (1) personal secretaries to judges;

26 (2) law clerks;

27 (3) managerial employees;

28 (4) confidential employees; and

29 (5) supervisory employees;

30 (m) with respect to employees of Hennepin Healthcare
31 System, Inc., managerial, supervisory, and confidential
32 employees.

33 The following individuals are public employees regardless
34 of the exclusions of clauses (e) and (f):

35 (i) An employee hired by a school district or the Board of
36 Trustees of the Minnesota State Colleges and Universities except

1 at the university established in section 136F.13 or for
2 community services or community education instruction offered on
3 a noncredit basis: (A) to replace an absent teacher or faculty
4 member who is a public employee, where the replacement employee
5 is employed more than 30 working days as a replacement for that
6 teacher or faculty member; or (B) to take a teaching position
7 created due to increased enrollment, curriculum expansion,
8 courses which are a part of the curriculum whether offered
9 annually or not, or other appropriate reasons; and

10 (ii) An employee hired for a position under clause (f)(1)
11 if that same position has already been filled under clause
12 (f)(1) in the same calendar year and the cumulative number of
13 days worked in that same position by all employees exceeds 67
14 calendar days in that year. For the purpose of this paragraph,
15 "same position" includes a substantially equivalent position if
16 it is not the same position solely due to a change in the
17 classification or title of the position.

18 Sec. 3. Minnesota Statutes 2004, section 179A.03,
19 subdivision 15, is amended to read:

20 Subd. 15. [PUBLIC EMPLOYER OR EMPLOYER.] "Public employer"
21 or "employer" means:

22 (a) the state of Minnesota for employees of the state not
23 otherwise provided for in this subdivision or section 179A.10
24 for executive branch employees;

25 (b) the Board of Regents of the University of Minnesota for
26 its employees;

27 (c) the state court administrator for court employees;

28 (d) the state Board of Public Defense for its employees;

29 and

30 (e) Hennepin Healthcare System, Inc.; and

31 (f) notwithstanding any other law to the contrary, the
32 governing body of a political subdivision or its agency or
33 instrumentality which has final budgetary approval authority for
34 its employees. However, the views of elected appointing
35 authorities who have standing to initiate interest arbitration,
36 and who are responsible for the selection, direction,

1 discipline, and discharge of individual employees shall be
2 considered by the employer in the course of the discharge of
3 rights and duties under sections 179A.01 to 179A.25.

4 When two or more units of government subject to sections
5 179A.01 to 179A.25 undertake a project or form a new agency
6 under law authorizing common or joint action, the employer is
7 the governing person or board of the created agency. The
8 governing official or body of the cooperating governmental units
9 shall be bound by an agreement entered into by the created
10 agency according to sections 179A.01 to 179A.25.

11 "Public employer" or "employer" does not include a
12 "charitable hospital" as defined in section 179.35, subdivision
13 2.

14 Nothing in this subdivision diminishes the authority
15 granted pursuant to law to an appointing authority with respect
16 to the selection, direction, discipline, or discharge of an
17 individual employee if this action is consistent with general
18 procedures and standards relating to selection, direction,
19 discipline, or discharge which are the subject of an agreement
20 entered into under sections 179A.01 to 179A.25.

21 Sec. 4. Minnesota Statutes 2004, section 179A.06,
22 subdivision 2, is amended to read:

23 Subd. 2. [RIGHT TO ORGANIZE.] Public employees have the
24 right to form and join labor or employee organizations, and have
25 the right not to form and join such organizations. Public
26 employees in an appropriate unit have the right by secret ballot
27 to designate an exclusive representative to negotiate grievance
28 procedures and the terms and conditions of employment with their
29 employer. Confidential employees of the state, confidential
30 court employees, and confidential University of Minnesota
31 employees are excluded from bargaining. Supervisory and
32 managerial court employees are excluded from
33 bargaining. Supervisory, managerial, and confidential employees
4 of Hennepin Healthcare System, Inc., are excluded from
35 bargaining. Other confidential employees, supervisory
36 employees, principals, and assistant principals may form their

1 own organizations. An employer shall extend exclusive
2 recognition to a representative of or an organization of
3 supervisory or confidential employees, or principals and
4 assistant principals, for the purpose of negotiating terms or
5 conditions of employment, in accordance with sections 179A.01 to
6 179A.25, applicable to essential employees.

7 Supervisory or confidential employee organizations shall
8 not participate in any capacity in any negotiations which
9 involve units of employees other than supervisory or
10 confidential employees. Except for organizations which
11 represent supervisors who are: (1) firefighters, emergency
12 medical service employees certified under section 144E.28, 911
13 system public safety dispatchers, peace officers subject to
14 licensure under sections 626.84 to 626.863, guards at
15 correctional facilities, or employees at hospitals other than
16 state hospitals; and (2) not state or University of Minnesota
17 employees, a supervisory or confidential employee organization
18 which is affiliated with another employee organization which is
19 the exclusive representative of nonsupervisory or
20 nonconfidential employees of the same public employer shall not
21 be certified, or act as, an exclusive representative for the
22 supervisory or confidential employees. For the purpose of this
23 subdivision, affiliation means either direct or indirect and
24 includes affiliation through a federation or joint body of
25 employee organizations.

26 Sec. 5. Minnesota Statutes 2004, section 179A.16, is
27 amended by adding a subdivision to read:

28 Subd. 7b. [DECISIONS AFFECTING EMPLOYEES OF HENNEPIN
29 HEALTHCARE SYSTEM, INC.] For the employees of Hennepin
30 Healthcare System, Inc., subdivision 7 governs, except the
31 arbitrator or panel has no jurisdiction or authority to
32 entertain any matter or issue that is not a term or condition of
33 employment involving disputes over wages, compensation, benefits
34 other than retirement benefits, and other similar economic
35 issues, or that is protected by section 179A.07, subdivision 1,
36 unless otherwise agreed to by both parties in writing.

1 Sec. 6. [179A.40] [HENNEPIN HEALTHCARE SYSTEM, INC.]

2 Subdivision 1. [UNITS.] The following are the appropriate
3 employee units of the Hennepin Healthcare System, Inc. All
4 units shall exclude supervisors, managerial employees, and
5 confidential employees. No additional units of Hennepin
6 Healthcare System, Inc., shall be eligible to be certified for
7 the purpose of meeting and negotiating with an exclusive
8 representative. The units include all:

9 (1) registered nurses;

10 (2) physicians;

11 (3) professionals except for registered nurses and
12 physicians;

(4) technical and paraprofessional employees;

14 (5) carpenters, electricians, painters, and plumbers;

15 (6) health general service employees;

16 (7) interpreters;

17 (8) emergency medical technicians/emergency medical
18 dispatchers (EMT/EMD), and paramedics;

19 (9) bioelectronics specialists, bioelectronics technicians,
20 and electronics technicians;

21 (10) skilled maintenance employees; and

22 (11) clerical employees.

Subd. 2. [NONCONFORMING UNITS.] Preexisting Hennepin
24 County Medical Center bargaining units covered by existing labor
25 agreements on the day following final enactment of this act that
26 do not conform to one of the 11 units described in subdivision 1
27 shall continue to be appropriate. If an employee representative
28 seeks to represent employees who are residual to an existing
29 nonconforming unit, then all of the employees who are residual
30 to that unit shall be eligible to vote in an election conducted
31 by the commissioner. An election shall be held when an employee
32 organization or group of employees files a petition for an
33 election and the petition is supported by a showing of interest
34 from 30 percent or more of the employees who are residual to an
35 existing nonconforming unit. The employees who are residual to
36 an existing nonconforming unit shall be included within the

1 existing nonconforming unit if a majority of the eligible
2 employees who vote cast their ballots in favor of representation
3 during an election conducted by the commissioner. Nothing shall
4 preclude an exclusive representative and from agreeing
5 to an election conducted by the commissioner or other
6 appropriate procedure by which less than all of the employees
7 who are residual to an existing nonconforming unit may be added
8 to the unit.

9 Sec. 7. Minnesota Statutes 2004, section 383B.117,
10 subdivision 2, is amended to read:

11 Subd. 2. [EQUIPMENT ACQUISITION; CAPITAL NOTES.] The board
12 of the corporation may, by resolution and without public
13 referendum, issue capital notes within existing debt limits for
14 the purpose of purchasing ambulance and other medical equipment,
15 road construction or maintenance equipment, public safety
16 equipment and other capital equipment having an expected useful
17 life at least equal to the term of the notes issued. The notes
18 shall be payable in not more than five years and shall be issued
19 on terms and in a manner as the board determines. The total
20 principal amount of the notes issued for any fiscal year shall
21 not exceed one percent of the total annual budget for that year
22 and shall be issued solely for the purchases authorized in this
23 subdivision. A tax levy shall be made for the payment of the
24 principal and interest on such notes as in the case of
25 bonds. For purposes of this subdivision, the term "medical
26 equipment" includes computer hardware and software and other
27 intellectual property for use in medical diagnosis, medical
28 procedures, research, record keeping, billing, and other
29 hospital applications, together with application development
30 services and training related to the use of the computer
31 hardware and software and other intellectual property, all
32 without regard to their useful life. For purposes of
33 determining the amount of capital notes which the county may
34 issue in any year, the budget of the county and Hennepin
35 Healthcare System, Inc. shall be combined and the notes issuable
36 under this subdivision shall be in addition to obligations

1 issuable under section 373.01, subdivision 3.

2 Sec. 8. Minnesota Statutes 2004, section 383B.217,
subdivision 7, is amended to read:

4 Subd. 7. [~~PURCHASES-AND-MARKETING~~ PURCHASING, CONTRACTING,
5 MEETINGS, DATA.] (a) Contracting and purchasing made on behalf
6 of the ~~Hennepin-County-Medical-Center-and-its-health-maintenance~~
7 ~~organization-(HMO)~~, ambulatory health center, or other clinics
8 authorized under section 383B.219, of goods, materials,
9 supplies, equipment, and services that are incidental to or that
10 are included as part of a contract for the purchase of goods,
11 materials, supplies, or equipment are specifically exempted from
12 sections 383B.141 to 383B.151 and 471.345 or other applicable
13 laws related to public procurement. Contracting and purchasing
of services shall comply with sections 383B.141 to 383B.151 or
15 other applicable laws related to public procurement.

16 (b) Notwithstanding chapter 13D, the county board on behalf
17 of the ~~medical-center-and~~ HMO may meet in closed session to
18 discuss and take action on specific products or services that
19 are in direct competition with other providers of goods or
20 services in the public or private sector, if disclosure of
21 information pertaining to those matters would clearly harm the
22 competitive position of the ~~medical-center-or~~ HMO.

23 (c) The ~~medical-center-and~~ HMO shall inform the county
board when there are matters that are appropriate for discussion
25 or action under paragraph (b). The county administrator or the
26 administrator's designee shall give the board an opinion on the
27 propriety of discussion or action under paragraph (b) for each
28 of the matters. The county board may, by a majority vote in a
29 public meeting, decide to hold a closed meeting under paragraph
30 (b). The purpose, time, and place of the meeting must be
31 announced at a public meeting. A written roll of members
32 present at a closed meeting must be made available to the public
33 after the closed meeting. The proceedings of a closed meeting
34 must be tape recorded at the expense of the county board and be
35 preserved for not less than five years after the meeting. The
36 data on the tape are nonpublic data under section 13.02,

1 subdivision 9, until two years after the meeting. A contract
2 entered into by the county board at a meeting held on behalf of
3 the ~~medical-center-or~~ HMO is subject to section 471.345. All
4 bids and any related materials that are considered at the
5 meeting must be retained for a period of not less than five
6 years. After the expiration of the term of any contract entered
7 into pursuant to this subdivision or a period of two years,
8 whichever is less, the contract, the bids, and any related
9 materials are public data. The contract, the bids, and any
10 related materials are subject to review by the state auditor at
11 any time.

12 (d) Data concerning specific products or services that are
13 in direct competition with other providers of goods or services
14 in the public or private sector are trade secret information for
15 purposes of section 13.37, to the extent disclosure of
16 information pertaining to the matters would clearly harm the
17 competitive position of the ~~medical-center-or~~ HMO. The data are
18 trade secret information for the term of the contract or a
19 two-year period, whichever is less.

20 (e) Notwithstanding section 471.345 or other applicable
21 law, the county board on behalf of the ~~medical-center,~~ HMO,
22 ambulatory health center, or other clinics authorized under
23 section 383B.219, may contract, except for services, by any
24 means that the county board or at its direction the ~~medical~~
25 ~~center-or~~ HMO, ambulatory health center, or other clinics
26 authorized under section 383B.219, may determine. When
27 contracting for services, the county board must comply with
28 sections 383B.141 to 383B.151 and other applicable law, except
29 that the board may contract with a private or public cooperative
30 purchasing organization if it can be established that the
31 purchasing organization's services that are purchased have been
32 awarded through a competitive or request for proposal process.

33 (f) This subdivision applies to the ~~medical-center,~~ HMO,
34 ambulatory health centers, or other clinics authorized under
35 section 383B.219, as well as any other organization,
36 association, partnership, or corporation authorized by Hennepin

1 County under section 144.581.

2 Sec. 9. [TRANSITION.]

3 Subdivision 1. [INITIAL BOARD.] For the first three years,
4 the board of Hennepin Healthcare System, Inc., shall be governed
5 by a board of directors consisting of 13 directors appointed by
6 the county board according to the procedure specified in this
7 act.

8 Subd. 2. [INITIAL HUMAN RESOURCES SYSTEM.] Input from
9 Hennepin County Medical Center employees shall be obtained prior
10 to the development of the human resources rules and policies for
11 the new corporation and the rules and policies shall be
12 finalized prior to the county board's vote to file the
certificate of local approval.

14 Sec. 10. [REPEALER.]

15 Minnesota Statutes 2004, section 383B.217, subdivisions 1,
16 2, 3, 4, 5, 6, and 8, are repealed.

17 Sec. 11. [EFFECTIVE DATE.]

18 Sections 1 to 10 are effective on the date specified in
19 article 1, section 29, paragraph (b).

20 ARTICLE 3

21 CONFORMING RETIREMENT CHANGES

22 Section 1. Minnesota Statutes 2004, section 353.01,
23 subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following public
25 employees are not eligible to participate as members of the
26 association with retirement coverage by the public employees
27 retirement plan, the local government correctional employees
28 retirement plan under chapter 353E, or the public employees
29 police and fire retirement plan:

- 30 (1) public officers, other than county sheriffs, who are
- 31 elected to a governing body, or persons who are appointed to
- 32 fill a vacancy in an elective office of a governing body, whose
- 33 term of office commences on or after July 1, 2002, for the
- 34 service to be rendered in that elective position. Elected
- 35 governing body officials who were active members of the
- 36 association's coordinated or basic retirement plans as of June

1 30, 2002, continue participation throughout incumbency in office
2 until termination of public service occurs as defined in
3 subdivision 11a;

4 (2) election officers or election judges;

5 (3) patient and inmate personnel who perform services for a
6 governmental subdivision;

7 (4) except as otherwise specified in subdivision 12a,
8 employees who are hired for a temporary position as defined
9 under subdivision 12a, and employees who resign from a
10 nontemporary position and accept a temporary position within 30
11 days in the same governmental subdivision;

12 (5) employees who are employed by reason of work emergency
13 caused by fire, flood, storm, or similar disaster;

14 (6) employees who by virtue of their employment in one
15 governmental subdivision are required by law to be a member of
16 and to contribute to any of the plans or funds administered by
17 the Minnesota State Retirement System, the Teachers Retirement
18 Association, the Duluth Teachers Retirement Fund Association,
19 the Minneapolis Teachers Retirement Fund Association, the St.
20 Paul Teachers Retirement Fund Association, the Minneapolis
21 Employees Retirement Fund, or any police or firefighters relief
22 association governed by section 69.77 that has not consolidated
23 with the Public Employees Retirement Association, or any local
24 police or firefighters consolidation account who have not
25 elected the type of benefit coverage provided by the public
26 employees police and fire fund under sections 353A.01 to
27 353A.10, or any persons covered by section 353.665, subdivision
28 4, 5, or 6, who have not elected public employees police and
29 fire plan benefit coverage. This clause must not be construed
30 to prevent a person from being a member of and contributing to
31 the Public Employees Retirement Association and also belonging
32 to and contributing to another public pension plan or fund for
33 other service occurring during the same period of time. A
34 person who meets the definition of "public employee" in
35 subdivision 2 by virtue of other service occurring during the
36 same period of time becomes a member of the association unless

1 contributions are made to another public retirement fund on the
2 salary based on the other service or to the Teachers Retirement
3 Association by a teacher as defined in section 354.05,
4 subdivision 2;

5 (7) persons who are members of a religious order and are
6 excluded from coverage under the federal Old Age, Survivors,
7 Disability, and Health Insurance Program for the performance of
8 service as specified in United States Code, title 42, section
9 410(a)(8)(A), as amended through January 1, 1987, if no
10 irrevocable election of coverage has been made under section
11 3121(r) of the Internal Revenue Code of 1954, as amended;

12 (8) employees of a governmental subdivision who have not
13 reached the age of 23 and are enrolled on a full-time basis to
14 attend or are attending classes on a full-time basis at an
15 accredited school, college, or university in an undergraduate,
16 graduate, or professional-technical program, or a public or
17 charter high school;

18 (9) resident physicians, medical interns, and pharmacist
19 residents and pharmacist interns who are serving in a degree or
20 residency program in public hospitals;

21 (10) students who are serving in an internship or residency
22 program sponsored by an accredited educational institution;

23 (11) persons who hold a part-time adult supplementary
24 technical college license who render part-time teaching service
25 in a technical college;

26 (12) except for employees of Hennepin County or Hennepin
27 Healthcare System, Inc., foreign citizens working for a
28 governmental subdivision with a work permit of less than three
29 years, or an H-1b visa valid for less than three years of
30 employment. Upon notice to the association that the work permit
31 or visa extends beyond the three-year period, the foreign
32 citizens must be reported for membership from the date of the
33 extension;

34 (13) public hospital employees who elected not to
35 participate as members of the association before 1972 and who
36 did not elect to participate from July 1, 1988, to October 1,

1 1988;

2 (14) except as provided in section 353.86, volunteer
3 ambulance service personnel, as defined in subdivision 35, but
4 persons who serve as volunteer ambulance service personnel may
5 still qualify as public employees under subdivision 2 and may be
6 members of the Public Employees Retirement Association and
7 participants in the public employees retirement fund or the
8 public employees police and fire fund, whichever applies, on the
9 basis of compensation received from public employment service
10 other than service as volunteer ambulance service personnel;

11 (15) except as provided in section 353.87, volunteer
12 firefighters, as defined in subdivision 36, engaging in
13 activities undertaken as part of volunteer firefighter duties;
14 provided that a person who is a volunteer firefighter may still
15 qualify as a public employee under subdivision 2 and may be a
16 member of the Public Employees Retirement Association and a
17 participant in the public employees retirement fund or the
18 public employees police and fire fund, whichever applies, on the
19 basis of compensation received from public employment activities
20 other than those as a volunteer firefighter;

21 (16) pipefitters and associated trades personnel employed
22 by Independent School District No. 625, St. Paul, with coverage
23 under a collective bargaining agreement by the pipefitters local
24 455 pension plan who were either first employed after May 1,
25 1997, or, if first employed before May 2, 1997, elected to be
26 excluded under Laws 1997, chapter 241, article 2, section 12;

27 (17) electrical workers, plumbers, carpenters, and
28 associated trades personnel employed by Independent School
29 District No. 625, St. Paul, or the city of St. Paul, who have
30 retirement coverage under a collective bargaining agreement by
31 the Electrical Workers Local 110 pension plan, the United
32 Association Plumbers Local 34 pension plan, or the Carpenters
33 Local 87 pension plan who were either first employed after May
34 1, 2000, or, if first employed before May 2, 2000, elected to be
35 excluded under Laws 2000, chapter 461, article 7, section 5;

36 (18) bricklayers, allied craftworkers, cement masons,

1 glaziers, glassworkers, painters, allied tradesworkers, and
2 plasterers employed by the city of St. Paul or Independent
3 School District No. 625, St. Paul, with coverage under a
4 collective bargaining agreement by the Bricklayers and Allied
5 Craftworkers Local 1 pension plan, the Cement Masons Local 633
6 pension plan, the Glaziers and Glassworkers Local L-1324 pension
7 plan, the Painters and Allied Trades Local 61 pension plan, or
8 the Twin Cities Plasterers Local 265 pension plan who were
9 either first employed after May 1, 2001, or if first employed
10 before May 2, 2001, elected to be excluded under Laws 2001,
11 First Special Session chapter 10, article 10, section 6;

12 (19) plumbers employed by the Metropolitan Airports
13 Commission, with coverage under a collective bargaining
14 agreement by the Plumbers Local 34 pension plan, who either were
15 first employed after May 1, 2001, or if first employed before
16 May 2, 2001, elected to be excluded under Laws 2001, First
17 Special Session chapter 10, article 10, section 6;

18 (20) employees who are hired after June 30, 2002, to fill
19 seasonal positions under subdivision 12b which are limited in
20 duration by the employer to 185 consecutive calendar days or
21 less in each year of employment with the governmental
22 subdivision;

23 (21) persons who are provided supported employment or
24 work-study positions by a governmental subdivision and who
25 participate in an employment or industries program maintained
26 for the benefit of these persons where the governmental
27 subdivision limits the position's duration to three years or
28 less, including persons participating in a federal or state
29 subsidized on-the-job training, work experience, senior citizen,
30 youth, or unemployment relief program where the training or work
31 experience is not provided as a part of, or for, future
32 permanent public employment;

33 (22) independent contractors and the employees of
34 independent contractors; and

35 (23) reemployed annuitants of the association during the
36 course of that reemployment.

1 Sec. 2. Minnesota Statutes 2004, section 353.01,
2 subdivision 2d, is amended to read:

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

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

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

16 (3) members of the association who are appointed by the
17 governor to be a state department head and who elect not to be
18 covered by the general state employees retirement plan of the
19 Minnesota State Retirement System under section 352.021;

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

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

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

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

34 (2) a county historical society if the county in which the
35 historical society is located, at its option, certifies to the
36 executive director that the employees of the historical society

1 are to be county employees for purposes of retirement coverage
 2 under this chapter. The status as a county employee must be
 3 accorded to all similarly situated county historical society
 4 employees and, once established, must continue as long as a
 5 person is an employee of the county historical society; and
 6 (3) Hennepin Healthcare System, Inc., a public corporation,
 7 with respect to employees other than paramedics, emergency
 8 medical technicians, and protection officers, if the corporate
 9 board establishes alternative retirement plans for certain
 10 classes of employees of the corporation and certifies the
 11 employees to be excluded from future retirement coverage.

12 (c) For employees who are covered by paragraph (a), clause
 13 (1), (2), or (3), or covered by paragraph (b), clause (1) or
 14 (2), if the necessary membership election is not made, the
 15 employee is excluded from retirement coverage under this
 16 chapter. For employees who are covered by paragraph (a), clause
 17 (4), if the necessary election is not made, the employee must
 18 become a member and have retirement coverage under this
 19 chapter. For employees specified in paragraph (b), clause (3),
 20 membership continues until the exclusion option is exercised for
 21 the designated class of employee. The option to become a
 22 member, once exercised under this subdivision, may not be
 23 withdrawn until termination of public service as defined under
 24 subdivision 11a.

25 Sec. 3. Minnesota Statutes 2004, section 353.01,
 26 subdivision 6, is amended to read:

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

32 (b) Governmental subdivision also means the Public
 33 Employees Retirement Association, the League of Minnesota
 34 Cities, the Association of Metropolitan Municipalities, public
 35 hospitals owned or operated by, or an integral part of, a
 36 governmental subdivision or governmental subdivisions, the

1 Association of Minnesota Counties, the Metropolitan Intercounty
 2 Association, the Minnesota Municipal Utilities Association, the
 3 Metropolitan Airports Commission, the Minneapolis Employees
 4 Retirement Fund for employment initially commenced after June
 5 30, 1979, the Range Association of Municipalities and Schools,
 6 soil and water conservation districts, economic development
 7 authorities created or operating under sections 469.090 to
 8 469.108, the Port Authority of the city of St. Paul, the Spring
 9 Lake Park Fire Department, incorporated, the Lake Johanna
 10 Volunteer Fire Department, incorporated, the Red Wing
 11 Environmental Learning Center, and the Dakota County
 12 Agricultural Society, and Hennepin Healthcare System, Inc.

13 (c) Governmental subdivision does not mean any municipal
 14 housing and redevelopment authority organized under the
 15 provisions of sections 469.001 to 469.047; or any port authority
 16 organized under sections 469.048 to 469.089 other than the Port
 17 Authority of the city of St. Paul; or any hospital district
 18 organized or reorganized prior to July 1, 1975, under sections
 19 447.31 to 447.37 or the successor of the district, nor the
 20 Minneapolis Community Development Agency.

21 Sec. 4. Minnesota Statutes 2004, section 353.64,
 22 subdivision 10, is amended to read:

23 Subd. 10. [~~PENSION COVERAGE FOR HENNEPIN COUNTY~~ HEALTHCARE
 24 SYSTEM, INC.; PARAMEDICS AND EMERGENCY MEDICAL TECHNICIANS.] An
 25 employee of Hennepin ~~County~~ Healthcare System, Inc. who is:

26 (1) certified as a paramedic or emergency medical
 27 technician by the state under section 144E.28, subdivision 4;

28 (2) employed full time as a paramedic or emergency medical
 29 technician by Hennepin County on or after the effective date
 30 specified in Laws 1994, chapter 499, section 2; and

31 (3) not eligible after the effective date under Laws 1994,
 32 chapter 499, section 2, for coverage under the agreement signed
 33 between the state and the secretary of the federal Department of
 34 Health and Human Services making the provisions of the federal
 35 Old Age, Survivors, and Disability Insurance Act applicable to
 36 paramedics and emergency medical technicians because the

1 person's position is excluded after that date from application
 2 under United States Code, title 42, sections 418(d)(5)(A) and
 3 418(d)(8)(D), and section 355.07;
 4 is a member of the public employees police and fire fund under
 5 sections 353.63 to 353.68.

6 Hennepin County Healthcare System, Inc. shall deduct the
 7 employee contribution from the salary of each full-time Hennepin
 8 County paramedic and emergency medical technician it employs as
 9 required by section 353.65, subdivision 2, shall make the
 10 employer contribution for each full-time Hennepin-County
 11 paramedic and emergency medical technician it employs as
 12 required by section 353.65, subdivision 3, and shall meet the
 13 employer recording and reporting requirements in section 353.65,
 14 subdivision 4.

15 Sec. 5. Minnesota Statutes 2004, section 353E.02,
 16 subdivision 2a, is amended to read:

17 Subd. 2a. [MEDICAL CENTER PROTECTION OFFICER.] (a) A
 18 medical center protection officer, for purposes of subdivision
 19 1, is a person whom the employer certifies:

20 (1) is employed by the Hennepin County-Medical-Center
 21 Healthcare System, Inc. as a protection officer;

22 (2) is directly responsible for the direct security of the
 23 medical center;

24 (3) is expected to respond to any incidents within the
 25 medical center as part of the person's regular employment duties
 26 and is trained to do so; and

27 (4) is a "public employee" as defined in section 353.01,
 28 but is not a member of the public employees police and fire plan.

29 (b) The certification required under paragraph (a) must be
 30 made in writing on a form prescribed by the executive director
 31 of the Public Employees Retirement Association.

32 Sec. 6. Minnesota Statutes 2004, section 383B.46, is
 33 amended to read:

383B.46 [SUPPLEMENTAL RETIREMENT ACCOUNT.]

35 Subdivision 1. [ELIGIBILITY FOR COVERAGE.] Any person who
 36 was employed by the county of Hennepin or its agencies, boards,

1 commissions, authorities and committees ~~prior-to~~ before April
 2 14, 1982, as an employee or an officer in the classified service
 3 as defined in sections 383B.26 to 383B.42, or as an employee in
 4 the unclassified service, and who has served for five years as a
 5 county employee or an officer in the classified service, or as a
 6 county employee in the unclassified service, which need not
 7 necessarily be continuous, and which ~~shall~~ must include time
 8 served as a county employee ~~prior-to~~ before June 8, 1965, if the
 9 person is an employee in the classified service, ~~shall-be~~ of the
 10 county or if the person is an employee of Hennepin Healthcare
 11 System, Inc., is entitled to elect to obtain coverage by the
 12 Hennepin County supplemental retirement program. The election
 13 to obtain coverage may be exercised only once and ~~shall~~ must be
 14 exercised within 30 days of the date on which the person first
 15 becomes entitled to elect to obtain coverage. No person hired,
 16 rehired, or reinstated by the county as an employee in the
 17 classified or unclassified service on or after April 14,
 18 1982, ~~shall-be~~ is eligible for coverage by the Hennepin County
 19 supplemental retirement program.

20 Subd. 2. [ESTABLISHMENT OF ACCOUNT; CONTRIBUTIONS.] The
 21 county of Hennepin or Hennepin Healthcare System, Inc.,
 22 whichever applies, shall deduct from the salary of every person
 23 who is eligible for coverage and who elected to retain or obtain
 24 coverage by the Hennepin County supplemental retirement program
 25 a sum equal to one percent of the total salary of the
 26 person. ~~Any-classified-or-unclassified-employee-who-is-employed~~
 27 ~~in-subsidized-on-the-job-training,work-experience-or-public~~
 28 ~~service-employment-as-an-enrollee-under-the-federal~~
 29 ~~Comprehensive-Employment-and-Training-Act-shall-not-be-included~~
 30 ~~in-the-supplemental-retirement-account-from-and-after-March-30,~~
 31 ~~1978-unless-the-employee-has-as-of-the-later-of-March-30,1978~~
 32 ~~or-the-date-of-employment-sufficient-service-credit-in-the~~
 33 ~~public-employees-retirement-fund-or-the-Minneapolis-municipal~~
 34 ~~employees-retirement-fund,whichever-is-applicable,to-meet-the~~
 35 ~~minimum-vesting-requirements-for-a-deferred-retirement-annuity,~~
 36 ~~or-the-county-agrees-in-writing-to-make-the-required-employer~~

1 ~~contributions-on-account-of-the-individual-from-revenue-sources~~
2 ~~other-than-funds-provided-under-the-federal-Comprehensive~~
3 ~~Employment-and-Training-Act, or the employee agrees in writing~~
4 ~~to make the required employer contribution in addition to the~~
5 ~~employee contribution.~~ The deduction shall be made in the same
6 manner as other retirement deductions are made from the salary
7 of the person. An amount equal to the amounts deducted during
8 each payroll period ~~shall~~ must be contributed by the county of
9 Hennepin or Hennepin Healthcare System, Inc., whichever
10 applies. The total amount deducted and contributed ~~shall~~ must
11 be deposited to the credit of the supplemental retirement
12 account in the treasury of the county of Hennepin. The Hennepin
13 County supplemental retirement account is hereby established as
14 an account separate and distinct from other funds, accounts, or
15 assets of the county of Hennepin.

16 Sec. 7. [EFFECTIVE DATE.]

17 Sections 1 to 6 are effective on the date specified in
18 article 1, section 29, paragraph (b).

Article 1 HENNEPIN HEALTHCARE SYSTEM.....	page	1
Article 2 LABOR RELATIONS; RELATED ISSUES.....	page	19
Article 3 CONFORMING RETIREMENT CHANGES.....	page	29

APPENDIX
Repealed Minnesota Statutes for 05-3639

383B.217 MEDICAL CENTER AND HMO.

Subdivision 1. **Establishment.** Hennepin County may establish a medical center to provide hospital and medical services to the general public, including the indigent as defined by state and federal law, and as determined by the county board, and may provide for health education and training, and research, and may provide for other service as the board of commissioners determines, by resolution, to be in the best interests of the county. The county board may determine to continue the operation of the medical center, to expand or limit its operation, or discontinue it, if the services provided by the medical center in the judgment of the county board can better be provided by other means. If the county board determines that the care and services provided by the medical center is better provided by other hospitals, the cost of the care and services shall be paid by the county at reasonable rates established by the county board.

Subd. 2. **Organization and management.** With the advice and assistance of persons to whom health, medical and hospital administrative authority has been delegated by the county administrator, the county administrator, subject to approval of the county board, shall establish bylaws, rules and regulations for the organization and management of the medical center.

Subd. 3. **Medical center administrator.** The medical center shall be managed by a medical center administrator who is qualified by education and experience in the management of hospitals. The medical center administrator shall be in the unclassified service, notwithstanding any other statutory provision to the contrary. The medical center administrator shall be appointed, suspended and removed by the county administrator subject to approval of the county board.

Subd. 4. **Licensed professional staff.** Personnel employed by the county, who are required by law to be licensed as a condition to the performance of medical and related services, shall be subject to the provisions of Laws 1980, chapter 573, except that bylaws adopted by the county board may provide for alternative or exclusive grievance procedures for their discipline or dismissal.

Subd. 5. **Affiliation agreements.** The county board may enter into affiliation agreements or contracts with the state, political subdivisions of this state or other states, educational institutions, nursing homes, public or private hospitals and organizations for the purposes provided in section 383B.211.

Subd. 6. **Medical facilities.** The county board may acquire by purchase, gift or condemnation, or may lease, the property necessary for the provision of hospital and medical services as required under sections 383B.211 to 383B.229.

Subd. 8. **Financial procedures.** Sections 383B.111 to 383B.119 shall apply to financial procedures of the medical center.

1 Senator moves to amend S.F. No. 1956 as follows:

2 Page 11, after line 18, insert:

3 "This section shall not be construed to preempt or supplant
4 human resources rules, policies, manuals, or labor agreements
5 that are established for the corporation prior to the effective
6 date of this section."

7 Page 12, line 20, after "practitioners" insert "who bill
8 independently for their time"

9 Page 24, delete section 5

10 Page 26, line 4, delete "....." and insert "Hennepin
11 Healthcare System, Inc., or prior to the formation of the
12 corporation Hennepin County,"

13 Page 29, line 12, after "finalized" insert "and the county
14 board shall, by a single-majority vote without amendment,
15 approve the rules and policies and ratify labor agreements,"

16 Page 29, after line 13, insert:

17 "Notwithstanding Minnesota Statutes, section 179A.16,
18 subdivision 2, for a period of ²... years after the date of
19 creation of the corporation, an arbitrator or panel has no
20 jurisdiction or authority to entertain any matter or issue
21 established in human resources rules, policies, benefit manuals,
22 ~~or labor agreements~~ that were approved under this section."

23 Page 29, delete section 11 and insert:

24 "Sec. 10. [EFFECTIVE DATE.]

25 Sections 1 to 7 and 9 are effective on the date specified
26 in article 1, section 29, paragraph (b). Section 8 is effective
27 the day following final enactment."

28 Renumber the sections in sequence and correct the internal
29 references

30 Amend the title accordingly

1 Senator moves to amend S.F. No. 1956 as follows:

2 Page 11, after line 18, insert:

3 "This section shall not be construed to preempt or supplant
4 human resources rules, policies, manuals, or labor agreements
5 that are established for the corporation prior to the effective
6 date of this section."

7 Page 12, line 20, after "practitioners" insert "who bill
8 independently for their time"

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10 Page 26, line 4, delete "....." and insert "Hennepin
11 Healthcare System, Inc., or prior to the formation of the
12 corporation Hennepin County,"

13 Page 29, line 12, after "finalized" insert "and the county
14 board shall, by a single-majority vote without amendment,
15 approve the rules and policies and ratify labor agreements,"

16 Page 29, after line 13, insert:

17 "Notwithstanding Minnesota Statutes, section 179A.16,
18 subdivision 2, for a period of 2. years after the date of
19 creation of the corporation, an arbitrator or panel has no
20 jurisdiction or authority to entertain any matter or issue
21 established in human resources rules, policies, benefit manuals,
22 or labor agreements that were approved under this section."

23 Page 29, delete section 11 and insert:

24 "Sec. 10. [EFFECTIVE DATE.]

25 Sections 1 to 7 and 9 are effective on the date specified
26 in article 1, section 29, paragraph (b). Section 8 is effective
27 the day following final enactment."

28 Renumber the sections in sequence and correct the internal
29 references

30 Amend the title accordingly

1 Senator moves to amend S.F. No. 1956 as follows:
2 Pages 20 to 22, delete section 2
3 Pages 23 and 24, delete section 4
4 Page 25, line 3, delete "All"
5 Page 25, delete line 4
6 Page 25, line 5, delete everything before "No"
7 Renumber the sections in sequence and correct the internal
8 references
9 Amend the title accordingly

FACT SHEET

The Future of HCMC

HCMC's financial viability is at risk. State and federal public program changes and other industry pressures are creating serious problems for HCMC:

- **Declining government reimbursement**
 - From 1997- 2004, HCMC endured **\$70 million in State/Federal reductions**
 - **HCMC would lose an additional \$12 million a year** under the Governor's budget
 - The President has proposed further reductions
 - **More uninsured people** are seeking services at HCMC
 - **Uncompensated care increased 38%** between 2003 and 2004 at HCMC (from \$22.8 million to \$31.4 million)
 - The number of **uninsured patients rose from 34,800 to 45,800** from 2002 to 2004
- HCMC is **falling behind in its investment in new technology and capital improvements**
- HCMC has increasing **difficulty attracting and retaining qualified health care workers** due to its inability to keep pace with workforce trends and offer competitive benefits.
- In 2003, HCMC was forced to **eliminate 189 full-time equivalent positions** and was **unable to provide employee pay increases** comparable to private health care workers.
- HCMC is **unable to enter into joint ventures or create subsidiaries** to improve revenues, attract new patients, or improve quality and efficiency.

A new model is needed. HCMC must make changes to survive and thrive and a new model has been created that ensures that HCMC will remain a public hospital with a public mission, accountable to the county board.

- **A public hospital subsidiary corporation will be formed** within the county governmental structure. The new model is **NOT privatization or a spin-off** of a new independent corporation.
- A **hospital-specific board** with special expertise whose sole purpose will provide **strategic leadership and managerial oversight of the ongoing operations** of the hospital and health system.
- The **county board will retain ownership and oversight responsibility** relating to the public hospital mission, services to the uninsured, annual operating budgets and capital improvement plans, joint ventures and other key policy matters. The **county board approves membership** on the hospital board and **can remove the board** at any time.
- **Employees will remain public employees** under a new hospital-specific public employment system managed by the hospital board that will **preserve important benefits of public employees** while allowing the hospital to keep pace with marketplace developments.
- The corporation would have the ability to **pursue business opportunities, form strategic partnerships, and improve its competitive edge** under the oversight of the county board.

The new model is only one part of the solution. The new governance model alone will not solve HCMC's financial problems. It will enhance HCMC's viability in the future, but it is also vital to address larger health policy issues affecting HCMC, such as **health coverage for the uninsured, managing chronic diseases, strengthening prevention strategies, and controlling health care costs.**

CARING FOR MINNESOTA

Hennepin County Medical Center (HCMC) is a comprehensive academic medical center, public hospital, Level 1 Trauma Center, and clinic system.

Providing outstanding patient care to all. In 2004, for the seventh straight year, *U.S. News and World Report* named Hennepin County Medical Center one of “**America’s Best Hospitals.**” Programs cited as among the top fifty in the nation included orthopedics, kidney disease, gastroenterology, and ear, nose and throat.

- HCMC saw 400,000 outpatient clinic visits and 22,025 inpatients last year.
- As Minnesota’s largest **Level 1 Trauma Center**, HCMC’s emergency room saw more than 98,000 urgent care and emergency room patient visits and made 48,000 ambulance runs last year.
- HCMC provides the **most hospital care to vulnerable populations**. 64% of HCMC’s total outpatient and 54% of inpatient care is provided to patients on MN public programs and HCMC provides **18% of the uncompensated care in the state**.

HCMC is teaching tomorrow’s doctors. HCMC is the **third largest provider of graduate medical training** and the **second largest provider of undergraduate medical training** in Minnesota.

- Physicians who trained at HCMC are **servicing patients in communities across Minnesota**. An estimated 1,200 physicians working in Hennepin County trained at HCMC. More than 1,000 physicians practicing in 63 other Minnesota counties were trained, either in part or whole, at HCMC.
- Students in **64 different health professions from 61 different colleges, universities and training institutions** throughout Minnesota and beyond gain their clinical experience at HCMC.
- HCMC provides education and **training for health care providers and students**, including emergency/trauma training for first responders, EMS personnel, flight crews, and Emergency Medicine physicians and nurses **from across the state**.

Services and care only available at HCMC

- Minnesota’s only poison control center.
- Minnesota’s only 24/7 acute psychiatric emergency room.
- Minnesota’s most active Level 1 Trauma Center.
- Minnesota’s only hyperbaric oxygen chamber.

HCMC leads bioterrorism and disaster preparedness. HCMC is the backbone of Minnesota’s medical response to large-scale disasters.

- HCMC is the Regional Hospital Resource Center for emergency events.
- HCMC is the Global Migration and Quarantine Facility in Minnesota for the Centers of Disease Control.

BILL OVERVIEW**SF 1956 (Berglin)/HF 2187 (Abrams)
HENNEPIN COUNTY MEDICAL CENTER**March 29, 2005

Article I of this bill creates a public subsidiary of Hennepin County, Hennepin Healthcare System, Inc, (HHS) which will be responsible for the day-to-day management of Hennepin County Medical Center (HCMC). Under current law, HCMC is governed by the Hennepin County Board of Commissioners (County Board). The bill will provide for a new entity with a hospital-specific board appointed by the County Board, a new human resources system, different public reporting requirements, and the ability to joint venture. However, the County will retain ownership of the assets and the subsidiary will be subject to substantial oversight by the County Board.

- **Sections 1-11, 15-16:**
 - States the mission of the public hospital mission of the new subsidiary.
 - Create the corporation and establish corporate powers and the county board reserved powers.
 - The County will retain ownership of assets and oversight relating to the hospital mission, services to the uninsured, annual operating budgets and capital improvement plans, joint ventures and other important matters.
 - The County Board approves the board members and can remove the board at any time.
- **Sections 12-13:** Cover the transfer of property and employees to the new corporation.
- **Section 14:** Covers employee retirement plans:
 - Existing employees will continue to be covered by PERA
 - Future new employees are covered by PERA, except that the corporation may create alternative retirement plans for supervisors, managers, physicians and independent health practitioners if the alternative plans are substantially comparable to PERA.
- **Sections 17-28:** Covers the government related-powers that the corporation will still retain.
- **Section 29:** Is the Effective Date section.

Article II of this bill provides changes to various Minnesota statutes to make HHS subject to the Public Employees Labor Relations Act ("PELRA") rather than the Charitable Hospitals Act. The article amends various Minnesota Statutes to conform or clarify these provisions to the changes outlined in Article I.

- **Sections 1-6:**
 - Provide that PELRA applies to HHS employees. HHS employees will be public employees and will continue to be represented by existing public employee bargaining units.

- Eleven conforming units are established and a procedure is established for transferring non-conforming units into conforming units.
- Employees are defined as “essential employees” under PELRA, which means that they are prohibited from striking. The bill requires mandatory interest arbitration for economic issues.
- **Section 7:** Amends current laws regarding capital notes.
- **Sections 8 and 10:** Amend current law to remove current references to HCMC.
- **Section 9:** Covers transition issues.
- **Section 11:** contains effective dates.

Article III provides changes to various Minnesota Statutes to conform or clarify these provisions to the changes outlined in Article I governing the HHS employee retirement options.

Summary of the Major Provisions of the Hennepin County Medical Center Bill Affecting Hospital Employees and the Community

A Major Change for HCMC:

1. **Not a Spin-off or Privatization.** After discussions with employees, labor union representatives, state legislators and others in the community, Hennepin County has created a new subsidiary model for HCMC.
2. **County ownership and control.** The new plan would preserve HCMC as a public hospital in the county structure under the oversight of the Hennepin County Board, but improve HCMC's ability to compete and grow in a competitive health care marketplace.
3. **Public employees.** HCMC employees would continue to be public employees.

Public Hospital and Mission

1. **Mission.** Under state law, HCMC will continue to be a public hospital and maintain its mission to serve the community, including providing care for the indigent and continuing its role in education and research.
2. **Health services plan.** An annual health services plan approved by the County Board will describe the hospital's role in the community and how it will continue its public mission and serve the community's interests.

County Oversight and Control:

1. **Subsidiary with special board.** A new subsidiary of Hennepin County will be formed, to be named "Hennepin Healthcare System" (HHS), with a special board of directors of community leaders and persons with expertise in health care administration.
2. **County ownership.** Hennepin County will be the legal governing member of the new corporation and two county board members will serve on the board.
3. **County control.** The County Board will have the following powers over HHS:
 - Appoint the HHS board of directors of by slate
 - Remove the entire board by a two-thirds vote of the county board
 - Remove any board member for malfeasance
 - Approve the initial bylaws and approve any changes to the bylaws relating to governance, joint ventures, indebtedness, subsidiaries, mergers, or mission
 - Require HHS to provide any health care services desired by the County, provided funding is provided
 - Approve the annual budget of the corporation
 - Conduct an independent audit of the finances of the corporation
 - Dissolve or reorganize the corporation

Hospital Employees

1. **Public employees.** Employees of HHS will be public employees. Labor relations will be governed by the Public Employees Labor Relations Act (PELRA).
2. **The new human resources system.** Hennepin County will seek input from hospital employees as we develop the new human resources system for the corporation, including human resources rules and benefit plan.
3. **Employee protections.** The following requirements will continue to apply to all employees:
 - Pay equity
 - Veterans' preference
 - An appeals process for an individual who is discharged, demoted, or suspended
4. **Labor-Management Relations**
 - **Existing labor agreements.** Existing labor agreements will be recognized and transferred to the new corporation. The employee units eligible to be certified for exclusive labor union representation will be listed in state law and the law would permit existing bargaining units to continue.

Employee Retirement Plans

1. **PERA.** All existing employees will continue to participate in the Public Employees Retirement Association (PERA).
2. **Alternative Retirement plans.** Employees hired in the future will participate in PERA, except that the corporation could create alternative retirement plans for supervisors, managers, physicians, and some independent health practitioners, if the new plans are substantially comparable to PERA.

Government Data Practices Act and Open Meeting Law.

1. **Public meetings.** The corporation's board will hold an annual public meeting and additional public meetings during the development of the annual health services plan. The final vote on the corporation's budget to be submitted to the County Board will be taken in an open meeting.
2. **Government Data Practices Act and Open Meeting Law.** The corporation will be on a level playing field with non-governmental hospitals with which it competes by being able to discuss operations, finances and business strategy in private board sessions, but the Open Meeting Law and Public Disclosure Laws will apply when decisions are forwarded to the County Board for review or approval.

1 Senator Higgins from the Committee on State and Local
2 Government Operations, to which was referred

3 S.F. No. 1956: A bill for an act relating to public and
4 municipal corporations; creating a county subsidiary corporation
5 to provide health care and related services, education, and
6 research; providing for governance of Hennepin County Medical
7 Center; amending Minnesota Statutes 2004, sections 179A.03,
8 subdivisions 7, 14, 15; 179A.06, subdivision 2; 179A.16, by
9 adding a subdivision; 353.01, subdivisions 2b, 2d, 6; 353.64,
10 subdivision 10; 353E.02, subdivision 2a; 383B.117, subdivision
11 2; 383B.217, subdivision 7; 383B.46; proposing coding for new
12 law in Minnesota Statutes, chapters 179A; 383B; repealing
13 Minnesota Statutes 2004, section 383B.217, subdivisions 1, 2, 3,
14 4, 5, 6, 8.

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

17 Page 11, after line 18, insert:

18 "This section shall not be construed to preempt or supplant
19 human resources rules, policies, manuals, or labor agreements
20 that are established for the corporation prior to the effective
21 date of this section."

22 Page 12, line 20, after "practitioners" insert "who bill
23 independently for their time"

24 Pages 20 to 22, delete section 2

25 Pages 23 and 24, delete sections 4 and 5

26 Page 25, line 3, delete "All"

27 Page 25, delete line 4

28 Page 25, line 5, delete everything before "No"

29 Page 26, line 4, delete "....." and insert "Hennepin
30 Healthcare System, Inc., or prior to the formation of the
31 corporation Hennepin County,"

32 Page 29, line 12, after "finalized" insert "and the county
33 board shall, by a single-majority vote without amendment,
34 approve the rules and policies and ratify labor agreements,"

35 Page 29, after line 13, insert:

36 "Notwithstanding Minnesota Statutes, section 179A.16,
37 subdivision 2, for a period of two years after the date of
38 creation of the corporation, an arbitrator or panel has no
39 jurisdiction or authority to entertain any matter or issue
40 established in human resources rules, policies, or benefit
41 manuals, that were approved under this section."

42 Page 29, delete section 11 and insert:

1 "Sec. 8. [EFFECTIVE DATE.]
2 Sections 1 to 7 and 9 are effective on the date specified
3 in article 1, section 29, paragraph (b). Section 8 is effective
4 the day following final enactment."

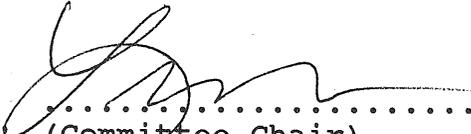
5 Renumber the sections in sequence

6 Amend the title as follows:

7 Page 1, line 7, delete "14," and delete "179A.06,"

8 Page 1, delete line 8

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

11
12 
13
14 (Committee Chair)

15 April 1, 2005.....
16 (Date of Committee recommendation)

**Senate Counsel, Research,
and Fiscal Analysis**

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Senate

State of Minnesota

S.F. No. 900 - Providing for Community Ownership of the Minnesota Twins

Author: Senator Ellen R. Anderson

Prepared by: Daniel P. McGowan, Senate Counsel (651/296-4397)

DPM

Date: March 31, 2005

Section 1. Purpose section stating a legislative finding and purpose for community ownership of a professional baseball franchise.

Section 2 provides that the Governor and the Metropolitan Sports Facilities Commission must attempt to facilitate the formation of a corporation to acquire the Minnesota Twins and to identify an individual private managing owner. Specifies rules that the corporation must comply with, including:

- (1) two classes of capital stock, common and preferred, both of which give holders voting rights with respect to any relocation or voluntary contraction of the franchise;
- (2) the managing owner must own no less than 25 percent and not more than 35 percent of the common stock, and must control operation of the corporation, except for rights of other holders with respect to relocation or voluntary contraction;
- (3) other than the private managing owner, no individual or entity may own more than five percent of the common stock;
- (4) at least 50 percent of the common stock must be sold to the general public in a general solicitation and no person or entity must own more than one percent of the common stock sold to the general public; and

- (5) the governing documents must provide that the franchise may not move outside the state or agree to voluntary contraction without approval of 75 percent of the shares of both the common and preferred stock.

The bill also prohibits a state agency from spending money from a state fund to generate revenue under this section or to provide operating support or defray operating losses for the Minnesota Twins.

DPM:vs

Senators Anderson, Neuville, Vickerman and Hottinger introduced--
S.F. No. 900: Referred to the Committee on State and Local Government Operations.

1 A bill for an act

2 relating to state government; providing a process for
3 community ownership of the Minnesota Twins; proposing
4 coding for new law as Minnesota Statutes, chapter 4B.

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

6 Section 1. [4B.01] [PURPOSE.]

7 The legislature determines that:

8 (1) a professional baseball franchise is an important asset
9 to the state of Minnesota and ensuring that a franchise remains
10 in Minnesota is an important public purpose;

11 (2) providing broad-based local ownership of a major league
12 baseball franchise develops trust among fans, taxpayers, and the
13 team, and helps ensure this important asset will remain in the
14 state;

15 (3) providing community ownership of a professional
16 baseball franchise ensures that the financial benefits of any
17 increased value of the franchise will accrue to those members of
18 the community who own the franchise; and

19 (4) enacting legislation providing for community ownership
20 indicates to major league baseball continuing support for
21 professional baseball in Minnesota.

22 Sec. 2. [4B.02] [ACQUISITION.]

23 The governor and the Metropolitan Sports Facilities
24 Commission must attempt to facilitate the formation of a
25 corporation to acquire the baseball franchise and to identify an

1 individual private managing owner of the corporation. The
2 corporation formed to acquire the franchise shall have a capital
3 structure in compliance with all of the following provisions:

4 (1) there may be two classes of capital stock: common
5 stock and preferred stock. Both classes of stock must give
6 holders voting rights with respect to any relocation or
7 voluntary contraction of the franchise;

8 (2) the private managing owner must own no less than 25
9 percent and no more than 35 percent of the common stock. For
10 purposes of this restriction, shares of common stock owned by
11 the private managing owner include shares of common stock owned
12 by any related taxpayer as defined in section 1313(c) of the
13 Internal Revenue Code of 1986, as amended. Other than the
14 rights of all other holders of common stock and preferred stock
15 with respect to relocation or voluntary contraction of the
16 franchise, the private managing owner must control all aspects
17 of the operation of the corporation;

18 (3) other than the private managing owner, no individual or
19 entity may own more than five percent of the common stock of the
20 corporation;

21 (4) at least 50 percent of the ownership of the common
22 stock must be sold to members of the general public in a general
23 solicitation and a person or entity must not own more than one
24 percent of common stock of the corporation; and

25 (5) the articles of incorporation, bylaws, and other
26 governing documents must provide that the franchise may not move
27 outside of the state or agree to voluntary contraction without
28 approval of at least 75 percent of the shares of common stock
29 and at least 75 percent of the shares of preferred stock.
30 Notwithstanding any law to the contrary, these 75 percent
31 approval requirements shall not be amended by the shareholders
32 or by any other means.

33 Except as specifically provided by this act, no state
34 agency may spend money from any state fund for the purpose of
35 generating revenue under this subdivision or for the purpose of
36 providing operating support or defraying operating losses of a

1 professional baseball franchise.



**2005 Community
Ownership Legislation**
A plan to keep the Twins in Minnesota



MINNESOTA TWINS

You Can Own 'Em

Legislation Summary

- Requires the Governor and the Metropolitan Sports Facilities Commission (MSFC) work with the Minnesota Twins to reorganize the ownership structure of team as set out below.

- **65%-75% of the Minnesota Twins community owned.**
 - **Class 'A' Stock provides full voting rights.**

At least 50% of Class A Stock must be sold so no person or entity owns more than 1%.
Up to 25% of Stock can be sold in 5% increments to individuals or corporations.
 - **'B' Stock allows fans & citizens to show support for THEIR team.**

Fans and public would be purchasing a stock with limited voting rights i.e. relocation and contractor of the team.

- **25%-35% of Twins owned by private management group, i.e. Pohlads or another group of investors.**
 - Private managing partner would be responsible for all team operations, expenses and interactions with Major League Baseball.

** Actual purchase prices of stock values have not been determined.*

- **Highlights of legislation:**
 - Ownership structure meets Major League Baseball ownership requirements -- no government ownership and day-to-day management controlled by one person (managing partner).
 - Structure allows managing partner to direct more resources to team operations and ballpark as equity requirement is lessened

Ballpark Issue

- **Once the public - fans, corporations & taxpayers 'step to the plate' to prove the Twins are a valuable community asset, we can have a rational and open discussion about the type of ballpark needed and the appropriate funding mix.**



MINNESOTA TWINS

Just Who Would Own 'Em?

25% - 35% MANAGING OWNERSHIP

Private group of investors to purchase up to 35% of Minnesota Twins.

- ❑ Would be responsible for day-to-day operation of team.
- ❑ Tax benefits could flow to the managing partner.

"5% CLUB"

- ❑ Up to 25% of Stock can be owned by individuals or corporations holding up to 5% of the value of the team.
- ❑ Voting rights on relocation or contraction.

50% of team owned by individuals

- ❑ Individuals can hold stock of up to 1% of the team
- ❑ Voting rights on relocation and contraction
- ❑ People could purchase an interest in team for as little as \$100

65% - 75%
Community
Owned



MINNESOTA TWINS

Community Ownership

A Market Approach to a Private Sector Problem

- ❑ **Community ownership gives shareholders the opportunity to own the Minnesota Twins.** Fans, taxpayers, businesses and others can purchase an interest in their team
- ❑ **Ensures the Minnesota Twins do not leave the state -- takes the wheels off the team.** The franchise could not move outside of the state -- or agree to contraction -- without approval of 75% of shares held by owners other than managing partner.
- ❑ **Allows a true market test as to whether the Twins are a community asset.**
- ❑ **Creates a true public/private partnership model of professional sports ownership and management.** It gives Minnesota the opportunity to use professional sports as a community building catalyst.
- ❑ **Creates a broad-based ownership structure that ensures the community benefits from the added value of the baseball franchise, as opposed to a single owner.**
- ❑ **Community ownership model is similar to the existing Green Bay Packer arrangement.** It provides a market test in that fans, taxpayers, business and corporations will have to purchase the team and proves it is a true community asset.
- ❑ **Community Ownership is similar in structure to a number of current baseball ownership arrangements** that include a managing partner, limited partners and community stock combinations.
- ❑ **Community ownership allows the corporate community to participate as partners.** It allows business to invest in the Minnesota Twins baseball franchise.
- ❑ **Community ownership provides the current owners with an opportunity to obtain liquidity** for their investment or obtain partial liquidity and remain managing partners of the team by allowing 75% of the equity to be purchased by the public.

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Senate

State of Minnesota

S.F. No. 1578 - Board of Firefighter Training and Education

Author: Senator Linda Higgins

Prepared by: Thomas S. Bottem, Senate Counsel (651/296-3810) *TSB*

Date: March 31, 2005

This bill reinstates the Board of Firefighter Training and Education and ratifies all action taken by the board after December 31, 2003. The original board expired under the provisions of the law that created it, Laws 2000, chapter 344. The bill expressly reenacts the following sections of Minnesota statutes:

CHAPTER 299N - FIREFIGHTER TRAINING AND EDUCATION

299N.01 DEFINITIONS.

Subdivision 1. Scope. The terms used in this chapter have the meanings given them in this section.

Subd. 2. Fire department. "Fire department" means a regularly organized fire department, fire protection district, or fire company, as defined in the Uniform Fire Code adopted under section 299F.011, regularly charged with the responsibility of providing fire protection to the state or a local government and includes a private nonprofit fire department directly serving a local government. It does not include industrial fire brigades.

Subd. 3. Firefighter. "Firefighter" means a volunteer, paid on call, part time, or career firefighter serving a general population within the boundaries of the state.

HIST: 2000 c 344 s 1

299N.02 BOARD OF FIREFIGHTER TRAINING AND EDUCATION.

Subdivision 1. Membership. Notwithstanding any provision of chapter 15 to the contrary, the Board of Firefighter Training and Education consists of the following members:

(1) five members representing the Minnesota State Fire Department Association, four of whom must be volunteer firefighters and one of whom may be a career firefighter, appointed by the governor;

(2) two members representing the Minnesota State Fire Chiefs Association, one of whom must be a volunteer fire chief, appointed by the governor;

(3) two members representing the Minnesota Professional Firefighters Association, appointed by the governor;

(4) two members representing Minnesota home rule charter and statutory cities, appointed by the governor;

(5) two members representing Minnesota towns, appointed by the governor;

(6) the commissioner of public safety or the commissioner's designee; and

(7) one public member not affiliated or associated with any member or interest represented in clauses (1) to (6), appointed by the governor. The Minnesota State Fire Department Association shall recommend five persons to be the members described in clause (1), the Minnesota State Fire Chiefs Association shall recommend two persons to be the members described in clause (2), the Minnesota Professional Firefighters Association shall recommend two persons to be the members described in clause (3), the League of Minnesota Cities shall recommend two persons to be the members described in clause (4), and the Minnesota Association of Townships shall recommend two persons to be the members described in clause (5). In making the appointments the governor shall try to achieve representation from all geographic areas of the state.

Subd. 2. Terms; chair; compensation. Members of the board shall serve for terms of four years and annually elect a chair from among the members. Terms and filling of vacancies are subject to section 15.0575, subdivisions 2, 4, and 5. Members serve without compensation.

Subd. 3. Powers and duties. (a) The board shall:

(1) review fire service training needs and make recommendations on training to Minnesota fire service organizations;

(2) establish standards for educational programs for the fire service and develop procedures for continuing oversight of the programs; and

(3) establish qualifications for fire service training instructors in programs established under clause (2).

(b) The board may:

(1) contract for technical or professional services according to section 15.061;

(2) pay expenses necessary to carry out its duties;

(3) apply for, receive, and accept grants, gifts, devises, and endowments that any entity may make to the board for the purposes of this chapter and may use any money given to it consistent with the terms and conditions under which the money was received and for the purposes stated;

(4) make recommendations to the legislature to improve the quality of firefighter training;

(5) collect and provide data, subject to section 13.03;

(6) conduct studies and surveys and make reports; and

(7) conduct other activities necessary to carry out its duties.

TSB:rer

1 Senator Higgins from the Committee on State and Local
2 Government Operations, to which was referred

3 S.F. No. 900: A bill for an act relating to state
4 government; providing a process for community ownership of the
5 Minnesota Twins; proposing coding for new law as Minnesota
6 Statutes, chapter 4B.

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

9

10



.....

(Committee Chair)

11

12

13

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15

April 1, 2005.....
(Date of Committee recommendation)

Senator Higgins introduced--

S.F. No. 1578: Referred to the Committee on State and Local Government Operations.

1 A bill for an act
2 relating to public safety; reviving and reenacting the
3 board of firefighting training and education.

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

5 Section 1. [REVIVAL AND REENACTMENT.]

6 Minnesota Statutes, sections 299N.01 and 299N.02, are
7 revived and reenacted retroactively from December 31, 2003. All
8 board action taken after December 31, 2003, and before the
9 enactment of this section is ratified by the enactment of this
10 section.

11 Sec. 2. [EFFECTIVE DATE.]

12 Section 1 is effective the day following final enactment.

1 Senator Higgins from the Committee on State and Local
2 Government Operations, to which was referred

3 S.F. No. 1578: A bill for an act relating to public
4 safety; reviving and reenacting the board of firefighting
5 training and education.

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

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.....
(Committee Chair)

April 1, 2005.....
(Date of Committee recommendation)

Senator Higgins introduced--

S.F. No. 1706: Referred to the Committee on State and Local Government Operations.

1 A bill for an act

2 relating to human services; creating a task force to
3 discuss collaboration between schools and mental
4 health providers.

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

6 Section 1. [TASK FORCE ON COLLABORATIVE SERVICES.]

7 The commissioner of the Department of Human Services, in
8 collaboration with the commissioner of the Department of
9 Education, shall create a task force to discuss collaboration
10 between schools and mental health providers to: promote
11 colocation and integrated services; identify barriers to
12 collaboration; develop a model contract; and identify examples
13 of where collaboration is successful. Members of the task force
14 shall include representatives of school boards, administrative
15 personnel, special education directors, counties, parent
16 advocacy organizations, school social workers and psychologists,
17 community mental health professionals, health plans, and other
18 interested parties. The task force shall present a report to
19 the chairs of the education and health policy committees by
20 February 1, 2006.

SF 1706



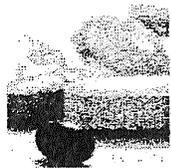
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Special Reports



PRESCRIPTION FOR HEALTH

How schools are meeting medical challenges

MARCH 2005

Depression

Ready or not, your schools must face children's mental health problems

By Kathleen Vail

Twenty-five years ago, people believed it was impossible for children to be depressed. Now, of course, we know that's not true. In fact, one in every 33 children and one in eight adolescents may be suffering from depression, according to the federal Center for Mental Health Services. And while we're getting better at recognizing depression in children and teens, a majority still are not getting help.

Up to 70 percent of children with diagnosable mental, emotional, or behavioral disorders are not receiving mental health services, according to the Surgeon General's Report on Mental Health. Within that scope of disorders, depressed children are the least likely to get treatment. But some of the help they are getting is coming from their schools.

"Most kids are not making it to the traditional settings of mental health care," says Mark Weist. "Schools are becoming de facto mental health centers."

Weist, director of the Center for School Mental Health Assistance at the University of Maryland, says educators are beginning to recognize that mental health is essential to learning and that they can and should play a role in prevention, screening, and even treatment of mental and emotional disorders such as depression.

Where schools fit in

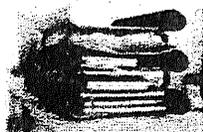
It's not clear whether there are more depressed children these days or simply more awareness of childhood depression. What is clear is that

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schools increasingly are called on to step in.

“Schools are becoming increasingly attuned to the fact that children have mental health issues, and depression is not just an adult pathology,” says Janice Hootman, president of the National Association of School Nurses and nursing supervisor for the Multnomah Education Service District in Portland, Ore.

The notion that schools ought to play a role in student mental health has gotten a boost from the federal government. In 2002, President Bush formed the President’s New Freedom Commission on Mental Health. Its task was to recommend ways to reform mental health care in the United States. Among the commission’s recommendations: improve and expand school mental health programs.

For schools already overburdened by requirements and struggling to raise student achievement, dealing with mental health might seem to be piling things on. But as mental health advocates remind us, depressed children do not do well in school. Their grades drop. They stop participating in class. They lash out in anger at their classmates and teachers. In more severe cases, they may hurt themselves or others.

“Schools are faced with huge challenges, and they have a great deal of responsibility to succeed academically. That needs to be the priority of the school,” says Steven Adelsheim, director of New Mexico’s School Mental Health Initiative. “But students with unaddressed mental health issues won’t succeed academically.”

What does depression look like?

Johnny has stopped turning in his homework and quit the basketball team because he says he’s too tired to play.

Mary constantly gets into fights with classmates over little bumps and jostles.

Jimmy is the class clown, and his loud antics get him sent to the office frequently.

Which of these children is depressed? The answer: all three.

Because it is experienced internally, depression can be hard to spot in other people, especially younger children. We traditionally picture a depressed person as withdrawn, sad, and sluggish. But that’s only one way children might show they’re depressed. Other symptoms can be extreme irritability, anger, or restlessness.

“Depression in children and adolescents can be frustrating,” says Bruno Anthony, associate professor of psychiatry at the University of Maryland. “The child is unresponsive, tired, not getting his work in.” Adults, he

says, often respond by telling the child, "Oh, get with it" -- especially with kids who they know can do the work."

While adolescents seem to experience depression in ways similar to adults, younger children do not, and that can make it difficult to spot the problem. To be diagnosed with depression, adults must show such symptoms as sadness, lack of energy, and hopelessness consistently for two weeks.

You don't see that in younger children, says Anthony. The symptoms are the same, but the frequency, intensity, and duration are different. For children, the diagnostic criterion is to show such symptoms for three or four hours a day, three times a week.

Other symptoms of depression in children and adults alike include distorted thinking, feelings of worthlessness, guilt, anxiety, and loss of pleasure or interest in things they used to enjoy. Children may feel helpless and hopeless. They may cry frequently or be overly anxious. Physically, they may show changes in weight and sleep patterns, eating and sleeping too much or too little. They may be sluggish. They may be clingy and demanding or restless, and they may hurt themselves by taking excessive risks or by self-mutilation.

Depressed children -- especially those whose thinking is distorted -- can be a danger to themselves and to others. Suicide is a risk, and so is homicide. Depressed children also are more likely to abuse drugs and alcohol and engage in risk-taking behaviors.

"The majority are not receiving treatment of any kind -- medication or psychological treatment," says Kevin Stark, a professor of educational psychology at the University of Texas at Austin. "The assessment research shows that teachers and parents are not good at picking up on depression in children. Since people don't know, children are not being identified or treated."

When mental health professionals screen for depression in schools, says Stark, the results often surprise the adults in students' lives. "A common reaction from parents and teachers is, 'I had no idea,'" he says.

Although families may not recognize the symptoms in their children, depression has a strong genetic component; many children who suffer from depression also have parents and other relatives with the same illness. Depression is not all heredity, though. Home life and environment play a part, too. Some kids are living with post-traumatic stress disorder from witnessing domestic violence. Some are dealing with the effects of extreme poverty. Those circumstances, not surprisingly, can trigger depression, as can abusive parents, sexual abuse, divorce, death, and other family trauma.

Children who have behavioral problems such as attention

deficit/hyperactivity disorder (AD/HD), problems with anxiety, obsessive-compulsive disorders, or other emotional issues often suffer from depression as well.

Evidence suggests that if children with depression don't get help, the condition could persist into adulthood, taking the joy out of their lives and sapping their ability to be productive and happy.

Screening and prevention

Adults who work in schools can help troubled kids get the attention they need. Teachers, counselors, administrators, coaches, and advisers who see students every day are in a position to spot trouble before it gets out of control. But they need help to know what to look for. That's where the school counselor, psychologist, or other health professionals such as nurses come in.

Anne Erickson, a counselor at Mahtomedi High School in Mahtomedi, Minn., wrote a grant five years ago along with the school psychologist to screen students for depression. Since then, the screening has grown into a program of depression prevention and awareness at the high school.

The program includes presentations to 10th-graders during a mental health unit in health class. Erickson invites a panel of students to discuss depression and their experiences with the illness. She shows PET scans of depressed brains to emphasize that the problem is physical and real.

The screening itself consists of approximately 30 questions about how the students are feeling. Those who score at risk of depression -- or even marginally at risk -- are asked to speak with Erickson. She calls the parents of students in the risk category and helps them get their children referred to a medical doctor. Because depression screening for children and teens has been controversial, students whose parents object are allowed to opt out. But in five years, Erickson says, only two parents have objected.

Erickson also runs support groups for students with depression and brings in speakers. She meets twice a month with teachers and other staff members to talk about any questionable behavior or warning signs they might be seeing in their students.

As a result of her work, Erickson says, students know they can talk to her about their own problems or those of friends. "We have a culture here that is open to talking about these things -- kids know how to talk about them," says Erickson. "If you get a reputation and are consistent, the kids know they can report these things."

Janice Tkaczyk, a counselor at the Cape Cod Technical High School in Massachusetts, also conducts depression screenings. She makes presentations to small groups of ninth-graders, with the school health

staff in attendance so the students know whom they can go to if they have problems. Before the screening, Tkaczyk sends notices home announcing it and alerting parents about possible signs that their children are having problems.

Unlike the Minnesota students, those in Cape Cod don't sign their screening surveys. Tkaczyk tallies the information for research purposes, rather than to identify students at risk. She lets the students know they can come see her or the school nurse at any time if they want to talk about the screening or other problems.

And students have taken her up on the offer. One student told the school nurse about a friend who was signing her Internet instant messages with a picture of a noose. Tkaczyk and other school officials got in touch with the girl's mother, who then followed up.

"This student was suicidal," says Tkaczyk. "She had a plan and was going to kill herself."

Beyond medication

Treatment for childhood depression can involve therapy or drugs or both. But using antidepressants to treat depression in children and teens has become especially controversial since the Food and Drug Administration decided this past fall to put warning labels on antidepressants saying that they may not be appropriate for children and teens.

The FDA decision followed widely publicized findings that antidepressants meant for adults could in rare cases lead to suicide in children and teenagers.

Since the FDA warning, interest in therapy, rather than medication, has grown. One approach of interest is a therapy technique called cognitive behavioral therapy, according to Stark, the author of *Childhood Depression: School-Based Intervention*.

In cognitive behavioral therapy, depressed students learn coping skills and problem solving. "We teach them to think in a more realistic and positive way," says Stark, who runs screening and therapy programs at several Texas schools. If the students are in a bad home situation that they can't change, for example, they learn ways to cope, he explains. If they have a problem they can change, they learn problem solving. Children with distorted thinking learn ways to think more realistically. Sometimes the students need all three strategies.

This therapy technique tends to be most helpful for children who are depressed because of life circumstances -- the kind of children Margaret Shingle, a counselor at Hawkins Mill Elementary School in Memphis, Tenn., works with. Many of these children, among the poorest in the city, come to school dirty. They don't have toothbrushes or toothpaste or soap.

Their only regular meals are provided at school. In this population, not surprisingly, Shingle sees a lot of depression.

“Our depressed youth show a lot of irritability, anger, and rage,” she says. “Kids don’t seem to have any personal space at home.” As a result, the normal jostling and bumping that occur during the day are seen as threats, Shingle says. Even the smallest incident can result in a blowup. “Our kids think, ‘I have to fight this person,’” she says. “The children have no tolerance for other people.”

Shingle works with the children in groups. She teaches anger management, social skills, conflict resolution, and mediation skills. The children learn deep breathing and other relaxation techniques, as well as figuring out when and how to walk away from a conflict and find an adult they can talk to.

“We focus on them controlling themselves,” she says. “There are so many things they can do.”

School-based health centers

When children are identified as having a problem with depression, many schools refer them to mental health services in the community. However, a shortage of mental health services, a lack of insurance, and other issues -- such as lack of transportation and concern over possible stigma -- keep many students from getting the help they need.

To the extent that they are able to do so, schools can help students overcome these barriers to treatment.

Some districts that have school-based health care -- now available in about 1,500 schools nationwide -- also form partnerships with mental health professionals to provide some kinds of prevention and treatment for their students.

In New Mexico, the state is pushing to expand mental health services in schools. “A large number of kids [have] unaddressed mental health issues, Steven Adelsheim says, “and most are getting no treatment.” Turning to the school for medical care is less threatening to children and families than going to a mental health clinic. Students might come in with a physical complaint, and after the third or fourth time, the real problem might surface, says Adelsheim. That issue often has to do with mental health.

Having mental health professionals working in the schools has other advantages as well, he says. Trained adults can gather important diagnostic information by watching children in the lunchroom, on the playground, and in the classroom. They can work with special education teachers on IEPs and help train staff and teachers how to recognize signs of mental health problems.

Olga Acosta is the director of school mental health programs at the District of Columbia's Department of Mental Health, which operates mental health programs in 30 public schools in the city.

The program started in some charter schools with a mental health grant and has expanded into the public schools as well, funded by the city. The first expansion was to a cluster of schools, starting with the elementary schools and middle schools that all feed to the same high school. Acosta says that with the cluster system, the program can be a support for students through their academic careers. The program also has expanded to what are known as transformation schools, the lowest performing and most violence ridden in the city.

The program, Acosta says, has a three-tiered approach: prevention, early intervention, and clinical services. It offers group and family counseling, parent and teacher consultation, staff development, and classroom observation. "We are there full-time in the schools," she says.

One focus of the program is to catch problems early enough to prevent children from requiring special education for emotional disorders. "For some people, special ed is what they might need," Acosta says, "but in many cases, we can find the kinds of supports needed so they don't have to be labeled."

Not only can addressing students' mental health reduce the number of children in special education, says the University of Maryland's Weist, it can help schools narrow the achievement gap.

"When schools pay more attention" to mental health problems, he says, "we see a decline in office referrals and other responses that detract from [the school's] academic mission."

Schools are already dealing with these problems, whether they know it or not. Helping children recognize and get treatment for depression allows them to achieve even more in their lives.

"These issues are at the heart and soul of why kids aren't doing well," says counselor Erickson, "There's always something beneath those layers."

Kathleen Vail (kvail@nsba.org) is a senior editor of *American School Board Journal*.

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1 Senator Higgins from the Committee on State and Local
2 Government Operations, to which was referred

3 S.F. No. 1706: A bill for an act relating to human
4 services; creating a task force to discuss collaboration between
5 schools and mental health providers.

6 Reports the same back with the recommendation that the bill
7 do pass and be re-referred to the Committee on Education.
8 Report adopted.

9

10

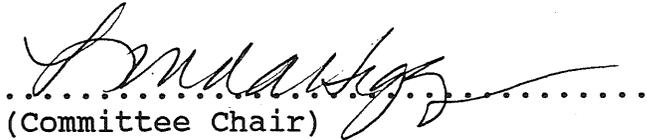
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.....
(Committee Chair)

April 1, 2005.....
(Date of Committee recommendation)

Senators Kelley, Skoe, Olson and Michel introduced--
S.F. No. 1291: Referred to the Committee on Education.

1 A bill for an act

2 relating to education; licensing teachers of
3 interdisciplinary teaching and facilitating learning
4 in innovative schools and programs; providing for
5 rulemaking; amending Minnesota Statutes 2004, section
6 122A.09, subdivision 4.

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

8 Section 1. Minnesota Statutes 2004, section 122A.09,
9 subdivision 4, is amended to read:

10 Subd. 4. [LICENSE AND RULES.] (a) The board must adopt
11 rules to license public school teachers and interns subject to
12 chapter 14.

13 (b) The board must adopt rules requiring a person to
14 successfully complete a skills examination in reading, writing,
15 and mathematics as a requirement for initial teacher licensure.
16 Such rules must require college and universities offering a
17 board-approved teacher preparation program to provide remedial
18 assistance to persons who did not achieve a qualifying score on
19 the skills examination, including those for whom English is a
20 second language.

21 (c) The board must adopt rules to approve teacher
22 preparation programs. The board, upon the request of a
23 postsecondary student preparing for teacher licensure or a
24 licensed graduate of a teacher preparation program, shall assist
25 in resolving a dispute between the person and a postsecondary
26 institution providing a teacher preparation program when the

1 dispute involves an institution's recommendation for licensure
2 affecting the person or the person's credentials. At the
3 board's discretion, assistance may include the application of
4 chapter 14.

5 (d) The board must provide the leadership and shall adopt
6 rules for the redesign of teacher education programs to
7 implement a research based, results-oriented curriculum that
8 focuses on the skills teachers need in order to be effective.
9 The board shall implement new systems of teacher preparation
10 program evaluation to assure program effectiveness based on
11 proficiency of graduates in demonstrating attainment of program
12 outcomes.

13 (e) The board must adopt rules requiring successful
14 completion of an examination of general pedagogical knowledge
15 and examinations of licensure-specific teaching skills. The
16 rules shall be effective on the dates determined by the board
17 but not later than September 1, 2001.

18 (f) The board must adopt rules requiring teacher educators
19 to work directly with elementary or secondary school teachers in
20 elementary or secondary schools to obtain periodic exposure to
21 the elementary or secondary teaching environment.

22 (g) The board must grant licenses to interns and to
23 candidates for initial licenses.

24 (h) The board must design and implement an assessment
25 system which requires a candidate for an initial license and
26 first continuing license to demonstrate the abilities necessary
27 to perform selected, representative teaching tasks at
28 appropriate levels.

29 (i) The board must receive recommendations from local
30 committees as established by the board for the renewal of
31 teaching licenses.

32 (j) The board must grant life licenses to those who qualify
33 according to requirements established by the board, and suspend
34 or revoke licenses pursuant to sections 122A.20 and 214.10. The
35 board must not establish any expiration date for application for
36 life licenses.

1 (k) The board must adopt rules that require all licensed
2 teachers who are renewing their continuing license to include in
3 their renewal requirements further preparation in the areas of
4 using positive behavior interventions and in accommodating,
5 modifying, and adapting curricula, materials, and strategies to
6 appropriately meet the needs of individual students and ensure
7 adequate progress toward the state's graduation rule.

8 (l) In adopting rules to license public school teachers who
9 provide health-related services for disabled children, the board
10 shall adopt rules consistent with license or registration
11 requirements of the commissioner of health and the
12 health-related boards who license personnel who perform similar
13 services outside of the school.

14 (m) The board must adopt rules that require all licensed
15 teachers who are renewing their continuing license to include in
16 their renewal requirements further reading preparation,
17 consistent with section 122A.06, subdivision 4. The rules do
18 not take effect until they are approved by law. Teachers who do
19 not provide direct instruction including, at least, counselors,
20 school psychologists, school nurses, school social workers,
21 audiovisual directors and coordinators, and recreation personnel
22 are exempt from this section.

23 (n) The board must adopt rules that require all licensed
24 teachers who are renewing their continuing license to include in
25 their renewal requirements further preparation in understanding
26 the key warning signs of early-onset mental illness in children
27 and adolescents.

28 (o) The board, in consultation with the Department of
29 Education and Minnesota Quality Teaching Coalition, must adopt
30 rules to license teachers of interdisciplinary teaching and
31 facilitating learning in innovative schools and programs.

1 Senator Higgins from the Committee on State and Local
2 Government Operations, to which was re-referred

3 S.F. No. 1291: A bill for an act relating to education;
4 licensing teachers of interdisciplinary teaching and
5 facilitating learning in innovative schools and programs;
6 providing for rulemaking; amending Minnesota Statutes 2004,
7 section 122A.09, subdivision 4.

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

10

11

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14

15

16

[Handwritten Signature]
.....
(Committee Chair)

April 1, 2005.....
(Date of Committee recommendation)

**Senate Counsel, Research,
and Fiscal Analysis**

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Senate

State of Minnesota

S.F. No. 1980 - Omnibus Transportation Funding Bill

Author: Senator Steve Murphy

Prepared by: Bonnie Berezovsky, Senate Counsel (651/296-9191)

Amy Vennewitz, Fiscal Analyst (651/296-7681)

Tom Bottern, Senate Counsel (651/296-3810) *TB*

Dan McGowan, Senate Counsel (651/296-4397) *DM*

Date: March 22, 2005

The following portions of the Omnibus Transportation Funding Bill fall within the jurisdiction of the State and Local Government Committee:

ARTICLE 3 PUBLIC SAFETY ACTIVITIES, FEES, ACCOUNTS

Section 1 allows the Commissioner of Administration to permit an agency outside the state's central mail-handling unit to perform mail-related functions, if the agency demonstrates efficiency and economy.

ARTICLE 4 MISCELLANEOUS FINANCE POLICY

Section 2, Subdivision 1 defines terms.

Subdivision 2 authorizes a municipality (home rule charter or statutory city) to impose a street utility fee against land within its boundaries.

Subdivision 3 specifies process for imposition of the street utility fee. The municipality must hold a public hearing after published notice, then adopt the ordinance by a two-thirds

vote. The ordinance must be filed, if adopted, with the county recorder and provided to the county auditor.

Subdivision 4 requires the governing body to specify in the ordinance the collection schedule, which may be monthly, quarterly, or another frequency. Any fees unpaid for at least 30 days as of October 15 may be collected against the property as a special assessment.

Subdivision 5 requires adoption, after notice and hearing, of a master plan before a municipality can impose the fee. The plan must include information on reconstruction, facility upgrade, and maintenance for the next five years, and on funding sources for all projects in the plan.

Subdivision 6 limits use of revenues to the specific projects in the master plan.

Subdivision 7 requires the fee to be based on a relationship of the revenues the municipality proposes to generate and the traffic impact of each type of land use. The fee may be based on trip generation with reference to the Institute of Traffic Engineers Trip Generation Manual or another reasonable methodology.

Subdivision 8 allows a property owner to appeal the amount of the fee or the basis on which it was calculated, to the governing body within 60 days of mailing the notice of the amount of the fee. The decision of the governing body may be appealed to district court.

Subdivision 9 provides that use of the street utility fee does not preclude a municipality from levying special assessments or property taxes, or issuing bonds, to pay for street improvement.

This section is effective for fees payable in 2006 and thereafter.

BB/AV/TSB/DPM:vs

1 168.231; 168.345, subdivisions 3, 4; 168C.01; 168C.02;
 2 168C.03; 168C.04; 168C.05; 168C.06; 168C.07; 168C.08;
 3 168C.09; 168C.10; 168C.11; 168C.12; 168C.13; 170.23;
 4 171.12, subdivision 8; 171.185; Minnesota Rules, parts
 5 7407.0100; 7407.0200; 7407.0300; 7407.0400; 7407.0500;
 6 7407.0600; 7407.0700; 7407.0800; 7407.0900; 7407.1000;
 7 7407.1100; 7407.1200; 7407.1300.

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

9 ARTICLE 1

10 APPROPRIATIONS

11 TRANSPORTATION AND OTHER AGENCIES

12 Section 1. [TRANSPORTATION AND OTHER AGENCIES APPROPRIATIONS.]

13 The sums shown in the columns marked "APPROPRIATIONS" are
 14 appropriated from the general fund, or another named fund, to
 15 the agencies and for the purposes specified in this article, to
 16 be available for the fiscal years indicated for each purpose.
 17 The figures "2006" and "2007," where used in this article, mean
 18 that the appropriations listed under them are available for the
 19 year ending June 30, 2006, or June 30, 2007, respectively. If
 20 the figures are not used, the appropriations are available for
 21 the year ending June 30, 2006, or June 30, 2007, respectively.
 22 The term "first year" means the year ending June 30, 2006, and
 23 the term "second year" means the year ending June 30, 2007.

24 SUMMARY BY FUND

25		2006	2007	TOTAL
26	General	\$ 78,966,000	\$ 80,221,000	\$ 159,187,000
27	Airports	19,458,000	19,458,000	38,916,000
28	C.S.A.H.	441,335,000	453,948,000	895,283,000
29	M.S.A.S.	117,048,000	120,841,000	237,889,000
30	Special Revenue	46,241,000	46,296,000	92,537,000
31	Highway User	8,568,000	8,638,000	17,206,000
32	Trunk Highway	1,148,201,000	1,262,744,000	2,410,945,000
33	TOTAL	\$1,859,817,000	\$1,992,146,000	\$3,851,963,000

34 APPROPRIATIONS
 35 Available for the Year
 36 Ending June 30
 37 2006 2007

38 Sec. 2. TRANSPORTATION

39 Subdivision 1. Total
 40 Appropriation \$1,668,391,000 \$1,799,349,000

41 The appropriations in this section are

1 from the trunk highway fund, except
2 when another fund is named.

3 Summary by Fund

	2006	2007
4 General	16,221,000	16,221,000
5 Airports	19,408,000	19,408,000
6 C.S.A.H.	441,335,000	453,948,000
7 M.S.A.S.	117,048,000	120,841,000
8 Trunk Highway	1,074,379,000	1,188,931,000

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

13 Subd. 2. Multimodal Systems 42,147,000 42,147,000

4 Summary by Fund

15 Airports	19,383,000	19,383,000
16 General	16,156,000	16,156,000
17 Trunk Highway	6,608,000	6,608,000

18 The amounts that may be spent from this
19 appropriation for each activity are as
20 follows:

21 (a) Aeronautics

22 20,220,000 20,220,000

23 Summary by Fund

24 Airports	19,383,000	19,383,000
25 Trunk Highway	837,000	837,000

26 Except as otherwise provided, the
27 appropriations in this subdivision are
28 from the state airports fund.

29 (1) Airport Development
30 and Assistance

31 14,298,000 14,298,000

32 These appropriations must be spent
33 according to Minnesota Statutes,
34 section 360.305, subdivision 4.

35 Notwithstanding Minnesota Statutes,
36 section 16A.28, subdivision 6, funds
37 are available for five years after
38 appropriation.

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

42 Of this state airports fund
43 appropriation in Laws 2003, First
44 Special Session chapter 19, article 1,
45 section 2, subdivision 2, paragraph

1 (a), clause (1), \$1,900,000 cancels to
2 the state airports fund. This
3 cancellation is effective the day
4 following final enactment.

5 (2) Aviation Support and Services

6 5,922,000 5,922,000

7 Summary by Fund

8 Airports 5,085,000 5,085,000

9 Trunk Highway 837,000 837,000

10 \$65,000 the first year and \$65,000 the
11 second year are for the Civil Air
12 Patrol.

13 (b) Transit

14 16,605,000 16,605,000

15 Summary by Fund

16 General 15,810,000 15,810,000

17 Trunk Highway 795,000 795,000

18 (c) Freight

19 5,322,000 5,322,000

20 Summary by Fund

21 General 346,000 346,000

22 Trunk Highway 4,976,000 4,976,000

23 Subd. 3. State Roads 1,012,272,000 1,126,824,000

24 Summary by Fund

25 General 9,000 9,000

26 Trunk Highway 1,012,263,000 1,126,815,000

27 The amounts that may be spent from this
28 appropriation for each activity are as
29 follows:

30 (a) Infrastructure Investment and Planning

31 801,561,000 916,113,000

32 (1) Infrastructure Investment Support

33 168,207,000 168,207,000

34 \$266,000 the first year and \$266,000
35 the second year are available for
36 grants to metropolitan planning
37 organizations outside the seven-county
38 metropolitan area.

39 \$75,000 the first year and \$75,000 the
40 second year are for a transportation
41 research contingent account to finance
42 research projects that are reimbursable
43 from the federal government or from
44 other sources. If the appropriation

1 for either year is insufficient, the
2 appropriation for the other year is
3 available for it.

4 \$600,000 the first year and \$600,000
5 the second year are available for
6 grants for transportation studies
7 outside the metropolitan area to
8 identify critical concerns, problems,
9 and issues. These grants are available
10 (1) to regional development
11 commissions, and (2) in regions where
12 no regional development commission is
13 functioning, to joint powers boards
14 established under agreement of two or
15 more political subdivisions in the
16 region to exercise the planning
17 functions of a regional development
18 commission, and (3) in regions where no
19 regional development commission or
20 joint powers board is functioning, to
21 the department's district office for
22 that region.

23 \$100,000 the first year is to develop
24 and evaluate engineering concepts and
25 layouts for the reconstruction of
26 marked Interstate Highway I-35W from
27 marked Interstate Highway I-694 in
28 Ramsey County to marked Interstate
29 Highway I-35 in Anoka County. This
30 appropriation may be used to conduct
31 all necessary planning and public
32 involvement actions leading to a
33 scoping decision based on the preferred
34 alternative. Plans for marked
35 Interstate Highway I-35W must identify
36 all necessary improvements to
37 appropriate segments of Trunk Highway
38 marked 10, marked Interstate Highway
39 I-694, and related county and city
40 infrastructure.

41 (2) State Road Construction

42 576,950,000 680,950,000

43 It is estimated that these
44 appropriations will be funded as
45 follows:

46 Federal Highway Aid

47 280,000,000 384,000,000

48 Highway User Taxes

49 296,950,000 296,950,000

50 The commissioner of transportation
51 shall notify the chair of the
52 Transportation Budget Division of the
53 senate and the chair of the
54 Transportation Finance Committee of the
55 house of representatives of any
56 significant events that should cause
57 these estimates to change.

58 This appropriation is for the actual
59 construction, reconstruction, and
60 improvement of trunk highways,

1 including design-build contracts. This
2 includes the cost of actual payment to
3 landowners for lands acquired for
4 highway rights-of-way, payment to
5 lessees, interest subsidies, and
6 relocation expenses.

7 The commissioner may transfer up to
8 \$15,000,000 each year to the
9 transportation revolving loan fund.

10 The commissioner may receive money
11 covering other shares of the cost of
12 partnership projects. These receipts
13 are appropriated to the commissioner
14 for these projects.

15 (3) Highway Debt Service

16 56,404,000 66,956,000

17 \$42,086,000 the first year and
18 \$62,005,000 the second year are for
19 transfer to the state bond fund. If
20 this appropriation is insufficient to
21 make all transfers required in the year
22 for which it is made, the commissioner
23 of finance shall notify the Committee
24 on State Government Finance of the
25 senate and the Committee on Ways and
26 Means of the house of representatives
27 of the amount of the deficiency and
28 shall then transfer that amount under
29 the statutory open appropriation. Any
30 excess appropriation cancels to the
31 trunk highway fund.

32 (b) Infrastructure Operations
33 and Maintenance

34 204,746,000 204,746,000

35 (c) Electronic Communications

36 5,965,000 5,965,000

37 Summary by Fund

38 General 9,000 9,000

39 Trunk Highway 5,956,000 5,956,000

40 \$9,000 the first year and \$9,000 the
41 second year are from the general fund
42 for equipment and operation of the
43 Roosevelt signal tower for Lake of the
44 Woods weather broadcasting.

45 Subd. 4. Local Roads 558,383,000 574,789,000

46 Summary by Fund

47 C.S.A.H. 441,335,000 453,948,000

48 M.S.A.S. 117,048,000 120,841,000

49 The amounts that may be spent from this
50 appropriation for each activity are as
51 follows:

52 (a) County State Aids

1 441,335,000 453,948,000

2 This appropriation is from the county
3 state-aid highway fund and is available
4 until spent.

5 (b) Municipal State Aids

6 117,048,000 120,841,000

7 This appropriation is from the
8 municipal state-aid street fund and is
9 available until spent.

10 If an appropriation for either county
11 state aids or municipal state aids does
12 not exhaust the balance in the fund
13 from which it is made in the year for
14 which it is made, the commissioner of
15 finance, upon request of the
16 commissioner of transportation, shall
17 notify the chair of the Transportation
18 Finance Committee of the house of
19 representatives and the chair of the
20 Transportation Budget Division of the
21 senate of the amount of the remainder
22 and shall then add that amount to the
23 appropriation. The amount added is
24 appropriated for the purposes of county
25 state aids or municipal state aids, as
26 appropriate.

27 If the appropriation for either county
28 state aids or municipal state aids does
29 exhaust the balance in the fund from
30 which it is made in the year for which
31 it is made, the commissioner of finance
32 shall notify the chair of the
33 Transportation Finance Committee of the
34 house of representatives and the chair
35 of the Transportation Budget Division
36 of the senate of the amount by which
37 the appropriation exceeds the balance
38 and shall then reduce that amount from
39 the appropriation.

40 Subd. 5. General Support
41 and Services 55,589,000 55,589,000

42	Summary by Fund		
43	General	56,000	56,000
44	Airports	25,000	25,000
45	Trunk Highway	55,508,000	55,508,000

46 The amounts that may be spent from this
47 appropriation for each activity are as
48 follows:

49 (a) Department Support

50 38,999,000 38,999,000

1	Summary by Fund		
52	Airports	25,000	25,000
53	Trunk Highway	38,974,000	38,974,000

1 (b) Buildings

2 16,590,000 16,590,000

3 Summary by Fund

4 General 56,000 56,000

5 Trunk Highway 16,534,000 16,534,000

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

9 Subd. 6. Transfers

10 (a) With the approval of the
11 commissioner of finance, the
12 commissioner of transportation may
13 transfer unencumbered balances among
14 the appropriations from the trunk
15 highway fund and the state airports
16 fund made in this section. No transfer
17 may be made from the appropriation for
18 state road construction. No transfer
19 may be made from the appropriations for
20 debt service to any other appropriation.
21 Transfers under this paragraph may not
22 be made between funds. Transfers
23 between programs must be reported
24 immediately to the chair of the
25 Transportation Budget Division of the
26 senate and the chair of the
27 Transportation Finance Committee of the
28 house of representatives.

29 (b) The commissioner of finance shall
30 transfer from the flexible account in
31 the county state-aid highway fund
32 \$5,650,000 the first year and
33 \$1,480,000 the second year to the
34 municipal turnback account in the
35 municipal state-aid street fund;
36 \$7,429,000 the first year and
37 \$5,277,000 the second year to the
38 county principal arterial account in
39 the county state-aid highway fund;
40 \$2,961,000 the first year and
41 \$2,103,000 the second year to the
42 municipal principal arterial account in
43 the municipal state-aid street fund;
44 and the remainder in each year to the
45 county turnback account in the county
46 state-aid highway fund.

47 Subd. 7. Use of State Road
48 Construction Appropriations

49 Any money appropriated to the
50 commissioner of transportation for
51 state road construction for any fiscal
52 year before fiscal year 2006 is
53 available to the commissioner during
54 fiscal years 2006 and 2007 to the
55 extent that the commissioner spends the
56 money on the state road construction
57 project for which the money was
58 originally encumbered during the fiscal
59 year for which it was appropriated.
60 The commissioner of transportation
61 shall report to the commissioner of

1 finance by August 1, 2005, and August
2 1, 2006, on a form the commissioner of
3 finance provides, on expenditures made
4 during the previous fiscal year that
5 are authorized by this subdivision.

6 Subd. 8. Contingent Appropriation

7 The commissioner of transportation,
8 with the approval of the governor after
9 review by the Legislative Advisory
10 Commission under Minnesota Statutes,
11 section 3.30, may transfer all or part
12 of the unappropriated balance in the
13 trunk highway fund to an appropriation
14 (1) for trunk highway design,
15 construction, or inspection in order to
16 take advantage of an unanticipated
17 receipt of income to the trunk highway
18 fund or to take advantage of Federal
19 Advanced Construction funding, (2) for
20 trunk highway maintenance in order to
21 meet an emergency, or (3) to pay tort
22 or environmental claims. Any transfer
23 as a result of the use of Federal
24 Advanced Construction funding must
25 include an analysis of the effects on
26 the long-term trunk highway fund
27 balance. The amount transferred is
28 appropriated for the purpose of the
29 account to which it is transferred.

30 Sec. 3. METROPOLITAN COUNCIL
31 TRANSIT 57,503,000 58,753,000

32 (a) Bus Transit

33 53,453,000 53,453,000

34 This appropriation is for bus system
35 operations.

36 (b) Rail Operations

7 4,050,000 5,300,000

38 This appropriation is for operations of
39 the Hiawatha LRT line.

40 This appropriation is for paying 50
41 percent of operating costs for the
42 Hiawatha light rail transit line after
43 operating revenue and federal funds are
44 used for light rail transit operations.
45 The remaining operating costs up to a
46 maximum of \$4,050,000 the first year
47 and \$5,300,000 the second year are to
48 be paid by the Hennepin County Regional
49 Rail Authority, using any or all of
50 these sources:

51 (1) general tax revenues of Hennepin
52 County;

53 (2) the authority's reserves; and

54 (3) taxes levied under Minnesota
55 Statutes, section 398A.04, subdivision
56 8, notwithstanding any provision in
57 that subdivision that limits amounts
58 that may be levied for light rail

1 transit purposes.

2 Sec. 4. PUBLIC SAFETY

3	Subdivision 1. Total		
4	Appropriation	132,948,000	133,069,000

5 Summary by Fund

6	General	5,242,000	5,247,000
7	Trunk Highway	73,022,000	73,013,000
8	Highway User	8,443,000	8,513,000
9	Special Revenue	46,241,000	46,296,000

10	Subd. 2. Administration		
11	and Related Services	9,684,000	9,689,000

12 Summary by Fund

13	General	2,371,000	2,376,000
14	Trunk Highway	5,938,000	5,938,000
15	Highway User	1,385,000	1,385,000

16 (a) Office of Communications

17	385,000	385,000	
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18 Summary by Fund

19	General	39,000	39,000
20	Trunk Highway	346,000	346,000

21 (b) Public Safety Support

22	6,855,000	6,860,000	
----	-----------	-----------	--

23 Summary by Fund

24	General	2,241,000	2,246,000
25	Trunk Highway	3,248,000	3,248,000
26	Highway User	1,366,000	1,366,000

27 \$375,000 the first year and \$380,000
 28 the second year are for payment of
 29 public safety officer survivor benefits
 30 under Minnesota Statutes, section
 31 299A.44. If the appropriation for
 32 either year is insufficient, the
 33 appropriation for the other year is
 34 available for it.

35 \$314,000 the first year and \$314,000
 36 the second year are to be deposited in
 37 the public safety officer's benefit
 38 account. This money is available for
 39 reimbursements under Minnesota
 40 Statutes, section 299A.465.

41 \$508,000 the first year and \$508,000
 42 the second year are for soft body armor
 43 reimbursements under Minnesota
 44 Statutes, section 299A.38.

1 \$792,000 the first year and \$792,000
 2 the second year are appropriated from
 3 the general fund for transfer by the
 4 commissioner of finance to the trunk
 5 highway fund on December 31, 2005, and
 6 December 31, 2006, respectively, in
 7 order to reimburse the trunk highway
 8 fund for expenses not related to the
 9 fund. These represent amounts
 10 appropriated out of the trunk highway
 11 fund for general fund purposes in the
 12 administration and related services
 13 program.

14 \$610,000 the first year and \$610,000
 15 the second year are appropriated from
 16 the highway user tax distribution fund
 17 for transfer by the commissioner of
 18 finance to the trunk highway fund on
 19 December 31, 2005, and December 31,
 20 2006, respectively, in order to
 21 reimburse the trunk highway fund for
 22 expenses not related to the fund.
 23 These represent amounts appropriated
 24 out of the trunk highway fund for
 25 highway user tax distribution fund
 26 purposes in the administration and
 27 related services program.

28 \$716,000 the first year and \$716,000
 29 the second year are appropriated from
 30 the highway user tax distribution fund
 31 for transfer by the commissioner of
 32 finance to the general fund on December
 33 31, 2005, and December 31, 2006,
 34 respectively, in order to reimburse the
 35 general fund for expenses not related
 36 to the fund. These represent amounts
 37 appropriated out of the general fund
 38 for operation of the criminal justice
 39 data network related to driver and
 40 motor vehicle licensing.

41 (c) Technical Support Services

42 2,454,000 2,454,000

43 Summary by Fund

44 General	91,000	91,000	
45 Trunk Highway	2,344,000	2,344,000	
46 Highway User	19,000	19,000	
47 Subd. 3. State Patrol		70,047,000	70,038,000

48 Summary by Fund

49 General	2,871,000	2,871,000
50 Trunk Highway	67,084,000	67,075,000
51 Highway User	92,000	92,000

2 (a) Patrolling Highways

53 60,739,000 60,730,000

54 Summary by Fund

1	General	37,000	37,000
2	Trunk Highway	60,610,000	60,601,000
3	Highway User	92,000	92,000

4 Of this appropriation, \$3,700,000 the
5 first year is for the cost of adding
6 State Patrol positions. If money
7 transferred to the trunk highway fund
8 in the first year from the alcohol
9 enforcement account in the special
10 revenue fund is less than the amount
11 specified in this paragraph, the
12 commissioner shall make up the
13 difference by transferring to the trunk
14 highway fund money allocated to the
15 commissioner under the federal repeat
16 offender transfer program, Public Law
17 105-206, section 164.

18 (b) Commercial Vehicle Enforcement

19	6,474,000	6,474,000
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20 This appropriation is from the trunk
21 highway fund.

22 (c) Capitol Security

23	2,834,000	2,834,000
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24 The commissioner may not (1) spend any
25 money from the trunk highway fund for
26 capitol security, or (2) permanently
27 transfer any state trooper from the
28 patrolling highways activity to capitol
29 security.

30 The commissioner may not transfer any
31 money (1) appropriated for Department
32 of Public Safety administration, the
33 patrolling of highways, commercial
34 vehicle enforcement, or driver and
35 vehicle services to capitol security or
36 (2) from capitol security.

37 Subd. 4. Driver and Vehicle Services

38	51,389,000	50,814,000
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39 Summary by Fund

40	Highway User	6,966,000	7,036,000
41	Special Revenue	44,423,000	43,778,000

42 (a) Vehicle Services

43	23,383,000	23,849,000
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44 Summary by Fund

45	Highway User	6,966,000	7,036,000
46	Special Revenue	16,417,000	16,813,000

47 This appropriation is from the vehicle
48 services operating account in the
49 special revenue fund.

1 (b) Driver Services

2 28,006,000 26,965,000

3 This appropriation is from the driver
4 services operating account in the
5 special revenue fund.

6 Subd. 5. Traffic Safety 824,000 1,524,000

7 This appropriation is from the driver
8 services operating account in the
9 special revenue fund.

10 Of this appropriation, \$500,000 in
11 fiscal year 2006 and \$1,200,000 in
12 fiscal year 2007 must be used for a
13 public information campaign to improve
14 traffic and pedestrian safety,
15 including, but not limited to,
16 producing educational and informational
17 materials on pedestrian crosswalk
18 safety, impaired driving, seat belt
19 usage, speeding, and driver
20 distraction. The commissioner may make
21 grants to local units of government or
22 use the funds for research related to
23 traffic and pedestrian safety. As part
24 of the next biennial budget submission,
25 the commissioner shall report on the
26 expenditure of these funds and make
27 recommendations regarding the need for
28 continued funding of traffic and
29 pedestrian safety initiatives.

30 The commissioner of public safety shall
31 spend 50 percent of the money available
32 to the state under Public Law 105-206,
33 section 164, and the remaining 50
34 percent must be transferred to the
35 commissioner of transportation for
36 hazard elimination activities under
37 United States Code, title 23, section
38 152.

39 Subd. 6. Pipeline Safety 994,000 994,000

40 This appropriation is from the pipeline
41 safety account in the special revenue
42 fund.

43 Sec. 5. GENERAL CONTINGENT
44 ACCOUNTS 375,000 375,000

45 Summary by Fund

46 Trunk Highway 200,000 200,000

47 Highway User 125,000 125,000

48 Airports 50,000 50,000

49 The appropriations in this section may
50 only be spent with the approval of the
51 governor after consultation with the
52 Legislative Advisory Commission
53 pursuant to Minnesota Statutes, section
54 3.30.

55 If an appropriation in this section for
56 either year is insufficient, the

1 appropriation for the other year is
2 available for it.

3 Sec. 6. TORT CLAIMS 600,000 600,000

4 To be spent by the commissioner of
5 finance.

6 This appropriation is from the trunk
7 highway fund.

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

11 ARTICLE 2

12 CAPITAL PROJECTS

13 Section 1. [TRUNK HIGHWAY BOND PROCEEDS ACCOUNT
14 APPROPRIATIONS.]

15 Subdivision 1. [EXTERIOR REPAIR OF TRANSPORTATION
16 BUILDING.] \$9,342,000 is appropriated to the commissioner of
17 transportation from the trunk highway bond proceeds account to
18 repair and renovate the exterior of the Department of
19 Transportation building at 395 John Ireland Boulevard in St.
20 Paul. This appropriation is available until expended.

21 Subd. 2. [MANKATO HEADQUARTERS BUILDING.] \$16,620,000 is
22 appropriated to the commissioner of transportation from the
23 trunk highway bond proceeds account to design, construct,
24 furnish, and equip a new district headquarters facility in
25 Mankato. This appropriation is available until expended.

26 Subd. 3. [SMALL CAPITAL PROJECTS.] \$4,728,000 is
27 appropriated to the commissioner of transportation from the
28 trunk highway bond proceeds account to design, construct,
29 furnish, and equip statewide building projects, consisting of
30 truck stations, salt storage facilities, cold storage
31 facilities, and Mankato headquarters site work. Of this amount,
32 \$600,000 is for the department's share of the feasibility
33 studies, design, site preparation, and upgrade of common utility
34 services for a joint use truck station and public works facility
35 with Pope County. This appropriation is available until
36 expended.

37 Sec. 2. [BOND SALE.]

38 To provide the money appropriated by section 1 from the

1 bond proceeds account in the trunk highway fund, the
2 commissioner of finance shall sell and issue bonds of the state
3 in an amount up to \$30,690,000 in the manner, on the terms, and
4 with the effect prescribed by Minnesota Statutes, sections
5 167.50 to 167.52, and by the Minnesota Constitution, article
6 XIV, section 11.

7 ARTICLE 3

8 PUBLIC SAFETY ACTIVITIES, FEES, ACCOUNTS

9 Section 1. Minnesota Statutes 2004, section 16B.49, is
10 amended to read:

11 16B.49 [CENTRAL MAILING SYSTEM.]

12 (a) The commissioner shall maintain and operate for state
13 agencies, departments, institutions, and offices a central mail
14 handling unit. Official, outgoing mail for units in St. Paul
15 must be delivered unstamped to the unit. The unit shall also
16 operate an interoffice mail distribution system. The department
17 may add personnel and acquire equipment that may be necessary to
18 operate the unit efficiently and cost-effectively. Account must
19 be kept of the postage required on that mail, which is then a
20 proper charge against the agency delivering the mail. To
21 provide funds for the payment of postage, each agency shall make
22 advance payments to the commissioner sufficient to cover its
23 postage obligations for at least 60 days. For purposes of this
24 section, the Minnesota State Colleges and Universities is a
25 state agency.

26 (b) Notwithstanding paragraph (a) or section 16C.09, the
27 commissioner may approve the performance of mail-related
28 functions by an agency outside the state's central mail-handling
29 unit if the agency demonstrates it furthers program
30 effectiveness, better use of services, greater efficiency, or
31 greater economy in state government.

32 Sec. 2. Minnesota Statutes 2004, section 115A.908,
33 subdivision 1, is amended to read:

34 Subdivision 1. [FEE CHARGED.] A fee of ~~\$4~~ \$8 shall be
35 charged on the initial registration and each subsequent transfer
36 of title within the state, other than transfers for resale

1 purposes, of every motor vehicle weighing more than 1,000
2 pounds. The fee shall be collected ~~in-an-appropriate-manner~~ by
3 the ~~motor-vehicle-registrar~~ commissioner of public safety.
4 Registration plates or certificates of title may not be issued
5 by the ~~motor-vehicle-registrar~~ commissioner of public safety for
6 the ownership or operation of a motor vehicle subject to the
7 transfer fee unless the fee is paid. The fee may not be charged
8 on the transfer of:

9 (1) previously registered vehicles if the transfer is to
10 the same person;

11 (2) vehicles subject to the conditions specified in section
12 297A.70, subdivision 2; or

13 (3) vehicles purchased in another state by a resident of
14 another state if more than 60 days have elapsed after the date
15 of purchase and the purchaser is transferring title to this
16 state and has become a resident of this state after the purchase.

17 Sec. 3. Minnesota Statutes 2004, section 168.011, is
18 amended by adding a subdivision to read:

19 Subd. 2a. [COMMISSIONER.] "Commissioner" means the
20 commissioner of the Department of Public Safety.

21 Sec. 4. Minnesota Statutes 2004, section 168.013,
22 subdivision 8, is amended to read:

23 Subd. 8. [PROCEEDS TO HIGHWAY USER FUND; VEHICLE SERVICES
24 OPERATING ACCOUNT.] (a) Unless otherwise specified in this
25 chapter, the net proceeds of the registration tax imposed on
26 motor-vehicles under this chapter shall must be collected by the
27 registrar-of-motor-vehicles-and commissioner, paid into the
28 state treasury, and credited to the highway user tax
29 distribution fund.

30 (b) All fees collected under this chapter, unless otherwise
31 specified, must be deposited in the vehicle services operating
32 account in the special revenue fund under section 299A.705.

33 Sec. 5. Minnesota Statutes 2004, section 168.09,
34 subdivision 7, is amended to read:

35 Subd. 7. [DISPLAY OF TEMPORARY PERMIT; SPECIAL PLATES.]

36 (a) A vehicle that displays a special plate issued under section

1 168.021; 168.12, subdivision 2, 2a, 2b, 2c, or 2d; 168.123;
2 168.124; 168.125; 168.126; 168.128; or 168.129, may display a
3 temporary permit in conjunction with expired registration if:

4 (1) the current registration tax and all other fees have
5 been paid in full; and

6 (2) the plate requires replacement under section 168.12,
7 subdivision 1, paragraph ~~(b)~~ (d), clause (3).

8 (b) A vehicle that is registered under section 168.10 may
9 display a temporary permit in conjunction with expired
10 registration, with or without a registration license plate, if:

11 (1) the license plates have been applied for and the
12 registration tax has been paid in full, as provided for in
13 section 168.10; and

14 (2) the vehicle is used solely as a collector vehicle while
15 displaying the temporary permit and not used for general
16 transportation purposes.

17 (c) The permit is valid for a period of 60 days. The
18 permit must be in a ~~form~~ format prescribed by the commissioner
19 ~~of-public-safety~~ and whenever practicable must be posted upon
20 the driver's side of the rear window on the inside of the
21 vehicle. The permit is valid only for the vehicle for which it
22 was issued to allow a reasonable time for the new license plates
23 to be manufactured and delivered to the applicant.

24 Sec. 6. Minnesota Statutes 2004, section 168.105,
25 subdivision 2, is amended to read:

26 Subd. 2. [AFFIDAVIT FOR REGISTRATION AND TAXATION.] (a) A
27 classic motorcycle must be ~~listed-for-taxation~~ taxed and
28 registration registered by executed the vehicle owner submitting
29 an affidavit to the commissioner stating (1) the name and
30 address of the owner, (2) the name and address of the person
31 from whom purchased, (3) the make of the classic motorcycle, (4)
32 the year and number of the model, (5) the manufacturer's vehicle
33 identification number, (6) that the motorcycle is owned and
34 operated solely as a collector's item and will not be used for
35 general transportation purposes, and (7) that the owner has one
36 or more motor vehicles with regular license plates.

1 (b) When the registrar commissioner is satisfied that the
 2 affidavit is true, correct, and complete and that the owner has
 3 paid a \$10 registration tax, the registrar commissioner shall
 4 ~~list-the-vehicle-for-taxation-and-registration~~ register the
 5 vehicle and ~~shall~~ issue special number plates.

6 Sec. 7. Minnesota Statutes 2004, section 168.105,
 7 subdivision 3, is amended to read:

8 Subd. 3. [~~SPECIAL~~ CLASSIC PLATES.] The registrar
 9 commissioner shall issue number plates of the same size as
 10 standard motorcycle ~~license~~ plates and inscribed "collector" and
 11 "Minnesota" with the registration number or other combination of
 12 characters authorized under section 168.12, subdivision 2a, but
 13 without a date. The plates are valid without renewal as long as
 14 the classic motorcycle exists and may be issued for the
 15 applicant's use only for the classic motorcycle. The registrar
 16 commissioner may revoke the plates for noncompliance with this
 17 subdivision.

18 Sec. 8. Minnesota Statutes 2004, section 168.105,
 19 subdivision 5, is amended to read:

20 Subd. 5. [ORIGINAL PLATES.] (a) Instead of being
 21 issued ~~special~~ classic motorcycle plates, a classic motorcycle
 22 registered under this section may display original Minnesota
 23 number plates issued in the same year as the model year of the
 24 motorcycle on which they are displayed. The number of on the
 25 original plates must be provided to the registrar commissioner.

26 (b) Original Minnesota number plates may not be used if the
 27 number on the original plate is identical to the number on a
 28 current collector's plate issued by the registrar commissioner.

29 (c) ~~A-person-currently-using-classic-motorcycle-plates~~
 30 ~~issued-under-this-section, shall return those plates to the~~
 31 ~~registrar before substituting original plates.~~

32 (d) If the vehicle is not registered as a collector
 33 vehicle, the registrar may commissioner shall charge a fee of
 34 \$10 for registering the number on the original plates.

35 Sec. 9. Minnesota Statutes 2004, section 168.12, is
 36 amended to read:

1 168.12 [LICENSE PLATES.]

2 Subdivision 1. [NUMBER PLATES; DESIGN, VISIBILITY, PERIODS
3 OF ISSUANCE.] (a) The ~~registrar~~ commissioner, upon the approval
4 and payment, shall issue to the applicant the number plates
5 required by ~~law~~ this chapter, bearing the state name and the an
6 assigned vehicle registration number ~~assigned~~. The number
7 assigned by the commissioner may be a combination of a letter or
8 sign with figures. The color of the plates and the color of the
9 abbreviation of the state name and the number assigned ~~shall~~
10 must be in marked contrast. The plates ~~shall~~ must be lettered,
11 spaced, or distinguished to suitably indicate the registration
12 of the vehicle according to the rules of the ~~registrar~~ and
13 commissioner.

14 (b) When a vehicle is registered on the basis of total
15 gross weight, the plates issued ~~shall~~ must clearly indicate by
16 letters or other suitable insignia the maximum gross weight for
17 which the tax has been paid. ~~These-number~~

18 (c) The plates ~~shall~~ must be so treated as to be at least
19 100 times brighter than the conventional painted number plates.
20 When properly mounted on an unlighted vehicle, ~~these-number~~ the
21 plates, when viewed from a vehicle equipped with standard
22 headlights, ~~shall~~ must be visible for a distance of not less
23 than 1,500 feet and readable for a distance of not less than 110
24 feet.

25 (d) The ~~registrar~~ commissioner shall issue these
26 number plates for the following periods:

27 (1) New number plates issued pursuant to section 168.012,
28 subdivision 1, ~~shall~~ must be issued to a vehicle for as long as
29 ~~it~~ the vehicle is owned by the exempt agency and the plate shall
30 not be transferable from one vehicle to another but the plate
31 may be transferred with the vehicle from one tax-exempt agency
32 to another.

33 (2) Plates issued for passenger automobiles ~~as-defined-in~~
34 ~~section-168-011-7-subdivision-7-7~~ ~~shall~~ must be issued for a
35 seven-year period. All plates issued under this paragraph must
36 be replaced if they are seven years old or older at the time

1 of ~~annual~~ registration renewal or will become so during the
2 registration period.

3 (3) Number Plates issued under sections 168.053 and 168.27,
4 subdivisions 16 and 17, ~~shall~~ must be for a seven-year period.

5 (4) Number Plates issued under subdivisions 2c and 2d and
6 section 168.123 ~~shall~~ must be issued for the life of the veteran
7 under section 169.79.

8 (5) Plates for any vehicle not specified in clauses (1) to
9 (3), except for trailers as hereafter provided, ~~shall~~ must be
10 issued for the life of the vehicle. Beginning with number
11 plates issued for the year 1981, plates issued for trailers with
12 a total gross weight of 3,000 pounds or less ~~shall~~ must be
13 issued for the life of the trailer and ~~shall~~ must be not more
14 than seven inches in length and four inches in width.

15 ~~(c)~~ (e) In a year in which plates are not issued, the
16 registrar commissioner shall issue for each registration a tab
17 or sticker to designate the year of registration. This tab-or
18 sticker ~~shall~~ must show the ~~calendar~~ year or years for which the
19 sticker is issued, and is valid only for that period.

20 The number plates, ~~number-tabs,-or~~ and stickers issued for a
21 motor vehicle may not be transferred to another motor vehicle
22 during the period for which it the sticker is issued, except
23 when issued for a motor vehicle registered under section 168.187.

24 ~~(d)-Notwithstanding~~ (f) Despite any other provision of this
25 subdivision, number plates issued to a vehicle ~~which-is~~ used for
26 behind-the-wheel instruction in a driver education course in a
27 public school may be transferred to another vehicle used for the
28 same purpose without payment of any additional fee. The
29 ~~registrar-shall-be-notified~~ public school shall notify the
30 commissioner of each transfer of number plates under this
31 paragraph and. The commissioner may prescribe a form format for
32 notification.

33 Subd. 2. [AMATEUR RADIO LICENSEE; SPECIAL PLATES.] (a) Any
34 The commissioner shall issue amateur radio plates to an
35 applicant who:

36 (1) is an owner or-joint-owner of a passenger automobile;

1 ~~van-or-pickup-truck,~~ or a self-propelled recreational motor
2 ~~vehicle,~~ and;

3 (2) is a resident of this state, and who;

4 (3) holds an official amateur radio station license, or a
5 citizens radio service class D license, in good standing, issued
6 by the Federal Communications Commission ~~shall-upon-compliance;~~

7 (4) pays the registration tax required under section
8 168.013;

9 (5) pays a fee of \$10 for each set of special plates and
10 any other fees required by this chapter; and

11 (6) complies with all-laws-of-this-state-relating-to this
12 chapter and rules governing the registration of motor vehicles
13 ~~and the licensing of motor-vehicles-and drivers,~~ be furnished
14 ~~with-license-plates-for-the-motor-vehicle,~~ as prescribed by law,
15 ~~upon-which;~~

16 (b) In lieu of the numbers registration number required for
17 identification under subdivision 1, ~~shall-be-inscribed the~~
18 plates must indicate the official amateur call letters of the
19 applicant, as assigned by the Federal Communications Commission,
20 and the words "AMATEUR RADIO."

21 ~~The-applicant-shall-pay-in-addition-to-the-registration-tax~~
22 ~~required-by-law,~~ the sum of \$10 for the special license plates,
23 ~~and-at-the-time-of-delivery-of-the-special-license-plates-the~~
24 ~~applicant-shall-surrender-to-the-registrar-the-current-license~~
25 ~~plates-issued-for-the-motor-vehicle.~~

26 (c) This provision for the issue of special license plates
27 ~~shall-apply~~ applies only if the applicant's motor vehicle is
28 already registered in Minnesota so that the applicant has valid
29 regular Minnesota plates issued for that motor vehicle under
30 which to operate it during the time that it will take to have
31 the necessary special license plates made.

32 (d) If owning or-jointly-owning more than one motor vehicle
33 ~~of the type specified in this subdivision,~~ the applicant may
34 apply for special plates for each of not more than two motor
35 vehicles, and, if each application complies with this
36 subdivision, the registrar commissioner shall furnish the

1 applicant with the special plates, ~~inscribed-with~~ indicating the
2 official amateur call letters and other distinguishing
3 information as the ~~registrar~~ commissioner considers necessary,
4 for each of the two motor vehicles.

5 (e) And The ~~registrar~~ commissioner may make reasonable
6 rules governing the use of the special ~~license~~ plates as will
7 assure the full compliance by the owner ~~and-holder~~ of the
8 special plates, with all existing laws governing the
9 registration of motor vehicles, and the transfer and the use
10 thereof of the plates.

11 ~~(b)~~ (f) Despite any contrary provision of subdivision 1,
12 the special ~~license~~ plates issued under this subdivision may be
13 transferred by an owner to another motor vehicle listed in
14 paragraph (a) and registered to the same owner, upon the payment
15 of a fee of \$5. The ~~registrar~~ commissioner must be notified of
16 before the transfer and may prescribe a form format for the
17 notification.

18 ~~(c)-Fees-collected-under-this-subdivision-must-be-paid-into~~
19 ~~the-state-treasury-and-credited-to-the-highway-user-tax~~
20 ~~distribution-fund.~~

21 Subd. 2a. [PERSONALIZED PLATES; RULES.] (a) The
22 commissioner shall issue personalized ~~license~~ plates ~~must-be~~
23 ~~issued~~ to an applicant ~~for-registration-of~~ who:

24 (1) is an owner of a passenger automobile including a
25 passenger automobile registered as a classic car, pioneer car,
26 collector car, or street rod; ~~van-pickup-truck-as-defined-in~~
27 ~~section-168-0117-subdivision-297-and~~ any other truck with a
28 manufacturer's nominal rated capacity of one ton or less and
29 resembling a pickup truck; a motorcycle, including a classic
30 motorcycle; or ~~self-propelled~~ a recreational motor vehicle, ~~upon~~
31 ~~compliance-with-the-laws-of-this-state-relating-to-registration~~
32 ~~of-the-vehicle-and-upon-payment-of;~~

33 (2) pays a onetime fee of \$100 ~~in-addition-to~~ and any other
34 fees required by this chapter;

35 (3) pays the registration tax required by ~~law~~ this chapter
36 for the motor vehicle; and

1 (4) complies with this chapter and rules governing
2 registration of motor vehicles and licensing of drivers.

3 (b) The registrar commissioner shall designate charge a
4 replacement fee for personalized license plates that-is
5 calculated-to-cover-the-cost-of-replacement as specified in
6 subdivision 5. This fee must be paid by the applicant whenever
7 the personalized license plates are required to be replaced by
8 law.

9 (c) In lieu of the numbers registration number assigned as
10 provided in subdivision 1, personalized license plates must have
11 imprinted on them a series of not more than seven numbers and
12 letters in any combination. When an applicant has once obtained
13 personalized plates, the applicant shall have a prior claim for
14 similar personalized plates in the next succeeding year as long
15 as current motor vehicle registration is maintained.

16 (d) The commissioner of-public-safety shall adopt rules in
17 the manner provided by chapter 14, regulating the issuance and
18 transfer of personalized license plates. No words or
19 combination of letters placed on personalized license plates may
20 be used for commercial advertising, be of an obscene, indecent,
21 or immoral nature, or be of a nature that would offend public
22 morals or decency. The call signals or letters of a radio or
23 television station are not commercial advertising for the
24 purposes of this subdivision.

25 ~~(b)-Notwithstanding~~ (e) Despite the provisions of
26 subdivision 1, personalized license plates issued under this
27 subdivision may be transferred to another motor vehicle owned-or
28 jointly listed in paragraph (a) and owned by the applicant, upon
29 the payment of a fee of \$57-which-must-be-paid-into-the-state
30 treasury-and-credited-to-the-highway-user-tax-distribution-fund.

31 (f) The registrar commissioner may by rule provide-a-form
32 specify the format for notification.

33 (g) A personalized license plate issued for a classic car,
34 pioneer car, collector car, street rod, or classic motorcycle
35 may not be transferred to a vehicle not eligible for such
36 a license plate.

1 ~~(c)~~-Notwithstanding (h) Despite any law to the contrary, if
 2 the personalized license plates are lost, stolen, or destroyed,
 3 the applicant may apply and ~~shall receive~~ must be issued
 4 duplicate license plates bearing the same combination of letters
 5 and numbers as the former personalized plates upon the payment
 6 of the fee required by section 168.29.

7 ~~(d)~~-Fees-from-the-sale-of-permanent-and-duplicate
 8 personalized-license-plates-must-be-paid-into-the-state-treasury
 9 and-credited-to-the-highway-user-tax-distribution-fund.

10 Subd. 2b. [FIREFIGHTERS; SPECIAL PLATES.] (a) The
 11 registrar commissioner shall issue special license plates to any
 12 applicant who:

13 (1) is both a member of a fire department receiving state
 14 aid under chapter 69 and an owner ~~or-joint-owner~~ of a passenger
 15 automobile, or truck with a manufacturer's nominal rated
 16 capacity of one ton and resembling a pickup truck, ~~upon-payment~~
 17 of;

18 (2) pays a fee of \$10 and ~~upon-payment-of~~ any other fees
 19 required by this chapter;

20 (3) pays the registration tax required by ~~law~~ this chapter
 21 for the motor vehicle ~~and-compliance-with-other-laws-of-this~~
 22 state-relating-to; and

23 (4) complies with this chapter and rules governing the
 24 registration of motor vehicles and licensing of ~~motor-vehicles~~
 25 and drivers.

26 (b) In lieu of the identification required under
 27 subdivision 1, the special license plates ~~shall-be-inscribed~~
 28 ~~with-a-symbol~~ must bear an emblem of a Maltese Cross together
 29 with ~~five~~ any numbers or characters prescribed by the
 30 commissioner. No applicant shall receive more than two sets of
 31 plates for motor vehicles ~~owned-or-jointly~~ owned by the
 32 applicant.

33 ~~(b)~~ (c) Special plates issued under this subdivision may
 34 only be used during the period that the owner ~~or-joint-owner~~ of
 35 the motor vehicle is a member of a fire department as specified
 36 in this subdivision. When the person individual to whom the

1 special plates were issued is no longer a member of a fire
 2 department or when the motor vehicle ownership is transferred,
 3 the owner shall remove the special license plates shall-be
 4 removed from the motor vehicle and-returned-to-the-registrar.
 5 Upon return removal of the special plates, either the owner or
 6 purchaser of the motor vehicle is entitled to receive regular
 7 plates for the motor vehicle without cost for the remainder of
 8 the registration period for which the special plates were issued.

9 (d) Firefighter license plates issued pursuant to this
 10 subdivision may be transferred to another motor vehicle upon
 11 payment of a \$57-which fee shall-be-paid-into-the-state-treasury
 12 and-credited-to-the-highway-user-tax-distribution-fund.

13 ~~(c)~~ (e) The commissioner of ~~public-safety~~ may adopt rules
 14 under the Administrative Procedure Act, sections 14.001 to
 15 14.69, to govern the issuance and use of the special plates
 16 authorized in this subdivision. ~~All-fees-from-the-sale-of~~
 17 ~~special-license-plates-for-firefighters-shall-be-paid-into-the~~
 18 ~~state-treasury-and-credited-to-the-highway-user-tax-distribution~~
 19 ~~fund.~~

20 Subd. 2c. [NATIONAL GUARD; SPECIAL PLATES.] (a) The
 21 registrar commissioner shall issue special license plates to any
 22 applicant who:

23 (1) is a regularly enlisted, commissioned, or retired
 24 member of the Minnesota National Guard, other than an inactive
 25 member who is not a retired member, and is an owner ~~or-joint~~
 26 ~~owner of a passenger automobile, van, or pickup-truck-included~~
 27 ~~within-the-definition-of-a-passenger-automobile-upon-payment-of;~~

28 (2) pays a fee of \$107-~~payment-of~~ and any other fees
 29 required by this chapter;

30 (3) pays the registration tax required by ~~law~~-and
 31 ~~compliance-with-other-laws-of-this-state-relating-to~~ this
 32 chapter; and

33 (4) complies with this chapter and rules governing the
 34 registration of motor vehicles and licensing of ~~motor-vehicles~~
 35 and drivers.

36 (b) The adjutant general shall design the emblem for these

1 special plates subject to the approval of the registrar
2 commissioner. No

3 (c) An applicant ~~shall~~ must not be issued more than two
4 sets of plates for motor vehicles ~~owned-or-jointly-owned-by~~
5 registered to the applicant. ~~The adjutant-general shall~~
6 ~~estimate-the-number-of-special-plates-that-will-be-required-and~~
7 ~~submit-the-estimate-to-the-registrar-~~

8 (b) (d) Special plates issued under this subdivision may
9 only be used during the period that the owner ~~or-joint-owner~~ of
10 the motor vehicle is an active or retired member of the
11 Minnesota National Guard as specified in this subdivision. When
12 the person individual to whom the special plates were issued is
13 no longer an active or retired member of the Minnesota National
14 Guard, the special plates must be removed from the vehicle and
15 ~~returned-to~~ by the registrar owner. Upon ~~return~~ removal of
16 the special plates, either the owner or purchaser of the motor
17 vehicle is entitled to receive regular plates for the motor
18 vehicle without cost for the remainder of the registration
19 period for which the special plates were issued.

20 (e) While the person is an active or retired member of the
21 Minnesota National Guard, plates issued pursuant to this
22 subdivision may be transferred to another motor vehicle owned ~~or~~
23 ~~jointly-owned~~ by that person individual upon payment of a fee of
24 \$5.

25 (e) (f) For purposes of this subdivision, "retired member"
26 means ~~a-person~~ an individual placed on the roll of retired
27 officers or roll of retired enlisted members in the Office of
28 the Adjutant General under section 192.18 and who is not
29 deceased.

30 (d) ~~All-fees-collected-under-the-provisions-of-this~~
31 ~~subdivision-shall-be-paid-into-the-state-treasury-and-credited~~
32 ~~to-the-highway-user-tax-distribution-fund-~~

33 (e) (g) The registrar commissioner may adopt rules under
34 the Administrative Procedure Act to govern the issuance and use
35 of the special plates authorized by this subdivision.

36 Subd. 2d. [READY RESERVE; SPECIAL PLATES.] (a) The

1 registrar commissioner shall issue special license plates to an
2 applicant who:

3 (1) is not eligible for special license National Guard
4 plates under subdivision 2c, who is a member of the United
5 States Armed Forces Ready Reserve as described in United States
6 Code, title 10, section 10142 or 10143, and is an owner or-joint
7 owner of a passenger automobile~~7-van7-or-pickup-truck7-on~~
8 paying;

9 (2) pays a fee of \$10~~7-paying~~ and any other fees required
10 by this chapter;

11 (3) pays the registration tax required by law~~7-and~~
12 ~~complying-with-other-laws-of-this-state-relating-to~~ this
13 chapter; and

14 (4) complies with this chapter and rules governing the
15 registration of motor vehicles and licensing of ~~motor-vehicles~~
16 and drivers.

17 (b) The commissioner of veterans affairs shall design the
18 emblem for these special plates subject to the approval of the
19 registrar commissioner. No

20 (c) An applicant may must not be issued more than two sets
21 of plates for motor vehicles owned or-jointly-owned by the
22 applicant. ~~The-commissioner-of-veterans-affairs-shall-estimate~~
23 ~~the-number-of-special-plates-that-will-be-required-and-submit~~
24 ~~the-estimate-to-the-registrar.~~

25 (d) Special plates issued under this subdivision may
26 only be used during the period that the owner or-joint-owner of
27 the motor vehicle is a member of the ready reserve. When the
28 person owner is no longer a member, the special plates must be
29 removed from the motor vehicle ~~and-returned-to-the-registrar~~ by
30 the owner. On ~~returning~~ removing the special plates, either the
31 owner or purchaser of the motor vehicle is entitled to receive
32 regular plates for the motor vehicle without cost for the rest
33 of the registration period for which the special plates were
34 issued. While the person owner is a member of the ready
35 reserve, plates issued under this subdivision may be transferred
36 to another motor vehicle owned or-jointly-owned by that person

1 individual on paying a fee of \$5.

2 ~~{e}-The-fees-collected-under-this-subdivision-must-be-paid~~
3 ~~into-the-state-treasury-and-credited-to-the-highway-user-tax~~
4 ~~distribution-fund.~~

5 ~~{d}~~ (e) The registrar commissioner may adopt rules under
6 the Administrative Procedure Act to govern the issuance and use
7 of the special plates authorized by this subdivision.

8 Subd. 2e. [VOLUNTEER AMBULANCE ATTENDANTS; SPECIAL
9 PLATES.] (a) The registrar commissioner shall issue special
10 license plates to an applicant who:

11 (1) is a volunteer ambulance attendant as defined in
12 section 144E.001, subdivision 15, and ~~who-owns-or-jointly~~ owns a
13 motor vehicle taxed as a passenger automobile. ~~---The-registrar~~
14 ~~shall-issue-the-special-plates-on-payment-of;~~

15 (2) pays the registration tax required by law this chapter
16 for the motor vehicle, ~~compliance-with-all-other-applicable-laws~~
17 ~~relating-to;~~

18 (3) pays a fee of \$10 and any other fees required by this
19 chapter; and

20 (4) complies with this chapter and rules governing the
21 registration of motor vehicles and licensing of ~~motor-vehicles~~
22 ~~and drivers,--and-payment-of-an-additional-fee-of-\$10.~~

23 (b) The registrar commissioner shall not issue more than
24 two sets of these plates to each qualified applicant.

25 ~~{b}-A-person~~ (c) An individual may use special plates
26 issued under this subdivision only during the period that
27 the person individual is a volunteer ambulance attendant. When
28 the person individual to whom the special plates were issued
29 ceases to be a volunteer ambulance attendant, the person
30 individual shall return remove each set of special plates issued
31 ~~to-that-person~~. When ownership of a the motor vehicle is
32 transferred, the person individual shall remove the special
33 plates from that motor vehicle ~~and-return-them-to-the~~
34 registrar. On return removal of each set of plates, the owner
35 of the motor vehicle, or new owner in case of a
36 transferred motor vehicle, is entitled to receive

1 regular license plates for the motor vehicle without cost for
2 the rest of the registration period for which the set of special
3 plates were issued. Special plates issued under this
4 subdivision may be transferred to another motor vehicle owned by
5 the volunteer ambulance attendant on payment of a fee of \$5.

6 ~~(c)-The-fees-specified-in-this-subdivision-must-be-paid~~
7 ~~into-the-state-treasury-and-deposited-in-the-highway-user-tax~~
8 ~~distribution-fund.~~

9 (d) The commissioner may adopt rules governing the design,
10 issuance, and sale of the special plates authorized by this
11 subdivision.

12 Subd. 2f. [ORIGINAL LICENSE PLATES.] (a) On application of
13 the owner and in lieu of issuing license plates under
14 subdivision 1 to a motor vehicle registered and taxed as a
15 passenger automobile, the registrar commissioner may assign to
16 the motor vehicle original Minnesota number registration plates
17 issued in the same year as the model year of the motor vehicle,
18 if (1) the original license plates are at least 20 years old,
19 (2) the owner of the motor vehicle has the original license
20 plates in possession at the time of the application, and (3) the
21 owner provides the license plate number to the registrar
22 commissioner.

23 (b) License Plates displayed under this subdivision,
24 including ~~tabs-and~~ stickers applied to the plates, must be
25 clearly legible and must be displayed ~~at-the-front-and-rear-of~~
26 on the motor vehicle.

27 (c) The registrar commissioner shall not assign the
28 registration number on the original license plates to the motor
29 vehicle if the registrar commissioner determines that the number
30 on the original plate is identical to the number on any current
31 license plate in the current or reserved numbering system used
32 by the registrar commissioner. ~~A-person-currently-using-license~~
33 ~~plates-issued-by-the-registrar-on-the-vehicle-shall-return-those~~
34 ~~license-plates-to-the-registrar-before-displaying-original~~
35 ~~license-plates-under-this-subdivision.~~

36 (d) ~~Notwithstanding~~ Despite subdivision 1, an original

1 license plate whose number has been assigned under this
 2 subdivision may be displayed for as long as the license plates,
 3 including tabs and stickers on the plates, are clearly
 4 legible and the number is not subsequently used by the
 5 commissioner as a plate number in a registration numbering
 6 system.

7 (e) ~~Notwithstanding~~ Despite subdivision 1, original license
 8 plates assigned under this subdivision need not bear a tab or
 9 sticker to indicate the month or year of registration if
 10 the motor vehicle carries the registration certificate issued
 11 under section 168.11 at all times when the motor vehicle is
 12 operated on the public highways.

13 (f) The ~~registrar~~ commissioner may charge a fee for
 14 receiving an application and assigning original license plate
 15 numbers.

16 Subd. 5. [ADDITIONAL FEE.] (a) In addition to any fee
 17 otherwise authorized or any tax otherwise imposed upon any motor
 18 vehicle, the payment of which is required as a condition to the
 19 issuance of any ~~number-license~~ plate or plates, the commissioner
 20 ~~of-public-safety~~ shall impose the fee specified in paragraph (b)
 21 that is calculated to cover the cost of manufacturing and
 22 issuing the license plate or plates, except for license plates
 23 issued to disabled veterans as defined in section 168.031 and
 24 license plates issued pursuant to section 168.124, 168.125, or
 25 168.27, subdivisions 16 and 17, for passenger automobiles. The
 26 commissioner shall issue graphic design license plates shall
 27 only be-issued for vehicles registered pursuant to section
 28 168.017 and recreational vehicles registered pursuant to section
 29 168.013, subdivision 1g.

30 (b) Unless otherwise specified or exempted by statute, the
 31 following plate and validation sticker fees apply for the
 32 original, duplicate, or replacement issuance of a plate in a
 33 plate year:

34 Sequential <u>Regular</u> Double Plate	\$ 4.25
35 Sequential Special Plate-Double	\$ 7.00
36 Sequential <u>Regular</u> Single Plate	\$ 3.00

1	Sequential Special Plate-Single	\$ 5.50
2	<u>Utility Trailer</u> Self-Adhesive Plate	\$ 2.50
3	Nonsequential Double Plate	\$14.00
4	Nonsequential Single Plate	\$10.00
5	Duplicate Sticker	\$ 1.00

6 ~~(c)-Fees-collected-under-this-subdivision-must-be-paid-into~~
7 ~~the-state-treasury-and-credited-to-the-highway-user-tax~~
8 ~~distribution-fund.~~

9 Sec. 10. Minnesota Statutes 2004, section 168.123, is
10 amended to read:

11 168.123 [VETERANS; SPECIAL LICENSE PLATES.]

12 Subdivision 1. [GENERAL REQUIREMENTS; FEES.] (a) On
13 payment of a fee of \$10 for each set of two plates, or for a
14 single plate in the case of a motorcycle plate, payment of the
15 registration tax required by law, and compliance with other laws
16 relating to the registration and licensing of a passenger
17 automobile, ~~pickup-truck, van, self-propelled~~ recreational
18 equipment motor vehicle, or motorcycle, as applicable,
19 the ~~registrar~~ commissioner shall issue:

20 (1) special ~~license~~ veteran's plates to an applicant who
21 served in the active military service in a branch of the armed
22 forces of the United States or of a nation or society allied
23 with the United States in conducting a foreign war, was
24 discharged under honorable conditions, and is ~~an-owner-or-joint~~
25 a registered owner of a passenger automobile, ~~pickup-truck, van,~~
26 or ~~self-propelled~~ recreational equipment motor vehicle; or

27 (2) a veteran's special motorcycle ~~license~~ plate as
28 described in subdivision 2, paragraph (a), or another
29 special ~~license~~ plate designed by the commissioner ~~of-public~~
30 safety to an applicant who is a Vietnam veteran who served after
31 July 1, 1961, and before July 1, 1978, and who served in the
32 active military service in a branch of the armed forces of the
33 United States in conducting a foreign war, was discharged under
34 honorable conditions, and is ~~an-owner-or-joint~~ a registered
35 owner of a motorcycle. Plates issued under this clause must be
36 the same size as standard regular motorcycle ~~license~~ plates.

1 (b) The additional fee of \$10 is payable for each set
 2 of veteran's plates, is payable only when the plates are issued,
 3 and is not payable in a year in which ~~tabs-or~~ stickers are
 4 issued instead of ~~number~~ plates. An applicant must not be
 5 issued ~~more-than-two-sets-of~~ plates for more than two motor
 6 vehicles listed in paragraph (a) and ~~owned-or-jointly-owned-by~~
 7 registered to the applicant.

8 (c) The veteran ~~shall~~ must have a certified copy of the
 9 veteran's discharge papers, indicating character of discharge,
 10 at the time of application. If an applicant served in the
 11 active military service in a branch of the armed forces of a
 12 nation or society allied with the United States in conducting a
 13 foreign war and is unable to obtain a record of that service and
 14 discharge status, the commissioner of veterans affairs may
 15 certify the applicant as qualified for the veterans' ~~license~~
 16 plates provided under this section.

17 Subd. 2. [DESIGN.] The commissioner of veterans affairs
 18 shall design the emblem for the veterans' special plates,
 19 subject to the approval of the ~~registrar~~ commissioner, that
 20 satisfy the following requirements:

21 (a) For a Vietnam veteran who served after July 1, 1961,
 22 and before July 1, 1978, the special plates must bear the
 23 inscription "VIETNAM VET" and the letters "V" and "V" with the
 24 first letter directly above the second letter and both letters
 25 just preceding the first numeral of the special ~~license~~ plate
 26 number.

27 (b) For a veteran stationed on the island of Oahu, Hawaii,
 28 or offshore, during the attack on Pearl Harbor on December 7,
 29 1941, the special plates must bear the inscription "PEARL HARBOR
 30 SURVIVOR" and the letters "P" and "H" with the first letter
 31 directly above the second letter and both letters just preceding
 32 the first numeral of the special ~~license~~ plate number.

33 (c) For a veteran who served during World War I or World
 34 War II, the ~~special~~ plates must bear the inscription "WORLD WAR
 35 VET" and:

36 (1) for a World War I veteran, the characters "W" and "I"

1 with the first character directly above the second character and
2 both characters just preceding the first numeral of the special
3 license plate number; or

4 (2) for a World War II veteran, the characters "W" and "II"
5 with the first character directly above the second character and
6 both characters just preceding the first numeral of the special
7 license plate number.

8 (d) For a veteran who served during the Korean Conflict,
9 the special plates must bear the inscription "KOREAN VET" and
10 the letters "K" and "V" with the first letter directly above the
11 second letter and both letters just preceding the first numeral
12 of the special license plate number.

13 (e) For a combat wounded veteran who is a recipient of the
14 purple heart medal, the special plates must bear the inscription
15 "COMBAT WOUNDED VET" and ~~inscribed-with~~ have a facsimile on an
16 emblem of the official purple heart medal and the letters "C"
17 over "W" with the first letter directly over the second letter
18 just preceding the first numeral of the special license plate
19 number.

20 (f) For a Persian Gulf War veteran, the special plates must
21 bear the inscription "GULF WAR VET" and the letters "G" and "W"
22 with the first letter directly above the second letter and both
23 letters just preceding the first numeral of the special license
24 plate number. For the purposes of this section, "Persian Gulf
25 War veteran" means a person who served on active duty after
26 August 1, 1990, in a branch of the armed forces of the United
27 States or United Nations during Operation Desert Shield,
28 Operation Desert Storm, or other military operation in the
29 Persian Gulf area combat zone as designated in United States
30 Presidential Executive Order No. 12744, dated January 21, 1991.

31 (g) For a veteran who served in the Laos War after July 1,
32 1961, and before July 1, 1978, the special plates must bear the
33 inscription "LAOS WAR VET" and the letters "L" and "V" with the
34 first letter directly above the second letter and both letters
35 just preceding the first numeral of the special license plate
36 number.

1 ~~Subd. 3. --{NUMBER ESTIMATED.}--The commissioner of veterans~~
2 ~~affairs shall estimate the number of special plates that will be~~
3 ~~required and submit the estimate to the registrar.~~

4 Subd. 4. [PLATES TRANSFER.] (a) On payment of a fee of \$5,
5 plates issued under subdivision 1, paragraph (a), clause (1),
6 may be transferred to another passenger automobile, pickup
7 truck, van, or self-propelled recreational equipment owned or
8 jointly owned by motor vehicle registered to the person
9 individual to whom the plates were issued.

10 (b) On payment of a fee of \$5, a plate issued under
11 subdivision 1, paragraph (a), clause (2), may be transferred to
12 another motorcycle owned or jointly owned by registered to the
13 person individual to whom the plate was issued.

14 ~~Subd. 5. --{FEES CREDITED.}--Fees collected under this~~
15 ~~section must be paid into the state treasury and credited to the~~
16 ~~highway user tax distribution fund.~~

17 Subd. 6. [RULES.] The registrar commissioner may adopt
18 rules under the Administrative Procedure Act to govern the
19 issuance and use of the special plates authorized by this
20 section.

21 Sec. 11. Minnesota Statutes 2004, section 168.1235, is
22 amended to read:

23 168.1235 [VETERANS SERVICE GROUPS, ~~SPECIAL STICKERS~~ GROUP
24 EMBLEMS.]

25 Subdivision 1. [GENERAL REQUIREMENTS; FEES.] (a) On
26 ~~payment of a fee of \$10 for each set of two license plates,~~
27 ~~payment of the registration tax required by law, and compliance~~
28 ~~with other laws relating to the registration and licensing of a~~
29 ~~passenger automobile, pickup truck, van, or self-propelled~~
30 ~~recreational vehicle, as applicable,~~ The registrar commissioner
31 shall issue a special license plate sticker emblem for each
32 plate to an applicant who:

33 (1) is a member of a congressionally chartered veterans
34 service organization and is an owner or joint a registered owner
35 of a passenger automobile, pickup truck, van, or self-propelled
36 recreational vehicle;

1 (2) pays the registration tax required by law;

2 (3) pays a fee of \$10 for each set of two plates, and any
3 other fees required by this chapter; and

4 (4) complies with this chapter and rules governing the
5 registration of motor vehicles and licensing of drivers.

6 (b) The additional fee of \$10 is payable at the time of
7 initial application for the special ~~license~~ plate stickers
8 ~~emblem~~ and when the ~~license~~ plates must be replaced or renewed.

9 An applicant must not be issued more than two sets of special
10 ~~license~~ plate stickers ~~emblems~~ for motor vehicles listed in
11 paragraph (a) and ~~owned-or-jointly-owned-by~~ registered to the
12 applicant.

13 (c) ~~The commissioner-of-veterans-affairs-shall-determine~~
14 ~~what-documentation-is-required-by-each-applicant-to-show-that~~
15 ~~the-applicant-is-a-member-of-a-congressionally-chartered~~
16 ~~veterans-service-organization-and-is-entitled-to-the-special~~
17 ~~license-plate-stickers~~ applicant must present a valid card
18 indicating membership in the American Legion or Veterans of
19 Foreign Wars.

20 Subd. 2. [DESIGN.] (a) The commissioner of veterans
21 affairs, after consultation with each of the congressionally
22 chartered veterans service organizations, shall design the
23 special ~~license~~ plate stickers ~~emblems~~, subject to the approval
24 of the registrar commissioner. The ~~emblem, symbol, or other~~
25 ~~pictorial-representation-on-the-sticker~~ must be at least as
26 large as the letters and numerals on the plate and the registrar
27 commissioner shall allow for plates with spaces for the stickers
28 emblem in place of a numeral or letter.

29 (b) Each congressionally chartered veterans service
30 organization must arrange for any applicable rules of the
31 national organization to be changed or copyrights to be released
32 before the commissioner may issue special ~~license-plate-stickers~~
33 ~~emblems~~ to members of any particular service organization under
34 this section.

35 Subd. 3. ~~{NUMBER ESTIMATED.} The commissioner of veterans~~
36 ~~affairs shall estimate the number of special plate stickers that~~

~~1 will-be-required-and-submit-the-estimate-to-the-registrar-~~

2 Subd. 4. [PLATE STICKERS EMBLEM TRANSFER.] Notwithstanding
3 Despite section 168.12 or other law to the contrary, on payment
4 of a fee of \$5, the veterans service organization special plate
5 stickers emblems issued under subdivision 1, may be transferred
6 by the owner to other license plates on a passenger automobile,
7 pickup truck, van, or self-propelled recreational vehicle owned
8 ~~or-jointly-owned-by~~ registered to the person to whom the
9 stickers emblems were issued.

10 ~~Subd.-5---[FEES-CREDITED.] Fees-collected-under-this~~
11 ~~section-must-be-paid-into-the-state-treasury-and-credited-to-the~~
12 ~~highway-user-tax-distribution-fund-~~

13 Sec. 12. Minnesota Statutes 2004, section 168.124, is
14 amended to read:

15 168.124 [SPECIAL PLATES FOR MEDAL OF HONOR RECIPIENTS.]

16 Subdivision 1. [ISSUANCE AND DESIGN.] (a) The registrar-of
17 ~~motor-vehicles~~ commissioner shall issue special license plates
18 bearing the inscription "MEDAL OF HONOR" to an applicant who:

19 (1) is a recipient of the Congressional Medal of Honor and
20 ~~upon-the-applicant's-compliance-with-the-laws-of-this-state~~
21 ~~relating-to;~~

22 (2) is a registered owner of a passenger automobile,
23 motorcycle, or recreational motor vehicle; and

24 (3) complies with this chapter and rules governing the
25 registration of motor vehicles and licensing of ~~motor-vehicles~~
26 and drivers.

27 (b) The special license plates must be of a design and size
28 determined by the registrar commissioner. Only one set of
29 plates, or a single plate in the case of a motorcycle, bearing
30 the inscription "MEDAL OF HONOR" may be issued for each
31 qualified applicant.

32 Subd. 2. [APPLICATION.] Application for issuance of these
33 plates may be made only at the time of renewal or first
34 application for registration.

35 Subd. 3. [NO FEE.] The registrar commissioner shall issue
36 a set of medal of honor plates to qualified applicants free of

1 charge and the plates must be replaced by-the-department without
 2 charge if they become damaged. In addition, no fee may be
 3 charged for a subsequent year when tabs-or stickers are issued
 4 for that a motor vehicle listed in subdivision 1 on which the
 5 ~~special~~ medal of honor plates are placed. The motor vehicle
 6 must be for personal use, not commercial purposes.

7 Subd. 4. [TRANSFER.] Despite the provisions of section
 8 168.12, subdivision 1, medal of honor plates issued under this
 9 section may be transferred to another personal motor vehicle
 10 ~~owned-or-jointly-owned-by~~ registered to the medal of honor
 11 recipient upon notification to the ~~registrar-of-motor-vehicles~~
 12 commissioner.

13 ~~Subd.-5.--{MOTOR-VEHICLE;-SPECIAL-DEFINITION;-}For purposes~~
 14 ~~of this section, "motor vehicle" means a vehicle for personal~~
 15 ~~use, not used for commercial purposes, and may include a~~
 16 ~~passenger automobile, van, pickup truck, motorcycle, or~~
 17 ~~recreational vehicle.~~

18 ~~Subd.-6.--{WHEN ISSUED;-}The registrar of motor vehicles~~
 19 ~~shall begin issuing medal of honor plates for the calendar year~~
 20 ~~1984 and thereafter.~~

21 Sec. 13. Minnesota Statutes 2004, section 168.125, is
 22 amended to read:

23 168.125 [SPECIAL LICENSE PLATES FOR FORMER PRISONERS OF
 24 WAR.]

25 Subdivision 1. [ISSUANCE AND DESIGN.] (a) The registrar
 26 commissioner shall issue special license plates bearing the
 27 inscription "EX-POW" to any applicant who:

28 (1) is both a former prisoner of war and an-owner-or-joint
 29 a registered owner of a passenger automobile, motorcycle, or
 30 recreational motor vehicle upon-the-applicant's-compliance-with
 31 all-the-laws-of-this-state-relating-to; and

32 (2) complies with this chapter and rules governing the
 33 registration of motor vehicles and licensing of motor-vehicles
 34 and drivers.

35 (b) The special license plates shall must be of a design
 36 and size to be determined by the commissioner. Only one set of

1 plates, or a single plate in the case of a motorcycle, bearing
 2 the "EX-POW" inscription may be issued for ~~only-one-motor~~
 3 ~~vehicle-per~~ each qualified applicant.

4 Subd. 1a. [APPLICATION.] Application for issuance of these
 5 plates ~~shall~~ must be made at the time of renewal or first
 6 application for registration. The application ~~shall~~ must
 7 include a certification by the commissioner of veterans affairs
 8 that the applicant was a member of the military forces of the
 9 United States who was captured, separated, and incarcerated by
 10 an enemy of the United States during a period of armed conflict.

11 Subd. 1b. [NO FEE.] The ~~registrar~~ commissioner shall issue
 12 a set of EX-POW plates, or a single plate for a motorcycle, to
 13 qualified applicants, free of charge ~~for-the-cost-of-the-plates,~~
 14 and shall replace them without charge if they become damaged.
 15 In addition, no fee may be charged for a subsequent year
 16 when ~~tabs-or~~ stickers are issued for that motor vehicle on which
 17 the ~~special~~ EX-POW plates are placed.

18 Subd. 1c. [PLATES TRANSFER.] ~~Notwithstanding~~ Despite the
 19 provisions of section 168.12, subdivision 1, the special ~~license~~
 20 plates issued under this section may be transferred to another
 21 motor vehicle ~~owned-or-jointly-owned-by~~ registered to the former
 22 prisoner of war upon notification to the ~~registrar-of-motor~~
 23 ~~vehicles~~ commissioner.

24 Subd. 1d. [SURVIVING SPOUSE.] Upon the death of a former
 25 prisoner of war, the ~~registrar~~ commissioner shall continue to
 26 issue free of charge, upon renewal, the special ~~license~~ plates
 27 to a motor vehicle owned by the surviving spouse of the former
 28 prisoner of war. Special ~~license~~ plates issued to a surviving
 29 spouse may be transferred to another motor vehicle ~~owned-by~~
 30 registered to the surviving spouse as provided in subdivision
 31 1c. No fee may be charged for replacement plates issued to a
 32 surviving spouse or for ~~tabs-or~~ stickers issued for the motor
 33 vehicle on which the special "EX-POW" plates are placed. A
 34 surviving spouse is not exempt from the motor vehicle
 35 registration tax.

36 ~~Subd. 1e. [MOTOR VEHICLE, SPECIAL DEFINITION.] For~~

1 ~~purposes-of-this-section, "motor-vehicle" means a passenger~~
 2 ~~automobile, van, pickup-truck, motorcycle, or recreational~~
 3 ~~vehicle.~~

4 Subd. 2. [SPECIAL PLATES; EX-POW AND DISABILITY
 5 ~~INSIGNIA EMBLEMS.~~] The registrar commissioner shall issue
 6 special license plates bearing both the "EX-POW" and
 7 disability ~~insignia~~ emblem to any applicant who is entitled to
 8 the special license plates provided under this section and who
 9 is also entitled to special license plates for the physically
 10 disabled under section 168.021 upon compliance with the
 11 provisions of both sections. The ~~special-license~~ plates shall
 12 must be of a design and size ~~to-be~~ determined by the
 13 commissioner.

14 Subd. 3. [RULES; COMMISSIONER OF PUBLIC SAFETY.] The
 15 commissioner of public safety may ~~promulgate~~ adopt by rule, in
 16 accordance with ~~the-provisions-of~~ chapter 14, the procedures for
 17 issuance or transfer of the special license plates authorized
 18 under this section.

19 Subd. 4. [RULES; COMMISSIONER OF VETERANS AFFAIRS.] The
 20 commissioner of veterans affairs shall establish the procedure
 21 for obtaining the certification of former prisoner of war status.

22 Subd. 5. [SAVINGS PROVISION.] Nothing in this section
 23 ~~shall-alter~~ alters the exemption for disabled war veterans
 24 provided for in section 168.031.

25 Sec. 14. Minnesota Statutes 2004, section 168.1255, is
 26 amended to read:

27 168.1255 [SPECIAL VETERAN CONTRIBUTION LICENSE PLATES.]

28 Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.]

29 The registrar commissioner shall issue special veteran
 30 contribution license plates to an applicant who:

31 (1) is a veteran, as defined in section 197.447;

32 (2) is ~~an-owner-or-joint~~ a registered owner of a passenger
 33 ~~automobile, pickup-truck, or van;~~

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

36 (4) pays the registration tax required under section

1 168.013;

2 (5) pays the fees required under this chapter;

3 (6) pays an additional onetime World War II memorial
4 contribution of \$30, which the department shall retain until all
5 start-up costs associated with the development and issuing of
6 the plates have been recovered, after which the commissioner
7 shall deposit contributions in the World War II donation match
8 account; and

9 (7) complies with ~~laws~~ this chapter and rules governing the
10 registration of motor vehicles and licensing of ~~vehicles-and~~
11 drivers.

12 Subd. 2. [DESIGN.] The commissioner of veterans affairs
13 shall design an emblem for the special plates, subject to the
14 approval of the ~~registrar~~ commissioner of public safety,
15 that ~~satisfy~~ satisfies the following requirements in this
16 subdivision:

17 (1) the special veteran contribution plates must bear the
18 inscription "PROUD TO BE A VETERAN" on the bottom of the plate;
19 and

20 (2) the flag of the United States of America must appear on
21 the left side of the plate just preceding the first letter or
22 numeral of the special license plate number.

23 Subd. 3. [PLATE TRANSFERS.] ~~Notwithstanding~~ Despite
24 section 168.12, subdivision 1, on payment of a transfer fee of
25 \$5, plates issued under this section may be transferred to
26 another passenger automobile~~7-pickup-truck7-or-van-owned-or~~
27 ~~jointly-owned-by~~ registered to the person individual to whom the
28 ~~special~~ veteran contribution plates were issued.

29 Subd. 4. [FEES CREDITED.] ~~The-fees-collected-under-this~~
30 ~~section-must-be-deposited-in-the-state-treasury-and-credited-to~~
31 ~~the-highway-user-tax-distribution-fund.~~ Fees collected under
32 this section do not include the contributions collected for the
33 World War II memorial donation match account.

34 Subd. 5. [RECORD.] The ~~registrar~~ commissioner shall
35 maintain a record of the number of special plates issued under
36 this section.

1 Sec. 15. Minnesota Statutes 2004, section 168.127,
2 subdivision 6, is amended to read:

3 Subd. 6. [FEES.] Instead of the filing fee described in
4 section 168.33, subdivision 7, the applicant for fleet
5 registration shall pay an equivalent administrative fee to the
6 commissioner for each vehicle in the fleet. ~~The administrative~~
7 ~~fee must be deposited in the state treasury and credited to the~~
8 ~~highway user tax distribution fund.~~

9 Sec. 16. Minnesota Statutes 2004, section 168.128, is
10 amended to read:

11 168.128 [LIMOUSINE REGISTRATION, LICENSE PLATES.]

12 Subdivision 1. [UNIQUE LIMOUSINE REGISTRATION CATEGORY.] A
13 unique vehicle registration category is established for
14 limousines ~~as defined in section 168.0117, subdivision 35.~~

15 Subd. 2. [LICENSE PLATES.] (a) A person who operates a
16 limousine for other than personal use shall ~~apply to~~ register
17 the motor vehicle as provided in this section.

18 (b) A person who operates a limousine for personal use may
19 apply. The ~~registrar~~ commissioner shall issue limousine ~~license~~
20 ~~plates upon the applicant's compliance with laws relating to~~
21 ~~registration and licensing of motor vehicles and drivers and~~
22 ~~certification by~~ to the registered owner of a limousine who:

23 (1) certifies that an insurance policy under section 65B.13
24 in an aggregate amount of \$300,000 per accident is in effect for
25 the entire period of the registration ~~under section 65B.135.~~
26 ~~The applicant must provide the registrar;~~

27 (2) provides the commissioner with proof that the passenger
28 automobile license tax and a \$10 fee have been paid for each
29 limousine receiving limousine ~~license~~ plates; and

30 (3) complies with this chapter and rules governing the
31 registration of motor vehicles and licensing of drivers.

32 (c) The limousine ~~license~~ plates must be designed to
33 specifically identify the vehicle as a limousine and must be
34 clearly marked with the letters "LM." Limousine ~~license~~ plates
35 may not be transferred upon sale of the limousine, but may be
36 transferred to another limousine owned by the same person upon

1 notifying the ~~registrar~~ commissioner and paying a \$5 transfer
2 fee.

3 Subd. 3. [INSURANCE.] (a) The application must include a
4 certificate of insurance verifying that a valid commercial
5 insurance policy is in effect and giving the name of the
6 insurance company and the number of the insurance policy. The
7 policy must provide stated limits of liability, exclusive of
8 interest and costs, with respect to each motor vehicle for which
9 coverage is granted, of not less than \$100,000 because of bodily
10 injury to one person in any one accident and, subject to ~~said~~
11 that limit for one person, of not less than \$300,000 because of
12 injury to two or more persons in any one accident and of not
13 less than \$100,000 because of injury to or destruction of
14 property. The insurance company must notify the commissioner if
15 the policy is canceled or if the policy no longer provides the
16 coverage required by this subdivision.

17 (b) The commissioner shall immediately notify the
18 commissioner of transportation if the policy of a person
19 required to have a permit under section 221.84 is canceled or no
20 longer provides the coverage required by this subdivision.

21 ~~Subd.--4.--{FEES-CREDITED-TO-HIGHWAY-USER-FUND-}-Fees~~
22 ~~collected-from-the-sale-of-license-plates-under-this-section~~
23 ~~must-be-paid-into-the-state-treasury-and-credited-to-the-highway~~
24 ~~user-tax-distribution-fund.~~

25 Sec. 17. Minnesota Statutes 2004, section 168.129, is
26 amended to read:

27 168.129 [SPECIAL COLLEGIATE LICENSE PLATES.]

28 Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The
29 commissioner ~~of-public-safety~~ shall issue special collegiate
30 ~~license~~ plates to an applicant who:

31 (1) ~~is an-owner-or-joint~~ a registered owner of a passenger
32 ~~automobile, pickup-truck, or van;~~

33 (2) ~~pays a fee determined-by-the-commissioner~~ as specified
34 in section 168.12, subdivision 5, to cover the costs of handling
35 and manufacturing the plates;

36 (3) pays the registration tax required under section

1 168.013;

2 (4) pays the fees required under this chapter;

3 (5) contributes at least \$25 annually to the scholarship
4 account established in subdivision 6; and

5 (6) complies with ~~laws~~ this chapter and rules governing
6 registration of motor vehicles and licensing of ~~vehicles-and~~
7 drivers.

8 Subd. 2. [DESIGN.] (a) After consultation with each
9 participating college, university, or postsecondary system, the
10 commissioner shall design the an emblem for each special
11 collegiate plates plate.

12 (b) In consultation with the commissioner, a participating
13 college or university annually shall indicate the anticipated
14 number of plates needed.

15 Subd. 3. [NO REFUND.] Contributions under this section
16 must not be refunded.

17 Subd. 4. [PLATES TRANSFER.] ~~Notwithstanding~~ Despite
18 section 168.12, subdivision 1, on payment of a transfer fee of
19 \$5, plates issued under this section may be transferred to
20 another passenger ~~vehicle, pickup, or van-owned or jointly-owned~~
21 by automobile registered to the person individual to whom the
22 special collegiate plates were issued.

23 Subd. 5. [FEES CREDITED.] ~~The-fees-collected-under-this~~
24 ~~section-must-be-deposited-in-the-state-treasury-and-credited-to~~
25 ~~the-highway-user-tax-distribution-fund.~~ Fees collected under
26 this section do not include the contributions collected for the
27 scholarship account.

28 Subd. 6. [SCHOLARSHIP ACCOUNT.] A scholarship account is
29 created in the state treasury. Except for one percent that may
30 be retained by the commissioner ~~of-public-safety~~ for
31 administrative costs, all contributions received under this
32 section must be deposited by the commissioner in the scholarship
33 account. Money in the scholarship account is appropriated to
34 the governing board of the institution to which it is
35 attributable, as provided in subdivision 7.

36 Subd. 7. [RECORD.] The commissioner shall maintain a

1 record of the number of license plates issued for each
2 postsecondary institution or system in order to determine the
3 amount of scholarship funds available to that institution or
4 system.

5 Sec. 18. Minnesota Statutes 2004, section 168.1291, is
6 amended to read:

7 168.1291 [SPECIAL LICENSE PLATES; UNIFORM DESIGN, UNIQUE
8 EMBLEMS.]

9 Subdivision 1. [DEFINITION.] For purposes of this section
10 "special license plates" means license plates issued under
11 sections 168.12, subdivisions 2b and 2e; 168.1235; and 168.129.

12 Subd. 2. [UNIFORM DESIGN OF SPECIAL PLATES.] (a) The
13 commissioner shall design a single special license plate that
14 will contain a unique number and a space for a unique symbol
15 emblem for plates issued under sections 168.12, subdivisions 2b
16 and 2e; 168.1235; and 168.129. The commissioner shall design a
17 unique symbol emblem related to the purpose of each
18 special license plate.

19 (b) Any provision of sections 168.12, subdivisions 2b to
20 2e; 168.123; and 168.129, that requires the placement of a
21 specified letter or letters on a special license plate applies
22 to those license plates only to the extent that the commissioner
23 includes the letter or letters in the design. Where

24 (c) If a law authorizing a special license plate contains a
25 specific requirement for graphic design of that license plate,
26 that requirement applies to the appropriate unique symbol-the
27 commissioner-designs emblem.

28 Subd. 3. [ISSUANCE OF SPECIAL PLATES WITH UNIQUE
29 SYMBOLS EMBLEMS.] Notwithstanding Despite section 168.12,
30 subdivisions 2b to 2e; 168.123; or 168.129, beginning with
31 special license plates issued in calendar year 1996, the
32 commissioner shall issue each class of special license plates
33 permanently marked with specific designs under those laws only
34 until the commissioner's supply of those license plates is
35 exhausted. Thereafter the commissioner shall issue under those
36 laws only the license plate authorized under subdivision 2, with

1 the appropriate unique ~~symbol~~ emblem attached.

2 Subd. 4. [FEES.] ~~Notwithstanding~~ Despite section 168.12,
3 subdivisions 2b to 2e; 168.123; or 168.129, the commissioner
4 shall charge a fee of \$10 for each set of ~~license~~ plates issued
5 under this section.

6 Subd. 5. [APPLICATION APPLICABILITY.] This section does
7 not apply to a special motorcycle ~~license~~ plate designed by the
8 ~~registrar~~ commissioner under section 168.123, subdivision 1,
9 clause (2).

10 Sec. 19. Minnesota Statutes 2004, section 168.1293, is
11 amended to read:

12 168.1293 [SPECIAL ~~LICENSE~~ PLATES; AUTHORIZATION;
13 DISCONTINUANCE.]

14 Subdivision 1. [DEFINITION.] For purposes of this section
15 and section 168.1297, "special ~~license~~ plate" means a ~~license~~
16 plate ~~that is~~ authorized by ~~law~~ sections 168.12, subdivisions 2b
17 and 2e; 168.1235; and 168.129, to have wording and graphics that
18 differ from a Minnesota passenger vehicle ~~license~~ plate.

19 Subd. 2. [SUBMISSIONS TO DEPARTMENT COMMISSIONER.] (a) A
20 person, legal entity, or other requester, however organized,
21 that plans to seek legislation establishing a new ~~special~~
22 ~~license~~ plate shall submit the following information and fee to
23 the ~~Department of Public Safety~~ commissioner:

24 (1) The requester shall submit a request for the special
25 ~~license~~ plate being sought, describing the proposed ~~license~~
26 plate in general terms, the purpose of the plate, and the
27 proposed fee or minimum contribution required for the plate.

28 (2) The requester shall submit the results of a scientific
29 sample survey of Minnesota motor vehicle owners that indicates
30 that at least 10,000 motor vehicle owners intend to purchase the
31 proposed plate with the proposed fee or minimum contribution.
32 The requester's plan to undertake the survey must be reported to
33 the ~~department~~ commissioner before the survey is undertaken.

34 The survey must be performed independently of the requester by
35 another person or legal entity, however organized, that conducts
36 similar sample surveys in the normal course of business.

1 (3) The requester shall submit an application fee of
2 \$20,000, to cover the ~~department's~~ cost of reviewing the
3 application for a new plate and developing the new special
4 license plate if authorized by law. State funds may not be used
5 to pay the application fee.

6 (4) The requester shall submit a marketing strategy that
7 contains (i) short-term and long-term marketing plans for the
8 requested plate, and (ii) a financial analysis showing the
9 anticipated revenues and the planned expenditures of any fee or
10 contribution derived from the requested plate.

11 (b) The requester shall submit the information required
12 under paragraph (a) to the department commissioner at least 120
13 days before the convening of the next regular legislative
14 session at which the requester will submit the proposal.

15 Subd. 3. [DESIGN; REDESIGN.] (a) If the proposed new
16 special license plate sought by the requester is approved by
17 law, the requester shall submit the proposed design for the
18 plate to the department commissioner as soon as practicable, but
19 not later than 120 days after the effective date of the law
20 authorizing issuance of the plate. The department commissioner
21 is responsible for selecting the final design for the
22 special license plate.

23 (b) The requester that originally requested a special
24 license plate subsequently approved by law may not submit a new
25 design for the plate within the five years following the date of
26 first issuance of the plate unless the inventory of those plates
27 has been exhausted. The requester may deplete the remaining
28 inventory of the plates by reimbursing the department
29 commissioner for the cost of the plates.

30 Subd. 4. [REFUND OF FEE.] If the special license plate
31 requested is not authorized in the legislative session at which
32 authorization was sought, the department commissioner shall
33 refund \$17,500 of the application fee to the requester.

34 Subd. 5. [DISCONTINUANCE OF PLATE.] (a) The
35 department commissioner shall discontinue the issuance or
36 renewal of any special license plate authorized by sections

1 168.12, subdivisions 2b and 2e; 168.1235; and 168.129, if (1)
 2 fewer than 1,000 sets of those plates are currently registered
 3 at the end of the first six years during which the plates are
 4 available, or (2) fewer than 1,000 sets of those plates are
 5 currently registered at the end of any subsequent two-year
 6 period following the first six years of availability.

7 (b) The ~~department-may~~ commissioner shall discontinue the
 8 issuance or renewal of any special ~~license~~ license plate authorized by
 9 sections 168.12, subdivisions 2b and 2e; 168.1235; and 168.129,
 10 and distribution of any contributions resulting from that plate,
 11 if the ~~department~~ commissioner determines that (1) the fund or
 12 requester receiving the contributions no longer exists, (2) the
 13 requester has stopped providing services that are authorized to
 14 be funded from the contribution proceeds, (3) the requester has
 15 requested discontinuance, or (4) contributions have been used in
 16 violation of subdivision 6.

17 (c) Nothing in this subdivision applies to ~~license~~ license plates
 18 issued under section 168.123, 168.124, 168.125, or 168.1255.

19 Subd. 6. [USE OF CONTRIBUTIONS.] Contributions made as a
 20 condition of obtaining a special ~~license~~ license plate authorized by
 21 sections 168.12, subdivisions 2b and 2e; 168.1235; and 168.129,
 22 and interest earned on the contributions, may not be spent for
 commercial or for-profit purposes.

24 Subd. 7. [DEPOSIT OF FEE; APPROPRIATION.] The commissioner
 25 shall deposit the application fee under subdivision 2, paragraph
 26 (a), clause (3), in the ~~highway-user-tax-distribution-fund~~
 27 vehicle services operating account of the special revenue fund
 28 under section 299A.705. An amount sufficient to pay the
 29 department's cost in implementing and administering this
 30 section, including payment of refunds under subdivision 4, is
 31 appropriated to the commissioner.

32 Sec. 20. Minnesota Statutes 2004, section 168.1296, is
 33 amended to read:

34 168.1296 [SPECIAL CRITICAL HABITAT ~~license~~ license PLATES.]

35 Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] (a)
 36 The ~~registrar~~ commissioner shall issue special critical

1 habitat license plates to an applicant who:

2 (1) is ~~an owner or joint~~ a registered owner of a passenger
3 automobile, ~~pickup truck, or van~~;

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

6 (3) pays the registration tax required under section
7 168.013;

8 (4) pays the fees required under this chapter;

9 (5) contributes a minimum of \$30 annually to the Minnesota
10 critical habitat private sector matching account established in
11 section 84.943; and

12 (6) complies with ~~laws~~ this chapter and rules governing
13 registration of motor vehicles and licensing of ~~vehicles and~~
14 drivers.

15 (b) The critical habitat ~~license~~ plate application form
16 must clearly indicate that the annual contribution specified
17 under paragraph (a), clause (5), is a minimum contribution to
18 receive the ~~license~~ plate and that the applicant may make an
19 additional contribution to the account.

20 Subd. 2. [DESIGN.] After consultation with interested
21 groups, the commissioner of natural resources and the
22 ~~registrar~~ commissioner shall jointly select a suitable symbol
23 for use by the ~~registrar~~ commissioner to design the ~~special~~
24 plates.

25 Subd. 3. [NO REFUND.] Contributions under this section
26 must not be refunded.

27 Subd. 4. [PLATE TRANSFERS.] Notwithstanding section
28 168.12, subdivision 1, on payment of a transfer fee of \$5,
29 plates issued under this section may be transferred to another
30 passenger automobile, ~~pickup truck, or van owned or jointly~~
31 ~~owned by~~ registered to the person to whom the ~~special~~ plates
32 were issued.

33 Subd. 5. [CONTRIBUTION AND FEES CREDITED.] Contributions
34 under subdivision 1, paragraph (a), clause (5), must be paid to
35 the ~~registrar~~ commissioner and credited to the Minnesota
36 critical habitat private sector matching account established in

1 section 84.943. The fees collected under this section must be
2 deposited in the ~~highway-user-tax-distribution-fund~~ vehicle
3 services operating account of the special revenue fund under
4 section 299A.705.

5 Subd. 6. [RECORD.] The ~~registrar~~ commissioner shall
6 maintain a record of the number of ~~special~~ plates issued under
7 this section.

8 Sec. 21. Minnesota Statutes 2004, section 168.1297, is
9 amended to read:

10 168.1297 [SPECIAL "ROTARY MEMBER" LICENSE PLATES.]

11 Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.]

12 The ~~registrar~~ commissioner shall issue special "Rotary member"
13 license plates to an applicant who:

14 (1) is ~~an-owner-or-joint~~ a registered owner of a passenger
15 automobile~~7-pickup-truck7-or-van~~;

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

18 (3) pays the registration tax required under section
19 168.013;

20 (4) pays the fees required under this chapter;

21 (5) submits proof to the ~~registrar~~ commissioner that the
22 applicant is a member of Rotary International; and

23 (6) complies with ~~laws~~ this chapter and rules governing
24 registration of motor vehicles and licensing of ~~vehicles-and~~
25 drivers.

26 Subd. 2. [DESIGN.] A special license plate under this
27 section consists of a ~~special-license~~ plate as described in
28 section 168.1291 with a unique ~~symbol~~ emblem that is the
29 recognized emblem of Rotary International.

30 Subd. 3. [COMPLIANCE WITH OTHER LAW.] The commissioner
31 shall take no action under this section unless the commissioner
32 determines that Rotary International, or one or more districts
33 of Rotary International, has complied with section 168.1293,
34 subdivision 2, paragraph (a). Issuance and renewal of license
35 plates under this section are subject to section 168.1293,
36 subdivisions 3 to 6.

1 Sec. 22. Minnesota Statutes 2004, section 168.27,
2 subdivision 11, is amended to read:

3 Subd. 11. [DEALER'S LICENSES; LOCATION CHANGE NOTICE;
4 FEE.] (a) Application for a dealer's license or notification of
5 a change of location of the place of business on a dealer's
6 license must include a street address, not a post office box,
7 and is subject to the ~~registrar's~~ commissioner's approval.

8 (b) Upon the filing of an application for a dealer's
9 license and the proper fee, ~~the registrar is authorized,~~ unless
10 the application on its face appears to be invalid, to the
11 commissioner shall grant a 90-day temporary license. During the
12 90-day period following issuance of the temporary license,
13 ~~the registrar commissioner shall investigate the fitness of the~~
14 ~~applicant,~~ inspect the place of business site, ~~and make other~~
15 ~~investigation as necessary to~~ insure compliance with the
16 ~~licensing law~~ this section and rules adopted under this section.

17 (c) The ~~registrar commissioner~~ commissioner may extend the temporary
18 license 30 days to allow the temporarily licensed dealer to come
19 into full compliance with this section and rules adopted under
20 this section.

21 ~~At the end of the period of investigation~~ (d) In no more
22 than 120 days following issuance of the temporary license, the
23 dealer license must either be granted or denied.

24 (e) A license must be denied under the following conditions:

25 (1) The license must be denied if within the previous ten
26 years the applicant was enjoined due to a violation of section
27 325F.69 or convicted of violating section 325E.14, 325E.15,
28 325E.16, or 325F.69, or convicted under section 609.53 of
29 receiving or selling stolen vehicles, or convicted of violating
30 United States Code, title 15, sections 1981 to 1991, ~~as amended~~
31 ~~through December 31, 1984,~~ or pleaded guilty, entered a plea of
32 nolo contendere or no contest, or has been found guilty in a
33 court of competent jurisdiction of any charge of failure to pay
34 state or federal income or sales taxes or felony charge of
35 forgery, embezzlement, obtaining money under false pretenses,
36 theft by swindle, extortion, conspiracy to defraud, or bribery.

1 (2) The license must also be denied if within the previous
2 year the applicant has been denied a dealer license.

3 (3) A license must also be denied if the applicant has had
4 a dealer license revoked within the previous ten years.

5 (f) If the application is approved, the registrar
6 commissioner shall license the applicant as a motor-vehicle
7 dealer for one year from the date the temporary license is
8 granted and issue a certificate of license that must include a
9 distinguishing number of identification of the dealer. The
10 license must be displayed in a prominent place in the dealer's
11 licensed location place of business.

12 (g) Each initial application for a license must be
13 accompanied by a fee of ~~\$50~~ \$100 in addition to the annual fee.
14 The annual fee ~~shall be \$100~~ is \$150. ~~All~~ The initial fees and
15 annual fees must be paid into the state treasury and credited to
16 the general fund except that \$50 of each initial and annual fee
17 must be paid into the vehicle services operating account in the
18 special revenue fund under section 299A.705.

19 Sec. 23. [168.326] [EXPEDITED DRIVER AND VEHICLES
20 SERVICES; FEE.]

21 (a) When an applicant requests and pays an expedited
22 service fee of \$20, in addition to other specified and
23 statutorily mandated fees and taxes, the commissioner shall
24 expedite the processing of an application for a driver's
25 license, driving instruction permit, Minnesota identification
26 card, or vehicle title transaction.

27 (b) A driver's license agent or deputy registrar may retain
28 \$10 of the expedited service fee for each expedited service
29 request processed by the licensing agent or deputy registrar.

30 (c) When expedited service is requested, materials must be
31 mailed or delivered to the requestor within three days of
32 receipt of the expedited service fee excluding Saturdays,
33 Sundays, or the holidays listed in section 645.44, subdivision
34 5. The requestor shall comply with all relevant requirements of
35 the requested document.

36 (d) The commissioner may decline to accept an expedited

1 service request if it is apparent at the time it is made that
2 the request cannot be granted.

3 (e) The expedited service fees collected under this section
4 for an application for a driver's license, driving instruction
5 permit, or Minnesota identification card minus any portion
6 retained by a licensing agent or deputy registrar under
7 paragraph (b) must be paid into the driver services operating
8 account in the special revenue fund specified under section
9 299A.705.

10 (f) The expedited service fees collected under this section
11 for a transaction for a vehicle service minus any portion
12 retained by a licensing agent or deputy registrar under
13 paragraph (b) must be paid into the vehicle services operating
14 account in the special revenue fund specified under section
15 299A.705.

16 Sec. 24. [168.327] [DRIVER AND VEHICLE RECORD FEES.]

17 Subdivision 1. [RECORDS AND FEES.] (a) Upon request by any
18 person authorized in this section, the commissioner shall
19 furnish a certified copy of any driver's license record,
20 instruction permit record, Minnesota identification card record,
21 vehicle registration record, vehicle title record, or accident
22 record.

23 (b) Other than accident records governed under section
24 169.09, subdivision 13, the requester shall pay a fee of \$10 for
25 each certified record specified in paragraph (a) or a fee of \$9
26 for each record that is not certified.

27 (c) In addition to the record fee in paragraph (b), the fee
28 for a copy of the history of any vehicle title not in electronic
29 format is \$1 for each page of the historical record.

30 (d) Fees collected under paragraph (b) for driver's
31 license, instruction permit, and Minnesota identification card
32 records must be paid into the state treasury with 50 cents of
33 each fee credited to the general fund. The remainder of the
34 fees collected must be credited to the driver services operating
35 account in the special revenue fund under section 299A.705.

36 (e) Fees collected under paragraphs (b) and (c) for vehicle

1 registration or title records must be paid into the state
2 treasury with 50 cents of each fee credited to the general
3 fund. The remainder of the fees collected must be credited to
4 the vehicle services operating account in the special revenue
5 fund specified in section 299A.705.

6 (f) The commissioner shall permit a person to inquire into
7 a record by the person's own electronic means for a fee of \$4.50
8 for each inquiry, except that no fee may be charged when the
9 requester is the subject of the data.

10 (1) Of the \$4.50 fee, \$2.70 must be deposited in the
11 general fund.

12 (2) For driver's license, instruction permit, or Minnesota
13 identification card records, the remainder must be deposited in
14 the driver services operating account in the special revenue
15 fund under section 299A.705.

16 (3) For vehicle title or registration records, the
17 remainder must be deposited in the vehicle services operating
18 account in the special revenue fund under section 299A.705.

19 (g) Fees and the deposit of the fees for accident records
20 and reports are governed by section 169.09, subdivision 13.

21 Subd. 2. [REQUESTS FOR INFORMATION; SURCHARGE ON FEE.] (a)
22 Except as otherwise provided in subdivision 3, the commissioner
23 shall impose a surcharge of 50 cents on each fee charged by the
24 commissioner under section 13.03, subdivision 3, for copies or
25 electronic transmittals of public information about the
26 registration of a vehicle or an applicant, or holder of a
27 driver's license, instruction permit, or Minnesota
28 identification card.

29 (b) The surcharge only applies to a fee imposed in response
30 to a request made in person or by mail, or to a request for
31 transmittal through a computer modem. The surcharge does not
32 apply to the request of an individual for information about that
33 individual's driver's license, instruction permit, or Minnesota
34 identification card or about vehicles registered or titled in
35 the individual's name.

36 (c) The surcharges collected under this subdivision must be

1 credited to the general fund.

2 Subd. 3. [EXCEPTION TO FEE AND SURCHARGE.] (a)

3 Notwithstanding subdivision 2 or section 13.03, a fee or
4 surchage may not be imposed in response to a request for public
5 information about the registration of a vehicle if the
6 commissioner is satisfied that:

7 (1) the requester seeks the information on behalf of a
8 community-based, nonprofit organization designated by a local
9 law enforcement agency to be a requester; and

10 (2) the information is needed to identify suspected
11 prostitution law violators, controlled substance law violators,
12 or health code violators.

13 (b) The commissioner shall not require a requester under
14 paragraph (a) to make a minimum number of data requests or limit
15 the requester to a maximum number of data requests.

16 Sec. 25. Minnesota Statutes 2004, section 168.33, is
17 amended to read:

18 168.33 [COMMISSIONER AS REGISTRAR OF MOTOR VEHICLES; DEPUTY
19 REGISTRARS.]

20 Subdivision 1. [REGISTRAR COMMISSIONER'S DUTIES AND
21 POWERS, GENERALLY.] The commissioner of public safety ~~shall be~~
22 is the registrar of motor vehicles of the state of Minnesota,
23 and shall exercise all the powers granted to and perform all the
24 duties imposed by this chapter. The commissioner of public
25 ~~safety may employ not to exceed eight persons as inspectors,~~ is
26 authorized to obtain information ~~and report to the registrar~~
27 ~~regarding motor~~ about all vehicles subject to taxation under
28 this chapter upon which the tax has not been paid, and to
29 present suitable complaints to courts of competent jurisdiction.

30 Subd. 2. [DEPUTY REGISTRARS.] (a) ~~The registrar may~~
31 ~~appoint, hire, and discharge and fix the compensation of the~~
32 ~~necessary employees, in the manner provided by law, as may be~~
33 ~~required to enable the registrar to properly carry out the~~
34 ~~duties imposed by this chapter.~~ The registrar commissioner may
35 appoint, and for cause discontinue, a deputy registrar for any
36 statutory or home rule charter city as the public interest and

1 convenience may require, without regard to whether the county
 2 auditor of the county in which the city is situated has been
 3 appointed as the deputy registrar for the county or has been
 4 discontinued as the deputy registrar for the county, and without
 5 regard to whether the county in which the city is situated has
 6 established a county license bureau which that issues motor
 7 vehicle licenses as provided in section 373.32.

8 (b) The registrar commissioner may appoint, and for cause
 9 discontinue, a deputy registrar for any statutory or home rule
 10 charter city as the public interest and convenience may require,
 11 if the auditor for the county in which the city is situated
 12 chooses not to accept appointment as the deputy registrar for
 13 the county or is discontinued as a deputy registrar, or if the
 14 county in which the city is situated has not established a
 15 county license bureau which that issues motor vehicle licenses
 16 as provided in section 373.32. ~~A person~~ The individual
 17 appointed by the registrar commissioner as a deputy registrar
 18 for any statutory or home rule charter city must be a resident
 19 of the county in which the city is situated.

20 (c) The registrar commissioner may appoint, and for cause
 21 discontinue, the county auditor of each county as a deputy
 22 registrar. ~~Upon approval of the county board, the auditor, with~~
 23 ~~the approval of the director of motor vehicles, may appoint, and~~
 24 ~~for cause discontinue, the clerk or equivalent officer of each~~
 25 ~~statutory or home rule charter city or any other person as a~~
 26 ~~deputy registrar as public interest and convenience may require,~~
 27 ~~regardless of the appointee's county of residence. At the~~
 28 ~~request of the governing body of a statutory or home rule~~
 29 ~~charter city, the auditor shall appoint, and may for cause~~
 30 ~~discontinue, the clerk or equivalent officer of a city, or~~
 31 ~~another officer or employee of the city designated by the~~
 32 ~~governing body, as a deputy registrar.~~

33 ~~(1) if the city is a county seat or, if not, is larger than~~
 34 ~~the seat of the county in which it is situated, and~~

35 ~~(2) no office of a deputy registrar is situated within the~~
 36 ~~city or within 15 miles of the city by the most direct public~~

1 route-

2 (d) ~~Notwithstanding~~ Despite any other provision, a person
3 other than a county auditor or a director of a county license
4 bureau, who was appointed by the registrar before August 1,
5 1976, as a deputy registrar for any statutory or home rule
6 charter city, may continue to serve as deputy registrar and may
7 be discontinued for cause only by the ~~registrar~~ commissioner.
8 The county auditor who appointed the deputy registrars is
9 responsible for the acts of deputy registrars appointed by the
10 auditor.

11 (e) Each deputy, before entering upon the discharge of
12 duties, shall take and subscribe an oath to faithfully discharge
13 the duties and to uphold the laws of the state.

14 (f) If a deputy registrar appointed under this subdivision
15 is not an officer or employee of a county or statutory or home
16 rule charter city, the deputy shall in addition give bond to the
17 state in the sum of \$10,000, or a larger sum as may be required
18 by the ~~registrar~~ commissioner, conditioned upon the faithful
19 discharge of duties as deputy registrar.

20 ~~(e)~~ (g) Until January 1, 2009, a corporation governed by
21 chapter 302A may be appointed a deputy registrar. Upon
22 application by an individual serving as a deputy registrar and
23 the giving of the requisite bond as provided in this
24 subdivision, personally assured by the individual or another
25 individual approved by the commissioner ~~of-public-safety~~, a
26 corporation named in an application ~~shall-become~~ then becomes
27 the duly appointed and qualified successor to the deputy
28 registrar. The appointment of any corporation as a deputy
29 registrar expires January 1, 2009. ~~A-county-board-shall~~
30 ~~appoint,-or~~ The commissioner shall appoint ~~if-the-county-board~~
31 ~~declines-to-do-so,~~ an individual as successor to the corporation
32 as a deputy registrar. The ~~county-board-or~~ commissioner shall
33 appoint as the successor agent to a corporation whose
34 appointment expires under this paragraph an officer of the
35 corporation if the officer applies for appointment before July
36 1, 2009.

1 ~~(f)~~ (h) Each deputy registrar appointed under this
 2 subdivision shall keep and maintain ~~in a convenient public~~
 3 ~~place within or in close proximity to the place for which~~
 4 ~~appointed, a registration and motor vehicle tax collection~~
 5 ~~bureau, to be approved by the registrar,~~ office locations
 6 approved by the commissioner for the registration of motor
 7 vehicles and the collection of taxes and fees on motor vehicles.

8 (i) The deputy registrar shall keep records and make
 9 reports to the registrar commissioner as the registrar ~~from~~
 10 ~~time to time, may require~~ commissioner requires. The records
 11 must be maintained at the facility offices of the deputy
 12 registrar. The records and facilities offices of the deputy
 13 registrar must at all times be open to the inspection of
 14 the registrar commissioner or the registrar's commissioner's
 15 agents. The deputy registrar shall report to the registrar
 16 commissioner by the next working day following receipt all
 17 registrations made and taxes and fees collected by the deputy
 18 registrar.

19 (j) The filing fee imposed under subdivision 7 must be
 20 deposited in the treasury of the place for which appointed or,
 21 if not a public official, a deputy shall retain the filing fee,
 22 but the registration tax and any additional fees for delayed
 23 registration the deputy registrar has collected the deputy
 24 registrar shall deposit by the next working day following
 25 receipt in an approved state depository to the credit of the
 26 state through the commissioner of finance. The place for which
 27 the deputy registrar is appointed through its governing body
 28 must provide the deputy registrar with facilities and personnel
 29 to carry out the duties imposed by this subdivision if the
 30 deputy is a public official. In all other cases, the deputy
 31 shall maintain a suitable facility for serving the public.

32 Subd. 2a. [DEPUTY REGISTRARS, CONTINUATION IN OFFICE.]
 33 Persons serving as deputy registrars on ~~the effective date of~~
 34 ~~this act shall~~ July 1, 1970, continue to hold such office until
 35 a successor is duly appointed and qualifies.

36 Subd. 2b. [DEPUTY REGISTRARS, EMPLOYMENT STATUS.] (a)

1 Deputy registrars, and their employees, who retain the filing
 2 fee in lieu of a salary, shall, after July 1, 1971, be
 3 considered as independent contractors for pension purposes, and
 4 ineligible because of such service for coverage under the
 5 Minnesota State Retirement System or membership in the Public
 6 Employees Retirement Association.

7 (b) Those deputy registrars as defined in this subdivision
 8 who are covered by the Minnesota State Retirement System on June
 9 30, 1971, ~~shall have the option of terminating said~~ may
 10 terminate coverage on July 1, 1971, or ~~of continuing said~~
 11 continue coverage until termination of state service. The form
 12 of the this option and the time for filing ~~shall~~ must be as
 13 prescribed by the board of directors of the system. Those
 14 choosing to continue ~~said~~ coverage, shall provide from the
 15 filing fees retained the employee and employer contributions as
 16 required by chapter 352.

17 Subd. 3. [RECORD OF VEHICLE REGISTRATION; DISCLOSURE.] (a)
 18 The registrar commissioner shall keep a suitable record of all
 19 motor registered vehicles ~~registered in the registrar's office,~~
 20 indexed, according to (1) registration plate number, according
 21 to (2) name of the registered owner, ~~according to (3) make of~~
 22 motor vehicle and the factory vehicle's identification number,
 23 ~~for such makes as are~~ a vehicle so identified, or according
 24 to, if none, the vehicle's serial number ~~of such makes as are so~~
 25 identified until the ~~manufacturers thereof adopt and use~~
 26 an manufacturer adopts and uses a vehicle identification number,
 27 ~~and according to such other information as the registrar shall~~
 28 deem advisable. ~~Duplicates of the certificate of registration~~
 29 ~~shall be used, until a more efficient system is evolved, to make~~
 30 ~~the registration number and registered owner's indexes herein~~
 31 ~~required, and such other copies as are desirable. The registrar~~
 32 ~~may furnish to any one applying therefor transcripts of such~~
 33 ~~records for not less than the cost of preparing the same,~~
 34 ~~provided, that any sums in excess of such cost received by the~~
 35 ~~registrar for furnishing such transcripts shall be paid by the~~
 36 ~~registrar into the state treasury.~~

1 (b) The commissioner shall furnish to any person applying
2 for a copy of the registration, a copy as specified in section
3 168.327.

4 (c) The registrar commissioner shall also furnish copies
5 thereof vehicle registration records, without charge, to the
6 chiefs of police of the cities of Minneapolis, St. Paul, and
7 Duluth, county sheriffs, prosecuting attorneys, and other law
8 enforcement agencies with the power to arrest.

9 Subd. 6. [APPLICATION FORMS.] The Every deputy registrar
10 shall provide, in a manner and format prescribed by the
11 registrar, necessary forms and information to deputy
12 registrars. The registrar and deputy registrars shall
13 immediately destroy all number plates surrendered and shall
14 cancel all certificates surrendered use application forms or
15 formats as prescribed by or approved by the commissioner.

16 Subd. 7. [FILING FEE.] (a) In addition to all other
17 statutory fees and taxes, a filing fee of:

- 18 ~~(1)~~ (1) \$4.50 is imposed on every motor vehicle
19 registration renewal, excluding pro rate transactions; and
20 ~~(2)~~ (2) \$8.50 is imposed on every other type of vehicle
21 transaction, including pro rate transactions;
22 except that a filing fee may not be charged for a document
23 returned for a refund or for a correction of an error made by
24 the Department of Public Safety, a licensed auto dealer, or a
25 deputy registrar. The filing fee must be shown as a separate
26 item on all registration renewal notices sent out by the
27 department commissioner. No filing fee or other fee may be
28 charged for the permanent surrender of a ~~certificate of title~~
29 ~~and license plates~~ for a motor vehicle.

30 (b) Filing All of the fees collected under this subdivision
31 by the department paragraph (a), clause (1), must be paid into
32 the state treasury and credited to the highway user tax
33 distribution fund, except fees for registrations of motor
34 vehicles. Filing fees collected for registrations of motor
35 vehicles in conjunction with a title transfer or first
36 application in this state must be paid into the state treasury

1 ~~with-50-percent-of-the-money-credited-to-the-general-fund-and-50~~
2 ~~percent-credited-to-the-highway-user-tax-distribution~~
3 fund vehicle services operating account in the special revenue
4 fund under section 299A.705. Of the fee collected under
5 paragraph (a), clause (2), \$3.50 must be paid into the general
6 fund with the remainder deposited into the vehicle services
7 operating account in the special revenue fund under section
8 299A.705.

9 (c) A ~~motor-vehicle~~ dealer shall retain \$2.50 of each
10 filing fee imposed under this subdivision for a completed
11 transaction involving the sale of a ~~motor~~ vehicle to or by a
12 ~~licensed~~ dealer, if the dealer electronically transmits the
13 transaction to the department commissioner or a deputy registrar.
14 The department commissioner shall develop procedures to
15 implement this subdivision in consultation with the Minnesota
16 Deputy Registrar Association and the Minnesota Automobile
17 Dealers Association. Deputy registrars ~~shall~~ must not be
18 prohibited from receiving and processing required documents
19 supporting an electronic transaction.

20 Subd. 8. [TEMPORARY DISABILITY PERMIT AND FEE.] The
21 registrar commissioner shall allow deputy registrars to
22 implement and follow procedures for processing applications and
23 accepting and remitting fee payments for 30-day temporary
24 disability permits issued under section 169.345, subdivision 3,
25 paragraph (c), that are identical or substantially similar to
26 the procedures required by law or rule for motor vehicle
27 registration and titling transactions.

28 Subd. 9. [RULES.] The commissioner ~~of-public-safety~~ may
29 adopt rules for administering and enforcing this section.

30 Sec. 26. Minnesota Statutes 2004, section 168.345,
31 subdivision 1, is amended to read:

32 Subdivision 1. [INFORMATION BY TELEPHONE.] Information
33 ~~concerning-motor~~ about vehicle registrations shall not be
34 furnished on the telephone to any person except the personnel of
35 law enforcement agencies and the personnel of governmental motor
36 vehicle and registration offices.

1 Sec. 27. Minnesota Statutes 2004, section 168.345,
2 subdivision 2, is amended to read:

3 Subd. 2. [LESSEES; INFORMATION.] The ~~registrar~~
4 commissioner may not furnish information concerning about
5 registered owners of passenger automobiles who are lessees under
6 a lease for a term of 180 days or more to any person except the
7 personnel of law enforcement agencies and federal, state, and
8 local governmental units, and, at the ~~registrar's~~ commissioner's
9 discretion, to persons who use the information to notify lessees
10 of automobile recalls. The ~~registrar~~ commissioner may release
11 information about lessees in the form of summary data, as
12 defined in section 13.02, to persons who use the information in
13 conducting statistical analysis and market research.

14 Sec. 28. Minnesota Statutes 2004, section 168.381, is
15 amended to read:

16 168.381 [MANUFACTURE OF VEHICLE LICENSE PLATES;
17 APPROPRIATIONS.]

18 Subdivision 1. [CORRECTIONAL FACILITIES; OTHER
19 MANUFACTURERS.] (a) ~~License-number~~ Plates required by law this
20 chapter may be manufactured by the Minnesota Correctional
21 Facility-St. Cloud, the Minnesota Correctional
22 Facility-Stillwater, or other facility established by law for
23 the confinement of persons convicted of felony, upon order from
24 the ~~registrar-of-motor-vehicles~~ commissioner. The order must
25 state the quality of material desired in the plates, the plate
26 specifications, and the amount or number desired.

27 (b) Should the commissioner of corrections decide not to
28 supply the required quantity of ~~license~~ plates, or discontinue
29 the manufacture of plates, the commissioner of public safety is
30 authorized to seek other suppliers on a competitive basis.

31 Subd. 2. [LABORATORY TESTING; COSTS.] (a) Materials
32 purchased to be used in the manufacture of ~~motor-vehicle-number~~
33 plates must be tested as to conformance with specifications
34 established by the ~~commissioner of-public-safety~~ in a privately
35 operated laboratory service to be designated by the
36 commissioner. The cost of the laboratory must be included in

1 the cost of materials purchased.

2 (b) The cost of delivery of number plates to the
3 commissioner ~~of-public-safety~~ at places designated by the
4 commissioner must be included in the expenses incurred in their
5 manufacture.

6 Subd. 3. [SPECIFICATIONS.] The commissioner ~~of-public~~
7 ~~safety~~ shall establish new or revised specifications for the
8 material and equipment used in the manufacture of number plates
9 ordered for manufacture after August 1, 1975, and may from time
10 to time revise the specifications; provided that the
11 specifications conform to the requirements of section 168.12.
12 In establishing new or revised specifications, the commissioner
13 shall consult with and give consideration to the advice and
14 recommendations of representatives of the Minnesota State
15 Patrol, local police officers' associations, and the county
16 sheriffs' association.

17 Subd. 4. [APPROPRIATIONS.] (a) Money appropriated to the
18 Department of Public Safety to procure the plates for any fiscal
19 year or years ~~are~~ is available for allotment, encumbrance, and
20 expenditure from and after the date of the enactment of the
21 appropriation. Materials and equipment used in the manufacture
22 of number plates are subject only to the approval of the
23 commissioner ~~of-public-safety~~.

24 (b) This section contemplates that money to be appropriated
25 to the Department of Public Safety ~~in-order~~ to carry out the
26 terms and provisions of this section will be appropriated by the
27 legislature from the highway-user-tax-distribution vehicle
28 services operating account in the special revenue fund.

29 ~~(c)-A-sum-sufficient-is-appropriated-annually-from-the~~
30 ~~highway-user-tax-distribution-fund-to-the-commissioner-of-public~~
31 ~~safety-to-pay-the-costs-of-purchasing,delivering,and-mailing~~
32 ~~motor-vehicle-license-number-plates,license-plate-registration~~
33 ~~tabs-or-stickers,and-license-plate-registration-notices.~~

34 Sec. 29. Minnesota Statutes 2004, section 168.54,
35 subdivision 4, is amended to read:

36 Subd. 4. [TRANSFER FEE.] A fee of \$3 is imposed upon every

1 transfer of ownership by the commissioner ~~of public safety~~ of
 2 any motor vehicle for which a registration certificate has
 3 heretofore been issued under this chapter, except vehicles sold
 4 for the purposes of salvage ~~or~~, dismantling, or permanent
 5 removal from the state.

6 Sec. 30. Minnesota Statutes 2004, section 168.54,
 7 subdivision 5, is amended to read:

8 Subd. 5. [PROCEEDS TO GENERAL FUND.] The
 9 ~~registrar~~ commissioner shall collect the proceeds of the fee
 10 imposed under this section and deposit them in the general fund
 11 pursuant to section 168A.31.

12 Sec. 31. Minnesota Statutes 2004, section 168A.152,
 13 subdivision 2, is amended to read:

14 Subd. 2. [INSPECTION FEE; PROCEEDS TO ~~GENERAL-FUND~~ VEHICLE
 15 SERVICES OPERATING ACCOUNT.] (a) A fee of ~~\$20~~ \$35 must be paid
 16 to the department before the department issues a certificate of
 17 title for a vehicle that has been inspected and for which a
 18 certificate of inspection has been issued pursuant to
 19 subdivision 1. The only additional fee that may be assessed for
 20 issuing the certificate of title is the filing fee imposed under
 21 section 168.33, subdivision 7.

22 (b) ~~Fees~~ Of the fee collected by the department under this
 23 subdivision, for conducting inspections under subdivision 1, \$20
 24 must be deposited in the general fund and the remainder of the
 25 fee collected must be deposited in the vehicle services
 26 operating account in the special revenue fund as specified in
 27 section 299A.705.

28 Sec. 32. Minnesota Statutes 2004, section 168A.29, is
 29 amended to read:

30 168A.29 [FEES.]

31 Subdivision 1. [AMOUNTS.] (a) The department ~~shall~~ must be
 32 paid the following fees:

33 (1) for filing an application for and the issuance of an
 34 original certificate of title, the sum of ~~\$3~~ \$5.50 of which
 35 \$2.50 must be paid into the vehicle services operating account
 36 of the special revenue fund under section 299A.705;

1 (2) for each security interest when first noted upon a
2 certificate of title, including the concurrent notation of any
3 assignment thereof and its subsequent release or satisfaction,
4 the sum of \$2, except that no fee is due for a security interest
5 filed by a public authority under section 168A.05, subdivision
6 8;

7 (3) for the transfer of the interest of an owner and the
8 issuance of a new certificate of title, the sum of \$3 \$5.50 of
9 which \$2.50 must be paid into the vehicle services operating
10 account of the special revenue fund under section 299A.705;

11 (4) for each assignment of a security interest when first
12 noted on a certificate of title, unless noted concurrently with
13 the security interest, the sum of \$1;

14 (5) for issuing a duplicate certificate of title, the sum
15 of \$4 \$6.50 of which \$2.50 must be paid into the vehicle
16 services operating account of the special revenue fund under
17 section 299A.705.

18 (b) After June 30, 1994, in addition to each of the fees
19 required under paragraph (a), clauses (1) and (3), the
20 department ~~shall~~ must be paid \$3.50. The additional \$3.50 fee
21 collected under this paragraph must be deposited in the special
22 revenue fund and credited to the public safety motor vehicle
23 account established in section 299A.70.

24 Subd. 2. [FEE IN LIEU OF OTHER FEE.] If a person applies
25 for an original or a new certificate of title to a vehicle,
26 concurrently with an application, as transferee, of registration
27 of the vehicle, the fee prescribed in subdivision 1 ~~shall~~ must
28 be in lieu of the fee prescribed by section 168.54, with respect
29 to any transfer of ownership or registration of the vehicle to
30 the applicant.

31 Subd. 3. [NO CERTIFICATE ISSUED UNTIL FEES PAID.] Subject
32 to subdivision 2, the department shall not issue a certificate
33 of title to a vehicle until all fees prescribed by sections
34 168.54 and 168A.10, subdivision 6, with respect to any prior
35 transfer of ownership or registration of the vehicle ~~shall~~ have
36 been paid.

1 Sec. 33. Minnesota Statutes 2004, section 168A.31, is
2 amended to read:

3 168A.31 [DISPOSITION OF FEES; PAYMENT OF EXPENSES.]

4 Subdivision 1. [~~PAID-TO-GENERAL~~ FUND DISTRIBUTION.] All
5 fees prescribed by sections 168A.01 to 168A.31 and 168.54
6 collected by the department must be paid into the general fund,
7 unless otherwise specified in chapter 168A.

8 Subd. 2. [EXPENSES; APPROPRIATION.] All necessary expenses
9 incurred by the department for the administration of sections
10 168A.01 to 168A.31 ~~shall~~ must be paid from moneys money in the
11 ~~transfer-of-ownership-revolving~~ vehicle services operating
12 account of the special revenue fund, ~~and such funds are hereby~~
13 appropriated as specified in section 299A.705.

14 Sec. 34. Minnesota Statutes 2004, section 169.09,
15 subdivision 13, is amended to read:

16 Subd. 13. [REPORTS CONFIDENTIAL; EVIDENCE, FEE, PENALTY,
17 APPROPRIATION.] (a) All ~~written~~ reports and supplemental reports
18 information required under this section ~~shall~~ must be for the
19 use of the commissioner of public safety and other appropriate
20 state, federal, county, and municipal governmental agencies for
21 accident analysis purposes, except:

22 (1) the commissioner of public safety or any law
23 enforcement agency shall, upon written request of any ~~person~~
24 individual involved in an accident or upon written request of
25 the representative of the ~~person's~~ individual's estate,
26 surviving spouse, or one or more surviving next of kin, or a
27 trustee appointed ~~pursuant-to~~ under section 573.02, disclose to
28 the requester, the requester's legal counsel, or a
29 representative of the requester's insurer the report required
30 under subdivision 8;

31 (2) the commissioner of public safety shall, upon written
32 request, provide the driver filing a report under subdivision 7
33 with a copy of the report filed by the driver;

34 (3) the commissioner of public safety may verify with
35 insurance companies vehicle insurance information to enforce
36 sections 65B.48, 169.792, 169.793, 169.796, and 169.797;

1 (4) the commissioner of public safety shall provide the
2 commissioner of transportation the information obtained for each
3 traffic accident involving a commercial motor vehicle, for
4 purposes of administering commercial vehicle safety regulations;
5 and

6 (5) the commissioner of public safety may give to the
7 United States Department of Transportation commercial vehicle
8 accident information in connection with federal grant programs
9 relating to safety.

10 (b) Accident reports and data contained in the reports
11 ~~shall~~ are not be discoverable under any provision of law or rule
12 of court. No report shall be used as evidence in any trial,
13 civil or criminal, or any action for damages or criminal
14 proceedings arising out of an accident, ~~except that~~. However,
15 the commissioner of public safety shall furnish, upon the demand
16 of any person who has, or claims to have, made a report, or
17 upon demand of any court, a certificate showing that a specified
18 accident report has or has not been made to the commissioner
19 solely to prove compliance or failure to comply with the
20 requirements that the report be made to the commissioner.

21 (c) Nothing in this subdivision prevents any person
22 individual who has made a report ~~pursuant to~~ under this section
23 from providing information to any persons individuals involved
24 in an accident or their representatives or from testifying in
25 any trial, civil or criminal, arising out of an accident, as to
26 facts within the ~~person's~~ individual's knowledge. It is
27 intended by this subdivision to render privileged the reports
28 required, but it is not intended to prohibit proof of the facts
29 to which the reports relate.

30 (d) Disclosing any information contained in any accident
31 report, except as provided in this subdivision, section 13.82,
32 subdivision 3 or 6, or other statutes, is a misdemeanor.

33 (e) The commissioner of public safety ~~may~~ shall charge
34 authorized persons as described in paragraph (a) a \$5 fee for a
35 copy of an accident report. Ninety percent of the \$5 fee
36 collected under this paragraph must be deposited in the special

1 revenue fund and credited to the driver services operating
2 account established in section 299A.705 and ten percent must be
3 deposited in the general fund. The commissioner may also
4 furnish ~~copies-of-the-modified-accident-records~~ an electronic
5 copy of the database of accident records, which must not contain
6 personal or private data on an individual, to private agencies
7 as provided in paragraph (g), for not less than the cost of
8 preparing the copies on a bulk basis as provided in section
9 13.03, subdivision 3.

10 (f) The fees specified in paragraph (e) notwithstanding,
11 the commissioner and law enforcement agencies ~~may~~ shall charge
12 commercial users who request access to response or incident data
13 relating to accidents a fee not to exceed 50 cents per
14 ~~report~~ record. "Commercial user" is a user who in one location
15 requests access to data in more than five accident reports per
16 month, unless the user establishes that access is not for a
17 commercial purpose. Of the money collected by the commissioner
18 under this paragraph is-appropriated-to-the-commissioner, 90
19 percent must be deposited in the special revenue fund and
20 credited to the driver services operating account established in
21 section 299A.705 and ten percent must be deposited in the
22 general fund.

23 (g) The fees in paragraphs (e) and (f) notwithstanding, the
24 commissioner ~~may~~ shall provide ~~a-modified~~ an electronic copy of
25 the accident records database ~~that-does~~ to the public on a
26 case-by-case basis using the cost-recovery charges provided for
27 under section 13.03, subdivision 3. The database provided must
28 not contain ~~names, driver's license numbers, vehicle license~~
29 ~~plate numbers, addresses, or other identifying data to the~~
30 ~~public-upon-request~~ personal or private data on an individual.
31 However, unless the accident records data base includes
32 the motor vehicle identification number, the commissioner shall
33 include the vehicle ~~license~~ registration plate number if a
34 private agency certifies and agrees that the agency:

35 (1) is in the business of collecting accident and damage
36 information on vehicles;

1 (2) will use the vehicle ~~license~~ registration plate number
 2 only for ~~the-purpose-of~~ identifying vehicles that have been
 3 involved in accidents or damaged ~~in-order,~~ to provide this
 4 information to persons seeking access to a vehicle's history and
 5 not for ~~the-purpose-of~~ identifying individuals or for any other
 6 purpose; and

7 (3) will be subject to the penalties and remedies under
 8 sections 13.08 and 13.09.

9 Sec. 35. Minnesota Statutes 2004, section 169A.60,
 10 subdivision 16, is amended to read:

11 Subd. 16. [~~FEES CREDITED TO-HIGHWAY-USER-FUND.~~] Fees
 12 collected from the sale or reinstatement of license plates under
 13 this section must be paid into the state treasury and credited
 14 one-half to the ~~highway-user-tax-distribution-fund~~ vehicle
 15 services operating account in the special revenue fund specified
 16 in section 299A.705 and one-half to the general fund.

17 Sec. 36. Minnesota Statutes 2004, section 171.06,
 18 subdivision 2, is amended to read:

19 Subd. 2. [FEES.] (a) The fees for a license and Minnesota
 20 identification card are as follows:

21 Classified Driver's License D-~~\$18.50~~ \$21.50 C-~~\$22.50~~ \$25.50

22 B-~~\$29.50~~ \$32.50 A-~~\$37.50~~ \$40.50

23 Classified Under-21 D.L. D-~~\$18.50~~ \$21.50 C-~~\$22.50~~ \$25.50

24 B-~~\$29.50~~ \$32.50 A-~~\$17.50~~ \$20.50

25 Instruction Permit \$ 9.50

26 Provisional License \$-~~9.50~~ \$12.50

27 Duplicate License or

28 duplicate identification card \$-~~8.00~~ \$11.00

29 Minnesota identification card or Under-21 Minnesota

30 identification card, other than duplicate,

31 except as otherwise provided in section 171.07,

32 subdivisions 3 and 3a \$~~12.50~~ \$15.50

33 (b) Notwithstanding paragraph (a), ~~a-person~~ an individual

34 who holds a provisional license and has a driving record free of

35 (1) convictions for a violation of section 169A.20, 169A.33,

36 169A.35, or sections 169A.50 to 169A.53, (2) convictions for

1 crash-related moving violations, and (3) convictions for moving
2 violations that are not crash related, shall have a \$3.50 credit
3 toward the fee for any classified under-21 driver's license.
4 "Moving violation" has the meaning given it in section 171.04,
5 subdivision 1.

6 (c) In addition to the driver's license fee required under
7 paragraph (a), the ~~registrar~~ commissioner shall collect an
8 additional \$4 processing fee from each new applicant or ~~person~~
9 individual renewing a license with a school bus endorsement to
10 cover the costs for processing an applicant's initial and
11 biennial physical examination certificate. The department shall
12 not charge these applicants any other fee to receive or renew
13 the endorsement.

14 Sec. 37. Minnesota Statutes 2004, section 171.06,
15 subdivision 2a, is amended to read:

16 Subd. 2a. [TWO-WHEELED VEHICLE ENDORSEMENT FEE INCREASED.]

17 (a) The fee for any duplicate driver's license ~~which-is~~ obtained
18 for the purpose of adding a two-wheeled vehicle endorsement is
19 increased by \$18.50 for each first such duplicate license and
20 \$13 for each renewal thereof. The additional fee ~~shall~~ must be
21 paid into the state treasury and credited as follows:

22 (1) \$11 of the additional fee for each first duplicate
23 license, and \$7 of the additional fee for each renewal, must be
24 credited to the motorcycle safety fund, which is hereby created;
25 provided, that any ten percent of fee receipts in excess of
26 \$750,000 in a fiscal year ~~shall~~ must be credited ~~90-percent-to~~
27 ~~the-trunk-highway-fund-and-ten-percent~~ to the general fund, ~~as~~
28 ~~provided-in-section-171-26.~~

29 (2) The remainder of the additional fee must be credited to
30 the general fund.

31 (b) All application forms prepared by the commissioner for
32 two-wheeled vehicle endorsements ~~shall~~ must clearly state the
33 amount of the total fee that is dedicated to the motorcycle
34 safety fund.

35 Sec. 38. Minnesota Statutes 2004, section 171.061,
36 subdivision 4, is amended to read:

1 Subd. 4. [FEE; EQUIPMENT.] (a) The agent may charge and
2 retain a filing fee of ~~\$3-50~~ \$5 for each application. Except as
3 provided in paragraph (b), the fee shall cover all expenses
4 involved in receiving, accepting, or forwarding to the
5 department the applications and fees required under sections
6 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and
7 171.07, subdivisions 3 and 3a.

8 (b) The department shall maintain the photo identification
9 equipment for all agents appointed as of January 1, 2000. Upon
10 the retirement, resignation, death, or discontinuance of an
11 existing agent, and if a new agent is appointed in an existing
12 office pursuant to Minnesota Rules, chapter 7404, and
13 notwithstanding the above or Minnesota Rules, part 7404.0400,
14 the department shall provide and maintain photo identification
15 equipment without additional cost to a newly appointed agent in
16 that office if the office was provided the equipment by the
17 department before January 1, 2000. All photo identification
18 equipment must be compatible with standards established by the
19 department.

20 (c) A filing fee retained by the agent employed by a county
21 board must be paid into the county treasury and credited to the
22 general revenue fund of the county. An agent who is not an
23 employee of the county shall retain the filing fee in lieu of
24 county employment or salary and is considered an independent
25 contractor for pension purposes, coverage under the Minnesota
26 State Retirement System, or membership in the Public Employees
27 Retirement Association.

28 (d) Before the end of the first working day following the
29 final day of the reporting period established by the department,
30 the agent must forward to the department all applications and
31 fees collected during the reporting period except as provided in
32 paragraph (c).

33 Sec. 39. Minnesota Statutes 2004, section 171.07,
34 subdivision 11, is amended to read:

35 Subd. 11. [STANDBY OR TEMPORARY CUSTODIAN.] (a) Upon the
36 written request of the applicant and upon payment of an

1 additional fee of \$3.50, the department shall issue a driver's
2 license or Minnesota identification card bearing a symbol or
3 other appropriate identifier indicating that the license holder
4 has appointed an individual to serve as a standby or temporary
5 custodian under chapter 257B.

6 (b) The request must be accompanied by a copy of the
7 designation executed under section 257B.04.

8 (c) The department shall maintain a computerized records
9 system of all persons individuals listed as standby or temporary
10 custodians by driver's license and identification card
11 applicants. This data ~~shall~~ must be released to appropriate law
12 enforcement agencies under section 13.69. Upon a parent's
13 request and payment of a fee of \$3.50, the department shall
14 revise its list of standby or temporary custodians to reflect a
15 change in the appointment.

16 (d) At the request of the license or cardholder, the
17 department shall cancel the standby or temporary custodian
18 indication without additional charge. However, this paragraph
19 does not prohibit a fee that may be applicable for a duplicate
20 or replacement license or card, renewal of a license, or other
21 service applicable to a driver's license or identification card.

22 (e) Notwithstanding sections 13.08, subdivision 1, and
23 13.69, the department and department employees are conclusively
24 presumed to be acting in good faith when employees rely on
25 statements made, in person or by telephone, by persons
26 purporting to be law enforcement and subsequently release
27 information described in paragraph (b). When acting in good
28 faith, the department and department personnel are immune from
29 civil liability and not subject to suit for damages resulting
30 from the release of this information.

31 (f) The department and its employees:

32 (1) have no duty to inquire or otherwise determine whether
33 a designation submitted under this subdivision is legally valid
34 and enforceable; and

35 (2) are immune from all civil liability and not subject to
36 suit for damages resulting from a claim that the designation was

1 not legally valid and enforceable.

2 (g) Of the fees received by the department under this
3 subdivision:

4 (1) ~~Up to \$111,000 received in fiscal year 1997 and up to~~
5 ~~\$61,000 received in subsequent fiscal years~~ must be deposited in
6 the general fund.

7 (2) All other fees must be deposited in the ~~trunk-highway~~
8 driver services operating account in the special revenue fund
9 specified in section 299A.705.

10 Sec. 40. Minnesota Statutes 2004, section 171.13,
11 subdivision 6, is amended to read:

12 Subd. 6. [INITIAL MOTORCYCLE ENDORSEMENT FEE.] A person
13 applying for an initial motorcycle endorsement on a driver's
14 license shall pay at the place of examination a total fee of
15 \$21, which includes the examination fee and endorsement fee, but
16 does not include the fee for a duplicate driver's license
17 prescribed in section 171.06, subdivision 2. Of this amount,
18 \$11 must be credited as provided in section 171.06, subdivision
19 2a, paragraph (a), clause (1), \$2.50 must be credited to
20 the ~~trunk-highway~~ driver services operating account in the
21 special revenue fund specified under section 299A.705, and the
22 remainder must be credited to the general fund.

23 Sec. 41. Minnesota Statutes 2004, section 171.13, is
24 amended by adding a subdivision to read:

25 Subd. 7. [REPEAT EXAMINATION FEE.] (a) A fee of \$10 must
26 be paid by an individual to take a third and any subsequent
27 knowledge test administered by the department if the individual
28 has failed two previous consecutive knowledge tests on the
29 subject.

30 (b) A fee of \$20 must be paid by an individual to take a
31 third and any subsequent skills or road test administered by the
32 department if the individual has previously failed two
33 consecutive skill or road tests in a specified class of motor
34 vehicle.

35 (c) All fees received under this subdivision must be paid
36 into the state treasury and credited to the driver services

1 operating account in the special revenue fund specified under
2 section 299A.705.

3 Sec. 42. Minnesota Statutes 2004, section 171.20,
4 subdivision 4, is amended to read:

5 Subd. 4. [REINSTATEMENT FEE.] (a) Before the license is
6 reinstated, (1) ~~a-person~~ an individual whose driver's license
7 has been suspended under section 171.16, subdivision 2; 171.18,
8 except subdivision 1, clause (10); or 171.182, or who has been
9 disqualified from holding a commercial driver's license under
10 section 171.165, and (2) ~~a-person~~ an individual whose driver's
11 license has been suspended under section 171.186 and who is not
12 exempt from such a fee, must pay a fee of \$20.

13 (b) Before the license is reinstated, ~~a-person~~ an
14 individual whose license has been suspended under sections
15 169.791 to 169.798 must pay a \$20 reinstatement fee.

16 (c) When fees are collected by a licensing agent appointed
17 under section 171.061, a handling charge is imposed in the
18 amount specified under section 171.061, subdivision 4. The
19 reinstatement fee and surcharge must be deposited in an approved
20 state depository as directed under section 171.061, subdivision
21 4.

22 (d) A suspension may be rescinded without fee for good
23 cause.

24 Sec. 43. Minnesota Statutes 2004, section 171.26, is
25 amended to read:

26 171.26 [MONEY CREDITED TO FUNDS.]

27 All money received under this chapter must be paid into the
28 state treasury and credited to the ~~trunk-highway~~ driver services
29 operating account in the special revenue fund specified under
30 section 299A.705, except as provided in sections 171.06,
31 subdivision 2a; 171.07, subdivision 11, paragraph (g); ~~171.127~~
32 ~~subdivision-87~~ and 171.29, subdivision 2, paragraph (b).

33 Sec. 44. Minnesota Statutes 2004, section 171.29,
34 subdivision 2, is amended to read:

35 Subd. 2. [REINSTATEMENT FEES AND SURCHARGES ALLOCATED AND
36 APPROPRIATED.] (a) ~~A-person~~ An individual whose driver's license

1 has been revoked as provided in subdivision 1, except under
2 section 169A.52, 169A.54, or 609.21, ~~shall~~ must pay a \$30 fee
3 before the driver's license is reinstated.

4 (b) A person whose driver's license has been revoked as
5 provided in subdivision 1 under section 169A.52, 169A.54, or
6 609.21, ~~shall~~ must pay a \$250 fee plus a \$40 surcharge before
7 the driver's license is reinstated. Beginning July 1, 2002, the
8 surcharge is \$145. Beginning July 1, 2003, the surcharge is
9 \$430. The \$250 fee is to be credited as follows:

10 (1) Twenty percent must be credited to the ~~trunk-highway~~
11 driver services operating account in the special revenue fund as
12 specified in section 299A.705.

13 (2) Sixty-seven percent must be credited to the general
14 fund.

15 (3) Eight percent must be credited to a separate account to
16 be known as the Bureau of Criminal Apprehension account. Money
17 in this account may be appropriated to the commissioner of
18 public safety and the appropriated amount must be apportioned 80
19 percent for laboratory costs and 20 percent for carrying out the
20 provisions of section 299C.065.

21 (4) Five percent must be credited to a separate account to
22 be known as the vehicle forfeiture account, which is created in
23 the special revenue fund. The money in the account is annually
24 appropriated to the commissioner for costs of handling vehicle
25 forfeitures.

26 (c) The revenue from \$50 of each surcharge must be credited
27 to a separate account to be known as the traumatic brain injury
28 and spinal cord injury account. The money in the account is
29 annually appropriated to the commissioner of health to be used
30 as follows: 83 percent for contracts with a qualified
31 community-based organization to provide information, resources,
32 and support to assist persons with traumatic brain injury and
33 their families to access services, and 17 percent to maintain
34 the traumatic brain injury and spinal cord injury registry
35 created in section 144.662. For the purposes of this
36 ~~clause paragraph~~, a "qualified community-based organization" is

1 a private, not-for-profit organization of consumers of traumatic
2 brain injury services and their family members. The
3 organization must be registered with the United States Internal
4 Revenue Service under section 501(c)(3) as a tax-exempt
5 organization and must have as its purposes:

6 (i) the promotion of public, family, survivor, and
7 professional awareness of the incidence and consequences of
8 traumatic brain injury;

9 (ii) the provision of a network of support for persons with
10 traumatic brain injury, their families, and friends;

11 (iii) the development and support of programs and services
12 to prevent traumatic brain injury;

13 (iv) the establishment of education programs for persons
14 with traumatic brain injury; and

15 (v) the empowerment of persons with traumatic brain injury
16 through participation in its governance.

17 No A patient's name, identifying information, or identifiable
18 medical data ~~will~~ must not be disclosed to the organization
19 without the informed voluntary written consent of the patient or
20 patient's guardian or, if the patient is a minor, of the parent
21 or guardian of the patient.

22 (d) The remainder of the surcharge must be credited to a
23 separate account to be known as the remote electronic
24 alcohol-monitoring program account. The commissioner shall
25 transfer the balance of this account to the commissioner of
26 finance on a monthly basis for deposit in the general fund.

27 (e) When these fees are collected by a licensing agent,
28 appointed under section 171.061, a handling charge is imposed in
29 the amount specified under section 171.061, subdivision 4. The
30 reinstatement fees and surcharge must be deposited in an
31 approved ~~state~~ depository as directed under section 171.061,
32 subdivision 4.

33 Sec. 45. Minnesota Statutes 2004, section 171.36, is
34 amended to read:

35 171.36 [LICENSE RENEWAL; FEES; PROCEEDS TO TRUNK-HIGHWAY
36 FUND DRIVER SERVICES OPERATING ACCOUNT.]

1 All licenses ~~shall~~ expire one year from the date of
2 issuance and may be renewed upon application to the
3 commissioner. Each application for an original or renewal
4 school license ~~shall~~ must be accompanied by a fee of \$150 and
5 each application for an original or renewal instructor's license
6 ~~shall~~ must be accompanied by a fee of \$50. The license fees
7 collected under sections 171.33 to 171.41 ~~shall~~ must be paid
8 into the trunk-highway driver services operating account in the
9 special revenue fund specified under section 299A.705. No A
10 license fee ~~shall~~ must not be refunded in the event that the
11 license is rejected or revoked.

12 Sec. 46. [299A.705] [DRIVER AND VEHICLE SERVICES OPERATING
13 ACCOUNTS.]

14 Subdivision 1. [VEHICLE SERVICES OPERATING ACCOUNT.] (a)
15 The vehicle services operating account is created in the special
16 revenue fund, consisting of all money from the vehicle services
17 fees specified in chapters 168 and 168A and any other money
18 otherwise donated, allotted, appropriated, or legislated to this
19 account.

20 (b) Funds appropriated are available to administer vehicle
21 services as specified in chapters 168 and 168A and section
22 169.345, including:

23 (1) designing, producing, issuing, and mailing vehicle
24 registrations, plates, emblems, and titles;

25 (2) collecting title and registration taxes and fees;

26 (3) transferring vehicle registration plates and titles;

27 (4) maintaining vehicle records;

28 (5) issuing disability certificates and plates;

29 (6) licensing vehicle dealers;

30 (7) appointing, monitoring, and auditing deputy registrars;

31 and

32 (8) inspecting vehicles when required by law.

33 Subd. 2. [DRIVER SERVICES OPERATING ACCOUNT.] (a) The
34 driver services operating account is created in the special
35 revenue fund, consisting of all money collected under chapter
36 171 and any other money otherwise donated, allotted,

1 appropriated, or legislated to the account.

2 (b) Money in the account must be used by the commissioner
3 of public safety to administer the driver services specified in
4 chapters 169A and 171, including the activities associated with
5 producing and mailing drivers' licenses and identification cards
6 and notices relating to issuance, renewal, or withdrawal of
7 driving and identification card privileges for any fiscal year
8 or years and for the testing and examination of drivers. Money
9 in the account may also be used for driver and traffic safety
10 activities.

11 Sec. 47. [INSTRUCTION TO REVISOR.]

12 (a) In the statute listed in column A, the revisor shall
13 change the reference in column B to the reference shown in
14 column C:

<u>A</u>	<u>B</u>	<u>C</u>
16 <u>168.181,</u>	16 <u>sections 168.181</u>	16 <u>this section and</u>
17 <u>subdivision 1</u>	17 <u>to 168.231</u>	17 <u>sections 168.183</u>
		18 <u>to 168.221</u>
19 <u>168.211</u>	19 <u>168.231</u>	19 <u>168.221</u>
20 <u>168.221</u>	20 <u>168.231</u>	20 <u>168.211 and this</u>
		21 <u>section</u>
22 <u>168.346</u>	22 <u>168.345,</u>	22 <u>168.327,</u>
	23 <u>subdivision 4</u>	23 <u>subdivision 3</u>

24 (b) The revisor of statutes shall renumber Minnesota
25 Statutes, section 168.33, subdivision 3, as section 168.0185.

26 (c) The revisor of statutes shall also correct any
27 references in Minnesota Rules to the rules repealed or
28 renumbered by this act, as appropriate.

29 Sec. 48. [REPEALER.]

30 (a) Minnesota Statutes 2004, sections 168.012, subdivision
31 12; 168.041, subdivision 11; 168.105, subdivision 6; 168.231;
32 168.345, subdivisions 3 and 4; 170.23; 171.12, subdivision 8;
33 and 171.185, are repealed.

34 (b) Minnesota Statutes 2004, sections 168C.01; 168C.02;
35 168C.03; 168C.04; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09;
36 168C.10; 168C.11; 168C.12; and 168C.13, are repealed.

1 (c) Minnesota Rules, parts 7407.0100; 7407.0200; 7407.0300;
2 7407.0400; 7407.0500; 7407.0600; 7407.0700; 7407.0800;
3 7407.0900; 7407.1000; 7407.1100; 7407.1200; and 7407.1300, are
4 repealed.

5 ARTICLE 4

6 MISCELLANEOUS FINANCE POLICY

7 Section 1. [160.298] [HIGHWAY SIGN PROGRAM; BILLING,
8 ACCOUNT, APPROPRIATION.]

9 The commissioner of transportation may bill highway
10 operations units of the department and local road authorities
11 for the costs of a centrally managed highway sign program.
12 These costs may include equipment acquisition and rental, labor,
13 materials, and other costs as determined by the commissioner.
14 Receipts must be credited to a special account, which is
15 established in the trunk highway fund, and are appropriated to
16 the commissioner to pay the costs for which the billings are
17 made. Amounts credited to the account are exempt from statewide
18 and agency indirect costs payments.

19 Sec. 2. [160.95] [STREET UTILITY FEE.]

20 Subdivision 1. [DEFINITIONS.] For the purposes of this
21 section, the following terms have the meanings given.

22 (a) "Municipality" means a home rule charter or statutory
23 city.

24 (b) "Governing body" means the city council of a
25 municipality.

26 (c) "Reconstruction" means paving, grading, curbs and
27 gutters, bridge repair, overlays, drainage, base work, subgrade
28 corrections, and boulevard restoration.

29 (d) "Facility upgrade" means traffic signals, turn lanes,
30 medians, street approaches, alleys, rights-of-way, sidewalks,
31 retaining walls, fence installation, and additional traffic
32 lanes.

33 (e) "Maintenance" means striping, seal coating, crack
34 sealing, sidewalk maintenance, signal maintenance, street light
35 maintenance, and signage.

36 Subd. 2. [AUTHORIZATION.] A municipality may impose the

1 street utility fee provided in this section against land located
2 within its boundaries.

3 Subd. 3. [PROCEDURES FOR ADOPTION.] A municipality may
4 impose the street utility fee provided in this section by
5 ordinance adopted by a two-thirds vote of its governing body.
6 The ordinance must not be voted on or adopted until after a
7 public hearing has been held on the question. A notice of the
8 time, place, and purpose of the hearing must be published at
9 least once in each week for two successive weeks in the official
10 newspaper of the municipality, or in a newspaper of general
11 content and circulation within the municipality, and the last
12 notice must be published at least seven days before the
13 hearing. The municipality must file the ordinance of record, if
14 adopted, with the county recorder and provide a copy to the
15 county auditor.

16 Subd. 4. [COLLECTION.] The ordinance adopted under this
17 section must provide for the billing and payment of the fee on a
18 monthly, quarterly, or other basis as directed by the governing
19 body. Fees that, as of October 15 each calendar year, have
20 remained unpaid for at least 30 days must be certified to the
21 county auditor for collection as a special assessment payable in
22 the following calendar year against the affected property.

23 Subd. 5. [MASTER PLAN REQUIREMENT.] A municipality may not
24 impose the fee provided in this section unless it has prepared
25 and adopted a master plan that includes information on the
26 proposed reconstruction, facility upgrade, and maintenance for
27 the following five years. A capital improvement plan, public
28 facility plan, or comparable information qualifies as a master
29 plan. The master plan must include information on the proposed
30 funding sources for all projects required to be included in the
31 plan. The master plan must be adopted by the governing body
32 following a hearing and publication of notice of the hearing, as
33 provided in subdivision 3.

34 Subd. 6. [USE OF PROCEEDS.] Revenues from the fee
35 authorized in this section may only be used for specific
36 projects listed in the master plan. The municipality may not

1 accumulate revenues from the fee beyond the estimated costs for
2 reconstructions, facility upgrades, and maintenance that are
3 described in the master plan.

4 Subd. 7. [DETERMINATION OF FEES.] The fee imposed must be
5 based on the relationship of the revenues the municipality
6 proposes to generate and the traffic impact of each type of land
7 use, and may be established:

8 (1) by reference to the trip-generation rate for each type
9 of land use based on the most current edition of the Institute
10 of Traffic Engineers Trip Generation Manual;

11 (2) on another methodology that recognizes the relationship
12 between land use and traffic impact; or

13 (3) on any other equitable basis as may be determined by
14 the municipality.

15 Subd. 8. [APPEALS.] A property owner may administratively
16 appeal the amount of the fee or the basis on which the
17 municipality calculated the fee, to the governing body within 60
18 days after notice of the amount of fee due has been mailed to
19 the property owner. The appeal must be in writing, signed, and
20 dated by the property owner, and must state the reasons why the
21 amount of the fee or the basis for its calculation is
22 incorrect. The decision of the governing body may be appealed
23 to the district court. If the governing body does not make a
24 decision within six months after the filing of an administrative
25 appeal, the property owner may elect to appeal to the district
26 court. Appeals of a fee or the basis for its calculation to the
27 district court shall be made as prescribed in section 429.081.

28 Subd. 9. [SPECIAL ASSESSMENTS; BONDS; PROPERTY TAX
29 LEVIES.] The use of the street utility fee by a municipality
30 does not restrict the municipality from imposing other measures
31 to pay the costs of local street reconstruction, facility
32 upgrades, or maintenance, such as levying special assessments,
33 issuing bond debt, or levying property taxes.

34 [EFFECTIVE DATE.] This section is effective for fees
35 payable in 2006 and thereafter.

36 Sec. 3. Minnesota Statutes 2004, section 161.081,

1 subdivision 3, is amended to read:

2 Subd. 3. [FLEXIBLE HIGHWAY ACCOUNT; TURNBACK ACCOUNTS.]

3 (a) The flexible highway account is created in the state
4 treasury. Money in the account may be used either for the
5 restoration of former trunk highways that have reverted to
6 counties or to statutory or home rule charter cities, for grants
7 to counties for rural road safety under section 161.088, or
8 for regular-trunk-highway-purposes construction, reconstruction,
9 and maintenance of local roads functionally classified as
10 principal arterial roads under section 161.087.

11 (b) For purposes of this subdivision, "restoration" means
12 the level of effort required to improve the route that will be
13 turned back to an acceptable condition as determined by
14 agreement made between the commissioner and the county or city
15 before the route is turned back.

16 (c) The commissioner shall review the need for funds to
17 restore highways that have been or will be turned back and the
18 need for funds for ~~the-trunk-highway-system~~ rural road safety
19 and local principal arterials. The commissioner
20 shall ~~determine~~ recommend as part of the biennial basis
21 budget, the percentage of this flexible account to be used for
22 county turnbacks, for municipal turnbacks, and for ~~regular-trunk~~
23 ~~highway-projects~~ rural road safety grants, and for construction,
24 reconstruction, and maintenance of local principal arterials.
25 The commissioner shall make this ~~determination~~ recommendation
26 only after meeting and holding discussions with committees
27 selected by the statewide associations of both county
28 commissioners and municipal officials.

29 (d) Money that will be used for the restoration of trunk
30 highways that have reverted or that will revert to cities must
31 be deposited in the municipal turnback account, which is created
32 in the state treasury.

33 (e) Money that will be used for the restoration of trunk
34 highways that have reverted or that will revert to counties must
35 be deposited in the county turnback account, which is created in
36 the state treasury.

1 (f) Money that will be used for grants to counties for
2 rural road safety must be deposited in the rural road safety
3 account under section 161.088.

4 (g) Money that will be used for the construction and
5 maintenance of county principal arterials must be deposited in
6 the county principal arterial account under section 161.087.

7 (h) Money that will be used for the construction,
8 reconstruction, and maintenance of municipal principal arterials
9 must be deposited in the municipal principal arterial account
10 under section 161.087.

11 (i) As part of each biennial budget submission to the
12 legislature, the commissioner shall describe how the money in
13 the flexible highway account will be apportioned among the
14 county turnback account, the municipal turnback account, and the
15 trunk-highway-fund rural road safety account, county principal
16 arterial account, and municipal principal arterial account.

17 ~~(g)-Money-apportioned-from-the-flexible-highway-account-to~~
18 ~~the-trunk-highway-fund-must-be-used-for-state-road-construction~~
19 ~~and-engineering-costs-~~

20 Sec. 4. [161.087] [PRINCIPAL ARTERIAL ACCOUNTS.]

21 (a) A county principal arterial account is established in
22 the county state-aid highway fund. Money in the account is
23 annually appropriated to the commissioner of transportation for
24 expenditure as specified in this subdivision. Money in the
25 account must be used as grants to counties to assist in paying
26 the costs of capital improvement projects on county state-aid
27 highways that are functionally classified as principal arterials.

28 (b) A municipal principal arterial account is established
29 in the municipal state-aid street fund. Money in the account is
30 annually appropriated to the commissioner of transportation for
31 expenditure as specified in this subdivision. Money in the
32 account must be used as grants to cities to assist in paying the
33 costs of capital improvement projects on municipal state-aid
34 streets that are functionally classified as principal arterials.

35 (c) The commissioner shall establish procedures for
36 counties and cities to apply for grants from the principal

1 arterial accounts and criteria to be used to select projects for
2 funding. The commissioner shall establish these procedures in
3 consultation with representatives appointed by the Association
4 of Minnesota Counties and the League of Minnesota Cities.
5 Project selection must be based on the ability of each project
6 to improve traffic flow in the principal arterial corridor and
7 improve safety.

8 Sec. 5. [161.088] [RURAL ROAD SAFETY ACCOUNT.]

9 (a) A rural road safety account is established in the
10 county state-aid highway fund. Money in the account is annually
11 appropriated to the commissioner of transportation for
12 expenditure as specified in this subdivision. Money in the
13 account must be used as grants to counties to assist in paying
14 the costs of capital improvement projects on county state-aid
15 highways that are intended primarily to reduce traffic crashes,
16 deaths, injuries, and property damage.

17 (b) The commissioner shall establish procedures for
18 counties to apply for grants from the rural road safety account
19 and criteria to be used to select projects for funding. The
20 commissioner shall establish these procedures and criteria in
21 consultation with representatives appointed by the Association
22 of Minnesota Counties. Eligibility for project selection must
23 be based on the ability of each proposed project to reduce the
24 frequency and severity of crashes.

25 (c) Money in the account must be allocated in each fiscal
26 year as follows:

27 (1) one-half of money in the account must be used for
28 projects in the counties of Anoka, Chisago, Carver, Dakota,
29 Hennepin, Ramsey, Scott, and Washington; and

30 (2) the remainder must be used for projects elsewhere in
31 the state.

32 Sec. 6. Minnesota Statutes 2004, section 162.06,
33 subdivision 2, is amended to read:

34 Subd. 2. [ADMINISTRATIVE COSTS OF DEPARTMENT.] ~~A-sum-of~~
35 ~~1-1/2~~ Two percent shall must be deducted from the total amount
36 available in the county state-aid highway fund, set aside in a

1 separate account, and used for administrative costs incurred by
2 the state Transportation Department in carrying out the
3 provisions relating to the county state-aid highway system.

4 Sec. 7. [FEDERAL FUNDS FORMULA.]

5 The commissioner of transportation may not implement a new
6 formula for allocating federal transportation funds that results
7 in any construction district receiving an annual amount of
8 federal funds that is less than the annual average amount of
9 federal funding that district received in the previous three
10 years.

11 Sec. 8. [TOWN ROAD SIGN REPLACEMENT PROGRAM.]

12 Subdivision 1. [SCOPE OF PROGRAM.] The commissioner of
13 transportation shall develop and implement a town road sign
14 replacement program to:

15 (1) inventory all county and town road signs;

16 (2) evaluate town road signs for compliance with applicable
17 sign standards;

18 (3) remove and replace town road signs as the commissioner
19 deems necessary; and

20 (4) establish an ongoing sign maintenance program.

21 Subd. 2. [SIGN STANDARDS.] Standards for sign removal,
22 replacement, and installation must conform to applicable
23 federal, state, and local safety standards, including
24 retroreflectivity standards and other provisions of the Manual
25 on Uniform Traffic Control Devices adopted by the commissioner.

26 Subd. 3. [LOCAL GOVERNMENT PARTICIPATION.] The
27 commissioner may establish conditions for local government
28 participation in the town road sign replacement program,
29 including, but not limited to, involvement of county engineers,
30 and establishment and maintenance by the local government of a
31 database of county and town road signs.

32 Subd. 4. [USE OF APPROPRIATIONS.] The commissioner may
33 utilize the proceeds of state appropriations for the town road
34 sign replacement program to match federal funds. The
35 commissioner may establish a pilot program in consultation with
36 the Minnesota Association of Townships.

1 [EFFECTIVE DATE.] This section takes effect on the
2 effective date of a state or federal appropriation for the town
3 road sign replacement program.

4 ARTICLE 5

5 TRANSPORTATION FINANCE

6 Section 1. [CONSTITUTIONAL AMENDMENT PROPOSED.]

7 An amendment to the Minnesota Constitution is proposed to
8 the people. If the amendment is adopted, a section must be
9 added to article XIV, to read:

10 Sec. 12. The proceeds of a tax imposed by the state on the
11 sale of new and used motor vehicles must be appropriated
12 exclusively for surface transportation purposes as defined by
13 law.

14 Sec. 2. [SCHEDULE AND QUESTION.]

15 The constitutional amendment proposed in section 1 must be
16 submitted to the people at the 2006 general election. If
17 approved, motor vehicle sales tax proceeds will be used
18 exclusively for surface transportation purposes as of July 1,
19 2010. The question submitted must be:

20 "Shall the Minnesota Constitution be amended to use the
21 revenue from the state motor vehicle sales tax exclusively for
22 surface transportation purposes, beginning July 1, 2010?

23 Yes

24 No"

25 Sec. 3. [16A.89] [MULTIMODAL TRANSPORTATION FUND.]

26 A multimodal transportation fund is established in the
27 state treasury. The fund consists of money credited under
28 section 297B.09, subdivision 1, and other money credited to the
29 fund by law. Money in the fund must be appropriated for
30 multimodal surface transportation purposes including, but not
31 limited to, state road construction, transit capital and
32 operations, state patrol operations, local road construction and
33 maintenance, transportation safety and research activities, and
34 Department of Transportation tort claims.

35 Sec. 4. Minnesota Statutes 2004, section 162.07,
36 subdivision 1, is amended to read:

1 Subdivision 1. [FORMULA.] After deducting for
2 administrative costs and for the disaster account and research
3 account and state park roads as heretofore provided in section
4 162.06, subdivisions 2 to 5, the remainder of the total sum
5 provided for in section 162.06, subdivision 1, ~~shall be~~ is
6 identified as the apportionment sum and ~~shall be apportioned by~~
7 ~~the commissioner to the several counties on the basis of the~~
8 ~~needs of the counties as determined in accordance with the~~
9 ~~following formula:~~

10 (a) ~~An amount equal to ten percent of the apportionment sum~~
11 ~~shall be apportioned equally among the 87 counties.~~

12 (b) ~~An amount equal to ten percent of the apportionment sum~~
13 ~~shall be apportioned among the several counties so that each~~
14 ~~county shall receive of such amount the percentage that its~~
15 ~~motor vehicle registration for the calendar year preceding the~~
16 ~~one last past, determined by residence of registrants, bears to~~
17 ~~the total statewide motor vehicle registration.~~

18 (c) ~~An amount equal to 30 percent of the apportionment sum~~
19 ~~shall be apportioned among the several counties so that each~~
20 ~~county shall receive of such amount the percentage that its~~
21 ~~total lane miles of approved county state aid highways bears to~~
22 ~~the total lane miles of approved statewide county state aid~~
23 ~~highways.---In 1997 and subsequent years no county may receive,~~
24 ~~as a result of an apportionment under this clause based on~~
25 ~~lane miles rather than miles of approved county state aid~~
26 ~~highways, an apportionment that is less than its apportionment~~
27 ~~in 1996.~~

28 (d) ~~An amount equal to 50 percent of the apportionment sum~~
29 ~~shall be apportioned among the several counties so that each~~
30 ~~county shall receive of such amount the percentage that its~~
31 ~~money needs bears to the sum of the money needs of all of the~~
32 ~~individual counties, provided, that the percentage of such~~
33 ~~amount that each county is to receive shall be adjusted so that~~
34 ~~each county shall receive in 1958 a total apportionment at least~~
35 ~~ten percent greater than its total 1956 apportionments from the~~
36 ~~state road and bridge fund, and provided further that those~~

1 ~~counties-whose-money-needs-are-thus-adjusted-shall-never-receive~~
 2 ~~a-percentage-of-the-apportionment-sum-less-than-the-percentage~~
 3 ~~that-such-county-received-in-1958~~ the excess sum.

4 (a) The excess sum is calculated as the sum of the amounts
 5 described in clauses (1) and (2), reduced by a proportionate
 6 share of the deductions for administrative costs and for the
 7 disaster account and research account, as follows:

8 (1) on or after July 1, 2005, the amount due to an increase
 9 imposed in the gasoline excise tax rate above a rate of 20 cents
 10 per gallon; or in the excise tax rate for E85, M85, and special
 11 fuels above the energy equivalent of a gasoline tax rate of 20
 12 cents per gallon; and

13 (2) the amount due to a change in the passenger vehicle
 14 registration tax under section 168.013, imposed on or after July
 15 1, 2005, that exceeds the amount collected in fiscal year 2005
 16 multiplied by the annual average United States Consumer Price
 17 Index for all urban consumers, United States city average, as
 18 determined by the United States Department of Labor for the
 19 previous year, divided by that annual average for calendar year
 20 2004.

21 (b) The apportionment sum is calculated by subtracting the
 22 excess sum from the remainder of the total sum.

3 Sec. 5. Minnesota Statutes 2004, section 162.07, is
 24 amended by adding a subdivision to read:

25 Subd. 1a. [APPORTIONMENT SUM.] The commissioner shall
 26 apportion the apportionment sum among the several counties on
 27 the basis of the needs of the counties as determined in
 28 accordance with the following formula:

29 (a) An amount equal to ten percent of the apportionment sum
 30 must be apportioned equally among the 87 counties.

31 (b) An amount equal to ten percent of the apportionment sum
 32 must be apportioned among the several counties so that each
 33 county receives of that amount the percentage that its motor
 34 vehicle registration for the calendar year preceding the one
 35 last past, determined by residence of registrants, bears to the
 36 total statewide motor vehicle registration.

1 (c) An amount equal to 30 percent of the apportionment sum
2 must be apportioned among the several counties so that each
3 county receives of that amount the percentage that its total
4 lane-miles of approved county state-aid highways bears to the
5 total lane-miles of approved statewide county state-aid
6 highways. In 1997 and subsequent years, no county may receive,
7 as a result of an apportionment under this paragraph based on
8 lane-miles rather than miles of approved county state-aid
9 highways, an apportionment that is less than its apportionment
10 in 1996.

11 (d) An amount equal to 50 percent of the apportionment sum
12 must be apportioned among the several counties so that each
13 county receives of that amount the percentage that its money
14 needs bears to the sum of the money needs of all of the
15 individual counties; provided that the percentage of the amount
16 that each county is to receive must be adjusted so that each
17 county receives in 1958 a total apportionment at least ten
18 percent greater than its total 1956 apportionments from the
19 state road and bridge fund; and provided, further, that those
20 counties whose money needs are thus adjusted shall never receive
21 a percentage of the apportionment sum less than the percentage
22 that such county received in 1958.

23 Sec. 6. Minnesota Statutes 2004, section 162.07, is
24 amended by adding a subdivision to read:

25 Subd. 1b. [EXCESS SUM.] The commissioner shall apportion
26 the excess sum to the several counties on the basis of the needs
27 of the counties as determined in accordance with the following
28 formula:

29 (a) An amount equal to 40 percent of the excess sum must be
30 apportioned among the several counties so that each county
31 receives of that amount the percentage that its motor vehicle
32 registration for the calendar year preceding the one last past,
33 determined by residence of registrants, bears to the total
34 statewide motor vehicle registration.

35 (b) An amount equal to 60 percent of the excess sum must be
36 apportioned among the several counties so that each county

1 receives of that amount the percentage that its money needs
 2 bears to the sum of the money needs of all of the individual
 3 counties.

4 Sec. 7. Minnesota Statutes 2004, section 163.051, is
 5 amended to read:

6 163.051 [METROPOLITAN COUNTY WHEELAGE TAX.]

7 Subdivision 1. [TAX AUTHORIZED.] The board of
 8 commissioners of each metropolitan county is authorized to levy
 9 by resolution a wheelage tax of ~~\$5-for-the-year-1972-and-each~~
 10 ~~subsequent-year-thereafter-by-resolution~~ up to \$20 on each motor
 11 vehicle, except motorcycles as defined in section 169.01,
 12 subdivision 4, which is kept in ~~such~~ the county when not in
 13 operation and which is subject to annual registration and
 14 taxation under chapter 168. The board may provide by resolution
 15 for collection of the wheelage tax by county officials or it may
 16 request that the tax be collected by the state registrar of
 17 motor vehicles, and the state registrar of motor vehicles shall
 18 collect ~~such~~ the tax on behalf of the county if requested, as
 19 provided in subdivision 2.

20 Subd. 2. [COLLECTION BY REGISTRAR OF MOTOR VEHICLES.] The
 21 wheelage tax levied by any metropolitan county, if made
 22 collectible by the state registrar of motor vehicles, ~~shall~~ must
 23 be certified by the county auditor to the registrar not later
 24 than August 1 in the year before the calendar year or years for
 25 which the tax is levied, and the registrar shall collect ~~such~~
 26 the tax with the motor vehicle taxes on the affected vehicles
 27 for such year or years. Every owner and every operator of ~~such~~
 28 a motor vehicle subject to the wheelage tax shall furnish to the
 29 registrar all information requested by the registrar. No state
 30 motor vehicle tax on any such motor vehicle for any such year
 31 shall be received or deemed paid unless the applicable wheelage
 32 tax is paid therewith. ~~The-proceeds-of-the-wheelage-tax-levied~~
 33 ~~by-any-metropolitan-county,-less-any-amount-retained-by-the~~
 34 ~~registrar-to-pay-costs-of-collection-of-the-wheelage-tax,-shall~~
 35 ~~be-paid-to-the-commissioner-of-finance-and-deposited-in-the~~
 36 ~~state-treasury-to-the-credit-of-the-county-wheelage-tax-fund-of~~

1 each-metropolitan-county:

2 Subd. 2a. [TAX PROCEEDS DEPOSITED; COSTS OF COLLECTION;
3 APPROPRIATION.] Notwithstanding the-provisions-of any other law,
4 the state registrar of motor vehicles shall deposit the proceeds
5 of the wheelage tax imposed by subdivision 2, to the credit of
6 the county-wheelage-tax road and bridge fund of each
7 metropolitan county levying the tax. The amount necessary to
8 pay the costs of collection of said the tax is appropriated to
9 the state registrar of motor vehicles from the county-wheelage
10 tax road and bridge fund of each metropolitan county to-the
11 state-registrar-of-motor-vehicles levying the tax.

12 Subd.-3.--[DISTRIBUTION-TO-METROPOLITAN-COUNTY,
13 APPROPRIATION.]-On-or-before-April-1-in-1972-and-each-subsequent
14 year,-the-commissioner-of-finance-shall-issue-a-warrant-in-favor
15 of-the-treasurer-of-each-metropolitan-county-for-which-the
16 registrar-has-collected-a-wheelage-tax-in-the-amount-of-such-tax
17 then-on-hand-in-the-county-wheelage-tax-fund.--There-is-hereby
18 appropriated-from-the-county-wheelage-tax-fund-each-year,-to
19 each-metropolitan-county-entitled-to-payments-authorized-by-this
20 section,-sufficient-moneys-to-make-such-payments.

21 Subd.-4.--[USE-OF-TAX.]--The-treasurer-of-each-metropolitan
22 county-receiving-moneys-under-subdivision-3-shall-deposit-such
23 moneys-in-the-county-road-and-bridge-fund.--The-moneys-shall-be
24 used-for-purposes-authorized-by-law-which-are-highway-purposes
25 within-the-meaning-of-the-Minnesota-Constitution,-article-14.

26 Subd.-5.--[EFFECT-ON-ROAD-AND-BRIDGE-LEVY.]--The-county
27 auditor-of-each-metropolitan-county-shall-reduce-the-amount-of
28 the-property-taxes-levied-pursuant-to-law-in-1973-for-collection
29 in-1974-by-the-board-of-commissioners-of-such-county-for-the
30 county-road-and-bridge-fund,-by-the-following-amount:--Anoka
31 County,-\$341,750,-Carver-County,-\$86,725,-Dakota-County,
32 \$386,165,-Hennepin-County,-\$27,728,425,-Ramsey-County,
33 \$1,276,815,-Scott-County,-\$104,805,-Washington-County,-\$227,220,
34 and-shall-spread-only-the-balance-thereof-on-the-tax-rolls-for
35 collection-in-1972.--The-county-auditor-shall-also-reduce-the
36 amount-of-such-taxes-levied-pursuant-to-law-in-1972-and-any

1 subsequent-year, for collection in the respective ensuing years,
 2 by the amount of wheelage taxes received by the county in the 12
 3 months immediately preceding such levy.

4 Subd. 6. ~~{METROPOLITAN COUNTY DEFINED.}~~ "Metropolitan
 5 county" means any of the counties of Anoka, Carver, Dakota,
 6 Hennepin, Ramsey, Scott, and Washington.

7 Subd. 7. [OFFENSES; PENALTIES; APPLICATION OF OTHER LAWS.]
 8 Any owner or operator of a motor vehicle who ~~shall~~ willfully
 9 give gives any false information relative to the tax herein
 10 authorized under this section to the registrar of motor vehicles
 11 or any metropolitan county, or who ~~shall~~ willfully ~~fail~~ or
 12 refuse fails or refuses to furnish any such information, ~~shall~~
 13 be is guilty of a misdemeanor. Except as otherwise herein
 14 provided, the collection and payment of a wheelage tax and all
 15 matters relating thereto shall be subject to all provisions of
 16 law relating to collection and payment of motor vehicle taxes so
 17 far as applicable.

18 Sec. 8. Minnesota Statutes 2004, section 168.013,
 19 subdivision 1a, is amended to read:

20 Subd. 1a. [PASSENGER AUTOMOBILE; HEARSE.] (a) On passenger
 21 automobiles as defined in section 168.011, subdivision 7, and
 22 hearses, except as otherwise provided, the tax shall be \$10 plus
 3 an additional tax equal to 1.25 percent of the base value.

24 (b) Subject to the classification provisions herein, "base
 25 value" means the manufacturer's suggested retail price of the
 26 vehicle including destination charge using list price
 27 information published by the manufacturer or determined by the
 28 registrar if no suggested retail price exists, and shall not
 29 include the cost of each accessory or item of optional equipment
 30 separately added to the vehicle and the suggested retail price.

31 (c) If the manufacturer's list price information contains a
 32 single vehicle identification number followed by various
 33 descriptions and suggested retail prices, the registrar shall
 34 select from those listings only the lowest price for determining
 35 base value.

36 (d) If unable to determine the base value because the

1 vehicle is specially constructed, or for any other reason, the
2 registrar may establish such value upon the cost price to the
3 purchaser or owner as evidenced by a certificate of cost but not
4 including Minnesota sales or use tax or any local sales or other
5 local tax.

6 (e) The registrar shall classify every vehicle in its
7 proper base value class as follows:

8	FROM	TO
9	\$ 0	\$199.99
10	200	399.99

11 and thereafter a series of classes successively set in brackets
12 having a spread of \$200 consisting of such number of classes as
13 will permit classification of all vehicles.

14 (f) The base value for purposes of this section shall be
15 the middle point between the extremes of its class.

16 (g) The registrar shall establish the base value, when new,
17 of every passenger automobile and hearse registered prior to the
18 effective date of Extra Session Laws 1971, chapter 31, using
19 list price information published by the manufacturer or any
20 nationally recognized firm or association compiling such data
21 for the automotive industry. If unable to ascertain the base
22 value of any registered vehicle in the foregoing manner, the
23 registrar may use any other available source or method. The
24 registrar shall calculate tax using base value information
25 available to dealers and deputy registrars at the time the
26 application for registration is submitted. The tax on all
27 previously registered vehicles shall be computed upon the base
28 value thus determined taking into account the depreciation
29 provisions of paragraph (h).

30 (h) The annual additional tax computed upon the base value
31 as provided herein, during the first ~~and-second-years~~ year of
32 vehicle life shall be computed upon 100 percent of the base
33 value; for the second year, 80 percent of such value; for the
34 ~~third and-fourth-years~~7-90 year, 70 percent of such value; for
35 the fourth year, 60 percent of such value; for the fifth and
36 ~~sixth-years~~7-75 year, 50 percent of such value; for the sixth

1 year, 40 percent of such value; for the seventh year, 60 35
 2 percent of such value; for the eighth year, 40 30 percent of
 3 such value; for the ninth year, 30 20 percent of such value; for
 4 the tenth year, ten percent of such value; for the 11th and each
 5 succeeding year, the sum of \$25.

6 In no event shall the annual additional tax be less than
 7 \$25. ~~The total tax under this subdivision shall not exceed \$189~~
 8 ~~for the first renewal period and shall not exceed \$99 for~~
 9 ~~subsequent renewal periods. The total tax under this~~
 10 ~~subdivision on any vehicle filing its initial registration in~~
 11 ~~Minnesota in the second year of vehicle life shall not exceed~~
 12 ~~\$189 and shall not exceed \$99 for subsequent renewal periods.~~
 13 ~~The total tax under this subdivision on any vehicle filing its~~
 14 ~~initial registration in Minnesota in the third or subsequent~~
 15 ~~year of vehicle life shall not exceed \$99 and shall not exceed~~
 16 ~~\$99 in any subsequent renewal period.~~

17 (i) ~~As used in this subdivision and section 168.017, the~~
 18 ~~following terms have the meanings given: "initial registration"~~
 19 ~~means the 12 consecutive months calendar period from the day of~~
 20 ~~first registration of a vehicle in Minnesota, and "renewal~~
 21 ~~periods" means the 12 consecutive calendar months periods~~
 22 ~~following the initial registration period~~ The annual additional
 23 tax under paragraph (h) must not exceed the annual additional
 24 tax that was previously paid or due on that vehicle.

25 Sec. 9. Minnesota Statutes 2004, section 296A.07,
 26 subdivision 3, is amended to read:

27 Subd. 3. [RATE OF TAX.] The gasoline excise tax is imposed
 28 at the following rates:

29 ~~{1}~~ (a) From July 1, 2005, to June 30, 2006, E85 is taxed
 30 at the rate of ~~14.2~~ 17.0 cents per gallon;

31 ~~{2}~~ M85 is taxed at the rate of ~~11.4~~ 13.7 cents per gallon;
 32 and

33 ~~{3}~~ all other gasoline is taxed at the rate of ~~20~~ 24 cents
 34 per gallon.

35 (b) From July 1, 2006, to June 30, 2007, E85 is taxed at
 36 the rate of 19.2 cents per gallon; M85 is taxed at the rate of

1 15.4 cents per gallon; and all other gasoline is taxed at the
 2 rate of 27 cents per gallon.

3 (c) On and after July 1, 2007, E85 is taxed at the rate of
 4 21.3 cents per gallon; M85 is taxed at the rate of 17.1 cents
 5 per gallon; and all other gasoline is taxed at the rate of 30
 6 cents per gallon.

7 Sec. 10. Minnesota Statutes 2004, section 296A.07, is
 8 amended by adding a subdivision to read:

9 Subd. 5. [ANNUAL GASOLINE TAX RATE ADJUSTMENT.] (a) Before
 10 April 1 of each year, the commissioner of revenue shall
 11 recompute and publish the rate of the gasoline excise tax. The
 12 new rate per gallon must be calculated by multiplying the rate
 13 in effect at the time of the calculation by an amount obtained
 14 under paragraph (b). The new rate must be rounded to the
 15 nearest 0.1 cent and is effective on April 1 of each year.

16 (b) Divide the annual average United States Consumer Price
 17 Index for all urban consumers, United States city average, as
 18 determined by the United States Department of Labor for the
 19 previous year by that annual average for the year before the
 20 previous year.

21 Sec. 11. Minnesota Statutes 2004, section 296A.08,
 22 subdivision 2, is amended to read:

23 Subd. 2. [RATE OF TAX.] The special fuel excise tax is
 24 imposed at the following rates:

25 (a) From July 1, 2005, to June 30, 2006, liquefied
 26 petroleum gas or propane is taxed at the rate of ~~15~~ 18 cents per
 27 gallon;

28 ~~(b)~~ liquefied natural gas is taxed at the rate of ~~12~~ 14.4
 29 cents per gallon; and

30 ~~(c)~~ compressed natural gas is taxed at the rate
 31 of ~~\$1.739~~ \$2.087 per thousand cubic feet; or ~~20~~ 24 cents per
 32 gasoline equivalent, as defined by the National Conference on
 33 Weights and Measures, which is 5.66 pounds of natural gas.

34 (b) From July 1, 2006, to June 30, 2007, liquefied
 35 petroleum gas or propane is taxed at the rate of 20.3 cents per
 36 gallon; liquefied natural gas is taxed at the rate of 16.2 cents

1 per gallon; and compressed natural gas is taxed at the rate of
 2 \$2.348 per thousand cubic feet; or 27 cents per gasoline
 3 equivalent, as defined by the National Conference on Weights and
 4 Measures, which is 5.66 pounds of natural gas.

5 (c) On and after July 1, 2007, liquefied petroleum gas or
 6 propane is taxed at the rate of 22.5 cents per gallon; liquefied
 7 natural gas is taxed at the rate of 18 cents per gallon; and
 8 compressed natural gas is taxed at the rate of \$2.609 per
 9 thousand cubic feet; or 30 cents per gasoline equivalent, as
 10 defined by the National Conference on Weights and Measures,
 11 which is 5.66 pounds of natural gas.

12 (d) All other special fuel is taxed at the same rate as the
 13 gasoline excise tax as specified in section 296A.07, subdivision
 14 2. The tax is payable in the form and manner prescribed by the
 15 commissioner.

16 Sec. 12. Minnesota Statutes 2004, section 296A.08, is
 17 amended by adding a subdivision to read:

18 Subd. 7. [ANNUAL SPECIAL FUEL TAX RATE ADJUSTMENT.] (a)
 19 Before June 1 of each year, the commissioner of revenue shall
 20 recompute and publish the rate of the special fuel tax. The new
 21 rate must be calculated by multiplying the rate in effect at the
 22 time of the calculation by an amount obtained under paragraph
 23 (b). The new rate must be rounded to the nearest 0.1 cent and
 24 is effective on June 1 of each year.

25 (b) Divide the annual average United States Consumer Price
 26 Index for all urban consumers, United States city average, as
 27 determined by the United States Department of Labor for the
 28 previous year by that annual average for the year before the
 29 previous year.

30 Sec. 13. Minnesota Statutes 2004, section 297B.09,
 31 subdivision 1, is amended to read:

32 Subdivision 1. [DEPOSIT OF REVENUES.] (a) Money collected
 33 and received under this chapter must be deposited as provided in
 34 this subdivision.

35 ~~(b) From July 17, 2002, to June 30, 2003, 32 percent of the~~
 36 ~~money collected and received must be deposited in the highway~~

~~1 user-tax-distribution-fund, 20.5 percent must be deposited in
2 the metropolitan area transit fund under section 16A.88, and
3 1.25 percent must be deposited in the greater Minnesota transit
4 fund under section 16A.88. The remaining money must be
5 deposited in the general fund.~~

6 (c) From July 1, 2003, to June 30, ~~2007~~ 2005, 30 percent of
7 the money collected and received must be deposited in the
8 highway user tax distribution fund, 21.5 percent must be
9 deposited in the metropolitan area transit fund under section
10 16A.88, 1.43 percent must be deposited in the greater Minnesota
11 transit fund under section 16A.88, 0.65 percent must be
12 deposited in the county state-aid highway fund, and 0.17 percent
13 must be deposited in the municipal state-aid street fund. The
14 remaining money must be deposited in the general fund.

15 (c) From July 1, 2005, to June 30, 2006, 23 percent of the
16 money collected and received must be deposited in the highway
17 user tax distribution fund, one percent must be deposited in the
18 right-of-way advance acquisition loan account established under
19 section 446A.085, subdivision 3, 27.25 percent must be deposited
20 in the metropolitan area transit fund under section 16A.88, and
21 2.5 percent must be deposited in the greater Minnesota transit
22 fund under section 16A.88. The remaining money must be
23 deposited in the general fund.

24 (d) From July 1, 2006, to June 30, 2007, 19 percent of the
25 money collected and received must be deposited in the highway
26 user tax distribution fund, one percent must be deposited in the
27 right-of-way advance acquisition loan account under section
28 446A.085, subdivision 3, 31 percent must be deposited in the
29 metropolitan area transit fund under section 16A.88, and 2.75
30 percent must be deposited in the greater Minnesota transit fund
31 under section 16A.88. The remaining money must be deposited in
32 the general fund.

33 (e) From July 1, 2007, to June 30, 2008, 18 percent of the
34 money collected and received must be deposited in the highway
35 user tax distribution fund, 42.75 percent must be deposited in
36 the metropolitan area transit fund under section 16A.88, 5.25

1 percent must be deposited in the greater Minnesota transit fund
2 under section 16A.88, and ten percent must be deposited in the
3 multimodal transportation fund under section 16A.89. The
4 remaining money must be deposited in the general fund.

5 (f) From July 1, 2008, to June 30, 2009, 16 percent of the
6 money collected and received must be deposited in the highway
7 user tax distribution fund, 44.5 percent must be deposited in
8 the metropolitan area transit fund under section 16A.88, 5.5
9 percent must be deposited in the greater Minnesota transit fund
10 under section 16A.88, and 20 percent must be deposited in the
11 multimodal transportation fund under section 16A.89. The
12 remaining money must be deposited in the general fund.

13 (g) From July 1, 2009, to June 30, 2010, 14 percent of the
14 money collected and received must be deposited in the highway
15 user tax distribution fund, 46 percent must be deposited in the
16 metropolitan area transit fund under section 16A.88, six percent
17 must be deposited in the greater Minnesota transit fund under
18 section 16A.88, and 30 percent must be deposited in the
19 multimodal transportation fund under section 16A.89. The
20 remaining money must be deposited in the general fund.

21 ~~(d)~~ (h) On and after July 1, 2007 2010, 32 14 percent
22 of the money collected and received must be deposited in the
23 highway user tax distribution fund, 20.5 46 percent must be
24 deposited in the metropolitan area transit fund under section
25 16A.88, and 1.25 six percent must be deposited in the greater
26 Minnesota transit fund under section 16A.88, and 34 percent must
27 be deposited in the multimodal transportation fund under section
28 16A.89. The remaining money must be deposited in the general
29 fund.

30 Sec. 14. Minnesota Statutes 2004, section 446A.085,
31 subdivision 3, is amended to read:

32 Subd. 3. [ESTABLISHMENT OF FUND; ACCOUNTS.] (a) A
33 transportation revolving loan fund is established to make loans
34 for the purposes described in subdivision 2. A highway account
35 is established in the fund for highway projects eligible under
36 United States Code, title 23. A transit account is established

1 in the fund for transit capital projects eligible under United
2 States Code, title 49. A state funds general loan account is
3 established in the fund for transportation projects eligible
4 under state law. A right-of-way advance acquisition loan
5 account is established in the fund for projects described in
6 subdivision 10a. Other accounts may be established in the fund
7 as necessary for its management and administration.

8 (b) The transportation revolving loan fund receives federal
9 money under the act and money from any source. Money received
10 under this section must be paid to the commissioner of finance
11 and credited to the transportation revolving loan fund. Money
12 in the fund is annually appropriated to the authority and does
13 not lapse. The fund must be credited with investment income,
14 and with repayments of principal and interest, except for
15 servicing fees assessed under sections 446A.04, subdivision 5,
16 and 446A.11, subdivision 8.

17 Sec. 15. Minnesota Statutes 2004, section 446A.085,
18 subdivision 8, is amended to read:

19 Subd. 8. [CERTIFICATION OF PROJECTS.] (a) Except as
20 provided in paragraph (b), the commissioner of transportation
21 shall consider the following information when evaluating
22 projects to certify for funding to the Transportation Committee:

23 (1) a description of the nature and purpose of the proposed
24 transportation project including an explanation of the need for
25 the project and the reasons why it is in the public interest;

26 (2) the relationship of the project to the area
27 transportation improvement program, the approved statewide
28 transportation improvement program, and to any transportation
29 plans required under state or federal law;

30 (3) the estimated cost of the project and the amount of
31 loans sought;

32 (4) proposed sources of funding in addition to loans sought
33 from the transportation revolving loan fund;

34 (5) the need for the project as part of the overall
35 transportation system;

36 (6) the overall economic impact of the project; and

1 (7) the extent to which completion of the project will
2 improve the movement of people and freight.

3 (b) For loans made from the right-of-way advance
4 acquisition loan account, the commissioner of transportation
5 shall consider the following information when evaluating
6 projects to certify for funding to the transportation committee:

7 (1) a description of the highway project, including
8 estimated schedules and costs, for which advance acquisition of
9 right-of-way is sought;

10 (2) the importance of the project as measured by the
11 criteria in paragraph (a), clauses (2) and (5) to (7);

12 (3) other sources of funding available for the acquisition;

13 (4) the necessity of preserving right-of-way for the
14 project as a means of reducing overall project costs and
15 preventing incompatible land uses;

16 (5) other options available for right-of-way preservation;

17 and

18 (6) the overall cost-effectiveness of advance right-of-way
19 acquisition for the project.

20 Sec. 16. Minnesota Statutes 2004, section 446A.085, is
21 amended by adding a subdivision to read:

22 Subd. 10a. [RIGHT-OF-WAY ADVANCE ACQUISITION LOANS.] (a)

23 Loans from the right-of-way advance acquisition loan account may
24 be made to the state, counties, towns, and statutory or home
25 rule charter cities for purchasing property within the
26 right-of-way of a state trunk highway shown on an official map
27 adopted under section 394.361 or 462.359.

28 (b) Loans under this subdivision may be made only:

29 (1) to accelerate the acquisition of primarily undeveloped
30 property when there is a reasonable probability that the
31 property will increase in value before highway construction, and
32 to update an expired environmental impact statement on a project
33 for which the right-of-way is being purchased;

34 (2) to avert the imminent conversion or the granting of
35 approvals that would allow the conversion of property to uses
36 that would jeopardize its availability for highway construction;

1 or

2 (3) to take advantage of open market opportunities when
3 developed properties become available for sale, provided all
4 parties involved are agreeable to the sale and funds are
5 available.

6 (c) A private property owner whose property is purchased
7 with proceeds of a loan under this subdivision may elect to
8 receive the purchase price either in a lump sum or in not more
9 than four annual installments without interest on the deferred
10 installments. If the purchase agreement provides for
11 installment payments, the loan may be made in installments
12 corresponding to those in the purchase agreement. The recipient
13 of an acquisition loan shall convey the property for the
14 construction of the highway at the same price the recipient paid
15 for the property. The price may include the costs of preparing
16 environmental documents that were required for the acquisition
17 and that were paid for with money that the recipient received
18 from the account. Upon notification by the commissioner to the
19 loan recipient that the plan to construct the highway has been
20 abandoned or the anticipated location of the highway changed,
21 the recipient shall sell the property at market value in
22 accordance with the procedures required for the disposition of
23 the property.

24 (d) All rents and other money received by the loan
25 recipient because of the recipient's ownership of the property
26 and all proceeds from the conveyance or sale of the property
27 must be paid to the commissioner for deposit in the account.
28 Amounts so received may be applied to repayment of the loan.

29 Sec. 17. [TRUNK HIGHWAY BONDS; ISSUANCE.]

30 The commissioner of finance shall, on recommendation of the
31 commissioner of transportation, sell and issue Minnesota trunk
32 highway bonds under Minnesota Statutes, sections 167.50 to
33 167.52, and the Minnesota Constitution, article XI, sections 4
34 to 7, and article XIV, section 11, at times and in amounts
35 determined by the commissioner of transportation. Bonds issued
36 under this section are authorized in an aggregate principal

1 amount of \$1,000,000,000 over a ten-year period. The proceeds
2 of the bonds, except accrued interest and any premium received
3 on the sale of the bonds, must be credited to the bond proceeds
4 account in the trunk highway fund. Notwithstanding Minnesota
5 Statutes, section 16A.642, this authorization must not be
6 canceled before February 1, 2017.

7 Sec. 18. [TRUNK HIGHWAY BOND PROCEEDS APPROPRIATION.]

8 \$1,000,000,000 is appropriated to the commissioner of
9 transportation from the separate bond proceeds account in the
10 trunk highway fund for the construction, reconstruction, and
11 improvement of trunk highways, including acquisition of real
12 property. No more than \$100,000,000 of this appropriation may
13 be encumbered in each of fiscal years 2006 to 2015. Up to 17
14 percent of the appropriation each year may be used by the
15 department for program delivery.

16 Sec. 19. [ROAD CONSTRUCTION APPROPRIATIONS.]

17 (a) \$61,000,000 in fiscal year 2006 and \$123,000,000 in
18 fiscal year 2007 are appropriated from the trunk highway fund to
19 the commissioner of transportation for state road construction.
20 Up to 17 percent of the appropriation each year may be used by
21 the department for program delivery.

22 (b) \$25,300,000 in fiscal year 2006 and \$54,000,000 in
23 fiscal year 2007 is appropriated to the commissioner from the
24 county state-aid highway fund for county state aid.

25 (c) \$8,600,000 in fiscal year 2006 and \$16,900,000 in
26 fiscal year 2007 is appropriated to the commissioner from the
27 municipal state-aid street fund for municipal state aid.

28 (d) These appropriations are in addition to any other
29 appropriation made for fiscal years 2006 and 2007 for the same
30 purposes.

31 Sec. 20. [TRANSIT BUDGET BASE.]

32 The general fund budget base for metropolitan transit and
33 greater Minnesota transit for fiscal years 2008 and 2009 is zero.

34 Sec. 21. [EFFECTIVE DATE.]

35 Section 8 is effective for first registration periods in
36 which the tax is first due on or after July 1, 2005, and for

1 renewals of registrations on those vehicles assigned
 2 registration periods of July 1, 2005, through June 30, 2006, or
 3 later. Sections 1 to 7, 9, 11, and 13 to 20, are effective July
 4 1, 2005. Sections 10 and 12 are effective July 1, 2007.
 5 Sections 9 and 11 apply to all gasoline, undyed diesel fuel, and
 6 special fuel in distributor storage on July 1, 2005.

7 ARTICLE 6

8 LOCAL SALES TAX

9 Section 1. Minnesota Statutes 2004, section 161.04, is
 10 amended by adding a subdivision to read:

11 Subd. 5. [HIGHWAY SPENDING IN METROPOLITAN TRANSPORTATION
 12 DISTRICT.] In any year during which taxes authorized in section
 13 297A.992, subdivision 3, are imposed, and exclusive of the
 14 expenditure of these revenues, the percentage of total trunk
 15 highway fund expenditures attributable to projects in the
 16 metropolitan transportation area, within the meaning of section
 17 297A.992, subdivision 1, may not vary more than two percentage
 18 points from the average of the previous five years of trunk
 19 highway fund metropolitan transportation area expenditures.

20 Sec. 2. [297A.992] [LOCAL TRANSPORTATION SALES AND EXCISE
 21 TAX.]

22 Subdivision 1. [DEFINITIONS.] For purposes of this section
 23 and section 161.04, subdivision 5:

24 (a) "Metropolitan transportation area" means the area of
 25 all counties designated on or before September 1, 2005, by
 26 resolution of each county board, to be a part of the
 27 metropolitan transportation area, together with counties so
 28 designated after September 1, 2005, subject to the concurrence
 29 of the joint powers board. Counties eligible for designation as
 30 part of the metropolitan transportation area are Anoka, Carver,
 31 Dakota, Hennepin, Ramsey, Scott, Washington, and any adjacent
 32 county.

33 (b) "Joint powers board" means the Metropolitan
 34 Transportation Area Joint Powers Board.

35 Subd. 2. [AUTHORIZATION; RATES.] Notwithstanding sections
 36 297A.99, subdivisions 1, 2, 3, 5, and 13; 477A.016; or any other

1 law, the joint powers board may impose a transportation sales
2 and use tax, at a rate of one-half of one percent on retail
3 sales and uses taxable under chapter 297A, and may impose an
4 excise tax on the sale of new motor vehicles, at the rate of \$20
5 per vehicle, occurring within the jurisdiction of the taxing
6 authority, to fund transportation improvements, as provided in
7 this section.

8 Subd. 3. [METROPOLITAN TRANSPORTATION AREA SALES TAX.] (a)
9 The joint powers board may impose the transportation sales and
10 use tax and motor vehicle excise tax within the metropolitan
11 transportation area, if approved by a majority of the members of
12 the joint powers board.

13 (b) A metropolitan transportation area fund is created in
14 the state treasury. After the deductions allowed in section
15 297A.99, subdivision 11, the commissioner of revenue shall
16 deposit all revenue from taxes imposed under this section in the
17 fund. Money in the fund is appropriated to the commissioner of
18 finance. The commissioner of finance shall allocate money in
19 the fund as directed by resolution of the joint powers board
20 under paragraph (d).

21 (c) Before imposing the tax under paragraph (a), counties
22 in the metropolitan transportation area shall enter into a joint
23 powers agreement to create the joint powers board to exercise
24 the powers provided in this section. The joint powers board
25 must consist of one representative of each county in the
26 metropolitan transportation area. The joint powers board has
27 the powers and duties provided in this section and in section
28 471.59, except that the joint powers board may not issue bonds.

29 (d) By May 1 of each year, the joint powers board shall, by
30 resolution, direct the commissioner of finance to allocate
31 revenue in the metropolitan transportation area fund for the
32 next fiscal year. The resolution must direct the commissioner
33 to allocate funds to the following recipients for the following
34 purposes:

35 (1) to the commissioner of transportation for metropolitan
36 transportation area highway projects included in the

1 commissioner's current ten-year highway work plan;

2 (2) to the commissioner of transportation for
3 implementation of the commissioner's greater Minnesota transit
4 plan in counties in the metropolitan transportation area that
5 are directly served by greater Minnesota transit;

6 (3) to the Metropolitan Council for implementation of the
7 public transit components of the council's 2030 transportation
8 policy plan, and for other public transit operations and capital
9 improvements provided or assisted by the council in counties in
10 the metropolitan transportation area;

11 (4) to counties in the metropolitan transportation area for
12 construction, maintenance, and improvement of local roads; and

13 (5) to counties in the metropolitan transportation area for
14 operation of and capital assistance to public transit systems
15 that the county, or one or more cities in the county owns,
16 operates, or contracts for.

17 Subd. 4. [TAX IN COUNTIES OUTSIDE METROPOLITAN
18 TRANSPORTATION AREA.] Notwithstanding sections 297A.99,
19 subdivisions 1, 2, 3, 5, and 13; 477A.016; or any other law, the
20 board of a county outside the metropolitan transportation area,
21 or more than one county acting under a joint powers agreement,
22 may impose, either or both, a transportation sales tax at a rate
23 of one-half of one percent on retail sales and uses taxable
24 under chapter 297A and a motor vehicle excise tax on the sale of
25 new motor vehicles at the rate of \$20 per vehicle, occurring
26 within the jurisdiction of the taxing authority. The board of a
27 county that is eligible for designation as part of the
28 metropolitan transportation area under section 297A.992,
29 subdivision 1, may not impose a transportation sales tax other
30 than through participation in the Metropolitan Transportation
31 Area Joint Powers Board. The proceeds of the tax must be
32 dedicated exclusively to payment of the cost of a specific
33 transportation project or to the costs of transit operations.
34 The tax must terminate on the date determined by majority vote
35 of the county board or joint powers board.

36 Subd. 5. [ADMINISTRATION, COLLECTION, ENFORCEMENT.] The

1 administration, collection, and enforcement provisions in
2 section 297A.99, subdivisions 4 and 6 to 12, apply to all taxes
3 imposed under this section.

4 Sec. 3. [REPORT.]

5 In each year during the period of imposition of the taxes
6 authorized in Minnesota Statutes, section 297A.992, subdivision
7 3, the commissioner of transportation and the Metropolitan
8 Council shall report by February 1 to the house of
9 representatives and senate committees having jurisdiction over
10 transportation policy and finance concerning the revenues
11 received from the metropolitan transportation area sales tax and
12 the expenditures of that money.

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Article 3 PUBLIC SAFETY ACTIVITIES, FEES, ACCOUNTS..... page 15

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168.012 VEHICLES EXEMPT FROM TAX OR LICENSE FEES.

Subd. 12. Fees credited to highway user fund. Administrative fees and fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

168.041 IMPOUNDING REGISTRATION PLATES.

Subd. 11. Fees credited to highway user fund. Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

168.105 CLASSIC MOTORCYCLE REGISTRATION.

Subd. 6. Issuance. The registrar shall begin issuing classic motorcycle plates on January 1, 1984, and thereafter.

168.231 TAX PROCEEDS CREDITED TO HIGHWAY USER FUND.

The proceeds of the tax imposed under the provisions of sections 168.181 to 168.231 shall be collected by the registrar of motor vehicles and paid into the state treasury and credited to the highway user tax distribution fund.

168.345 USE OF VEHICLE REGISTRATION INFORMATION.

Subd. 3. Requests for information; surcharge on fee. Except as otherwise provided in subdivision 4, the commissioner shall impose a surcharge of 50 cents on each fee charged by the commissioner under section 13.03, subdivision 3, for copies or electronic transmittal of public information concerning motor vehicle registrations. This surcharge only applies to a fee imposed in responding to a request made in person or by mail, or to a request for transmittal through a computer modem. The surcharge does not apply to the request of an individual for information concerning vehicles registered in that individual's name. The commissioner shall forward the surcharges collected under this subdivision to the commissioner of finance on a monthly basis. Upon receipt, the commissioner of finance shall credit the surcharges to the general fund.

Subd. 4. Exception to fee and surcharge. (a) Notwithstanding subdivision 3 or section 13.03, no fee or surcharge shall be imposed in responding to a request for public information concerning motor vehicle registrations if the requester gives the commissioner a signed statement that:

(1) the requester seeks the information on behalf of a community-based, nonprofit organization which has been designated by the local law enforcement agency to be a requester; and

(2) the information is needed in order to identify suspected prostitution law violators, controlled substance law violators, or health code violators.

(b) The commissioner may not require a requester to make a certain minimum number of data requests nor limit a requester to a certain maximum number of data requests.

168C.01 POLICY STATEMENT.

The legislature of the state of Minnesota finds that the use of bicycles as a means of travel and recreation embodying physical, environmental and social benefits is already recognized by many people in the state, and will be further encouraged given the opportunity for safe, convenient and pleasant bicycle travel. The legislature further finds that dependence on the private automobile must be reduced, particularly in the light of an energy shortage and encouragement of increased bicycle usage by the provision and maintenance of bikeways and with the addition of some traffic

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laws designed for the orderly integration of bicycles into traffic systems, is a way of reducing this dependence. However, the growth in popularity of the bicycle as a mode of transportation and as a recreational vehicle has led to an increase in the number of bicycle thefts. To more effectively deal with the problems associated with theft and to aid in the recovery of stolen bicycles, a statewide bicycle registration system is hereby created.

168C.02 DEFINITIONS.

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

Subd. 2. **Bicycle.** "Bicycle" means every device propelled by human power upon which a person may ride, having two tandem wheels either of which is over 14 inches in diameter, or any device generally recognized as a bicycle though equipped with two front or rear wheels, or a unicycle.

Subd. 3. **Bicycle dealer.** "Bicycle dealer" means a person, firm, partnership, association, or corporation which is engaged, wholly or partly, in the business of selling bicycles, or buying or taking in trade bicycles for the purpose of resale, selling, or offering for sale, or otherwise dealing in bicycles, whether or not the bicycles are owned by the person or entity. The term does not include agents or employees of the person or entity.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of public safety.

Subd. 5. **License.** "License" means a tag, plate, seal, sticker, or other device that can be securely attached to a bicycle and that is issued upon registration of the bicycle.

168C.03 REGISTRATION APPLICATION.

On or after March 1, 1977 any owner of a bicycle may apply for registration of the bicycle to the commissioner, to any deputy registrar of motor vehicles acting pursuant to section 168.33, or to any deputy registrar of bicycles appointed by the commissioner pursuant to section 168C.11. Applications must be in a format prescribed by the commissioner and contain information required by the commissioner to license a bicycle. The commissioner shall designate a number to be stamped or otherwise permanently affixed on the frames of bicycles on which no serial number can be found, or on which the number is illegible or insufficient for identification purposes.

168C.04 REGISTRATION REQUIREMENTS, FEE, ACCOUNT, APPROPRIATION.

Subdivision 1. **Three-year registration fee; procedures.** The registration fee for bicycles is \$9 after July 1, 1991. These fees must be paid at the time of registration. The fees, and any donations in excess of the fees, must be deposited in a bicycle transportation account in the special revenue fund. Proof of ownership is required for registration. Bicycles lacking proof of ownership may be registered if there is no evidence that the bicycle is stolen. The registration is valid for three calendar years. A person registering a bicycle may add an additional amount to the registration fee, and all amounts so added must be deposited in the same manner as registration fees. A person registering a bicycle must, at the time of registration, be informed that a registrant may add an additional amount to the fee and that all such additional amounts will be used for the purposes specified in subdivision 2.

Subd. 2. **Bicycle transportation account; money**

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allocated. A bicycle transportation account is created in the special revenue fund. All funds in the account, up to a maximum of \$160,000 in a fiscal year, are annually appropriated as follows:

(1) one-half to the commissioner of transportation for the development of bicycle transportation and recreational facilities on public highways, including but not limited to bicycle lanes and ways on highways, off-road bicycle trails, and bicycle mapping; and

(2) one-half to the commissioner of public safety for bicycle safety programs, administration of the bicycle registration program, and public information and education designed to encourage participation in the program.

Subd. 3. **Considerations before money distributed.** An agency of the state expending funds from the bicycle transportation account must, in making expenditures for the purposes of subdivision 2, paragraph (c), give consideration to participation or nonparticipation by a political subdivision in the bicycle registration program as provided in section 168C.13 and the extent of local public participation in the program before approving a project or expenditure in that political subdivision.

168C.05 REPORT OF TRANSFER.

Every person who sells or transfers ownership of any bicycle registered pursuant to this chapter shall report the sale or transfer to the commissioner within 14 days of the sale or transfer. The report of sale must include the information required by the commissioner and be in the format prescribed by the commissioner.

168C.06 NOTIFICATION OF CHANGE OF ADDRESS.

Upon moving or change of address, the owner of a bicycle registered pursuant to this chapter shall notify the commissioner in the format and manner prescribed by the commissioner of the new address within 14 days.

168C.07 LICENSE AND REGISTRATION; REPLACEMENT FEE.

(a) The commissioner shall provide to the registrant a suitable registration card that has the registration number stamped on the card and that indicates the date of registration, the make and serial number of the bicycle, the owner's name and address, and any additional information as the commissioner may require. The commissioner shall retain information concerning each registration.

(b) The commissioner shall issue a license, which must be securely attached to the bicycle covered by the registration.

(c) Upon a satisfactory showing that the license or registration card has been lost or destroyed, the commissioner shall issue a replacement license or registration card upon payment of a fee of \$1. All fees so collected must be deposited to the general fund.

168C.08 ALTERING SERIAL NUMBER; PENALTY.

A person shall not willfully remove, destroy, mutilate, or otherwise alter the serial number or equivalent number of any bicycle designated by the commissioner pursuant to section 168C.03. A person shall not willfully remove, destroy, mutilate, or otherwise alter any license during the time in which the license is operative. Any person who violates this section is guilty of a misdemeanor.

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168C.09 THEFT; PENALTY.

Subdivision 1. **Reports; entry into crime information center.** The local law enforcement agency shall report the theft of all bicycles registered pursuant to this chapter to the Department of Public Safety within five days. Reports of the stolen bicycles must be entered in the Minnesota Crime Information Center of the Department of Public Safety. When the stolen bicycle has been recovered by a local law enforcement agency, the agency shall report the recovery to the Department of Public Safety within five days of the recovery in the format and manner prescribed by the commissioner.

Subd. 2. **Records.** The commissioner shall maintain a record of all bicycles registered pursuant to this chapter in the state in an automated system. The records must be available to all authorized law enforcement agencies through the Minnesota Crime Information Center.

Subd. 3. **Violation and penalty.** Any person who knowingly sells or offers for sale a bicycle registered under this chapter that is not owned by that person or a family member is guilty of theft and subject to punishment under section 609.52, subdivision 3.

168C.10 TAMPERING; PENALTY.

No person, other than the owner or the owner's authorized agent, except for protection of the bicycle, shall tamper with any bicycle which has been locked or placed in a rack or otherwise secured. Any person who violates the provision of this section is guilty of a misdemeanor.

168C.11 DEPUTY REGISTRARS OF BICYCLES.

Subdivision 1. **Appointment; service fee.** (a) Subject to subdivision 2, the commissioner shall appoint as deputy registrars of bicycles any bicycle dealer, or agent or employee of the dealer, or agent or employee of a nonprofit organization promoting bicycling or in whose activities bicycling plays an integral part, or an agent or employee designated by a municipality that sells bicycles at public auction who applies for appointment in a manner prescribed by the commissioner; provided that concurrently there may be no more than one deputy for each separate place of business of a bicycle dealer. Deputy registrars of bicycles shall act as agents of the commissioner and may accept registrations as provided in this chapter.

(b) The commissioner, deputy registrars of motor vehicles, and deputy registrars of bicycles may charge and retain an additional \$1 per registration granted for their services. In the case of a deputy registrar of motor vehicles, the \$1 must be deposited in the treasury of the place for which the deputy registrar is appointed, or if not a public official the deputy registrar shall retain the filing fee. Other registration fees collected by the commissioner, deputy registrars of motor vehicles, and deputy registrars of bicycles must be processed, accounted for, and transmitted to the commissioner of finance as required by the commissioner.

Subd. 2. **Denial, suspension, or revocation of appointment.** The commissioner, without prior notice or hearing, may issue an order denying, suspending, or revoking any appointment made or applied for pursuant to this section upon finding that the applicant or deputy registrar of bicycles has violated or failed to comply with any provision of this chapter or any rule adopted under the authority of this chapter. Upon the entry of such an order, the commissioner shall promptly

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serve a copy of the order on the applicant or deputy registrar of bicycles. The order must state the reasons for its issuance and, in the case of a suspension or revocation of appointment, must specify that upon the written request of the deputy registrar of bicycles the matter will be set for hearing within 15 days after the receipt of the request; provided, that with the consent of the deputy registrar of bicycles a hearing may be held subsequent to the expiration of the 15-day period. If no hearing is requested, the order remains in effect until it is modified or vacated by the commissioner. If a hearing is requested, the commissioner, after notice and hearing in accordance with chapter 14, shall affirm, modify, or vacate the order.

168C.12 ADMINISTRATION; RULES.

The commissioner shall adopt rules for the implementation and administration of this chapter. Nothing in this chapter prevents the commissioner from contracting any service provided under this chapter to any private person or entity or other unit of government.

168C.13 REGISTRATION BY POLITICAL SUBDIVISION.

Subdivision 1. **Bicycle registration powers of political subdivision.** No political subdivision may license or register bicycles except as a deputy registrar pursuant to section 168C.11, subdivision 1. However, any political subdivision that had the power of a deputy registrar before March 1, 1977, may thereafter require that any or all bicycles used or ridden upon any highway, street, alley, sidewalk, or other public way, or property within the boundaries of the public way, must be registered. Applications for new registrations required pursuant to this subdivision must be made to the commissioner in the same manner and subject to the same rules, fees, and penalties as those made voluntarily pursuant to section 168C.03.

Subd. 2. **Records of registration; notice of transfers.** Any political subdivision of the state which licensed or registered bicycles prior to March 1, 1977, may after such date, continue to maintain its licensing or registration records and may require the owner of record as of March 1, 1977, of any bicycle registered therewith on or prior to that date to notify the political subdivision upon selling or otherwise transferring ownership of the bicycle.

Subd. 3. **Registration of impounded bicycles upon sale.** A political subdivision that sells bicycles it has impounded may require that the purchaser of an impounded bicycle register the bicycle under section 168C.03 as a condition of the sale.

170.23 ABSTRACT; FEE; ADMISSIBLE IN EVIDENCE.

The commissioner shall upon request furnish any person a certified abstract of the operating record of any person subject to the provisions of this chapter, and, if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the commissioner shall so certify. Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. A fee of \$5 shall be paid for each such abstract. The commissioner shall permit a person to inquire into the operating record of any person by means of the inquiring person's own computer facilities for a fee to be determined by the commissioner of at least \$2 for each inquiry. The commissioner shall furnish an abstract that is not certified

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for a fee to be determined by the commissioner in an amount less than the fee for a certified abstract but more than the fee for an inquiry by computer. Fees collected under this section must be paid into the state treasury with 90 percent of the money credited to the trunk highway fund and ten percent credited to the general fund.

171.12 DRIVING RECORD; FILING; PRIVATE DATA; SURCHARGE.

Subd. 8. Request for information; surcharge on fee.

The commissioner shall impose a surcharge of 50 cents on each fee charged by the commissioner under section 13.03, subdivision 3, for copies or electronic transmittal of public information concerning driver's license and Minnesota identification card applicants. This surcharge only applies to a fee imposed in responding to a request made in person or by mail, or to a request for transmittal through a computer modem. The surcharge does not apply to the request of an individual for information concerning that individual's driver's license or Minnesota identification card. The commissioner shall forward the surcharges collected under this subdivision to the commissioner of finance on a monthly basis. Upon receipt, the commissioner of finance shall credit the surcharges to the general fund.

171.185 COSTS PAID FROM TRUNK HIGHWAY FUND.

All costs incurred by the commissioner in carrying out the provisions of sections 171.182 to 171.184 shall be paid from the trunk highway fund.

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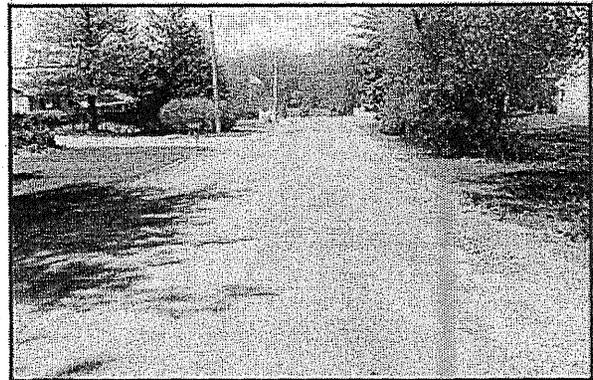
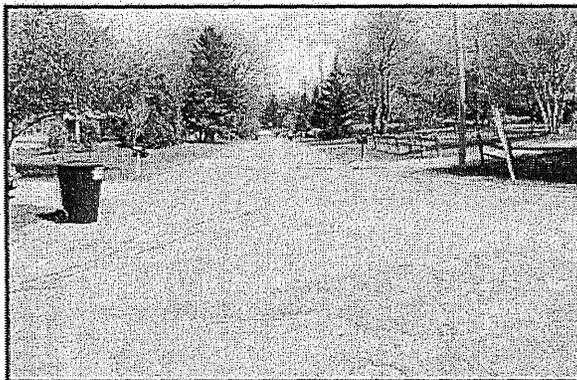
Akeley	Eagan	Lynd	Shafer
Annandale	East Bethel	Madison Lake	Silver Bay
Apple Valley	Eden Prairie	Mahtomedi	Spring Lake Park
Argyle	Edina	Maple Grove	St. Cloud
Arlington	Elk River	Maple Plain	St. Louis Park
Aurora	Elmore	Mayer	St. Michael
Austin	Ely	Melrose	St. Paul Park
Barnsville	Emily	Milan	South St. Paul
Barrett	Eveleth	Minneapolis	Strandquist
Battle Lake	Fairmont	Minneota	Tamarack
Beardsley	Faribault	Mounds View	Taunton
Beaver Bay	Farmington	Mountain Iron	Tower
Bellingham	Fergus Falls	Murdock	Twin Valley
Bemidji	Forada	New Hope	Vergas
Benson	Fosston	New Market	Waldorf
Big Fork	Fountain	North Branch	Walters
Bingham Lake	Garrison	Northfield	Wanamingo
Braham	Golden Valley	Ogilvie	Waseca
Brainerd	Grand Rapids	Okabena	Watkins
Brooklyn Center	Granite Falls	Olivia	Waverly
Buffalo	Grant	Orono	Wayzata
Buhl	Hanley Falls	Oronoco	Welcome
Burnsville	Hartland	Ortonville	Westbrook
Chaska	Hastings	Osakis	Woodbury
Champlin	Hewitt	Osseo	Wykoff
Chisholm	Hoffman	Pelican Rapids	Zumbro Falls
Cokato	Holdingford	Pequot Lakes	Zumbrota
Coleraine	Inver Grove Heights	Pine City	
Columbia Heights	Isanti	Pipestone	
Comfrey	Jackson	Plymouth	
Corcoran	Keewatin	Prior Lake	
Crystal	Kimball	Proctor	
Currie	La Prairie	Richmond	
Dawson	Lake City	Rosemount	
Dayton	Lakefield	Rushford	
Deer River	Lakeville	Sanborn	
Delano	Laporte	Sandstone	
Dennison	Le Center	Sartell	
Duluth	Little Falls	Savage	
Dundas	Luverne	Sebeka	

Why Do Cities need a Street Utility?

- ♦ Traffic volumes are continuing to increase
- ♦ Congestion on major freeways and trunk highways are forcing motorists onto more and more city streets
- ♦ Growth in cities and new households is increasing steadily
- ♦ Truck mileage continue to increase
- ♦ City streets continue to age
- ♦ Streets have a finite life cycle. They continue to deteriorate without adequate maintenance
- ♦ Cities are delaying projects due to budget shortfalls
- ♦ Current funding sources are no longer adequate

Why are Current Funding Methods no longer adequate?

- ♦ Special Assessments being challenged
 - Cities cannot prove benefit (i.e. increased market value)
 - Most cities only assess a portion of a project (25%, etc.)
 - Special assessment revenues continue to shrink
 - 1981 – 12.1% of total City revenues
 - 1990 – 7.9% of total City revenues
- ♦ Levy limits affect ability to sell bonds or raise property taxes
- ♦ Utility charges/franchise fees are limited in their use, not dedicated to streets and may be subject to future restrictions



Summary of the Street Utility Concept

Key Points of the Proposed Street Utility Legislation

- ♦ It is enabling legislation only (similar to storm water utility)
- ♦ Public hearings/public input are required
- ♦ It is based on a master plan (5 year Capital Improvements Plan or similar)
- ♦ Revenues collected must be dedicated to the street projects outlined in the master plan
- ♦ All properties would pay the fee

Activities That Would be Eligible to Use This Fund

- ♦ It is intended for maintenance or replacement of streets, as opposed to new streets
 - Reconstructions
 - Overlays
 - Seal coats
- ♦ It is not intended for general maintenance activities such as snow plowing, or aesthetic streetscape amenities

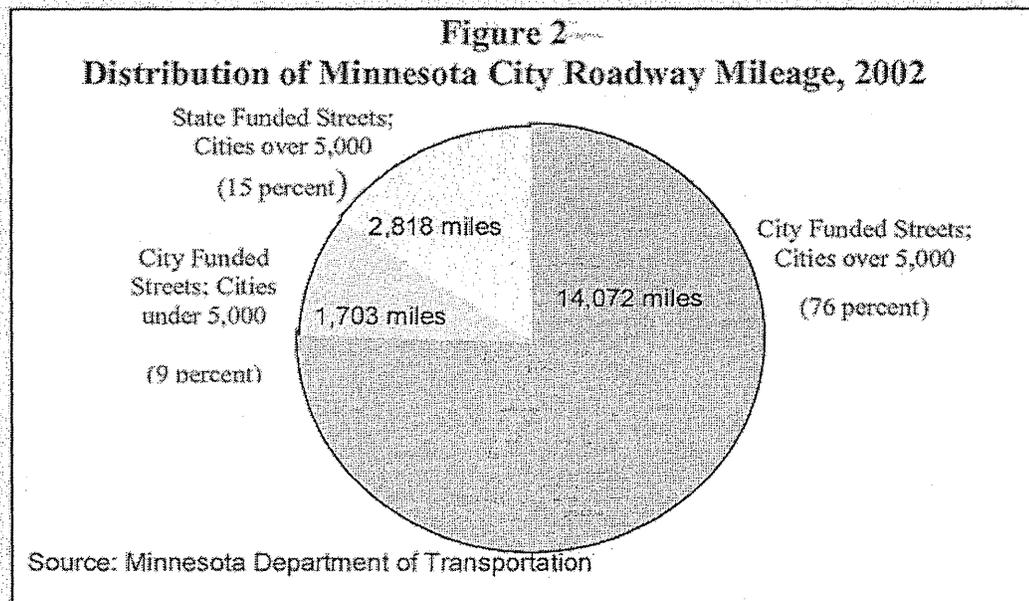


Items that Would be Covered

- ♦ Pavement, gravel base and subgrade
- ♦ Curb/gutter and drainage improvements
- ♦ Sidewalks and/or trails
- ♦ Boulevard restoration/trees
- ♦ Striping and signs

Don't Cities receive Municipal State Aid Funding? Why do they need more money?

- ♦ Cities under 5,000 population
 - Receive NO State funding for City streets
 - ♦ Cities over 5,000 population
 - Up to 20% of their street mileage can use State Aid funding for improvements
 - 80% of their City Streets receive NO State Aid Funding
 - ♦ State Aid funding is not adequate for the Municipal State Aid streets due to the obligations for cities to help fund County or State Highways.
 - ♦ There are 853 total cities in Minnesota
 - ♦ Only 134 are Municipal State Aid Cities (over 5,000 pop.)
 - ♦ 719 Cities, or 84%, receive no State Aid funding for streets
- ♦ 84% of all Cities receive NO State or Federal funding



- ♦ 85% of all City Streets receive NO State Aid Funding

A Street Utility Is Not Just a Another Tax

- ♦ *A Street Utility is applied just like a sewer or water utility*
 - *Charges are based on usage*
 - *The basis for the charge must be related to the cost of the services*
 - *Charges must be just and reasonable*
 - *Charges are allocated based on trips generated by the use*
 - *Charges are not based on ownership or property values*
 - *Enabling legislation only*

 - ♦ *Property taxes are:*
 - *Paid regardless of whether the property is used*
 - *Paid regardless of whether a property benefits from the service*
 - *Based on ownership and valuation*
 - *Calculated on a fixed proportion of the value as compared to other properties*
 - *Not charged to tax exempt properties even if they use the service*
-

Protecting Our Investment

- ♦ *Fact: Cities are not able to keep up with the unmet funding needs for their streets.*
- ♦ *Fact: Streets are continuing to age, which will only increase future costs to repair/replace these streets*
- ♦ *Fact: 84% of all city streets receive no State Aid money for funding*
- ♦ *Fact: Current funding sources are not adequate anymore*

*A Street Utility will enable cities to:
Protect Our Investment !*

STREET UTILITY CONCEPT

Estimated Monthly Utility Rates for Selected Minnesota Cities

	CHATFIELD	CRYSTAL	EAGAN	FERGUS FALLS	HIBBING	OLIVIA
<i>Estimated Annual Needs</i>	\$80,000	\$366,000	\$691,000	\$207,000	\$350,000	\$60,000
<i>Single Family Home</i>	\$2.33	\$1.18	\$0.92	\$1.00	\$1.38	\$1.24
<i>Medium Density Residential</i>	\$1.40	\$0.71	\$0.55	\$0.60	\$0.83	\$0.75
<i>Retail (per 1000 sq ft)</i>	\$11.60	\$5.94	\$4.60	\$5.00	\$6.88	\$6.21
<i>Office (per 1000 sq ft)</i>	\$2.57	\$1.31	\$1.00	\$1.10	\$1.51	\$1.36
<i>Institutional (per 1000 sq ft)</i>	\$2.80	\$1.43	\$1.10	\$1.20	\$1.65	\$1.49
<i>Industrial (per 1000 sq ft)</i>	\$0.94	\$0.48	\$0.37	\$0.40	\$0.55	\$0.50

Street Utility Fees for Typical non-Residential Users for the City of Eagan

Users	Size	Monthly Fee
Target/Home Depot	118,000 sq.ft	\$708
Chili's	6,683 sq. ft	\$40
McDonald's	4,690 sq. ft	\$28
Super America	4,400 sq. ft	\$26
Professional Office Building (Dentist/Doctor)	15,000 sq. ft	\$15
High School (~2,000 students)	325,000 sq. ft	\$325
Church (Catholic)	40,000 sq. ft	\$33
Coca-Cola Bottling Facility & Warehouse	560,000 sq. ft	\$187

OPPOSE THE STREET UTILITY FEE

SF 1980, Article 4 Section 2

What It Is:

The proposed Street Utility Fee allows local governments to charge an additional property tax based on the amount of traffic generated by a particular type of property.

Who's Opposed:

MN Auto Dealers Association

MN Bankers Association

MN Business Partnership

MN Chamber of Commerce

MN Grocers Association

MN Multi-Housing Association

MN Petroleum Marketers Association

MN Retailers Association

MN Trucking Association

International Association of Shopping Centers

National Association of Industrial and Office Properties

Refreshments Minnesota

*SuperAmerica/
Marathon Ashland Oil*

Why We Oppose It:

Roads are not utilities.

Property owners have control over their share of the costs of actual utilities such as water, sewer, electricity. But, a property owner has very little control over how much a public street in front of their property gets used.

This is another property tax, with no caps or levy limits.

Property owners already pay for roads with their property taxes.

In addition, the bill specifically states that this tax does not limit the local government's ability to use other taxing mechanisms to raise revenue for roads. *See. Sec. 1, subd. 9.*

Calculation of the tax is vague and arbitrary.

Some businesses could be burdened with several thousand dollars a year because of this new tax -- whether or not their property is on a city street.

Creates an unfair penalty.

Instead of encouraging land uses that attract visitors and commerce, this *penalizes* businesses that bring jobs and revenue to a community. The city might as well put up a toll booth at the entrance to business parking lots.

1 Senator Higgins from the Committee on State and Local
2 Government Operations, to which was referred

3 S.F. No. 1980: A bill for an act relating to
4 appropriations; appropriating money for transportation,
5 Metropolitan Council, and public safety activities; providing
6 for general contingent accounts and tort claims; authorizing
7 issuance of trunk highway bonds; modifying provision for
8 handling state mail; modifying vehicle registration tax and fee
9 provisions; increasing fees for motor vehicle transfers and
10 driver and vehicle services; establishing and modifying
11 accounts; abolishing statewide bicycle registration program;
12 proposing an amendment to the Minnesota Constitution, article
13 XIV; authorizing street utility fees and assessments; providing
14 for road signs; establishing multimodal transportation fund;
15 increasing and indexing tax on motor fuels and allocating
16 proceeds of the increase; reapportioning highway state-aid money
17 to counties; expanding authority for county wheelage tax;
18 changing vehicle registration tax rates; allocating proceeds of
19 sales tax on motor vehicles; authorizing local transportation
20 sales and excise tax; requiring a report; making technical and
21 clarifying revisions; amending Minnesota Statutes 2004, sections
22 16B.49; 115A.908, subdivision 1; 161.04, by adding a
23 subdivision; 161.081, subdivision 3; 162.06, subdivision 2;
24 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011,
25 by adding a subdivision; 168.013, subdivisions 1a, 8; 168.09,
26 subdivision 7; 168.105, subdivisions 2, 3, 5; 168.12; 168.123;
27 168.1235; 168.124; 168.125; 168.1255; 168.127, subdivision 6;
28 168.128; 168.129; 168.1291; 168.1293; 168.1296; 168.1297;
29 168.27, subdivision 11; 168.33; 168.345, subdivisions 1, 2;
30 168.381; 168.54, subdivisions 4, 5; 168A.152, subdivision 2;
31 168A.29; 168A.31; 169.09, subdivision 13; 169A.60, subdivision
32 16; 171.06, subdivisions 2, 2a; 171.061, subdivision 4; 171.07,
33 subdivision 11; 171.13, subdivision 6, by adding a subdivision;
34 171.20, subdivision 4; 171.26; 171.29, subdivision 2; 171.36;
35 296A.07, subdivision 3, by adding a subdivision; 296A.08,
36 subdivision 2, by adding a subdivision; 297B.09, subdivision 1;
37 446A.085, subdivisions 3, 8, by adding a subdivision; proposing
38 coding for new law in Minnesota Statutes, chapters 16A; 160;
39 161; 168; 297A; 299A; repealing Minnesota Statutes 2004,
40 sections 168.012, subdivision 12; 168.041, subdivision 11;
41 168.105, subdivision 6; 168.231; 168.345, subdivisions 3, 4;
42 168C.01; 168C.02; 168C.03; 168C.04; 168C.05; 168C.06; 168C.07;
43 168C.08; 168C.09; 168C.10; 168C.11; 168C.12; 168C.13; 170.23;
44 171.12, subdivision 8; 171.185; Minnesota Rules, parts
45 7407.0100; 7407.0200; 7407.0300; 7407.0400; 7407.0500;
46 7407.0600; 7407.0700; 7407.0800; 7407.0900; 7407.1000;
47 7407.1100; 7407.1200; 7407.1300.

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

50 Pages 78 to 80, delete section 2

51 Pages 89 to 91, delete section 7

52 Renumber the sections in sequence

53 Amend the title as follows:

54 Page 1, delete line 13

55 Page 1, line 18, delete everything before "changing"

56 Page 1, line 27, delete "163.051;"

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

59


.....
1 (Committee Chair)

April 1, 2005.....
(Date of Committee recommendation)

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and Fiscal Analysis**

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Senate

State of Minnesota

**S.F. No. 1510 - Minnesota Financial Crimes Oversight Council and
Task Force (First Engrossment)**

Author: Senator Satveer Chaudhary
Prepared by: Kenneth P. Backhus, Senate Counsel (651/296-4396)
Date: March 23, 2005

Overview

S.F. No. 1510 (delete-everything amendment - SCS1510A-1) establishes the Minnesota Financial Crimes Oversight Council and provides for a statewide Financial Crimes Task Force. It addresses the transition of the current Minnesota Financial Crimes Task Force into the one created in this bill and then repeals the current task force.

Section 1 creates the Minnesota Financial Crimes Oversight Council to provide guidance related to the investigation and prosecution of identity theft and financial crimes. Provides for the oversight council's membership, specifies its duties (which includes developing an overall strategy to ameliorate the harm caused to the public by identity theft and financial crime within Minnesota and establishing a multijurisdictional statewide Minnesota Financial Crimes Task Force to investigate major financial crimes). Provides for a statewide commander for the task force and specifies the commander's responsibilities. Addresses the status of participating officers in the task force, including their powers and jurisdiction. Provides for grants to combat identity theft and financial crime. Authorizes the oversight council to establish a victims' assistance program to assist victims of economic crimes and provide prevention and awareness programs. Provides that the oversight council and task force are permanent. Authorizes the oversight council to accept lawful grants and in-kind contributions. Provides that proceeds received from property seized by the task force and forfeited go to the oversight council. Provides that equipment possessed by the current Minnesota Financial Crimes Task Force (that is being repealed in **section 3**) are transferred to the oversight council for use by the task force created in this section.

Section 2 appropriates unspecified sums to the Commissioner of Public Safety to implement **section 1**.

Section 3 repeals the statute addressing the current Minnesota Financial Crimes Task Force.

KPB:ph

1

A bill for an act

2

relating to crimes; establishing the Minnesota
3 Financial Crimes Oversight Council; providing for a
4 statewide financial crimes task force and commander;
5 providing for the transition of the current task force
6 to the new one; appropriating money; proposing coding
7 for new law in Minnesota Statutes, chapter 299A;
8 repealing Minnesota Statutes 2004, section 299A.68.

9

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

10

Section 1. [299A.681] [MINNESOTA FINANCIAL CRIMES

11

OVERSIGHT COUNCIL AND TASK FORCE.]

12

Subdivision 1. [OVERSIGHT COUNCIL.] The Minnesota

13

Financial Crimes Oversight Council shall provide guidance

14

related to the investigation and prosecution of identity theft

15

and financial crime.

16

Subd. 2. [MEMBERSHIP.] The oversight council consists of

17

the following individuals, or their designees:

18

(1) the commissioner of public safety;

19

(2) the attorney general;

20

(3) two chiefs of police, selected by the Minnesota Chiefs

21

of Police Association from police departments that participate

22

in the Minnesota Financial Crimes Task Force;

23

(4) two sheriffs, selected by the Minnesota Sheriffs

24

Association from sheriff departments that participate in the

25

task force;

26

(5) the United States attorney for the district of

27

Minnesota;

1 (6) a county attorney, selected by the Minnesota County
2 Attorneys Association;

3 (7) a representative from the United States Postal
4 Inspector's Office, selected by the oversight council;

5 (8) a representative from a not-for-profit retail merchants
6 industry, selected by the oversight council;

7 (9) a representative from a not-for-profit banking and
8 credit union industry, selected by the oversight council;

9 (10) a representative from a not-for-profit association
10 representing senior citizens, selected by the oversight council;

11 (11) the statewide commander of the task force; and

12 (12) two additional members selected by the oversight
13 council.

14 The oversight council may adopt procedures to govern its conduct
15 and shall select a chair from among its members.

16 Subd. 3. [DUTIES.] The oversight council shall develop an
17 overall strategy to ameliorate the harm caused to the public by
18 identity theft and financial crime within Minnesota. The
19 strategy may include the development of protocols and procedures
20 to investigate financial crimes and a structure for best
21 addressing these issues in a multijurisdictional manner.

22 Additionally, the oversight council shall:

23 (1) establish a multijurisdictional statewide Minnesota
24 Financial Crimes Task Force to investigate major financial
25 crimes;

26 (2) select a statewide commander of the task force who
27 serves at the pleasure of the oversight council;

28 (3) assist the Department of Public Safety in developing an
29 objective grant review application process that is free from
30 conflicts of interest;

31 (4) make funding recommendations to the commissioner of
32 public safety on grants to support efforts to combat identity
33 theft and financial crime;

34 (5) assist law enforcement agencies and victims in
35 developing a process to collect and share information to improve
36 the investigation and prosecution of identity theft and

1 financial crime;

2 (6) develop and approve an operational budget for the
3 office of the statewide commander and the oversight council; and

4 (7) enter into any contracts necessary to establish and
5 maintain a relationship with retailers, financial institutions,
6 and other businesses to deal effectively with identity theft and
7 financial crime.

8 The task force described in clause (1) may consist of members
9 from local law enforcement agencies, federal law enforcement
10 agencies, state and federal prosecutors' offices, and
11 representatives from elderly victims, retail, financial
12 institutions, and not-for-profit organizations.

13 Subd. 4. [STATEWIDE COMMANDER.] (a) The Financial Crimes
14 Task Force commander under Minnesota Statutes 2004, section
15 299A.68, shall oversee the transition of that task force into
16 the task force described in subdivision 3 and remain in place as
17 its commander until July 1, 2008. On that date, the
18 commissioner of public safety shall appoint as statewide
19 commander the individual selected by the oversight council under
20 subdivision 3. The commander serves in the unclassified service.

21 (b) The commander shall:

22 (1) coordinate and monitor all multijurisdictional identity
23 theft and financial crime enforcement activities;

24 (2) facilitate local efforts and ensure statewide
25 coordination with efforts to combat identity theft and financial
26 crime;

27 (3) facilitate training for law enforcement and other
28 personnel;

29 (4) monitor compliance with investigative protocols;

30 (5) implement an outcome evaluation and data quality
31 control process;

32 (6) be responsible for the selection and for cause removal
33 of assigned task force investigators who are designated
34 participants under a memorandum of understanding or who receive
35 grant funding;

36 (7) provide supervision of assigned task force

1 investigators;

2 (8) submit a task force operational budget to the oversight
3 council for approval; and

4 (9) submit quarterly task force activity reports to the
5 oversight council.

6 Subd. 5. [PARTICIPATING OFFICERS; EMPLOYMENT STATUS.] All
7 law enforcement officers selected to participate in the task
8 force must be licensed peace officers as defined in section
9 626.84, subdivision 1, or qualified federal law enforcement
10 officers as defined in section 626.8453. Participating officers
11 remain employees of the same entity that employed them before
12 joining any multijurisdictional entity established under this
13 section. Participating officers are not employees of the state.

14 Subd. 6. [JURISDICTION AND POWERS.] Law enforcement
15 officers participating in any multijurisdictional entity
16 established under this section have statewide jurisdiction to
17 conduct criminal investigations and have the same powers of
18 arrest as those possessed by a sheriff. The task force shall
19 retain from its predecessor the assigned originating reporting
20 number for case reporting purposes.

21 Subd. 7. [GRANTS AUTHORIZED.] The commissioner of public
22 safety, upon recommendation of the oversight council, shall make
23 grants to state and local units of government to combat identity
24 theft and financial crime. The commander, as funding permits,
25 may prepare a budget to establish four regional districts and
26 funding grant allocations programs outside the counties of
27 Hennepin, Ramsey, Anoka, Washington, and Dakota. The budget
28 must be reviewed and approved by the oversight council and
29 recommended to the commissioner to support these efforts.

30 Subd. 8. [VICTIMS ASSISTANCE PROGRAM.] (a) The oversight
31 council may establish a victims assistance program to assist
32 victims of economic crimes and provide prevention and awareness
33 programs. The oversight council may retain the services of
34 not-for-profit organizations to assist in the development and
35 delivery systems in aiding victims of financial crime. The
36 program may not provide any financial assistance to victims, but

1 may assist victims in obtaining police assistance and advise
2 victims in how to protect personal accounts and identities.
3 Services may include a victim toll-free telephone number, fax
4 number, Web site, Monday through Friday telephone service,
5 e-mail response, and interfaces to other helpful Web sites.
6 Victims' information compiled are governed under chapter 13.

7 (b) The oversight council may post or communicate through
8 public service announcements in newspapers, radio, television,
9 cable access, billboards, Internet, Web sites, and other normal
10 advertising channels, a financial reward of up to \$2,000 for
11 tips leading to the apprehension and successful prosecution of
12 individuals committing economic crime. All rewards must meet
13 the oversight council's standards. The release of funds must be
14 made to an individual whose information leads to the
15 apprehension and prosecution of offenders committing economic or
16 financial crimes against citizens or businesses in Minnesota.
17 All rewards paid to an individual must be reported to the
18 Department of Revenue along with the individual's Social
19 Security number.

20 Subd. 9. [OVERSIGHT COUNCIL AND TASK FORCE IS PERMANENT.]
21 Notwithstanding section 15.059, this section does not expire.

22 Subd. 10. [FUNDING.] The oversight council may accept
23 lawful grants and in-kind contributions from any federal source
24 or legal business or individual not funded by this section for
25 general operation support, including personnel costs. These
26 grants or in-kind contributions are not to be directed toward
27 the case of a particular victim or business. The oversight
28 council's fiscal agent shall handle all funds approved by the
29 oversight council, including in-kind contributions.

30 Subd. 11. [FORFEITURE.] Property seized by the task force
31 is subject to forfeiture pursuant to sections 609.531, 609.5312,
32 609.5313, and 609.5315 if ownership cannot be established. The
33 council shall receive the proceeds from the sale of all property
34 properly seized and forfeited.

35 Subd. 12. [TRANSFER EQUIPMENT FROM CURRENT TASK
36 FORCE.] All equipment possessed by the task force described in

1 Minnesota Statutes 2004, section 299A.68, is transferred to the
2 oversight council for use by the task force described in this
3 section.

4 [EFFECTIVE DATE.] This section is effective July 1, 2005.

5 Sec. 2. [APPROPRIATION.]

6 \$..... is appropriated for the fiscal year ending June
7 30, 2006, and \$..... is appropriated for the fiscal year
8 ending June 30, 2007, from the general fund to the commissioner
9 of public safety to be used to implement section 1.

10 Sec. 3. [REPEALER.]

11 Minnesota Statutes 2004, section 299A.68, is repealed.

12 [EFFECTIVE DATE.] This section is effective July 1, 2005.

APPENDIX
Repealed Minnesota Statutes for S1510-1

299A.68 MINNESOTA FINANCIAL CRIMES TASK FORCE.

Subdivision 1. **Task force established.** The Minnesota Financial Crimes Task Force is established to investigate major financial crimes. Local law enforcement agencies, federal law enforcement agencies, and state and federal prosecutor's offices may join the Minnesota Financial Crimes Task Force, subject to the provisions of this section.

Subd. 2. **Task force's duties.** (a) The task force shall investigate consumer identity theft cases and reported financial crimes from individuals and businesses that are victims of such crimes.

(b) The task force shall focus on financial crimes including, but not limited to, statewide crimes such as: theft, fraud, and forgery crimes, including identity theft, check forgery, fraud in obtaining credit, financial transaction card fraud, theft from merchants, possession or sale of stolen or counterfeit checks, issuance of dishonored checks, creation or use of counterfeit state identification, obtaining counterfeit state identification, fraudulent Internet transactions, fraudulent merchandise returns, investment fraud, insurance fraud, vehicle insurance fraud, financial institution fraud, fraud related to state or federal programs, tax fraud, mail and wire fraud, and other related financial crimes.

(c) In particular, the task force shall investigate individuals and organizations, based on their criminal activity, that:

(1) commit multiple, cross-jurisdictional, financial crimes;

(2) employ computers and other sophisticated technology to counterfeit documents or commit fraud; or

(3) illegally obtain consumer information for identity theft.

Subd. 3. **Role of participating agencies.** (a) The agencies that participate in the statewide Financial Crimes Task Force shall oversee the task force's operation by establishing procedures and guidelines in an agreement. The agreement must be addressed in a memorandum of understanding and signed by the person in charge of each participating agency of government. The memorandum of understanding must address the following:

(1) the command structure of the task force;

(2) acquisition and liquidation of equipment, office space, and transportation;

(3) procedures for contracting for necessary administrative support;

(4) selection and assignment of members;

(5) transfer of task force members;

(6) resolution of disputes between participating agencies;

(7) requirements and procedures for all workers' compensation and other liability to remain the responsibility of each member's employing agency;

(8) disposition of assets and debts if the task force is disbanded; and

(9) all other issues deemed pertinent by the participating agencies.

(b) Federal law enforcement agencies participating in the task force must be signatories to the memorandum of understanding. Federal law enforcement agencies and officers participating in the task force may not participate in the selection of the statewide commander or receive any funding for

APPENDIX
Repealed Minnesota Statutes for S1510-1

agents' salaries, benefits, or overtime.

Subd. 4. **Statewide commander.** The participating local agencies shall select a commander to direct the task force. The commander shall make tactical decisions regarding the commencement, continuation, and conclusion of investigations of crimes in consultation with agencies participating in the task force. The commander shall also report annually to the commissioner of public safety as required in subdivision 10.

Subd. 5. **Members; employment status.** All law enforcement officers selected to join the task force must be licensed peace officers under section 626.84, subdivision 1, or qualified federal law enforcement officers as defined in section 626.8453. Members remain employees of the same entity that employed them before joining the task force. Compensation, personnel evaluations, grievances, merit increases, and liability insurance coverage, such as general, personal, vehicle, and professional liability insurance, must be covered by each member's employing agency. Members of the Financial Crimes Task Force are not employees of the state.

Subd. 6. **Jurisdiction and powers.** Law enforcement officers who are members of the task force have statewide jurisdiction to conduct criminal investigations into financial crimes as described in subdivision 2.

Officers assigned to the Financial Crimes Task Force shall follow their county arrest procedures, booking processes, reporting processes, county attorney charging requirements, and appropriate notification protocols to local and county sheriff agencies where arrests are made and search warrants executed. The commander of the task force is responsible for ensuring compliance with applicable local practices and procedures.

Subd. 6a. **Regional offices.** The commander, as funding permits, may establish seven regional offices of the task force to investigate financial crimes throughout the state and the regional areas. The regional offices must originally be established based on current state judicial districts, with one regional office covering the First, Second, Fourth, and Tenth Judicial Districts. The commander must establish a separate regional office in each of the Third, Fifth, Sixth, Seventh, Eighth, and Ninth Judicial Districts. The regional offices must be composed of participating agencies from each of the designated geographic areas. In consultation with the commander, the participating agencies of each regional office must select a supervisor to direct the office. The regional office supervisors must report to the commander. If necessary, the advisory committee established in subdivision 8 may modify the geographic boundary of a regional office.

Subd. 7. **Collaboration with other prosecutorial and law enforcement offices.** To the greatest degree possible, the task force shall cooperate and collaborate with existing prosecutorial offices and law enforcement agencies.

Subd. 8. **Budget; advisory committee; fund allocation and use.** (a) The statewide commander shall establish an operational budget and present it to an advisory committee for approval. Grants awarded to participating local agencies must be approved by the advisory committee. The advisory committee must be composed of the statewide commander, a county attorney from the metro area, a county attorney from greater Minnesota, and the three chiefs of police or sheriffs from the local law enforcement agencies that have the longest continuous

APPENDIX
Repealed Minnesota Statutes for S1510-1

participation in the task force. The committee shall appoint a chair from among its members. The statewide commander must not be the chair of the committee. The committee may adopt procedures to govern its conduct if necessary. A committee member may appoint a designee to take the member's place. The advisory committee shall oversee and select a fiscal agent qualified to handle financial accounting of task force funding. The task force shall be assigned an originating reporting number for case tracking and reporting purposes.

(b) A participating local agency may seek a grant for reimbursement for the time and resources that a peace officer, investigator, detective, prosecutor, and administrative staff dedicate to the task force, or for any other task force-related purposes as described in paragraph (d). In order to receive a grant under this subdivision, a participating local agency must provide a 20 percent match in nonstate funds or in-kind contributions either directly from its budget or from businesses directly donating support. A participating employee shall remain an employee of the contributing agency.

(c) For purposes of this subdivision, an "in-kind contribution" means any asset contribution or personnel costs not funded by this section, including office supplies, furniture, office space, computers, software, equipment, surveillance tools, and personnel benefits. It also includes contributions from federal agencies, businesses, nonprofit organizations, individuals, or legal entities used for general operations support and not directed toward the case of a particular victim or business.

(d) Task force funds may be used for any task force-related purpose including salaries, overtime, administration, office costs, law enforcement equipment, computers, software, vehicle expenses, travel, and training.

(e) The commissioner shall transfer all funds to the task force from financial contributions and grants designated to the task force for the purposes described in this section.

Subd. 9. **Forfeiture.** Property seized by the task force is subject to forfeiture pursuant to sections 609.531, 609.5312, 609.5313, and 609.5315 if ownership cannot be established. The task force shall receive the proceeds from the sale of all property that it properly seizes and that is forfeited.

Subd. 10. **Required reports.** Beginning July 1, 2003, the commander of the task force shall report annually to the commissioner on the activities of the task force.

Subd. 11. **Task force is permanent.** Notwithstanding section 15.059, this section does not expire.

Subd. 12. **Matching federal dollars.** The task force may accept grants or contributions from any federal source or legal business or entity.

Senate File 1510

- Creates state funding for the MN Financial Crimes Task Force from general funding appropriations....
- Investigation of identity theft and financial crimes
- Provides enhanced organizational structure of task force through the Oversight Council
- Provides grant funding for four (4) regional districts in greater MN, provided funding level support

TYPE OF CASES:

Cross-jurisdictional Cases and Organized Groups

- Identity theft (fastest growing property crime)
- Organized financial crime groups
- Counterfeiting groups (state ids, checks, currency, money orders...)
- Mail theft and fraud cases
- Financial institution fraud groups
- Financial retail fraud groups
- Investment fraud
- Elderly fraud



Counterfeit Checks for Gift Cards and Subsequent Gun Purchases

26 guns purchased through Identity Theft



All Guns recovered. Suspects apprehended. ³

\$1.5 Million Identity Theft Simmon's Group



Ring leader 15 years in prison. Average sentence 47 months.

Stolen Credit Cards, Identity Theft, Counterfeit Checks

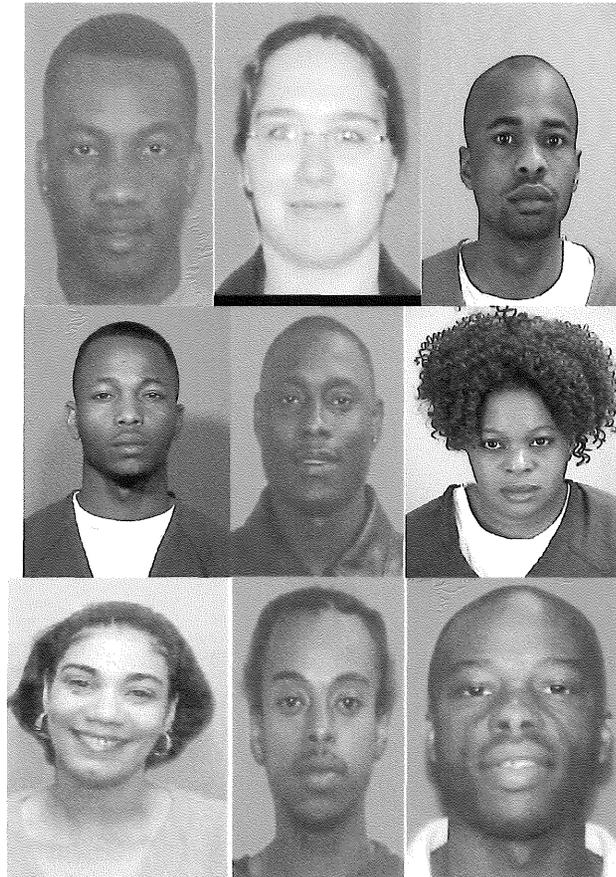


- **30 year career offender, organized criminal group**
- **60-80 percent of all property crimes in St. Paul**
- **Over one million dollars annually**
- **Organized group: drugs, prostitution, fraud, stolen property, burglaries, “missing persons”...**



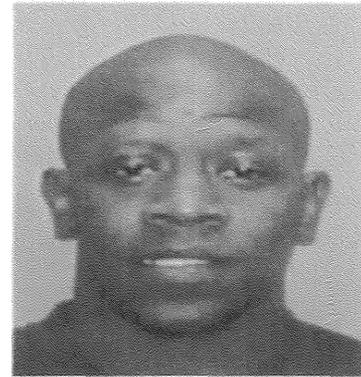
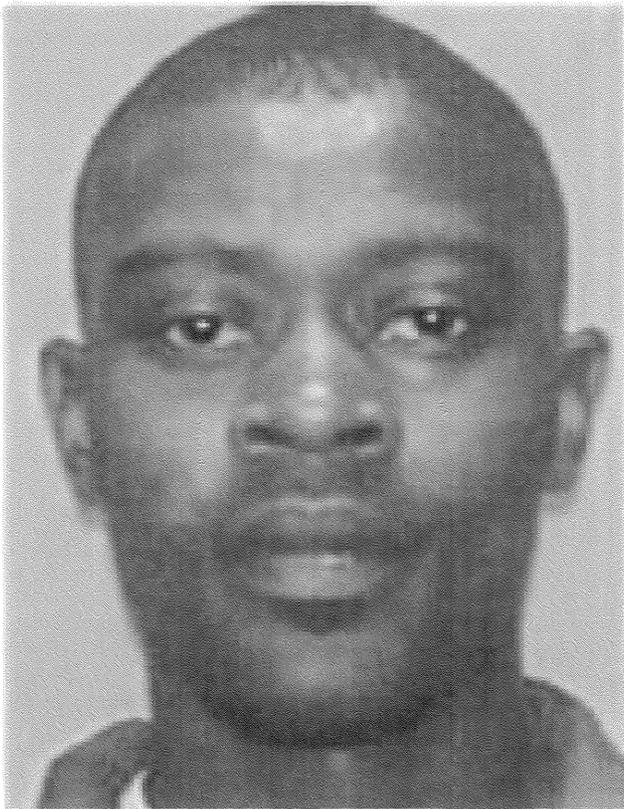
Ringleader facing 15 years in prison.

Nigerian fraud group. Multiple fraud types. \$6.2 million Dollars in committed fraud.



Ringleader 14.7 years Federal Prison. Average sentence 36 months.

Identity Theft and Counterfeit Checks, \$400,000



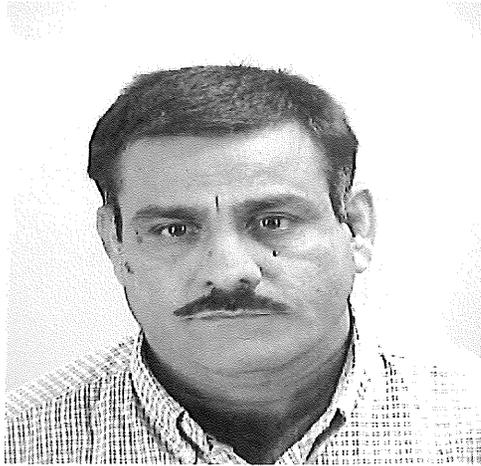
Vice Lord Gang

Greater MN



All currently incarcerated in Federal Prison.

\$233,000 Bank Fraud and Credit Card Scam



- Counterfeit check loss, 90-days
- NY federal indictments on credit cards
- MN, NY, NC, and CA
- Extradited back from NY
- Pakistan stinger missile connection

Currently in Federal custody in N.Y.

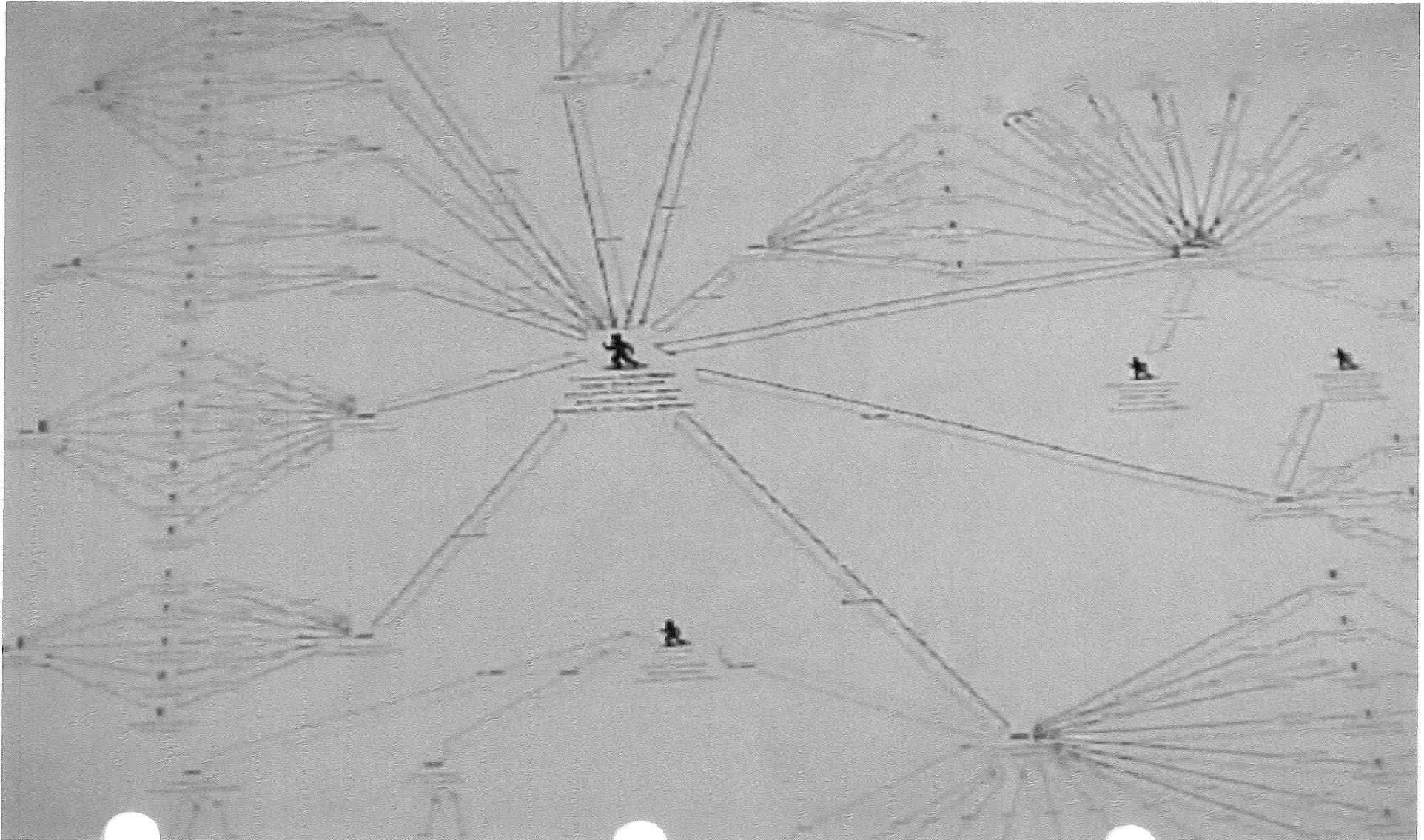
The heart of the problem stolen personal information



The tool used...

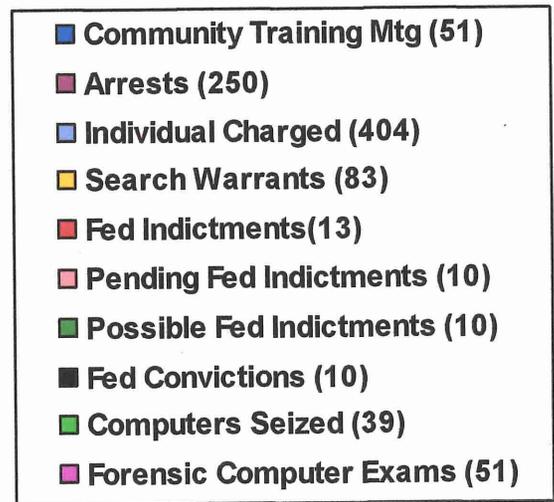
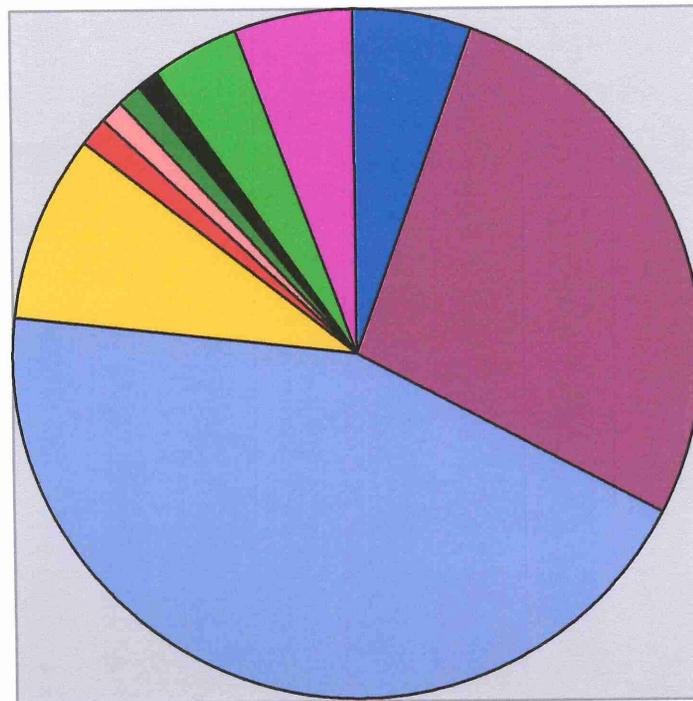


The complexity of the issue.....

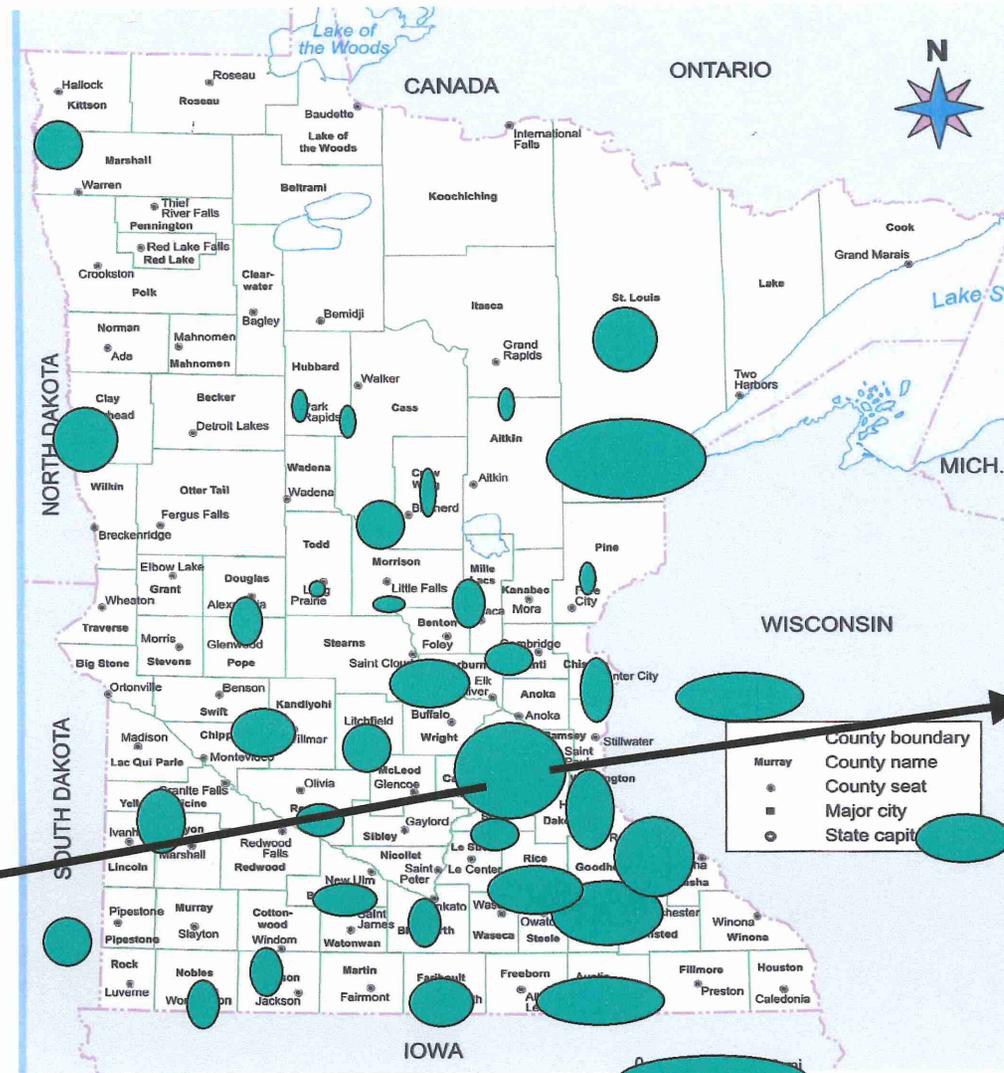


Task Force Activities

July 2003 Through Feb. 2005



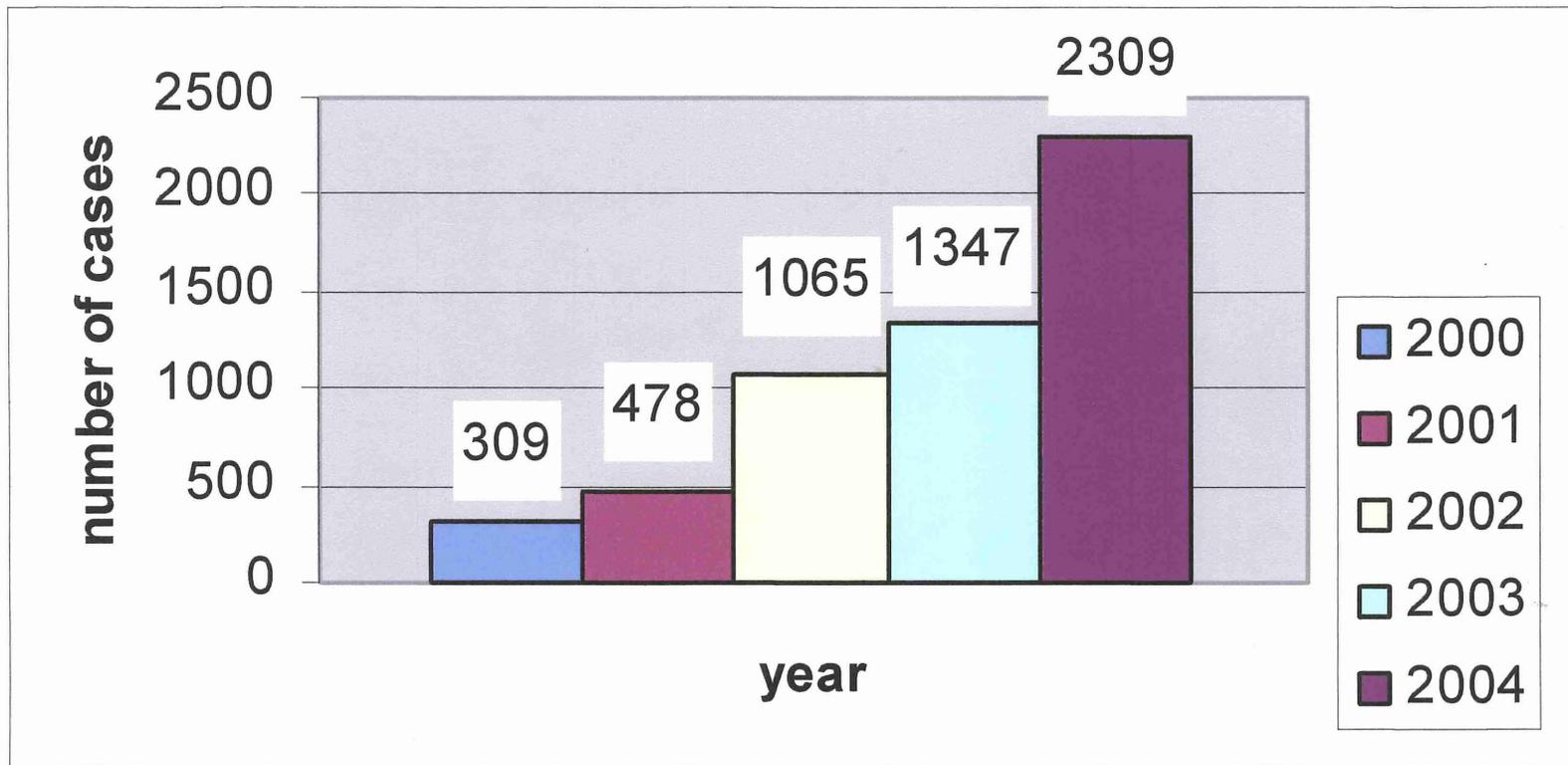
Task Force Cases



NY, Madison, Milwaukee

CA, AZ, NB, SD, ND, WA, NV, IA

Task Force Case Increases



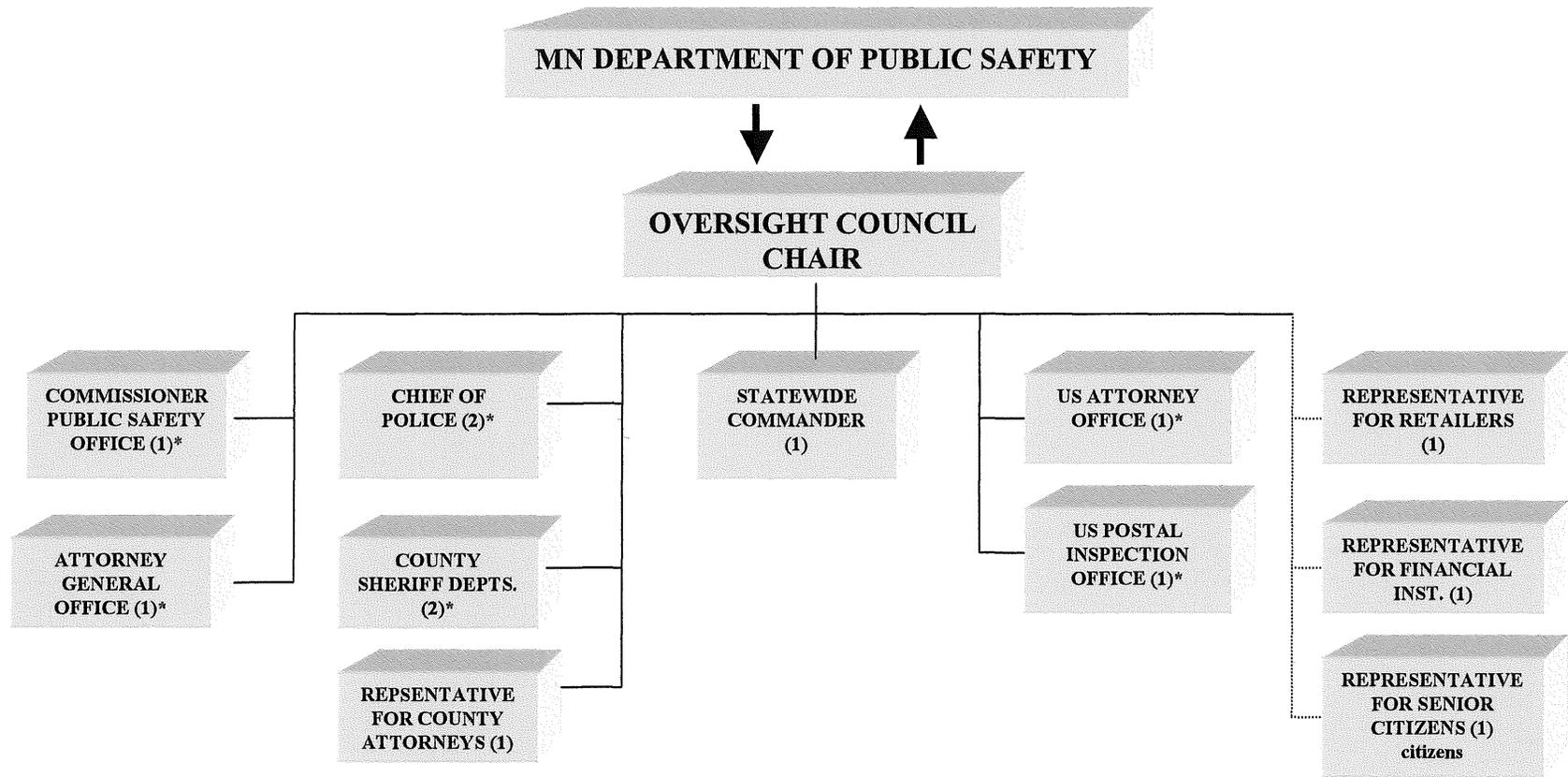
**Minnesota Department of Public Safety
Office of Justice Programs
Task Force Audit**

REVIEW OF FINANCIAL AND ADMINISTRATIVE PROCEDURES

Summary Comments:

- Commander Abbas and the board have managed their funding very well. Spending is only authorized for items that are critical to the successful operation of the task force. After visiting the offices, I know that this is a “no-frills” operation.
- The financial affairs of the Minnesota Financial Crimes Task Force are well managed by the commander, advisory board and fiscal agent. There are sound procedures in place for financial accountability and they are always followed. Any of the recommendations indicated above do not reflect any deficiencies, but rather, are intended to enhance the current system of “checks and balances”.
- At this time, no on-going funding has been identified. I would note that during the course of this review, I looked at the operational results of the task force for the period of July 1, 2003 – June 30, 2004. I noted that there were 123 arrests with 164 individuals charged. The cases involve over 10,000 victims of identity theft or fraud with losses of over \$5,000,000. Their work appears to be a significant “return on investment”.

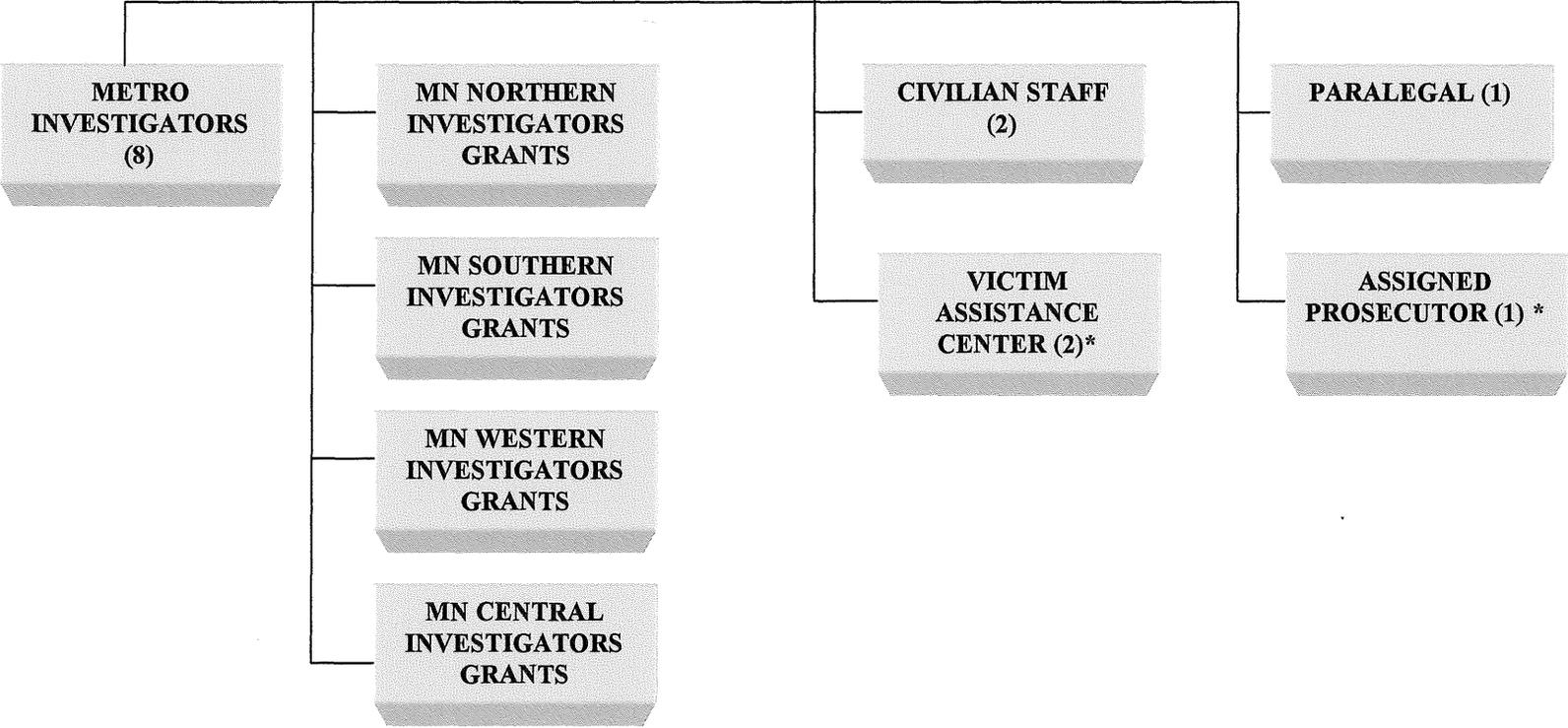
MINNESOTA FINANCIAL CRIMES TASK FORCE OVERSIGHT COUNCIL STRUCTURE



* OR Designee

**MINNESOTA FINANCIAL CRIMES
OVERSIGHT COUNCIL
OPERATIONS**

STATEWIDE TASK FORCE COMMANDER



MN Department Of Public Safety Participation And Responsibilities

- Membership on the Oversight Council
- Administration of approved Oversight Council grants to agencies
 - Coordination and transfer of funds to fiscal agent
 - Collection and accounting of assessment fees
 - Conduct audits of fund applications

MN Financial Crimes Task Force Oversight Council

- Develop A Strategy To Combating Organized Financial Crime
 - Protocols And Procedures For MNFCTF
 - Develop Structures To Support MNFCTF
- Develop Partnerships With Multi-jurisdictional Agencies
 - Statewide Commander Oversight
- Develop An Objective Grant Review Application Process
- Make Funding Recommendation To The Commissioner of Public Safety
- Develop A Process To Collect and Share Information To Improve Investigations And Prosecutions
 - Develop And Approve An Operational Budget
 - Enter Into Contracts To Maintain The Task Force

MN FINANCIAL CRIMES TASK FORCE STATEWIDE COMMANDER

- COORDINATE AND MONITOR ALL MULTI-JURISDICTIONAL FINANCIAL CRIME CASES
- FACILITATE LOCAL EFFORTS AND ENSURE STATEWIDE COORDINATION
 - FACILITATE TRAINING FOR PERSONNEL
 - MONITOR COMPLIANCE WITH INVESTIGATIVE PROTOCOLS
- IMPLEMENT AN OUTCOME EVALUATION AND DATA QUALITY CONTROL PROCESS
- SUPERVISION OF TASK FORCE INVESTIGATORS TO PARTICIPATE ON TASK FORCE THROUGH THE MEMORANDUM OF UNDERSTANDINGS WHO ARE PARTICIPATING AGENCIES ON THE TASK FORCE
 - SUPERVISION OF TASK FORCE INVESTIGATIONS
- SUBMITTING TASK FORCE OPERATIONAL BUDGET TO THE OVERSIGHT COUNCIL FOR APPROVAL
- SUBMITTING QUARTERLY ACTIVITY REPORTS TO OVERSIGHT COUNCIL

Task Force Endorsements

**City of Edina,
City of Duluth,
City Council Minneapolis,
St Paul Police Federation,
Police Officers Federation of Minneapolis,
Police Officers Alliance of Minnesota,
Hennepin County Attorney,
Anoka County Attorney,
Urban County Attorneys Association,
Minnesota County Attorneys Association,
Minnesota Bankers Association
Retailers Protection Association**

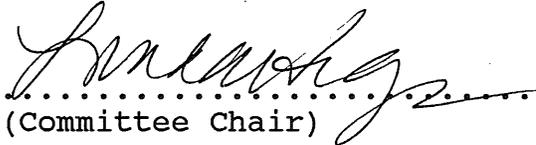
1 **Senator Higgins from the Committee on State and Local**
2 **Government Operations, to which was re-referred**

3 **S.F. No. 1510:** A bill for an act relating to crimes;
4 establishing the Minnesota Financial Crimes Oversight Council;
5 providing for a statewide financial crimes task force and
6 commander; providing for the transition of the current task
7 force to the new one; appropriating money; proposing coding for
8 new law in Minnesota Statutes, chapter 299A; repealing Minnesota
9 Statutes 2004, section 299A.68.

10 Reports the same back with the recommendation that the bill
11 do pass and be re-referred to the Committee on Transportation.
12 Report adopted.

13

14


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(Committee Chair)

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April 1, 2005.....
(Date of Committee recommendation)