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A bill for an act

relating to criminal justice; appropriating money for the courts, public defenders, public safety, corrections, and other criminal justice agencies; establishing, funding, modifying, and regulating public safety, criminal justice, judiciary, law enforcement, corrections, crime victims, and CrimNet policies, programs, duties, activities, or practices; requiring studies and reports; imposing criminal and civil penalties; setting or increasing fines, surcharges, taxes, and fees; amending Minnesota Statutes 2004, sections 14.03, subdivision 3; 152.01, subdivision 10; 152.021, subdivisions 2a, 3; 168A.05, subdivision 3; 171.06, by adding a subdivision; 171.20, subdivision 4; 171.26; 237.70, subdivision 7; 241.06; 241.67, subdivisions 7, 8; 243.166, by adding a subdivision; 243.167; 244.04, subdivision 1; 244.05, subdivisions 2, 4, 5, 6, 7; 244.052, subdivisions 3, 3, 4, by adding a subdivision; 244.09, subdivision 11; 244.10, subdivision 2a, by adding a subdivision; 244.18, subdivision 2; 253B.08, subdivision 1; 253B.18, subdivision 5, by adding a subdivision; 260C.171, by adding a subdivision; 297G.03, subdivisions 1, 2; 297G.04, subdivisions 1, 2; 299A.38, subdivisions 2, 2a, 3; 299C.65, subdivisions 1, 2, 5, by adding a subdivision; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.311; 340A.404, subdivision 12; 340A.408, subdivision 4; 340A.414, subdivision 6; 340A.504, subdivisions 3, 7; 357.021, subdivisions 2, 6, 7; 357.18, subdivision 3; 403.02, subdivisions 7, 13, 17, by adding a subdivision; 403.025, subdivisions 3, 7; 403.05, subdivision 3; 403.07, subdivision 3; 403.08, subdivision 10; 403.11, subdivisions 1, 3, 3a; 403.113, subdivision 1; 403.27, subdivisions 1, 3; 403.30, subdivision 1; 508.82, subdivision 1; 508A.82, subdivision 1; 518B.01, subdivision 22; 604.15, subdivision 2, by adding a subdivision; 609.108, subdivisions 1, 3, 4, 6; 609.109, subdivisions 2, 5; 609.1095, subdivision 1; 609.115, by adding a subdivision; 609.117, subdivisions 1, 2; 609.119; 609.1351; 609.185; 609.223, by adding a subdivision; 609.2231, by adding a subdivision; 609.229, subdivision 3; 609.321, subdivisions 1, 7, by adding subdivisions; 609.325, by adding a subdivision; 609.341, subdivision 14, by adding a subdivision;

1 609.342, subdivisions 2, 3; 609.343, subdivisions 2,
 2 3; 609.344, subdivisions 2, 3; 609.345, subdivisions
 3 2, 3; 609.3452, subdivision 1; 609.347; 609.3471;
 4 609.348; 609.353; 609.485, subdivisions 2, 4; 609.50,
 5 subdivision 1; 609.527, subdivisions 1, 3, 4, 6, by
 6 adding a subdivision; 609.531, subdivision 1;
 7 609.5315, subdivision 1, by adding a subdivision;
 8 609.746, subdivision 1; 609.748, subdivisions 2, 3a;
 9 609.749, subdivision 2; 609.79, subdivision 2;
 10 609.795, by adding a subdivision; 617.81, subdivision
 11 4, by adding a subdivision; 617.85; 626.556,
 12 subdivision 3; 628.26; 631.045; proposing coding for
 13 new law in Minnesota Statutes, chapters 152; 237; 243;
 14 244; 299A; 299C; 325F; 403; 446A; 609; repealing
 15 Minnesota Statutes 2004, sections 18C.005,
 16 subdivisions 1a, 35a; 18C.201, subdivisions 6, 7;
 17 18D.331, subdivision 5; 243.166, subdivisions 1, 8;
 18 299A.68; 299C.65, subdivisions 3, 4, 6, 7, 8, 8a, 9;
 19 403.30, subdivision 3; 609.108, subdivision 2;
 20 609.109, subdivision 7; 609.725.

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

22 ARTICLE 1

23 PUBLIC SAFETY APPROPRIATIONS

24 Section 1. [APPROPRIATIONS.]

25 The sums shown in the columns marked "APPROPRIATIONS" are
 26 added to or, if shown in parentheses, are subtracted from the
 27 appropriations to the specified agencies in 2005 S.F. No. 1879,
 28 article 9, if enacted. The appropriations are from the general
 29 fund, unless another fund is named, and are available for the
 30 fiscal year indicated for each purpose. The figures "2006" and
 31 "2007," where used in this article, mean that the additions to
 32 or subtractions from the appropriations listed under them are
 33 for the fiscal year ending June 30, 2006, or June 30, 2007,
 34 respectively. The term "first year" means the fiscal year
 35 ending June 30, 2006, and the term "second year" means the
 36 fiscal year ending June 30, 2007.

37 SUMMARY BY FUND

38	2006	2007	TOTAL
39 GENERAL	\$ 73,390,000	\$81,010,000	\$154,400,000
40 STATE GOVERNMENT			
41 SPECIAL REVENUE	16,368,000	16,688,000	33,056,000
42 BOND PROCEEDS	62,500,000	-0-	62,500,000
43 TOTAL	\$152,258,000	\$97,698,000	\$249,956,000

44 APPROPRIATIONS
 45 Available for the Year
 46 Ending June 30
 47 2006 2007

1	Sec. 2. SUPREME COURT	\$ 6,090,000	\$ 6,041,000
2	[CASELOAD INCREASES.] \$1,090,000 the		
3	first year and \$1,041,000 the second		
4	year are for caseload increases.		
5	[CIVIL LEGAL SERVICES.] \$5,000,000 each		
6	year is for legal services under		
7	Minnesota Statutes, sections 480.24 to		
8	480.244.		
9	[PROHIBITION ON USE OF APPROPRIATIONS		
10	FOR JUDICIAL SALARY INCREASES.] No		
11	portion of these appropriations may be		
12	used for judicial salary increases.		
13	Sec. 3. COURT OF APPEALS	250,000	250,000
14	For caseload increases.		
15	[PROHIBITION ON USE OF APPROPRIATIONS		
16	FOR JUDICIAL SALARY INCREASES.] No		
17	portion of these appropriations may be		
18	used for judicial salary increases.		
19	Sec. 4. DISTRICT COURTS	9,275,000	11,592,000
20	[CASELOAD INCREASES.] \$6,671,000 each		
21	year is for caseload increases.		
22	[SEX AND METHAMPHETAMINE OFFENSES.]		
23	\$3,600,000 the first year and		
24	\$7,200,000 the second year are for the		
25	sex and methamphetamine offense		
26	sentencing changes made in this act.		
27	[SPECIALTY COURTS.] \$250,000 each year		
28	is to develop or expand specialty		
29	courts such as drug courts and mental		
30	health courts.		
31	By January 15, 2008, the state court		
32	administrator shall report to the		
33	chairs and ranking minority members of		
34	the senate and house committees and		
35	divisions having jurisdiction over		
36	criminal justice policy and funding on		
37	how this money was used.		
38	[PROHIBITION ON USE OF APPROPRIATIONS		
39	FOR JUDICIAL SALARY INCREASES.] No		
40	portion of these appropriations may be		
41	used for judicial salary increases.		
42	Sec. 5. UNIFORM LAWS COMMISSION	5,000	5,000
43	For national conference dues.		
44	Sec. 6. BOARD OF PUBLIC DEFENSE	5,495,000	9,295,000
45	[CASELOAD INCREASES.] \$1,695,000 each		
46	year is for caseload increases.		
47	[SEX AND METHAMPHETAMINE OFFENSES.]		
48	\$3,800,000 the first year and		
49	\$7,600,000 the second year are for the		
50	sex and methamphetamine offense		
51	sentencing changes made in this act.		
52	Sec. 7. PUBLIC SAFETY		

1	Subdivision 1. Total		
2	Appropriation	91,944,000	29,811,000
3	Summary by Fund		
4	General	13,076,000	13,123,000
5	State Government		
6	Special Revenue	16,368,000	16,688,000
7	Bond Proceeds	62,500,000	-0-
8	[AGENCYWIDE ADMINISTRATIVE		
9	CUT.]	(175,000)	(175,000)
10	This is an agencywide administrative		
11	cut.		
12	[APPROPRIATIONS FOR PROGRAMS.] The		
13	amounts that may be spent from this		
14	appropriation for each program are		
15	specified in the following subdivisions.		
16	Subd. 2. Criminal Apprehension	4,976,000	5,023,000
17	[AUTOMATED FINGERPRINT IDENTIFICATION		
18	SYSTEM.] \$1,533,000 the first year and		
19	\$2,318,000 the second year are to		
20	replace the automated fingerprint		
21	identification system (AFIS).		
22	[PREDATORY OFFENDER REGISTRATION		
23	SYSTEM.] \$1,146,000 the first year and		
24	\$564,000 the second year are to upgrade		
25	the predatory offender registration		
26	(POR) system and to increase the		
27	monitoring and tracking of registered		
28	offenders who become noncompliant with		
29	the law.		
30	[CRIMINAL JUSTICE INFORMATION SYSTEMS		
31	(CJIS) AUDIT TRAIL.] \$374,000 the first		
32	year and \$203,000 the second year are		
33	for the Criminal Justice Information		
34	Systems (CJIS) audit trail.		
35	[DNA ANALYSIS OF FELON OFFENDERS.]		
36	\$857,000 the first year and \$869,000		
37	the second year are to fund the		
38	analyses of biological samples from		
39	felon offenders.		
40	[LIVESCAN.] \$66,000 the first year and		
41	\$69,000 the second year are to fund the		
42	ongoing costs of Livescan.		
43	[TEN NEW AGENTS.] \$1,000,000 each year		
44	is for ten Bureau of Criminal		
45	Apprehension agents to be assigned		
46	exclusively to methamphetamine		
47	enforcement, including the		
48	investigation of manufacturing and		
49	distributing methamphetamine and		
50	related violence. These appropriations		
51	are intended to increase the current		
52	allocation of Bureau of Criminal		
53	Apprehension resources dedicated to		
54	methamphetamine enforcement. Positions		
55	funded by these appropriations may not		
56	supplant existing agent assignments or		
57	positions.		

1	Subd. 3. Fire Marshal	900,000	900,000
2	Subd. 4. Office of Justice		
3	Programs	7,375,000	7,375,000
4	[CRIME VICTIM ASSISTANCE GRANTS		
5	INCREASE.] \$1,270,000 each year is to		
6	increase funding for crime victim		
7	assistance grants for abused children,		
8	sexual assault, battered women, and		
9	general crime victims.		
10	[BATTERED WOMEN'S SHELTER GRANTS.]		
11	\$2,131,000 each year is to increase		
12	funding for battered women's shelters		
13	under Minnesota Statutes, section		
14	611A.32, and for safe houses.		
15	[GANG STRIKE FORCE.] \$2,374,000 each		
16	year is for the criminal gang strike		
17	force.		
18	The superintendent of the Bureau of		
19	Criminal Apprehension shall convene a		
20	working group of stakeholders		
21	representing the multijurisdictional		
22	narcotics task forces in operation in		
23	Minnesota, the Criminal Gang Oversight		
24	Council and Strike Force, and other		
25	individuals knowledgeable in narcotics		
26	and gang issues. The working group		
27	shall review the operational structure		
28	and organization of the narcotics task		
29	forces and Criminal Gang Oversight		
30	Council and Strike Force, the		
31	legislative authority and laws		
32	governing them, and any needs related		
33	to them. In addition, the working		
34	group shall recommend whether a merger		
35	of these entities is advisable. By		
36	January 15, 2006, the superintendent		
37	shall report the working group's		
38	findings and recommendations to the		
39	chairs and ranking minority members of		
40	the senate and house committees and		
41	divisions having jurisdiction over		
42	criminal justice policy and funding.		
43	If the working group recommends a		
44	merger, the report must include		
45	legislation to accomplish this and, at		
46	a minimum, address: methods to ensure		
47	that the current focus on criminal		
48	gangs is not lost in any merger; how		
49	money will be allocated between		
50	narcotics and gang enforcement within		
51	any merged entity; and data privacy		
52	issues related to the merger.		
53	[MINNESOTA FINANCIAL CRIMES TASK		
54	FORCE.] \$1,400,000 each year is for the		
55	Minnesota Financial Crimes Task Force.		
56	[HOMELESSNESS PILOT PROJECTS.] \$200,000		
57	each year is for the homelessness pilot		
58	projects described in article 9,		
59	section 35.		
60	[ADMINISTRATION COSTS.] Up to 2.5		
61	percent of the grant funds appropriated		
62	in this subdivision may be used to		
63	administer the grant program.		

1 Subd. 5. 911 Emergency
2 Services/ARMER 16,368,000 16,688,000

3 This appropriation is from the state
4 government special revenue fund for 911
5 emergency telecommunications services.

6 The total appropriation for this
7 purpose, consisting of this
8 appropriation plus the appropriation in
9 2005 S.F. No. 1879, article 9, section
10 9, subdivision 7, if enacted, must be
11 spent as provided in this subdivision.

12 \$3,442,000 the first year and
13 \$3,064,000 the second year are to fund
14 a deficiency due to prior year
15 obligations under Minnesota Statutes,
16 section 403.11, that were estimated in
17 the December 2004 911 fund statement to
18 be \$6,504,700 on July 1, 2005. "Prior
19 year obligations" means reimbursable
20 costs under Minnesota Statutes, section
21 403.11, subdivision 1, incurred under
22 the terms and conditions of a contract
23 with the state for a fiscal year
24 preceding fiscal year 2004, that have
25 been certified in a timely manner in
26 accordance with Minnesota Statutes,
27 section 403.11, subdivision 3a, and
28 that are not barred by statute of
29 limitation or other defense. The
30 appropriations needed for this purpose
31 are estimated to be none in fiscal year
32 2008 and thereafter.

33 \$13,640,000 the first year and
34 \$13,664,000 the second year are to be
35 distributed as provided in Minnesota
36 Statutes, section 403.113, subdivision
37 2. This appropriation may only be used
38 for public safety answering points that
39 have implemented phase two wireless
40 enhanced 911 service or whose
41 governmental agency has made a binding
42 commitment to the commissioner of
43 public safety to implement phase two
44 wireless enhanced 911 service by
45 January 1, 2008. If revenue to the
46 account is insufficient to support all
47 appropriations from the account for a
48 fiscal year, this appropriation takes
49 priority over other appropriations,
50 except the open appropriation in
51 Minnesota Statutes, section 403.30,
52 subdivision 1, for debt service on
53 bonds previously sold.

54 \$682,000 the first year and \$683,000
55 the second year are for grants to the
56 Minnesota Emergency Medical Services
57 Regulatory Board for the Metro East and
58 Metro West Medical Resource
59 Communication Centers that were in
60 operation before January 1, 2000.

61 \$6,138,000 the first year and
62 \$6,149,000 the second year are to the
63 commissioner of finance to pay debt
64 service on revenue bonds issued under
65 new Minnesota Statutes, section

1 403.275. Any portion of this
 2 appropriation not needed to pay debt
 3 service in a fiscal year may be used by
 4 the commissioner of public safety to
 5 pay cash for any of the capital
 6 improvements for which bond proceeds
 7 have been appropriated in subdivision 6.

8 Subd. 6. 800 MHz Public Safety
 9 Radio and Communication System 62,500,000

10 The appropriations in this subdivision
 11 are from the 911 revenue bond proceeds
 12 account to the commissioner of public
 13 safety for the purposes indicated, to
 14 be available until the project is
 15 completed or abandoned, subject to
 16 Minnesota Statutes, section 16A.642.

17 (a) Phase 2 Subsystems 8,000,000

18 For a grant to the Metropolitan
 19 Emergency Services Board to pay up to
 20 50 percent of the cost to a local
 21 government unit of building a subsystem
 22 as part of the second phase of the
 23 public safety radio and communication
 24 system plan under Minnesota Statutes,
 25 section 403.36.

26 (b) Phase 3 System Backbone 45,000,000

27 For the Statewide Radio Board to
 28 construct the system backbone in the
 29 third phase of the public safety radio
 30 and communication system plan under
 31 Minnesota Statutes, section 403.36.

32 (c) Phase 3 Subsystems 9,500,000

33 To reimburse local units of government
 34 for up to 50 percent of the cost of
 35 building a subsystem of the public
 36 safety radio and communication system
 37 established under Minnesota Statutes,
 38 section 403.36, in the southeast or
 39 central district of the State Patrol.

40 (d) Bond Sale Authorization

41 To provide the money appropriated in
 42 this subdivision, the commissioner of
 43 finance shall sell and issue bonds of
 44 the state in an amount up to
 45 \$62,500,000 in the manner, upon the
 46 terms, and with the effect prescribed
 47 by new Minnesota Statutes, section
 48 403.275.

49 Sec. 8. BOARD OF PEACE OFFICER
 50 STANDARDS AND TRAINING 300,000 300,000

51 [OPERATION OF BOARD.] \$71,000 each year
 52 is for the board's continued operation.

53 [TRAINING REIMBURSEMENTS.] \$89,000 each
 54 year is for peace officer training
 55 reimbursements to local units of
 56 government.

57 [TECHNOLOGICAL UPDATES.] \$140,000 each

1 year is for technological updates.

2 [NOT INCLUDED IN BASE BUDGET.] These
3 appropriations are not added to the
4 board's base budget.

5 Sec. 9. CORRECTIONS

6	Subdivision 1. Total		
7	Appropriation	38,642,000	40,154,000

8 [APPROPRIATIONS FOR PROGRAMS.] The
9 amounts that may be spent from this
10 appropriation for each program are
11 specified in the following subdivisions.

12	Subd. 2. Correctional		
13	Institutions	11,216,000	12,728,000

14 Notwithstanding any law to the
15 contrary, the commissioner may use per
16 diems collected under contracts for
17 beds at MCF-Rush City to operate the
18 state correctional system.

19 [LEVEL III OFFENDER TRACKING AND
20 APPREHENSION.] \$70,000 each year is to
21 track and apprehend level III predatory
22 offenders.

23 [SEX OFFENDER TREATMENT AND
24 TRANSITIONAL SERVICES.] \$1,500,000 each
25 year is for sex offender treatment and
26 transitional services.

27 [HEALTH SERVICES.] \$3,720,000 each year
28 is for health services.

29 [SEX AND METHAMPHETAMINE OFFENSES.]
30 \$351,000 the first year and \$1,863,000
31 the second year are for the sex and
32 methamphetamine offense sentencing
33 changes made in this act.

34 [CHEMICAL DEPENDENCY TREATMENT.]
35 \$4,500,000 each year is for chemical
36 dependency treatment programs.

37 [MENTAL HEALTH TREATMENT.] \$2,000,000
38 each year is for mental health
39 treatment programs.

40 [WORKING GROUP ON INMATE LABOR.] The
41 commissioner of corrections and the
42 commissioner of the Minnesota Housing
43 Finance Agency shall convene a working
44 group to study the feasibility of using
45 inmate labor to build low-income
46 housing manufactured at MCF-Faribault.
47 The working group consists of: the
48 chief executive officer of MINNCOR
49 Industries; representatives from the
50 Builders Association of America,
51 Minnesota AFL-CIO, Association of
52 Minnesota Counties, Minnesota
53 Manufactured Housing Association,
54 Habitat for Humanity, and Minnesota
55 Housing Partnership, selected by those
56 organizations; and any other
57 individuals deemed appropriate by the
58 commissioners.

1 By January 15, 2006, the working group
 2 shall report its findings and
 3 recommendations to the chairs and
 4 ranking minority members of the senate
 5 and house of representatives committees
 6 and divisions having jurisdiction over
 7 criminal justice policy and funding and
 8 jobs, housing, and community
 9 development policy and funding.

10 Subd. 3. Community Services 27,751,000 27,751,000

11 [END OF CONFINEMENT REVIEWS.] \$94,000
 12 each year is for end of confinement
 13 reviews.

14 [SEX OFFENDER TRACKING.] \$162,000 each
 15 year is for the acquisition of
 16 bracelets equipped with tracking
 17 devices designed to track and monitor
 18 the movement and location of criminal
 19 offenders. The commissioner shall use
 20 the bracelets to monitor high-risk sex
 21 offenders who are on supervised release
 22 or probation to help ensure that the
 23 offenders do not violate conditions of
 24 their release or probation.

25 [COMMUNITY SURVEILLANCE AND
 26 SUPERVISION.] \$1,370,000 each year is
 27 to provide housing options to maximize
 28 community surveillance and supervision.

29 [INCREASE IN INTENSIVE SUPERVISED
 30 RELEASE SERVICES.] \$1,800,000 each year
 31 is to increase intensive supervised
 32 release services.

33 [SEX OFFENDER ASSESSMENT
 34 REIMBURSEMENTS.] \$350,000 each year is
 35 to provide grants to counties for
 36 reimbursements for sex offender
 37 assessments as required under Minnesota
 38 Statutes, section 609.3452, subdivision
 39 1.

40 [SEX OFFENDER TREATMENT AND
 41 POLYGRAPHS.] \$1,250,000 each year is to
 42 provide treatment for sex offenders on
 43 community supervision and to pay for
 44 polygraph testing.

45 [INCREASED SUPERVISION OF ADULT SEX
 46 OFFENDERS, DOMESTIC VIOLENCE OFFENDERS,
 47 AND OTHER VIOLENT OFFENDERS.]
 48 \$19,600,000 each year is for enhanced
 49 supervision of adult felony sex
 50 offenders, domestic violence offenders,
 51 and other violent offenders by
 52 employing additional probation officers
 53 to reduce the caseloads of probation
 54 officers supervising these offenders on
 55 probation or supervised release.

56 The commissioner shall distribute the
 57 funds with 30 percent of the money
 58 appropriated to non-Community
 59 Corrections Act counties and 70 percent
 60 appropriated to Community Corrections
 61 Act counties. The commissioner shall
 62 distribute the appropriation to

1 Community Corrections Act counties
2 according to the formula contained in
3 Minnesota Statutes, section 401.10.
4 Each Community Corrections Act
5 jurisdiction and the department's
6 probation and supervised release unit
7 shall submit to the commissioner an
8 analysis of need along with a plan to
9 meet these needs and reduce offender
10 caseloads. Upon approval of the plans,
11 the non-Community Corrections Act
12 portion of these funds shall be
13 appropriated to the department and the
14 distribution shall be based on
15 statewide need. The Community
16 Corrections Act funds shall be
17 disbursed as grants to each Community
18 Corrections Act jurisdiction. These
19 appropriations may not be used to
20 supplant existing state or county
21 probation officer positions.

22 [CHEMICAL DEPENDENCY TREATMENT AND
23 AFTERCARE GRANTS.] \$2,500,000 each year
24 is for grants to counties to provide
25 community-based chemical dependency
26 treatment and aftercare. The
27 commissioner shall distribute the
28 appropriation to counties according to
29 the formula contained in Minnesota
30 Statutes, section 401.10. In those
31 counties where correctional services
32 are shared by the Department of
33 Corrections and county court services,
34 the commissioner shall determine the
35 distribution of the grants. Of this
36 appropriation, \$500,000 each year is
37 for grants to counties for programs
38 designed to reduce underage drinking
39 and for treatment and supervision of
40 juvenile substance abuse offenders.

41 The commissioner shall ensure that any
42 part of this appropriation spent on
43 medical assistance-eligible individuals
44 earns the maximum medical assistance
45 match available from the federal
46 government.

47 [INTENSIVE SUPERVISION AND AFTERCARE
48 FOR CONTROLLED SUBSTANCES OFFENDERS.]
49 \$625,000 each year is for intensive
50 supervision and aftercare services for
51 controlled substances offenders
52 released from prison under Minnesota
53 Statutes, section 244.055. These
54 appropriations are not added to the
55 department's base budget. By January
56 15, 2008, the commissioner shall report
57 to the chairs and ranking minority
58 members of the senate and house
59 committees and divisions having
60 jurisdiction over criminal justice
61 policy and funding on how this
62 appropriation was spent, including an
63 assessment on the offenders' transition
64 from prison into the community and
65 recidivism data.

66 [REPORT ON ELECTRONIC MONITORING OF SEX
67 OFFENDERS.] By February 15, 2006, the

1 commissioner of corrections shall
 2 report to the chairs and ranking
 3 minority members of the senate and
 4 house committees and divisions having
 5 jurisdiction over criminal justice
 6 policy and funding on implementing an
 7 electronic monitoring system for sex
 8 offenders who are under community
 9 supervision. The report must address
 10 the following:

11 (1) the advantages and disadvantages in
 12 implementing this, including the impact
 13 on public safety;

14 (2) the types of sex offenders who
 15 should be subject to the monitoring;

16 (3) the time period that offenders
 17 should be subject to the monitoring;

18 (4) the financial costs associated with
 19 the monitoring and who should be
 20 responsible for these costs; and

21 (5) the technology available for the
 22 monitoring.

23 Subd. 4. Operations Support (325,000) (325,000)

24 This is an agencywide administrative
 25 cut.

26 Sec. 10. EMPLOYMENT AND
 27 ECONOMIC DEVELOPMENT 250,000 250,000

28 To carry out the public facilities
 29 authority's duties involving the
 30 methamphetamine laboratory cleanup
 31 revolving fund under Minnesota
 32 Statutes, section 446A.083.

33 Sec. 11. BOARD OF VETERINARY
 34 MEDICINE 7,000 -0-

35 For the study on animal products that
 36 may be used in the manufacture of
 37 methamphetamine described in article 6,
 38 section 17.

39 ARTICLE 2

40 SEX OFFENDERS:

41 MANDATORY LIFE SENTENCES FOR CERTAIN EGREGIOUS AND

42 REPEAT SEX OFFENSES; CONDITIONAL RELEASE;

43 OTHER SENTENCING CHANGES

44 Section 1. Minnesota Statutes 2004, section 244.04,

45 subdivision 1, is amended to read:

46 Subdivision 1. [REDUCTION OF SENTENCE; INMATES SENTENCED

47 FOR CRIMES COMMITTED BEFORE 1993.] Notwithstanding the

48 provisions of section 609.11, subdivision 6, and section

49 609.109, subdivision 1, the term of imprisonment of any inmate

1 sentenced to a presumptive fixed sentence after May 1, 1980, and
2 whose crime was committed before August 1, 1993, shall be
3 reduced in duration by one day for each two days during which
4 the inmate violates none of the disciplinary offense rules
5 promulgated by the commissioner. The reduction shall accrue to
6 the period of supervised release to be served by the inmate,
7 except that the period of supervised release for a sex offender
8 ~~sentenced and~~ conditionally released by the commissioner under
9 section ~~609.108, subdivision 5,~~ 609.3455 is governed by that
10 provision.

11 Except as otherwise provided in subdivision 2, if an inmate
12 whose crime was committed before August 1, 1993, violates a
13 disciplinary offense rule promulgated by the commissioner, good
14 time earned prior to the violation may not be taken away, but
15 the inmate may be required to serve an appropriate portion of
16 the term of imprisonment after the violation without earning
17 good time.

18 **[EFFECTIVE DATE.]** This section is effective August 1, 2005.

19 Sec. 2. Minnesota Statutes 2004, section 244.05,
20 subdivision 2, is amended to read:

21 Subd. 2. **[RULES.]** The commissioner of corrections shall
22 adopt by rule standards and procedures for the revocation of
23 supervised or conditional release, and shall specify the period
24 of revocation for each violation of supervised release.
25 Procedures for the revocation of supervised release shall
26 provide due process of law for the inmate.

27 **[EFFECTIVE DATE.]** This section is effective August 1, 2005,
28 and applies to crimes committed on or after that date.

29 Sec. 3. Minnesota Statutes 2004, section 244.05,
30 subdivision 4, is amended to read:

31 Subd. 4. **[MINIMUM IMPRISONMENT, LIFE SENTENCE.]** An inmate
32 serving a mandatory life sentence under section 609.106 must not
33 be given supervised release under this section. An inmate
34 serving a mandatory life sentence under section 609.185, clause
35 (1), (3), (5), or (6); or 609.109, subdivision 2a 3, must not be
36 given supervised release under this section without having

1 served a minimum term of 30 years. An inmate serving a
2 mandatory life sentence under section 609.385 must not be given
3 supervised release under this section without having served a
4 minimum term of imprisonment of 17 years. An inmate serving a
5 mandatory life sentence under section 609.342, subdivision 2,
6 paragraph (b); 609.343, subdivision 2, paragraph (b); or
7 609.3455 must not be given supervised release under this section
8 without having served the minimum term of imprisonment specified
9 by the court in its sentence.

10 [EFFECTIVE DATE.] This section is effective August 1, 2005,
11 and applies to crimes committed on or after that date.

12 Sec. 4. Minnesota Statutes 2004, section 244.05,
13 subdivision 5, is amended to read:

14 Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] (a) The
15 commissioner of corrections may, under rules promulgated by the
16 commissioner, give supervised release to an inmate serving a
17 mandatory life sentence under section 609.185, clause (1), (3),
18 (5), or (6); 609.109, subdivision 2a 3; 609.342, subdivision 2,
19 paragraph (b); 609.343, subdivision 2, paragraph (b); 609.3455;
20 or 609.385 after the inmate has served the minimum term of
21 imprisonment specified in subdivision 4.

22 (b) The commissioner shall require the preparation of a
23 community investigation report and shall consider the findings
24 of the report when making a supervised release decision under
25 this subdivision. The report shall reflect the sentiment of the
26 various elements of the community toward the inmate, both at the
27 time of the offense and at the present time. The report shall
28 include the views of the sentencing judge, the prosecutor, any
29 law enforcement personnel who may have been involved in the
30 case, and any successors to these individuals who may have
31 information relevant to the supervised release decision. The
32 report shall also include the views of the victim and the
33 victim's family unless the victim or the victim's family chooses
34 not to participate.

35 (c) The commissioner shall make reasonable efforts to
36 notify the victim, in advance, of the time and place of the

1 inmate's supervised release review hearing. The victim has a
2 right to submit an oral or written statement at the review
3 hearing. The statement may summarize the harm suffered by the
4 victim as a result of the crime and give the victim's
5 recommendation on whether the inmate should be given supervised
6 release at this time. The commissioner must consider the
7 victim's statement when making the supervised release decision.

8 (d) When considering whether to give supervised release to
9 an inmate serving a life sentence under section 609.342,
10 subdivision 2, paragraph (b); 609.343, subdivision 2, paragraph
11 (b); or 609.3455, the commissioner shall consider, at a minimum,
12 the following: the risk the inmate poses to the community if
13 released, the inmate's progress in treatment, the inmate's
14 behavior while incarcerated, psychological or other diagnostic
15 evaluations of the inmate, the inmate's criminal history, and
16 any other relevant conduct of the inmate while incarcerated or
17 before incarceration. However, the commissioner may not give
18 supervised release to the inmate unless:

19 (1) while in prison, the inmate has successfully completed
20 appropriate sex offender treatment;

21 (2) while in prison, the inmate has been assessed for
22 chemical dependency needs and, if appropriate, has successfully
23 completed chemical dependency treatment;

24 (3) while in prison, the inmate has been assessed for
25 mental health needs and, if appropriate, has successfully
26 completed mental health treatment; and

27 (4) a comprehensive individual release plan is in place for
28 the inmate that ensures that, after release, the inmate will
29 have suitable housing and receive appropriate aftercare and
30 community-based treatment, and includes a postprison employment
31 or education plan for the inmate.

32 (e) As used in this subdivision, "victim" means the
33 individual who suffered harm as a result of the inmate's crime
34 or, if the individual is deceased, the deceased's surviving
35 spouse or next of kin.

36 [EFFECTIVE DATE.] This section is effective August 1, 2005,

1 and applies to crimes committed on or after that date.

2 Sec. 5. Minnesota Statutes 2004, section 244.05,
3 subdivision 6, is amended to read:

4 Subd. 6. [INTENSIVE SUPERVISED RELEASE.] The commissioner
5 may order that an inmate be placed on intensive supervised
6 release for all or part of the inmate's supervised release or
7 parole term if the commissioner determines that the action will
8 further the goals described in section 244.14, subdivision 1,
9 clauses (2), (3), and (4). In addition, the commissioner may
10 order that an inmate be placed on intensive supervised release
11 for all of the inmate's conditional or supervised release term
12 if the inmate was convicted of a sex offense under sections
13 609.342 to 609.345 or was sentenced under the provisions of
14 section 609.108. The commissioner may impose appropriate
15 conditions of release on the inmate including but not limited to
16 unannounced searches of the inmate's person, vehicle, or
17 premises by an intensive supervision agent; compliance with
18 court-ordered restitution, if any; random drug testing; house
19 arrest; daily curfews; frequent face-to-face contacts with an
20 assigned intensive supervision agent; work, education, or
21 treatment requirements; and electronic surveillance. In
22 addition, any sex offender placed on intensive supervised
23 release may be ordered to participate in an appropriate sex
24 offender program as a condition of release. If the inmate
25 violates the conditions of the intensive supervised release, the
26 commissioner shall impose sanctions as provided in subdivision 3
27 and section ~~609.108~~ 609.3455.

28 [EFFECTIVE DATE.] This section is effective August 1, 2005,
29 and applies to crimes committed on or after that date.

30 Sec. 6. Minnesota Statutes 2004, section 609.108,
31 subdivision 1, is amended to read:

32 Subdivision 1. [MANDATORY INCREASED SENTENCE.] {a} A court
33 shall commit a person to the commissioner of corrections for a
34 period of time that is not less than double the presumptive
35 sentence under the Sentencing Guidelines and not more than the
36 statutory maximum, or if the statutory maximum is less than

1 double the presumptive sentence, for a period of time that is
2 equal to the statutory maximum, if:

3 (1) the court is imposing an executed sentence, based on a
4 Sentencing Guidelines presumptive imprisonment sentence or a
5 dispositional departure for aggravating circumstances or a
6 mandatory minimum sentence, on a person convicted of committing
7 or attempting to commit a violation of section 609.342, 609.343,
8 609.344, or 609.345, or on a person convicted of committing or
9 attempting to commit any other crime listed in subdivision 3 if
10 it reasonably appears to the court that the crime was motivated
11 by the offender's sexual impulses or was part of a predatory
12 pattern of behavior that had criminal sexual conduct as its goal
13 609.3453;

14 (2) the court finds fact finder determines that the
15 offender is a danger to public safety; and

16 (3) the court finds fact finder determines that the
17 offender needs long-term treatment or supervision offender's
18 criminal sexual behavior is so engrained that the risk of
19 reoffending is great without intensive psychotherapeutic
20 intervention or other long-term treatment or supervision
21 extending beyond the presumptive term of imprisonment and
22 supervised release. The finding must be based on a professional
23 assessment by an examiner experienced in evaluating sex
24 offenders that concludes that the offender is a patterned sex
25 offender. The assessment must contain the facts upon which the
26 conclusion is based, with reference to the offense history of
27 the offender or the severity of the current offense, the social
28 history of the offender, and the results of an examination of
29 the offender's mental status unless the offender refuses to be
30 examined. The conclusion may not be based on testing alone. A
31 patterned sex offender is one whose criminal sexual behavior is
32 so engrained that the risk of reoffending is great without
33 intensive psychotherapeutic intervention or other long-term
34 controls.

35 (b) The court shall consider imposing a sentence under this
36 section whenever a person is convicted of violating section

1 ~~609-342-or-609-343-~~

2 [EFFECTIVE DATE.] This section is effective August 1, 2005,
3 and applies to crimes committed on or after that date.

4 Sec. 7. Minnesota Statutes 2004, section 609.108,
5 subdivision 3, is amended to read:

6 Subd. 3. [~~PREDATORY CRIME.] A-predatory-crime-is-a-felony~~
7 ~~violation-of-section-609-1857-609-197-609-1957-609-207-609-2057~~
8 ~~609-2217-609-2227-609-2237-609-247-609-2457-609-257-609-2557~~
9 ~~609-3427-609-3437-609-3447-609-3457-609-3657-609-4987-609-5617~~
10 ~~or-609-5827-subdivision-1-~~ As used in this section, "predatory
11 crime" has the meaning given in section 609.341, subdivision 22.

12 [EFFECTIVE DATE.] This section is effective August 1, 2005,
13 and applies to crimes committed on or after that date.

14 Sec. 8. Minnesota Statutes 2004, section 609.108,
15 subdivision 4, is amended to read:

16 Subd. 4. [~~DANGER TO PUBLIC SAFETY.] The court-shall-base~~
17 ~~its-finding~~ fact finder shall base its determination that the
18 offender is a danger to public safety on any of the following
19 factors:

20 (1) the crime involved an aggravating factor that would
21 justify a durational departure from the presumptive sentence
22 under the Sentencing Guidelines;

23 (2) the offender previously committed or attempted to
24 commit a predatory crime or a violation of section 609.224 or
25 609.2242, including:

26 (i) an offense committed as a juvenile that would have been
27 a predatory crime or a violation of section 609.224 or 609.2242
28 if committed by an adult; or

29 (ii) a violation or attempted violation of a similar law of
30 any other state or the United States; or

31 (3) the offender planned or prepared for the crime prior to
32 its commission.

33 [EFFECTIVE DATE.] This section is effective August 1, 2005,
34 and applies to crimes committed on or after that date.

35 Sec. 9. Minnesota Statutes 2004, section 609.108,
36 subdivision 6, is amended to read:

1 Subd. 6. [CONDITIONAL RELEASE.] At the time of sentencing
2 under subdivision 1, the court shall provide that after the
3 offender has completed the sentence imposed, less any good time
4 earned by an offender whose crime was committed before August 1,
5 1993, the commissioner of corrections shall place the offender
6 on conditional release for the remainder of the statutory
7 maximum period, or for ten years, whichever is longer. The
8 terms of conditional release are governed by section 609.3455.

9 ~~The conditions of release may include successful completion~~
10 ~~of treatment and aftercare in a program approved by the~~
11 ~~commissioner, satisfaction of the release conditions specified~~
12 ~~in section 244.05, subdivision 6, and any other conditions the~~
13 ~~commissioner considers appropriate. Before the offender is~~
14 ~~released, the commissioner shall notify the sentencing court,~~
15 ~~the prosecutor in the jurisdiction where the offender was~~
16 ~~sentenced, and the victim of the offender's crime, where~~
17 ~~available, of the terms of the offender's conditional release.~~
18 ~~If the offender fails to meet any condition of release, the~~
19 ~~commissioner may revoke the offender's conditional release and~~
20 ~~order that the offender serve all or a part of the remaining~~
21 ~~portion of the conditional release term in prison. The~~
22 ~~commissioner shall not dismiss the offender from supervision~~
23 ~~before the conditional release term expires.~~

24 ~~Conditional release granted under this subdivision is~~
25 ~~governed by provisions relating to supervised release, except as~~
26 ~~otherwise provided in this subdivision, section 244.04,~~
27 ~~subdivision 1, or 244.05.~~

28 [EFFECTIVE DATE.] This section is effective August 1, 2005,
29 and applies to crimes committed on or after that date.

30 Sec. 10. Minnesota Statutes 2004, section 609.341, is
31 amended by adding a subdivision to read:

32 Subd. 22. [PREDATORY CRIME.] "Predatory crime" means a
33 felony violation of section 609.185, 609.19, 609.195, 609.20,
34 609.205, 609.221, 609.222, 609.223, 609.24, 609.245, 609.25,
35 609.255, 609.498, 609.561, or 609.582, subdivision 1.

36 [EFFECTIVE DATE.] This section is effective August 1, 2005,

1 and applies to crimes committed on or after that date.

2 Sec. 11. Minnesota Statutes 2004, section 609.342,
3 subdivision 2, is amended to read:

4 Subd. 2. [PENALTY.] (a) Except as otherwise provided
5 in paragraph (b); section 609.109; or 609.3455, a person
6 convicted under subdivision 1 may be sentenced to imprisonment
7 for not more than 30 years ~~or to a payment of a fine of not more~~
8 ~~than \$40,000, or both.~~

9 ~~(b)~~ Unless a longer mandatory minimum sentence is otherwise
10 required by law or the Sentencing Guidelines provide for a
11 longer presumptive executed sentence, the court shall presume
12 that an executed sentence of 144 months must be imposed on an
13 offender convicted of violating this section. Sentencing a
14 person in a manner other than that described in this paragraph
15 is a departure from the Sentencing Guidelines.

16 (b) The court shall sentence a person to imprisonment for
17 life if the person is convicted under subdivision 1, clause (c),
18 (d), (e), (f), or (h), and the fact finder determines beyond a
19 reasonable doubt that any of the following circumstances exist:

20 (1) the offender tortured the complainant;

21 (2) the offender intentionally inflicted great bodily harm
22 upon the complainant;

23 (3) the offender intentionally mutilated the complainant;

24 (4) the offender exposed the complainant to extreme
25 inhumane conditions;

26 (5) the offender was armed with a dangerous weapon or any
27 article used or fashioned in a manner to lead the complainant to
28 reasonably believe it to be a dangerous weapon and used or
29 threatened to use the weapon or article to cause the complainant
30 to submit;

31 (6) the offense involved sexual penetration or sexual
32 contact with more than one victim; or

33 (7) the offense involved more than one perpetrator engaging
34 in sexual penetration or sexual contact with the complainant.

35 The fact finder may not consider a circumstance described
36 in clauses (1) to (7), if it is an element of the underlying

1 specified violation of subdivision 1.

2 When sentencing an offender under this paragraph, the court
3 shall specify a minimum term of imprisonment, based on the
4 sentencing guidelines or any applicable mandatory minimum
5 sentence, that must be served before the offender may be
6 considered for supervised release.

7 (c) As used in this subdivision:

8 (1) "extreme inhumane conditions" means situations where,
9 either before or after the sexual penetration, the offender
10 knowingly causes or permits the complainant to be placed in a
11 situation likely to cause the complainant severe ongoing mental,
12 emotional, or psychological harm, or causes the complainant's
13 death;

14 (2) "mutilation" means the intentional infliction of
15 physical abuse designed to cause serious permanent disfigurement
16 or permanent or protracted loss or impairment of the functions
17 of any bodily member or organ, where the offender relishes the
18 infliction of the abuse, evidencing debasement or perversion;
19 and

20 (3) "torture" means the intentional infliction of extreme
21 mental anguish, or extreme psychological or physical abuse, when
22 committed in an especially depraved manner.

23 (d) In addition to the sentence imposed under paragraph (a)
24 or (b), the person may also be sentenced to the payment of a
25 fine of not more than \$40,000.

26 (e) Notwithstanding the statutory maximum sentence
27 described in paragraph (a) or (b), the person is also subject to
28 conditional release as provided in section 609.3455.

29 [EFFECTIVE DATE.] This section is effective August 1, 2005,
30 and applies to crimes committed on or after that date.

31 Sec. 12. Minnesota Statutes 2004, section 609.342,
32 subdivision 3, is amended to read:

33 Subd. 3. [STAY.] Except when imprisonment is required
34 under section 609.109 or 609.3455, if a person is convicted
35 under subdivision 1, clause (g), the court may stay imposition
36 or execution of the sentence if it finds that:

1 (a) a stay is in the best interest of the complainant or
2 the family unit; and

3 (b) a professional assessment indicates that the offender
4 has been accepted by and can respond to a treatment program.

5 If the court stays imposition or execution of sentence, it
6 shall include the following as conditions of probation:

7 (1) incarceration in a local jail or workhouse;

8 (2) a requirement that the offender complete a treatment
9 program; and

10 (3) a requirement that the offender have no unsupervised
11 contact with the complainant until the offender has successfully
12 completed the treatment program unless approved by the treatment
13 program and the supervising correctional agent.

14 [EFFECTIVE DATE.] This section is effective August 1, 2005,
15 and applies to crimes committed on or after that date.

16 Sec. 13. Minnesota Statutes 2004, section 609.343,
17 subdivision 2, is amended to read:

18 Subd. 2. [PENALTY.] (a) Except as otherwise provided in
19 section 609.109 or 609.3455, a person convicted under
20 subdivision 1 may be sentenced to imprisonment for not more than
21 ~~25 years or to a payment of a fine of not more than \$35,000, or~~
22 ~~both.~~

23 ~~(b)~~ Unless a longer mandatory minimum sentence is otherwise
24 required by law or the Sentencing Guidelines provide for a
25 longer presumptive executed sentence, the court shall presume
26 that an executed sentence of 90 months must be imposed on an
27 offender convicted of violating subdivision 1, clause (c), (d),
28 (e), (f), or (h). Sentencing a person in a manner other than
29 that described in this paragraph is a departure from the
30 Sentencing Guidelines.

31 (b) The court shall sentence a person to imprisonment for
32 life if the person is convicted under subdivision 1, clause (c),
33 (d), (e), (f), or (h), and the fact finder determines beyond a
34 reasonable doubt that any of the following circumstances exist:

35 (1) the offender tortured the complainant;

36 (2) the offender intentionally inflicted great bodily harm

1 upon the complainant;

2 (3) the offender intentionally mutilated the complainant;

3 (4) the offender exposed the complainant to extreme

4 inhumane conditions;

5 (5) the offender was armed with a dangerous weapon or any

6 article used or fashioned in a manner to lead the complainant to

7 reasonably believe it to be a dangerous weapon and used or

8 threatened to use the weapon or article to cause the complainant

9 to submit;

10 (6) the offense involved sexual penetration or sexual

11 contact with more than one victim; or

12 (7) the offense involved more than one perpetrator engaging

13 in sexual penetration or sexual contact with the complainant.

14 The fact finder may not consider a circumstance described

15 in clauses (1) to (7), if it is an element of the underlying

16 specified violation of subdivision 1.

17 When sentencing an offender under this paragraph, the court

18 shall specify a minimum term of imprisonment, based on the

19 sentencing guidelines or any applicable mandatory minimum

20 sentence, that must be served before the offender may be

21 considered for supervised release.

22 (c) As used in this subdivision:

23 (1) "extreme inhumane conditions" means situations where,

24 either before or after the sexual penetration, the offender

25 knowingly causes or permits the complainant to be placed in a

26 situation likely to cause the complainant severe ongoing mental,

27 emotional, or psychological harm, or causes the complainant's

28 death;

29 (2) "mutilation" means the intentional infliction of

30 physical abuse designed to cause serious permanent disfigurement

31 or permanent or protracted loss or impairment of the functions

32 of any bodily member or organ, where the offender relishes the

33 infliction of the abuse, evidencing debasement or perversion;

34 and

35 (3) "torture" means the intentional infliction of extreme

36 mental anguish, or extreme psychological or physical abuse, when

1 committed in an especially depraved manner.

2 (d) In addition to the sentence imposed under paragraph (a)
3 or (b), the person may also be sentenced to the payment of a
4 fine of not more than \$35,000.

5 (e) Notwithstanding the statutory maximum sentence
6 described in paragraph (a) or (b), the person is also subject to
7 conditional release as provided in section 609.3455.

8 [EFFECTIVE DATE.] This section is effective August 1, 2005,
9 and applies to crimes committed on or after that date.

10 Sec. 14. Minnesota Statutes 2004, section 609.343,
11 subdivision 3, is amended to read:

12 Subd. 3. [STAY.] Except when imprisonment is required
13 under section 609.109 or 609.3455, if a person is convicted
14 under subdivision 1, clause (g), the court may stay imposition
15 or execution of the sentence if it finds that:

16 (a) a stay is in the best interest of the complainant or
17 the family unit; and

18 (b) a professional assessment indicates that the offender
19 has been accepted by and can respond to a treatment program.

20 If the court stays imposition or execution of sentence, it
21 shall include the following as conditions of probation:

22 (1) incarceration in a local jail or workhouse;

23 (2) a requirement that the offender complete a treatment
24 program; and

25 (3) a requirement that the offender have no unsupervised
26 contact with the complainant until the offender has successfully
27 completed the treatment program unless approved by the treatment
28 program and the supervising correctional agent.

29 [EFFECTIVE DATE.] This section is effective August 1, 2005,
30 and applies to crimes committed on or after that date.

31 Sec. 15. Minnesota Statutes 2004, section 609.344,
32 subdivision 2, is amended to read:

33 Subd. 2. [PENALTY.] Except as otherwise provided in
34 section 609.3455, a person convicted under subdivision 1 may be
35 sentenced to imprisonment for not more than 15 years or to a
36 payment of a fine of not more than \$30,000, or

1 both. Notwithstanding this statutory maximum sentence, the
2 person is also subject to conditional release as provided in
3 section 609.3455.

4 [EFFECTIVE DATE.] This section is effective August 1, 2005,
5 and applies to crimes committed on or after that date.

6 Sec. 16. Minnesota Statutes 2004, section 609.344,
7 subdivision 3, is amended to read:

8 Subd. 3. [STAY.] Except when imprisonment is required
9 under section 609.109 or 609.3455, if a person is convicted
10 under subdivision 1, clause (f), the court may stay imposition
11 or execution of the sentence if it finds that:

12 (a) a stay is in the best interest of the complainant or
13 the family unit; and

14 (b) a professional assessment indicates that the offender
15 has been accepted by and can respond to a treatment program.

16 If the court stays imposition or execution of sentence, it
17 shall include the following as conditions of probation:

18 (1) incarceration in a local jail or workhouse;

19 (2) a requirement that the offender complete a treatment
20 program; and

21 (3) a requirement that the offender have no unsupervised
22 contact with the complainant until the offender has successfully
23 completed the treatment program unless approved by the treatment
24 program and the supervising correctional agent.

25 [EFFECTIVE DATE.] This section is effective August 1, 2005,
26 and applies to crimes committed on or after that date.

27 Sec. 17. Minnesota Statutes 2004, section 609.345,
28 subdivision 2, is amended to read:

29 Subd. 2. [PENALTY.] Except as otherwise provided in
30 section 609.3455, a person convicted under subdivision 1 may be
31 sentenced to imprisonment for not more than ten years or to a
32 payment of a fine of not more than \$20,000, or

33 both. Notwithstanding this statutory maximum sentence, the
34 person is also subject to conditional release as provided in
35 section 609.3455.

36 [EFFECTIVE DATE.] This section is effective August 1, 2005,

1 and applies to crimes committed on or after that date.

2 Sec. 18. Minnesota Statutes 2004, section 609.345,
3 subdivision 3, is amended to read:

4 Subd. 3. [STAY.] Except when imprisonment is required
5 under section 609.109 or 609.3455, if a person is convicted
6 under subdivision 1, clause (f), the court may stay imposition
7 or execution of the sentence if it finds that:

8 (a) a stay is in the best interest of the complainant or
9 the family unit; and

10 (b) a professional assessment indicates that the offender
11 has been accepted by and can respond to a treatment program.

12 If the court stays imposition or execution of sentence, it
13 shall include the following as conditions of probation:

14 (1) incarceration in a local jail or workhouse;

15 (2) a requirement that the offender complete a treatment
16 program; and

17 (3) a requirement that the offender have no unsupervised
18 contact with the complainant until the offender has successfully
19 completed the treatment program unless approved by the treatment
20 program and the supervising correctional agent.

21 [EFFECTIVE DATE.] This section is effective August 1, 2005,
22 and applies to crimes committed on or after that date.

23 Sec. 19. [609.3453] [CRIMINAL SEXUAL PREDATORY CONDUCT.]

24 Subdivision 1. [CRIME DEFINED.] A person is guilty of
25 criminal sexual predatory conduct if the person commits a
26 predatory crime that was motivated by the offender's sexual
27 impulses or was part of a predatory pattern of behavior that had
28 criminal sexual conduct as its goal.

29 Subd. 2. [PENALTY.] (a) Except as provided in section
30 609.3455, the statutory maximum sentence for a violation of
31 subdivision 1 is: (1) 25 percent longer than for the underlying
32 predatory crime; or (2) 50 percent longer than for the
33 underlying predatory crime, if the violation is committed by a
34 person with a previous sex offense conviction, as defined in
35 section 609.3455, subdivision 1.

36 (b) In addition to the sentence imposed under paragraph

1 (a), the person may also be sentenced to the payment of a fine
2 of not more than \$20,000.

3 (c) Notwithstanding the statutory maximum sentence
4 described in paragraph (a), the person is also subject to
5 conditional release as provided in section 609.3455.

6 [EFFECTIVE DATE.] This section is effective August 1, 2005,
7 and applies to crimes committed on or after that date.

8 Sec. 20. [609.3455] [DANGEROUS SEX OFFENDERS; LIFE
9 SENTENCES; CONDITIONAL RELEASE.]

10 Subdivision 1. [DEFINITIONS.] (a) As used in this section,
11 the following terms have the meanings given.

12 (b) "Conviction" includes a conviction as an extended
13 jurisdiction juvenile under section 260B.130 for a violation of,
14 or an attempt to violate, section 609.342, 609.343, 609.344, or
15 609.3453.

16 (c) A conviction is considered a "previous sex offense
17 conviction" if the offender was convicted and sentenced for a
18 sex offense before the commission of the present offense.

19 (d) A conviction is considered a "prior sex offense
20 conviction" if the offender was convicted of committing a sex
21 offense before the offender has been convicted of the present
22 offense, regardless of whether the offender was convicted for
23 the first offense before the commission of the present offense,
24 and the convictions involved separate behavioral incidents.

25 (e) "Sex offense" means any violation of, or attempt to
26 violate, section 609.342, 609.343, 609.344, 609.345, 609.3451,
27 609.3453, or any similar statute of the United States, this
28 state, or any other state.

29 (f) An offender has "two previous sex offense convictions"
30 only if the offender was convicted and sentenced for a sex
31 offense committed after the offender was earlier convicted and
32 sentenced for a sex offense and both convictions preceded the
33 commission of the present offense of conviction.

34 Subd. 2. [MANDATORY LIFE SENTENCE.] (a) Notwithstanding
35 the statutory maximum penalty otherwise applicable to the
36 offense, the court shall sentence an offender to imprisonment

1 for life if the offender is convicted of violating section

2 609.342, 609.343, 609.344, 609.345, or 609.3453 if:

3 (1) the offender has two previous sex offense convictions;

4 (2) the offender has a previous sex offense conviction and:

5 (i) the present offense involved an aggravating factor that

6 would provide grounds for an upward departure under the

7 sentencing guidelines other than the aggravating factor

8 applicable to repeat criminal sexual conduct convictions;

9 (ii) the offender received an upward departure from the

10 sentencing guidelines for the previous sex offense conviction;

11 or

12 (iii) the offender was sentenced under section 609.108 for

13 the previous sex offense conviction; or

14 (3) the offender has two prior sex offense convictions, the

15 prior convictions and present offense involved at least three

16 separate victims, and:

17 (i) the present offense involved an aggravating factor that

18 would provide grounds for an upward departure under the

19 sentencing guidelines other than the aggravating factor

20 applicable to repeat criminal sexual conduct convictions;

21 (ii) the offender received an upward departure from the

22 sentencing guidelines for one of the prior sex offense

23 convictions; or

24 (iii) the offender was sentenced under section 609.108 for

25 one of the prior sex offense convictions.

26 (b) Notwithstanding paragraph (a), a court may not sentence

27 an offender to imprisonment for life under that paragraph for a

28 violation of section 609.345, unless the offender's previous or

29 prior sex offense convictions that are being used as the basis

30 for the sentence are for violations of section 609.342, 609.343,

31 609.344, 609.3453, or any similar statute of the United States,

32 this state, or any other state.

33 Subd. 3. [LIFE SENTENCES; MINIMUM TERM OF

34 IMPRISONMENT.] At the time of sentencing under subdivision 2,

35 the court shall specify a minimum term of imprisonment, based on

36 the sentencing guidelines or any applicable mandatory minimum

1 sentence, that must be served before the offender may be
2 considered for supervised release.

3 Subd. 4. [MANDATORY TEN-YEAR CONDITIONAL RELEASE TERM.]
4 Notwithstanding the statutory maximum sentence otherwise
5 applicable to the offense and unless a longer conditional
6 release term is required in subdivision 5, when a court commits
7 an offender to the custody of the commissioner of corrections
8 for a violation of section 609.342, 609.343, 609.344, 609.345,
9 or 609.3453, the court shall provide that, after the offender
10 has completed the sentence imposed, the commissioner shall place
11 the offender on conditional release for ten years, minus the
12 time the offender served on supervised release.

13 Subd. 5. [MANDATORY LIFETIME CONDITIONAL RELEASE TERM.] (a)
14 When a court sentences an offender under subdivision 2 or
15 section 609.342, subdivision 2, paragraph (b); or 609.343,
16 subdivision 2, paragraph (b), the court shall provide that, if
17 the offender is released from prison, the commissioner of
18 corrections shall place the offender on conditional release for
19 the remainder of the offender's life.

20 (b) Notwithstanding the statutory maximum sentence
21 otherwise applicable to the offense, when the court commits an
22 offender to the custody of the commissioner of corrections for a
23 violation of section 609.342, 609.343, 609.344, 609.345, or
24 609.3453, and the offender has a previous or prior sex offense
25 conviction, the court shall provide that, after the offender has
26 completed the sentence imposed, the commissioner shall place the
27 offender on conditional release for the remainder of the
28 offender's life.

29 (c) Notwithstanding paragraph (b), an offender may not be
30 placed on lifetime conditional release under that paragraph for
31 a violation of section 609.345, unless the offender's previous
32 or prior sex offense conviction that is being used as the basis
33 for the placement is for a violation of section 609.342,
34 609.343, 609.344, 609.3453, or any similar statute of the United
35 States, this state, or any other state.

36 Subd. 6. [TERMS OF CONDITIONAL RELEASE; APPLICABLE TO ALL

1 SEX OFFENDERS.] (a) The provisions of this subdivision apply to
 2 all sex offenders placed on conditional release. Except as
 3 provided in this subdivision, conditional release of sex
 4 offenders is governed by provisions relating to supervised
 5 release. The commissioner of corrections may not dismiss an
 6 offender on conditional release from supervision until the
 7 offender's conditional release term expires.

8 (b) The conditions of release may include successful
 9 completion of treatment and aftercare in a program approved by
 10 the commissioner, satisfaction of the release conditions
 11 specified in section 244.05, subdivision 6, and any other
 12 conditions the commissioner considers appropriate. Before the
 13 offender is released, the commissioner shall notify the
 14 sentencing court, the prosecutor in the jurisdiction where the
 15 offender was sentenced, and the victim of the offender's crime,
 16 where available, of the terms of the offender's conditional
 17 release. If the offender fails to meet any condition of
 18 release, the commissioner may revoke the offender's conditional
 19 release and order that the offender serve all or a part of the
 20 remaining portion of the conditional release term in prison.

21 [EFFECTIVE DATE.] This section is effective August 1, 2005.
 22 and applies to crimes committed on or after that date.

23 Sec. 21. [REPEALER.]

24 Minnesota Statutes 2004, sections 609.108, subdivision 2;
 25 and 609.109, subdivision 7, are repealed.

26 [EFFECTIVE DATE.] This section is effective August 1, 2005,
 27 and applies to crimes committed on or after that date.

28 ARTICLE 3

29 SEX OFFENDERS: PREDATORY OFFENDER REGISTRATION;
 30 COMMUNITY NOTIFICATION; NONSENTENCING CHANGES

31 Section 1. Minnesota Statutes 2004, section 243.166, is
 32 amended to read:

33 243.166 [REGISTRATION OF PREDATORY OFFENDERS.]

34 ~~Subdivision 1.---[REGISTRATION-REQUIRED-]--(a)-A-person-shall~~
 35 ~~register-under-this-section-if+~~

36 ~~(1)-the-person-was-charged-with-or-petitioned-for-a-felony~~

1 violation-of-or-attempt-to-violate-any-of-the-following,-and
2 convicted-of-or-adjudicated-delinquent-for-that-offense-or
3 another-offense-arising-out-of-the-same-set-of-circumstances:

4 (i)-murder-under-section-609-185,-clause-(2)-,-or

5 (ii)-kidnapping-under-section-609-25,-,-or

6 (iii)-criminal-sexual-conduct-under-section-609-342,-

7 609-343,-609-344,-609-345,-or-609-345i,-subdivision-3,-or

8 (iv)-indecent-exposure-under-section-617-23,-subdivision-3,-

9 or

10 (2)-the-person-was-charged-with-or-petitioned-for-falsely
11 imprisoning-a-minor-in-violation-of-section-609-255,-subdivision
12 2,-soliciting-a-minor-to-engage-in-prostitution-in-violation-of
13 section-609-322-or-609-324,-soliciting-a-minor-to-engage-in
14 sexual-conduct-in-violation-of-section-609-352,-using-a-minor-in
15 a-sexual-performance-in-violation-of-section-617-246,-or
16 possessing-pornographic-work-involving-a-minor-in-violation-of
17 section-617-247,-and-convicted-of-or-adjudicated-delinquent-for
18 that-offense-or-another-offense-arising-out-of-the-same-set-of
19 circumstances,-or

20 (3)-the-person-was-convicted-of-a-predatory-crime-as
21 defined-in-section-609-108,-and-the-offender-was-sentenced-as-a
22 patterned-sex-offender-or-the-court-found-on-its-own-motion-or
23 that-of-the-prosecutor-that-the-crime-was-part-of-a-predatory
24 pattern-of-behavior-that-had-criminal-sexual-conduct-as-its
25 goal,-or

26 (4)-the-person-was-convicted-of-or-adjudicated-delinquent
27 for,-including-pursuant-to-a-court-martial,-violating-a-law-of
28 the-United-States,-including-the-Uniform-Code-of-Military
29 Justice,-similar-to-the-offenses-described-in-clause-(1)-,-(2)-,
30 or-(3)-.

31 (b)-A-person-also-shall-register-under-this-section-if:

32 (1)-the-person-was-convicted-of-or-adjudicated-delinquent
33 in-another-state-for-an-offense-that-would-be-a-violation-of-a
34 law-described-in-paragraph-(a)-if-committed-in-this-state,-

35 (2)-the-person-enters-the-state-to-reside,-or-to-work-or
36 attend-school,-and

1 (3)-ten-years-have-not-elapsed-since-the-person-was
2 released-from-confinement-or,-if-the-person-was-not-confined,
3 since-the-person-was-convicted-of-or-adjudicated-delinquent-for
4 the-offense-that-triggers-registration,-unless-the-person-is
5 subject-to-lifetime-registration,-in-which-case-the-person-must
6 register-for-life-regardless-of-when-the-person-was-released
7 from-confinement,-convicted,-or-adjudicated-delinquent.
8 For-purposes-of-this-paragraph:

9 (i)-"school"-includes-any-public-or-private-educational
10 institution,-including-any-secondary-school,-trade-or
11 professional-institution,-or-institution-of-higher-education,
12 that-the-person-is-enrolled-in-on-a-full-time-or-part-time
13 basis,-and

14 (ii)-"work"-includes-employment-that-is-full-time-or-part
15 time-for-a-period-of-time-exceeding-14-days-or-for-an-aggregate
16 period-of-time-exceeding-30-days-during-any-calendar-year,
17 whether-financially-compensated,-volunteered,-or-for-the-purpose
18 of-government-or-educational-benefit.

19 (c)-A-person-also-shall-register-under-this-section-if-the
20 person-was-committed-pursuant-to-a-court-commitment-order-under
21 section-253B.185-or-Minnesota-Statutes-1992,-section-526.10,-or
22 a-similar-law-of-another-state-or-the-United-States,-regardless
23 of-whether-the-person-was-convicted-of-any-offense.

24 (d)-A-person-also-shall-register-under-this-section-if:

25 (1)-the-person-was-charged-with-or-petitioned-for-a-felony
26 violation-or-attempt-to-violate-any-of-the-offenses-listed-in
27 paragraph-(a),-clause-(1),-or-a-similar-law-of-another-state-or
28 the-United-States,-or-the-person-was-charged-with-or-petitioned
29 for-a-violation-of-any-of-the-offenses-listed-in-paragraph-(a),
30 clause-(2),-or-a-similar-law-of-another-state-or-the-United
31 States,

32 (2)-the-person-was-found-not-guilty-by-reason-of-mental
33 illness-or-mental-deficiency-after-a-trial-for-that-offense,-or
34 found-guilty-but-mentally-ill-after-a-trial-for-that-offense,-in
35 states-with-a-guilty-but-mentally-ill-verdict,-and

36 (3)-the-person-was-committed-pursuant-to-a-court-commitment

1 ~~order under section 253B.18 or a similar law of another state or~~
2 ~~the United States.~~

3 Subd. 1a. [DEFINITIONS.] (a) As used in this section,
4 unless the context clearly indicates otherwise, the following
5 terms have the meanings given them.

6 (b) "Bureau" means the Bureau of Criminal Apprehension.

7 (c) "Dwelling" means the building where the person lives
8 under a formal or informal agreement to do so.

9 (d) "Incarceration" and "confinement" do not include
10 electronic home monitoring.

11 (e) "Law enforcement authority" or "authority" means, with
12 respect to a home rule charter or statutory city, the chief of
13 police, and with respect to an unincorporated area, the county
14 sheriff.

15 (f) "Motor vehicle" has the meaning given for "vehicle" in
16 section 169.01, subdivision 2.

17 (g) "Primary address" means the mailing address of the
18 person's dwelling. If the mailing address is different from the
19 actual location of the dwelling, "primary address" also includes
20 the physical location of the dwelling described with as much
21 specificity as possible.

22 (h) "School" includes any public or private educational
23 institution, including any secondary school, trade, or
24 professional institution, or institution of higher education,
25 that the person is enrolled in on a full-time basis or part-time
26 basis.

27 (i) "Secondary address" means the mailing address of any
28 place where the person regularly or occasionally stays overnight
29 when not staying at the person's primary address. If the
30 mailing address is different from the actual location of the
31 place, "secondary address" also includes the physical location
32 of the place described with as much specificity as possible.

33 (j) "Treatment facility" means a residential facility, as
34 defined in section 244.052, subdivision 1, and residential
35 chemical dependency treatment programs and halfway houses
36 licensed under chapter 245A, including, but not limited to,

1 those facilities directly or indirectly assisted by any
2 department or agency of the United States.

3 (k) "Work" includes employment that is full time or part
4 time for a period of time exceeding 14 days or for an aggregate
5 period of time exceeding 30 days during any calendar year,
6 whether financially compensated, volunteered, or for the purpose
7 of government or educational benefit.

8 Subd. 1b. [REGISTRATION REQUIRED.] (a) A person shall
9 register under this section if:

10 (1) the person was charged with or petitioned for a felony
11 violation of or attempt to violate, or aiding, abetting, or
12 conspiracy to commit, any of the following, and convicted of or
13 adjudicated delinquent for that offense or another offense
14 arising out of the same set of circumstances:

15 (i) murder under section 609.185, paragraph (a), clause
16 (2); or

17 (ii) kidnapping under section 609.25; or

18 (iii) criminal sexual conduct under section 609.342;
19 609.343; 609.344; 609.345; 609.3451, subdivision 3; or 609.3453;
20 or

21 (iv) indecent exposure under section 617.23, subdivision 3;

22 (2) the person was charged with or petitioned for a
23 violation of or attempt to violate, or aiding, abetting, or
24 conspiracy to commit false imprisonment in violation of section
25 609.255, subdivision 2; soliciting a minor to engage in
26 prostitution in violation of section 609.322 or 609.324;
27 soliciting a minor to engage in sexual conduct in violation of
28 section 609.352; using a minor in a sexual performance in
29 violation of section 617.246; or possessing pornographic work
30 involving a minor in violation of section 617.247, and convicted
31 of or adjudicated delinquent for that offense or another offense
32 arising out of the same set of circumstances;

33 (3) the person was sentenced as a patterned sex offender
34 under section 609.108; or

35 (4) the person was convicted of or adjudicated delinquent
36 for, including pursuant to a court martial, violating a law of

1 the United States, including the Uniform Code of Military
2 Justice, similar to the offenses described in clause (1), (2),
3 or (3).

4 (b) A person also shall register under this section if:

5 (1) the person was convicted of or adjudicated delinquent
6 in another state for an offense that would be a violation of a
7 law described in paragraph (a) if committed in this state;

8 (2) the person enters the state to reside, work, or attend
9 school, or enters the state and remains for 14 days or longer;
10 and

11 (3) ten years have not elapsed since the person was
12 released from confinement or, if the person was not confined,
13 since the person was convicted of or adjudicated delinquent for
14 the offense that triggers registration, unless the person is
15 subject to lifetime registration, in which case the person shall
16 register for life regardless of when the person was released
17 from confinement, convicted, or adjudicated delinquent.

18 A person described in this paragraph shall register with
19 the bureau within five days after the registration requirement
20 becomes applicable.

21 (c) A person also shall register under this section if the
22 person was committed pursuant to a court commitment order under
23 section 253B.185 or Minnesota Statutes 1992, section 526.10, or
24 a similar law of another state or the United States, regardless
25 of whether the person was convicted of any offense.

26 (d) A person also shall register under this section if:

27 (1) the person was charged with or petitioned for a felony
28 violation or attempt to violate any of the offenses listed in
29 paragraph (a), clause (1), or a similar law of another state or
30 the United States, or the person was charged with or petitioned
31 for a violation of any of the offenses listed in paragraph (a),
32 clause (2), or a similar law of another state or the United
33 States;

34 (2) the person was found not guilty by reason of mental
35 illness or mental deficiency after a trial for that offense, or
36 found guilty but mentally ill after a trial for that offense, in

1 states with a guilty but mentally ill verdict; and

2 (3) the person was committed pursuant to a court commitment
3 order under section 253B.18 or a similar law of another state or
4 the United States.

5 Subd. 2. [NOTICE.] When a person who is required to
6 register under subdivision ± 1b, paragraph (a), is sentenced or
7 becomes subject to a juvenile court disposition order, the court
8 shall tell the person of the duty to register under this section
9 and that, if the person fails to comply with the registration
10 requirements, information about the offender may be made
11 available to the public through electronic, computerized, or
12 other accessible means. The court may not modify the person's
13 duty to register in the pronounced sentence or disposition
14 order. The court shall require the person to read and sign a
15 form stating that the duty of the person to register under this
16 section has been explained. The court shall forward the signed
17 sex offender registration form, the complaint, and sentencing
18 documents to the bureau ~~of Criminal Apprehension~~. If a person
19 required to register under subdivision ± 1b, paragraph (a), was
20 not notified by the court of the registration requirement at the
21 time of sentencing or disposition, the assigned corrections
22 agent shall notify the person of the requirements of this
23 section. When a person who is required to register under
24 subdivision ± 1b, paragraph (c) or (d), is released from
25 commitment, the treatment facility shall notify the person of
26 the requirements of this section. The treatment facility shall
27 also obtain the registration information required under this
28 section and forward it to the bureau ~~of Criminal Apprehension~~.

29 Subd. 3. [REGISTRATION PROCEDURE.] (a) Except as provided
30 in subdivision 3a, a person required to register under this
31 section shall register with the corrections agent as soon as the
32 agent is assigned to the person. If the person does not have an
33 assigned corrections agent or is unable to locate the assigned
34 corrections agent, the person shall register with the law
35 enforcement agency authority that has jurisdiction in the area
36 of the person's residence primary address.

1 (b) Except as provided in subdivision 3a, at least five
2 days before the person starts living at a new primary address,
3 including living in another state, the person shall give written
4 notice of the new primary ~~living~~ address to the assigned
5 corrections agent or to the law enforcement authority with which
6 the person currently is registered. If the person will be
7 living in a new state and that state has a registration
8 requirement, the person shall also give written notice of the
9 new address to the designated registration agency in the new
10 state. A person required to register under this section shall
11 also give written notice to the assigned corrections agent or to
12 the law enforcement authority that has jurisdiction in the area
13 of the person's ~~residence~~ primary address that the person is no
14 longer living or staying at an address, immediately after the
15 person is no longer living or staying at that address. The
16 corrections agent or law enforcement authority shall, within two
17 business days after receipt of this information, forward it to
18 the bureau of ~~Criminal~~-Apprehension. The bureau of ~~Criminal~~
19 ~~Apprehension~~ shall, if it has not already been done, notify the
20 law enforcement authority having primary jurisdiction in the
21 community where the person will live of the new address. If the
22 person is leaving the state, the bureau of ~~Criminal~~-Apprehension
23 shall notify the registration authority in the new state of the
24 new address. ~~If the person's obligation to register arose under~~
25 ~~subdivision 17, paragraph (b),~~ The person's registration
26 requirements under this section terminate when after the person
27 begins living in the new state and the bureau has confirmed the
28 address in the other state through the annual verification
29 process on at least one occasion.

30 (c) A person required to register under subdivision ~~1~~ 1b,
31 paragraph (b), because the person is working or attending school
32 in Minnesota shall register with the law enforcement
33 agency authority that has jurisdiction in the area where the
34 person works or attends school. In addition to other
35 information required by this section, the person shall provide
36 the address of the school or of the location where the person is

1 employed. A person ~~must~~ shall comply with this paragraph within
2 five days of beginning employment or school. A person's
3 obligation to register under this paragraph terminates when the
4 person is no longer working or attending school in Minnesota.

5 (d) A person required to register under this section who
6 works or attends school outside of Minnesota shall register as a
7 predatory offender in the state where the person works or
8 attends school. The person's corrections agent, or if the
9 person does not have an assigned corrections agent, the law
10 enforcement authority that has jurisdiction in the area of the
11 person's ~~residence~~ primary address shall notify the person of
12 this requirement.

13 Subd. 3a. [REGISTRATION PROCEDURE WHEN PERSON LACKS
14 PRIMARY ADDRESS.] (a) If a person leaves a primary address and
15 does not have a new primary address, the person shall register
16 with the law enforcement authority that has jurisdiction in the
17 area where the person is staying within 24 hours of the time the
18 person no longer has a primary address.

19 (b) A person who lacks a primary address shall register
20 with the law enforcement authority that has jurisdiction in the
21 area where the person is staying within 24 hours after entering
22 the jurisdiction. Each time a person who lacks a primary
23 address moves to a new jurisdiction without acquiring a new
24 primary address, the person shall register with the law
25 enforcement authority that has jurisdiction in the area where
26 the person is staying within 24 hours after entering the
27 jurisdiction.

28 (c) Upon registering under this subdivision, the person
29 shall provide the law enforcement authority with all of the
30 information the individual is required to provide under
31 subdivision 4a. However, instead of reporting the person's
32 primary address, the person shall describe the location of where
33 the person is staying with as much specificity as possible.

34 (d) Except as otherwise provided in paragraph (e), if a
35 person continues to lack a primary address, the person shall
36 report in person on a weekly basis to the law enforcement

1 authority with jurisdiction in the area where the person is
2 staying. This weekly report shall occur between the hours of
3 9:00 a.m. and 5:00 p.m. The person is not required to provide
4 the registration information required under subdivision 4a each
5 time the offender reports to an authority, but the person shall
6 inform the authority of changes to any information provided
7 under subdivision 4a or this subdivision and shall otherwise
8 comply with this subdivision.

9 (e) If the law enforcement authority determines that it is
10 impractical, due to the person's unique circumstances, to
11 require a person lacking a primary address to report weekly and
12 in person as required under paragraph (d), the authority may
13 authorize the person to follow an alternative reporting
14 procedure. The authority shall consult with the person's
15 corrections agent, if the person has one, in establishing the
16 specific criteria of this alternative procedure, subject to the
17 following requirements:

18 (1) The authority shall document, in the person's
19 registration record, the specific reasons why the weekly
20 in-person reporting process is impractical for the person to
21 follow.

22 (2) The authority shall explain how the alternative
23 reporting procedure furthers the public safety objectives of
24 this section.

25 (3) The authority shall require the person lacking a
26 primary address to report in person at least monthly to the
27 authority or the person's corrections agent and shall specify
28 the location where the person shall report. If the authority
29 determines it would be more practical and would further public
30 safety for the person to report to another law enforcement
31 authority with jurisdiction where the person is staying, it may,
32 after consulting with the other law enforcement authority,
33 include this requirement in the person's alternative reporting
34 process.

35 (4) The authority shall require the person to comply with
36 the weekly, in-person reporting process required under paragraph

1 (d), if the person moves to a new area where this process would
2 be practical.

3 (5) The authority shall require the person to report any
4 changes to the registration information provided under
5 subdivision 4a and to comply with the periodic registration
6 requirements specified under paragraph (f).

7 (6) The authority shall require the person to comply with
8 the requirements of subdivision 3, paragraphs (b) and (c), if
9 the person moves to a primary address.

10 (f) If a person continues to lack a primary address and
11 continues to report to the same law enforcement authority, the
12 person shall provide the authority with all of the information
13 the individual is required to provide under subdivision 4a and
14 this subdivision at least annually, unless the person is
15 required to register under subdivision 1b, paragraph (c),
16 following commitment pursuant to a court commitment under
17 section 253B.185 or a similar law of another state or the United
18 States. If the person is required to register under subdivision
19 1b, paragraph (c), the person shall provide the law enforcement
20 authority with all of the information the individual is required
21 to report under subdivision 4a and this subdivision at least
22 once every three months.

23 (g) A law enforcement authority receiving information under
24 this subdivision shall forward registration information and
25 changes to that information to the bureau within two business
26 days of receipt of the information.

27 (h) For purposes of this subdivision, a person who fails to
28 report a primary address will be deemed to be a person who lacks
29 a primary address, and the person shall comply with the
30 requirements for a person who lacks a primary address.

31 Subd. 4. [CONTENTS OF REGISTRATION.] (a) The registration
32 provided to the corrections agent or law enforcement authority,
33 must consist of a statement in writing signed by the person,
34 giving information required by the bureau of ~~Criminal~~
35 ~~Apprehension~~, a fingerprint card, and photograph of the person
36 taken at the time of the person's release from incarceration or,

1 if the person was not incarcerated, at the time the person
2 initially registered under this section. The registration
3 information also must include a written consent form signed by
4 the person allowing a treatment facility or residential housing
5 unit or shelter to release information to a law enforcement
6 officer about the person's admission to, or residence in, a
7 treatment facility or residential housing unit or shelter.
8 Registration information on adults and juveniles may be
9 maintained together notwithstanding section 260B.171,
10 subdivision 3.

11 (b) For persons required to register under subdivision ~~1~~
12 1b, paragraph (c), following commitment pursuant to a court
13 commitment under section 253B.185 or a similar law of another
14 state or the United States, in addition to other information
15 required by this section, the registration provided to the
16 corrections agent or law enforcement authority must include the
17 person's offense history and documentation of treatment received
18 during the person's commitment. This documentation ~~shall be~~ is
19 limited to a statement of how far the person progressed in
20 treatment during commitment.

21 (c) Within three days of receipt, the corrections agent or
22 law enforcement authority shall forward the registration
23 information to the bureau ~~of Criminal Apprehension~~. The bureau
24 shall ascertain whether the person has registered with the law
25 enforcement authority ~~where the person resides~~ in the area of
26 the person's primary address, if any, or if the person lacks a
27 primary address, where the person is staying, as required by
28 subdivision 3a. If the person has not registered with the law
29 enforcement authority, the bureau shall send one copy to that
30 authority.

31 (d) The corrections agent or law enforcement authority may
32 require that a person required to register under this section
33 appear before the agent or authority to be photographed. The
34 agent or authority shall require a person required to register
35 under this section who is classified as a risk level III
36 offender under section 244.052 to appear before the agent or

1 authority at least every six months to be photographed. The
2 agent or authority shall forward the photograph to the bureau of
3 ~~Criminal-Apprehension~~.

4 (e) During the period a person is required to register
5 under this section, the following ~~shall~~ provisions apply:

6 (1) Except for persons registering under subdivision 3a,
7 ~~the bureau of-Criminal-Apprehension~~ shall mail a verification
8 form to the ~~last-reported-address-of-the~~ person's residence last
9 reported primary address. This verification form ~~shall~~ must
10 provide notice to the offender that, if the offender does not
11 return the verification form as required, information about the
12 offender may be made available to the public through electronic,
13 computerized, or other accessible means. For persons who are
14 registered under subdivision 3a, the bureau shall mail an annual
15 verification form to the law enforcement authority where the
16 offender most recently reported. The authority shall provide
17 the verification form to the person at the next weekly meeting
18 and ensure that the person completes and signs the form and
19 returns it to the bureau.

20 (2) The person shall mail the signed verification form back
21 to the bureau of ~~Criminal-Apprehension~~ within ten days after
22 receipt of the form, stating on the form the current and last
23 address of the person's residence and the other information
24 required under subdivision 4a.

25 (3) In addition to the requirements listed in this section,
26 a person who, under section 244.052, is assigned to risk level
27 II or risk level III, and who is no longer under correctional
28 supervision, shall have an annual in-person contact with the law
29 enforcement authority in the area of the person's primary
30 address or, if the person has no primary address, where the
31 person is staying. During the month of the person's birth date,
32 the person shall report to the authority to verify the accuracy
33 of the registration information and to be photographed. Within
34 three days of this contact, the authority shall enter
35 information as required by the bureau into the predatory
36 offender registration database and submit an updated photograph

1 of the person to the bureau's predatory offender registration
2 unit. The authority may waive the photograph requirement for a
3 person assigned to risk level III who has recently been
4 photographed under paragraph (d).

5 (4) If the person fails to mail the completed and signed
6 verification form to the bureau ~~of Criminal Apprehension~~ within
7 ten days after receipt of the form, or if the person fails to
8 report to the law enforcement authority during the month of the
9 person's birth date, the person shall-be is in violation of this
10 section.

11 For persons required to register under subdivision ~~1~~ 1b,
12 paragraph (c), following commitment pursuant to a court
13 commitment under section 253B.185 or a similar law of another
14 state or the United States, the bureau shall comply with clause
15 (1) at least four times each year. For persons who under
16 section 244.052 are assigned to risk level III and who are no
17 longer under correctional supervision, the bureau shall comply
18 with clause (1) at least two times each year. For all other
19 persons required to register under this section, the bureau
20 shall comply with clause (1) each year within 30 days of the
21 anniversary date of the person's initial registration.

22 (f) When sending out a verification form, the bureau ~~of~~
23 ~~Criminal Apprehension-must~~ shall determine whether the person to
24 whom the verification form is being sent has signed a written
25 consent form as provided for in paragraph (a). If the person
26 has not signed such a consent form, the bureau ~~of Criminal~~
27 ~~Apprehension-must~~ shall send a written consent form to the
28 person along with the verification form. A person who receives
29 this written consent form ~~must~~ shall sign and return it to the
30 bureau ~~of Criminal Apprehension~~ at the same time as the
31 verification form.

32 ~~(g)-For-the-purposes-of-this-subdivision,-"treatment~~
33 ~~facility"-means-a-residential-facility,-as-defined-in-section~~
34 ~~244.052,-subdivision-1,-and-residential-chemical-dependency~~
35 ~~treatment-programs-and-halfway-houses-licensed-under-chapter~~
36 ~~245A,-including,-but-not-limited-to,-those-facilities-directly~~

1 ~~or indirectly assisted by any department or agency of the United~~
2 ~~States.~~

3 Subd. 4a. [INFORMATION REQUIRED TO BE PROVIDED.] (a) As
4 ~~used in this section:~~

5 ~~{1} "motor vehicle" has the meaning given "vehicle" in~~
6 ~~section 169.017, subdivision 2.~~

7 ~~{2} "primary residence" means any place where the person~~
8 ~~resides longer than 14 days or that is deemed a primary~~
9 ~~residence by a person's corrections agent, if one is assigned to~~
10 ~~the person; and~~

11 ~~{3} "secondary residence" means any place where the person~~
12 ~~regularly stays overnight when not staying at the person's~~
13 ~~primary residence, and includes, but is not limited to:~~

14 ~~{i} the person's parent's home if the person is a student~~
15 ~~and stays at the home at times when the person is not staying at~~
16 ~~school, including during the summer; and~~

17 ~~{ii} the home of someone with whom the person has a minor~~
18 ~~child in common where the child's custody is shared.~~

19 ~~{b} A person required to register under this section shall~~
20 ~~provide to the corrections agent or law enforcement authority~~
21 ~~the following information:~~

22 ~~(1) the address of the person's primary residence address;~~

23 ~~(2) the addresses of all of the person's secondary~~
24 ~~residences addresses in Minnesota, including all addresses used~~
25 ~~for residential or recreational purposes;~~

26 ~~(3) the addresses of all Minnesota property owned, leased,~~
27 ~~or rented by the person;~~

28 ~~(4) the addresses of all locations where the person is~~
29 ~~employed;~~

30 ~~(5) the addresses of all residences schools where the~~
31 ~~person resides while attending school is enrolled; and~~

32 ~~(6) the year, model, make, license plate number, and color~~
33 ~~of all motor vehicles owned or regularly driven by the person.~~

34 ~~{e} (b) The person shall report to the agent or authority~~
35 ~~the information required to be provided under paragraph ~~{b}~~ (a),~~
36 ~~clauses (2) to (6), within five days of the date the clause~~

1 becomes applicable. If because of a change in circumstances any
2 information reported under paragraph ~~(b)~~ (a), clauses (1) to
3 (6), no longer applies, the person shall immediately inform the
4 agent or authority that the information is no longer valid. If
5 the person leaves a primary address and does not have a new
6 primary address, the person shall register as provided in
7 subdivision 3a.

8 Subd. 5. [CRIMINAL PENALTY.] (a) A person required to
9 register under this section who knowingly violates any of its
10 provisions or intentionally provides false information to a
11 corrections agent, law enforcement authority, or the bureau of
12 ~~Criminal Apprehension~~ is guilty of a felony and may be sentenced
13 to imprisonment for not more than five years or to payment of a
14 fine of not more than \$10,000, or both.

15 (b) Except as provided in paragraph (c), a person convicted
16 of violating paragraph (a) shall be committed to the custody of
17 the commissioner of corrections for not less than a year and a
18 day, nor more than five years.

19 (c) A person convicted of violating paragraph (a), who has
20 previously been convicted of or adjudicated delinquent for
21 violating this section or a similar law of another state or the
22 United States, shall be committed to the custody of the
23 commissioner of corrections for not less than two years, nor
24 more than five years.

25 (d) Prior to the time of sentencing, the prosecutor may
26 file a motion to have the person sentenced without regard to the
27 mandatory minimum sentence established by this subdivision. The
28 motion ~~shall~~ must be accompanied by a statement on the record of
29 the reasons for it. When presented with the motion, or on its
30 own motion, the court may sentence the person without regard to
31 the mandatory minimum sentence if the court finds substantial
32 and compelling reasons to do so. Sentencing a person in the
33 manner described in this paragraph is a departure from the
34 Sentencing Guidelines.

35 (e) A person convicted and sentenced as required by this
36 subdivision is not eligible for probation, parole, discharge,

1 work release, or supervised release, until that person has
2 served the full term of imprisonment as provided by law,
3 notwithstanding the provisions of sections 241.26, 242.19,
4 243.05, 244.04, 609.12, and 609.135.

5 Subd. 5a. [TEN-YEAR CONDITIONAL RELEASE FOR VIOLATIONS
6 COMMITTED BY LEVEL III OFFENDERS.] Notwithstanding the statutory
7 maximum sentence otherwise applicable to the offense or any
8 provision of the sentencing guidelines, when a court commits a
9 person to the custody of the commissioner of corrections for
10 violating subdivision 5 and, at the time of the violation, the
11 person was assigned to risk level III under section 244.052, the
12 court shall provide that after the person has completed the
13 sentence imposed, the commissioner shall place the person on
14 conditional release for ten years. The terms of conditional
15 release are governed by section 609.3455, subdivision 6.

16 Subd. 6. [REGISTRATION PERIOD.] (a) Notwithstanding the
17 provisions of section 609.165, subdivision 1, and except as
18 provided in paragraphs (b), (c), and (d), a person required to
19 register under this section shall continue to comply with this
20 section until ten years have elapsed since the person initially
21 registered in connection with the offense, or until the
22 probation, supervised release, or conditional release period
23 expires, whichever occurs later. For a person required to
24 register under this section who is committed under section
25 253B.18 or 253B.185, the ten-year registration period does not
26 include the period of commitment.

27 (b) If a person required to register under this section
28 fails to register following a change in residence the person's
29 primary or secondary address, employment, school, or motor
30 vehicle information; fails to report any property the person
31 owns, leases, or rents; or fails to return the annual
32 verification form within ten days, the commissioner of public
33 safety may require the person to continue to register for an
34 additional period of five years. This five-year period is added
35 to the end of the offender's registration period.

36 (c) If a person required to register under this section is

1 subsequently incarcerated following a conviction for a new
2 offense or following a revocation of probation, supervised
3 release, or conditional release for ~~that~~ any offense~~-er-a~~
4 ~~conviction-for-any-new-offense~~, the person shall continue to
5 register until ten years have elapsed since the person was last
6 released from incarceration or until the person's probation,
7 supervised release, or conditional release period expires,
8 whichever occurs later.

9 (d) A person shall continue to comply with this section for
10 the life of that person:

11 (1) if the person is convicted of or adjudicated delinquent
12 for any offense for which registration is required under
13 subdivision ± 1b, or any offense from another state or any
14 federal offense similar to the offenses described in subdivision
15 ± 1b, and the person has a prior conviction or adjudication for
16 an offense for which registration was or would have been
17 required under subdivision ± 1b, or an offense from another
18 state or a federal offense similar to an offense described in
19 subdivision ± 1b;

20 (2) if the person is required to register based upon a
21 conviction or delinquency adjudication for an offense under
22 section 609.185, clause (2), or a similar statute from another
23 state or the United States;

24 (3) if the person is required to register based upon a
25 conviction for an offense under section 609.342, subdivision 1,
26 paragraph (a), (c), (d), (e), (f), or (h); 609.343, subdivision
27 1, paragraph (a), (c), (d), (e), (f), or (h); 609.344,
28 subdivision 1, paragraph (a), (c), or (g); or 609.345,
29 subdivision 1, paragraph (a), (c), or (g); or a statute from
30 another state or the United States similar to the offenses
31 described in this clause; or

32 (4) if the person is required to register under subdivision
33 ± 1b, paragraph (c), following commitment pursuant to a court
34 commitment under section 253B.185 or a similar law of another
35 state or the United States.

36 Subd. 7. [USE OF INFORMATION.] Except as otherwise

1 provided in subdivision 7a or sections 244.052 and 299C.093, the
2 information provided under this section is private data on
3 individuals under section 13.02, subdivision 12. The
4 information may be used only for law enforcement purposes.

5 Subd. 7a. [AVAILABILITY OF INFORMATION ON OFFENDERS WHO
6 ARE OUT OF COMPLIANCE WITH REGISTRATION LAW.] (a) The bureau of
7 ~~Criminal Apprehension~~ may make information available to the
8 public about offenders who are 16 years of age or older and who
9 are out of compliance with this section for 30 days or longer
10 for failure to provide the ~~address of the~~ offenders' primary or
11 secondary ~~residences~~ addresses. This information may be made
12 available to the public through electronic, computerized, or
13 other accessible means. The amount and type of information made
14 available ~~shall be~~ is limited to the information necessary for
15 the public to assist law enforcement in locating the offender.

16 (b) An offender who comes into compliance with this section
17 after the bureau of ~~Criminal Apprehension~~ discloses information
18 about the offender to the public may send a written request to
19 the bureau requesting the bureau to treat information about the
20 offender as private data, consistent with subdivision 7. The
21 bureau shall review the request and promptly take reasonable
22 action to treat the data as private, if the offender has
23 complied with the requirement that the offender provide the
24 ~~addresses of~~ the offender's primary and secondary
25 ~~residences~~ addresses, or promptly notify the offender that the
26 information will continue to be treated as public information
27 and the reasons for the bureau's decision.

28 (c) If an offender believes the information made public
29 about the offender is inaccurate or incomplete, the offender may
30 challenge the data under section 13.04, subdivision 4.

31 (d) The bureau of ~~Criminal Apprehension~~ is immune from any
32 civil or criminal liability that might otherwise arise, based on
33 the accuracy or completeness of any information made public
34 under this subdivision, if the bureau acts in good faith.

35 Subd. ~~8. [LAW ENFORCEMENT AUTHORITY.] For purposes of this~~
36 ~~section, a law enforcement authority means, with respect to a~~

1 ~~home-rule-charter-or-statutory-city,-the-chief-of-police,-and~~
2 ~~with-respect-to-an-unincorporated-area,-the-sheriff-of-the~~
3 ~~county-~~

4 Subd. 9. [OFFENDERS FROM OTHER STATES.] When the state
5 accepts an offender from another state under a reciprocal
6 agreement under the interstate compact authorized by section
7 243.16 or 243.1605, or under any authorized interstate
8 agreement, the acceptance is conditional on the offender
9 agreeing to register under this section when the offender is
10 living in Minnesota.

11 Subd. 10. [VENUE; AGGREGATION.] (a) A violation of this
12 section may be prosecuted in any jurisdiction where an offense
13 takes place. However, the prosecutorial agency in the
14 jurisdiction where the person last registered a primary address
15 is initially responsible to review the case for prosecution.

16 (b) When a person commits two or more offenses in two or
17 more counties, the accused may be prosecuted for all of the
18 offenses in any county in which one of the offenses was
19 committed.

20 Subd. 11. [CERTIFIED COPIES AS EVIDENCE.] Certified copies
21 of predatory offender registration records are admissible as
22 substantive evidence when necessary to prove the commission of a
23 violation of this section.

24 [EFFECTIVE DATE.] This section is effective August 1, 2005,
25 and applies to persons subject to predatory offender
26 registration on or after that date.

27 Sec. 2. Minnesota Statutes 2004, section 243.167, is
28 amended to read:

29 243.167 [REGISTRATION UNDER THE PREDATORY OFFENDER
30 REGISTRATION LAW FOR OTHER OFFENSES.]

31 Subdivision 1. [DEFINITION.] As used in this section,
32 "crime against the person" means a violation of any of the
33 following or a similar law of another state or of the United
34 States: section 609.165; 609.185; 609.19; 609.195; 609.20;
35 609.205; 609.221; 609.222; 609.223; 609.2231; 609.224,
36 subdivision 2 or 4; 609.2242, subdivision 2 or 4; 609.235;

1 609.245, subdivision 1; 609.25; 609.255; 609.3451, subdivision
2 2; 609.498, subdivision 1; 609.582, subdivision 1; or 617.23,
3 subdivision 2; or any felony-level violation of section 609.229;
4 609.377; 609.749; or 624.713.

5 Subd. 2. [WHEN REQUIRED.] (a) In addition to the
6 requirements of section 243.166, a person also shall register
7 under section 243.166 if:

8 (1) the person is convicted of a crime against the person;
9 and

10 (2) the person was previously convicted of or adjudicated
11 delinquent for an offense listed in section 243.166, subdivision
12 ~~1, paragraph (a)~~, but was not required to register for the
13 offense because the registration requirements of that section
14 did not apply to the person at the time the offense was
15 committed or at the time the person was released from
16 imprisonment.

17 (b) A person who was previously required to register under
18 ~~section 243.166~~ in any state and who has completed the
19 registration requirements of that ~~section~~ state shall again
20 register under section 243.166 if the person commits a crime
21 against the person.

22 [EFFECTIVE DATE.] This section is effective August 1, 2005,
23 and applies to crimes committed on or after that date.

24 Sec. 3. [243.95] [REPORT ON COMMUNITY CORRECTIONAL
25 SUPERVISION.]

26 By January 15 of each year, the commissioner of corrections
27 shall report to the chairs of the senate and house committees
28 having jurisdiction over criminal justice policy on the number,
29 geographic location, and aggregate and average caseloads for
30 each caseload type of risk level II and risk level III sex
31 offender residing in the state for the preceding calendar year.
32 In addition, the commissioner shall provide this information for
33 all other types of offenders. The commissioner shall compile
34 and include in the report comparative historical data for the
35 five calendar years preceding the year included in the report.

36 Sec. 4. Minnesota Statutes 2004, section 244.052,

1 subdivision 3, is amended to read:

2 Subd. 3. [END-OF-CONFINEMENT REVIEW COMMITTEE.] (a) The
3 commissioner of corrections shall establish and administer
4 end-of-confinement review committees at each state correctional
5 facility and at each state treatment facility where predatory
6 offenders are confined. The committees shall assess on a
7 case-by-case basis the public risk posed by predatory offenders
8 who are about to be released from confinement.

9 (b) Each committee shall be a standing committee and shall
10 consist of the following members appointed by the commissioner:

11 (1) the chief executive officer or head of the correctional
12 or treatment facility where the offender is currently confined,
13 or that person's designee;

14 (2) a law enforcement officer;

15 (3) a treatment professional who is trained in the
16 assessment of sex offenders;

17 (4) a caseworker experienced in supervising sex offenders;
18 and

19 (5) a victim's services professional.

20 Members of the committee, other than the facility's chief
21 executive officer or head, shall be appointed by the
22 commissioner to two-year terms. The chief executive officer or
23 head of the facility or designee shall act as chair of the
24 committee and shall use the facility's staff, as needed, to
25 administer the committee, obtain necessary information from
26 outside sources, and prepare risk assessment reports on
27 offenders.

28 (c) The committee shall have access to the following data
29 on a predatory offender only for the purposes of its assessment
30 and to defend the committee's risk assessment determination upon
31 administrative review under this section:

32 (1) private medical data under section 13.384 or 144.335,
33 or welfare data under section 13.46 that relate to medical
34 treatment of the offender;

35 (2) private and confidential court services data under
36 section 13.84;

1 (3) private and confidential corrections data under section
2 13.85; and

3 (4) private criminal history data under section 13.87.

4 Data collected and maintained by the committee under this
5 paragraph may not be disclosed outside the committee, except as
6 provided under section 13.05, subdivision 3 or 4. The predatory
7 offender has access to data on the offender collected and
8 maintained by the committee, unless the data are confidential
9 data received under this paragraph.

10 (d)(i) Except as otherwise provided in item (ii), at least
11 90 days before a predatory offender is to be released from
12 confinement, the commissioner of corrections shall convene the
13 appropriate end-of-confinement review committee for the purpose
14 of assessing the risk presented by the offender and determining
15 the risk level to which the offender shall be assigned under
16 paragraph (e). The offender and the law enforcement agency that
17 was responsible for the charge resulting in confinement shall be
18 notified of the time and place of the committee's meeting. The
19 offender has a right to be present and be heard at the meeting.
20 The law enforcement agency may provide material in writing that
21 is relevant to the offender's risk level to the chair of the
22 committee. The committee shall use the risk factors described
23 in paragraph (g) and the risk assessment scale developed under
24 subdivision 2 to determine the offender's risk assessment score
25 and risk level. Offenders scheduled for release from
26 confinement shall be assessed by the committee established at
27 the facility from which the offender is to be released.

28 (ii) If an offender is received for confinement in a
29 facility with less than 90 days remaining in the offender's term
30 of confinement, the offender's risk shall be assessed at the
31 first regularly scheduled end of confinement review committee
32 that convenes after the appropriate documentation for the risk
33 assessment is assembled by the committee. The commissioner
34 shall make reasonable efforts to ensure that offender's risk is
35 assessed and a risk level is assigned or reassigned at least 30
36 days before the offender's release date.

1 (e) The committee shall assign to risk level I a predatory
2 offender whose risk assessment score indicates a low risk of
3 reoffense. The committee shall assign to risk level II an
4 offender whose risk assessment score indicates a moderate risk
5 of reoffense. The committee shall assign to risk level III an
6 offender whose risk assessment score indicates a high risk of
7 reoffense.

8 (f) Before the predatory offender is released from
9 confinement, the committee shall prepare a risk assessment
10 report which specifies the risk level to which the offender has
11 been assigned and the reasons underlying the committee's risk
12 assessment decision. The committee shall give the report to the
13 offender and to the law enforcement agency at least 60 days
14 before an offender is released from confinement. If the risk
15 assessment is performed under the circumstances described in
16 paragraph (d), item (ii), the report shall be given to the
17 offender and the law enforcement agency as soon as it is
18 available. The committee also shall inform the offender of the
19 availability of review under subdivision 6.

20 (g) As used in this subdivision, "risk factors" includes,
21 but is not limited to, the following factors:

22 (1) the seriousness of the offense should the offender
23 reoffend. This factor includes consideration of the following:

24 (i) the degree of likely force or harm;

25 (ii) the degree of likely physical contact; and

26 (iii) the age of the likely victim;

27 (2) the offender's prior offense history. This factor
28 includes consideration of the following:

29 (i) the relationship of prior victims to the offender;

30 (ii) the number of prior offenses or victims;

31 (iii) the duration of the offender's prior offense history;

32 (iv) the length of time since the offender's last prior
33 offense while the offender was at risk to commit offenses; and

34 (v) the offender's prior history of other antisocial acts;

35 (3) the offender's characteristics. This factor includes
36 consideration of the following:

- 1 (i) the offender's response to prior treatment efforts; and
2 (ii) the offender's history of substance abuse;
3 (4) the availability of community supports to the offender.

4 This factor includes consideration of the following:

- 5 (i) the availability and likelihood that the offender will
6 be involved in therapeutic treatment;
7 (ii) the availability of residential supports to the
8 offender, such as a stable and supervised living arrangement in
9 an appropriate location;
10 (iii) the offender's familial and social relationships,
11 including the nature and length of these relationships and the
12 level of support that the offender may receive from these
13 persons; and
14 (iv) the offender's lack of education or employment
15 stability;
16 (5) whether the offender has indicated or credible evidence
17 in the record indicates that the offender will reoffend if
18 released into the community; and
19 (6) whether the offender demonstrates a physical condition
20 that minimizes the risk of reoffense, including but not limited
21 to, advanced age or a debilitating illness or physical condition.
22 (h) Upon the request of the law enforcement agency or the
23 offender's corrections agent, the commissioner may reconvene the
24 end-of-confinement review committee for the purpose of
25 reassessing the risk level to which an offender has been
26 assigned under paragraph (e). In a request for a reassessment,
27 the law enforcement agency which was responsible for the charge
28 resulting in confinement or agent shall list the facts and
29 circumstances arising after the initial assignment or facts and
30 circumstances known to law enforcement or the agent but not
31 considered by the committee under paragraph (e) which support
32 the request for a reassessment. The request for reassessment by
33 the law enforcement agency must occur within 30 days of receipt
34 of the report indicating the offender's risk level assignment.
35 The offender's corrections agent, in consultation with the chief
36 law enforcement officer in the area where the offender resides

1 or intends to reside, may request a review of a risk level at
2 any time if substantial evidence exists that the offender's risk
3 level should be reviewed by an end-of-confinement review
4 committee. This evidence includes, but is not limited to,
5 evidence of treatment failures or completions, evidence of
6 exceptional crime-free community adjustment or lack of
7 appropriate adjustment, evidence of substantial community need
8 to know more about the offender or mitigating circumstances that
9 would narrow the proposed scope of notification, or other
10 practical situations articulated and based in evidence of the
11 offender's behavior while under supervision. Upon review of the
12 request, the end-of-confinement review committee may reassign an
13 offender to a different risk level. If the offender is
14 reassigned to a higher risk level, the offender has the right to
15 seek review of the committee's determination under subdivision 6.

16 (i) An offender may request the end-of-confinement review
17 committee to reassess the offender's assigned risk level after
18 three years have elapsed since the committee's initial risk
19 assessment and may renew the request once every two years
20 following subsequent denials. In a request for reassessment,
21 the offender shall list the facts and circumstances which
22 demonstrate that the offender no longer poses the same degree of
23 risk to the community. In order for a request for a risk level
24 reduction to be granted, the offender must demonstrate full
25 compliance with supervised release conditions, completion of
26 required post-release treatment programming, and full compliance
27 with all registration requirements as detailed in section
28 243.166. The offender must also not have been convicted of any
29 felony, gross misdemeanor, or misdemeanor offenses subsequent to
30 the assignment of the original risk level. The committee shall
31 follow the process outlined in paragraphs (a) to (c) in the
32 reassessment. An offender who is incarcerated may not request a
33 reassessment under this paragraph.

34 (j) Offenders returned to prison as release violators shall
35 not have a right to a subsequent risk reassessment by the
36 end-of-confinement review committee unless substantial evidence

1 indicates that the offender's risk to the public has increased.

2 (k) The commissioner shall establish an end-of-confinement
3 review committee to assign a risk level to offenders who:

4 (1) are released from a any federal correctional facility
5 in-Minnesota or from any state correctional facility of another
6 state, and who intend to reside in Minnesota,~~and to offenders;~~
7 or

8 (2) are accepted from another state under a reciprocal
9 agreement for parole supervision under the interstate compact
10 authorized by section 243.16 or 243.1605.

11 The committee shall make reasonable efforts to conform to the
12 same timelines as applied to Minnesota cases. Offenders
13 accepted from another state under a reciprocal agreement for
14 probation supervision are not assigned a risk level, but are
15 considered downward dispositional departures. The probation or
16 court services officer and law enforcement officer shall manage
17 such cases in accordance with section 244.10, subdivision 2a.

18 The policies and procedures of the committee for federal
19 offenders and interstate compact cases must be in accordance
20 with all requirements as set forth in this section, unless
21 restrictions caused by the nature of federal or interstate
22 transfers prevents such conformance.

23 (l) If the committee assigns a predatory offender to risk
24 level III, the committee shall determine whether residency
25 restrictions shall be included in the conditions of the
26 offender's release based on the offender's pattern of offending
27 behavior.

28 [EFFECTIVE DATE.] This section is effective August 1, 2005,
29 and applies to offenders entering the state, released from
30 confinement, subject to community notification, or sentenced on
31 or after that date.

32 Sec. 5. Minnesota Statutes 2004, section 244.052, is
33 amended by adding a subdivision to read:

34 Subd. 3a. [OUT-OF-STATE OFFENDERS; NOTIFICATION
35 AUTHORIZED.] (a) This subdivision applies to offenders who move
36 or have moved to Minnesota from other states and who:

1 (1) at the time of the move are subject to a community
2 notification statute similar to this section in the state from
3 which the offender is moving; and

4 (2) are not assigned a risk level under subdivision 3,
5 paragraph (k).

6 (b) The law enforcement agency in the area where an
7 offender described in paragraph (a) resides, expects to reside,
8 or is regularly found, may disclose information regarding the
9 offender consistent with subdivision 4, paragraph (a). The
10 extent of the notification must be consistent with the
11 notification made about the offender in the state from which the
12 offender is moving or has moved. However, the extent of the
13 notification may not exceed that of a risk level II offender
14 under subdivision 4, paragraph (b), unless the requirements of
15 paragraph (c) have been met. Except as otherwise provided in
16 this subdivision and unless clearly inapplicable, the provisions
17 of subdivision 4 apply to notifications made under this
18 paragraph.

19 (c) If the notification made concerning the offender in the
20 state from which the offender is moving or has moved is broader
21 than that authorized for a risk level II offender under
22 subdivision 4, paragraph (b), and the agency wants to make a
23 broader disclosure, the agency may request the
24 end-of-confinement review committee at the nearest state
25 correctional or treatment facility to assign a risk level to the
26 offender. The agency shall provide to the committee all
27 information concerning the offender's criminal history, the risk
28 the offender poses to the community, and other relevant
29 information. In addition, the committee shall attempt to obtain
30 other information relevant to determining which risk level to
31 assign the offender. Except as provided in this subdivision and
32 unless clearly inapplicable, the provisions of subdivision 3
33 govern the risk assessment under this paragraph. If the
34 committee assigns the offender to risk level III, the agency may
35 disclose information in a manner consistent with a risk level
36 III offender under subdivision 4, paragraph (b).

1 [EFFECTIVE DATE.] This section is effective August 1, 2005,
2 and applies to offenders entering the state, released from
3 confinement, subject to community notification, or sentenced on
4 or after that date.

5 Sec. 6. Minnesota Statutes 2004, section 244.052,
6 subdivision 4, is amended to read:

7 Subd. 4. [LAW ENFORCEMENT AGENCY; DISCLOSURE OF
8 INFORMATION TO PUBLIC.] (a) The law enforcement agency in the
9 area where the predatory offender resides, expects to reside, is
10 employed, or is regularly found, shall disclose to the public
11 any information regarding the offender contained in the report
12 forwarded to the agency under subdivision 3, paragraph (f), that
13 is relevant and necessary to protect the public and to
14 counteract the offender's dangerousness, consistent with the
15 guidelines in paragraph (b). The extent of the information
16 disclosed and the community to whom disclosure is made must
17 relate to the level of danger posed by the offender, to the
18 offender's pattern of offending behavior, and to the need of
19 community members for information to enhance their individual
20 and collective safety.

21 (b) The law enforcement agency shall employ the following
22 guidelines in determining the scope of disclosure made under
23 this subdivision:

24 (1) if the offender is assigned to risk level I, the agency
25 may maintain information regarding the offender within the
26 agency and may disclose it to other law enforcement agencies.
27 Additionally, the agency may disclose the information to any
28 victims of or witnesses to the offense committed by the
29 offender. The agency shall disclose the information to victims
30 of the offense committed by the offender who have requested
31 disclosure and to adult members of the offender's immediate
32 household;

33 (2) if the offender is assigned to risk level II, the
34 agency also may disclose the information to agencies and groups
35 that the offender is likely to encounter for the purpose of
36 securing those institutions and protecting individuals in their

1 care while they are on or near the premises of the institution.
2 These agencies and groups include the staff members of public
3 and private educational institutions, day care establishments,
4 and establishments and organizations that primarily serve
5 individuals likely to be victimized by the offender. The agency
6 also may disclose the information to individuals the agency
7 believes are likely to be victimized by the offender. The
8 agency's belief shall be based on the offender's pattern of
9 offending or victim preference as documented in the information
10 provided by the department of corrections or human services;

11 (3) if the offender is assigned to risk level III, the
12 agency shall disclose the information to the persons and
13 entities described in clauses (1) and (2) and to other members
14 of the community whom the offender is likely to encounter,
15 unless the law enforcement agency determines that public safety
16 would be compromised by the disclosure or that a more limited
17 disclosure is necessary to protect the identity of the victim.

18 Notwithstanding the assignment of a predatory offender to
19 risk level II or III, a law enforcement agency may not make the
20 disclosures permitted or required by clause (2) or (3), if: the
21 offender is placed or resides in a residential facility.
22 However, if an offender is placed or resides in a residential
23 facility, the offender and the head of the facility shall
24 designate the offender's likely residence upon release from the
25 facility and the head of the facility shall notify the
26 commissioner of corrections or the commissioner of human
27 services of the offender's likely residence at least 14 days
28 before the offender's scheduled release date. The commissioner
29 shall give this information to the law enforcement agency having
30 jurisdiction over the offender's likely residence. The head of
31 the residential facility also shall notify the commissioner of
32 corrections or human services within 48 hours after finalizing
33 the offender's approved relocation plan to a permanent
34 residence. Within five days after receiving this notification,
35 the appropriate commissioner shall give to the appropriate law
36 enforcement agency all relevant information the commissioner has

1 concerning the offender, including information on the risk
2 factors in the offender's history and the risk level to which
3 the offender was assigned. After receiving this information,
4 the law enforcement agency shall make the disclosures permitted
5 or required by clause (2) or (3), as appropriate.

6 (c) As used in paragraph (b), clauses (2) and (3), "likely
7 to encounter" means that:

8 (1) the organizations or community members are in a
9 location or in close proximity to a location where the offender
10 lives or is employed, or which the offender visits or is likely
11 to visit on a regular basis, other than the location of the
12 offender's outpatient treatment program; and

13 (2) the types of interaction which ordinarily occur at that
14 location and other circumstances indicate that contact with the
15 offender is reasonably certain.

16 (d) A law enforcement agency or official who discloses
17 information under this subdivision shall make a good faith
18 effort to make the notification within 14 days of receipt of a
19 confirmed address from the Department of Corrections indicating
20 that the offender will be, or has been, released from
21 confinement, or accepted for supervision, or has moved to a new
22 address and will reside at the address indicated. If a change
23 occurs in the release plan, this notification provision does not
24 require an extension of the release date.

25 (e) A law enforcement agency or official who discloses
26 information under this subdivision shall not disclose the
27 identity or any identifying characteristics of the victims of or
28 witnesses to the offender's offenses.

29 (f) A law enforcement agency shall continue to disclose
30 information on an offender as required by this subdivision for
31 as long as the offender is required to register under section
32 243.166. This requirement on a law enforcement agency to
33 continue to disclose information also applies to an offender who
34 lacks a primary address and is registering under section
35 243.166, subdivision 3a.

36 (g) A law enforcement agency that is disclosing information

1 on an offender assigned to risk level III to the public under
2 this subdivision shall inform the commissioner of corrections
3 what information is being disclosed and forward this information
4 to the commissioner within two days of the agency's
5 determination. The commissioner shall post this information on
6 the Internet as required in subdivision 4b.

7 (h) A city council may adopt a policy that addresses when
8 information disclosed under this subdivision must be presented
9 in languages in addition to English. The policy may address
10 when information must be presented orally, in writing, or both
11 in additional languages by the law enforcement agency disclosing
12 the information. The policy may provide for different
13 approaches based on the prevalence of non-English languages in
14 different neighborhoods.

15 [EFFECTIVE DATE.] This section is effective August 1, 2005,
16 and applies to offenders entering the state, released from
17 confinement, subject to community notification, or sentenced on
18 or after that date.

19 Sec. 7. Minnesota Statutes 2004, section 244.10,
20 subdivision 2a, is amended to read:

21 Subd. 2a. [NOTICE OF INFORMATION REGARDING PREDATORY
22 OFFENDERS.] (a) Subject to paragraph (b), in any case in which a
23 person is convicted of an offense and the presumptive sentence
24 under the Sentencing Guidelines is commitment to the custody of
25 the commissioner of corrections, if the court grants a
26 dispositional departure and stays imposition or execution of
27 sentence, the probation or court services officer who is
28 assigned to supervise the offender shall provide in writing to
29 the following the fact that the offender is on probation and the
30 terms and conditions of probation:

31 (1) a victim of and any witnesses to the offense committed
32 by the offender, if the victim or the witness has requested
33 notice; and

34 (2) the chief law enforcement officer in the area where the
35 offender resides or intends to reside.

36 The law enforcement officer, in consultation with the

1 offender's probation officer, may provide all or part of this
2 information to any of the following agencies or groups the
3 offender is likely to encounter: public and private educational
4 institutions, day care establishments, and establishments or
5 organizations that primarily serve individuals likely to be
6 victimized by the offender. The law enforcement officer, in
7 consultation with the offender's probation officer, also may
8 disclose the information to individuals the officer believes are
9 likely to be victimized by the offender. The officer's belief
10 shall be based on the offender's pattern of offending or victim
11 preference as documented in the information provided by the
12 Department of Corrections or Department of Human Services.

13 The probation officer is not required under this
14 subdivision to provide any notice while the offender is placed
15 or resides in a residential facility that is licensed under
16 section 245A.02, subdivision 14, or 241.021, if the facility
17 staff is trained in the supervision of sex offenders.

18 (b) Paragraph (a) applies only to offenders required to
19 register under section 243.166, as a result of the conviction.

20 (c) The notice authorized by paragraph (a) shall be limited
21 to data classified as public under section 13.84, subdivision 6,
22 unless the offender provides informed consent to authorize the
23 release of nonpublic data or unless a court order authorizes the
24 release of nonpublic data.

25 (d) Nothing in this subdivision shall be interpreted to
26 impose a duty on any person to use any information regarding an
27 offender about whom notification is made under this subdivision.

28 [EFFECTIVE DATE.] This section is effective August 1, 2005,
29 and applies to offenders entering the state, released from
30 confinement, subject to community notification, or sentenced on
31 or after that date.

32 Sec. 8. Minnesota Statutes 2004, section 253B.18,
33 subdivision 5, is amended to read:

34 Subd. 5. [PETITION; NOTICE OF HEARING; ATTENDANCE; ORDER.]

35 (a) A petition for an order of transfer, discharge, provisional
36 discharge, or revocation of provisional discharge shall be filed

1 with the commissioner and may be filed by the patient or by the
2 head of the treatment facility. A patient may not petition the
3 special review board for six months following commitment under
4 subdivision 3 or following the final disposition of any previous
5 petition and subsequent appeal by the patient. The medical
6 director may petition at any time.

7 (b) Fourteen days prior to the hearing, the committing
8 court, the county attorney of the county of commitment, the
9 designated agency, interested person, the petitioner, and the
10 petitioner's counsel shall be given written notice by the
11 commissioner of the time and place of the hearing before the
12 special review board. Only those entitled to statutory notice
13 of the hearing or those administratively required to attend may
14 be present at the hearing. The patient may designate interested
15 persons to receive notice by providing the names and addresses
16 to the commissioner at least 21 days before the hearing. The
17 board shall provide the commissioner with written findings of
18 fact and recommendations within 21 days of the hearing. The
19 commissioner shall issue an order no later than 14 days after
20 receiving the recommendation of the special review board. A
21 copy of the order shall be sent by certified mail to every
22 person entitled to statutory notice of the hearing within five
23 days after it is signed. No order by the commissioner shall be
24 effective sooner than 30 days after the order is signed, unless
25 the county attorney, the patient, and the commissioner agree
26 that it may become effective sooner.

27 (c) The special review board shall hold a hearing on each
28 petition prior to making its recommendation to the
29 commissioner. The special review board proceedings are not
30 contested cases as defined in chapter 14. Any person or agency
31 receiving notice that submits documentary evidence to the
32 special review board prior to the hearing shall also provide
33 copies to the patient, the patient's counsel, the county
34 attorney of the county of commitment, the case manager, and the
35 commissioner.

36 (d) Prior to the final decision by the commissioner, the

1 special review board may be reconvened to consider events or
2 circumstances that occurred subsequent to the hearing.

3 (e) In making their recommendations and order, the special
4 review board and commissioner must consider any statements
5 received from victims under subdivision 5a.

6 [EFFECTIVE DATE.] This section is effective August 1, 2005.

7 Sec. 9. Minnesota Statutes 2004, section 253B.18, is
8 amended by adding a subdivision to read:

9 Subd. 5a. [VICTIM NOTIFICATION OF PETITION AND RELEASE;
10 RIGHT TO SUBMIT STATEMENT.] (a) As used in this subdivision:

11 (1) "crime" has the meaning given to "violent crime" in
12 section 609.1095, and includes criminal sexual conduct in the
13 fifth degree and offenses within the definition of "crime
14 against the person" in section 253B.02, subdivision 4a, and also
15 includes offenses listed in section 253B.02, subdivision 7a,
16 paragraph (b), regardless of whether they are sexually
17 motivated;

18 (2) "victim" means a person who has incurred loss or harm
19 as a result of a crime the behavior for which forms the basis
20 for a commitment under this section or section 253B.185; and

21 (3) "convicted" and "conviction" have the meanings given in
22 section 609.02, subdivision 5, and also include juvenile court
23 adjudications, findings under Minnesota Rules of Criminal
24 Procedure, Rule 20.02, that the elements of a crime have been
25 proved, and findings in commitment cases under this section or
26 section 253B.185 that an act or acts constituting a crime
27 occurred.

28 (b) A county attorney who files a petition to commit a
29 person under this section or section 253B.185 shall make a
30 reasonable effort to provide prompt notice of filing the
31 petition to any victim of a crime for which the person was
32 convicted. In addition, the county attorney shall make a
33 reasonable effort to promptly notify the victim of the
34 resolution of the petition.

5 (c) Before provisionally discharging, discharging, granting
36 pass-eligible status, approving a pass plan, or otherwise

1 permanently or temporarily releasing a person committed under
2 this section or section 253B.185 from a treatment facility, the
3 head of the treatment facility shall make a reasonable effort to
4 notify any victim of a crime for which the person was convicted
5 that the person may be discharged or released and that the
6 victim has a right to submit a written statement regarding
7 decisions of the medical director, special review board, or
8 commissioner with respect to the person. To the extent
9 possible, the notice must be provided at least 14 days before
10 any special review board hearing or before a determination on a
11 pass plan.

12 (d) This subdivision applies only to victims who have
13 requested notification by contacting, in writing, the county
14 attorney in the county where the conviction for the crime
15 occurred. A county attorney who receives a request for
16 notification under this paragraph shall promptly forward the
17 request to the commissioner of human services.

18 (e) The rights under this subdivision are in addition to
19 rights available to a victim under chapter 611A. This provision
20 does not give a victim all the rights of a "notified person" or
21 a person "entitled to statutory notice" under subdivision 4a,
22 4b, or 5.

23 [EFFECTIVE DATE.] This section is effective August 1, 2005.
24 Sec. 10. [609.3456] [USE OF POLYGRAPHS FOR SEX OFFENDERS
25 ON PROBATION OR CONDITIONAL RELEASE.]

26 (a) A court may order as an intermediate sanction under
27 section 609.135 and the commissioner of corrections may order as
28 a condition of release under section 244.05 or 609.3455 that an
29 offender under supervision for a sex offense submit to
30 polygraphic examinations to ensure compliance with the terms of
31 probation or conditions of release.

32 (b) The court or commissioner may order the offender to pay
33 all or a portion of the costs of the examinations. The fee may
34 be waived if the offender is indigent or if payment would result
35 in an economic hardship to the offender's immediate family.

36 [EFFECTIVE DATE.] This section is effective the day

1 following final enactment.

2 Sec. 11. [PROTOCOL ON USE OF POLYGRAPHS.]

3 By September 1, 2005, the chief justice of the Supreme
4 Court, in consultation with the Conference of Chief Judges, is
5 requested to develop a protocol for the use of polygraphic
6 examinations for sex offenders placed on probation under
7 Minnesota Statutes, section 609.3456. This protocol shall be
8 distributed to judges across the state.

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

11 Sec. 12. [SUPREME COURT STUDY ON SEXUALLY DANGEROUS PERSON
12 AND SEXUAL PSYCHOPATHIC PERSONALITY CIVIL COMMITMENTS.]

13 Subdivision 1. [ESTABLISHMENT.] The Minnesota Supreme
14 Court is requested to study the following related to the civil
15 commitment of sexually dangerous persons and sexual psychopathic
16 personalities under Minnesota Statutes, section 253B.185:

17 (1) the development and use of a statewide panel of defense
18 attorneys to represent those persons after a commitment petition
19 is filed; and

20 (2) the development and use of a statewide panel of judges
21 to hear these petitions.

22 Subd. 2. [REPORT.] The Supreme Court shall report its
23 findings and recommendations to the chairs and ranking minority
24 members of the house of representatives and senate committees
25 and divisions having jurisdiction over criminal justice and
26 civil law policy and funding by February 1, 2006.

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

29 Sec. 13. [REPORT ON SEX OFFENDERS BEING RELEASED FROM
30 PRISON.]

31 By January 15, 2006, the commissioner of corrections shall
32 report to the chairs and ranking minority members of the senate
33 and house committees and divisions having jurisdiction over
34 criminal justice policy and funding on the release of sex
35 offenders from prison. The report must include information on
36 the number of offenders that the commissioner estimates will be

1 released each year for the next five years, recommendations on
2 how best to supervise these offenders, and recommendations on
3 how best to fund this supervision.

4 Sec. 14. [REVISOR INSTRUCTION.]

5 The revisor of statutes shall change all references to
6 section 243.166, subdivision 1, in Minnesota Statutes to section
7 243.166. In addition, the revisor shall make other technical
8 changes necessitated by this article.

9 [EFFECTIVE DATE.] This section is effective August 1, 2005.

10 Sec. 15. [REPEALER.]

11 Minnesota Statutes 2004, section 243.166, subdivisions 1
12 and 8, are repealed.

13 [EFFECTIVE DATE.] This section is effective August 1, 2005.

14 ARTICLE 4

15 LEGISLATIVE AUDITOR'S RECOMMENDED CHANGES

16 Section 1. Minnesota Statutes 2004, section 241.06, is
17 amended to read:

18 241.06 [RECORD OF INMATES; DEPARTMENT OF CORRECTIONS.]

19 Subdivision 1. [GENERAL.] The commissioner of corrections
20 shall keep in the commissioner's office, accessible only by the
21 commissioner's consent or on the order of a judge or court of
22 record, a record showing the residence, sex, age, nativity,
23 occupation, civil condition, and date of entrance or commitment
24 of every person, inmate, or convict in the facilities under the
25 commissioner's exclusive control, the date of discharge and
26 whether such discharge was final, the condition of such person
27 when the person left the facility, and the date and cause of all
28 deaths. The records shall state every transfer from one
29 facility to another, naming each. This information shall be
30 furnished to the commissioner of corrections by each facility,
31 with such other obtainable facts as the commissioner may from
32 time to time require. The chief executive officer of each such
33 facility, within ten days after the commitment or entrance
34 thereto of a person, inmate, or convict, shall cause a true copy
35 of the entrance record to be forwarded to the commissioner of
36 corrections. When a person, inmate, or convict leaves, is

1 discharged or transferred, or dies in any facility, the chief
2 executive officer, or other person in charge shall inform the
3 commissioner of corrections within ten days thereafter on forms
4 furnished by the commissioner.

5 The commissioner of corrections may authorize the chief
6 executive officer of any facility under the commissioner's
7 control to release to probation officers, local social services
8 agencies or other specifically designated interested persons or
9 agencies any information regarding any person, inmate, or
10 convict thereat, if, in the opinion of the commissioner, it will
11 be for the benefit of the person, inmate, or convict.

12 Subd. 2. [SEX OFFENDER INFORMATION PROVIDED TO SUPERVISING
13 CORRECTIONS AGENCY.] When an offender who is required to
14 register as a predatory offender under section 243.166 is being
15 released from prison, the commissioner shall provide to the
16 corrections agency that will supervise the offender, the
17 offender's prison records relating to psychological assessments,
18 medical and mental health issues, and treatment.

19 [EFFECTIVE DATE.] This section is effective August 1, 2005.

20 Sec. 2. Minnesota Statutes 2004, section 241.67,
21 subdivision 7, is amended to read:

22 Subd. 7. [FUNDING PRIORITY; PROGRAM EFFECTIVENESS.] (a)
23 Unless otherwise directed by the terms of a particular
24 appropriations provision, the commissioner shall give priority
25 to the funding of juvenile sex offender programs over the
26 funding of adult sex offender programs.

27 (b) Every county or private sex offender program ~~that seeks~~
28 ~~new-or-continued-state-funding-or-reimbursement~~ shall provide
29 the commissioner with any information relating to the program's
30 effectiveness that the commissioner considers necessary. The
31 commissioner shall deny state funding or reimbursement to any
32 county or private program that fails to provide this information
33 or that appears to be an ineffective program.

34 [EFFECTIVE DATE.] This section is effective August 1, 2005.

35 Sec. 3. Minnesota Statutes 2004, section 241.67,
36 subdivision 8, is amended to read:

1 Subd. 8. [COMMUNITY-BASED SEX OFFENDER PROGRAM EVALUATION
2 PROJECT.] (a) For the purposes of this project subdivision, a
3 sex offender is an adult who has been convicted, or a juvenile
4 who has been adjudicated, for a sex offense or a sex-related
5 offense which would require registration under section 243.166.

6 (b) The commissioner shall ~~develop-a-long-term-project-to~~
7 ~~accomplish-the-following~~:

8 (1) ~~provide~~ collect follow-up information on each sex
9 offender for a period of three years following the offender's
10 completion of or termination from treatment for the purpose of
11 providing periodic reports to the legislature;

12 (2) provide treatment programs in several geographical
13 areas in the state;

14 (3) provide the necessary data to form the basis to
15 recommend a fiscally sound plan to provide a coordinated
16 statewide system of effective sex offender treatment
17 programming; and

18 (4) provide an opportunity to local and regional
19 governments, agencies, and programs to establish models of sex
20 offender programs that are suited to the needs of that region.

21 (c) The commissioner shall establish an advisory task force
22 consisting of county probation officers from Community
23 Corrections Act counties and other counties, court services
24 providers, and other interested officials. The commissioner
25 shall consult with the task force ~~concerning-the-establishment~~
26 ~~and-operation-of-the-project~~ on how best to implement the
27 requirements of this subdivision.

28 [EFFECTIVE DATE.] This section is effective August 1, 2005.

29 Sec. 4. Minnesota Statutes 2004, section 243.166, is
30 amended by adding a subdivision to read:

31 Subd. 4b. [HEALTH CARE FACILITY; NOTICE OF STATUS.] (a) As
32 used in this subdivision, "health care facility" means a
33 hospital or other entity licensed under sections 144.50 to
34 144.58, a nursing home licensed to serve adults under section
35 144A.02, or a group residential housing facility or an
36 intermediate care facility for the mentally retarded licensed

1 under chapter 245A.

2 (b) Upon admittance to a health care facility, a person
3 required to register under this section shall disclose to:

4 (1) the health care facility employee processing the
5 admission the person's status as a registered predatory offender
6 under this section; and

7 (2) the person's corrections agent, or if the person does
8 not have an assigned corrections agent, the law enforcement
9 authority with whom the person is currently required to
10 register, that inpatient admission has occurred.

11 (c) A law enforcement authority or corrections agent who
12 receives notice under paragraph (b) or who knows that a person
13 required to register under this section has been admitted and is
14 receiving health care at a health care facility shall notify the
15 administrator of the facility.

16 [EFFECTIVE DATE.] This section is effective August 1, 2005,
17 and applies to persons who are subject to predatory offender
18 registration on or after that date.

19 Sec. 5. [244.056] [SEX OFFENDER SEEKING HOUSING IN
20 JURISDICTION OF DIFFERENT CORRECTIONS AGENCY.]

21 If a corrections agency supervising an offender who is
22 required to register as a predatory offender under section
23 243.166 and who is classified by the department as a public risk
24 monitoring case has knowledge that the offender is seeking
25 housing arrangements in a location under the jurisdiction of
26 another corrections agency, the agency shall notify the other
27 agency of this and initiate a supervision transfer request.

28 [EFFECTIVE DATE.] This section is effective August 1, 2005.

29 Sec. 6. [244.057] [PLACEMENT OF SEX OFFENDER IN HOUSEHOLD
30 WITH CHILDREN.]

31 A corrections agency supervising an offender required to
32 register as a predatory offender under section 243.166 shall
33 notify the appropriate child protection agency before
34 authorizing the offender to live in a household where children
35 are residing.

36 [EFFECTIVE DATE.] This section is effective August 1, 2005.

1 Sec. 7. Minnesota Statutes 2004, section 609.3452,
2 subdivision 1, is amended to read:

3 Subdivision 1. [ASSESSMENT REQUIRED.] When a person is
4 convicted of a sex offense, the court shall order an independent
5 professional assessment of the offender's need for sex offender
6 treatment to be completed before sentencing. The court may
7 waive the assessment if: (1) the Sentencing Guidelines provide
8 a presumptive prison sentence for the offender, or (2) an
9 adequate assessment was conducted prior to the conviction. An
10 assessor providing an assessment for the court must be
11 experienced in the evaluation and treatment of sex offenders.

12 [EFFECTIVE DATE.] This section is effective August 1, 2005.

13 Sec. 8. Minnesota Statutes 2004, section 626.556,
14 subdivision 3, is amended to read:

15 Subd. 3. [PERSONS MANDATED TO REPORT.] (a) A person who
16 knows or has reason to believe a child is being neglected or
17 physically or sexually abused, as defined in subdivision 2, or
18 has been neglected or physically or sexually abused within the
19 preceding three years, shall immediately report the information
20 to the local welfare agency, agency responsible for assessing or
21 investigating the report, police department, or the county
22 sheriff if the person is:

23 (1) a professional or professional's delegate who is
24 engaged in the practice of the healing arts, social services,
25 hospital administration, psychological or psychiatric treatment,
26 child care, education, correctional supervision, or law
27 enforcement; or

28 (2) employed as a member of the clergy and received the
29 information while engaged in ministerial duties, provided that a
30 member of the clergy is not required by this subdivision to
31 report information that is otherwise privileged under section
32 595.02, subdivision 1, paragraph (c).

33 The police department or the county sheriff, upon receiving
34 a report, shall immediately notify the local welfare agency or
35 agency responsible for assessing or investigating the report,
36 orally and in writing. The local welfare agency, or agency

1 responsible for assessing or investigating the report, upon
2 receiving a report, shall immediately notify the local police
3 department or the county sheriff orally and in writing. The
4 county sheriff and the head of every local welfare agency,
5 agency responsible for assessing or investigating reports, and
6 police department shall each designate a person within their
7 agency, department, or office who is responsible for ensuring
8 that the notification duties of this paragraph and paragraph (b)
9 are carried out. Nothing in this subdivision shall be construed
10 to require more than one report from any institution, facility,
11 school, or agency.

12 (b) Any person may voluntarily report to the local welfare
13 agency, agency responsible for assessing or investigating the
14 report, police department, or the county sheriff if the person
15 knows, has reason to believe, or suspects a child is being or
16 has been neglected or subjected to physical or sexual abuse.
17 The police department or the county sheriff, upon receiving a
18 report, shall immediately notify the local welfare agency or
19 agency responsible for assessing or investigating the report,
20 orally and in writing. The local welfare agency or agency
21 responsible for assessing or investigating the report, upon
22 receiving a report, shall immediately notify the local police
23 department or the county sheriff orally and in writing.

24 (c) A person mandated to report physical or sexual child
25 abuse or neglect occurring within a licensed facility shall
26 report the information to the agency responsible for licensing
27 the facility under sections 144.50 to 144.58; 241.021; 245A.01
28 to 245A.16; or chapter 245B; or a nonlicensed personal care
29 provider organization as defined in sections 256B.04,
30 subdivision 16; and 256B.0625, subdivision 19. A health or
31 corrections agency receiving a report may request the local
32 welfare agency to provide assistance pursuant to subdivisions
33 10, 10a, and 10b. A board or other entity whose licensees
34 perform work within a school facility, upon receiving a
35 complaint of alleged maltreatment, shall provide information
36 about the circumstances of the alleged maltreatment to the

1 commissioner of education. Section 13.03, subdivision 4,
2 applies to data received by the commissioner of education from a
3 licensing entity.

4 (d) Any person mandated to report shall receive a summary
5 of the disposition of any report made by that reporter,
6 including whether the case has been opened for child protection
7 or other services, or if a referral has been made to a community
8 organization, unless release would be detrimental to the best
9 interests of the child. Any person who is not mandated to
10 report shall, upon request to the local welfare agency, receive
11 a concise summary of the disposition of any report made by that
12 reporter, unless release would be detrimental to the best
13 interests of the child.

14 (e) For purposes of this subdivision, "immediately" means
15 as soon as possible but in no event longer than 24 hours.

16 [EFFECTIVE DATE.] This section is effective August 1, 2005.

17 Sec. 9. [WORKING GROUP ON SEX OFFENDER MANAGEMENT.]

18 Subdivision 1. [WORKING GROUP ESTABLISHED.] The
19 commissioner of corrections shall convene a working group of
20 individuals knowledgeable in the supervision and treatment of
21 sex offenders. The group must include individuals from both
22 inside and outside of the Department of Corrections. The
23 commissioner shall ensure broad representation in the group,
24 including representatives from all three probation systems and
25 from diverse parts of the state. The working group shall study
26 and make recommendations on the issues listed in this section.
27 To the degree feasible, the group shall consider how these
28 issues are addressed in other states.

29 Subd. 2. [ISSUES TO BE STUDIED.] The working group shall
30 review and make recommendations on:

31 (1) statewide standards regarding the minimum frequency of
32 in-person contacts between sex offenders and their correctional
33 agents, including, but not limited to, home visits;

34 (2) a model set of special conditions of sex offender
35 supervision that can be used by courts and corrections agencies
36 throughout Minnesota;

1 (3) statewide standards regarding the documentation by
2 correctional agents of their supervision activities;

3 (4) standards to provide corrections agencies with guidance
4 regarding sex offender assessment practices;

5 (5) policies that encourage sentencing conditions and
6 prison release plans to clearly distinguish between sex offender
7 treatment programs and other types of programs and services and
8 to clearly specify which type of program the offender is
9 required to complete;

10 (6) ways to improve the Department of Corrections' prison
11 release planning practices for sex offenders, including sex
12 offenders with chemical dependency needs or mental health needs;

13 (7) methods and timetables for periodic external reviews of
14 sex offender supervision practices;

15 (8) statewide standards for the use of polygraphs by
16 corrections agencies and sex offender treatment programs;

17 (9) statewide standards specifying basic program elements
18 for community-based sex offender treatment programs, including,
19 but not limited to, staff qualifications, case planning, use of
20 polygraphs, and progress reports prepared for supervising
21 agencies;

22 (10) a statewide protocol on the sharing of sex offender
23 information between corrections agencies and child protection
24 agencies in situations where offenders are placed in households
25 where children reside;

26 (11) best practices for supervising sex offenders such as
27 intensive supervised release, specialized caseloads, and other
28 innovative methods, ideal caseload sizes for supervising agents,
29 and methods to implement this in a manner that does not
30 negatively impact the supervision of other types of offenders;
31 and

32 (12) any other issues related to sex offender treatment and
33 management that the working group deems appropriate.

34 Subd. 3. [REVIEW OF NEW LAWS.] The working group shall
35 also review the provisions of any laws enacted in 2005 relating
36 to sex offender supervision and treatment. The group shall make

1 recommendations on whether any changes to these provisions
2 should be considered by the legislature.

3 Subd. 4. [REPORT.] By February 15, 2006, the working group
4 shall report its recommendations to the chairs and ranking
5 minority members of the senate and house committees having
6 jurisdiction over criminal justice policy.

7 Subd. 5. [POLICIES REQUIRED.] After considering the
8 recommendations of the working group, the commissioner of
9 corrections shall implement policies and standards relating to
10 the issues described in subdivision 2 over which the
11 commissioner has jurisdiction.

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

14 Sec. 10. [PRISON-BASED SEX OFFENDER TREATMENT PROGRAMS;
15 REPORT.]

16 By February 15, 2006, the commissioner of corrections shall
17 report to the chairs and ranking minority members of the senate
18 and house committees having jurisdiction over criminal justice
19 policy on prison-based sex offender treatment programs. The
20 report must:

21 (1) examine options for increasing the number of inmates
22 participating in these programs;

23 (2) examine the adequacy of funding for these programs;

24 (3) examine options for treating inmates who have limited
25 periods of time remaining in their terms of imprisonment;

26 (4) examine the merits and limitations of extending an
27 inmate's term of imprisonment for refusing to participate in
28 treatment; and

29 (5) examine any other related issues deemed relevant by the
30 commissioner.

31 ARTICLE 5

32 SEX OFFENDERS:

33 TECHNICAL AND CONFORMING CHANGES

34 Section 1. Minnesota Statutes 2004, section 14.03,
35 subdivision 3, is amended to read:

36 Subd. 3. [RULEMAKING PROCEDURES.] (a) The definition of a

1 rule in section 14.02, subdivision 4, does not include:

2 (1) rules concerning only the internal management of the
3 agency or other agencies that do not directly affect the rights
4 of or procedures available to the public;

5 (2) an application deadline on a form; and the remainder of
6 a form and instructions for use of the form to the extent that
7 they do not impose substantive requirements other than
8 requirements contained in statute or rule;

9 (3) the curriculum adopted by an agency to implement a
10 statute or rule permitting or mandating minimum educational
11 requirements for persons regulated by an agency, provided the
12 topic areas to be covered by the minimum educational
13 requirements are specified in statute or rule;

14 (4) procedures for sharing data among government agencies,
15 provided these procedures are consistent with chapter 13 and
16 other law governing data practices.

17 (b) The definition of a rule in section 14.02, subdivision
18 4, does not include:

19 (1) rules of the commissioner of corrections relating to
20 the release, placement, term, and supervision of inmates serving
21 a supervised release or conditional release term, the internal
22 management of institutions under the commissioner's control, and
23 rules adopted under section 609.105 governing the inmates of
24 those institutions;

25 (2) rules relating to weight limitations on the use of
26 highways when the substance of the rules is indicated to the
27 public by means of signs;

28 (3) opinions of the attorney general;

29 (4) the data element dictionary and the annual data
30 acquisition calendar of the Department of Education to the
31 extent provided by section 125B.07;

32 (5) the occupational safety and health standards provided
33 in section 182.655;

34 (6) revenue notices and tax information bulletins of the
35 commissioner of revenue;

36 (7) uniform conveyancing forms adopted by the commissioner

1 of commerce under section 507.09; or

2 (8) the interpretive guidelines developed by the
3 commissioner of human services to the extent provided in chapter
4 245A.

5 [EFFECTIVE DATE.] This section is effective August 1, 2005,
6 and applies to crimes committed on or after that date.

7 Sec. 2. Minnesota Statutes 2004, section 244.05,
8 subdivision 7, is amended to read:

9 Subd. 7. [SEX OFFENDERS; CIVIL COMMITMENT DETERMINATION.]

10 (a) Before the commissioner releases from prison any inmate
11 convicted under ~~sections~~ section 609.342 ~~to~~, 609.343, 609.344,
12 609.345, or 609.3453, or sentenced as a patterned offender under
13 section 609.108, and determined by the commissioner to be in a
14 high risk category, the commissioner shall make a preliminary
15 determination whether, in the commissioner's opinion, a petition
16 under section 253B.185 may be appropriate.

17 (b) In making this decision, the commissioner shall have
18 access to the following data only for the purposes of the
19 assessment and referral decision:

20 (1) private medical data under section 13.384 or 144.335,
21 or welfare data under section 13.46 that relate to medical
22 treatment of the offender;

23 (2) private and confidential court services data under
24 section 13.84;

25 (3) private and confidential corrections data under section
26 13.85; and

27 (4) private criminal history data under section 13.87.

28 (c) If the commissioner determines that a petition may be
29 appropriate, the commissioner shall forward this determination,
30 along with a summary of the reasons for the determination, to
31 the county attorney in the county where the inmate was convicted
32 no later than 12 months before the inmate's release date. If
33 the inmate is received for incarceration with fewer than 12
34 months remaining in the inmate's term of imprisonment, or if the
35 commissioner receives additional information less than 12 months
36 before release which makes the inmate's case appropriate for

1 referral, the commissioner shall forward the determination as
2 soon as is practicable. Upon receiving the commissioner's
3 preliminary determination, the county attorney shall proceed in
4 the manner provided in section 253B.185. The commissioner shall
5 release to the county attorney all requested documentation
6 maintained by the department.

7 [EFFECTIVE DATE.] This section is effective August 1, 2005,
8 and applies to crimes committed on or after that date.

9 Sec. 3. Minnesota Statutes 2004, section 244.052,
10 subdivision 3, is amended to read:

11 Subd. 3. [END-OF-CONFINEMENT REVIEW COMMITTEE.] (a) The
12 commissioner of corrections shall establish and administer
13 end-of-confinement review committees at each state correctional
14 facility and at each state treatment facility where predatory
15 offenders are confined. The committees shall assess on a
16 case-by-case basis the public risk posed by predatory offenders
17 who are about to be released from confinement.

18 (b) Each committee shall be a standing committee and shall
19 consist of the following members appointed by the commissioner:

20 (1) the chief executive officer or head of the correctional
21 or treatment facility where the offender is currently confined,
22 or that person's designee;

23 (2) a law enforcement officer;

24 (3) a treatment professional who is trained in the
25 assessment of sex offenders;

26 (4) a caseworker experienced in supervising sex offenders;
27 and

28 (5) a victim's services professional.

29 Members of the committee, other than the facility's chief
30 executive officer or head, shall be appointed by the
31 commissioner to two-year terms. The chief executive officer or
32 head of the facility or designee shall act as chair of the
33 committee and shall use the facility's staff, as needed, to
34 administer the committee, obtain necessary information from
35 outside sources, and prepare risk assessment reports on
36 offenders.

1 (c) The committee shall have access to the following data
2 on a predatory offender only for the purposes of its assessment
3 and to defend the committee's risk assessment determination upon
4 administrative review under this section:

5 (1) private medical data under section 13.384 or 144.335,
6 or welfare data under section 13.46 that relate to medical
7 treatment of the offender;

8 (2) private and confidential court services data under
9 section 13.84;

10 (3) private and confidential corrections data under section
11 13.85; and

12 (4) private criminal history data under section 13.87.

13 Data collected and maintained by the committee under this
14 paragraph may not be disclosed outside the committee, except as
15 provided under section 13.05, subdivision 3 or 4. The predatory
16 offender has access to data on the offender collected and
17 maintained by the committee, unless the data are confidential
18 data received under this paragraph.

19 (d)(i) Except as otherwise provided in ~~item~~ items (ii),
20 (iii), and (iv), at least 90 days before a predatory offender is
21 to be released from confinement, the commissioner of corrections
22 shall convene the appropriate end-of-confinement review
23 committee for the purpose of assessing the risk presented by the
24 offender and determining the risk level to which the offender
25 shall be assigned under paragraph (e). The offender and the law
26 enforcement agency that was responsible for the charge resulting
27 in confinement shall be notified of the time and place of the
28 committee's meeting. The offender has a right to be present and
29 be heard at the meeting. The law enforcement agency may provide
30 material in writing that is relevant to the offender's risk
31 level to the chair of the committee. The committee shall use
32 the risk factors described in paragraph (g) and the risk
33 assessment scale developed under subdivision 2 to determine the
34 offender's risk assessment score and risk level. Offenders
35 scheduled for release from confinement shall be assessed by the
36 committee established at the facility from which the offender is

1 to be released.

2 (ii) If an offender is received for confinement in a
3 facility with less than 90 days remaining in the offender's term
4 of confinement, the offender's risk shall be assessed at the
5 first regularly scheduled end of confinement review committee
6 that convenes after the appropriate documentation for the risk
7 assessment is assembled by the committee. The commissioner
8 shall make reasonable efforts to ensure that offender's risk is
9 assessed and a risk level is assigned or reassigned at least 30
10 days before the offender's release date.

11 (iii) If the offender is subject to a mandatory life
12 sentence under section 609.342, subdivision 2, paragraph (b), or
13 609.3455, the commissioner of corrections shall convene the
14 appropriate end-of-confinement review committee at least nine
15 months before the offender's minimum term of imprisonment has
16 been served. If the offender is received for confinement in a
17 facility with less than nine months remaining before the
18 offender's minimum term of imprisonment has been served, the
19 committee shall conform its procedures to those outlined in item
20 (ii) to the extent practicable.

21 (iv) If the offender is granted supervised release, the
22 commissioner of corrections shall notify the appropriate
23 end-of-confinement review committee that it needs to review the
24 offender's previously determined risk level at its next
25 regularly scheduled meeting. The commissioner shall make
26 reasonable efforts to ensure that the offender's earlier risk
27 level determination is reviewed and the risk level is confirmed
28 or reassigned at least 60 days before the offender's release
29 date. The committee shall give the report to the offender and
30 to the law enforcement agency at least 60 days before an
31 offender is released from confinement.

32 (e) The committee shall assign to risk level I a predatory
33 offender whose risk assessment score indicates a low risk of
34 reoffense. The committee shall assign to risk level II an
35 offender whose risk assessment score indicates a moderate risk
36 of reoffense. The committee shall assign to risk level III an

1 offender whose risk assessment score indicates a high risk of
2 reoffense.

3 (f) Before the predatory offender is released from
4 confinement, the committee shall prepare a risk assessment
5 report which specifies the risk level to which the offender has
6 been assigned and the reasons underlying the committee's risk
7 assessment decision. Except for an offender subject to a
8 mandatory life sentence under section 609.342, subdivision 2,
9 paragraph (b), or 609.3455, who has not been granted supervised
10 release, the committee shall give the report to the offender and
11 to the law enforcement agency at least 60 days before an
12 offender is released from confinement. If the offender is
13 subject to a mandatory life sentence and has not yet served the
14 entire minimum term of imprisonment, the committee shall give
15 the report to the offender and to the commissioner at least six
16 months before the offender is first eligible for release. If
17 the risk assessment is performed under the circumstances
18 described in paragraph (d), item (ii), the report shall be given
19 to the offender and the law enforcement agency as soon as it is
20 available. The committee also shall inform the offender of the
21 availability of review under subdivision 6.

22 (g) As used in this subdivision, "risk factors" includes,
23 but is not limited to, the following factors:

24 (1) the seriousness of the offense should the offender
25 reoffend. This factor includes consideration of the following:

26 (i) the degree of likely force or harm;

27 (ii) the degree of likely physical contact; and

28 (iii) the age of the likely victim;

29 (2) the offender's prior offense history. This factor
30 includes consideration of the following:

31 (i) the relationship of prior victims to the offender;

32 (ii) the number of prior offenses or victims;

33 (iii) the duration of the offender's prior offense history;

34 (iv) the length of time since the offender's last prior
35 offense while the offender was at risk to commit offenses; and

36 (v) the offender's prior history of other antisocial acts;

1 (3) the offender's characteristics. This factor includes
2 consideration of the following:

3 (i) the offender's response to prior treatment efforts; and

4 (ii) the offender's history of substance abuse;

5 (4) the availability of community supports to the offender.

6 This factor includes consideration of the following:

7 (i) the availability and likelihood that the offender will
8 be involved in therapeutic treatment;

9 (ii) the availability of residential supports to the
10 offender, such as a stable and supervised living arrangement in
11 an appropriate location;

12 (iii) the offender's familial and social relationships,
13 including the nature and length of these relationships and the
14 level of support that the offender may receive from these
15 persons; and

16 (iv) the offender's lack of education or employment
17 stability;

18 (5) whether the offender has indicated or credible evidence
19 in the record indicates that the offender will reoffend if
20 released into the community; and

21 (6) whether the offender demonstrates a physical condition
22 that minimizes the risk of reoffense, including but not limited
23 to, advanced age or a debilitating illness or physical condition.

24 (h) Upon the request of the law enforcement agency or the
25 offender's corrections agent, the commissioner may reconvene the
26 end-of-confinement review committee for the purpose of
27 reassessing the risk level to which an offender has been
28 assigned under paragraph (e). In a request for a reassessment,
29 the law enforcement agency which was responsible for the charge
30 resulting in confinement or agent shall list the facts and
31 circumstances arising after the initial assignment or facts and
32 circumstances known to law enforcement or the agent but not
33 considered by the committee under paragraph (e) which support
34 the request for a reassessment. The request for reassessment by
35 the law enforcement agency must occur within 30 days of receipt
36 of the report indicating the offender's risk level assignment.

1 The offender's corrections agent, in consultation with the chief
2 law enforcement officer in the area where the offender resides
3 or intends to reside, may request a review of a risk level at
4 any time if substantial evidence exists that the offender's risk
5 level should be reviewed by an end-of-confinement review
6 committee. This evidence includes, but is not limited to,
7 evidence of treatment failures or completions, evidence of
8 exceptional crime-free community adjustment or lack of
9 appropriate adjustment, evidence of substantial community need
10 to know more about the offender or mitigating circumstances that
11 would narrow the proposed scope of notification, or other
12 practical situations articulated and based in evidence of the
13 offender's behavior while under supervision. Upon review of the
14 request, the end-of-confinement review committee may reassign an
15 offender to a different risk level. If the offender is
16 reassigned to a higher risk level, the offender has the right to
17 seek review of the committee's determination under subdivision 6.

18 (i) An offender may request the end-of-confinement review
19 committee to reassess the offender's assigned risk level after
20 three years have elapsed since the committee's initial risk
21 assessment and may renew the request once every two years
22 following subsequent denials. In a request for reassessment,
23 the offender shall list the facts and circumstances which
24 demonstrate that the offender no longer poses the same degree of
25 risk to the community. In order for a request for a risk level
26 reduction to be granted, the offender must demonstrate full
27 compliance with supervised release conditions, completion of
28 required post-release treatment programming, and full compliance
29 with all registration requirements as detailed in section
30 243.166. The offender must also not have been convicted of any
31 felony, gross misdemeanor, or misdemeanor offenses subsequent to
32 the assignment of the original risk level. The committee shall
33 follow the process outlined in paragraphs (a) to (c) in the
34 reassessment. An offender who is incarcerated may not request a
35 reassessment under this paragraph.

36 (j) Offenders returned to prison as release violators shall

1 not have a right to a subsequent risk reassessment by the
2 end-of-confinement review committee unless substantial evidence
3 indicates that the offender's risk to the public has increased.

4 (k) The commissioner shall establish an end-of-confinement
5 review committee to assign a risk level to offenders who are
6 released from a federal correctional facility in Minnesota or
7 another state and who intend to reside in Minnesota, and to
8 offenders accepted from another state under a reciprocal
9 agreement for parole supervision under the interstate compact
10 authorized by section 243.16. The committee shall make
11 reasonable efforts to conform to the same timelines as applied
12 to Minnesota cases. Offenders accepted from another state under
13 a reciprocal agreement for probation supervision are not
14 assigned a risk level, but are considered downward dispositional
15 departures. The probation or court services officer and law
16 enforcement officer shall manage such cases in accordance with
17 section 244.10, subdivision 2a. The policies and procedures of
18 the committee for federal offenders and interstate compact cases
19 must be in accordance with all requirements as set forth in this
20 section, unless restrictions caused by the nature of federal or
21 interstate transfers prevents such conformance.

22 (l) If the committee assigns a predatory offender to risk
23 level III, the committee shall determine whether residency
24 restrictions shall be included in the conditions of the
25 offender's release based on the offender's pattern of offending
26 behavior.

27 [EFFECTIVE DATE.] This section is effective August 1, 2005,
28 and applies to crimes committed on or after that date.

29 Sec. 4. Minnesota Statutes 2004, section 609.109,
30 subdivision 2, is amended to read:

31 Subd. 2. [PRESUMPTIVE EXECUTED SENTENCE.] Except as
32 provided in subdivision 3 or 4, if a person is convicted under
33 sections 609.342 to ~~609-345~~ 609.3453, within 15 years of a
34 previous sex offense conviction, the court shall commit the
35 defendant to the commissioner of corrections for not less than
36 three years, nor more than the maximum sentence provided by law

1 for the offense for which convicted, notwithstanding the
2 provisions of sections 242.19, 243.05, 609.11, 609.12, and
3 609.135. The court may stay the execution of the sentence
4 imposed under this subdivision only if it finds that a
5 professional assessment indicates the offender is accepted by
6 and can respond to treatment at a long-term inpatient program
7 exclusively treating sex offenders and approved by the
8 commissioner of corrections. If the court stays the execution
9 of a sentence, it shall include the following as conditions of
10 probation:

- 11 (1) incarceration in a local jail or workhouse; and
12 (2) a requirement that the offender successfully complete
13 the treatment program and aftercare as directed by the court.

14 [EFFECTIVE DATE.] This section is effective August 1, 2005,
15 and applies to crimes committed on or after that date.

16 Sec. 5. Minnesota Statutes 2004, section 609.109,
17 subdivision 5, is amended to read:

18 Subd. 5. [PREVIOUS SEX OFFENSE CONVICTIONS.] For the
19 purposes of this section, a conviction is considered a previous
20 sex offense conviction if the person was convicted of a sex
21 offense before the commission of the present offense of
22 conviction. A person has two previous sex offense convictions
23 only if the person was convicted and sentenced for a sex offense
24 committed after the person was earlier convicted and sentenced
25 for a sex offense, both convictions preceded the commission of
26 the present offense of conviction, and 15 years have not elapsed
27 since the person was discharged from the sentence imposed for
28 the second conviction. A "sex offense" is a violation of
29 sections 609.342 to ~~609.345~~ 609.3453 or any similar statute of
30 the United States, this state, or any other state.

31 [EFFECTIVE DATE.] This section is effective August 1, 2005,
32 and applies to crimes committed on or after that date.

33 Sec. 6. Minnesota Statutes 2004, section 609.115, is
34 amended by adding a subdivision to read:

35 Subd. 2b. [INDETERMINATE AND MANDATORY LIFE SENTENCES;
36 SENTENCING WORKSHEET.] If the defendant has been convicted of a

1 felony crime for which any type of indeterminate sentence or
2 mandatory life sentence is provided by law, the court shall
3 cause a sentencing worksheet as provided in subdivision 1,
4 paragraph (e), to be completed and forwarded to the Minnesota
5 Sentencing Guidelines Commission.

6 Sec. 7. Minnesota Statutes 2004, section 609.117,
7 subdivision 1, is amended to read:

8 Subdivision 1. [UPON SENTENCING.] The court shall order an
9 offender to provide a biological specimen for the purpose of DNA
10 analysis as defined in section 299C.155 when:

11 (1) the court sentences a person charged with violating or
12 attempting to violate any of the following, and the person is
13 convicted of that offense or of any offense arising out of the
14 same set of circumstances:

15 (i) murder under section 609.185, 609.19, or 609.195;

16 (ii) manslaughter under section 609.20 or 609.205;

17 (iii) assault under section 609.221, 609.222, or 609.223;

18 (iv) robbery under section 609.24 or aggravated robbery
19 under section 609.245;

20 (v) kidnapping under section 609.25;

21 (vi) false imprisonment under section 609.255;

22 (vii) criminal sexual conduct under section 609.342,
23 609.343, 609.344, 609.345, ~~or~~ 609.3451, subdivision 3, or
24 609.3453;

25 (viii) incest under section 609.365;

26 (ix) burglary under section 609.582, subdivision 1; or

27 (x) indecent exposure under section 617.23, subdivision 3;

28 (2) the court sentences a person as a patterned sex
29 offender under section 609.108; or

30 (3) the juvenile court adjudicates a person a delinquent
31 child who is the subject of a delinquency petition for violating
32 or attempting to violate any of the following, and the
33 delinquency adjudication is based on a violation of one of those
34 sections or of any offense arising out of the same set of
35 circumstances:

36 (i) murder under section 609.185, 609.19, or 609.195;

- 1 (ii) manslaughter under section 609.20 or 609.205;
2 (iii) assault under section 609.221, 609.222, or 609.223;
3 (iv) robbery under section 609.24 or aggravated robbery
4 under section 609.245;
5 (v) kidnapping under section 609.25;
6 (vi) false imprisonment under section 609.255;
7 (vii) criminal sexual conduct under section 609.342,
8 609.343, 609.344, 609.345, ~~or~~ 609.3451, subdivision 3, or
9 609.3453;
10 (viii) incest under section 609.365;
11 (ix) burglary under section 609.582, subdivision 1; or
12 (x) indecent exposure under section 617.23, subdivision 3.

13 The biological specimen or the results of the analysis shall be
14 maintained by the Bureau of Criminal Apprehension as provided in
15 section 299C.155.

16 [EFFECTIVE DATE.] This section is effective August 1, 2005,
17 and applies to crimes committed on or after that date.

18 Sec. 8. Minnesota Statutes 2004, section 609.117,
19 subdivision 2, is amended to read:

20 Subd. 2. [BEFORE RELEASE.] The commissioner of corrections
21 or local corrections authority shall order a person to provide a
22 biological specimen for the purpose of DNA analysis before
23 completion of the person's term of imprisonment when the person
24 has not provided a biological specimen for the purpose of DNA
25 analysis and the person:

26 (1) is currently serving a term of imprisonment for or has
27 a past conviction for violating or attempting to violate any of
28 the following or a similar law of another state or the United
29 States or initially charged with violating one of the following
30 sections or a similar law of another state or the United States
31 and convicted of another offense arising out of the same set of
32 circumstances:

- 33 (i) murder under section 609.185, 609.19, or 609.195;
34 (ii) manslaughter under section 609.20 or 609.205;
35 (iii) assault under section 609.221, 609.222, or 609.223;
36 (iv) robbery under section 609.24 or aggravated robbery

1 under section 609.245;

2 (v) kidnapping under section 609.25;

3 (vi) false imprisonment under section 609.255;

4 (vii) criminal sexual conduct under section 609.342,

5 609.343, 609.344, 609.345, ~~or~~ 609.3451, subdivision 3, or

6 609.3453;

7 (viii) incest under section 609.365;

8 (ix) burglary under section 609.582, subdivision 1; or

9 (x) indecent exposure under section 617.23, subdivision 3;

10 or

11 (2) was sentenced as a patterned sex offender under section

12 609.108, and committed to the custody of the commissioner of

13 corrections; or

14 (3) is serving a term of imprisonment in this state under a

15 reciprocal agreement although convicted in another state of an

16 offense described in this subdivision or a similar law of the

17 United States or any other state. The commissioner of

18 corrections or local corrections authority shall forward the

19 sample to the Bureau of Criminal Apprehension.

20 **[EFFECTIVE DATE.]** This section is effective August 1, 2005,

21 and applies to crimes committed on or after that date.

22 Sec. 9. Minnesota Statutes 2004, section 609.1351, is

23 amended to read:

24 609.1351 [PETITION FOR CIVIL COMMITMENT.]

25 When a court sentences a person under section 609.108,

26 609.342, 609.343, 609.344, ~~or~~ 609.345, or 609.3453, the court

27 shall make a preliminary determination whether in the court's

28 opinion a petition under section 253B.185 may be appropriate and

29 include the determination as part of the sentencing order. If

30 the court determines that a petition may be appropriate, the

31 court shall forward its preliminary determination along with

32 supporting documentation to the county attorney.

33 **[EFFECTIVE DATE.]** This section is effective August 1, 2005,

34 and applies to crimes committed on or after that date.

35 Sec. 10. Minnesota Statutes 2004, section 609.347, is

36 amended to read:

1 609.347 [EVIDENCE IN CRIMINAL SEXUAL CONDUCT CASES.]

2 Subdivision 1. In a prosecution under sections 609.109 or,
3 609.342 to 609.3451, or 609.3453, the testimony of a victim need
4 not be corroborated.

5 Subd. 2. In a prosecution under sections 609.109 or,
6 609.342 to 609.3451, or 609.3453, there is no need to show that
7 the victim resisted the accused.

8 Subd. 3. In a prosecution under sections 609.109, 609.342
9 to 609.3451, 609.3453, or 609.365, evidence of the victim's
10 previous sexual conduct shall not be admitted nor shall any
11 reference to such conduct be made in the presence of the jury,
12 except by court order under the procedure provided in
13 subdivision 4. The evidence can be admitted only if the
14 probative value of the evidence is not substantially outweighed
15 by its inflammatory or prejudicial nature and only in the
16 circumstances set out in paragraphs (a) and (b). For the
17 evidence to be admissible under paragraph (a), subsection (i),
18 the judge must find by a preponderance of the evidence that the
19 facts set out in the accused's offer of proof are true. For the
20 evidence to be admissible under paragraph (a), subsection (ii)
21 or paragraph (b), the judge must find that the evidence is
22 sufficient to support a finding that the facts set out in the
23 accused's offer of proof are true, as provided under Rule 901 of
24 the Rules of Evidence.

25 (a) When consent of the victim is a defense in the case,
26 the following evidence is admissible:

27 (i) evidence of the victim's previous sexual conduct
28 tending to establish a common scheme or plan of similar sexual
29 conduct under circumstances similar to the case at issue. In
30 order to find a common scheme or plan, the judge must find that
31 the victim made prior allegations of sexual assault which were
32 fabricated; and

33 (ii) evidence of the victim's previous sexual conduct with
34 the accused.

35 (b) When the prosecution's case includes evidence of semen,
36 pregnancy, or disease at the time of the incident or, in the

1 case of pregnancy, between the time of the incident and trial,
2 evidence of specific instances of the victim's previous sexual
3 conduct is admissible solely to show the source of the semen,
4 pregnancy, or disease.

5 Subd. 4. The accused may not offer evidence described in
6 subdivision 3 except pursuant to the following procedure:

7 (a) A motion shall be made by the accused at least three
8 business days prior to trial, unless later for good cause shown,
9 setting out with particularity the offer of proof of the
10 evidence that the accused intends to offer, relative to the
11 previous sexual conduct of the victim;

12 (b) If the court deems the offer of proof sufficient, the
13 court shall order a hearing out of the presence of the jury, if
14 any, and in such hearing shall allow the accused to make a full
15 presentation of the offer of proof;

16 (c) At the conclusion of the hearing, if the court finds
17 that the evidence proposed to be offered by the accused
18 regarding the previous sexual conduct of the victim is
19 admissible under subdivision 3 and that its probative value is
20 not substantially outweighed by its inflammatory or prejudicial
21 nature, the court shall make an order stating the extent to
22 which evidence is admissible. The accused may then offer
23 evidence pursuant to the order of the court;

24 (d) If new information is discovered after the date of the
25 hearing or during the course of trial, which may make evidence
26 described in subdivision 3 admissible, the accused may make an
27 offer of proof pursuant to clause (a) and the court shall order
28 an in camera hearing to determine whether the proposed evidence
29 is admissible by the standards herein.

30 Subd. 5. In a prosecution under sections 609.109 ~~or~~,
31 609.342 to 609.3451, or 609.3453, the court shall not instruct
32 the jury to the effect that:

33 (a) It may be inferred that a victim who has previously
34 consented to sexual intercourse with persons other than the
35 accused would be therefore more likely to consent to sexual
36 intercourse again; or

1 (b) The victim's previous or subsequent sexual conduct in
2 and of itself may be considered in determining the credibility
3 of the victim; or

4 (c) Criminal sexual conduct is a crime easily charged by a
5 victim but very difficult to disprove by an accused because of
6 the heinous nature of the crime; or

7 (d) The jury should scrutinize the testimony of the victim
8 any more closely than it should scrutinize the testimony of any
9 witness in any felony prosecution.

10 Subd. 6. (a) In a prosecution under sections 609.109 ~~or~~
11 609.342 to 609.3451, or 609.3453, involving a psychotherapist
12 and patient, evidence of the patient's personal or medical
13 history is not admissible except when:

14 (1) the accused requests a hearing at least three business
15 days prior to trial and makes an offer of proof of the relevancy
16 of the history; and

17 (2) the court finds that the history is relevant and that
18 the probative value of the history outweighs its prejudicial
19 value.

20 (b) The court shall allow the admission only of specific
21 information or examples of conduct of the victim that are
22 determined by the court to be relevant. The court's order shall
23 detail the information or conduct that is admissible and no
24 other evidence of the history may be introduced.

25 (c) Violation of the terms of the order is grounds for
26 mistrial but does not prevent the retrial of the accused.

27 Subd. 7. [EFFECT OF STATUTE ON RULES.] Rule 412 of the
28 Rules of Evidence is superseded to the extent of its conflict
29 with this section.

30 [EFFECTIVE DATE.] This section is effective August 1, 2005,
31 and applies to crimes committed on or after that date.

32 Sec. 11. Minnesota Statutes 2004, section 609.3471, is
33 amended to read:

34 609.3471 [RECORDS PERTAINING TO VICTIM IDENTITY
35 CONFIDENTIAL.]

36 Notwithstanding any provision of law to the contrary, no

1 data contained in records or reports relating to petitions,
2 complaints, or indictments issued pursuant to section 609.342~~7~~,
3 609.343~~7~~, 609.344~~7-er~~, 609.345, or 609.3453, which
4 specifically identifies a victim who is a minor shall be
5 accessible to the public, except by order of the court. Nothing
6 in this section authorizes denial of access to any other data
7 contained in the records or reports, including the identity of
8 the defendant.

9 [EFFECTIVE DATE.] This section is effective August 1, 2005,
10 and applies to crimes committed on or after that date.

11 Sec. 12. Minnesota Statutes 2004, section 609.348, is
12 amended to read:

13 609.348 [MEDICAL PURPOSES; EXCLUSION.]

14 Sections 609.109 and, 609.342 to 609.3451, and 609.3453 do
15 not apply to sexual penetration or sexual contact when done for
16 a bona fide medical purpose.

17 [EFFECTIVE DATE.] This section is effective August 1, 2005,
18 and applies to crimes committed on or after that date.

19 Sec. 13. Minnesota Statutes 2004, section 609.353, is
20 amended to read:

21 609.353 [JURISDICTION.]

22 A violation or attempted violation of section 609.342,
23 609.343, 609.344, 609.345, 609.3451, 609.3453, or 609.352 may be
24 prosecuted in any jurisdiction in which the violation originates
25 or terminates.

26 [EFFECTIVE DATE.] This section is effective August 1, 2005,
27 and applies to crimes committed on or after that date.

28 Sec. 14. Minnesota Statutes 2004, section 631.045, is
29 amended to read:

30 631.045 [EXCLUDING SPECTATORS FROM THE COURTROOM.]

31 At the trial of a complaint or indictment for a violation
32 of sections 609.109, 609.341 to 609.3451, 609.3453, or 617.246,
33 subdivision 2, when a minor under 18 years of age is the person
34 upon, with, or against whom the crime is alleged to have been
35 committed, the judge may exclude the public from the courtroom
36 during the victim's testimony or during all or part of the

1 remainder of the trial upon a showing that closure is necessary
2 to protect a witness or ensure fairness in the trial. The judge
3 shall give the prosecutor, defendant and members of the public
4 the opportunity to object to the closure before a closure order.
5 The judge shall specify the reasons for closure in an order
6 closing all or part of the trial. Upon closure the judge shall
7 only admit persons who have a direct interest in the case.

8 [EFFECTIVE DATE.] This section is effective August 1, 2005,
9 and applies to crimes committed on or after that date.

10 Sec. 15. [REVISOR INSTRUCTION.]

11 (a) The revisor of statutes shall renumber Minnesota
12 Statutes, section 609.3452, as Minnesota Statutes, section
13 609.3457, and correct cross-references. In addition, the
14 revisor shall delete the reference in Minnesota Statutes,
15 section 13.871, subdivision 3, paragraph (d), to Minnesota
16 Statutes, section 609.3452, and insert a reference to Minnesota
17 Statutes, section 609.3457. The revisor shall include a
18 notation in Minnesota Statutes to inform readers of the statutes
19 of the renumbering of section 609.3457.

20 (b) In addition to the specific changes described in
21 paragraph (a), the revisor of statutes shall make other
22 technical changes necessitated by this act.

23 ARTICLE 6

24 CONTROLLED SUBSTANCES PROVISIONS

25 Section 1. Minnesota Statutes 2004, section 152.01,
26 subdivision 10, is amended to read:

27 Subd. 10. [NARCOTIC DRUG.] "Narcotic drug" means any of
28 the following, whether produced directly or indirectly by
29 extraction from substances of vegetable origin, or independently
30 by means of chemical synthesis, or by a combination of
31 extraction and chemical synthesis:

32 (1) Opium, coca leaves, and opiates, and methamphetamine;

33 (2) A compound, manufacture, salt, derivative, or
34 preparation of opium, coca leaves, or opiates, or
35 methamphetamine;

36 (3) A substance, and any compound, manufacture, salt,

1 derivative, or preparation thereof, which is chemically
 2 identical with any of the substances referred to in clauses (1)
 3 and (2), except that the words "narcotic drug" as used in this
 4 chapter shall not include decocainized coca leaves or extracts
 5 of coca leaves, which extracts do not contain cocaine or
 6 ecgonine.

7 [EFFECTIVE DATE.] This section is effective August 1, 2005,
 8 and applies to crimes committed on or after that date.

9 Sec. 2. Minnesota Statutes 2004, section 152.021,
 10 subdivision 2a, is amended to read:

11 Subd. 2a. [METHAMPHETAMINE MANUFACTURE CRIMES CRIME;
 12 POSSESSION OF SUBSTANCES WITH INTENT TO MANUFACTURE
 13 METHAMPHETAMINE CRIME.] (a) Notwithstanding subdivision 1,
 14 sections 152.022, subdivision 1, 152.023, subdivision 1, and
 15 152.024, subdivision 1, a person is guilty of controlled
 16 substance crime in the first degree if the person manufactures
 17 any amount of methamphetamine.

18 ~~(b) Notwithstanding paragraph (a) and section 609.17, A~~
 19 ~~person is guilty of attempted manufacture of methamphetamine a~~
 20 ~~crime~~ if the person possesses any chemical reagents or
 21 precursors with the intent to manufacture methamphetamine. As
 22 used in this section, "chemical reagents or precursors" ~~refers~~
 23 ~~to one or more~~ includes any of the following substances, or any
 24 similar substances that can be used to manufacture
 25 methamphetamine, or their the salts, isomers, and salts of
 26 isomers of a listed or similar substance:

- 27 (1) ephedrine;
 28 (2) pseudoephedrine;
 29 (3) phenyl-2-propanone;
 30 (4) phenylacetone;
 31 (5) anhydrous ammonia, ~~as defined in section 18C.005,~~
 32 ~~subdivision 1a;~~
 33 (6) organic solvents;
 34 (7) hydrochloric acid;
 35 (8) lithium metal;
 36 (9) sodium metal;

- 1 (10) ether;
- 2 (11) sulfuric acid;
- 3 (12) red phosphorus;
- 4 (13) iodine;
- 5 (14) sodium hydroxide;
- 6 (15) benzaldehyde;
- 7 (16) benzyl methyl ketone;
- 8 (17) benzyl cyanide;
- 9 (18) nitroethane;
- 10 (19) methylamine;
- 11 (20) phenylacetic acid;
- 12 (21) hydriodic acid; or
- 13 (22) hydriotic acid.

14 [EFFECTIVE DATE.] This section is effective August 1, 2005,
15 and applies to crimes committed on or after that date.

16 Sec. 3. Minnesota Statutes 2004, section 152.021,
17 subdivision 3, is amended to read:

18 Subd. 3. [PENALTY.] (a) A person convicted under
19 subdivisions 1 to 2a, paragraph (a), may be sentenced to
20 imprisonment for not more than 30 years or to payment of a fine
21 of not more than \$1,000,000, or both; a person convicted under
22 subdivision 2a, paragraph (b), may be sentenced to imprisonment
23 for not more than ~~three~~ ten years or to payment of a fine of not
24 more than ~~\$5,000~~ \$20,000, or both.

25 (b) If the conviction is a subsequent controlled substance
26 conviction, a person convicted under subdivisions 1 to 2a,
27 paragraph (a), shall be committed to the commissioner of
28 corrections for not less than four years nor more than 40 years
29 and, in addition, may be sentenced to payment of a fine of not
30 more than \$1,000,000; a person convicted under subdivision 2a,
31 paragraph (b), may be sentenced to imprisonment for not more
32 than ~~four~~ 15 years or to payment of a fine of not more than
33 ~~\$5,000~~ \$30,000, or both.

34 (c) In a prosecution under subdivision 1 involving sales by
35 the same person in two or more counties within a 90-day period,
36 the person may be prosecuted for all of the sales in any county

1 in which one of the sales occurred.

2 [EFFECTIVE DATE.] This section is effective August 1, 2005,
3 and applies to crimes committed on or after that date.

4 Sec. 4. [152.0275] [CERTAIN CONTROLLED SUBSTANCE OFFENSES;
5 RESTITUTION; PROHIBITIONS ON PROPERTY USE; NOTICE PROVISIONS.]

6 Subdivision 1. [RESTITUTION.] (a) As used in this
7 subdivision:

8 (1) "clandestine lab site" means any structure or
9 conveyance or outdoor location occupied or affected by
10 conditions or chemicals typically associated with the
11 manufacturing of methamphetamine;

12 (2) "emergency response" includes, but is not limited to,
13 removing and collecting evidence, securing the site, removal,
14 remediation, and hazardous chemical assessment or inspection of
15 the site where the relevant offense or offenses took place,
16 regardless of whether these actions are performed by the public
17 entities themselves or by private contractors paid by the public
18 entities, or the property owner;

19 (3) "remediation" means proper cleanup, treatment, or
20 containment of hazardous substances or methamphetamine at or in
21 a clandestine lab site, and may include demolition or disposal
22 of structures or other property when an assessment so indicates;
23 and

24 (4) "removal" means the removal from the clandestine lab
25 site of precursor or waste chemicals, chemical containers, or
26 equipment associated with the manufacture, packaging, or storage
27 of illegal drugs.

28 (b) A court may require a person convicted of manufacturing
29 or attempting to manufacture a controlled substance or of an
30 illegal activity involving a precursor substance, where the
31 response to the crime involved an emergency response, to pay
32 restitution to all public entities that participated in the
33 response. The restitution ordered may cover the reasonable
34 costs of their participation in the response.

35 (c) In addition to the restitution authorized in paragraph
36 (b), a court may require a person convicted of manufacturing or

1 attempting to manufacture a controlled substance or of illegal
2 activity involving a precursor substance to pay restitution to a
3 property owner who incurred removal or remediation costs because
4 of the crime.

5 Subd. 2. [PROPERTY-RELATED PROHIBITIONS; NOTICE; WEB
6 SITE.] (a) As used in this subdivision:

7 (1) "clandestine lab site" has the meaning given in
8 subdivision 1, paragraph (a);

9 (2) "property" means publicly or privately owned real
10 property including buildings and other structures, motor
11 vehicles as defined in section 609.487, subdivision 2a, public
12 waters, and public rights-of-way;

13 (3) "remediation" has the meaning given in subdivision 1,
14 paragraph (a); and

15 (4) "removal" has the meaning given in subdivision 1,
16 paragraph (a).

17 (b) A peace officer who arrests a person at a clandestine
18 lab site shall notify the appropriate county or local health
19 department, state duty officer, and child protection services of
20 the arrest and the location of the site.

21 (c) A county or local health department or sheriff shall
22 order that any property or portion of a property that has been
23 found to be a clandestine lab site and contaminated by
24 substances, chemicals, or items of any kind used in the
25 manufacture of methamphetamine or any part of the manufacturing
26 process, or the by-products or degradates of manufacturing
27 methamphetamine be prohibited from being occupied or used until
28 it has been assessed and remediated as provided in the
29 Department of Health's clandestine drug labs general cleanup
30 guidelines. The remediation shall be accomplished by a
31 contractor who will make the verification required under
32 paragraph (e).

33 (d) Unless clearly inapplicable, the procedures specified
34 in chapter 145A and any related rules adopted under that chapter
35 addressing the enforcement of public health laws, the removal
36 and abatement of public health nuisances, and the remedies

1 available to property owners or occupants apply to this
2 subdivision.

3 (e) Upon the proper removal and remediation of any property
4 used as a clandestine lab site, the contractor shall verify to
5 the applicable authority that issued the order under paragraph
6 (c) that the work was completed according to the Department of
7 Health's clandestine drug labs general cleanup guidelines and
8 best practices and that levels of contamination have been
9 reduced to levels set forth in the guidelines. The contractor
10 shall provide the verification to the property owner and the
11 applicable authority within five days from the completion of the
12 remediation. Following this, the applicable authority shall
13 vacate its order.

14 (f) If a contractor issues a verification and the property
15 was not remediated according to the Department of Health's
16 clandestine drug labs general cleanup guidelines or the levels
17 of contamination were not reduced to levels set forth in the
18 guidelines, the contractor is liable to the property owner for
19 the additional costs relating to the proper remediation of the
20 property according to the guidelines and reducing the levels of
21 contamination to levels set in the guidelines and for reasonable
22 attorney fees for collection of costs by the property owner. An
23 action under this paragraph must be commenced within six years
24 from the date on which the verification was issued by the
25 contractor.

26 (g) If the applicable authority determines under paragraph
27 (c) that a motor vehicle has been contaminated by substances,
28 chemicals, or items of any kind used in the manufacture of
29 methamphetamine or any part of the manufacturing process, or the
30 by-products or degradates of manufacturing methamphetamine and
31 if the authority is able to obtain the certificate of title for
32 the motor vehicle, the authority shall notify the registrar of
33 motor vehicles of this fact and in addition, forward the
34 certificate of title to the registrar. The authority shall also
35 notify the registrar when it vacates its order under paragraph
36 (e).

1 (h) The applicable authority issuing an order under
2 paragraph (c) shall record with the county recorder or registrar
3 of titles of the county where the clandestine lab is located an
4 affidavit containing the name of the owner, a legal description
5 of the property where the clandestine lab was located, and a map
6 drawn from available information showing the boundary of the
7 property and the location of the contaminated area on the
8 property that is prohibited from being occupied or used that
9 discloses to any potential transferee:

10 (1) that the property, or a portion of the property, was
11 the site of a clandestine lab;

12 (2) the location, condition, and circumstances of the
13 clandestine lab, to the full extent known or reasonably
14 ascertainable; and

15 (3) that the use of the property or some portion of it may
16 be restricted as provided by paragraph (c).

17 If an inaccurate drawing or description is filed, the authority,
18 on request of the owner or another interested person, shall file
19 a supplemental affidavit with a corrected drawing or description.
20 If the authority vacates its order under paragraph (e), the
21 authority shall record an affidavit that contains the recording
22 information of the above affidavit and states that the order is
23 vacated. Upon filing the affidavit vacating the order, the
24 affidavit and the affidavit filed under this paragraph, together
25 with the information set forth in the affidavits, cease to
26 constitute either actual or constructive notice.

27 (i) If proper removal and remediation has occurred on the
28 property, an interested party may record an affidavit indicating
29 that this has occurred. Upon filing the affidavit described in
30 this paragraph, the affidavit and the affidavit filed under
31 paragraph (h), together with the information set forth in the
32 affidavits, cease to constitute either actual or constructive
33 notice. Failure to record an affidavit under this section does
34 not affect or prevent any transfer of ownership of the property.

35 (j) The county recorder or registrar of titles must record
36 all affidavits presented under paragraph (h) or (i) in a manner

1 that assures their disclosure in the ordinary course of a title
2 search of the subject property.

3 (k) The commissioner of health shall post on the Internet
4 contact information for each local community health services
5 administrator.

6 (l) Each local community health services administrator
7 shall maintain information related to property within the
8 administrator's jurisdiction that is currently or was previously
9 subject to an order issued under paragraph (c). The information
10 maintained must include the name of the owner, the location of
11 the property, the extent of the contamination, the status of the
12 removal and remediation work on the property, and whether the
13 order has been vacated. The administrator shall make this
14 information available to the public either upon request or by
15 other means.

16 (m) Before signing an agreement to sell or transfer real
17 property, the seller or transferor must disclose in writing to
18 the buyer or transferee if, to the seller's or transferor's
19 knowledge, methamphetamine production has occurred on the
20 property. If methamphetamine production has occurred on the
21 property, the disclosure shall include a statement to the buyer
22 or transferee informing the buyer or transferee:

23 (1) whether an order has been issued on the property as
24 described in paragraph (c);

25 (2) whether any orders issued against the property under
26 paragraph (c) have been vacated under paragraph (i); or

27 (3) if there was no order issued against the property and
28 the seller or transferor is aware that methamphetamine
29 production has occurred on the property, the status of removal
30 and remediation on the property.

31 Unless the buyer or transferee and seller or transferor
32 agree to the contrary in writing before the closing of the sale,
33 a seller or transferor who fails to disclose, to the best of
34 their knowledge, at the time of sale any of the facts required
35 above, and who knew or had reason to know of methamphetamine
36 production on the property, is liable to the buyer or transferee

1 for:

2 (1) costs relating to remediation of the property according
3 to the Department of Health's clandestine drug labs general
4 cleanup guidelines and best practices so that contamination is
5 reduced to levels set forth in the guidelines; and

6 (2) reasonable attorney fees for collection of costs from
7 the seller or transferor.

8 An action under this paragraph must be commenced within six
9 years after the date on which the buyer or transferee closed the
10 purchase or transfer of the real property where the
11 methamphetamine production occurred.

12 [EFFECTIVE DATE.] This section is effective January 1,
13 2006, and applies to crimes committed on or after that date.

14 Sec. 5. [152.136] [ANHYDROUS AMMONIA; PROHIBITED CONDUCT;
15 CRIMINAL PENALTIES; CIVIL LIABILITY.]

16 Subdivision 1. [DEFINITIONS.] As used in this section,
17 "tamper" means action taken by a person not authorized to take
18 that action by law or by the owner or authorized custodian of an
19 anhydrous ammonia container or of equipment where anhydrous
20 ammonia is used, stored, distributed, or transported.

21 Subd. 2. [PROHIBITED CONDUCT.] (a) A person may not:

22 (1) steal or unlawfully take or carry away any amount of
23 anhydrous ammonia;

24 (2) purchase, possess, transfer, or distribute any amount
25 of anhydrous ammonia, knowing, or having reason to know, that it
26 will be used to unlawfully manufacture a controlled substance;

27 (3) place, have placed, or possess anhydrous ammonia in a
28 container that is not designed, constructed, maintained, and
29 authorized to contain or transport anhydrous ammonia;

30 (4) transport anhydrous ammonia in a container that is not
31 designed, constructed, maintained, and authorized to transport
32 anhydrous ammonia;

33 (5) use, deliver, receive, sell, or transport a container
34 designed and constructed to contain anhydrous ammonia without
35 the express consent of the owner or authorized custodian of the
36 container; or

1 (6) tamper with any equipment or facility used to contain,
2 store, or transport anhydrous ammonia.

3 (b) For the purposes of this subdivision, containers
4 designed and constructed for the storage and transport of
5 anhydrous ammonia are described in rules adopted under section
6 18C.121, subdivision 1, or in Code of Federal Regulations, title
7 49.

8 Subd. 3. [NO CAUSE OF ACTION.] (a) Except as provided in
9 paragraph (b), a person tampering with anhydrous ammonia
10 containers or equipment under subdivision 2 shall have no cause
11 of action for damages arising out of the tampering against:

12 (1) the owner or lawful custodian of the container or
13 equipment;

14 (2) a person responsible for the installation or
15 maintenance of the container or equipment; or

16 (3) a person lawfully selling or offering for sale the
17 anhydrous ammonia.

18 (b) Paragraph (a) does not apply to a cause of action
19 against a person who unlawfully obtained the anhydrous ammonia
20 or anhydrous ammonia container or who possesses the anhydrous
21 ammonia or anhydrous ammonia container for any unlawful purpose.

22 Subd. 4. [CRIMINAL PENALTY.] A person who knowingly
23 violates subdivision 2 is guilty of a felony and may be
24 sentenced to imprisonment for not more than five years or to
25 payment of a fine of not more than \$50,000, or both.

26 [EFFECTIVE DATE.] This section is effective August 1, 2005,
27 and applies to crimes committed on or after that date.

28 Sec. 6. [152.137] [METHAMPHETAMINE-RELATED CRIMES
29 INVOLVING CHILDREN AND VULNERABLE ADULTS.]

30 Subdivision 1. [DEFINITIONS.] (a) As used in this section,
31 the following terms have the meanings given.

32 (b) "Chemical substance" means a substance intended to be
33 used as a precursor in the manufacture of methamphetamine or any
34 other chemical intended to be used in the manufacture of
35 methamphetamine.

36 (c) "Child" means any person under the age of 18 years.

1 (d) "Methamphetamine paraphernalia" means all equipment,
2 products, and materials of any kind that are used, intended for
3 use, or designed for use in manufacturing, injecting, ingesting,
4 inhaling, or otherwise introducing methamphetamine into the
5 human body.

6 (e) "Methamphetamine waste products" means substances,
7 chemicals, or items of any kind used in the manufacture of
8 methamphetamine or any part of the manufacturing process, or the
9 by-products or degradates of manufacturing methamphetamine.

10 (f) "Vulnerable adult" has the meaning given in section
11 609.232, subdivision 11.

12 Subd. 2. [PROHIBITED CONDUCT.] (a) No person may knowingly
13 engage in any of the following activities in the presence of a
14 child or vulnerable adult; in the residence of a child or a
15 vulnerable adult; in a building, structure, conveyance, or
16 outdoor location where a child or vulnerable adult might
17 reasonably be expected to be present; in a room offered to the
18 public for overnight accommodation; or in any multiple unit
19 residential building:

20 (1) manufacturing or attempting to manufacture
21 methamphetamine;

22 (2) storing any chemical substance;

23 (3) storing any methamphetamine waste products; or

24 (4) storing any methamphetamine paraphernalia.

25 (b) No person may knowingly cause or permit a child or
26 vulnerable adult to inhale, be exposed to, have contact with, or
27 ingest methamphetamine, a chemical substance, or methamphetamine
28 paraphernalia.

29 Subd. 3. [CRIMINAL PENALTY.] A person who violates
30 subdivision 2 is guilty of a felony and may be sentenced to
31 imprisonment for not more than five years or to payment of a
32 fine of not more than \$10,000, or both.

33 Subd. 4. [MULTIPLE SENTENCES.] Notwithstanding sections
34 609.035 and 609.04, a prosecution for or conviction under this
35 section is not a bar to conviction of or punishment for any
36 other crime committed by the defendant as part of the same

1 conduct.

2 Subd. 5. [PROTECTIVE CUSTODY.] A peace officer may take
3 any child present in an area where any of the activities
4 described in subdivision 2, paragraph (a), clauses (1) to (4),
5 are taking place into protective custody in accordance with
6 section 260C.175, subdivision 1, paragraph (b), clause (2). A
7 child taken into protective custody under this subdivision shall
8 be provided health screening to assess potential health concerns
9 related to methamphetamine as provided in section 260C.188. A
10 child not taken into protective custody under this subdivision
11 but who is known to have been exposed to methamphetamine shall
12 be offered health screening for potential health concerns
13 related to methamphetamine as provided in section 260C.188.

14 Subd. 6. [REPORTING MALTREATMENT OF VULNERABLE ADULT.] (a)
15 A peace officer shall make a report of suspected maltreatment of
16 a vulnerable adult if the vulnerable adult is present in an area
17 where any of the activities described in subdivision 2,
18 paragraph (a), clauses (1) to (4), are taking place, and the
19 peace officer has reason to believe the vulnerable adult
20 inhaled, was exposed to, had contact with, or ingested
21 methamphetamine, a chemical substance, or methamphetamine
22 paraphernalia. The peace officer shall immediately report to
23 the county common entry point as described in section 626.557,
24 subdivision 9b.

25 (b) As required in section 626.557, subdivision 9b, law
26 enforcement is the primary agency to conduct investigations of
27 any incident when there is reason to believe a crime has been
28 committed. Law enforcement shall initiate a response
29 immediately. If the common entry point notified a county agency
30 for adult protective services, law enforcement shall cooperate
31 with that county agency when both agencies are involved and
32 shall exchange data to the extent authorized in section 626.557,
33 subdivision 12b, paragraph (g). County adult protection shall
34 initiate a response immediately.

35 (c) The county social services agency shall immediately
36 respond as required in section 626.557, subdivision 10, upon

1 receipt of a report from the common entry point staff.

2 [EFFECTIVE DATE.] This section is effective August 1, 2005,
3 and applies to crimes committed on or after that date.

4 Sec. 7. [152.139] [DISPOSING OF METHAMPHETAMINE WASTE
5 PRODUCTS; CRIME.]

6 Subdivision 1. [DEFINITIONS.] As used in this section:

7 (1) "chemical substance" means a substance intended to be
8 used as a precursor in the manufacture of methamphetamine or any
9 other chemical intended to be used in the manufacture of
10 methamphetamine; and

11 (2) "methamphetamine waste product" means a substance,
12 chemical, or item of any kind used in the manufacture or
13 attempted manufacture of methamphetamine or any part of the
14 manufacturing process, or the by-product or degradate of
15 manufacturing or attempting to manufacture methamphetamine.

16 Subd. 2. [CRIMES DESCRIBED; PENALTIES.] (a) Except as
17 provided in paragraph (b), a person who knowingly disposes of or
18 abandons any methamphetamine waste product or chemical substance
19 is guilty of a felony and may be sentenced to imprisonment for
20 not more than five years or to payment of a fine of not more
21 than \$50,000, or both.

22 (b) A person who knowingly disposes of or abandons any
23 methamphetamine waste product or chemical substance in a manner
24 that places another person in imminent danger of death, great
25 bodily harm, or substantial bodily harm, is guilty of a felony
26 and may be sentenced to imprisonment for not more than ten years
27 or to payment of a fine of not more than \$100,000, or both.

28 Subd. 3. [EXCEPTION.] This section does not apply to:

29 (1) a peace officer acting in the course of the officer's
30 employment; or

31 (2) a person who lawfully disposes of any product or
32 substance in a manner approved by the Pollution Control Agency.

33 [EFFECTIVE DATE.] This section is effective August 1, 2005,
34 and applies to crimes committed on or after that date.

35 Sec. 8. Minnesota Statutes 2004, section 168A.05,
36 subdivision 3, is amended to read:

1 Subd. 3. [CONTENT OF CERTIFICATE.] Each certificate of
2 title issued by the department shall contain:

3 (1) the date issued;

4 (2) the first, middle, and last names, the dates of birth,
5 and addresses of all owners who are natural persons, the full
6 names and addresses of all other owners;

7 (3) the names and addresses of any secured parties in the
8 order of priority as shown on the application, or if the
9 application is based on a certificate of title, as shown on the
10 certificate, or as otherwise determined by the department;

11 (4) any liens filed pursuant to a court order or by a
12 public agency responsible for child support enforcement against
13 the owner;

14 (5) the title number assigned to the vehicle;

15 (6) a description of the vehicle including, so far as the
16 following data exists, its make, model, year, identifying
17 number, type of body, whether new or used, and if a new vehicle,
18 the date of the first sale of the vehicle for use;

19 (7) with respect to motor vehicles subject to the
20 provisions of section 325E.15, the true cumulative mileage
21 registered on the odometer or that the actual mileage is unknown
22 if the odometer reading is known by the owner to be different
23 from the true mileage;

24 (8) with respect to vehicles subject to sections 325F.6641
25 and 325F.6642, the appropriate term "flood damaged," "rebuilt,"
26 "prior salvage," or "reconstructed"; and

27 (9) with respect to a vehicle contaminated by
28 methamphetamine production, if the registrar has received the
29 certificate of title and notice described in section 152.0275,
30 subdivision 2, paragraph (g), the term "hazardous waste
31 contaminated vehicle"; and

32 (10) any other data the department prescribes.

33 [EFFECTIVE DATE.] This section is effective August 1, 2005.

34 Sec. 9. [244.055] [CONDITIONAL RELEASE OF NONVIOLENT
35 CONTROLLED SUBSTANCE OFFENDERS; OPPORTUNITY FOR DRUG TREATMENT.]

36 Subdivision 1. [CONDITIONAL RELEASE AUTHORITY.] The

1 commissioner of corrections has the authority to release
2 offenders committed to the commissioner's custody who meet the
3 requirements of this section and of any rules adopted by the
4 commissioner.

5 Subd. 2. [CONDITIONAL RELEASE OF CERTAIN NONVIOLENT
6 CONTROLLED SUBSTANCE OFFENDERS.] An offender who has been
7 committed to the commissioner's custody may petition the
8 commissioner for conditional release from prison before the
9 offender's scheduled supervised release date or target release
10 date if:

11 (1) the offender is serving a sentence for violating
12 section 152.021, 152.022, 152.023, 152.024, or 152.025;

13 (2) the offender committed the crime as a result of a
14 controlled substance addiction, and not primarily for profit;

15 (3) the offender has served at least 36 months or one-half
16 of the offender's term of imprisonment, whichever is less;

17 (4) the offender successfully completed a chemical
18 dependency treatment program while in prison; and

19 (5) the offender has not previously been conditionally
20 released under this section.

21 Subd. 3. [OFFER OF CHEMICAL DEPENDENCY TREATMENT.] The
22 commissioner shall offer all offenders meeting the criteria
23 described in subdivision 2, clauses (1) and (2), the opportunity
24 to begin a suitable chemical dependency treatment program within
25 120 days after the offender's term of imprisonment begins.

26 Subd. 4. [RELEASE PROCEDURES.] The commissioner may not
27 grant conditional release to an offender under this section
28 unless the commissioner determines that the offender's release
29 will not pose a danger to the public or an individual. In
30 making this determination, the commissioner shall follow the
31 procedures contained in section 244.05, subdivision 5, and the
32 rules adopted by the commissioner under that subdivision. The
33 commissioner shall also consider the offender's custody
34 classification and level of risk of violence and the
35 availability of appropriate community supervision for the
36 offender. Conditional release granted under this section

1 continues until the offender's sentence expires, unless release
2 is rescinded under subdivision 5.

3 Subd. 5. [CONDITIONAL RELEASE.] The conditions of release
4 granted under this section are governed by the statutes and
5 rules governing supervised release under this chapter, except
6 that release may be rescinded without hearing by the
7 commissioner if the commissioner determines that continuation of
8 the conditional release poses a danger to the public or to an
9 individual. If the commissioner rescinds an offender's
10 conditional release, the offender shall be returned to prison
11 and shall serve the remaining portion of the offender's sentence.

12 Subd. 6. [OFFENDERS SERVING OTHER SENTENCES.] An offender
13 who is serving both a sentence for an offense described in
14 subdivision 2 and an offense not described in subdivision 2, is
15 not eligible for release under this section unless the offender
16 has completed the offender's full term of imprisonment for the
17 other offense.

18 [EFFECTIVE DATE.] This section is effective July 1, 2005,
19 and applies to persons in prison on or after that date.

20 Sec. 10. Minnesota Statutes 2004, section 260C.171, is
21 amended by adding a subdivision to read:

22 Subd. 6. [NOTICE TO SCHOOL.] (a) As used in this
23 subdivision, the following terms have the meanings given.
24 "Chemical substance," "methamphetamine paraphernalia," and
25 "methamphetamine waste products" have the meanings given in
26 section 152.137, subdivision 1. "School" means a charter school
27 or a school as defined in section 120A.22, subdivision 4, except
28 a home school.

29 (b) If a child has been taken into protective custody after
30 being found in an area where methamphetamine was being
31 manufactured or attempted to be manufactured or where any
32 chemical substances, methamphetamine paraphernalia, or
33 methamphetamine waste products were stored, and the child is
34 enrolled in school, the officer who took the child into custody
35 shall notify the chief administrative officer of the child's
36 school of this fact.

1 [EFFECTIVE DATE.] This section is effective August 1, 2005,
2 and applies to acts occurring on or after that date.

3 Sec. 11. [299C.90] [CITIZEN REPORTS OF METHAMPHETAMINE
4 VIOLATIONS.]

5 The superintendent of the Bureau of Criminal Apprehension
6 shall maintain and publicize a toll-free telephone number to
7 enable citizens to report information about potential
8 methamphetamine violations, including, but not limited to,
9 illicit methamphetamine laboratories. The agency shall take
10 appropriate steps after receiving a citizen report after
11 considering the nature and trustworthiness of the information
12 reported, including, but not limited to, contacting the
13 appropriate law enforcement agency.

14 [EFFECTIVE DATE.] This section is effective July 1, 2005.

15 Sec. 12. [446A.083] [METHAMPHETAMINE LABORATORY CLEANUP
16 REVOLVING FUND.]

17 Subdivision 1. [DEFINITIONS.] As used in this section:

18 (1) "clandestine lab site" has the meaning given in section
19 152.0275, subdivision 1, paragraph (a);

20 (2) "property" has the meaning given in section 152.0275,
21 subdivision 2, paragraph (a), but does not include motor
22 vehicles; and

23 (3) "remediate" has the meaning given to remediation in
24 section 152.0275, subdivision 1, paragraph (a).

25 Subd. 2. [FUND ESTABLISHED.] The authority shall establish
26 a methamphetamine laboratory cleanup revolving fund to provide
27 loans to counties and cities to remediate clandestine lab
28 sites. The fund must be credited with repayments.

29 Subd. 3. [APPLICATIONS.] Applications by a county or city
30 for a loan from the fund must be made to the authority on the
31 forms prescribed by the authority. The application must
32 include, but is not limited to:

33 (1) the amount of the loan requested and the proposed use
34 of the loan proceeds;

35 (2) the source of revenues to repay the loan; and

36 (3) certification by the county or city that it meets the

1 loan eligibility requirements of subdivision 4.

2 Subd. 4. [LOAN ELIGIBILITY.] A county or city is eligible
3 for a loan under this section if the county or city:

4 (1) identifies a site or sites designated by a local public
5 health department or law enforcement as a clandestine lab site;

6 (2) has required the site's property owner to remediate the
7 site at cost, under a local public health nuisance ordinance
8 that addresses clandestine lab remediation;

9 (3) certifies that the property owner cannot pay for the
10 remediation immediately;

11 (4) certifies that the property owner has not properly
12 remediated the site; and

13 (5) issues a revenue bond payable to the authority to
14 secure the loan.

15 Subd. 5. [USE OF LOAN PROCEEDS; REIMBURSEMENT BY PROPERTY
16 OWNER.] (a) A loan recipient shall use the loan to remediate the
17 clandestine lab site or if this has already been done to
18 reimburse the applicable county or city fund for costs paid by
19 the recipient to remediate the clandestine lab site.

20 (b) A loan recipient shall seek reimbursement from the
21 owner of the property containing the clandestine lab site for
22 the costs of the remediation. In addition to other lawful means
23 of seeking reimbursement, the loan recipient may recover its
24 costs through a property tax assessment by following the
25 procedures specified in section 145A.08, subdivision 2,
26 paragraph (c).

27 Subd. 6. [AWARD AND DISBURSEMENT OF FUNDS.] The authority
28 shall award loans to recipients on a first-come, first-served
29 basis, provided that the recipient is able to comply with the
30 terms and conditions of the authority loan, which must be in
31 conformance with this section. The authority shall make a
32 single disbursement of the loan upon receipt of a payment
33 request that includes a list of remediation expenses and
34 evidence that a second-party sampling was undertaken to ensure
35 that the remediation work was successful or a guarantee that
36 such a sampling will be undertaken.

1 Subd. 7. [LOAN CONDITIONS AND TERMS.] (a) When making
2 loans from the revolving fund, the authority shall comply with
3 the criteria in paragraphs (b) to (e).

4 (b) Loans must be made at a two percent per annum interest
5 rate for terms not to exceed ten years unless the recipient
6 requests a 20-year term due to financial hardship.

7 (c) The annual principal and interest payments must begin
8 no later than one year after completion of the clean up. Loans
9 must be amortized no later than 20 years after completion of the
10 clean up.

11 (d) A loan recipient must identify and establish a source
12 of revenue for repayment of the loan and must undertake whatever
13 steps are necessary to collect payments within one year of
14 receipt of funds from the authority.

15 (e) The fund must be credited with all payments of
16 principal and interest on all loans, except the costs as
17 permitted under section 446A.04, subdivision 5, paragraph (a).

18 (f) Loans must be made only to recipients with a local
19 public health nuisance ordinance that addresses clandestine lab
20 remediation.

21 Subd. 8. [AUTHORITY TO INCUR DEBT.] Counties and cities
22 may incur debt under this section by resolution of the board or
23 council authorizing issuance of a revenue bond to the authority.

24 [EFFECTIVE DATE.] This section is effective July 1, 2005.

25 Sec. 13. Minnesota Statutes 2004, section 609.1095,
26 subdivision 1, is amended to read:

27 Subdivision 1. [DEFINITIONS.] (a) As used in this section,
28 the following terms have the meanings given.

29 (b) "Conviction" means any of the following accepted and
30 recorded by the court: a plea of guilty, a verdict of guilty by
31 a jury, or a finding of guilty by the court. The term includes
32 a conviction by any court in Minnesota or another jurisdiction.

33 (c) "Prior conviction" means a conviction that occurred
34 before the offender committed the next felony resulting in a
35 conviction and before the offense for which the offender is
36 being sentenced under this section.

1 (d) "Violent crime" means a violation of or an attempt or
2 conspiracy to violate any of the following laws of this state or
3 any similar laws of the United States or any other state:
4 sections 152.137; 609.165; 609.185; 609.19; 609.195;
5 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228;
6 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662;
7 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268;
8 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1;
9 609.561; 609.562; 609.582, subdivision 1; 609.66, subdivision
10 1e; 609.687; and 609.855, subdivision 5; any provision of
11 sections 609.229; 609.377; 609.378; 609.749; and 624.713 that is
12 punishable by a felony penalty; or any provision of chapter 152
13 that is punishable by a maximum sentence of 15 years or more.

14 [EFFECTIVE DATE.] This section is effective August 1, 2005,
15 and applies to crimes committed on or after that date.

16 Sec. 14. Minnesota Statutes 2004, section 617.81, is
17 amended by adding a subdivision to read:

18 Subd. 2b. [EXCEPTION; NUISANCES INVOLVING METHAMPHETAMINE
19 MANUFACTURE.] Notwithstanding subdivision 2, for purposes of
20 sections 617.80 to 617.87, a public nuisance exists upon proof
21 of one or more behavioral incidents involving the manufacturing
22 or attempted manufacture of methamphetamine in the previous 12
23 months within the building. The requirement of two or more
24 behavioral incidents in subdivision 2, paragraph (b), does not
25 apply to incidents involving the manufacturing or attempted
26 manufacture of methamphetamine.

27 [EFFECTIVE DATE.] This section is effective August 1, 2005,
28 and applies to acts committed on or after that date.

29 Sec. 15. Minnesota Statutes 2004, section 617.81,
30 subdivision 4, is amended to read:

31 Subd. 4. [NOTICE.] (a) If a prosecuting attorney has
32 reason to believe that a nuisance is maintained or permitted in
33 the jurisdiction the prosecuting attorney serves, and intends to
34 seek abatement of the nuisance, the prosecuting attorney shall
35 provide the written notice described in paragraph (b), by
36 personal service or certified mail, return receipt requested, to

1 the owner and all interested parties known to the prosecuting
2 attorney.

3 (b) The written notice must:

4 (1) state that a nuisance as defined in subdivision 2 is
5 maintained or permitted in the building and must specify the
6 kind or kinds of nuisance being maintained or permitted;

7 (2) summarize the evidence that a nuisance is maintained or
8 permitted in the building, including the date or dates on which
9 nuisance-related activity or activities are alleged to have
10 occurred;

11 (3) inform the recipient that failure to abate the conduct
12 constituting the nuisance or to otherwise resolve the matter
13 with the prosecuting attorney within 30 days of service of the
14 notice may result in the filing of a complaint for relief in
15 district court that could, among other remedies, result in
16 enjoining the use of the building for any purpose for one year
17 or, in the case of a tenant, could result in cancellation of the
18 lease; and

19 (4) inform the owner of the options available under section
20 617.85.

21 [EFFECTIVE DATE.] This section is effective August 1, 2005,
22 and applies to acts committed on or after that date.

23 Sec. 16. Minnesota Statutes 2004, section 617.85, is
24 amended to read:

25 617.85 [NUISANCE; MOTION TO CANCEL LEASE.]

26 Where notice is provided under section 617.81, subdivision
27 4, that an abatement of a nuisance is sought and the
28 circumstances that are the basis for the requested abatement
29 involved the acts of a commercial or residential tenant or
30 lessee of part or all of a building, the owner of the building
31 that is subject to the abatement proceeding may file before the
32 court that has jurisdiction over the abatement proceeding a
33 motion to cancel the lease or otherwise secure restitution of
34 the premises from the tenant or lessee who has maintained or
35 conducted the nuisance. The owner may assign to the prosecuting
36 attorney the right to file this motion. In addition to the

1 grounds provided in chapter 566, the maintaining or conducting
2 of a nuisance as defined in section 617.81, subdivision 2, by a
3 tenant or lessee, is an additional ground authorized by law for
4 seeking the cancellation of a lease or the restitution of the
5 premises. Service of motion brought under this section must be
6 served in a manner that is sufficient under the Rules of Civil
7 Procedure and chapter 566.

8 It is no defense to a motion under this section by the
9 owner or the prosecuting attorney that the lease or other
10 agreement controlling the tenancy or leasehold does not provide
11 for eviction or cancellation of the lease upon the ground
12 provided in this section.

13 Upon a finding by the court that the tenant or lessee has
14 maintained or conducted a nuisance in any portion of the
15 building, the court shall order cancellation of the lease or
16 tenancy and grant restitution of the premises to the owner. The
17 court must not order abatement of the premises if the court:

18 (a) cancels a lease or tenancy and grants restitution of
19 that portion of the premises to the owner; and

20 (b) further finds that the act or acts constituting the
21 nuisance as defined in section 617.81, subdivision 2, were
22 committed by the tenant or lessee whose lease or tenancy has
23 been canceled pursuant to this section and the tenant or lessee
24 was not committing the act or acts in conjunction with or under
25 the control of the owner.

26 [EFFECTIVE DATE.] This section is effective August 1, 2005,
27 and applies to acts committed on or after that date.

28 Sec. 17. [BOARD OF VETERINARY MEDICINE REPORT, PRECURSOR
29 ANIMAL PRODUCTS.]

30 The Minnesota Board of Veterinary Medicine shall study and
31 issue a report on animal products that may be used in the
32 manufacture of methamphetamine. The report must include
33 proposals for restricting access to such products only to
34 legitimate users, specifically addressing the manufacturing,
35 wholesaling, distributing, and retailing of precursor veterinary
36 products. The board shall report its findings to the chairs and

1 ranking minority members of the senate and house committees
2 having jurisdiction over criminal justice and veterinary policy
3 by February 1, 2006.

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

6 Sec. 18. [REVISOR'S INSTRUCTION.]

7 The revisor of statutes shall recodify the provisions of
8 Minnesota Statutes, section 152.021, subdivision 2a, paragraph
9 (b), and subdivision 3, as amended by this article, that relate
10 to the possession of chemical reagents or precursors with the
11 intent to manufacture methamphetamine and the penalties for
12 doing this into a new section of law codified as Minnesota
13 Statutes, section 152.0262. The revisor shall make any
14 necessary technical changes, including, but not limited to,
15 changes to statutory cross-references, to Minnesota Statutes,
16 section 152.021, and any other statutory sections to accomplish
17 this.

18 Sec. 19. [REPEALER.]

19 Minnesota Statutes 2004, sections 18C.005, subdivisions 1a
20 and 35a; 18C.201, subdivisions 6 and 7; and 18D.331, subdivision
21 5, are repealed.

22 [EFFECTIVE DATE.] This section is effective August 1, 2005,
23 and applies to crimes committed on or after that date.

24 ARTICLE 7

25 GENERAL CRIME PROVISIONS

26 Section 1. Minnesota Statutes 2004, section 244.10, is
27 amended by adding a subdivision to read:

28 Subd. 4. [PROOF OF AGGRAVATING FACTORS.] The court shall
29 allow a prosecutor seeking to prove the existence of an
30 aggravating factor justifying an upward departure under the
31 Sentencing Guidelines the opportunity to prove this to the fact
32 finder. The prosecutor shall provide reasonable notice to the
33 defendant and the court of the prosecutor's intent to seek an
34 upward departure and the aggravating factor on which the
35 prosecutor intends to rely. Upon reasonable notice, the court
36 shall allow the prosecutor the opportunity to prove the

1 aggravating factor either in a unitary or bifurcated trial.

2 [EFFECTIVE DATE.] This section is effective the day
3 following final enactment and applies to sentencing departures
4 sought on or after that date.

5 Sec. 2. [325F.696] [DEFINITIONS.]

6 Subdivision 1. [SCOPE.] For the purposes of sections
7 325F.696 to 325F.699, the terms in this section have the
8 meanings given them.

9 Subd. 2. [COMMERCIAL ELECTRONIC MAIL MESSAGE.] "Commercial
10 electronic mail message" means any electronic mail message, the
11 primary purpose of which is the commercial advertisement or
12 promotion of a commercial product or service, including content
13 on an Internet Web site operated for a commercial purpose, but
14 does not include a transactional or relationship message. The
15 inclusion of a reference to a commercial entity or a link to the
16 Web site of a commercial entity does not, by itself, cause that
17 message to be treated as a commercial electronic mail message
18 for the purpose of this section if the contents or circumstances
19 of the message indicate a primary purpose other than commercial
20 advertisement or promotion of a commercial product or service.

21 Subd. 3. [COMPUTER.] "Computer" means an electronic device
22 that performs logical, arithmetic, and memory functions by the
23 manipulation of electronic or magnetic impulses. "Computer"
24 includes, but is not limited to, all input, output, processing,
25 storage, computer program, or communication facilities that are
26 connected or related in a computer system or network to an
27 electronic device of that nature.

28 Subd. 4. [COMPUTER NETWORK.] "Computer network" means a
29 set of related and remotely connected computers and
30 communication facilities that includes more than one computer
31 system that has the capability to transmit among the connected
32 computers and communication facilities through the use of
33 computer facilities.

34 Subd. 5. [COMPUTER SYSTEM.] "Computer system" means a
35 computer and related devices, whether connected or unconnected,
36 including, but not limited to, data input, output, and storage

1 devices, data communication links, and computer programs and
2 data that make the system capable of performing specified
3 special purpose data processing tasks.

4 Subd. 6. [DOMAIN NAME.] "Domain name" means any
5 alphanumeric designation that is registered with or assigned by
6 any domain name registrar, domain name registry, or other domain
7 name registration authority as part of an electronic address on
8 the Internet.

9 Subd. 7. [ELECTRONIC MAIL.] "Electronic mail" means an
10 electronic message that is transmitted between two or more
11 telecommunications devices or electronic devices capable of
12 receiving electronic messages, whether or not the message is
13 converted to hard copy format after receipt, and whether or not
14 the message is viewed upon the transmission or stored for later
15 retrieval. "Electronic mail" includes electronic messages that
16 are transmitted through a local, regional, or global computer
17 network.

18 Subd. 8. [ORIGINATING ADDRESS.] "Originating address"
19 means the string of characters used to specify the source of any
20 electronic mail message.

21 Subd. 9. [RECEIVING ADDRESS.] "Receiving address" means
22 the string of characters used to specify a recipient with each
23 receiving address creating a unique and separate recipient.

24 Subd. 10. [ELECTRONIC MAIL MESSAGE.] "Electronic mail
25 message" means each electronic mail addressed to a discrete
26 addressee.

27 Subd. 11. [ELECTRONIC MAIL SERVICE PROVIDER.] "Electronic
28 mail service provider" means any person, including an Internet
29 service provider, that is an intermediary in sending and
30 receiving electronic mail and that provides to the public
31 electronic mail accounts or online user accounts from which
32 electronic mail may be sent.

33 Subd. 12. [HEADER INFORMATION.] "Header information" means
34 the source, destination, and routing information attached to an
35 electronic mail message, including the originating domain name,
36 originating address, and technical information that

1 authenticates the sender of an electronic mail message for
2 computer network security or computer network management
3 purposes.

4 Subd. 13. [INITIATE THE TRANSMISSION;
5 INITIATED.] "Initiate the transmission" or "initiated" means to
6 originate or transmit a commercial electronic mail message or to
7 procure the origination or transmission of that message,
8 regardless of whether the message reaches its intended
9 recipients, but does not include actions that constitute routine
10 conveyance of the message.

11 Subd. 14. [INTERNET.] "Internet" means collectively the
12 myriad of computer and telecommunications facilities, including
13 equipment and operating software, which comprise the
14 interconnected worldwide network of networks that employ the
15 Transmission Control Protocol/Internet Protocol, or any
16 predecessor or successor protocols to this protocol, to
17 communication information of all kinds by wire or radio.

18 Subd. 15. [INTERNET PROTOCOL ADDRESS.] "Internet protocol
19 address" means the string of numbers by which locations on the
20 Internet are identified by routers or other computers connected
21 to the Internet.

22 Subd. 16. [MATERIALLY FALSIFY.] "Materially falsify" means
23 to alter or conceal in a manner that would impair the ability of
24 a recipient of an electronic mail message, an electronic mail
25 service provider processing an electronic mail message on behalf
26 of a recipient, a person alleging a violation of section
27 325F.697, or a law enforcement agency to identify, locate, or
28 respond to the person that initiated the electronic mail message
29 or to investigate an alleged violation of this section.

30 Subd. 17. [MULTIPLE.] "Multiple" means more than ten
31 commercial electronic mail messages during a 24-hour period,
32 more than 100 commercial electronic mail messages during a
33 30-day period, or more than 1,000 commercial electronic mail
34 messages during a one-year period.

35 Subd. 18. [RECIPIENT.] "Recipient" means a person who
36 receives a commercial electronic mail message at any one of the

1 following receiving addresses:

2 (1) a receiving address furnished by an electronic mail
3 service provider that bills for furnishing and maintaining that
4 receiving address to a mailing address within this state;

5 (2) a receiving address ordinarily accessed from a computer
6 located within this state or by a person domiciled within this
7 state; or

8 (3) any other receiving address with respect to which this
9 section can be imposed consistent with the United States
10 Constitution.

11 Subd. 19. [ROUTINE CONVEYANCE.] "Routine conveyance" means
12 the transmission, routing, relaying, handling, or storing,
13 through an automated technical process, of an electronic mail
14 message for which another person has identified the recipients
15 or provided the recipient addresses.

16 Subd. 20. [TRANSACTIONAL OR RELATIONSHIP
17 MESSAGE.] "Transactional or relationship message" means an
18 electronic mail message the primary purpose of which is to do
19 any of the following:

20 (1) facilitate, complete, or confirm a commercial
21 transaction that the recipient has previously agreed to enter
22 into with the sender;

23 (2) provide warranty information, product recall
24 information, or safety or security information with respect to a
25 commercial product or service used or purchased by the
26 recipient;

27 (3) provide notification concerning a change in the terms
28 or features of; a change in the recipient's standing or status
29 with respect to; or, at regular periodic intervals, account
30 balance information or other type of account statement with
31 respect to a subscription, membership, account, loan, or
32 comparable ongoing commercial relationship involving the ongoing
33 purchase or use by the recipient of products or services offered
34 by the sender;

35 (4) provide information directly related to an employment
36 relationship or related benefit plan in which the recipient is

1 currently involved, participating, or enrolled; or

2 (5) deliver goods or services, including product updates or
3 upgrades, that the recipient is entitled to receive under the
4 terms of a transaction that the recipient has previously agreed
5 to enter into with the sender.

6 [EFFECTIVE DATE.] This section is effective August 1, 2005,
7 and applies to crimes committed on or after that date.

8 Sec. 3. [325F.697] [FALSE, MISLEADING, OR DECEPTIVE
9 COMMERCIAL ELECTRONIC MAIL MESSAGES PROHIBITED.]

10 No person, with regard to commercial electronic mail
11 messages sent from or to a computer in this state, shall do any
12 of the following:

13 (1) knowingly use a computer to relay or retransmit
14 multiple commercial electronic mail messages, with the intent to
15 deceive or mislead recipients or any electronic mail service
16 provider, as to the origin of those messages;

17 (2) knowingly and materially falsify header information in
18 multiple commercial electronic mail messages and purposely
19 initiate the transmission of those messages;

20 (3) knowingly register, using information that materially
21 falsifies the identity of the actual registrant, for five or
22 more electronic mail accounts or online user accounts or two or
23 more domain names and purposely initiate the transmission of
24 multiple commercial electronic mail messages from one, or any
25 combination, of those accounts or domain names;

26 (4) knowingly falsely represent the right to use five or
27 more Internet protocol addresses and purposely initiate the
28 transmission of multiple commercial electronic mail messages
29 from those addresses.

30 [EFFECTIVE DATE.] This section is effective August 1, 2005,
31 and applies to crimes committed on or after that date.

32 Sec. 4. [325F.698] [ILLEGAL TRANSMISSION OF MULTIPLE
33 MESSAGES; CRIMINAL PENALTIES.]

34 (a) Whoever violates section 325F.697 is guilty of
35 illegally transmitting multiple commercial electronic mail
36 messages. Except as otherwise provided in paragraph (b) or

1 section 325F.699, subdivision 3, illegally transmitting multiple
2 commercial electronic mail messages is a misdemeanor.

3 (b) Illegally transmitting multiple commercial electronic
4 mail messages is a gross misdemeanor if any of the following
5 apply:

6 (1) regarding a violation of section 325F.697, clause (3),
7 the offender, using information that materially falsifies the
8 identity of the actual registrant, knowingly registers for 20 or
9 more electronic mail accounts or online user accounts or ten or
10 more domain names, and purposely initiates, or conspires to
11 initiate, the transmission of multiple commercial electronic
12 mail messages from the accounts or domain names;

13 (2) regarding any violation of section 325F.697, the volume
14 of commercial electronic mail messages the offender transmitted
15 in committing the violation exceeds 250 during any 24-hour
16 period, 2,500 during any 30-day period, or 25,000 during any
17 one-year period;

18 (3) regarding any violation of section 325F.697, during any
19 one-year period the aggregate loss to the victim or victims of
20 the violation is \$500 or more, or during any one-year period the
21 aggregate value of the property or services obtained by any
22 offender as a result of the violation is \$500 or more;

23 (4) regarding any violation of section 325F.697, the
24 offender committed the violation with three or more other
25 persons with respect to whom the offender was the organizer or
26 leader of the activity that resulted in the violation;

27 (5) regarding any violation of section 325F.697, the
28 offender knowingly assisted in the violation through the
29 provision or selection of electronic mail addresses to which the
30 commercial electronic mail message was transmitted, if that
31 offender knew that the electronic mail addresses of the
32 recipients were obtained using an automated means from an
33 Internet Web site or proprietary online service operated by
34 another person, and that Web site or online service included, at
35 the time the electronic mail addresses were obtained, a notice
36 stating that the operator of that Web site or online service

1 will not transfer addresses maintained by that Web site or
2 online service to any other party for the purposes of initiating
3 the transmission of, or enabling others to initiate the
4 transmission of, electronic mail messages; or

5 (6) regarding any violation of section 325F.697, the
6 offender knowingly assisted in the violation through the
7 provision or selection of electronic mail addresses of the
8 recipients obtained using an automated means that generates
9 possible electronic mail addresses by combining names, letters,
10 or numbers into numerous permutations.

11 [EFFECTIVE DATE.] This section is effective August 1, 2005,
12 and applies to crimes committed on or after that date.

13 Sec. 5. [325F.699] [UNAUTHORIZED ACCESS TO A COMPUTER;
14 CRIMINAL PENALTIES.]

15 Subdivision 1. [PROHIBITION.] No person, with regard to
16 commercial electronic mail messages sent from or to a computer
17 in this state, shall knowingly access a computer without
18 authorization and purposely initiate the transmission of
19 multiple commercial electronic mail messages from or through the
20 computer.

21 Subd. 2. [GROSS MISDEMEANOR.] Except as otherwise provided
22 in subdivision 3, whoever violates subdivision 1 is guilty of
23 unauthorized access of a computer, a gross misdemeanor.

24 Subd. 3. [FELONY.] Illegally transmitting multiple
25 commercial electronic mail messages and unauthorized access of a
26 computer in violation of this section are felonies if the
27 offender previously has been convicted of a violation of this
28 section, or a violation of a law of another state or the United
29 States regarding the transmission of electronic mail messages or
30 unauthorized access to a computer, or if the offender committed
31 the violation of this section in the furtherance of a felony.

32 [EFFECTIVE DATE.] This section is effective August 1, 2005,
33 and applies to crimes committed on or after that date.

34 Sec. 6. Minnesota Statutes 2004, section 518B.01,
35 subdivision 22, is amended to read:

36 Subd. 22. [~~VIOLATION-OF-A~~ DOMESTIC ABUSE NO CONTACT

1 ORDER.] (a) A domestic abuse no contact order is an order issued
2 by a court against a defendant in a criminal proceeding for:

3 (1) domestic abuse;

4 (2) harassment or stalking charged under section 609.749
5 and committed against a family or household member;

6 (3) violation of an order for protection charged under
7 subdivision 14; or

8 (4) violation of a prior domestic abuse no contact order
9 charged under this subdivision.

10 It includes pretrial orders before final disposition of the case
11 and probationary orders after sentencing.

12 (b) A person who knows of the existence of a domestic abuse
13 no contact order issued against the person and violates the
14 order is guilty of a misdemeanor.

15 (c) A peace officer shall arrest without a warrant and take
16 into custody a person whom the peace officer has probable cause
17 to believe has violated a domestic abuse no contact order, even
18 if the violation of the order did not take place in the presence
19 of the peace officer, if the existence of the order can be
20 verified by the officer. The person shall be held in custody
21 for at least 36 hours, excluding the day of arrest, Sundays, and
22 holidays, unless the person is released earlier by a judge or
23 judicial officer. A peace officer acting in good faith and
24 exercising due care in making an arrest pursuant to this
25 paragraph is immune from civil liability that might result from
26 the officer's actions.

27 **[EFFECTIVE DATE.] This section is effective August 1, 2005.**

28 Sec. 7. Minnesota Statutes 2004, section 609.119, is
29 amended to read:

30 609.119 [ADDITIONAL COLLECTION OF BIOLOGICAL SPECIMENS FOR
31 DNA TESTING.]

32 ~~From July 17, 2003, to June 30, 2005,~~ The court shall
33 order an offender to provide a biological specimen for the
34 purpose of ~~future~~ DNA analysis as described in section 299C.155
35 when:

36 (1) the court sentences a person charged with committing or

1 attempting to commit a felony offense not described in section
2 609.117, subdivision 1, and the person is convicted of that
3 offense or of any felony offense arising out of the same set of
4 circumstances; or

5 (2) the juvenile court adjudicates a person a delinquent
6 child who is petitioned for committing or attempting to commit a
7 felony offense not described in section 609.117, subdivision 1,
8 and is adjudicated delinquent for that offense or any
9 felony-level offense arising out of the same set of
10 circumstances.

11 The biological specimen shall be maintained by the Bureau of
12 Criminal Apprehension as provided in section 299C.155.

13 (b) ~~From July 17, 2003, to June 30, 2005,~~ The commissioner
14 of corrections or local corrections authority shall order a
15 person to provide a biological specimen for the purpose of
16 ~~future~~ DNA analysis as described in section 299C.155 before
17 completion of the person's term of imprisonment when the person
18 has not provided a biological specimen for the purpose of DNA
19 analysis, and the person:

20 (1) was initially charged with committing or attempting to
21 commit a felony offense not described in section 609.117,
22 subdivision 1, and was convicted of that offense or of any
23 felony offense arising out of the same set of circumstances; or

24 (2) is serving a term of imprisonment in this state under a
25 reciprocal agreement although convicted in another state of
26 committing or attempting to commit a felony offense not
27 described in section 609.117, subdivision 1, or of any felony
28 offense arising out of the same set of circumstances if the
29 person was initially charged with committing or attempting to
30 commit a felony offense not described in section 609.117,
31 subdivision 1.

32 The commissioner of corrections or local corrections authority
33 shall forward the sample to the Bureau of Criminal Apprehension.

34 (c) ~~From July 17, 2003, to June 30, 2005,~~ When the state
35 accepts an offender from another state under the interstate
36 compact authorized by section 243.16 or 243.1605, the acceptance

1 is conditional on the offender providing a biological specimen
2 for the purposes of future DNA analysis as described in section
3 299C.155, if the offender was initially charged with committing
4 or attempting to commit a felony offense not described in
5 section 609.117, subdivision 1, and was convicted of that
6 offense or of any felony offense arising out of the same set of
7 circumstances. The specimen must be provided under supervision
8 of staff from the Department of Corrections or a Community
9 Corrections Act county within 15 business days after the
10 offender reports to the supervising agent. The cost of
11 obtaining the biological specimen is the responsibility of the
12 agency providing supervision.

13 [EFFECTIVE DATE.] This section is effective July 1, 2005.

14 Sec. 8. Minnesota Statutes 2004, section 609.185, is
15 amended to read:

16 609.185 [MURDER IN THE FIRST DEGREE.]

17 (a) Whoever does any of the following is guilty of murder
18 in the first degree and shall be sentenced to imprisonment for
19 life:

20 (1) causes the death of a human being with premeditation
21 and with intent to effect the death of the person or of another;

22 (2) causes the death of a human being while committing or
23 attempting to commit criminal sexual conduct in the first or
24 second degree with force or violence, either upon or affecting
25 the person or another;

26 (3) causes the death of a human being with intent to effect
27 the death of the person or another, while committing or
28 attempting to commit burglary, aggravated robbery, kidnapping,
29 arson in the first or second degree, a drive-by shooting,
30 tampering with a witness in the first degree, escape from
31 custody, or any felony violation of chapter 152 involving the
32 unlawful sale of a controlled substance;

33 (4) causes the death of a peace officer or a guard employed
34 at a Minnesota state or local correctional facility, with intent
35 to effect the death of that person or another, while the peace
36 officer or guard is engaged in the performance of official

1 duties;

2 (5) causes the death of a minor while committing child
3 abuse, when the perpetrator has engaged in a past pattern of
4 child abuse upon the a child and the death occurs under
5 circumstances manifesting an extreme indifference to human life;

6 (6) causes the death of a human being while committing
7 domestic abuse, when the perpetrator has engaged in a past
8 pattern of domestic abuse upon the victim or upon another family
9 or household member and the death occurs under circumstances
10 manifesting an extreme indifference to human life; or

11 (7) causes the death of a human being while committing,
12 conspiring to commit, or attempting to commit a felony crime to
13 further terrorism and the death occurs under circumstances
14 manifesting an extreme indifference to human life.

15 (b) For purposes of paragraph (a), clause (5), "child abuse"
16 means an act committed against a minor victim that constitutes a
17 violation of the following laws of this state or any similar
18 laws of the United States or any other state: section 609.221;
19 609.222; 609.223; 609.224; 609.2242; 609.342; 609.343; 609.344;
20 609.345; 609.377; 609.378; or 609.713.

21 (c) For purposes of paragraph (a), clause (6), "domestic
22 abuse" means an act that:

23 (1) constitutes a violation of section 609.221, 609.222,
24 609.223, 609.224, 609.2242, 609.342, 609.343, 609.344, 609.345,
25 609.713, or any similar laws of the United States or any other
26 state; and

27 (2) is committed against the victim who is a family or
28 household member as defined in section 518B.01, subdivision 2,
29 paragraph (b).

30 (d) For purposes of paragraph (a), clause (7), "further
31 terrorism" has the meaning given in section 609.714, subdivision
32 1.

33 [EFFECTIVE DATE.] This section is effective the day
34 following final enactment and applies to crimes committed on or
35 after that date.

36 Sec. 9. Minnesota Statutes 2004, section 609.223, is

1 amended by adding a subdivision to read:

2 Subd. 4. [ASSAULT BY STRANGULATION OR ASPHYXIATION.] (a)
3 As used in this subdivision, "strangulation" means intentionally
4 impeding normal breathing or circulation of the blood by
5 applying pressure on the throat or neck or by blocking the nose
6 or mouth of another person.

7 (b) Unless a greater penalty is provided elsewhere, whoever
8 assaults another by strangulation or asphyxiation is guilty of a
9 felony and may be sentenced to imprisonment for not more than
10 five years or to payment of a fine of not more than \$10,000, or
11 both.

12 [EFFECTIVE DATE.] This section is effective August 1, 2005,
13 and applies to crimes committed on or after that date.

14 Sec. 10. Minnesota Statutes 2004, section 609.2231, is
15 amended by adding a subdivision to read:

16 Subd. 3a. [SECURE TREATMENT FACILITY PERSONNEL.] (a) As
17 used in this subdivision, "secure treatment facility" has the
18 meaning given in section 253B.02, subdivision 18a.

19 (b) Whoever, while committed under section 253B.185 or
20 Minnesota Statutes 1992, section 526.10, commits either of the
21 following acts against an employee or other individual who
22 provides care or treatment at a secure treatment facility while
23 the person is engaged in the performance of a duty imposed by
24 law, policy, or rule is guilty of a felony and may be sentenced
25 to imprisonment for not more than two years or to payment of a
26 fine of not more than \$4,000, or both:

27 (1) assaults the person and inflicts demonstrable bodily
28 harm; or

29 (2) intentionally throws or otherwise transfers bodily
30 fluids or feces at or onto the person.

31 (c) The court shall commit a person convicted of violating
32 paragraph (b) to the custody of the commissioner of corrections
33 for not less than a year and a day. The court may not, on its
34 own motion or the prosecutor's motion, sentence a person without
35 regard to this paragraph. A person convicted and sentenced as
36 required by this paragraph is not eligible for probation,

1 parole, discharge, work release, or supervised release, until
2 that person has served the full term of imprisonment as provided
3 by law, notwithstanding the provisions of sections 241.26,
4 242.19, 243.05, 244.04, 609.12, and 609.135.

5 (d) Notwithstanding the statutory maximum sentence provided
6 in paragraph (b), when a court sentences a person to the custody
7 of the commissioner of corrections for a violation of paragraph
8 (b), the court shall provide that after the person has completed
9 the sentence imposed, the commissioner shall place the person on
10 conditional release for five years. The terms of conditional
11 release are governed by sections 609.109 and 244.05.

12 [EFFECTIVE DATE.] This section is effective August 1, 2005,
13 and applies to crimes committed on or after that date.

14 Sec. 11. Minnesota Statutes 2004, section 609.229,
15 subdivision 3, is amended to read:

16 Subd. 3. [PENALTY.] (a) If the crime committed in
17 violation of subdivision 2 is a felony, the statutory maximum
18 for the crime is five years longer than the statutory maximum
19 for the underlying crime. If the crime committed in violation
20 of subdivision 2 is a felony, and the victim of the crime is a
21 child under the age of 18 years, the statutory maximum for the
22 crime is ten years longer than the statutory maximum for the
23 underlying crime.

24 (b) If the crime committed in violation of subdivision 2 is
25 a misdemeanor, the person is guilty of a gross misdemeanor.

26 (c) If the crime committed in violation of subdivision 2 is
27 a gross misdemeanor, the person is guilty of a felony and may be
28 sentenced to imprisonment for not more than three years or to
29 payment of a fine of not more than \$15,000, or both.

30 [EFFECTIVE DATE.] This section is effective August 1, 2005,
31 and applies to crimes committed on or after that date.

32 Sec. 12. [609.281] [DEFINITIONS.]

33 Subdivision 1. [GENERALLY.] As used in sections 609.281 to
34 609.284, the following terms have the meanings given.

35 Subd. 2. [BLACKMAIL.] "Blackmail" means a threat to expose
36 any fact or alleged fact tending to cause shame or to subject

1 any person to hatred, contempt, or ridicule.

2 Subd. 3. [DEBT BONDAGE.] "Debt bondage" means the status
3 or condition of a debtor arising from a pledge by the debtor of
4 the debtor's personal services or those of a person under the
5 debtor's control as a security for debt, if the value of those
6 services as reasonably assessed is not applied toward the
7 liquidation of the debt or the length and nature of those
8 services are not respectively limited and defined.

9 Subd. 4. [FORCED LABOR OR SERVICES.] "Forced labor or
10 services" means labor or services that are performed or provided
11 by another person and are obtained or maintained through an
12 actor's:

13 (1) threat, either implicit or explicit, scheme, plan, or
14 pattern, or other action intended to cause a person to believe
15 that, if the person did not perform or provide the labor or
16 services, that person or another person would suffer bodily harm
17 or physical restraint;

18 (2) physically restraining or threatening to physically
19 restrain a person;

20 (3) abuse or threatened abuse of the legal process;

21 (4) knowingly destroying, concealing, removing,
22 confiscating, or possessing any actual or purported passport or
23 other immigration document, or any other actual or purported
24 government identification document, of another person; or

25 (5) use of blackmail.

26 Subd. 5. [LABOR TRAFFICKING.] "Labor trafficking" means
27 the recruitment, transportation, transfer, harboring,
28 enticement, provision, obtaining, or receipt of a person by any
29 means, whether a United States citizen or foreign national, for
30 the purpose of:

31 (1) debt bondage or forced labor or services;

32 (2) slavery or practices similar to slavery; or

33 (3) the removal of organs through the use of coercion or
34 intimidation.

35 Subd. 6. [LABOR TRAFFICKING VICTIM.] "Labor trafficking
36 victim" means a person subjected to the practices in subdivision

1 5.

2 [EFFECTIVE DATE.] This section is effective August 1, 2005,
3 and applies to crimes committed on or after that date.

4 Sec. 13. [609.282] [LABOR TRAFFICKING.]

5 Whoever knowingly engages in the labor trafficking of
6 another is guilty of a crime and may be sentenced to
7 imprisonment for not more than 15 years or to payment of a fine
8 of not more than \$30,000, or both. In a prosecution under this
9 section the consent or age of the victim is not a defense.

10 [EFFECTIVE DATE.] This section is effective August 1, 2005,
11 and applies to crimes committed on or after that date.

12 Sec. 14. [609.283] [UNLAWFUL CONDUCT WITH RESPECT TO
13 DOCUMENTS IN FURTHERANCE OF LABOR OR SEX TRAFFICKING.]

14 Unless the person's conduct constitutes a violation of
15 section 609.282, a person who knowingly destroys, conceals,
16 removes, confiscates, or possesses any actual or purported
17 passport or other immigration document, or any other actual or
18 purported government identification document, of another person:

19 (1) in the course of a violation of section 609.282 or
20 609.322;

21 (2) with intent to violate section 609.282 or 609.322; or

22 (3) to prevent or restrict or to attempt to prevent or
23 restrict, without lawful authority, a person's liberty to move
24 or travel, in order to maintain the labor or services of that
25 person, when the person is or has been a victim of a violation
26 of section 609.282 or 609.322;

27 is guilty of a crime and may be sentenced to imprisonment for
28 not more than five years or to payment of a fine of not more
29 than \$10,000, or both. In a prosecution under this section the
30 consent or age of the victim is not a defense.

31 [EFFECTIVE DATE.] This section is effective August 1, 2005,
32 and applies to crimes committed on or after that date.

33 Sec. 15. [609.284] [LABOR OR SEX TRAFFICKING CRIMES;
34 DEFENSES; CIVIL LIABILITY; CORPORATE LIABILITY.]

35 Subdivision 1. [CONSENT OR AGE OF VICTIM NOT A
36 DEFENSE.] In an action under this section the consent or age of

1 the victim is not a defense.

2 Subd. 2. [CIVIL LIABILITY.] A labor trafficking victim may
3 bring a cause of action against a person who violates section
4 609.282 or 609.283. The court may award damages, including
5 punitive damages, reasonable attorney fees, and other litigation
6 costs reasonably incurred by the victim. This remedy is in
7 addition to potential criminal liability.

8 Subd. 3. [CORPORATE LIABILITY.] If a corporation or other
9 business enterprise is convicted of violating section 609.282,
10 609.283, or 609.322, in addition to the criminal penalties
11 described in those sections and other remedies provided
12 elsewhere in law, the court may, when appropriate:

13 (1) order its dissolution or reorganization;

14 (2) order the suspension or revocation of any license,
15 permit, or prior approval granted to it by a state agency; or

16 (3) order the surrender of its charter if it is organized
17 under Minnesota law or the revocation of its certificate to
18 conduct business in Minnesota if it is not organized under
19 Minnesota law.

20 [EFFECTIVE DATE.] This section is effective August 1, 2005,
21 and applies to crimes committed on or after that date.

22 Sec. 16. Minnesota Statutes 2004, section 609.321,
23 subdivision 1, is amended to read:

24 Subdivision 1. [SCOPE.] For the purposes of sections
25 609.321 to ~~609.324~~ 609.325, the following terms have the
26 meanings given.

27 [EFFECTIVE DATE.] This section is effective August 1, 2005,
28 and applies to crimes committed on or after that date.

29 Sec. 17. Minnesota Statutes 2004, section 609.321,
30 subdivision 7, is amended to read:

31 Subd. 7. [PROMOTES THE PROSTITUTION OF AN INDIVIDUAL.]
32 "Promotes the prostitution of an individual" means any of the
33 following wherein the person knowingly:

34 (1) solicits or procures patrons for a prostitute; or

35 (2) provides, leases or otherwise permits premises or
36 facilities owned or controlled by the person to aid the

1 prostitution of an individual; or

2 (3) owns, manages, supervises, controls, keeps or operates,
3 either alone or with others, a place of prostitution to aid the
4 prostitution of an individual; or

5 (4) owns, manages, supervises, controls, operates,
6 institutes, aids or facilitates, either alone or with others, a
7 business of prostitution to aid the prostitution of an
8 individual; or

9 (5) admits a patron to a place of prostitution to aid the
10 prostitution of an individual; or

11 (6) transports an individual from one point within this
12 state to another point either within or without this state, or
13 brings an individual into this state to aid the prostitution of
14 the individual; or

15 (7) engages in the sex trafficking of an individual.

16 [EFFECTIVE DATE.] This section is effective August 1, 2005,
17 and applies to crimes committed on or after that date.

18 Sec. 18. Minnesota Statutes 2004, section 609.321, is
19 amended by adding a subdivision to read:

20 Subd. 7a. [SEX TRAFFICKING.] "Sex trafficking" means
21 receiving, recruiting, enticing, harboring, providing, or
22 obtaining by any means an individual to aid in the prostitution
23 of the individual.

24 [EFFECTIVE DATE.] This section is effective August 1, 2005,
25 and applies to crimes committed on or after that date.

26 Sec. 19. Minnesota Statutes 2004, section 609.321, is
27 amended by adding a subdivision to read:

28 Subd. 7b. [SEX TRAFFICKING VICTIM.] "Sex trafficking
29 victim" means a person subjected to the practices in subdivision
30 7a.

31 [EFFECTIVE DATE.] This section is effective August 1, 2005,
32 and applies to crimes committed on or after that date.

33 Sec. 20. [609.3243] [LOITERING WITH INTENT TO PARTICIPATE
34 IN PROSTITUTION.]

35 A person who loiters in a public place with intent to
36 participate in prostitution is guilty of a misdemeanor.

1 [EFFECTIVE DATE.] This section is effective August 1, 2005,
2 and applies to crimes committed on or after that date.

3 Sec. 21. Minnesota Statutes 2004, section 609.325, is
4 amended by adding a subdivision to read:

5 Subd. 4. [AFFIRMATIVE DEFENSE.] It is an affirmative
6 defense to a charge under section 609.324 if the defendant
7 proves by a preponderance of the evidence that the defendant is
8 a labor trafficking victim, as defined in section 609.281, or a
9 sex trafficking victim, as defined in section 609.321, and that
10 the defendant committed the act only under compulsion by another
11 who by explicit or implicit threats created a reasonable
12 apprehension in the mind of the defendant that if the defendant
13 did not commit the act, the person would inflict bodily harm
14 upon the defendant.

15 [EFFECTIVE DATE.] This section is effective August 1, 2005,
16 and applies to crimes committed on or after that date.

17 Sec. 22. Minnesota Statutes 2004, section 609.341,
18 subdivision 14, is amended to read:

19 Subd. 14. [COERCION.] "Coercion" means the use by the
20 actor of words or circumstances that cause the complainant
21 reasonably to fear that the actor will inflict bodily harm upon,
22 ~~or held in confinement,~~ the complainant or another, or ~~force~~ the
23 use by the actor of confinement, or superior size or strength,
24 against the complainant that causes the complainant to submit to
25 sexual penetration or contact, ~~but~~ against the complainant's
26 will. Proof of coercion does not require proof of a specific
27 act or threat.

28 [EFFECTIVE DATE.] This section is effective August 1, 2005,
29 and applies to crimes committed on or after that date.

30 Sec. 23. Minnesota Statutes 2004, section 609.485,
31 subdivision 2, is amended to read:

32 Subd. 2. [ACTS PROHIBITED.] Whoever does any of the
33 following may be sentenced as provided in subdivision 4:

- 34 (1) escapes while held pursuant to a lawful arrest, in
35 lawful custody on a charge or conviction of a crime, or while
36 held in lawful custody on an allegation or adjudication of a

1 delinquent act;

2 (2) transfers to another, who is in lawful custody on a
3 charge or conviction of a crime, or introduces into an
4 institution in which the latter is confined, anything usable in
5 making such escape, with intent that it shall be so used;

6 (3) having another in lawful custody on a charge or
7 conviction of a crime, intentionally permits the other to
8 escape;

9 (4) escapes while in a facility designated under section
10 253B.18, subdivision 1, pursuant to a court commitment order
11 after a finding of not guilty by reason of mental illness or
12 mental deficiency of a crime against the person, as defined in
13 section 253B.02, subdivision 4a. Notwithstanding section
14 609.17, no person may be charged with or convicted of an attempt
15 to commit a violation of this clause; ~~or~~

16 (5) escapes while in a facility designated under section
17 253B.18, subdivision 1, pursuant to a court commitment order
18 under section 253B.185 or Minnesota Statutes 1992, section
19 526.10; or

20 (6) knowingly absconds or fails to return to custody
21 following the revocation of provisional discharge under section
22 253B.18 of a person committed under section 253B.185 or
23 Minnesota Statutes 1992, section 526.10.

24 For purposes of clause (1), "escapes while held in lawful
25 custody" includes absconding from electronic monitoring or
26 absconding after removing an electronic monitoring device from
27 the person's body.

28 [EFFECTIVE DATE.] This section is effective August 1, 2005,
29 and applies to crimes committed on or after that date.

30 Sec. 24. Minnesota Statutes 2004, section 609.485,
31 subdivision 4, is amended to read:

32 Subd. 4. [SENTENCE.] (a) Except as otherwise provided in
33 subdivision 3a, whoever violates this section may be sentenced
34 as follows:

35 (1) if the person who escapes is in lawful custody for a
36 felony, to imprisonment for not more than five years or to

1 payment of a fine of not more than \$10,000, or both;

2 (2) if the person who escapes is in lawful custody after a
3 finding of not guilty by reason of mental illness or mental
4 deficiency of a crime against the person, as defined in section
5 253B.02, subdivision 4a, or pursuant to a court commitment order
6 under section 253B.185 or Minnesota Statutes 1992, section
7 526.10, or violates subdivision 2, clause (6), to imprisonment
8 for not more than one year and one day or to payment of a fine
9 of not more than \$3,000, or both; or

10 (3) if the person who escapes is in lawful custody for a
11 gross misdemeanor or misdemeanor, or if the person who escapes
12 is in lawful custody on an allegation or adjudication of a
13 delinquent act, to imprisonment for not more than one year or to
14 payment of a fine of not more than \$3,000, or both.

15 (b) If the escape was a violation of subdivision 2, clause
16 (1), (2), or (3), and was effected by violence or threat of
17 violence against a person, the sentence may be increased to not
18 more than twice those permitted in paragraph (a), clauses (1)
19 and (3).

20 (c) Unless a concurrent term is specified by the court, a
21 sentence under this section shall be consecutive to any sentence
22 previously imposed or which may be imposed for any crime or
23 offense for which the person was in custody when the person
24 escaped.

25 (d) Notwithstanding paragraph (c), if a person who was
26 committed to the commissioner of corrections under section
27 260B.198 escapes from the custody of the commissioner while 18
28 years of age, the person's sentence under this section shall
29 commence on the person's 19th birthday or on the person's date
30 of discharge by the commissioner of corrections, whichever
31 occurs first. However, if the person described in this clause
32 is convicted under this section after becoming 19 years old and
33 after having been discharged by the commissioner, the person's
34 sentence shall commence upon imposition by the sentencing court.

35 (e) Notwithstanding paragraph (c), if a person who is in
36 lawful custody on an allegation or adjudication of a delinquent

1 act while 18 years of age escapes from a local juvenile
2 correctional facility, the person's sentence under this section
3 begins on the person's 19th birthday or on the person's date of
4 discharge from the jurisdiction of the juvenile court, whichever
5 occurs first. However, if the person described in this
6 paragraph is convicted after becoming 19 years old and after
7 discharge from the jurisdiction of the juvenile court, the
8 person's sentence begins upon imposition by the sentencing court.

9 (f) Notwithstanding paragraph (a), any person who escapes
10 or absconds from electronic monitoring or removes an electric
11 monitoring device from the person's body is guilty of a crime
12 and shall be sentenced to imprisonment for not more than one
13 year or to a payment of a fine of not more than \$3,000, or
14 both. A person in lawful custody for a violation of section
15 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, 609.221,
16 609.222, 609.223, 609.2231, 609.342, 609.343, 609.344, 609.345,
17 or 609.3451 who escapes or absconds from electronic monitoring
18 or removes an electronic monitoring device while under sentence
19 may be sentenced to imprisonment for not more than five years or
20 to a payment of a fine of not more than \$10,000, or both.

21 [EFFECTIVE DATE.] This section is effective August 1, 2005,
22 and applies to crimes committed on or after that date.

23 Sec. 25. Minnesota Statutes 2004, section 609.50,
24 subdivision 1, is amended to read:

25 Subdivision 1. [CRIME.] Whoever intentionally does any of
26 the following may be sentenced as provided in subdivision 2:

27 (1) obstructs, hinders, or prevents the lawful execution of
28 any legal process, civil or criminal, or apprehension of another
29 on a charge or conviction of a criminal offense;

30 (2) obstructs, resists, or interferes with a peace officer
31 while the officer is engaged in the performance of official
32 duties;

33 (3) ~~interferes with or obstructs the-prevention-or~~
34 ~~extinguishing-of-a-fire,-or-disobeys-the-lawful-order-of a~~
35 ~~firefighter present-at-the-fire~~ while the firefighter is engaged
36 in the performance of official duties; or

1 (4) interferes with or obstructs a member of an ambulance
2 service personnel crew, as defined in section 144E.001,
3 subdivision 3a, who is providing, or attempting to provide,
4 emergency care; or

5 (5) by force or threat of force endeavors to obstruct any
6 employee of the Department of Revenue while the employee is
7 lawfully engaged in the performance of official duties for the
8 purpose of deterring or interfering with the performance of
9 those duties.

10 [EFFECTIVE DATE.] This section is effective August 1, 2005,
11 and applies to crimes committed on or after that date.

12 Sec. 26. Minnesota Statutes 2004, section 609.527,
13 subdivision 1, is amended to read:

14 Subdivision 1. [DEFINITIONS.] (a) As used in this section,
15 the following terms have the meanings given them in this
16 subdivision.

17 (b) "Direct victim" means any person or entity described in
18 section 611A.01, paragraph (b), whose identity has been
19 transferred, used, or possessed in violation of this section.

20 (c) "False pretense" means any false, fictitious,
21 misleading, or fraudulent information or pretense or pretext
22 depicting or including or deceptively similar to the name, logo,
23 Web site address, e-mail address, postal address, telephone
24 number, or any other identifying information of a for-profit or
25 not-for-profit business or organization or of a government
26 agency, to which the user has no legitimate claim of right.

27 (d) "Identity" means any name, number, or data transmission
28 that may be used, alone or in conjunction with any other
29 information, to identify a specific individual or entity,
30 including any of the following:

31 (1) a name, Social Security number, date of birth, official
32 government-issued driver's license or identification number,
33 government passport number, or employer or taxpayer
34 identification number;

35 (2) unique electronic identification number, address,
36 account number, or routing code; or

1 (3) telecommunication identification information or access
2 device.

3 ~~(d)~~ (e) "Indirect victim" means any person or entity
4 described in section 611A.01, paragraph (b), other than a direct
5 victim.

6 ~~(e)~~ (f) "Loss" means value obtained, as defined in section
7 609.52, subdivision 1, clause (3), and expenses incurred by a
8 direct or indirect victim as a result of a violation of this
9 section.

10 ~~(f)~~ (g) "Unlawful activity" means:

11 (1) any felony violation of the laws of this state or any
12 felony violation of a similar law of another state or the United
13 States; and

14 (2) any nonfelony violation of the laws of this state
15 involving theft, theft by swindle, forgery, fraud, or giving
16 false information to a public official, or any nonfelony
17 violation of a similar law of another state or the United States.

18 [EFFECTIVE DATE.] This section is effective August 1, 2005,
19 and applies to crimes committed on or after that date.

20 Sec. 27. Minnesota Statutes 2004, section 609.527,
21 subdivision 3, is amended to read:

22 Subd. 3. [PENALTIES.] A person who violates subdivision 2
23 may be sentenced as follows:

24 (1) if the offense involves a single direct victim and the
25 total, combined loss to the direct victim and any indirect
26 victims is \$250 or less, the person may be sentenced as provided
27 in section 609.52, subdivision 3, clause (5);

28 (2) if the offense involves a single direct victim and the
29 total, combined loss to the direct victim and any indirect
30 victims is more than \$250 but not more than \$500, the person may
31 be sentenced as provided in section 609.52, subdivision 3,
32 clause (4);

33 (3) if the offense involves two or three direct victims or
34 the total, combined loss to the direct and indirect victims is
35 more than \$500 but not more than \$2,500, the person may be
36 sentenced as provided in section 609.52, subdivision 3, clause

1 (3);

2 (4) if the offense involves more than three but not more
3 than seven direct victims, or if the total combined loss to the
4 direct and indirect victims is more than \$2,500, the person may
5 be sentenced as provided in section 609.52, subdivision 3,
6 clause (2); and

7 (5) if the offense involves eight or more direct victims⁷i
8 or if the total, combined loss to the direct and indirect
9 victims is more than \$35,000⁷i; or if the offense is related to
10 possession or distribution of pornographic work in violation of
11 section 617.246 or 617.247; the person may be sentenced as
12 provided in section 609.52, subdivision 3, clause (1).

13 [EFFECTIVE DATE.] This section is effective August 1, 2005,
14 and applies to crimes committed on or after that date.

15 Sec. 28. Minnesota Statutes 2004, section 609.527,
16 subdivision 4, is amended to read:

17 Subd. 4. [RESTITUTION; ITEMS PROVIDED TO VICTIM.] (a) A
18 direct or indirect victim of an identity theft crime shall be
19 considered a victim for all purposes, including any rights that
20 accrue under chapter 611A and rights to court-ordered
21 restitution.

22 (b) Upon the written request of a direct victim or the
23 prosecutor setting forth with specificity the facts and
24 circumstances of the offense in a proposed order, the court
25 shall provide to the victim, without cost, a certified copy of
26 the complaint filed in the matter, the judgment of conviction,
27 and an order setting forth the facts and circumstances of the
28 offense.

29 [EFFECTIVE DATE.] This section is effective August 1, 2005,
30 and applies to crimes committed on or after that date.

31 Sec. 29. Minnesota Statutes 2004, section 609.527, is
32 amended by adding a subdivision to read:

33 Subd. 5a. [CRIME OF ELECTRONIC USE OF FALSE PRETENSE TO
34 OBTAIN IDENTITY.] (a) A person who, with intent to obtain the
35 identity of another, uses a false pretense in an e-mail to
36 another person or in a Web page, electronic communication,

1 advertisement, or any other communication on the Internet, is
2 guilty of a crime.

3 (b) Whoever commits such offense may be sentenced to
4 imprisonment for not more than five years or to payment of a
5 fine of not more than \$10,000, or both.

6 (c) In a prosecution under this subdivision, it is not a
7 defense that:

8 (1) the person committing the offense did not obtain the
9 identity of another;

10 (2) the person committing the offense did not use the
11 identity; or

12 (3) the offense did not result in financial loss or any
13 other loss to any person.

14 [EFFECTIVE DATE.] This section is effective August 1, 2005,
15 and applies to crimes committed on or after that date.

16 Sec. 30. Minnesota Statutes 2004, section 609.527,
17 subdivision 6, is amended to read:

18 Subd. 6. [VENUE.] Notwithstanding anything to the contrary
19 in section 627.01, an offense committed under subdivision 2 or
20 5a may be prosecuted in:

21 (1) the county where the offense occurred; ~~or~~

22 (2) the county of residence or place of business of the
23 direct victim or indirect victim; or

24 (3) in the case of a violation of subdivision 5a, the
25 county or place of residence of the person whose identity was
26 obtained or sought.

27 [EFFECTIVE DATE.] This section is effective August 1, 2005,
28 and applies to crimes committed on or after that date.

29 Sec. 31. Minnesota Statutes 2004, section 609.531,
30 subdivision 1, is amended to read:

31 Subdivision 1. [DEFINITIONS.] For the purpose of sections
32 609.531 to 609.5318, the following terms have the meanings given
33 them.

34 (a) "Conveyance device" means a device used for
35 transportation and includes, but is not limited to, a motor
36 vehicle, trailer, snowmobile, airplane, and vessel and any

1 equipment attached to it. The term "conveyance device" does not
2 include property which is, in fact, itself stolen or taken in
3 violation of the law.

4 (b) "Weapon used" means a dangerous weapon as defined under
5 section 609.02, subdivision 6, that the actor used or had in
6 possession in furtherance of a crime.

7 (c) "Property" means property as defined in section 609.52,
8 subdivision 1, clause (1).

9 (d) "Contraband" means property which is illegal to possess
10 under Minnesota law.

11 (e) "Appropriate agency" means the Bureau of Criminal
12 Apprehension, the Minnesota Division of Driver and Vehicle
13 Services, the Minnesota State Patrol, a county sheriff's
14 department, the Suburban Hennepin Regional Park District park
15 rangers, the Department of Natural Resources Division of
16 Enforcement, the University of Minnesota Police Department, or a
17 city or airport police department.

18 (f) "Designated offense" includes:

19 (1) for weapons used: any violation of this chapter,
20 chapter 152, or chapter 624;

21 (2) for driver's license or identification card
22 transactions: any violation of section 171.22; and

23 (3) for all other purposes: a felony violation of, or a
24 felony-level attempt or conspiracy to violate, section 325E.17;
25 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222;
26 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.282;
27 609.283; 609.322; 609.342, subdivision 1, clauses (a) to (f);
28 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision
29 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1,
30 clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466;
31 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53;
32 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59;
33 609.595; 609.631; 609.66, subdivision 1e; 609.671, subdivisions
34 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88;
35 609.89; 609.893; 609.895; 617.246; or a gross misdemeanor or
36 felony violation of section 609.891 or 624.7181; or any

1 violation of section 609.324.

2 (g) "Controlled substance" has the meaning given in section
3 152.01, subdivision 4.

4 [EFFECTIVE DATE.] This section is effective August 1, 2005,
5 and applies to crimes committed on or after that date.

6 Sec. 32. Minnesota Statutes 2004, section 609.5315,
7 subdivision 1, is amended to read:

8 Subdivision 1. [DISPOSITION.] (a) Subject to paragraph
9 (b), if the court finds under section 609.5313, 609.5314, or
10 609.5318 that the property is subject to forfeiture, it shall
11 order the appropriate agency to do one of the following:

12 (1) unless a different disposition is provided under clause
13 (3) or (4), either destroy firearms, ammunition, and firearm
14 accessories that the agency decides not to use for law
15 enforcement purposes under clause (8), or sell them to federally
16 licensed firearms dealers, as defined in section 624.7161,
17 subdivision 1, and distribute the proceeds under subdivision
18 5 or 5b;

19 (2) sell property that is not required to be destroyed by
20 law and is not harmful to the public and distribute the proceeds
21 under subdivision 5 or 5b;

22 (3) sell antique firearms, as defined in section 624.712,
23 subdivision 3, to the public and distribute the proceeds under
24 subdivision 5 or 5b;

25 (4) destroy or use for law enforcement purposes
26 semiautomatic military-style assault weapons, as defined in
27 section 624.712, subdivision 7;

28 (5) take custody of the property and remove it for
29 disposition in accordance with law;

30 (6) forward the property to the federal drug enforcement
31 administration;

32 (7) disburse money as provided under subdivision 5 or 5b;
33 or

34 (8) keep property other than money for official use by the
35 agency and the prosecuting agency.

36 (b) Notwithstanding paragraph (a), the Hennepin or Ramsey

1 county sheriff may not sell firearms, ammunition, or firearms
2 accessories if the policy is disapproved by the applicable
3 county board.

4 [EFFECTIVE DATE.] This section is effective August 1, 2005,
5 and applies to crimes committed on or after that date.

6 Sec. 33. Minnesota Statutes 2004, section 609.5315, is
7 amended by adding a subdivision to read:

8 Subd. 5b. [DISPOSITION OF CERTAIN FORFEITED PROCEEDS;
9 TRAFFICKING OF PERSONS; REPORT REQUIRED.] (a) For forfeitures
10 resulting from violations of section 609.282, 609.283, or
11 609.322, the money or proceeds from the sale of forfeited
12 property, after payment of seizure, storage, forfeiture, and
13 sale expenses, and satisfaction of valid liens against the
14 property, must be distributed as follows:

15 (1) 40 percent of the proceeds must be forwarded to the
16 appropriate agency for deposit as a supplement to the agency's
17 operating fund or similar fund for use in law enforcement;

18 (2) 20 percent of the proceeds must be forwarded to the
19 county attorney or other prosecuting agency that handled the
20 forfeiture for deposit as a supplement to its operating fund or
21 similar fund for prosecutorial purposes; and

22 (3) the remaining 40 percent of the proceeds must be
23 forwarded to the commissioner of public safety and are
24 appropriated to the commissioner for distribution to crime
25 victims services organizations that provide services to victims
26 of trafficking offenses.

27 (b) By February 15 of each year, the commissioner of public
28 safety shall report to the chairs and ranking minority members
29 of the senate and house committees or divisions having
30 jurisdiction over criminal justice funding on the money
31 collected under paragraph (a), clause (3). The report must
32 indicate the following relating to the preceding calendar year:

33 (1) the amount of money appropriated to the commissioner;

34 (2) how the money was distributed by the commissioner; and

35 (3) what the organizations that received the money did with
36 it.

1 [EFFECTIVE DATE.] This section is effective August 1, 2005,
2 and applies to crimes committed on or after that date.

3 Sec. 34. Minnesota Statutes 2004, section 609.746,
4 subdivision 1, is amended to read:

5 Subdivision 1. [SURREPTITIOUS INTRUSION; OBSERVATION
6 DEVICE.] (a) A person is guilty of a gross misdemeanor who:

7 (1) enters upon another's property;

8 (2) surreptitiously gazes, stares, or peeps in the window
9 or any other aperture of a house or place of dwelling of
10 another; and

11 (3) does so with intent to intrude upon or interfere with
12 the privacy of a member of the household.

13 (b) A person is guilty of a gross misdemeanor who:

14 (1) enters upon another's property;

15 (2) surreptitiously installs or uses any device for
16 observing, photographing, recording, amplifying, or broadcasting
17 sounds or events through the window or any other aperture of a
18 house or place of dwelling of another; and

19 (3) does so with intent to intrude upon or interfere with
20 the privacy of a member of the household.

21 (c) A person is guilty of a gross misdemeanor who:

22 (1) surreptitiously gazes, stares, or peeps in the window
23 or other aperture of a sleeping room in a hotel, as defined in
24 section 327.70, subdivision 3, a tanning booth, or other place
25 where a reasonable person would have an expectation of privacy
26 and has exposed or is likely to expose their intimate parts, as
27 defined in section 609.341, subdivision 5, or the clothing
28 covering the immediate area of the intimate parts; and

29 (2) does so with intent to intrude upon or interfere with
30 the privacy of the occupant.

31 (d) A person is guilty of a gross misdemeanor who:

32 (1) surreptitiously installs or uses any device for
33 observing, photographing, recording, amplifying, or broadcasting
34 sounds or events through the window or other aperture of a
35 sleeping room in a hotel, as defined in section 327.70,
36 subdivision 3, a tanning booth, or other place where a

1 reasonable person would have an expectation of privacy and has
2 exposed or is likely to expose their intimate parts, as defined
3 in section 609.341, subdivision 5, or the clothing covering the
4 immediate area of the intimate parts; and

5 (2) does so with intent to intrude upon or interfere with
6 the privacy of the occupant.

7 (e) A person is guilty of a ~~gross-misdemeanor~~ felony and
8 may be sentenced to imprisonment for not more than two years or
9 to payment of a fine of not more than \$5,000, or both, if the
10 person:

11 (1) violates this subdivision after a previous conviction
12 under this subdivision or section 609.749; or

13 (2) violates this subdivision against a minor under the age
14 of ~~16~~ 18, knowing or having reason to know that the minor is
15 present.

16 (f) Paragraphs (b) and (d) do not apply to law enforcement
17 officers or corrections investigators, or to those acting under
18 their direction, while engaged in the performance of their
19 lawful duties. Paragraphs (c) and (d) do not apply to conduct
20 in: (1) a medical facility; or (2) a commercial establishment
21 if the owner of the establishment has posted conspicuous signs
22 warning that the premises are under surveillance by the owner or
23 the owner's employees.

24 [EFFECTIVE DATE.] This section is effective August 1, 2005,
25 and applies to crimes committed on or after that date.

26 Sec. 35. Minnesota Statutes 2004, section 609.748,
27 subdivision 2, is amended to read:

28 Subd. 2. [RESTRAINING ORDER; JURISDICTION.] A person who
29 is a victim of harassment may seek a restraining order from the
30 district court in the manner provided in this section. The
31 parent ~~or~~, guardian, or stepparent of a minor who is a victim of
32 harassment may seek a restraining order from the district court
33 on behalf of the minor.

34 [EFFECTIVE DATE.] This section is effective August 1, 2005.

35 Sec. 36. Minnesota Statutes 2004, section 609.748,
36 subdivision 3a, is amended to read:

1 Subd. 3a. [FILING FEE; COST OF SERVICE.] The filing fees
2 for a restraining order under this section are waived for the
3 petitioner if the petition alleges acts that would constitute a
4 violation of section 609.749, subdivision 2 or 3, or sections
5 609.342 to 609.3451. The court administrator and the sheriff of
6 any county in this state shall perform their duties relating to
7 service of process without charge to the petitioner. The court
8 shall direct payment of the reasonable costs of service of
9 process if served by a private process server when the sheriff
10 is unavailable or if service is made by publication. The court
11 may direct a respondent to pay to the court administrator the
12 petitioner's filing fees and reasonable costs of service of
13 process if the court determines that the respondent has the
14 ability to pay the petitioner's fees and costs.

15 [EFFECTIVE DATE.] This section is effective July 1, 2005.

16 Sec. 37. Minnesota Statutes 2004, section 609.749,
17 subdivision 2, is amended to read:

18 Subd. 2. [HARASSMENT AND STALKING CRIMES.] (a) A person
19 who harasses another by committing any of the following acts is
20 guilty of a gross misdemeanor:

21 (1) directly or indirectly manifests a purpose or intent to
22 injure the person, property, or rights of another by the
23 commission of an unlawful act;

24 (2) stalks, follows, monitors, or pursues another, whether
25 in person or through technological or other means;

26 (3) returns to the property of another if the actor is
27 without claim of right to the property or consent of one with
28 authority to consent;

29 (4) repeatedly makes telephone calls, or induces a victim
30 to make telephone calls to the actor, whether or not
31 conversation ensues;

32 (5) makes or causes the telephone of another repeatedly or
33 continuously to ring;

34 (6) repeatedly mails or delivers or causes the delivery by
35 any means, including electronically, of letters, telegrams,
36 messages, packages, or other objects; or

1 (7) knowingly makes false allegations against a peace
2 officer concerning the officer's performance of official duties
3 with intent to influence or tamper with the officer's
4 performance of official duties.

5 (b) The conduct described in paragraph (a), clauses (4) and
6 (5), may be prosecuted at the place where any call is either
7 made or received or, additionally in the case of wireless or
8 electronic communication, where the actor or victim resides.
9 The conduct described in paragraph (a), clause (2), may be
10 prosecuted where the actor or victim resides. The conduct
11 described in paragraph (a), clause (6), may be prosecuted where
12 any letter, telegram, message, package, or other object is
13 either sent or received or, additionally in the case of wireless
14 or electronic communication, where the actor or victim resides.

15 (c) A peace officer may not make a warrantless, custodial
16 arrest of any person for a violation of paragraph (a), clause
17 (7).

18 [EFFECTIVE DATE.] This section is effective August 1, 2005,
19 and applies to crimes committed on or after that date.

20 Sec. 38. Minnesota Statutes 2004, section 609.79,
21 subdivision 2, is amended to read:

22 Subd. 2. [VENUE.] The offense may be prosecuted either at
23 the place where the call is made or where it is received or,
24 additionally in the case of wireless or electronic
25 communication, where the sender or receiver resides.

26 [EFFECTIVE DATE.] This section is effective August 1, 2005,
27 and applies to crimes committed on or after that date.

28 Sec. 39. Minnesota Statutes 2004, section 609.795, is
29 amended by adding a subdivision to read:

30 Subd. 3. [VENUE.] The offense may be prosecuted either at
31 the place where the letter, telegram, or package is sent or
32 received or, alternatively in the case of wireless electronic
33 communication, where the sender or receiver resides.

34 [EFFECTIVE DATE.] This section is effective August 1, 2005,
35 and applies to crimes committed on or after that date.

36 Sec. 40. Minnesota Statutes 2004, section 628.26, is

1 amended to read:

2 628.26 [LIMITATIONS.]

3 (a) Indictments or complaints for any crime resulting in
4 the death of the victim may be found or made at any time after
5 the death of the person killed.

6 (b) Indictments or complaints for a violation of section
7 609.25 may be found or made at any time after the commission of
8 the offense.

9 (c) Indictments or complaints for violation of section
10 609.282 may be found or made at any time after the commission of
11 the offense if the victim was under the age of 18 at the time of
12 the offense.

13 (d) Indictments or complaints for violation of section
14 609.282 where the victim was 18 years of age or older at the
15 time of the offense, or 609.42, subdivision 1, clause (1) or
16 (2), shall be found or made and filed in the proper court within
17 six years after the commission of the offense.

18 ~~(d)~~ (e) Indictments or complaints for violation of sections
19 609.342 to 609.345 if the victim was under the age of 18 years
20 at the time the offense was committed, shall be found or made
21 and filed in the proper court within nine years after the
22 commission of the offense or, if the victim failed to report the
23 offense within this limitation period, within three years after
24 the offense was reported to law enforcement authorities.

25 ~~(e)~~ (f) Notwithstanding the limitations in paragraph (d),
26 indictments or complaints for violation of sections 609.342 to
27 609.344 may be found or made and filed in the proper court at
28 any time after commission of the offense, if physical evidence
29 is collected and preserved that is capable of being tested for
30 its DNA characteristics. If this evidence is not collected and
31 preserved and the victim was 18 years old or older at the time
32 of the offense, the prosecution must be commenced within nine
33 years after the commission of the offense.

34 ~~(f)~~ (g) Indictments or complaints for violation of sections
35 609.466 and 609.52, subdivision 2, clause (3), item (iii), shall
36 be found or made and filed in the proper court within six years

1 after the commission of the offense.

2 ~~(g)~~ (h) Indictments or complaints for violation of section
3 609.52, subdivision 2, clause (3), items (i) and (ii), (4),
4 (15), or (16), 609.631, or 609.821, where the value of the
5 property or services stolen is more than \$35,000, shall be found
6 or made and filed in the proper court within five years after
7 the commission of the offense.

8 ~~(h)~~ (i) Except for violations relating to false material
9 statements, representations or omissions, indictments or
10 complaints for violations of section 609.671 shall be found or
11 made and filed in the proper court within five years after the
12 commission of the offense.

13 ~~(i)~~ (j) Indictments or complaints for violation of sections
14 609.561 to 609.563, shall be found or made and filed in the
15 proper court within five years after the commission of the
16 offense.

17 ~~(j)~~ (k) In all other cases, indictments or complaints shall
18 be found or made and filed in the proper court within three
19 years after the commission of the offense.

20 ~~(k)~~ (l) The limitations periods contained in this section
21 shall exclude any period of time during which the defendant was
22 not an inhabitant of or usually resident within this state.

23 ~~(l)~~ (m) The limitations periods contained in this section
24 for an offense shall not include any period during which the
25 alleged offender participated under a written agreement in a
26 pretrial diversion program relating to that offense.

27 ~~(m)~~ (n) The limitations periods contained in this section
28 shall not include any period of time during which physical
29 evidence relating to the offense was undergoing DNA analysis, as
30 defined in section 299C.155, unless the defendant demonstrates
31 that the prosecuting or law enforcement agency purposefully
32 delayed the DNA analysis process in order to gain an unfair
33 advantage.

34 [EFFECTIVE DATE.] This section is effective August 1, 2005,
35 and applies to crimes committed on or after that date.

36 Sec. 41. [CERTAIN MINNESOTA SENTENCING GUIDELINES

1 COMMISSION RECOMMENDATIONS ADOPTED; OTHERS REJECTED.]

2 The following modifications proposed by the Minnesota
3 Sentencing Guidelines Commission in its January 2005 report to
4 the legislature are adopted and take effect on August 1, 2005:

5 (1) those described as "I. Modifications Related to
6 Blakely Decision" on pages 11 to 18 of the report; and

7 (2) those described as "II. Other Adopted Modifications"
8 on page 19 of the report.

9 The modifications described as "III. Adopted Modifications
10 Related to Sex Offenses" on pages 20 to 42 of the report are
11 rejected and do not go into effect.

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

14 Sec. 42. [REPEALER.]

15 Minnesota Statutes 2004, section 609.725, is repealed.

16 [EFFECTIVE DATE.] This section is effective August 1, 2005,
17 and applies to crimes committed on or after that date.

18 ARTICLE 8

19 911 EMERGENCY TELECOMMUNICATIONS SERVICES

20 Sec. 43. [237.491] [COMBINED PER NUMBER FEE.]

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

23 (b) "911 emergency and public safety communications program"
24 means the program governed by chapter 403.

25 (c) "Minnesota telephone number" means a ten-digit
26 telephone number being used to connect to the public switched
27 telephone network and starting with area code 218, 320, 507,
28 612, 651, 763, or 952, or any subsequent area code assigned to
29 this state.

30 (d) "Service provider" means a provider doing business in
31 this state who provides real time, two-way voice service with a
32 Minnesota telephone number.

33 (e) "Telecommunications access Minnesota program" means the
34 program governed by sections 237.50 to 237.55.

35 (f) "Telephone assistance program" means the program
36 governed by sections 237.69 to 237.711.

1 Subd. 2. [PER NUMBER FEE.] (a) By January 15, 2006, the
2 commissioner of commerce shall report to the legislature and to
3 the senate Committee on Jobs, Energy, and Community Development
4 and the house Committee on Regulated Industries, recommendations
5 for the amount of and method for assessing a fee that would
6 apply to each service provider based upon the number of
7 Minnesota telephone numbers in use by current customers of the
8 service provider. The fee would be set at a level calculated to
9 generate only the amount of revenue necessary to fund:

10 (1) the telephone assistance program and the
11 telecommunications access Minnesota program at the levels
12 established by the commission under sections 237.52, subdivision
13 2, and 237.70; and

14 (2) the 911 emergency and public safety communications
15 program at the levels appropriated by law to the commissioner of
16 public safety and the commissioner of finance for purposes of
17 sections 403.11, 403.113, 403.27, 403.30, and 403.31 for each
18 fiscal year.

19 (b) The recommendations must include any changes to
20 Minnesota Statutes necessary to establish the procedures whereby
21 each service provider, to the extent allowed under federal law,
22 would collect and remit the fee proceeds to the commissioner of
23 revenue. The commissioner of revenue would allocate the fee
24 proceeds to the three funding areas in paragraph (a) and credit
25 the allocations to the appropriate accounts.

26 (c) The recommendations must be designed to allow the
27 combined per telephone number fee to be collected beginning July
28 1, 2006. The per access line fee used to collect revenues to
29 support the TAP, TAM, and 911 programs remains in effect until
30 the statutory changes necessary to implement the per telephone
31 number fee have been enacted into law and taken effect.

32 (d) As part of the process of developing the
33 recommendations and preparing the report to the legislature
34 required under paragraph (a), the commissioner of commerce must,
35 at a minimum, consult regularly with the Departments of Public
36 Safety, Finance, and Administration, the Public Utilities

1 Commission, service providers, the chairs and ranking minority
2 members of the senate and house committees, subcommittees, and
3 divisions having jurisdiction over telecommunications and public
4 safety, and other affected parties.

5 Sec. 44. Minnesota Statutes 2004, section 237.70,
6 subdivision 7, is amended to read:

7 Subd. 7. [APPLICATION, NOTICE, FINANCIAL ADMINISTRATION,
8 COMPLAINT INVESTIGATION.] The telephone assistance plan must be
9 administered jointly by the commission, the Department of
10 Commerce, and the local service providers in accordance with the
11 following guidelines:

12 (a) The commission and the Department of Commerce shall
13 develop an application form that must be completed by the
14 subscriber for the purpose of certifying eligibility for
15 telephone assistance plan credits to the local service
16 provider. The application must contain the applicant's Social
17 Security number. Applicants who refuse to provide a Social
18 Security number will be denied telephone assistance plan
19 credits. The application form must also include a statement
20 that the applicant household is currently eligible for one of
21 the programs that confers eligibility for the federal Lifeline
22 Program. The application must be signed by the applicant,
23 certifying, under penalty of perjury, that the information
24 provided by the applicant is true.

25 (b) Each local service provider shall annually mail a
26 notice of the availability of the telephone assistance plan to
27 each residential subscriber in a regular billing and shall mail
28 the application form to customers when requested.

29 The notice must state the following:

30 YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE
31 BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE
32 PROGRAMS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE
33 CONTACT

34 (c) An application may be made by the subscriber, the
35 subscriber's spouse, or a person authorized by the subscriber to
36 act on the subscriber's behalf. On completing the application

1 certifying that the statutory criteria for eligibility are
2 satisfied, the applicant must return the application to the
3 subscriber's local service provider. On receiving a completed
4 application from an applicant, the subscriber's local service
5 provider shall provide telephone assistance plan credits against
6 monthly charges in the earliest possible month following receipt
7 of the application. The applicant must receive telephone
8 assistance plan credits until the earliest possible month
9 following the service provider's receipt of information that the
10 applicant is ineligible.

11 If the telephone assistance plan credit is not itemized on the
12 subscriber's monthly charges bill for local telephone service,
13 the local service provider must notify the subscriber of the
14 approval for the telephone assistance plan credit.

15 (d) The commission shall serve as the coordinator of the
16 telephone assistance plan and be reimbursed for its
17 administrative expenses from the surcharge revenue pool. As the
18 coordinator, the commission shall:

19 (1) establish a uniform statewide surcharge in accordance
20 with subdivision 6;

21 (2) establish a uniform statewide level of telephone
22 assistance plan credit that each local service provider shall
23 extend to each eligible household in its service area;

24 (3) require each local service provider to account to the
25 commission on a periodic basis for surcharge revenues collected
26 by the provider, expenses incurred by the provider, not to
27 include expenses of collecting surcharges, and credits extended
28 by the provider under the telephone assistance plan;

29 (4) require each local service provider to remit surcharge
30 revenues to the Department of ~~Administration~~ Public Safety for
31 deposit in the fund; and

32 (5) remit to each local service provider from the surcharge
33 revenue pool the amount necessary to compensate the provider for
34 expenses, not including expenses of collecting the surcharges,
35 and telephone assistance plan credits. When it appears that the
36 revenue generated by the maximum surcharge permitted under

1 subdivision 6 will be inadequate to fund any particular
2 established level of telephone assistance plan credits, the
3 commission shall reduce the credits to a level that can be
4 adequately funded by the maximum surcharge. Similarly, the
5 commission may increase the level of the telephone assistance
6 plan credit that is available or reduce the surcharge to a level
7 and for a period of time that will prevent an unreasonable
8 overcollection of surcharge revenues.

9 (e) Each local service provider shall maintain adequate
10 records of surcharge revenues, expenses, and credits related to
11 the telephone assistance plan and shall, as part of its annual
12 report or separately, provide the commission and the Department
13 of Commerce with a financial report of its experience under the
14 telephone assistance plan for the previous year. That report
15 must also be adequate to satisfy the reporting requirements of
16 the federal matching plan.

17 (f) The Department of Commerce shall investigate complaints
18 against local service providers with regard to the telephone
19 assistance plan and shall report the results of its
20 investigation to the commission.

21 Sec. 45. Minnesota Statutes 2004, section 403.02,
22 subdivision 7, is amended to read:

23 Subd. 7. [AUTOMATIC LOCATION IDENTIFICATION.] "Automatic
24 location identification" means the process of electronically
25 identifying and displaying ~~on-a-special-viewing-screen~~ the name
26 of the subscriber and the location, where available, of the
27 calling telephone number to a person answering a 911 emergency
28 call.

29 Sec. 46. Minnesota Statutes 2004, section 403.02,
30 subdivision 13, is amended to read:

31 Subd. 13. [ENHANCED 911 SERVICE.] "Enhanced 911 service"
32 means the use of ~~selective-routing~~, automatic location
33 identification, or local location identification as part of
34 local 911 service provided by an enhanced 911 system consisting
35 of a common 911 network and database and customer data and
36 network components connecting to the common 911 network and

1 database.

2 Sec. 47. Minnesota Statutes 2004, section 403.02,
3 subdivision 17, is amended to read:

4 Subd. 17. [911 SERVICE.] "911 service" means a
5 telecommunications service that automatically connects a person
6 dialing the digits 911 to an established public safety answering
7 point. 911 service includes:

8 (1) ~~equipment-for-connecting-and-outswitching-911-calls~~
9 ~~within-a-telephone-central-office,-trunking-facilities-from-the~~
10 ~~central-office-to-a-public-safety-answering-point~~ customer data
11 and network components connecting to the common 911 network and
12 database;

13 (2) common 911 network and database equipment, as
14 appropriate, for automatically selectively routing 911 calls in
15 ~~situations-where-one-telephone-central-office-serves-more-than~~
16 ~~one~~ to the public safety answering point serving the caller's
17 jurisdiction; and

18 (3) provision of automatic location identification if the
19 public safety answering point has the capability of providing
20 that service.

21 Sec. 48. Minnesota Statutes 2004, section 403.02, is
22 amended by adding a subdivision to read:

23 Subd. 17a. [911 EMERGENCY TELECOMMUNICATIONS SERVICE
24 PROVIDER.] "911 emergency telecommunications service provider"
25 means a telecommunications service provider or other entity,
26 determined by the commissioner to be capable of providing
27 effective and efficient components of the 911 system, that
28 provides all or portions of the network and database for
29 automatically selectively routing 911 calls to the public safety
30 answering point serving the caller's jurisdiction.

31 Sec. 49. Minnesota Statutes 2004, section 403.025,
32 subdivision 3, is amended to read:

33 Subd. 3. [~~WIRE-LINE~~ CONNECTED TELECOMMUNICATIONS SERVICE
34 PROVIDER REQUIREMENTS.] Every owner and operator of a
35 wire-line or wireless circuit switched or packet-based
36 telecommunications system connected to the public switched

1 telephone network shall design and maintain the system to dial
2 the 911 number without charge to the caller.

3 Sec. 50. Minnesota Statutes 2004, section 403.025,
4 subdivision 7, is amended to read:

5 Subd. 7. [CONTRACTUAL REQUIREMENTS.] (a) The state,
6 together with the county or other governmental agencies
7 operating public safety answering points, shall contract with
8 the appropriate wire-line telecommunications service
9 providers or other entities determined by the commissioner to be
10 capable of providing effective and efficient components of the
11 911 system for the operation, maintenance, enhancement, and
12 expansion of the 911 system.

13 (b) The state shall contract with the appropriate wireless
14 telecommunications service providers for maintaining, enhancing,
15 and expanding the 911 system.

16 (c) The contract language or subsequent amendments to the
17 contract must include a description of the services to be
18 furnished ~~by-wireless-and-wire-line-telecommunications-service~~
19 ~~providers~~ to the county or other governmental agencies operating
20 public safety answering points, ~~as-well-as-compensation-based-on~~
21 ~~the-effective-tariff-or-price-list-approved-by-the-Public~~
22 ~~Utilities-Commission~~. The contract language or subsequent
23 amendments must include the terms of compensation based on the
24 effective tariff or price list filed with the Public Utilities
25 Commission or the prices agreed to by the parties.

26 (d) The contract language or subsequent amendments to
27 contracts between the parties must contain a provision for
28 resolving disputes.

29 Sec. 51. Minnesota Statutes 2004, section 403.05,
30 subdivision 3, is amended to read:

31 Subd. 3. [AGREEMENTS FOR SERVICE.] Each county and any
32 other governmental agency shall contract with the state and
33 wire-line telecommunications service providers or other entities
34 determined by the commissioner to be capable of providing
35 effective and efficient components of the 911 system for the
36 recurring and nonrecurring costs associated with operating and

1 maintaining 911 emergency communications systems.

2 Sec. 52. Minnesota Statutes 2004, section 403.07,
3 subdivision 3, is amended to read:

4 Subd. 3. [DATABASE.] In 911 systems that have been
5 approved by the commissioner for a local location identification
6 database, each wire-line telecommunications service provider
7 shall provide current customer names, service addresses, and
8 telephone numbers to each public safety answering point within
9 the 911 system and shall update the information according to a
10 schedule prescribed by the county 911 plan. Information
11 provided under this subdivision must be provided in accordance
12 with the transactional record disclosure requirements of the
13 federal Electronic Communications Privacy Act of 1986 1932,
14 United States Code, title ~~18~~ 47, section ~~2703~~ 222,
15 subsection ~~(e)~~, paragraph ~~(1)~~, subparagraph ~~(B)(iv)~~ (g).

16 Sec. 53. Minnesota Statutes 2004, section 403.08,
17 subdivision 10, is amended to read:

18 Subd. 10. [PLAN INTEGRATION.] Counties shall incorporate
19 the statewide design when modifying county 911 plans to provide
20 for integrating wireless 911 service into existing county 911
21 systems. The commissioner shall contract with the involved
22 wireless service providers and 911 emergency telecommunications
23 service providers to integrate cellular and other wireless
24 services into existing 911 systems where feasible.

25 Sec. 54. Minnesota Statutes 2004, section 403.11,
26 subdivision 1, is amended to read:

27 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE;
28 ACCOUNT.] (a) Each customer of a wireless or wire-line switched
29 or packet-based telecommunications service provider connected to
30 the public switched telephone network that furnishes service
31 capable of originating a 911 emergency telephone call is
32 assessed a fee based upon the number of wired or wireless
33 telephone lines, or their equivalent, to cover the costs of
34 ongoing maintenance and related improvements for trunking and
35 central office switching equipment for 911 emergency
36 telecommunications service, plus administrative and staffing

1 costs of the commissioner related to managing the 911 emergency
2 telecommunications service program. Recurring charges by a
3 wire-line telecommunications service provider for updating the
4 information required by section 403.07, subdivision 3, must be
5 paid by the commissioner if the wire-line telecommunications
6 service provider is included in an approved 911 plan and the
7 charges are made pursuant to ~~tariff, price-list, or~~ contract.
8 The fee assessed under this section must also be used for the
9 purpose of offsetting the costs, including administrative and
10 staffing costs, incurred by the State Patrol Division of the
11 Department of Public Safety in handling 911 emergency calls made
12 from wireless phones.

13 (b) Money remaining in the 911 emergency telecommunications
14 service account after all other obligations are paid must not
15 cancel and is carried forward to subsequent years and may be
16 appropriated from time to time to the commissioner to provide
17 financial assistance to counties for the improvement of local
18 emergency telecommunications services. The improvements may
19 include providing access to 911 service for telecommunications
20 service subscribers currently without access and upgrading
21 existing 911 service to include automatic number identification,
22 local location identification, automatic location
23 identification, and other improvements specified in revised
24 county 911 plans approved by the commissioner.

25 (c) The fee may not be less than eight cents nor more than
26 ~~40~~ 65 cents a month for each customer access line or other basic
27 access service, including trunk equivalents as designated by the
28 Public Utilities Commission for access charge purposes and
29 including wireless telecommunications services. With the
30 approval of the commissioner of finance, the commissioner of
31 public safety shall establish the amount of the fee within the
32 limits specified and inform the companies and carriers of the
33 amount to be collected. When the revenue bonds authorized under
34 section 403.27, subdivision 1, have been fully paid or defeased,
35 the commissioner shall reduce the fee to reflect that debt
36 service on the bonds is no longer needed. The commissioner

1 shall provide companies and carriers a minimum of 45 days'
2 notice of each fee change. The fee must be the same for all
3 customers.

4 (d) The fee must be collected by each wireless or wire-line
5 telecommunications service provider subject to the fee. Fees
6 are payable to and must be submitted to the commissioner monthly
7 before the 25th of each month following the month of collection,
8 except that fees may be submitted quarterly if less than \$250 a
9 month is due, or annually if less than \$25 a month is due.
10 Receipts must be deposited in the state treasury and credited to
11 a 911 emergency telecommunications service account in the
12 special revenue fund. The money in the account may only be used
13 for 911 telecommunications services.

14 (e) This subdivision does not apply to customers of
15 interexchange carriers.

16 (f) The installation and recurring charges for integrating
17 wireless 911 calls into enhanced 911 systems must be paid by the
18 commissioner if the 911 service provider is included in the
19 statewide design plan and the charges are made pursuant to
20 ~~tariff, price list, or~~ contract.

21 (g) Notwithstanding any provision of this chapter to the
22 contrary, the commissioner need not contract for or agree to pay
23 for any services that a wire-line or wireless telecommunication
24 service provider is required by federal law or federal
25 regulation to provide.

26 Sec. 55. Minnesota Statutes 2004, section 403.11,
27 subdivision 3, is amended to read:

28 Subd. 3. [METHOD OF PAYMENT.] (a) Any wireless or
29 wire-line telecommunications service provider incurring
30 reimbursable costs under subdivision 1 shall submit an invoice
31 itemizing rate elements by county or service area to the
32 commissioner for 911 services furnished under ~~tariff, price~~
33 ~~list, or~~ contract. Any wireless or wire-line telecommunications
34 service provider is eligible to receive payment for 911 services
35 rendered according to the terms and conditions specified in the
36 contract. Competitive local exchange carriers holding

1 certificates of authority from the Public Utilities Commission
2 are eligible to receive payment for recurring 911 services
3 provided after July 1, 2001. The commissioner shall pay the
4 invoice within 30 days following receipt of the invoice unless
5 the commissioner notifies the service provider that the
6 commissioner disputes the invoice.

7 (b) The commissioner shall estimate the amount required to
8 reimburse 911 emergency telecommunications service providers and
9 wireless and wire-line telecommunications service providers for
10 the state's obligations under subdivision 1 and the governor
11 shall include the estimated amount in the biennial budget
12 request.

13 Sec. 56. Minnesota Statutes 2004, section 403.11,
14 subdivision 3a, is amended to read:

15 Subd. 3a. [TIMELY CERTIFICATION.] A certification must be
16 submitted to the commissioner no later than two-years one year
17 after commencing a new or additional eligible 911 service. Any
18 ~~wireless-or-wire-line-telecommunications-service-provider~~
19 ~~incurring-reimbursable-costs-under-this-section-at-any-time~~
20 ~~before-January-17-2003-may-certify-these-costs-for-payment-to~~
21 ~~the-commissioner-according-to-this-section-for-a-period-of-90~~
22 ~~days-after-January-17-2003--During-this-period-the~~
23 ~~commissioner-shall-reimburse-any-wireless-or-wire-line~~
24 ~~telecommunications-service-provider-for-approved-certified~~
25 ~~costs-without-regard-to-any-contrary-provision-of-this~~
26 subdivision Each applicable contract must provide that, if
27 certified expenses under the contract deviate from estimates in
28 the contract by more than ten percent, the commissioner may
29 reduce the level of service without incurring any termination
30 fees.

31 Sec. 57. Minnesota Statutes 2004, section 403.113,
32 subdivision 1, is amended to read:

33 Subdivision 1. [FEE.] (a) Each customer receiving service
34 from a wireless or wire-line switched or packet-based
35 telecommunications service provider connected to the public
36 telephone network that furnishes service capable of originating

1 a 911 emergency telephone call is assessed a fee to fund
2 implementation, operation, maintenance, enhancement, and
3 expansion of enhanced 911 service, including acquisition of
4 necessary equipment and the costs of the commissioner to
5 administer the program. The actual fee assessed under section
6 403.11 and the enhanced 911 service fee must be collected as one
7 amount and may not exceed the amount specified in section
8 403.11, subdivision 1, paragraph (c).

9 (b) The enhanced 911 service fee must be collected and
10 deposited in the same manner as the fee in section 403.11 and
11 used solely for the purposes of paragraph (a) and subdivision 3.

12 (c) The commissioner, in consultation with counties and 911
13 system users, shall determine the amount of the enhanced 911
14 service fee. ~~The fee must include at least ten cents per month~~
15 ~~to be distributed under subdivision 2.~~ The commissioner shall
16 inform wireless and wire-line telecommunications service
17 providers that provide service capable of originating a 911
18 emergency telephone call of the total amount of the 911 service
19 fees in the same manner as provided in section 403.11.

20 Sec. 58. Minnesota Statutes 2004, section 403.27,
21 subdivision 1, is amended to read:

22 Subdivision 1. [AUTHORIZATION.] {a} After consulting with
23 the commissioner of finance, the council, if requested by a vote
24 of at least two-thirds of all of the members of the Metropolitan
25 Radio Board, may, by resolution, authorize the issuance of its
26 revenue bonds for any of the following purposes to:

27 (1) provide funds for regionwide mutual aid and emergency
28 medical services communications;

29 (2) provide funds for the elements of the first phase of
30 the regionwide public safety radio communication system that the
31 board determines are of regionwide benefit and support mutual
32 aid and emergency medical services communication including, but
33 not limited to, costs of master controllers of the backbone;

34 (3) provide money for the second phase of the public safety
35 radio communication system;

36 (4) to the extent money is available after meeting the

1 needs described in clauses (1) to (3), provide money to
2 reimburse local units of government for amounts expended for
3 capital improvements to the first phase system previously paid
4 for by the local government units; or

5 (5) refund bonds issued under this section.

6 ~~(b) After consulting with the commissioner of finance, the~~
7 ~~council, if requested by a vote of at least two-thirds of all of~~
8 ~~the members of the Statewide Radio Board, may, by resolution,~~
9 ~~authorize the issuance of its revenue bonds to provide money for~~
10 ~~the third phase of the public safety radio communication system.~~

11 Sec. 59. Minnesota Statutes 2004, section 403.27,
12 subdivision 3, is amended to read:

13 Subd. 3. [LIMITATIONS.] (a) The principal amount of the
14 bonds issued pursuant to subdivision 1, exclusive of any
15 original issue discount, shall not exceed the amount of
16 \$10,000,000 plus the amount the council determines necessary to
17 pay the costs of issuance, fund reserves, debt service, and pay
18 for any bond insurance or other credit enhancement.

19 (b) In addition to the amount authorized under paragraph
20 (a), the council may issue bonds under subdivision 1 in a
21 principal amount of \$3,306,300, plus the amount the council
22 determines necessary to pay the cost of issuance, fund reserves,
23 debt service, and any bond insurance or other credit
24 enhancement. The proceeds of bonds issued under this paragraph
25 may not be used to finance portable or subscriber radio sets.

26 ~~(c) In addition to the amount authorized under paragraphs~~
27 ~~(a) and (b), the council may issue bonds under subdivision 1 in~~
28 ~~a principal amount of \$18,000,000, plus the amount the council~~
29 ~~determines necessary to pay the costs of issuance, fund~~
30 ~~reserves, debt service, and any bond insurance or other credit~~
31 ~~enhancement. The proceeds of bonds issued under this paragraph~~
32 ~~must be used to pay up to 50 percent of the cost to a local~~
33 ~~government unit of building a subsystem and may not be used to~~
34 ~~finance portable or subscriber radio sets. The bond proceeds~~
35 ~~may be used to make improvements to an existing 800-MHz radio~~
36 ~~system that will interoperate with the regionwide public safety~~

1 ~~radio-communication-system, provided that the improvements~~
 2 ~~conform to the board's plan and technical standards. The~~
 3 ~~council must time the sale and issuance of the bonds so that the~~
 4 ~~debt service on the bonds can be covered by the additional~~
 5 ~~revenue that will become available in the fiscal year ending~~
 6 ~~June 30, 2005, generated under section 403.11 and appropriated~~
 7 ~~under section 403.30.~~

8 ~~(d) In addition to the amount authorized under paragraphs~~
 9 ~~(a) to (c), the council may issue bonds under subdivision 1 in a~~
 10 ~~principal amount of up to \$27,000,000, plus the amount the~~
 11 ~~council determines necessary to pay the costs of issuance, fund~~
 12 ~~reserves, debt service, and any bond insurance or other credit~~
 13 ~~enhancement. The proceeds of bonds issued under this paragraph~~
 14 ~~are appropriated to the commissioner of public safety for phase~~
 15 ~~three of the public safety radio communication system. In~~
 16 ~~anticipation of the receipt by the commissioner of public safety~~
 17 ~~of the bond proceeds, the Metropolitan Radio Board may advance~~
 18 ~~money from its operating appropriation to the commissioner of~~
 19 ~~public safety to pay for design and preliminary engineering for~~
 20 ~~phase three. The commissioner of public safety must return~~
 21 ~~these amounts to the Metropolitan Radio Board when the bond~~
 22 ~~proceeds are received.~~

23 Sec. 60. [403.275] [STATE 911 REVENUE BONDS.]

24 Subdivision 1. [BONDING AUTHORITY.] (a) The commissioner
 25 of finance, if requested by a vote of at least two-thirds of all
 26 the members of the Statewide Radio Board, shall sell and issue
 27 state revenue bonds for the following purposes:

28 (1) to pay the costs of the statewide public safety radio
 29 communication system that the board determines are of regional
 30 or statewide benefit and support mutual aid and emergency
 31 medical services communication, including, but not limited to,
 32 costs of master controllers of the backbone;

33 (2) to pay the costs of issuance, debt service, and bond
 34 insurance or other credit enhancements, and to fund reserves;
 35 and

36 (3) to refund bonds issued under this section.

1 (b) The amount of bonds that may be issued for the purposes
2 of clause (1) will be set from time to time by law; the amount
3 of bonds that may be issued for the purposes of clauses (2) and
4 (3) is not limited.

5 (c) The bond proceeds may be used to to pay up to 50
6 percent of the cost to a local government unit of building a
7 subsystem. The bond proceeds may be used to make improvements
8 to an existing 800 MHz radio system that will interoperate with
9 the regionwide public safety radio communication system,
10 provided that the improvements conform to the board's plan and
11 technical standards. The bond proceeds may not be used to pay
12 for portable or subscriber radio sets.

13 Subd. 2. [PROCEDURE.] (a) The commissioner may sell and
14 issue the bonds on the terms and conditions the commissioner
15 determines to be in the best interests of the state. The bonds
16 may be sold at public or private sale. The commissioner may
17 enter any agreements or pledges the commissioner determines
18 necessary or useful to sell the bonds that are not inconsistent
19 with sections 403.21 to 403.40. Sections 16A.672 to 16A.675
20 apply to the bonds. The proceeds of the bonds issued under this
21 section must be credited to a special 911 revenue bond proceeds
22 account in the state treasury.

23 (b) Before the proceeds are received in the 911 revenue
24 bond proceeds account, the commissioner of finance may transfer
25 to the account from the 911 emergency telecommunications service
26 account amounts not exceeding the expected proceeds from the
27 next bond sale. The commissioner of finance shall return these
28 amounts to the 911 emergency telecommunications service account
29 by transferring proceeds when received. The amounts of these
30 transfers are appropriated from the 911 emergency
31 telecommunications service account and from the 911 revenue bond
32 proceeds account.

33 Subd. 3. [REVENUE SOURCES.] The debt service on the bonds
34 is payable only from the following sources:

35 (1) revenue credited to the 911 emergency
36 telecommunications service account from the fee imposed and

1 collected under section 237.491 or 403.11, subdivision 1, or
2 from any other source; and

3 (2) other revenues pledged to the payment of the bonds.

4 Subd. 4. [REFUNDING BONDS.] The commissioner may issue
5 bonds to refund outstanding bonds issued under subdivision 1,
6 including the payment of any redemption premiums on the bonds
7 and any interest accrued or to accrue to the first redemption
8 date after delivery of the refunding bonds. The proceeds of the
9 refunding bonds may, in the discretion of the commissioner, be
10 applied to the purchases or payment at maturity of the bonds to
11 be refunded, or the redemption of the outstanding bonds on the
12 first redemption date after delivery of the refunding bonds and
13 may, until so used, be placed in escrow to be applied to the
14 purchase, retirement, or redemption. Refunding bonds issued
15 under this subdivision must be issued and secured in the manner
16 provided by the commissioner.

17 Subd. 5. [NOT A GENERAL OR MORAL OBLIGATION.] Bonds issued
18 under this section are not public debt, and the full faith,
19 credit, and taxing powers of the state are not pledged for their
20 payment. The bonds may not be paid, directly in whole or in
21 part from a tax of statewide application on any class of
22 property, income, transaction, or privilege. Payment of the
23 bonds is limited to the revenues explicitly authorized to be
24 pledged under this section. The state neither makes nor has a
25 moral obligation to pay the bonds if the pledged revenues and
26 other legal security for them is insufficient.

27 Subd. 6. [TRUSTEE.] The commissioner may contract with and
28 appoint a trustee for bond holders. The trustee has the powers
29 and authority vested in it by the commissioner under the bond
30 and trust indentures.

31 Subd. 7. [PLEDGES.] Any pledge made by the commissioner is
32 valid and binding from the time the pledge is made. The money
33 or property pledged and later received by the commissioner is
34 immediately subject to the lien of the pledge without any
35 physical delivery of the property or money or further act, and
36 the lien of any pledge is valid and binding as against all

1 parties having claims of any kind in tort, contract, or
2 otherwise against the commissioner, whether or not those parties
3 have notice of the lien or pledge. Neither the order nor any
4 other instrument by which a pledge is created need be recorded.

5 Subd. 8. [BONDS; PURCHASE AND CANCELLATION.] The
6 commissioner, subject to agreements with bondholders that may
7 then exist, may, out of any money available for the purpose,
8 purchase bonds of the commissioner at a price not exceeding (1)
9 if the bonds are then redeemable, the redemption price then
10 applicable plus accrued interest to the next interest payment
11 date thereon, or (2) if the bonds are not redeemable, the
12 redemption price applicable on the first date after the purchase
13 upon which the bonds become subject to redemption plus accrued
14 interest to that date.

15 Subd. 9. [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]
16 The state pledges and agrees with the holders of any bonds that
17 the state will not limit or alter the rights vested in the
18 commissioner to fulfill the terms of any agreements made with
19 the bondholders, or in any way impair the rights and remedies of
20 the holders until the bonds, together with interest on them,
21 with interest on any unpaid installments of interest, and all
22 costs and expenses in connection with any action or proceeding
23 by or on behalf of the bondholders, are fully met and
24 discharged. The commissioner may include this pledge and
25 agreement of the state in any agreement with the holders of
26 bonds issued under this section.

27 Sec. 61. Minnesota Statutes 2004, section 403.30,
28 subdivision 1, is amended to read:

29 Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]
30 ~~For each fiscal year beginning with the fiscal year commencing~~
31 ~~July 1, 1997, The amount necessary to pay the following debt~~
32 ~~service costs and reserves for bonds issued by the Metropolitan~~
33 ~~Council under section 403.27 or by the commissioner of finance~~
34 ~~under section 403.275 is appropriated to the commissioner of~~
35 ~~public safety from the 911 emergency telecommunications service~~
36 ~~account established under section 403.11.~~

1 ~~(1)-debt-service-costs-and-reserves-for-bonds-issued~~
2 ~~pursuant-to-section-403.27;~~
3 ~~(2)-repayment-of-the-right-of-way-acquisition-loans;~~
4 ~~(3)-costs-of-design, construction, maintenance-of, and~~
5 ~~improvements-to-those-elements-of-the-first, second, and third~~
6 ~~phases-that-support-mutual-aid-communications-and-emergency~~
7 ~~medical-services;~~
8 ~~(4)-recurring-charges-for-leased-sites-and-equipment-for~~
9 ~~those-elements-of-the-first, second, and third-phases-that~~
10 ~~support-mutual-aid-and-emergency-medical-communication-services;~~
11 ~~or~~
12 ~~(5)-aid-to-local-units-of-government-for-sites-and~~
13 ~~equipment-in-support-of-mutual-aid-and-emergency-medical~~
14 ~~communications-services~~ to the commissioner of finance. The
15 commissioner of finance shall transmit the necessary amounts to
16 the Metropolitan Council as requested by the council.

17 This appropriation shall be used to pay annual debt service
18 costs and reserves for bonds issued pursuant to section
19 403.27 or 403.275 prior to use of fee money to pay other
20 costs ~~eligible-under-this-subdivision.---In-no-event-shall-the~~
21 ~~appropriation-for-each-fiscal-year-exceed-an-amount-equal-to~~
22 ~~four-cents-a-month-for-each-customer-access-line-or-other-basic~~
23 ~~access-service, including-trunk-equivalents-as-designated-by-the~~
24 ~~Public-Utilities-Commission-for-access-charge-purposes-and~~
25 ~~including-cellular-and-other-nonwire-access-services, in-the~~
26 ~~fiscal-year.---Beginning-July-1, 2004, this-amount-will-increase~~
27 ~~to-13-cents-a-month~~ or to support other appropriations.

28 Sec. 62. [REPEALER.]

29 Minnesota Statutes 2004, section 403.30, subdivision 3, is
30 repealed.

31 Sec. 63. [EFFECTIVE DATE.]

32 This article is effective the day following final enactment
33 and applies to contracts entered into on or after that date.

ARTICLE 9

MISCELLANEOUS PROVISIONS

36 Section 1. Minnesota Statutes 2004, section 171.06, is

1 amended by adding a subdivision to read:

2 Subd. 2c. [\$1 SURCHARGE.] In addition to the fees required
3 in subdivision 2, the commissioner shall impose and deposit into
4 the general fund a \$1 surcharge on every license or
5 identification card issued under this section.

6 [EFFECTIVE DATE.] This section is effective July 1, 2005.

7 Sec. 2. Minnesota Statutes 2004, section 171.20,
8 subdivision 4, is amended to read:

9 Subd. 4. [REINSTATEMENT FEE.] (a) Before the license is
10 reinstated, (1) a person whose driver's license has been
11 suspended under section 171.16, subdivision subdivisions 2 and
12 3; 171.187-except-subdivision-17-clause-(10); or 171.182, or who
13 has been disqualified from holding a commercial driver's license
14 under section 171.165, and (2) a person whose driver's license
15 has been suspended under section 171.186 and who is not exempt
16 from such a fee, must pay a fee of \$20.

17 (b) Before the license is reinstated, a person whose
18 license has been suspended under sections 169.791 to 169.798
19 must pay a \$20 reinstatement fee.

20 (c) When fees are collected by a licensing agent appointed
21 under section 171.061, a handling charge is imposed in the
22 amount specified under section 171.061, subdivision 4. The
23 reinstatement fee and surcharge must be deposited in an approved
24 state depository as directed under section 171.061, subdivision
25 4.

26 (d) Reinstatement fees collected under paragraph (a) for
27 suspensions under sections 171.16, subdivision 3, and 171.18,
28 subdivision 1, clause (10), shall be deposited in the special
29 revenue fund and are appropriated to the Peace Officer Standards
30 and Training Board for peace officer training reimbursement to
31 local units of government.

32 (e) A suspension may be rescinded without fee for good
33 cause.

34 [EFFECTIVE DATE.] This section is effective July 1, 2005.

5 Sec. 3. Minnesota Statutes 2004, section 171.26, is
36 amended to read:

1 171.26 [MONEY CREDITED TO FUNDS.]

2 All money received under this chapter must be paid into the
3 state treasury and credited to the trunk highway fund, except as
4 provided in sections 171.06, subdivision 2a; 171.07, subdivision
5 11, paragraph (g); 171.12, subdivision 8; 171.20, subdivision 4,
6 paragraph (d); and 171.29, subdivision 2, paragraph (b).

7 [EFFECTIVE DATE.] This section is effective July 1, 2005.

8 Sec. 4. Minnesota Statutes 2004, section 244.09,
9 subdivision 11, is amended to read:

10 Subd. 11. [MODIFICATION.] The commission shall meet as
11 necessary for the purpose of modifying and improving the
12 guidelines. Any modification which amends the Sentencing
13 Guidelines grid, including severity levels and criminal history
14 scores, or which would result in the reduction of any sentence
15 or in the early release of any inmate, with the exception of a
16 modification mandated or authorized by the legislature or
17 relating to a crime created or amended by the legislature in the
18 preceding session, shall be submitted to the legislature by
19 January ± 15 of any year in which the commission wishes to make
20 the change and shall be effective on August 1 of that year,
21 unless the legislature by law provides otherwise. All other
22 modifications shall take effect according to the procedural
23 rules of the commission. On or before January ± 15 of each
24 year, the commission shall submit a written report to the
25 committees of the senate and the house of representatives with
26 jurisdiction over criminal justice policy that identifies and
27 explains all modifications made during the preceding 12 months
28 and all proposed modifications that are being submitted to the
29 legislature that year.

30 [EFFECTIVE DATE.] This section is effective August 1, 2005,
31 and applies to reports submitted on or after that date.

32 Sec. 5. Minnesota Statutes 2004, section 244.18,
33 subdivision 2, is amended to read:

34 Subd. 2. [LOCAL CORRECTIONAL FEES.] A local correctional
35 agency may establish a schedule of local correctional fees to
36 charge persons ~~convicted-of-a-crime-and~~ under the supervision

1 and control of the local correctional agency to defray costs
 2 associated with correctional services. The local correctional
 3 fees on the schedule must be reasonably related to defendants'
 4 abilities to pay and the actual cost of correctional services.

5 [EFFECTIVE DATE.] This section is effective July 1, 2005.

6 Sec. 6. Minnesota Statutes 2004, section 253B.08,
 7 subdivision 1, is amended to read:

8 Subdivision 1. [TIME FOR COMMITMENT HEARING.] The hearing
 9 on the commitment petition shall be held within 14 days from the
 10 date of the filing of the petition, except that the hearing on a
 11 commitment petition pursuant to section 253B.185 shall be held
 12 within 90 days from the date of the filing of the petition. For
 13 good cause shown, the court may extend the time of hearing up to
 14 an additional 30 days. The proceeding shall be dismissed if the
 15 proposed patient has not had a hearing on a commitment petition
 16 within the allowed time. The proposed patient, or the head of
 17 the treatment facility in which the person is held, may demand
 18 in writing at any time that the hearing be held immediately.
 19 Unless the hearing is held within five days of the date of the
 20 demand, exclusive of Saturdays, Sundays and legal holidays, the
 21 petition shall be automatically discharged if the patient is
 22 being held in a treatment facility pursuant to court order. For
 23 good cause shown, the court may extend the time of hearing on
 24 the demand for an additional ten days.

25 [EFFECTIVE DATE.] This section is effective July 1, 2005.

26 Sec. 7. Minnesota Statutes 2004, section 297G.03,
 27 subdivision 1, is amended to read:

28 Subdivision 1. [GENERAL RATE; DISTILLED SPIRITS AND WINE.]
 29 The following excise tax is imposed on all distilled spirits and
 30 wine manufactured, imported, sold, or possessed in this state:

	Standard	Metric
31 (a) Distilled spirits,	\$5.00 <u>\$6.30</u>	\$1.33 <u>\$1.67</u>
32 liqueurs, cordials,	per gallon	per liter
33 and specialties regardless		
34 of alcohol content		
35 (excluding ethyl alcohol)		

1	(b) Wine containing	\$-.30 <u>\$.51</u>	\$-.08 <u>\$.14</u>
2	14 percent or less	per gallon	per liter
3	alcohol by volume		
4	(except cider as defined		
5	in section 297G.01,		
6	subdivision 3a)		
7	(c) Wine containing	\$-.95 <u>\$1.16</u>	\$-.25 <u>\$.31</u>
8	more than 14 percent	per gallon	per liter
9	but not more than 21		
10	percent alcohol by volume		
11	(d) Wine containing more	\$1.82 <u>\$2.03</u>	\$-.48 <u>\$.54</u>
12	than 21 percent but not	per gallon	per liter
13	more than 24 percent		
14	alcohol by volume		
15	(e) Wine containing more	\$3.52 <u>\$3.72</u>	\$-.93 <u>\$.99</u>
16	than 24 percent alcohol	per gallon	per liter
17	by volume		
18	(f) Natural and	\$1.82 <u>\$2.03</u>	\$-.48 <u>\$.54</u>
19	artificial sparkling wines	per gallon	per liter
20	containing alcohol		
21	(g) Cider as defined in	\$-.15 <u>\$.36</u>	\$-.04 <u>\$.10</u>
22	section 297G.01,	per gallon	per liter
23	subdivision 3a		
24	(h) Low alcohol dairy	\$.08 per gallon	\$.02 per liter
25	cocktails		

26 In computing the tax on a package of distilled spirits or
 27 wine, a proportional tax at a like rate on all fractional parts
 28 of a gallon or liter must be paid, except that the tax on a
 29 fractional part of a gallon less than 1/16 of a gallon is the
 30 same as for 1/16 of a gallon.

31 **[EFFECTIVE DATE.]** This section is effective July 1, 2005.

32 Sec. 8. Minnesota Statutes 2004, section 297G.03,
 33 subdivision 2, is amended to read:

34 Subd. 2. **[TAX ON MINIATURES; DISTILLED SPIRITS.]** The tax
 35 on miniatures is ~~14~~ 15 cents per bottle.

36 **[EFFECTIVE DATE.]** This section is effective July 1, 2005.

1 Sec. 9. Minnesota Statutes 2004, section 297G.04,
2 subdivision 1, is amended to read:

3 Subdivision 1. [TAX IMPOSED.] The following excise tax is
4 imposed on all fermented malt beverages that are imported,
5 directly or indirectly sold, or possessed in this state:

6 (1) on fermented malt beverages containing not more than
7 3.2 percent alcohol by weight, ~~\$2.40~~ \$5.69 per 31-gallon barrel;
8 and

9 (2) on fermented malt beverages containing more than 3.2
10 percent alcohol by weight, ~~\$4.60~~ \$7.89 per 31-gallon barrel.

11 For fractions of a 31-gallon barrel, the tax rate is
12 calculated proportionally.

13 [EFFECTIVE DATE.] This section is effective July 1, 2005.

14 Sec. 10. Minnesota Statutes 2004, section 297G.04,
15 subdivision 2, is amended to read:

16 Subd. 2. [TAX CREDIT.] A qualified brewer producing
17 fermented malt beverages is entitled to a tax credit
18 of ~~\$4.60~~ \$7.89 per barrel on 25,000 barrels sold in any fiscal
19 year beginning July 1, regardless of the alcohol content of the
20 product. Qualified brewers may take the credit on the 18th day
21 of each month, but the total credit allowed may not exceed in
22 any fiscal year the lesser of:

23 (1) the liability for tax; or

24 (2) ~~\$115,000~~ \$197,250.

25 For purposes of this subdivision, a "qualified brewer"
26 means a brewer, whether or not located in this state,
27 manufacturing less than 100,000 barrels of fermented malt
28 beverages in the calendar year immediately preceding the
29 calendar year for which the credit under this subdivision is
30 claimed. In determining the number of barrels, all brands or
31 labels of a brewer must be combined. All facilities for the
32 manufacture of fermented malt beverages owned or controlled by
33 the same person, corporation, or other entity must be treated as
34 a single brewer.

35 [EFFECTIVE DATE.] This section is effective July 1, 2005.

36 Sec. 11. Minnesota Statutes 2004, section 299A.38,

1 subdivision 2, is amended to read:

2 Subd. 2. [STATE AND LOCAL REIMBURSEMENT.] Peace officers
3 and heads of local law enforcement agencies who buy vests for
4 the use of peace officer employees may apply to the commissioner
5 for reimbursement of funds spent to buy vests. On approving an
6 application for reimbursement, the commissioner shall pay the
7 applicant an amount equal to the lesser of one-half of the
8 vest's purchase price or ~~\$300~~ \$600, as adjusted according to
9 subdivision 2a. The political subdivision that employs the
10 peace officer shall pay at least the lesser of one-half of the
11 vest's purchase price or ~~\$300~~ \$600, as adjusted according to
12 subdivision 2a. The political subdivision may not deduct or pay
13 its share of the vest's cost from any clothing, maintenance, or
14 similar allowance otherwise provided to the peace officer by the
15 law enforcement agency.

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

18 Sec. 12. Minnesota Statutes 2004, section 299A.38,
19 subdivision 2a, is amended to read:

20 Subd. 2a. [ADJUSTMENT OF REIMBURSEMENT AMOUNT.] On October
21 1, ~~1997~~ 2006, the commissioner of public safety shall adjust
22 the ~~\$300~~ \$600 reimbursement amounts specified in subdivision 2,
23 and in each subsequent year, on October 1, the commissioner
24 shall adjust the reimbursement amount applicable immediately
25 preceding that October 1 date. The adjusted rate must reflect
26 the annual percentage change in the Consumer Price Index for all
27 urban consumers, published by the federal Bureau of Labor
28 Statistics, occurring in the one-year period ending on the
29 preceding June 1.

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

32 Sec. 13. Minnesota Statutes 2004, section 299A.38,
33 subdivision 3, is amended to read:

34 Subd. 3. [ELIGIBILITY REQUIREMENTS.] (a) Only vests that
35 either meet or exceed the requirements of standard 0101.03 of
36 the National Institute of Justice or that meet or exceed the

1 requirements of that standard, except wet armor conditioning,
2 are eligible for reimbursement.

3 (b) Eligibility for reimbursement is limited to vests
4 bought after December 31, 1986, by or for peace officers (1) who
5 did not own a vest meeting the requirements of paragraph (a)
6 before the purchase, or (2) who owned a vest that was at least
7 six five years old.

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

10 Sec. 14. [299A.681] [MINNESOTA FINANCIAL CRIMES OVERSIGHT
11 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;

28 (6) a county attorney, selected by the Minnesota County
29 Attorneys Association;

30 (7) a representative from the United States Postal
31 Inspector's Office, selected by the oversight council;

32 (8) a representative from a not-for-profit retail merchants
33 industry, selected by the oversight council;

34 (9) a representative from a not-for-profit banking and
35 credit union industry, selected by the oversight council;

36 (10) a representative from a not-for-profit association

1 representing senior citizens, selected by the oversight council;
2 (11) the statewide commander of the task force; and
3 (12) two additional members selected by the oversight
4 council.

5 The oversight council may adopt procedures to govern its conduct
6 and shall select a chair from among its members.

7 Subd. 3. [DUTIES.] The oversight council shall develop an
8 overall strategy to ameliorate the harm caused to the public by
9 identity theft and financial crime within Minnesota. The
10 strategy may include the development of protocols and procedures
11 to investigate financial crimes and a structure for best
12 addressing these issues in a multijurisdictional manner.

13 Additionally, the oversight council shall:

14 (1) establish a multijurisdictional statewide Minnesota
15 Financial Crimes Task Force to investigate major financial
16 crimes;

17 (2) select a statewide commander of the task force who
18 serves at the pleasure of the oversight council;

19 (3) assist the Department of Public Safety in developing an
20 objective grant review application process that is free from
21 conflicts of interest;

22 (4) make funding recommendations to the commissioner of
23 public safety on grants to support efforts to combat identity
24 theft and financial crime;

25 (5) assist law enforcement agencies and victims in
26 developing a process to collect and share information to improve
27 the investigation and prosecution of identity theft and
28 financial crime;

29 (6) develop and approve an operational budget for the
30 office of the statewide commander and the oversight council; and

31 (7) enter into any contracts necessary to establish and
32 maintain a relationship with retailers, financial institutions,
33 and other businesses to deal effectively with identity theft and
34 financial crime.

35 The task force described in clause (1) may consist of members
36 from local law enforcement agencies, federal law enforcement

1 agencies, state and federal prosecutors' offices, and
2 representatives from elderly victims, retail, financial
3 institutions, and not-for-profit organizations.

4 Subd. 4. [STATEWIDE COMMANDER.] (a) The Financial Crimes
5 Task Force commander under Minnesota Statutes 2004, section
6 299A.68, shall oversee the transition of that task force into
7 the task force described in subdivision 3 and remain in place as
8 its commander until July 1, 2008. On that date, the
9 commissioner of public safety shall appoint as statewide
10 commander the individual selected by the oversight council under
11 subdivision 3. The commander serves in the unclassified service.

12 (b) The commander shall:

13 (1) coordinate and monitor all multijurisdictional identity
14 theft and financial crime enforcement activities;

15 (2) facilitate local efforts and ensure statewide
16 coordination with efforts to combat identity theft and financial
17 crime;

18 (3) facilitate training for law enforcement and other
19 personnel;

20 (4) monitor compliance with investigative protocols;

21 (5) implement an outcome evaluation and data quality
22 control process;

23 (6) be responsible for the selection and for cause removal
24 of assigned task force investigators who are designated
25 participants under a memorandum of understanding or who receive
26 grant funding;

27 (7) provide supervision of assigned task force
28 investigators;

29 (8) submit a task force operational budget to the oversight
30 council for approval; and

31 (9) submit quarterly task force activity reports to the
32 oversight council.

33 Subd. 5. [PARTICIPATING OFFICERS; EMPLOYMENT STATUS.] All
34 law enforcement officers selected to participate in the task
35 force must be licensed peace officers as defined in section
36 626.84, subdivision 1, or qualified federal law enforcement

1 officers as defined in section 626.8453. Participating officers
2 remain employees of the same entity that employed them before
3 joining any multijurisdictional entity established under this
4 section. Participating officers are not employees of the state.

5 Subd. 6. [JURISDICTION AND POWERS.] Law enforcement
6 officers participating in any multijurisdictional entity
7 established under this section have statewide jurisdiction to
8 conduct criminal investigations and have the same powers of
9 arrest as those possessed by a sheriff. The task force shall
10 retain from its predecessor the assigned originating reporting
11 number for case reporting purposes.

12 Subd. 7. [GRANTS AUTHORIZED.] The commissioner of public
13 safety, upon recommendation of the oversight council, shall make
14 grants to state and local units of government to combat identity
15 theft and financial crime. The commander, as funding permits,
16 may prepare a budget to establish four regional districts and
17 funding grant allocations programs outside the counties of
18 Hennepin, Ramsey, Anoka, Washington, and Dakota. The budget
19 must be reviewed and approved by the oversight council and
20 recommended to the commissioner to support these efforts.

21 Subd. 8. [VICTIMS ASSISTANCE PROGRAM.] (a) The oversight
22 council may establish a victims assistance program to assist
23 victims of economic crimes and provide prevention and awareness
24 programs. The oversight council may retain the services of
25 not-for-profit organizations to assist in the development and
26 delivery systems in aiding victims of financial crime. The
27 program may not provide any financial assistance to victims, but
28 may assist victims in obtaining police assistance and advise
29 victims in how to protect personal accounts and identities.
30 Services may include a victim toll-free telephone number, fax
31 number, Web site, Monday through Friday telephone service,
32 e-mail response, and interfaces to other helpful Web sites.
33 Victims' information compiled are governed under chapter 13.

34 (b) The oversight council may post or communicate through
35 public service announcements in newspapers, radio, television,
36 cable access, billboards, Internet, Web sites, and other normal

1 advertising channels, a financial reward of up to \$2,000 for
2 tips leading to the apprehension and successful prosecution of
3 individuals committing economic crime. All rewards must meet
4 the oversight council's standards. The release of funds must be
5 made to an individual whose information leads to the
6 apprehension and prosecution of offenders committing economic or
7 financial crimes against citizens or businesses in Minnesota.
8 All rewards paid to an individual must be reported to the
9 Department of Revenue along with the individual's Social
10 Security number.

11 Subd. 9. [OVERSIGHT COUNCIL AND TASK FORCE IS PERMANENT.]
12 Notwithstanding section 15.059, this section does not expire.

13 Subd. 10. [FUNDING.] The oversight council may accept
14 lawful grants and in-kind contributions from any federal source
15 or legal business or individual not funded by this section for
16 general operation support, including personnel costs. These
17 grants or in-kind contributions are not to be directed toward
18 the case of a particular victim or business. The oversight
19 council's fiscal agent shall handle all funds approved by the
20 oversight council, including in-kind contributions.

21 Subd. 11. [FORFEITURE.] Property seized by the task force
22 is subject to forfeiture pursuant to sections 609.531, 609.5312,
23 609.5313, and 609.5315 if ownership cannot be established. The
24 council shall receive the proceeds from the sale of all property
25 properly seized and forfeited.

26 Subd. 12. [TRANSFER EQUIPMENT FROM CURRENT TASK
27 FORCE.] All equipment possessed by the task force described in
28 Minnesota Statutes 2004, section 299A.68, is transferred to the
29 oversight council for use by the task force described in this
30 section.

31 [EFFECTIVE DATE.] This section is effective July 1, 2005.

32 Sec. 15. Minnesota Statutes 2004, section 299C.65,
33 subdivision 1, is amended to read:

34 Subdivision 1. [MEMBERSHIP, DUTIES.] (a) The Criminal and
35 Juvenile Justice Information Policy Group consists of the
36 commissioner of corrections, the commissioner of public safety,

1 the commissioner of administration, the commissioner of finance,
2 and four members of the judicial branch appointed by the chief
3 justice of the Supreme Court, and the chair and first vice chair
4 of the Criminal and Juvenile Justice Information Task Force.

5 The policy group may appoint additional, nonvoting members as
6 necessary from time to time.

7 (b) The commissioner of public safety is designated as the
8 chair of the policy group. The commissioner and the policy
9 group have overall responsibility for the successful completion
10 of statewide criminal justice information system integration
11 (CrimNet). The policy group may hire ~~a-program-manager~~ an
12 executive director to manage the CrimNet projects and to be
13 responsible for the day-to-day operations of CrimNet. The
14 executive director shall serve at the pleasure of the policy
15 group in unclassified service. The policy group must ensure
16 that generally accepted project management techniques are
17 utilized for each CrimNet project, including:

- 18 (1) clear sponsorship;
- 19 (2) scope management;
- 20 (3) project planning, control, and execution;
- 21 (4) continuous risk assessment and mitigation;
- 22 (5) cost management;
- 23 (6) quality management reviews;
- 24 (7) communications management; and
- 25 (8) proven methodology; and
- 26 (9) education and training.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 [EFFECTIVE DATE.] This section is effective July 1, 2005.

15 Sec. 16. Minnesota Statutes 2004, section 299C.65,
16 subdivision 2, is amended to read:

17 Subd. 2. [REPORT, TASK FORCE.] ~~{a}-The-policy-group-shall~~
18 ~~file-an-annual-report-with-the-governor,-Supreme-Court,-and~~
19 ~~chairs-and-ranking-minority-members-of-the-senate-and-house~~
20 ~~committees-and-divisions-with-jurisdiction-over-criminal-justice~~
21 ~~funding-and-policy-by-December-1-of-each-year.~~

22 ~~{b)-The-report-must-make-recommendations-concerning-any~~
23 ~~legislative-changes-or-appropriations-that-are-needed-to-ensure~~
24 ~~that-the-criminal-justice-information-systems-operate-accurately~~
25 ~~and-efficiently.--To-assist-them-in-developing-their~~

26 ~~recommendations,~~ The policy group shall appoint a task force
27 consisting to assist them in their duties. The task force shall
28 monitor, review, and report to the policy group on

29 CrimNet-related projects and provide oversight to ongoing
30 operations as directed by the policy group. The task force
31 shall consist of its-members-or-their-designees-and the
32 following additional members:

33 (1) ~~the-director-of-the-Office-of-Strategic-and-Long-Range~~
34 ~~Planning,~~

35 ~~{2} two sheriffs recommended by the Minnesota Sheriffs~~
36 ~~Association;~~

1 {3} (2) two police chiefs recommended by the Minnesota
2 Chiefs of Police Association;

3 {4} (3) two county attorneys recommended by the Minnesota
4 County Attorneys Association;

5 {5} (4) two city attorneys recommended by the Minnesota
6 League of Cities;

7 {6} (5) two public defenders appointed by the Board of
8 Public Defense;

9 {7} (6) two district judges appointed by the Conference of
10 Chief Judges, one of whom is currently assigned to the juvenile
11 court;

12 {8} (7) two community corrections administrators
13 recommended by the Minnesota Association of Counties, one of
14 whom represents a community corrections act county;

15 {9} (8) two probation officers;

16 {10} (9) four public members, one of whom has been a victim
17 of crime, and two who are representatives of the private
18 business community who have expertise in integrated information
19 systems;

20 {11} (10) two court administrators;

21 {12} (11) one member of the house of representatives
22 appointed by the speaker of the house;

23 {13} (12) one member of the senate appointed by the
24 majority leader;

25 {14} (13) the attorney general or a designee;

26 ~~{15} the commissioner of administration or a designee;~~

27 {16} (14) an individual recommended by the Minnesota League
28 of Cities; and

29 {17} (15) an individual recommended by the Minnesota
30 Association of Counties;

31 (16) the director of the Sentencing Guidelines Commission;

32 (17) one member appointed by the commissioner of public
33 safety;

34 (18) one member appointed by the commissioner of
35 corrections;

36 (19) one member appointed by the commissioner of

1 administration; and

2 (20) one member appointed by the chief justice of the
3 Supreme Court.

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

7 ~~(e)~~ The commissioner of public safety may appoint
8 additional, nonvoting members to the task force as necessary
9 from time to time.

10 [EFFECTIVE DATE.] This section is effective July 1, 2005.

11 Sec. 17. Minnesota Statutes 2004, section 299C.65, is
12 amended by adding a subdivision to read:

13 Subd. 3a. [REPORT.] The policy group, with the assistance
14 of the task force, shall file an annual report with the
15 governor, Supreme Court, and chairs and ranking minority members
16 of the senate and house committees and divisions with
17 jurisdiction over criminal justice funding and policy by January
18 15 of each year. The report must provide the following:

19 (a) status and review of current integration efforts and
20 projects;

21 (b) recommendations concerning any legislative changes or
22 appropriations that are needed to ensure that the criminal
23 justice information systems operate accurately and efficiently;
24 and

25 (c) summary of the activities of the policy group and task
26 force.

27 [EFFECTIVE DATE.] This section is effective July 1, 2005.

28 Sec. 18. Minnesota Statutes 2004, section 299C.65,
29 subdivision 5, is amended to read:

30 Subd. 5. [REVIEW OF FUNDING AND GRANT REQUESTS.] (a) The
31 Criminal and Juvenile Justice Information Policy Group shall
32 review the funding requests for criminal justice information
33 systems from state, county, and municipal government agencies.
34 The policy group shall review the requests for compatibility to
35 statewide criminal justice information system standards. The
36 review shall be forwarded to the chairs and ranking minority

1 members of the house and senate committees and divisions with
2 jurisdiction over criminal justice funding and policy.

3 ~~(b) The policy-group-shall-also-review-funding-requests-for~~
4 ~~criminal-justice-information-systems-grants-to-be-made-by-the~~
5 ~~commissioner-of-public-safety-as-provided-in-this-section.~~
6 ~~Within-the-limits-of-available-appropriations,-the-commissioner~~
7 ~~of-public-safety-shall-make-grants-for-projects-that-have-been~~
8 ~~approved-by-the-policy-group.~~ CrimNet program office, in
9 consultation with the Criminal and Juvenile Justice Information
10 Task Force and with the approval of the policy group, shall
11 create the requirements for any grant request and determine the
12 integration priorities for the grant period. The CrimNet
13 program office shall also review the requests submitted for
14 compatibility to statewide criminal justice information systems
15 standards.

16 ~~(c) If-a-funding-request-is-for-development-of-a~~
17 ~~comprehensive-criminal-justice-information-integration-plan,-the~~
18 ~~policy-group-shall-ensure-that-the-request-contains-the~~
19 ~~components-specified-in-subdivision-6.-If-a-funding-request-is~~
20 ~~for-implementation-of-a-plan-or-other-criminal-justice~~
21 ~~information-systems-project,-the-policy-group-shall-ensure-that:~~
22 ~~(1)-the-government-agency-has-adopted-a-comprehensive-plan~~
23 ~~that-complies-with-subdivision-6;~~
24 ~~(2)-the-request-contains-the-components-specified-in~~
25 ~~subdivision-7;-and~~
26 ~~(3)-the-request-demonstrates-that-it-is-consistent-with-the~~
27 ~~government-agency's-comprehensive-plan.~~ The task force shall
28 review funding requests for criminal justice information systems
29 grants and make recommendations to the policy group. The policy
30 group shall review the recommendations of the task force and
31 shall make a final recommendation for criminal justice
32 information systems grants to be made by the commissioner of
33 public safety. Within the limits of available state
34 appropriations and federal grants, the commissioner of public
35 safety shall make grants for projects that have been recommended
36 by the policy group.

1 (d) The policy group may approve grants only if the
 2 applicant provides an appropriate share of matching funds as
 3 determined by the policy group to help pay up to one-half of the
 4 costs of the grant request. The matching requirement must be
 5 constant for all counties. The policy group shall adopt
 6 policies concerning the use of in-kind resources to satisfy the
 7 match requirement and the sources from which matching funds may
 8 be obtained. Local operational or technology staffing costs may
 9 be considered as meeting this match requirement. Each grant
 10 recipient shall certify to the policy group that it has not
 11 reduced funds from local, county, federal, or other sources
 12 which, in the absence of the grant, would have been made
 13 available to the grant recipient to improve or integrate
 14 criminal justice technology.

15 (e) All grant recipients shall submit to the CriMNet
 16 program office all requested documentation including grant
 17 status, financial reports, and a final report evaluating how the
 18 grant funds improved the agency's criminal justice integration
 19 priorities. The CriMNet program office shall establish the
 20 recipient's reporting dates at the time funds are awarded.

21 [EFFECTIVE DATE.] This section is effective July 1, 2005.

22 Sec. 19. Minnesota Statutes 2004, section 340A.301,
 23 subdivision 6, is amended to read:

24 Subd. 6. [FEES.] The annual fees for licenses under this
 25 section are as follows:

- | | |
|---|-------------------------------------|
| 26 (a) Manufacturers (except as provided | |
| 27 in clauses (b) and (c)) | \$15,000 <u>\$30,000</u> |
| 28 Duplicates | \$ 3,000 |
| 29 (b) Manufacturers of wines of not more | |
| 30 than 25 percent alcohol by volume | \$ 500 |
| 31 (c) Brewers other than those described | |
| 32 in clauses (d) and (i) | \$ 2,500 <u>4,000</u> |
| 33 (d) Brewers who also hold one or more | |
| 34 retail on-sale licenses and who | |
| 35 manufacture fewer than 3,500 barrels | |
| 36 of malt liquor in a year, at any one | |

1 licensed premises, using only wort produced
2 in Minnesota, the entire
3 production of which is solely
4 for consumption on tap on the
5 licensed premises or for off-sale
6 from that licensed premises.
7 A brewer licensed
8 under this clause must obtain a separate
9 license for each licensed premises where
10 the brewer brews malt liquor. A brewer
11 licensed under this clause may not be
12 licensed as an importer under this chapter \$ 500

13 (e) Wholesalers (except as provided in	
14 clauses (f), (g), and (h))	\$15,000
15 Duplicates	\$ 3,000
16 (f) Wholesalers of wines of not more	
17 than 25 percent alcohol by volume	\$ 27,000 <u>3,750</u>
18 (g) Wholesalers of intoxicating	
19 malt liquor	\$ 600 <u>1,000</u>
20 Duplicates	\$ 25
21 (h) Wholesalers of 3.2 percent	
22 malt liquor	\$ 10
23 (i) Brewers who manufacture fewer than	
24 2,000 barrels of malt liquor in a year	\$ 150

25 If a business licensed under this section is destroyed, or
26 damaged to the extent that it cannot be carried on, or if it
27 ceases because of the death or illness of the licensee, the
28 commissioner may refund the license fee for the balance of the
29 license period to the licensee or to the licensee's estate.

30 **[EFFECTIVE DATE.]** This section is effective July 1, 2005.
31 Sec. 20. Minnesota Statutes 2004, section 340A.302,
32 subdivision 3, is amended to read:
33 Subd. 3. **[FEES.]** Annual fees for licenses under this
34 section, which must accompany the application, are as follows:
35 Importers of distilled spirits, wine,
36 or ethyl alcohol \$420

1 Importers of malt liquor \$800
2 \$1,600

3 If an application is denied, \$100 of the fee shall be
4 retained by the commissioner to cover costs of investigation.

5 [EFFECTIVE DATE.] This section is effective July 1, 2005.

6 Sec. 21. Minnesota Statutes 2004, section 340A.311, is
7 amended to read:

8 340A.311 [BRAND REGISTRATION.]

9 (a) A brand of intoxicating liquor or 3.2 percent malt
10 liquor may not be manufactured, imported into, or sold in the
11 state unless the brand label has been registered with and
12 approved by the commissioner. A brand registration must be
13 renewed every three years in order to remain in effect. The fee
14 for an initial brand registration is ~~\$30~~ \$40. The fee for brand
15 registration renewal is ~~\$20~~ \$30. The brand label of a brand of
16 intoxicating liquor or 3.2 percent malt liquor for which the
17 brand registration has expired, is conclusively deemed abandoned
18 by the manufacturer or importer.

19 (b) In this section "brand" and "brand label" include
20 trademarks and designs used in connection with labels.

21 (c) The label of any brand of wine or intoxicating or
22 nonintoxicating malt beverage may be registered only by the
23 brand owner or authorized agent. No such brand may be imported
24 into the state for sale without the consent of the brand owner
25 or authorized agent. This section does not limit the provisions
26 of section 340A.307.

27 (d) The commissioner shall refuse to register a malt liquor
28 brand label, and shall revoke the registration of a malt liquor
29 brand label already registered, if the brand label states or
30 implies in a false or misleading manner a connection with an
31 actual living or dead American Indian leader. This paragraph
32 does not apply to a brand label registered for the first time in
33 Minnesota before January 1, 1992.

34 [EFFECTIVE DATE.] This section is effective July 1, 2005.

35 Sec. 22. Minnesota Statutes 2004, section 340A.404,
36 subdivision 12, is amended to read:

1 Subd. 12. [CATERER'S PERMIT.] The commissioner may issue a
2 caterer's permit to a restaurant that holds an on-sale
3 intoxicating liquor license issued by any municipality. The
4 holder of a caterer's permit may sell intoxicating liquor as an
5 incidental part of a food service that serves prepared meals at
6 a place other than the premises for which the holder's on-sale
7 intoxicating liquor license is issued.

8 (a) A caterer's permit is auxiliary to the primary on-sale
9 license held by the licensee.

10 (b) The restrictions and regulations which apply to the
11 sale of intoxicating liquor on the licensed premises also apply
12 to the sale under the authority of a caterer's permit, and any
13 act that is prohibited on the licensed premises is also
14 prohibited when the licensee is operating other than on the
15 licensed premises under a caterer's permit.

16 (c) Any act, which if done on the licensed premises would
17 be grounds for cancellation or suspension of the on-sale
18 licensee, is grounds for cancellation of both the on-sale
19 license and the caterer's permit if done when the permittee is
20 operating away from the licensed premises under the authority of
21 the caterer's permit.

22 (d) The permittee shall notify prior to any catered event:

23 (1) the police chief of the city where the event will take
24 place, if the event will take place within the corporate limits
25 of a city; or

26 (2) the county sheriff of the county where the event will
27 take place, if the event will be outside the corporate limits of
28 any city.

29 (e) If the primary license ceases to be valid for any
30 reason, the caterer's permit ceases to be valid.

31 (f) Permits issued under this subdivision are subject to
32 all laws and ordinances governing the sale of intoxicating
33 liquor except those laws and ordinances which by their nature
34 are not applicable.

35 (g) The annual state fee for a caterer's permit
36 is ~~\$200~~ \$300.

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

2 Sec. 23. Minnesota Statutes 2004, section 340A.408,
3 subdivision 4, is amended to read:

4 Subd. 4. [LAKE SUPERIOR, ST. CROIX RIVER, AND MISSISSIPPI
5 RIVER TOUR BOATS; COMMON CARRIERS.] (a) The annual license fee
6 for licensing of Lake Superior, St. Croix River, and Mississippi
7 River tour boats under section 340A.404, subdivision 8, shall be
8 ~~\$1,000~~ \$1,500. The commissioner shall transmit one-half of this
9 fee to the governing body of the city that is the home port of
10 the tour boat or to the county in which the home port is located
11 if the home port is outside a city.

12 (b) The annual license fee for common carriers licensed
13 under section 340A.407 is:

14 (1) \$50 for 3.2 percent malt liquor, and \$20 for a
15 duplicate license; and

16 (2) ~~\$200~~ \$250 for intoxicating liquor, and ~~\$20~~ \$30 for a
17 duplicate license.

18 [EFFECTIVE DATE.] This section is effective July 1, 2005.

19 Sec. 24. Minnesota Statutes 2004, section 340A.414,
20 subdivision 6, is amended to read:

21 Subd. 6. [PERMIT FEES.] The annual fee for issuance of a
22 permit under this section is ~~\$150~~ \$250. The governing body of a
23 city or county where the establishment is located may impose an
24 additional fee of not more than \$300.

25 [EFFECTIVE DATE.] This section is effective July 1, 2005.

26 Sec. 25. Minnesota Statutes 2004, section 340A.504,
27 subdivision 3, is amended to read:

28 Subd. 3. [INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE.] (a)
29 A restaurant, club, bowling center, or hotel with a seating
30 capacity for at least 30 persons and which holds an on-sale
31 intoxicating liquor license may sell intoxicating liquor for
32 consumption on the premises in conjunction with the sale of food
33 between the hours of 12:00 noon on Sundays and 2:00 a.m. on
34 Mondays.

35 (b) The governing body of a municipality may after one
36 public hearing by ordinance permit a restaurant, hotel, bowling

1 center, or club to sell alcoholic beverages for consumption on
2 the premises in conjunction with the sale of food between the
3 hours of 10:00 a.m. on Sundays and 2:00 a.m. on Mondays,
4 provided that the licensee is in conformance with the Minnesota
5 Clean Air Act.

6 (c) An establishment serving intoxicating liquor on Sundays
7 must obtain a Sunday license. The license must be issued by the
8 governing body of the municipality for a period of one year, and
9 the fee for the license may not exceed \$200.

10 (d) A city may issue a Sunday intoxicating liquor license
11 only if authorized to do so by the voters of the city voting on
12 the question at a general or special election. A county may
13 issue a Sunday intoxicating liquor license in a town only if
14 authorized to do so by the voters of the town as provided in
15 paragraph (e). A county may issue a Sunday intoxicating liquor
16 license in unorganized territory only if authorized to do so by
17 the voters of the election precinct that contains the licensed
18 premises, voting on the question at a general or special
19 election.

20 (e) An election conducted in a town on the question of the
21 issuance by the county of Sunday sales licenses to
22 establishments located in the town must be held on the day of
23 the annual election of town officers.

24 (f) Voter approval is not required for licenses issued by
25 the Metropolitan Airports Commission or common carrier licenses
26 issued by the commissioner. Common carriers serving
27 intoxicating liquor on Sunday must obtain a Sunday license from
28 the commissioner at an annual fee of ~~\$50~~ \$75, plus ~~\$20~~ \$30 for
29 each duplicate.

30 **[EFFECTIVE DATE.]** This section is effective July 1, 2005.

31 Sec. 26. Minnesota Statutes 2004, section 340A.504,
32 subdivision 7, is amended to read:

33 Subd. 7. [SALES AFTER 1:00 A.M.; PERMIT FEE.] (a) No
34 licensee may sell intoxicating liquor or 3.2 percent malt liquor
35 on-sale between the hours of 1:00 a.m. and 2:00 a.m. unless the
36 licensee has obtained a permit from the commissioner.

1 Application for the permit must be on a form the commissioner
2 prescribes. Permits are effective for one year from date of
3 issuance. For retailers of intoxicating liquor, the fee for the
4 permit is based on the licensee's gross receipts from on-sales
5 of alcoholic beverages in the 12 months prior to the month in
6 which the permit is issued, and is at the following rates:

- 7 (1) up to \$100,000 in gross receipts, ~~\$200~~ \$300;
8 (2) over \$100,000 but not over \$500,000 in gross receipts,
9 ~~\$500~~ \$750; and
10 (3) over \$500,000 in gross receipts, ~~\$600~~ \$1,000.

11 For a licensed retailer of intoxicating liquor who did not sell
12 intoxicating liquor at on-sale for a full 12 months prior to the
13 month in which the permit is issued, the fee is \$200. For a
14 retailer of 3.2 percent malt liquor, the fee is \$200.

15 (b) The commissioner shall deposit all permit fees received
16 under this subdivision in the alcohol enforcement account in the
17 special revenue fund.

18 (c) Notwithstanding any law to the contrary, the
19 commissioner of revenue may furnish to the commissioner the
20 information necessary to administer and enforce this subdivision.

21 **[EFFECTIVE DATE.]** This section is effective July 1, 2005.

22 Sec. 27. Minnesota Statutes 2004, section 357.021,
23 subdivision 2, is amended to read:

24 Subd. 2. **[FEE AMOUNTS.]** The fees to be charged and
25 collected by the court administrator shall be as follows:

26 (1) In every civil action or proceeding in said court,
27 including any case arising under the tax laws of the state that
28 could be transferred or appealed to the Tax Court, the
29 plaintiff, petitioner, or other moving party shall pay, when the
30 first paper is filed for that party in said action, a fee of
31 ~~\$235~~ \$240.

32 The defendant or other adverse or intervening party, or any
33 one or more of several defendants or other adverse or
34 intervening parties appearing separately from the others, shall
35 pay, when the first paper is filed for that party in said
36 action, a fee of \$235.

1 The party requesting a trial by jury shall pay \$75.

2 The fees above stated shall be the full trial fee
3 chargeable to said parties irrespective of whether trial be to
4 the court alone, to the court and jury, or disposed of without
5 trial, and shall include the entry of judgment in the action,
6 but does not include copies or certified copies of any papers so
7 filed or proceedings under chapter 103E, except the provisions
8 therein as to appeals.

9 (2) Certified copy of any instrument from a civil or
10 criminal proceeding, \$10, and \$5 for an uncertified copy.

11 (3) Issuing a subpoena, \$12 for each name.

12 (4) Filing a motion or response to a motion in civil,
13 family, excluding child support, and guardianship cases, \$55.

14 (5) Issuing an execution and filing the return thereof;
15 issuing a writ of attachment, injunction, habeas corpus,
16 mandamus, quo warranto, certiorari, or other writs not
17 specifically mentioned, \$40.

18 (6) Issuing a transcript of judgment, or for filing and
19 docketing a transcript of judgment from another court, \$30.

20 (7) Filing and entering a satisfaction of judgment, partial
21 satisfaction, or assignment of judgment, \$5.

22 (8) Certificate as to existence or nonexistence of
23 judgments docketed, \$5 for each name certified to.

24 (9) Filing and indexing trade name; or recording basic
25 science certificate; or recording certificate of physicians,
26 osteopaths, chiropractors, veterinarians, or optometrists, \$5.

27 (10) For the filing of each partial, final, or annual
28 account in all trusteeships, \$40.

29 (11) For the deposit of a will, \$20.

30 (12) For recording notary commission, \$100, of which,
31 notwithstanding subdivision 1a, paragraph (b), \$80 must be
32 forwarded to the commissioner of finance to be deposited in the
33 state treasury and credited to the general fund.

34 (13) Filing a motion or response to a motion for
35 modification of child support, a fee fixed by rule or order of
36 the Supreme Court.

1 (14) All other services required by law for which no fee is
2 provided, such fee as compares favorably with those herein
3 provided, or such as may be fixed by rule or order of the court.

4 (15) In addition to any other filing fees under this
5 chapter, a surcharge in the amount of \$75 must be assessed in
6 accordance with section 259.52, subdivision 14, for each
7 adoption petition filed in district court to fund the fathers'
8 adoption registry under section 259.52.

9 The fees in clauses (3) and (5) need not be paid by a
10 public authority or the party the public authority represents.

11 [EFFECTIVE DATE.] This section is effective July 1, 2005.

12 Sec. 28. Minnesota Statutes 2004, section 357.021,
13 subdivision 6, is amended to read:

14 Subd. 6. [SURCHARGES ON CRIMINAL AND TRAFFIC OFFENDERS.]

15 (a) The court shall impose and the court administrator shall
16 collect a ~~\$60~~ \$71 surcharge on every person convicted of any
17 felony, gross misdemeanor, misdemeanor, or petty misdemeanor
18 offense, other than a violation of a law or ordinance relating
19 to vehicle parking, for which there shall be a \$3 surcharge. In
20 the Second Judicial District, the court shall impose, and the
21 court administrator shall collect, an additional \$1 surcharge on
22 every person convicted of any felony, gross misdemeanor, or
23 petty misdemeanor offense, other than a violation of a law or
24 ordinance relating to vehicle parking, if the Ramsey County
25 Board of Commissioners authorizes the \$1 surcharge. The
26 surcharge shall be imposed whether or not the person is
27 sentenced to imprisonment or the sentence is stayed.

28 (b) If the court fails to impose a surcharge as required by
29 this subdivision, the court administrator shall show the
30 imposition of the surcharge, collect the surcharge and correct
31 the record.

32 (c) The court may not waive payment of the surcharge
33 required under this subdivision. Upon a showing of indigency or
34 undue hardship upon the convicted person or the convicted
35 person's immediate family, the sentencing court may authorize
36 payment of the surcharge in installments.

1 (d) The court administrator or other entity collecting a
2 surcharge shall forward it to the commissioner of finance.

3 (e) If the convicted person is sentenced to imprisonment
4 and has not paid the surcharge before the term of imprisonment
5 begins, the chief executive officer of the correctional facility
6 in which the convicted person is incarcerated shall collect the
7 surcharge from any earnings the inmate accrues from work
8 performed in the facility or while on conditional release. The
9 chief executive officer shall forward the amount collected to
10 the commissioner of finance.

11 [EFFECTIVE DATE.] This section is effective July 1, 2005.

12 Sec. 29. Minnesota Statutes 2004, section 357.021,
13 subdivision 7, is amended to read:

14 Subd. 7. [DISBURSEMENT OF SURCHARGES BY COMMISSIONER OF
15 FINANCE.] (a) Except as provided in paragraphs (b), (c), and
16 (d), the commissioner of finance shall disburse surcharges
17 received under subdivision 6 and section 97A.065, subdivision 2,
18 as follows:

19 (1) one percent shall be credited to the game and fish fund
20 to provide peace officer training for employees of the
21 Department of Natural Resources who are licensed under sections
22 626.84 to 626.863, and who possess peace officer authority for
23 the purpose of enforcing game and fish laws;

24 (2) 39 percent shall be credited to the peace officers
25 training account in the special revenue fund; and

26 (3) 60 percent shall be credited to the general fund.

27 (b) The commissioner of finance shall credit \$3 of each
28 surcharge received under subdivision 6 and section 97A.065,
29 subdivision 2, to the general fund.

30 (c) In addition to any amounts credited under paragraph
31 (a), the commissioner of finance shall credit ~~\$32~~ \$43 of each
32 surcharge received under subdivision 6 and section 97A.065,
33 subdivision 2, and the \$3 parking surcharge, to the general fund.

34 (d) If the Ramsey County Board of Commissioners authorizes
35 imposition of the additional \$1 surcharge provided for in
36 subdivision 6, paragraph (a), the court administrator in the

1 Second Judicial District shall withhold \$1 from each surcharge
2 collected under subdivision 6. The court administrator must use
3 the withheld funds solely to fund the petty misdemeanor
4 diversion program administered by the Ramsey County Violations
5 Bureau. The court administrator must transfer any unencumbered
6 portion of the funds received under this subdivision to the
7 commissioner of finance for distribution according to paragraphs
8 (a) to (c).

9 [EFFECTIVE DATE.] This section is effective July 1, 2005.

10 Sec. 30. Minnesota Statutes 2004, section 357.18,
11 subdivision 3, is amended to read:

12 Subd. 3. [SURCHARGE.] In addition to the fees imposed in
13 subdivision 1, a ~~\$4.50~~ \$10.50 surcharge shall be collected: on
14 each fee charged under subdivision 1, clauses (1) and (6), and
15 for each abstract certificate under subdivision 1, clause (4).
16 Fifty cents of each surcharge shall be retained by the county to
17 cover its administrative costs and ~~\$4~~ \$10 shall be paid to the
18 state treasury and credited to the general fund.

19 [EFFECTIVE DATE.] This section is effective July 1, 2005.

20 Sec. 31. Minnesota Statutes 2004, section 508.82,
21 subdivision 1, is amended to read:

22 Subdivision 1. [STANDARD DOCUMENTS.] The fees to be paid
23 to the registrar shall be as follows:

24 (1) of the fees provided herein, five percent of the fees
25 collected under clauses (3), (5), (11), (13), (14), (16), and
26 (17), for filing or memorializing shall be paid to the
27 commissioner of finance and credited to the general fund; plus a
28 ~~\$4.50~~ \$10.50 surcharge shall be charged and collected in
29 addition to the total fees charged for each transaction under
30 clauses (2), (3), (5), (11), (13), (14), (16), and (17), with 50
31 cents of this surcharge to be retained by the county to cover
32 its administrative costs, and ~~\$4~~ \$10 to be paid to the state
33 treasury and credited to the general fund;

34 (2) for registering a first certificate of title, including
35 issuing a copy of it, \$30;

36 (3) for registering each instrument transferring the fee

1 simple title for which a new certificate of title is issued and
2 for the registration of the new certificate of title, including
3 a copy of it, \$30;

4 (4) for issuance of a CECT pursuant to section 508.351,
5 \$15;

6 (5) for the entry of each memorial on a certificate, \$15;

7 (6) for issuing each residue certificate, \$20;

8 (7) for exchange certificates, \$10 for each certificate
9 canceled and \$10 for each new certificate issued;

10 (8) for each certificate showing condition of the register,
11 \$10;

12 (9) for any certified copy of any instrument or writing on
13 file in the registrar's office, the same fees allowed by law to
14 county recorders for like services;

15 (10) for a noncertified copy of any certificate of title,
16 other than the copies issued under clauses (2) and (3), any
17 instrument or writing on file in the office of the registrar of
18 titles, or any specified page or part of it, an amount as
19 determined by the county board for each page or fraction of a
20 page specified. If computer or microfilm printers are used to
21 reproduce the instrument or writing, a like amount per image;

22 (11) for filing two copies of any plat in the office of the
23 registrar, \$30;

24 (12) for any other service under this chapter, such fee as
25 the court shall determine;

26 (13) for filing an amendment to a declaration in accordance
27 with chapter 515, \$10 for each certificate upon which the
28 document is registered and \$30 for an amended floor plan filed
29 in accordance with chapter 515;

30 (14) for filing an amendment to a common interest community
31 declaration and plat or amendment complying with section
32 515B.2-110, subsection (c), \$10 for each certificate upon which
33 the document is registered and \$30 for the filing of the
34 condominium or common interest community plat or amendment;

35 (15) for a copy of a condominium floor plan filed in
36 accordance with chapter 515, or a copy of a common interest

1 community plat complying with section 515B.2-110, subsection
2 (c), the fee shall be \$1 for each page of the floor plan or
3 common interest community plat with a minimum fee of \$10;

4 (16) for the filing of a certified copy of a plat of the
5 survey pursuant to section 508.23 or 508.671, \$10;

6 (17) for filing a registered land survey in triplicate in
7 accordance with section 508.47, subdivision 4, \$30; and

8 (18) for furnishing a certified copy of a registered land
9 survey in accordance with section 508.47, subdivision 4, \$10.

10 [EFFECTIVE DATE.] This section is effective July 1, 2005.

11 Sec. 32. Minnesota Statutes 2004, section 508A.82,
12 subdivision 1, is amended to read:

13 Subdivision 1. [STANDARD DOCUMENTS.] The fees to be paid
14 to the registrar shall be as follows:

15 (1) of the fees provided herein, five percent of the fees
16 collected under clauses (3), (5), (11), (13), (14), and (17),
17 for filing or memorializing shall be paid to the commissioner of
18 finance and credited to the general fund; plus a ~~\$4-50~~ \$10.50
19 surcharge shall be charged and collected in addition to the
20 total fees charged for each transaction under clauses (2), (3),
21 (5), (11), (13), (14), and (17), with 50 cents of this surcharge
22 to be retained by the county to cover its administrative costs,
23 and ~~\$4~~ \$10 to be paid to the state treasury and credited to the
24 general fund;

25 (2) for registering a first CPT, including issuing a copy
26 of it, \$30;

27 (3) for registering each instrument transferring the fee
28 simple title for which a new CPT is issued and for the
29 registration of the new CPT, including a copy of it, \$30;

30 (4) for issuance of a CECT pursuant to section 508A.351,
31 \$15;

32 (5) for the entry of each memorial on a CPT, \$15;

33 (6) for issuing each residue CPT, \$20;

34 (7) for exchange CPTs or combined certificates of title,
35 \$10 for each CPT and certificate of title canceled and \$10 for
36 each new CPT or combined certificate of title issued;

1 (8) for each CPT showing condition of the register, \$10;

2 (9) for any certified copy of any instrument or writing on
3 file in the registrar's office, the same fees allowed by law to
4 county recorders for like services;

5 (10) for a noncertified copy of any CPT, other than the
6 copies issued under clauses (2) and (3), any instrument or
7 writing on file in the office of the registrar of titles, or any
8 specified page or part of it, an amount as determined by the
9 county board for each page or fraction of a page specified. If
10 computer or microfilm printers are used to reproduce the
11 instrument or writing, a like amount per image;

12 (11) for filing two copies of any plat in the office of the
13 registrar, \$30;

14 (12) for any other service under sections 508A.01 to
15 508A.85, the fee the court shall determine;

16 (13) for filing an amendment to a declaration in accordance
17 with chapter 515, \$10 for each certificate upon which the
18 document is registered and \$30 for an amended floor plan filed
19 in accordance with chapter 515;

20 (14) for filing an amendment to a common interest community
21 declaration and plat or amendment complying with section
22 515B.2-110, subsection (c), and issuing a CECT if required, \$10
23 for each certificate upon which the document is registered and
24 \$30 for the filing of the condominium or common interest
25 community plat or amendment;

26 (15) for a copy of a condominium floor plan filed in
27 accordance with chapter 515, or a copy of a common interest
28 community plat complying with section 515B.2-110, subsection
29 (c), the fee shall be \$1 for each page of the floor plan, or
30 common interest community plat with a minimum fee of \$10;

31 (16) in counties in which the compensation of the examiner
32 of titles is paid in the same manner as the compensation of
33 other county employees, for each parcel of land contained in the
34 application for a CPT, as the number of parcels is determined by
35 the examiner, a fee which is reasonable and which reflects the
36 actual cost to the county, established by the board of county

1 commissioners of the county in which the land is located;

2 (17) for filing a registered land survey in triplicate in
3 accordance with section 508A.47, subdivision 4, \$30; and

4 (18) for furnishing a certified copy of a registered land
5 survey in accordance with section 508A.47, subdivision 4, \$10.

6 [EFFECTIVE DATE.] This section is effective July 1, 2005.

7 Sec. 33. Minnesota Statutes 2004, section 604.15,
8 subdivision 2, is amended to read:

9 Subd. 2. [ACTS CONSTITUTING.] (a) The owner of a vehicle
10 that receives motor fuel that was not paid for is liable to the
11 retailer for the price of the motor fuel received and a service
12 charge of ~~up-to-\$207-or-the-actual-costs-of-collection-not-to~~
13 exceed \$30. This charge may be imposed immediately upon the
14 mailing of the notice under subdivision 3, if notice of the
15 service charge was conspicuously displayed on the premises from
16 which the motor fuel was received. The notice must include a
17 statement that additional civil penalties will be imposed if
18 payment is not received within 30 days. Only one service charge
19 may be imposed under this paragraph for each incident. If a law
20 enforcement agency obtains payment for the motor fuel on behalf
21 of the retailer, the service charge may be retained by the law
22 enforcement agency for its expenses.

23 (b) If the price of the motor fuel received is not paid
24 within 30 days after the retailer has mailed notice under
25 subdivision 3, the owner is liable to the retailer for the price
26 of the motor fuel received, the service charge as provided in
27 paragraph (a), plus a civil penalty not to exceed \$100 or the
28 price of the motor fuel, whichever is greater. In determining
29 the amount of the penalty, the court shall consider the amount
30 of the fuel taken and the reason for the nonpayment. The
31 retailer shall also be entitled to:

32 (1) interest at the legal rate for judgments under section
33 549.09 from the date of nonpayment; and

34 (2) reasonable attorney fees, but not to exceed \$500.

35 The civil penalty may not be imposed until 30 days after
36 the mailing of the notice under subdivision 3.

1 [EFFECTIVE DATE.] This section is effective July 1, 2005,
2 and applies to acts committed on or after that date.

3 Sec. 34. Minnesota Statutes 2004, section 604.15, is
4 amended by adding a subdivision to read:

5 Subd. 5. [NOT A BAR TO CRIMINAL LIABILITY.] Civil
6 liability under this section does not preclude criminal
7 liability under applicable law.

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

10 Sec. 35. [HOMELESSNESS PILOT PROJECTS; GRANTS.]

11 Subdivision 1. [GRANTS.] The commissioner of public
12 safety, in consultation with the director of ending long-term
13 homelessness, the Ending Long-Term Homelessness Advisory
14 Council, and the Department of Human Services Office of Economic
15 Opportunity, shall award grants for homeless outreach and to
16 provide a bridge to stable housing and services. The
17 commissioner shall award grants to qualified applicants in
18 Hennepin County, Ramsey County, and one county outside the
19 seven-county metropolitan area. An entity outside the
20 seven-county metropolitan area receiving a grant under this
21 section shall provide a 25 percent match. An entity within the
22 seven-county metropolitan area receiving a grant under this
23 section shall provide a 50 percent match. Grants must be used
24 for homelessness pilot projects of a two-year duration that
25 reduce recidivism and promote stronger communities through
26 street and shelter outreach to connect people experiencing
27 homelessness to housing and services.

28 Subd. 2. [APPLICATIONS.] An applicant for a grant under
29 subdivision 1 must establish that:

30 (1) the applicant is experienced in homeless outreach
31 services and will have staff qualified to work with people with
32 serious mental illness, chemical dependency, and other factors
33 contributing to homelessness;

34 (2) the applicant employs outreach staff who are trained
35 and qualified to work with racially and culturally diverse
36 populations;

1 (3) outreach services will be targeted to, but not limited
2 to, people experiencing long-term homelessness, and people who
3 have had repeated interactions with law enforcement;

4 (4) outreach services will provide intervention strategies
5 linking people to housing and services as an alternative to
6 arrest;

7 (5) the applicant has a plan to connect people experiencing
8 homelessness to services for which they may be eligible such as
9 supplemental security income, veterans benefits, health care,
10 housing assistance, and long-term support programs for those
11 with serious mental illness;

12 (6) the applicant's project will promote community
13 collaboration with local law enforcement, local and county
14 governments, social services providers, mental health crisis
15 providers, and other community organizations to address
16 homelessness;

17 (7) the applicant has a plan to leverage resources from the
18 entities listed in clause (6) and other private sources to
19 accomplish the goal of moving people into housing and services;
20 and

21 (8) the applicant has a plan for evaluation of the
22 applicant's pilot project that is designed to measure the
23 program's effectiveness in connecting people experiencing
24 homelessness to housing and services and reducing the use of
25 public safety and corrections resources.

26 Subd. 3. [ANNUAL REPORT.] Grant recipients shall report to
27 the commissioner by June 30, 2006, and June 30, 2007, on the
28 services provided, expenditures of grant money, and an
29 evaluation of the program's success in: (1) connecting
30 individuals experiencing homelessness to housing and services;
31 and (2) reducing the use of public safety and corrections
32 resources. The commissioner shall submit reports to the chairs
33 and ranking minority members of the house of representatives and
34 senate committees having jurisdiction over public safety and
35 health and human services by November 1, 2006, and November 1,
36 2007. The commissioner's reports must explain how the grant

1 proceeds were used and evaluate the effectiveness of the pilot
2 projects funded by the grants.

3 [EFFECTIVE DATE.] This section is effective July 1, 2005.

4 Sec. 36. [SPECIAL REVENUE SPENDING AUTHORIZATION FROM
5 CRIMINAL JUSTICE SPECIAL PROJECTS ACCOUNT.]

6 Remaining balances in the special revenue fund from
7 spending authorized by Laws 2001, First Special Session chapter
8 8, article 7, section 14, subdivision 1, for which spending
9 authorization ended June 30, 2003, under Laws 2001, First
10 Special Session chapter 8, article 7, section 14, subdivision 3,
11 are transferred to the general fund.

12 [EFFECTIVE DATE.] This section is effective July 1, 2005.

13 Sec. 37. [MCF-FARIBAULT DEDICATION OF SPACE.]

14 While planning, designing, and constructing new facilities
15 on the campus of the Minnesota correctional facility in
16 Faribault, the commissioner of corrections shall designate a
17 space on the campus sufficient in size to build one additional
18 prison building. This space must be preserved and designated
19 for the benefit of Rice County for the future construction of a
20 county correctional facility.

21 [EFFECTIVE DATE.] This section is effective the day
22 following final enactment and expires on July 1, 2015.

23 Sec. 38. [REPEALER.]

24 Minnesota Statutes 2004, sections 299A.68; and 299C.65,
25 subdivisions 3, 4, 6, 7, 8, 8a, and 9, are repealed.

26 [EFFECTIVE DATE.] This section is effective July 1, 2005.

Senate Files 1875/1879 Public Safety Budget Bill FY2006-07

Dollars in 000's, general fund unless otherwise noted

Agency/Program	Fund	Governor's Recom			SC 4098 Pub Safety Funding Bill			Chair's Recommendation (Combined SF 1879/SC 4098)			Chair's Recommendation (Combined Tails)			Difference Sen/Gov FY06-07
		FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY08	FY09	FY86-09	
1 SUPREME COURT														
3 Supreme Court Operations		28,764	28,764	57,528				28,764	28,764	57,528	28,764	28,764	57,528	-
4 Decision Items:														
5 Caseload Increases		1,134	1,134	2,268	1,134	1,134	2,268	1,134	1,134	2,268	1,134	1,134	2,268	-
6 Judge's Salary Increase Increment Cut					(44)	(93)	(137)	(44)	(93)	(137)	(93)	(93)	(186)	(137)
8 <i>Total Supreme Court Operations</i>		29,898	29,898	59,796	1,090	1,041	2,131	29,854	29,805	59,659	29,805	29,805	59,610	(137)
10 Civil Legal Services		7,320	7,320	14,640				7,320	7,320	14,640	7,320	7,320	14,640	-
11 Decision Items:														
12 Increased Funding (from surcharge fee increase)					5,000	5,000	10,000	5,000	5,000	10,000	5,000	5,000	10,000	10,000
14 <i>Total Civil Legal Services</i>		7,320	7,320	14,640	5,000	5,000	10,000	12,320	12,320	24,640	12,320	12,320	24,640	10,000
16 Total Supreme Court		37,218	37,218	74,436	6,090	6,041	12,131	42,174	42,125	84,299	42,125	42,125	84,250	9,863
18 Total Supreme Court		37,218	37,218	74,436	6,090	6,041	12,131	42,174	42,125	84,299	42,125	42,125	84,250	9,863
19 COURT OF APPEALS		7,939	7,939	15,878				7,939	7,939	15,878	7,939	7,939	15,878	-
22 Decision Items:														
23 Caseload Increases		250	250	500	250	250	500	250	250	500	250	250	500	-
25 <i>Total Court of Appeals</i>		8,189	8,189	16,378	250	250	500	8,189	8,189	16,378	8,189	8,189	16,378	-
27 DISTRICT COURTS		220,191	220,221	440,412				220,191	220,221	440,412	220,221	220,221	440,442	-
29 Decision Items:														
30 Caseload Increases		6,921	6,921	13,842	6,671	6,671	13,342	6,671	6,671	13,342	6,671	6,671	13,342	(500)
31 Sex and Meth Offender Sentencing Changes		3,600	7,200	10,800	3,600	7,200	10,800	3,600	7,200	10,800	7,200	7,200	14,400	-
32 Specialty Drug and Mental Health Courts					250	250	500	250	250	500	250	250	500	500
33 Judge's Salary Increase Increment Cut					(1,246)	(2,529)	(3,775)	(1,246)	(2,529)	(3,775)	(2,529)	(2,529)	(5,058)	(3,775)
35 <i>Total District Courts</i>		230,712	234,342	465,054	9,275	11,592	20,867	229,466	231,813	461,279	231,813	231,813	463,626	(3,775)
37 TAX COURT		726	726	1,452				726	726	1,452	726	726	1,452	-
39 <i>Total Tax Court</i>		726	726	1,452				726	726	1,452	726	726	1,452	-

Agency/Program	Fund	Governor's Recom			SC 4098 Pub Safety Funding Bill			(Combined SF 1879/SC 4098)			(Combined Tails)			Sen/Gov FY06-07	
		FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY08	FY09	FY86-09		
40															
41			39	39	78				39	39	78	39	39	78	-
42															
43															
44															
45			39	39	78				44	44	88	44	44	88	10
46															
47			252	252	504				252	252	504	252	252	504	-
48															
49			252	252	504				252	252	504	252	252	504	-
50															
51			53,908	53,956	107,864				53,908	53,956	107,864	53,956	53,956	107,912	-
52															
53															
54			1,695	1,695	3,390	1,695	1,695	3,390	1,695	1,695	3,390	1,695	1,695	3,390	-
55			3,800	7,600	11,400	3,800	7,600	11,400	3,800	7,600	11,400	7,600	7,600	15,200	-
56															
57			59,403	63,251	122,654	5,495	9,295	14,790	59,403	63,251	122,654	63,251	63,251	126,502	-
58															
59															
60		EN	49	49	98				49	49	98	49	49	98	-
61		GF	2,854	2,854	5,708				2,854	2,854	5,708	2,854	2,854	5,708	-
62															
63			(309)	(309)	(618)				(309)	(309)	(618)	(309)	(309)	(618)	-
64															
65		GF	2,545	2,545	5,090				2,545	2,545	5,090	2,545	2,545	5,090	-
66		EN	49	49	98				49	49	98	49	49	98	-
67															
68		SGSR	7	7	14				7	7	14	7	7	14	-
69		SR	440	439	879				440	439	879	439	439	878	-
70		TH	361	361	722				361	361	722	361	361	722	-
71		GF	36,829	36,829	73,658				36,829	36,829	73,658	36,829	36,829	73,658	-
72															
73			(2,000)	(2,000)	(4,000)				(2,000)	(2,000)	(4,000)	(2,000)	(2,000)	(4,000)	-
74			1,533	2,318	3,851	1,533	2,318	3,851	1,533	2,318	3,851	1,562	1,604	3,166	-
75			1,146	564	1,710	1,146	564	1,710	1,146	564	1,710	636	564	1,200	-
76			374	203	577	374	203	577	374	203	577	203	203	406	-
77			857	869	1,726	857	869	1,726	857	869	1,726	869	869	1,738	-
78			66	69	135	66	69	135	66	69	135	69	69	138	-
79			1,040	1,000	2,040	1,000	1,000	2,000	1,000	1,000	2,000	1,000	1,000	2,000	(40)
80															
81		GF	39,845	39,852	79,697	4,976	5,023	9,999	39,805	39,852	79,657	39,168	39,138	78,306	(40)
82		SGSR	7	7	14				7	7	14	7	7	14	-
83		SR	440	439	879				440	439	879	439	439	878	-
84		TH	361	361	722				361	361	722	361	361	722	-

Agency/Program	Fund	Governor's Recom			SC 4098 Pub Safety Funding Bill			(Combined SF 1879/SC 4098)			(Combined Totals)			Sen/Gov FY06-07	
		FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY08	FY09	FY86-09		
85															
86	Fire Marshal		2,445	2,432	4,877				2,445	2,432	4,877	2,432	2,432	4,864	-
87	Decision Items:														
88	Additional Funding					900	900	1,800	900	900	1,800	900	900	1,800	1,800
89															
90	Total Fire Marshall		2,445	2,432	4,877	900	900	1,800	3,345	3,332	6,677	3,332	3,332	6,664	1,800
91		SR	150	150	300				150	150	300	150	150	300	-
92	Gambling & Alcohol Enforcement	GF	1,622	1,622	3,244				1,622	1,622	3,244	1,622	1,622	3,244	-
93	Decision Items:														
94															
95	Total Gambling & Alcohol Enforcement	GF	1,622	1,622	3,244				1,622	1,622	3,244	1,622	1,622	3,244	-
96		SR	150	150	300				150	150	300	150	150	300	-
97	Office of Justice Programs		26,994	26,989	53,983				26,994	26,989	53,983	26,989	26,989	53,978	-
98	Decision Items:														
99	Crime Victim Grants Funding Increase		532	532	1,064	1,270	1,270	2,540	1,270	1,270	2,540	1,270	1,270	2,540	1,476
100	Battered Women's Shelters and Safe Houses					2,131	2,131	4,262	2,131	2,131	4,262	2,131	2,131	4,262	4,262
101	Criminal Gang Strike Force/Narcotics Task Force		2,374	2,374	4,748	2,374	2,374	4,748	2,374	2,374	4,748	2,374	2,374	4,748	-
102	Transfer of Youth Intervention Program		1,452	1,452	2,904										(2,904)
103	Financial Crimes Task Force		300	300	600	1,400	1,400	2,800	1,400	1,400	2,800	1,400	1,400	2,800	2,200
104	Homelessness Pilot Project (art 9, sec 34)					200	200	400	200	200	400				400
105															
106	Total Office of Justice Programs		31,652	31,647	63,299	7,375	7,375	14,750	34,369	34,364	68,733	34,164	34,164	68,328	5,434
107															
108	911 Emergency Services/ARMER	SGSR	27,287	27,720	55,007				27,287	27,720	55,007	27,720	27,720	55,440	-
109	Decision Items:														
110	Increase in 911 fee (Gov 25-10-10-10)	SGSR	16,368	6,335	22,703	16,368	16,688	33,056	16,368	16,688	33,056				10,353
111	(Senate 25-25-25-25)														
112															
113	Total 911 Emergency Services/ARMER	SGSR	43,655	34,055	77,710	16,368	16,688	33,056	43,655	44,408	88,063	27,720	27,720	55,440	10,353
114															
115	800 MHz Public Safety Radio System Rev Bonds														
116	Decision Items:														
117	Phase 2 Bonding: Pub Saf Radio Subsystems	BPF				8,000		8,000	8,000		8,000				8,000
118	Phase 3 Bonding: Backbone Pub Saf Radio Sys	BPF				45,000		45,000	45,000		45,000				45,000
119	Phase 3 Bonding: Subsystem Local Reimburs	BPF				9,500		9,500	9,500		9,500				9,500
120															
121	Total 800 MHz Public Safety Radio Sys Rev Bonds	BPF				62,500		62,500	62,500		62,500				62,500
122															
123	Public Safety - Other														
124	DPS Agency-wide Admin. Cut					(175)	(175)	(350)	(175)	(175)	(350)	(175)	(175)	(350)	(350)
125															
126	Total Public Safety - Other					(175)	(175)	(350)	(175)	(175)	(350)	(175)	(175)	(350)	(350)

Agency/Program	Fund	Governor's Recom			SC 4098 Pub Safety Funding Bill			(Combined SF 1879/SC 4098)			(Combined Tails)			Sen/Gov	
		FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY08	FY09	FY86-09	FY06-07	
127															
128	Total Public Safety	GF	78,109	78,098	156,207	13,076	13,123	26,199	81,511	81,540	163,051	80,656	80,626	161,282	6,844
129		EN	49	49	98				49	49	98	49	49	98	-
130		SGSR	43,662	34,062	77,724	16,368	16,688	33,056	43,662	44,415	88,077	27,727	27,727	55,454	10,353
131		SR	590	589	1,179				590	589	1,179	589	589	1,178	-
132		TH	361	361	722				361	361	722	361	361	722	-
133		BPF			-	62,500		62,500	62,500		62,500				62,500
134			122,771	113,159	235,930	91,944	29,811	121,755	188,673	126,954	315,627	109,382	109,352	218,734	79,697
135															
136	PEACE OFFICERS BOARD (POST)	SR	3,943	3,943	7,886				3,943	3,943	7,886	3,943	3,943	7,886	-
137	Decision Items:														
138	Increase Training Reimbursements - SR	SR													
139	(under dedicated statutory fee increase section)														
140	Increase Training Reimbursements - GF					89	89	178	89	89	178				178
141	Operations Increase					71	71	142	71	71	142				142
142	Technology Upgrades					140	140	280	140	140	280				280
143															
144	Total POST	SR	3,943	3,943	7,886				3,943	3,943	7,886	3,943	3,943	7,886	-
145		GF				300	300	600	300	300	600	300	300	600	600
146															
147	PRIVATE DETECTIVE BOARD		126	126	252				126	126	252	126	126	252	-
148															
149	Total Private Detective Board		126	126	252				126	126	252	126	126	252	-
150															
151	HUMAN RIGHTS		3,490	3,490	6,980				3,490	3,490	6,980	3,490	3,490	6,980	-
152															
153	Total Human Rights		3,490	3,490	6,980				3,490	3,490	6,980	3,490	3,490	6,980	-
154															
155	CORRECTIONS														
156	Institutions	SR	580	580	1,160				580	580	1,160	473	473	946	-
157			252,961	252,961	505,922				252,961	252,961	505,922	252,961	252,961	505,922	-
158	Forecast Adjustments		28,759	42,447	71,206				28,759	42,447	71,206	52,999	61,528	114,527	-
159	Decision Items:														
160	Tracking/Apprehension Level III Sex Offenders		70	70	140	70	70	140	70	70	140	70	70	140	-
161	Sex Offender Treatment/Transitional Services		1,500	1,500	3,000	1,500	1,500	3,000	1,500	1,500	3,000	1,500	1,500	3,000	-
162	Health Services Increase		3,720	3,720	7,440	3,720	3,720	7,440	3,720	3,720	7,440	3,720	3,720	7,440	-
163	Sex Offender & Meth Sentencing Changes		351	1,863	2,214	351	1,863	2,214	351	1,863	2,214	3,586	5,813	9,399	-
164	Chem Dep Trtmt Expansion in Prisons					4,500	4,500	9,000	4,500	4,500	9,000	4,500	4,500	9,000	9,000
165	Mental Health Expansion in Prisons					2,000	2,000	4,000	2,000	2,000	4,000	2,000	2,000	4,000	4,000
166	Institutions Cut (savings from SF 903 -Ortman Am)					(925)	(925)	(1,850)	(925)	(925)	(1,850)				(1,850)
167															
168	Total Institutions	GF	287,361	302,561	589,922	11,216	12,728	23,944	292,936	308,136	601,072	321,336	332,092	653,428	11,150
169		SR	580	580	1,160				580	580	1,160	473	473	946	-

Agency/Program	Fund	Governor's Recom			SC 4098 Pub Safety Funding Bill			(Combined SF 1879/SC 4098)			(Combined Tails)			Sen/Gov FY06-07	
		FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY08	FY09	FY86-09		
170															
171	SR	100	100	200				100	100	200	80	80	160	-	
172	Community Services	95,492	95,643	191,135				95,492	95,643	191,135	95,643	95,643	191,286	-	
173	Decision Items:														
174															
175	End of Confinement Review	94	94	188	94	94	188	94	94	188	94	94	188	-	
176	GPS Monitoring	162	162	324	162	162	324	162	162	324	162	162	324	-	
177	Appropriate Transitional Housing and Supervision	1,370	1,370	2,740	1,370	1,370	2,740	1,370	1,370	2,740	1,370	1,370	2,740	-	
178	18 ISR Agents - 6 DOC/12 CCA	1,800	1,800	3,600	1,800	1,800	3,600	1,800	1,800	3,600	1,800	1,800	3,600	-	
179	Sex Off. Assessment Reimbursement	350	350	700	350	350	700	350	350	700	350	350	700	-	
180	Sex Off. Trtmt/Sup Rel and Polygraphs	1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500	-	
181	Sex Off. Policy Board	5	5	10										(10)	
182	Sex Off. Specialized Caseloads (DOC/CCA/CPO)				19,600	19,600	39,200	19,600	19,600	39,200	19,600	19,600	39,200	39,200	
183	Chem Dep Trtmt/Aftercare Comm Grants				2,500	2,500	5,000	2,500	2,500	5,000	2,500	2,500	5,000	5,000	
184	Int. Supervision/Aftercare Controlled Subs Off.				625	625	1,250	625	625	1,250				1,250	
185															
186	Total Community Services	GF	100,523	100,674	201,197	27,751	27,751	55,502	123,243	123,394	246,637	122,769	122,769	245,538	45,440
187		SR	100	100	200				100	100	200	80	80	160	-
188															
189	Operations Support	SR	210	210	420				210	210	420	170	170	340	-
190	Decision Items:	GF	15,348	15,348	30,696				15,348	15,348	30,696	15,348	15,348	30,696	-
191	DOC Agency-wide Admin Cut				(325)	(325)	(650)	(325)	(325)	(650)	(325)	(325)	(650)	(650)	
192															
193	Total Operations Support	GF	15,348	15,348	30,696	(325)	(325)	(650)	15,023	15,023	30,046	15,023	15,023	30,046	(650)
194		SR	210	210	420				210	210	420	170	170	340	-
195															
196	Total Corrections	GF	403,232	418,583	821,815	38,642	40,154	78,796	431,202	446,553	877,755	459,128	469,884	929,012	55,940
197		SR	890	890	1,780	-	-	-	890	890	1,780	723	723	1,446	-
198			404,122	419,473	823,595	38,642	40,154	78,796	432,092	447,443	879,535	459,851	470,607	930,458	55,940
199															
200	SENTENCING GUIDELINES		436	436	872				436	436	872	436	436	872	-
201															
202	Total Sentencing Guidelines		436	436	872				436	436	872	436	436	872	-

Agency/Program	Fund	Governor's Recom			SC 4098 Pub Safety Funding Bill			(Combined SF 1879/SC 4098)			(Combined Tails)			Sen/Gov FY06-07	
		FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY08	FY09	FY86-09		
203															
204	ATTORNEY GENERAL	SGSR	1,778	1,794	3,572				1,778	1,794	3,572	1,778	1,794	3,572	-
205		EN	145	145	290				145	145	290	145	145	290	-
206		REM	484	484	968				484	484	968	484	484	968	-
207	Decision Items:	GF	22,834	22,859	45,693				22,834	22,859	45,693	22,859	22,859	45,718	-
208	Reduction - 2.5 percent	GF	(564)	(564)	(1,128)						-			-	1,128
209															
210	Total Attorney General	GF	22,270	22,295	44,565				22,834	22,859	45,693	22,859	22,859	45,718	1,128
211		SGSR	1,778	1,794	3,572				1,778	1,794	3,572	1,778	1,794	3,572	-
212		EN	145	145	290				145	145	290	145	145	290	-
213		REM	484	484	968				484	484	968	484	484	968	-
214			24,677	24,718	49,395				25,241	25,282	50,523	25,266	25,282	50,548	1,128
215															
216	Dept. of Employment and Economic Development														
217															
218	Decision Items:														
219	Meth Lab Cleanup Revolving Loan Fund					250	250	500	250	250	500	250	250	500	500
220															
221	Total Department of Employment and Ec Dev					250	250	500	250	250	500	250	250	500	500
222															
223	Board of Veterinary Medicine														
224															
225	Decision Items:														
226	Meth Manufacture From Animal Products Study					7		7	7		7				7
227															
228	Total Board of Veterinary Medicine					7		7	7		7				7
229	FUND TOTALS	TH	361	361	722				361	361	722	361	361	722	-
230		EN	194	194	388				194	194	388	194	194	388	-
231		SGSR	45,440	35,856	81,296	16,368	16,688	33,056	45,440	46,209	91,649	29,505	29,521	59,026	10,353
232		SR	5,423	5,422	10,845				5,423	5,422	10,845	5,255	5,255	10,510	-
233		REM	484	484	968				484	484	968	484	484	968	-
234		BPF				62,500		62,500							
235		GF	844,202	867,045	1,711,247	73,390	81,010	154,400	880,410	901,954	1,782,364	913,645	924,371	1,838,016	71,117
236	TOTAL ALL FUNDS		896,104	909,362	1,805,466	152,258	97,698	249,956	932,312	954,624	1,886,936	949,444	960,186	1,909,630	81,470

Agency/Program	Fund	Governor's Recom			SC 4098 Pub Safety Funding Bill			(Combined SF 1879/SC 4098)			(Combined Tails)			Sen/Gov
		FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY06	FY07	FY06-07	FY08	FY09	FY06-09	FY06-07
237	Revenue Adjustments													
238	GF	4,900	6,500	11,400	5,390	7,150	12,540	5,390	7,150	12,540	7,150	7,150	14,300	1,140
239	GF				23,597	26,052	49,649	23,597	26,052	49,649	26,315	26,641	52,956	49,649
240	GF				1,009	921	1,930	1,009	921	1,930	930	941	1,871	1,930
241	GF				5,877	5,923	11,800	5,877	5,923	11,800	5,923	5,923	11,846	11,800
242	GF				757	757	1,514	757	757	1,514	757	757	1,514	1,514
243	GF				594	594	1,188	594	594	1,188	594	594	1,188	1,188
244	GF				1,400	1,400	2,800	1,400	1,400	2,800	1,400	1,400	2,800	2,800
245	GF				1,500		1,500	1,500		1,500				1,500
246	GF	1,452	1,452	2,904										(2,904)
247														
248	GF	6,352	7,952	14,304	40,124	42,797	82,921	40,124	42,797	82,921	43,069	43,406	86,475	68,617
249														
250	GF	837,850	859,093	1,696,943	33,266	38,213	71,479	840,286	859,157	1,699,443	870,576	880,965	1,751,541	2,500
251														
252										2,500				
253					3673	3673	7,346	3,673	3673	7,346	3,673	3673	7,346	
254										(4,846)				
255														
256	Dedicated Statutory Fee Increases													
257	SR	75	75	150			-			-	75	75	150	(150)
258	SR	240	240	480			-			-			-	(480)
260	SR	763	832	1,595	763	832	1,595	763	832	1,595	832	832	1,664	-
261														
262	SR	1,078	1,147	2,225	763	832	1,595	763	832	1,595	907	907	1,814	(630)

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SC4098-1 - Omnibus Public Safety Policy and Funding Bill

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Date: April 24, 2005

ARTICLE 1

Public Safety Appropriations

Overview

Article 1 contains the bill's appropriations, cuts, and riders.

Section 1 summarizes the total appropriations in the bill.

Section 2 appropriates \$12.1 million to the Supreme Court. Of this amount, \$5 million each year is for civil legal services and approximately \$1 million each year is for caseload increases. None of the money may be used for judicial salary increases.

Section 3 appropriates \$250,000 each year to the Court of Appeals. None of the money may be used for judicial salary increases.

Section 4 appropriates \$20.9 million to the district courts. Of this amount, \$6.7 million each year is for caseload increases. \$3.6 million the first year and \$7.2 million the second year are for sex and methamphetamine offense caseloads. \$500,000 each year is for specialty drug and mental health courts. None of the money may be used for judicial salary increases.

Section 5 appropriates \$5,000 each year to the Uniform Laws Commission to pay national conference dues.

Section 6 appropriates \$5.5 million the first year and \$9.3 million the second year for general caseload increases and sex and methamphetamine offense caseload increases.

Section 7, subdivision 1, appropriates \$26.2 million from the general fund, \$33.1 million from the state government special revenue fund, and \$62.5 million from the bond proceeds fund to the Department of Public Safety.

Subdivision 2 appropriates \$10 million to the Bureau of Criminal Apprehension for agents to ensure compliance with the predatory offender law, the automated fingerprint identification system, criminal justice information system audit trail, DNA felony database analysis and ten new special agents to investigate methamphetamine crimes.

Subdivision 3 increases Fire Marshall base funding by \$900,000 each year.

Subdivision 4 appropriates \$14.8 million to the Office of Justice Programs, including \$2.5 million for increased crime victim grants, \$4.3 million for battered women’s shelters and safe houses, \$4.7 million for the Gang Strike Force, \$2.8 million for the Financial Crimes Task Force, and \$400,000 for homelessness pilot projects. Requires a report to the Legislature on a potential merger of the Gang Strike Force and the narcotics task forces.

Subdivision 5 makes the following appropriations, based on the 25-cent increase on the 911 fee, from the state government special revenue fund.

	2006	2007
Telephone Prior Year Obligations (5-cents)	3,442,000	3,064,000
Public Safety Answering Points (20-cents)	13,640,000	13,664,000
Medical Resource Comm. Centers (1-cent)	682,000	683,000
Debt Service and Capital Costs (9-cents)	6,138,000	6,149,000
Total	\$ 23,902,000	\$ 23,560,000

The total appropriation in the bill is less than the itemized appropriations because the bill directs spending included in the base appropriation for the program in S.F. No. 1879.

Subdivision 6 authorizes the sale of \$62.5 million in 911 revenue bonds by the Commissioner of Finance and appropriates the money in the following manner.

Phase 2 Public Safety Radio Subsystems	8,000,000
Phase 3 Public Safety Radio Backbone	45,000,000
Phase 3 Radio Subsystem Local Reimbursements	9,500,000
Total	\$ 62,500,000

The bill replaces the bond authorizations given to the Metropolitan Radio Board in 2002 and 2003. It reduces the bond sale amount for phase two (building local radio subsystems in the metropolitan area) to \$8 million to reflect the fact that \$13 million of federal Homeland Security money was used for this purpose in 2004. An additional \$3 million was added to include Chisago and Isanti Counties. It increases the bond sale authorization for phase three (building the system backbone of the transmission towers and related equipment in the Rochester and St. Cloud districts of the State Patrol) to \$45 million to reflect the most recent Department of Transportation cost estimate. Finally, it authorizes \$9.5 million of 911 bonds to be sold to reimburse local units of government for up to 50 percent of the cost of building subsystems in either the southeast or central district of the State Patrol.

Section 8 makes a onetime appropriation of \$600,000 to the POST Board. Of this amount, \$142,000 is for the board's continued operation, \$178,000 is for reimbursements to local units of government for peace officer training, and \$280,000 is for technological updates.

Section 9, subdivision 1, appropriates a total of \$78.8 million to the Department of Corrections

Subdivision 2 appropriates \$23.9 million to the institution's division of the department. This appropriation includes \$140,000 for tracking and apprehending level III predatory offenders, \$3 million for sex offender treatment in the prisons and transitional services, \$7.4 million for increased health services, and \$2.2 million for increased incarceration costs associated with the bill. In addition, there is a \$9 million increase for chemical dependency treatment programs and a \$4 million increase for mental health services in the institutions. Requires a working group to study and report to the Legislature on the feasibility of using inmate labor to build low-income housing manufactured at MCF-Faribault.

Subdivision 3 appropriates \$55.6 million to the community services division of the department. Of this amount, \$188,000 is for end of confinement reviews, \$324,000 is for the GPS monitoring of sex offenders, \$2.7 million is for transitional services for sex offenders on supervised release, and \$3.6 million is for 18 new intensive supervised release agents. \$700,000 is for reimbursements to counties for sex offender assessments and \$2.5 million is for outpatient sex offender treatment and polygraph tests. Finally, \$39.2 million is for supervision caseload reduction for sex offenders, domestic abuse offenders and other violent offenders, \$5 million is for community-based chemical dependency treatment and aftercare grants, and \$1.25 million (onetime appropriation) is for intensive supervision and aftercare services for controlled substances offenders released from prison early under **article 6, section 9**. Requires the commissioner to report to the Legislature on the intensive supervision and aftercare services appropriation and on electronic monitoring of sex offenders.

Section 10 appropriates \$500,000 to the Department of Employment and Economic Development for a methamphetamine lab clean-up revolving fund.

Section 11 appropriates \$7,000 to the Board of Veterinary Medicine to study animal products that may be used to manufacture methamphetamine.

ARTICLE 2

Sex Offenders: Mandatory Life Sentences for Certain Egregious and Repeat Sex Offenses; Conditional Release; Other Sentencing Changes

Overview

Article 2 contains the sex offender sentencing changes, including the indeterminate life sentences, the conditional release changes, and the new crime of criminal sexual predatory conduct.

Section 1 makes a conforming change related to **article 2, section 20**.

Section 2 clarifies that the Commissioner of Corrections' rulemaking authority relating to the revocation of supervised release also applies to conditional release.

Section 3 provides that an offender serving an indeterminate life sentence (see **article 2, sections 11, 13, and 20**) may not be given supervised release without having served the minimum term of imprisonment as specified by the sentencing court.

Section 4 requires the Commissioner of Corrections, when considering whether to give supervised release to an offender serving an indeterminate life sentence (see **article 2, sections 11, 13, and 20**), to consider at a minimum:

- ▶ the risk the offender poses to the community if released;
- ▶ the offender's progress in treatment;
- ▶ the offender's behavior while incarcerated;
- ▶ psychological or other diagnostic evaluations of the offender;
- ▶ the offender's criminal history; and
- ▶ any other relevant conduct of the offender while incarcerated or before incarceration.

The commissioner may not give supervised release to the offender unless:

- ▶ while in prison, the offender has successfully completed appropriate sex offender treatment;

- ▶ while in prison, the offender has been assessed for chemical dependency and mental health needs and, if appropriate, has successfully completed necessary treatment; and
- ▶ a comprehensive individual release plan is in place for the offender that ensures that the offender will have suitable housing and receive appropriate aftercare and treatment, and includes an employment/education plan for the offender.

Also makes a conforming change relating to **article 2, section 3**.

Section 5 makes a conforming change related to **article 2, section 20**.

Sections 6 to 9 amend the patterned and predatory offender sentencing law.

Section 6 adds a cross-reference to the new crime of criminal sexual predatory conduct (see **article 2, section 19**). Strikes language relating to court findings regarding whether the necessary prongs of the law have been met. Substitutes for this a determination by the fact finder. These changes are necessary in light of the 2004 United States Supreme court decision, Blakely v. Washington. Strikes other language that is no longer necessary in light of the changes made by this article.

Section 7 strikes the definition of “predatory crime.” Replaces this with a cross-reference to what is essentially the same definition in **article 2, section 10**.

Section 8 makes the same substitution of a fact finder determination for a court finding as was made in **article 2, section 6**.

Section 9 strikes language relating to the conditional release of offenders sentenced under this law. Instead, adds a cross-reference to **article 2, section 20**.

Section 10 defines “predatory crime” for purposes of the criminal sexual conduct laws. This definition is nearly identical to the definition stricken from the patterned and predatory offender sentencing law in **article 2, section 7**. The new definition does not include criminal sexual conduct in the first- to fourth-degrees because a reference to these crimes is unnecessary under the changes made by the article. In addition, it does not include incest.

Sections 11 and 12 amend the first-degree criminal sexual conduct crime.

Section 11 requires a court to sentence an offender to an indeterminate life sentence if the offender is convicted of certain clauses of the first-degree criminal sexual conduct crime involving force or violence (i.e., where circumstances exist that cause the victim to have a reasonable fear of great bodily harm; where the offender is armed with a dangerous weapon; where the offender causes personal injury to the victim under specified conditions; where the offender is aided or abetted by one or more accomplices under specified conditions; or where the offender has a family-type relationship to a victim under 16 and specified conditions exist) and the fact finder determines, beyond a reasonable doubt, that:

- ▶ the offender tortured the victim;
- ▶ the offender intentionally inflicted great bodily harm upon the victim;
- ▶ the offender intentionally mutilated the victim;
- ▶ the offender exposed the victim to extreme inhumane conditions;
- ▶ the offender was armed with a dangerous weapon and used or threatened to use the weapon to cause the victim to submit;
- ▶ the offense involved sexual penetration or sexual contact with more than one victim;
or
- ▶ the offense involved more than one perpetrator engaging in sexual penetration or sexual contact with the victim.

Defines “extreme inhumane conditions,” “mutilation,” and “torture.” Prohibits the fact finder from considering a listed heinous factor if it was an element of the underlying first-degree criminal sexual conduct violation. Requires a court to specify a minimum term of imprisonment, based on the sentencing guidelines or applicable mandatory sentences, that must be served before the offender may be considered for supervised release. Makes other structural and conforming changes.

Section 12 makes a conforming change relating to **article 2, section 20**.

Sections 13 and 14 amend the second-degree criminal sexual conduct crime.

Section 13 requires a court to sentence an offender to an indeterminate life sentence if the offender is convicted of certain clauses of the second-degree criminal sexual conduct crime involving force or violence (i.e., where circumstances exist that cause the victim to have a reasonable fear of great bodily harm; where the offender is armed with a dangerous weapon; where the offender causes personal injury to the victim under specified conditions; where the offender is aided or abetted by one or more accomplices under specified conditions; or where the offender has a family-type relationship to a victim under 16 and specified conditions exist) and the fact finder determines, beyond a reasonable doubt, that:

- ▶ the offender tortured the victim;
- ▶ the offender intentionally inflicted great bodily harm upon the victim;
- ▶ the offender intentionally mutilated the victim;
- ▶ the offender exposed the victim to extreme inhumane conditions;

- ▶ the offender was armed with a dangerous weapon and used or threatened to use the weapon to cause the victim to submit;
- ▶ the offense involved sexual penetration or sexual contact with more than one victim; or
- ▶ the offense involved more than one perpetrator engaging in sexual penetration or sexual contact with the victim.

Defines “extreme inhumane conditions,” “mutilation,” and “torture.” Prohibits the fact finder from considering a listed heinous factor if it was an element of the underlying second-degree criminal sexual conduct violation. Requires a court to specify a minimum term of imprisonment, based on the sentencing guidelines or applicable mandatory sentences, that must be served before the offender may be considered for supervised release. Makes other structural and conforming changes.

Section 14 makes a conforming change relating to **article 2, section 20**.

Sections 15 and 16 amend the third-degree criminal sexual conduct crime to make conforming changes related to **article 2, section 20**.

Sections 17 and 18 amend the fourth-degree criminal sexual conduct crime to make conforming changes related to **article 2, section 20**.

Section 19 creates a new substantive crime known as “criminal sexual predatory conduct.” This crime occurs if an offender commits a predatory crime (see definition in **article 2, section 10**) that was motivated by the offender’s sexual impulses or was committed as part of a predatory pattern of behavior that had criminal sexual conduct as its goal. Provides that the statutory maximum sentence for this offense is 25 percent longer than for the underlying predatory crime. If the violation is committed by a person with a previous sex offense conviction, as defined in **article 2, section 20**, the statutory maximum is 50 percent longer than for the underlying predatory crime. Also authorizes a fine of up to \$20,000. An offender convicted of violating this section may be subject to the life sentence and conditional release provisions of **article 2, section 20**.

Section 20 creates a new section of law addressing indeterminate life sentences for certain repeat offenders and the conditional release of sex offenders.

Subdivision 1 defines “conviction,” “previous sex offense conviction,” “prior sex offense conviction,” “sex offense,” and “two previous sex offense convictions.” Of note, “conviction” includes convictions as an extended jurisdiction juvenile for violations of first-through third-degree criminal sexual conduct or the new criminal sexual predatory conduct crime. “Previous sex offense conviction” is defined to be a “true prior” offense. That is to say that the offender must have committed, been convicted, and been sentenced for the previous sex offense before the commission of the present sex offense. “Prior sex offense conviction” does not require this sequencing of events. Thus, a person who has committed

two sex offenses but has not been convicted of either would be considered to have a prior sex offense conviction once the offender has been convicted for the first offense even though the present offense occurred before the actual conviction for the prior offense. "Sex offense" includes first- through fifth-degree criminal sexual conduct offenses and criminal sexual predatory conduct, and similar laws from other jurisdictions.

Subdivision 2 provides for a mandatory indeterminate life sentence for an offender convicted of violating first- through fourth-degree criminal sexual conduct or criminal sexual predatory conduct if:

- ▶ the offender has two previous sex offense convictions (i.e., true priors);
- ▶ the offender has a previous sex offense conviction (i.e., a true prior), and:
 - the present offense involved an aggravating factor that would provide grounds for an upward sentencing departure; or
 - the offender received an upward sentencing departure for the previous sex conviction or was sentenced under the patterned and predatory sex offender sentencing law for the previous sex offense conviction; or
- ▶ the offender has two prior sex offense convictions (not necessarily true priors) and the prior convictions and present offense involved at least three separate victims, and:
 - the present offense involved an aggravating factor that would provide grounds for an upward sentencing departure; or
 - the offender received an upward sentencing departure for one of the prior sex offense convictions or was sentenced under the patterned and predatory offender sentencing law for one of the prior sex offense convictions.

Of note, if the present offense is a fourth-degree criminal sexual conduct offense, the offender is not subject to the indeterminate life sentence unless the offender's previous or prior sex offense convictions that are being used to enhance the sentence were for first-through third-degree criminal sexual conduct or criminal sexual predatory conduct.

Subdivision 3 requires courts sentencing offenders to indeterminate life sentences under **subdivision 2** to specify a minimum term of imprisonment, based on the sentencing guidelines or applicable mandatory sentences, that must be served before the offender may be considered for release.

Subdivision 4 provides that when an offender is released from prison for a violation of first-through fourth-degree criminal sexual conduct or criminal sexual predatory conduct, the person must be placed on conditional release for ten years. Under current law, offenders

released from prison for violating first- through fourth-degree criminal sexual conduct receive a five-year conditional release term unless the offender is a repeat offender, in which case the conditional release term is ten years.

Subdivision 5 provides that if an offender sentenced to an indeterminate life sentence under **subdivision 2** or **section 11 or 13** is released from prison, the offender must be placed on conditional release for the remainder of the offender's life. Also provides that if an offender is released from prison for a violation of first- through fourth-degree criminal sexual conduct or criminal sexual predatory conduct, and the offender has a previous or prior sex offense conviction, the offender must be placed on conditional release for the remainder of the offender's life. Similar to the eligibility for the indeterminate life sentence in **subdivision 2**, if an offender is released from prison for a violation of fourth-degree criminal sexual conduct, the offender will only be placed on lifetime conditional release if the offender's previous or prior sex offense conviction that is being used as the basis for the lifetime conditional release term is for first- through third-degree criminal sexual conduct or criminal sexual predatory conduct.

Subdivision 6 specifies the conditional release terms that are applicable to all sex offenders placed on conditional release (i.e., any offender released from prison after a conviction for first- through fourth-degree criminal sexual conduct or criminal sexual predatory conduct, or after being sentenced under the patterned and predatory offender sentencing law). This language is substantively the same as that being stricken from the patterned and predatory offender sentencing law in **article 2, section 9**.

Section 21 repeals a provision of the patterned and predatory offender sentencing law providing for an increased statutory maximum penalty. This provision is no longer necessary based on the changes made in this article. Also repeals a subdivision of the repeat sex offender sentencing law addressing conditional release of sex offenders. This provision is superseded by **article 2, section 20**.

ARTICLE 3

Sex Offenders:

Predatory Offender Registration; Community Notification; Nonsentencing Changes

Overview

Article 3 makes numerous substantive and technical changes to the Predatory Offender Registration Law and the Community Notification Law. In addition, it specifically authorizes the use of polygraphic examinations for sex offenders under correctional supervision and provides for victim notification in certain situations regarding the release of offenders civilly committed as mentally ill and dangerous, as having a sexual psychopathic personality, or as being a sexually dangerous person.

Section 1 makes numerous changes to the Predatory Offender Registration (POR) Law. The primary substantive changes involve homeless predatory offenders, for whom there is presently no clearly applicable registration procedure. Requires homeless predatory offenders who lack a primary address or who leave a primary address without having a new primary address to register with the law enforcement authority of the area in which the offender is staying within 24 hours. Each time an offender lacking a primary address moves to an area served by a different law enforcement authority, reregistration is required. If an offender continues to lack a primary address but remains in the same area, the offender must report weekly to the law enforcement authority in the area in which the offender is staying and inform the authority of any changes to the information required for predatory offender registration, with complete reregistration required annually. Offenders with no primary address whose registration is required because of a civil commitment are subject to the general homeless offender registration provisions but must completely reregister every three months. Authorizes the law enforcement authority to allow an offender to follow an alternative reporting procedure if it determines that due to an offender's unique circumstances it is impractical to require the offender to report weekly.

Section 1 also makes the following changes to the POR Law.

- ▶ Reorganizes it by repealing subdivisions 1 (Registration Required) and 8 (Definition of Law Enforcement Authority); creating a definitions subdivision 1a (placing all definitions at the beginning of the section); recodifying subdivision 1 as subdivision 1b; and making conforming and clarifying amendments to the remainder of the section.
- ▶ Adds new definitions for "bureau," "dwelling," "incarceration," and "confinement." The existing definitions of "primary residence," "secondary residence," and "law enforcement agency" are changed to "primary address," "secondary address," and "law enforcement authority" respectively. In addition, the definitions of "primary address" and "secondary address" are substantively overhauled.
- ▶ Provides that it applies to offenders who aid, abet, or conspire to commit an offense currently requiring registration.
- ▶ Expands it to require registration for nonchild false imprisonment offenses.
- ▶ Requires offenders who enter Minnesota to reside, work, or attend school, or enter the state and remain for 14 days or longer, to register within five days of when the registration requirement becomes applicable.
- ▶ Clarifies that if a person subject to registration moves out of the state, registration with Minnesota terminates when the BCA confirms the address in the new state.
- ▶ Requires an offender subject to registration to consent to allowing the offender's residential housing unit or shelter to release information on the offender to law enforcement.

- ▶ Requires all level III predatory offenders to be photographed every six months by their supervising authority.
- ▶ Requires level II and III predatory offenders who are no longer under correctional supervision to have an annual in-person contact with the law enforcement authority with jurisdiction over where the offender lives during which the offender must be photographed and verify the accuracy of the offender's registration information.
- ▶ Requires verification of registration information by mail twice annually for level III predatory offenders who are no longer under correctional supervision (current law requires verification by mail annually).
- ▶ Authorizes the Commissioner of Public Safety to extend an offender's registration period for five additional years for failure to register a change in the offender's primary or secondary address, employment, school, or motor vehicle information; failure to report any property the offender owns, leases, or rents; or failure to return the annual verification letter within ten days.
- ▶ Provides that when determining whether an offender is a repeat offender, and thus subject to the longer mandatory minimum sentence under the POR law, violations of similar statutes from other states or the United States "count."
- ▶ Provides for a ten-year conditional release term for a violation of the POR Law by a level III predatory offender. The terms of the conditional release are governed by **article 2, section 20**.
- ▶ Provides that a violation of the POR Law may be prosecuted in any jurisdiction where an offense takes place. However, the prosecutorial agency in the jurisdiction where the offender last registered a primary address is initially responsible to review the case. When an offender commits two or more offenses in two or more counties, the offenses may be aggregated and prosecuted in any of the counties in which one of the offenses was committed.
- ▶ Provides that certified copies of predatory offender registration records are admissible as substantive evidence when necessary to prove the commission of a violation of the POR Law.
- ▶ Adds to the list of offenses that require registration a reference to the new criminal sexual predatory conduct crime created in **article 2, section 19**.
- ▶ Makes other technical and clarifying changes.

Section 2 amends section 243.167 (registration under the POR Law for other offenses). This law requires registration under the POR Law for offenders who commit a crime against the person and

who previously registered under the POR Law but whose registration period ended or who would have had to register except the POR Law did not apply to the offender at the time of the offense. Expands the definition of "crime against the person" to include fourth-degree assault. Expands this law to apply to offenders who are convicted of a crime against the person and who previously completed registration in another state.

Section 3 requires the Commissioner of Corrections to report annually to the Legislature as specified on community supervision of level II and level III sex offenders and on other types of offenders.

Section 4 amends the Community Notification Law provision relating to non-Minnesotan offenders. Requires the Commissioner of Corrections to establish an end of confinement review committee to assign risk levels for offenders released from any federal correctional facility or from any state correctional facility of another state, and for offenders accepted from another state for parole supervision under the new interstate compact on adult offender supervision.

Section 5 allows for community notification for offenders who move to Minnesota from another state who, at the time of the move, are subject to a community notification statute in the other state and who are not already assigned a risk level under the community notification law. Authorizes the law enforcement agency in the area where the offender resides, expects to reside, or is regularly found to disclose information regarding the offender. The extent of the notification must be consistent with the notification made in the state from which the offender is moving. Caps the level of notification to that of a risk level II offender, unless the notification made concerning the offender in the state from which the offender is moving is broader than that authorized for a level II offender and the end of confinement review committee at the nearest state correctional or treatment facility at the request of the agency, assigns the offender to risk level III.

Section 6 clarifies that the Community Notification Law applies to homeless predatory offenders.

Section 7 authorizes law enforcement to disclose the probationary status of predatory offenders granted mitigated dispositional departures (sentences where the presumptive guidelines' disposition is commitment to the Commissioner of Corrections but where this disposition is stayed by the court) to individuals that law enforcement believes may be victimized by the offender (thus, conforming this notification provision to the one in the Community Notification Law governing level II offenders).

Section 8 amends the law relating to the civil commitment of persons as being mentally ill and dangerous. Requires the special review board and Commissioner of Human Services to consider statements received from victims under **article 3, section 9**, when making recommendations and orders regarding release.

Section 9 amends the law relating to the civil commitment of persons as being mentally ill and dangerous. Requires a county attorney who files a civil commitment petition alleging that a person is mentally ill and dangerous, has a sexual psychopathic personality, or is a sexually dangerous person to make a reasonable effort to provide prompt notice of the filing of the petition to a victim

and to notify the victim of the resolution of the petition. Also requires the head of a treatment facility to make a reasonable effort to notify victims that a person civilly committed as being mentally ill and dangerous, as having a sexual psychopathic personality, or as being a sexually dangerous person may be discharged or released and that the victim has a right to submit a written statement regarding the release decision. Requires victims to request these notifications by contacting in writing the county attorney in the county where the conviction for the crime occurred. Defines key terms used in this section. Of note, defines "convicted" and "conviction" in a manner that includes certain mental illness procedures where the elements of the crime have been proven but the person has not actually been convicted and findings in certain civil commitment cases that the act or acts occurred.

Section 10 authorizes a court or the Commissioner of Corrections to require a sex offender to submit to a polygraph exam as a probationary intermediate sanction or a condition of release from confinement. Allows the court or the commissioner to order all or part of the cost of the exam to be borne by the offender.

Section 11 requests the Chief Justice of the Supreme Court, in consultation with the Conference of Chief Judges, to develop, by September 1, 2005, a protocol for the use of polygraph examinations for sex offenders on probation.

Section 12 requests the Supreme Court to study and report to the Legislature on the development and use of a statewide panel of defense attorneys to represent persons petitioned for civil commitment for being sexually dangerous persons or sexual psychopathic personalities and a statewide panel of judges to hear these petitions.

Section 13 requires the Commissioner of Corrections to report to the Legislature on the number of sex offenders that the commissioner estimates will be released from prison each year for the next five years, recommendations on how best to supervise these offenders, and recommendations on how best to fund the supervision.

Section 14 requires the Revisor of Statutes to make conforming changes to statutes as necessitated by this article.

Section 15 repeals two subdivisions in the POR Law superceded by changes made in this article.

ARTICLE 4

Legislative Auditor's Recommended Changes

Overview

Article 4 implements the Legislative Auditor's recommendations from the auditor's 2005 report to the Legislature on sex offender supervision.

Section 1 requires that when an offender who is subject to the POR law is being released from prison, the Commissioner of Corrections must provide the offender's prison records relating to psychological assessments, medical and mental health issues, and treatment to the corrections agency that is going to supervise the offender.

Section 2 amends the law requiring county and private sex offender programs to provide the Commissioner of Corrections with information related to program effectiveness. Strikes language that limits this provision to programs that seek new or continued state funding or reimbursements.

Section 3 clarifies that the law requiring the Commissioner of Corrections to provide follow-up information on sex offenders for three years following their completion or termination from treatment programs, provide treatment programs in different geographical areas of the state, provide necessary data relating to sex offender treatment programming, etc., is not a onetime project, but rather an ongoing obligation.

Section 4 amends the POR law to require offenders subject to registration to disclose their status as a registered offender to a health care facility upon admittance. The offender must also notify the offender's corrections agent or the applicable law enforcement authority when an inpatient admission has occurred. Requires a law enforcement authority or corrections agent who has received this notice or who knows that an offender has been admitted to a health care facility to notify the administrator of the facility.

Section 5 provides that when a corrections agency supervising an offender who is required to register under the POR law and who is classified as a public risk monitoring case has knowledge that the offender is seeking housing arrangements in a location under the jurisdiction of a different corrections agency, the supervising agency must notify the other agency of this and initiate a supervision transfer request.

Section 6 requires a corrections agency supervising an offender who is required to register under the POR law to notify the appropriate child protection agency before authorizing the offender to live in a household where children are residing.

Section 7 clarifies that an independent professional assessment of a sex offender's need for sex offender treatment must be conducted before sentencing.

Section 8 adds to the list of mandatory reporters of child abuse individuals involved in correctional supervision.

Section 9 requires the Commissioner of Corrections to convene a working group related to sex offender management and supervision. Requires the working group to study and make recommendations on specified issues. Also requires the working group to review the provisions of any laws enacted in the 2005 legislative session relating to sex offender supervision and treatment. Requires the working group to report recommendations to the Legislature. Requires the

Commissioner of Corrections to implement policies and standards relating to the issues studied by the working group over which the commissioner has jurisdiction.

Section 10 requires the Commissioner of Corrections to report specified information to the Legislature on prison-based sex offender treatment programs.

ARTICLE 5

Sex Offenders: Technical and Conforming Changes

Overview

Article 5 makes technical and conforming changes relating to the substantive changes made in **article 2**.

Sections 1 to 14 make technical and conforming changes to various statutes necessitated by **article 2** of this bill. Of note, **section 1** clarifies that the definition of “rule” in chapter 14 does not include rules of the Commissioner of Corrections relating to the release or release term of inmates on supervised or conditional release. **Section 3** provides timetables for the actions of the end of confinement review committees relating to offenders subject to indeterminate life sentences under **article 2**. **Section 6** requires courts to complete and forward to the Sentencing Guidelines Commission sentencing worksheets for offenders subject to indeterminate life sentences.

Section 14 instructs the Revisor of Statutes to renumber the sex offender assessment statute so that it does not fall numerically between fifth-degree criminal sexual conduct and the new criminal sexual predatory conduct crime created in **article 2, section 19**. Also directs the Revisor to make other technical changes to statutes necessitated by this act.

ARTICLE 6

Controlled Substances Provisions

Overview

Article 6 makes numerous changes to laws relating to methamphetamine including: increasing methamphetamine-related criminal penalties and creating new crimes; placing property restrictions on methamphetamine laboratory sites; establishing a toll-free telephone number for citizen tips; amending the nuisance law to make it easier to establish nuisances involving methamphetamine manufacturing; requiring the Board of Veterinary Medicine to report on animal products that may be used to manufacture methamphetamine; and creating a methamphetamine laboratory cleanup revolving loan fund. In addition, it amends the definition of narcotic drug in the controlled substances chapter of law to include methamphetamine, requires that schools be notified when students have been taken into protective custody after being found at methamphetamine lab

sites, and recodifies the possession of methamphetamine precursors with the intent to manufacture methamphetamine crime into a stand-alone section of law. Authorizes the Commissioner of Corrections to grant conditional early release from prison to certain nonviolent controlled substance offenders.

Section 1 amends the definition of “narcotic drug” in the controlled substance chapter of law to specifically include methamphetamine. Doing this ensures that methamphetamine sales and possession crimes are treated the same as cocaine and heroin throughout the controlled substances laws. Currently, this occurs for the most part. However, because methamphetamine is not defined as a narcotic drug, the sale of a small amount of methamphetamine is a fourth-degree controlled substance crime. The sale of a small amount of a narcotic drug (including heroin or cocaine) is a third-degree controlled substance crime.

Section 2 amends the attempted manufacture of methamphetamine crime enacted in the 2003 First Special Session. Makes mostly technical changes to clarify that this crime is not an “attempt crime” as much as a “possession of certain substances with intent to manufacture methamphetamine crime.” These changes are consistent with the intent of the 2003 legislation and essentially “clean up” some confusing language in the provision. Strikes the cross-referenced definition of “anhydrous ammonia.” Provides that the list of chemical reagents and precursors is not exclusive.

Section 3 increases the maximum criminal penalty for a violation of **article 6, section 2**, from a three-year/\$5,000 felony to a ten-year/\$20,000 felony and for a repeat offense from a four-year/\$5,000 felony to a 15-year/\$30,000 felony.

Section 4 authorizes courts to order persons convicted of manufacturing/attempting to manufacture controlled substances or of illegal activities involving precursor substances where the response to the crime involved an emergency response to pay restitution to public entities that participated in the response. Also authorizes courts to order these persons to pay restitution to property owners who incurred removal or remediation costs because of the crime.

Requires an arresting officer to notify various authorities about the location of a methamphetamine lab. Requires the local health authority to prohibit occupation of the property until it has been remediated following state health guidelines. Makes the remedial provisions of the public health law in Minnesota Statutes, chapter 145, applicable to affected property. Requires the contractor who remediates the property to verify that the work has been done to the local health authority and the owner. After notice of the remediation, the health authority is to vacate its nonoccupation order. Imposes liability for additional costs of remediation on a contractor who improperly verifies that remediation has been completed. Attorney fees are allowed in an action under the provision and a six year statute of limitation is imposed. Requires that the registrar of motor vehicles be informed if a motor vehicle has been contaminated by methamphetamine manufacture. Requires that a legal description of affected property be recorded in the county title records and that verification of remediation also be recorded. Provision is made for the correction of descriptions and for the notice effects of the record of the recording of the description and mediation verification. Allows other

interested parties to file affidavits that remediation has occurred. Provides for the notice effects of the filed verification. Requires the county recorder or registrar to record the affidavits.

Requires the Commissioner of Health to post contact information on the Internet. Requires the local health authority to maintain an information file on property subject to orders and lists minimum information requirements. Requires disclosures from sellers to transferors of the methamphetamine history of affected property and imposes certain liability on the seller if the seller fails to make the required disclosures. Attorney fees may be allowed in an action and a six year statute of limitations is provided.

Defines key terms.

Section 5 recodifies the prohibited fertilizer activities currently codified at sections 18C.201 and 18D.331. (These provisions are repealed in **article 6, section 19.**) In addition, adds two new crimes: stealing or unlawfully taking or carrying away any amount of anhydrous ammonia; and purchasing/possessing/transferring/distributing any amount of anhydrous ammonia, knowing or having reason to know that it will be used to unlawfully manufacture a controlled substance. Violation of either provision is a five-year/\$50,000 felony.

Section 6 criminalizes various methamphetamine-related activities that may impact children or vulnerable adults. The prohibited activities include manufacturing or attempting to manufacture methamphetamine, storing chemical substances, storing methamphetamine waste products, and storing methamphetamine paraphernalia. A person may not engage in these activities in the presence of a child or vulnerable adult; in the residence of a child or vulnerable adult; in a building, structure, conveyance, or outdoor location where a child or vulnerable adult might reasonably be expected to be present; in a room offered to the public for overnight accommodation; or in any multiple unit residential building. Also prohibits persons from knowingly causing or permitting a child or vulnerable adult to inhale, be exposed to, have contact with, or ingest methamphetamine, a chemical substance, or methamphetamine paraphernalia. Violation of these provisions is a five-year/\$10,000 felony. Provides that a prosecution for or conviction under this section is not a bar to conviction or punishment for any other crime committed by the defendant as part of the same conduct. Authorizes peace officers to take into protective custody children present in areas where prohibited activities under this section are occurring. Provides for health screening both for children taken into protective custody and for those who were not but who are known to have been exposed to methamphetamine. Requires peace officers to make reports of suspected maltreatment of vulnerable adults in certain situations involving methamphetamine exposure. Defines key terms.

Section 7 creates a new crime for disposing or abandoning methamphetamine waste products or chemical substances. A knowing violation is a five year/\$50,000 felony, but if it places another person in imminent danger of death, great bodily harm, or substantial bodily harm, it is a ten-year/\$100,000 felony. Provides an exception for peace officers acting in the course of their employment and persons who lawfully dispose of any product or substance in a manner approved by the Pollution Control Agency. Defines key terms.

Section 8 requires the Registrar of Motor Vehicles to include the term “hazardous waste contaminated vehicle” on a motor vehicle’s title if the Registrar has received the notice and the vehicle’s title as required in **article 6, section 4**.

Section 9, subdivision 1, authorizes the Commissioner of Corrections to grant conditional early release to nonviolent drug offenders who have met the criteria outlined in subdivision 2.

Subdivision 2 provides the following offender criteria for consideration for conditional early release:

- the crime of conviction must be a first- to fifth-degree controlled substance crime (Minnesota Statutes, sections 152.021 to 152.025);
- the offender must have committed the crime as a result of drug addiction and not primarily for profit;
- the offender has served at least 36 months or one-half of the offender’s term of imprisonment;
- the offender has successfully completed a chemical dependency treatment program while in prison; and
- the offender has not previously been conditionally released under this section.

Subdivision 3 requires the commissioner to offer chemical dependency treatment to the offenders described in subdivision 2 within 120 days after their term of imprisonment begins.

Subdivision 4 requires the commissioner to make a determination that an offender does not pose a threat to public safety before the commissioner grants a conditional release. In making the determination, the commissioner must follow the release procedures established in Minnesota Statutes, section 244.05, subdivision 2, and applicable rules.

Subdivision 5 provides that the commissioner may rescind a conditional release without a hearing if the commissioner determines that continuation of the release poses a danger to the public or to an individual.

Subdivision 6 prohibits the conditional release of an offender serving concurrent sentences for an offense eligible for conditional release and an offense ineligible for release under this section until the offender has served the entire term of imprisonment for the ineligible offense.

Section 10 requires that if a child who is enrolled in school is taken into protective custody after being found in an area where methamphetamine was being manufactured or where chemical substances, methamphetamine paraphernalia, or methamphetamine waste products were stored, the

officer who took the child into custody must notify the chief administrative officer of the child's school of this fact. Defines key terms.

Section 11 requires the superintendent of the Bureau of Criminal Apprehension to maintain and publicize a toll-free telephone number to enable citizens to report suspected methamphetamine crimes.

Section 12 requires the Public Facilities Authority to establish a methamphetamine laboratory cleanup revolving fund. The purpose of the fund is to provide low-interest loans to counties and cities to remediate clandestine lab sites. Specifies the criteria for awarding loans, the loan application process, the eligibility requirements for loans, the loan conditions and terms, etc. Defines key terms.

Section 13 expands the definition of "violent crime" in the criminal code's sentencing provision for certain dangerous and repeat felony offenders to include within it the new child/vulnerable adult methamphetamine endangerment crime created in **article 6, section 6**.

Section 14 amends the nuisance law to allow a public nuisance involving the manufacture of methamphetamine to be established upon a showing of a single methamphetamine manufacturing incident within the building in the previous 12 months. The nuisance law generally requires two incidents to have occurred in a 12-month period.

Sections 15 and 16 are technical changes related to **article 6, section 14**.

Section 17 requires the Minnesota Board of Veterinary Medicine to study and issue a report to the Legislature by February 1, 2006, on animal products that may be used in the manufacture of methamphetamine.

Section 18 directs the Revisor to recodify the possession of methamphetamine precursors with the intent to manufacture methamphetamine crime enacted in the 2003 First Special Session (as amended by **article 6, sections 2 and 3**) into a new stand-alone section of law.

Section 19 repeals statutory provisions in chapters 18C and 18D, relating to anhydrous ammonia that are recodified by this bill in chapter 152 (see **article 6, section 5**).

ARTICLE 7

General Crime Provisions

Overview

Article 7 contains the bill's nonsex offense, noncontrolled substances offense changes to substantive crimes. The article creates new crimes, amends existing crimes, and increases criminal penalties. It addresses such topics as identity theft, unlawful trafficking in persons, assaults, and

commercial e-mail spam. In addition, it addresses subjects closely relating to substantive crimes such as the collection of biological samples for DNA testing and responding to the U.S. Supreme Court's Blakely decision.

Section 1 requires a court to allow a prosecutor seeking an upward departure to prove the existence of the aggravating factor to the fact finder. This may be proven either in a unitary or bifurcated trial.

Sections 2 to 5 relate to new criminal penalties against senders of spam e-mail messages.

Section 2 defines key terms for the purposes of the new crimes.

Section 3 prohibits the following actions involving an e-mail message sent from or to a computer in this state:

- relaying or retransmitting multiple commercial e-mails, with the intent to hide the origin of the messages;
- falsifying header information in multiple commercial e-mail messages and then sending them;
- registering five or more e-mail accounts or online user accounts, or two or more domain names, in a way that falsifies the identity of the registrant, and then sending commercial e-mails from them; and
- falsely representing the right to use five or more Internet protocol addresses and sending commercial e-mails from those addresses.

Section 4 creates a misdemeanor crime of illegally transmitting multiple commercial electronic mail messages for violating any of the provisions of **article 7, section 3**.

Creates a gross misdemeanor crime of illegally transmitting multiple commercial electronic mail messages if the perpetrator does any of the following:

- uses 20 or more e-mail or online accounts or ten or more domain names;
- sends more than 250 such messages within 24 hours, 2,500 within 30 days, or 25,000 within a year;
- causes aggregate loss of \$500 or more to victims, or obtains that value of property, within a one-year period;
- commits the violation with three or more other persons, with the perpetrator as the leader;

- provides or selects e-mail addresses obtained illegally by automated means; or
- provides or selects e-mail addresses through an automated means that generates permutation of names, letters, or numbers.

Section 5 prohibits accessing a computer without authorization and using it to send illegal e-mail messages. Creates a gross misdemeanor crime of unauthorized access of a computer for persons violating this section. Creates a felony crime of unauthorized access of a computer for second or subsequent offenses, or if the crime was committed in the furtherance of a felony.

Section 6 amends the domestic abuse law by enlarging the definition of a “domestic abuse no contact order” to include orders in criminal proceedings relating to violations of protection orders, violations of domestic abuse no contact orders, and harassment/stalking.

Section 7 removes the June 30, 2005, sunset on the collection of biological specimens for DNA testing for persons convicted or adjudicated delinquent for felonies.

Section 8 expands the crime of first-degree murder for child abusers. Currently, the crime applies to offenders who cause the death of a child while committing child abuse where the offender has engaged in a past pattern of child abuse upon the child and the death occurs under circumstances manifesting an extreme indifference to human life. Expands the applicability of the provision to include situations where the past pattern of child abuse was upon any child, not just the victim.

Section 9 expands the third-degree assault law to address assault by strangulation or asphyxiation. Makes it a five-year felony to assault a person by strangulation or asphyxiation. Defines “strangulation.”

Section 10 expands the fourth-degree assault law to include persons civilly committed as being sexually dangerous persons or having sexual psychopathic personalities who commit certain acts against an employee or other individual providing care or treatment at a secure treatment facility. The prohibited acts include assaulting the person and inflicting demonstrable bodily harm or intentionally throwing or otherwise transferring bodily fluids or feces at or onto the person. The statutory maximum sentence for this crime is imprisonment for two years and/or a fine of not more than \$4,000. Provides for a mandatory minimum prison sentence of a year and a day. Also provides that when the offender is released from prison, the offender must be placed on conditional release for five years.

Section 11 provides for an enhanced penalty for a felony crime committed for the benefit of a gang when the victim is under the age of 18 years. The statutory maximum penalty for this crime is ten years longer than the statutory maximum for the underlying crime (as opposed to five years longer, which is the case for other felony-level gang crimes).

Section 12 defines “blackmail,” “debt bondage,” “forced labor or services,” “labor trafficking,” and “labor trafficking victim” for purposes of **article 7, sections 13 to 15**.

Section 13 makes it a felony (statutory maximum sentence of 15 years imprisonment and/or a \$30,000 fine) for a person to knowingly engage in the labor trafficking of another.

Section 14 makes it a felony (statutory maximum sentence of five years imprisonment and/or a \$10,000 fine) for a person to knowingly destroy, conceal, remove, confiscate, or possess any passport, immigration document, or other government identification document of another person:

- in the course of violating **article 7, section 13**, or Minnesota Statutes, section 609.322 (solicitation, inducement, and promotion of prostitution);
- with the intent to violate those sections; or
- to prevent or restrict a person’s liberty to move or travel, in order to maintain the person’s labor or services, if that person is or has been a victim of those sections.

Section 15 provides:

- that consent or the age of the victim is not a defense to an action under this section;
- that a labor trafficking victim may bring a civil lawsuit against a person who violates **article 7, section 13 or 14**; and
- that if a corporation or business enterprise is convicted of violating **article 7, section 13 or 14**, or Minnesota Statutes, section 609.322, in addition to other applicable criminal penalties, the court may order specified remedies relating to the entity’s business status (i.e., order its dissolution or reorganization, etc.).

Section 16 makes a conforming change relating to **article 7, sections 20 and 21**.

Section 17 expands the definition of promoting prostitution under Minnesota Statutes, section 609.321, by adding sex trafficking (see **article 7, section 18**).

Section 18 amends the criminal code’s prostitution definitions to define “sex trafficking” (see **article 7, section 17**) as “receiving, recruiting, enticing, harboring, providing, or obtaining by any means an individual to aid in the prostitution of the individual.” This makes sex trafficking either a 20-year or a 15-year felony under Minnesota Statutes, section 609.322, depending on the age of the victim.

Section 19 amends the criminal code’s prostitution definitions to define “sex trafficking victim.”

Section 20 makes it a misdemeanor to loiter in a public place with the intent to participate in prostitution. **Article 7, section 42**, repeals the vagrancy crime which contains a similar provision.

Section 21 amends the criminal code’s prostitution provisions by providing an affirmative defense to a charge under Minnesota Statutes, section 609.324 (prostitution crime involving patrons,

prostitutes, and individuals housing prostitutes). Applies if a defendant charged with violating that section proves by a preponderance of the evidence that the defendant is a labor trafficking victim (see **article 7, section 12**) or a sex trafficking victim (see **article 7, section 19**) and that the defendant committed the act only under compulsion by another who by explicit or implicit threats created a reasonable apprehension in the mind of the defendant that if the defendant did not commit act, the other person would inflict bodily harm upon the defendant.

Section 22 amends the definition of “coercion” for the purposes of Minnesota Statutes, sections 609.341 to 609.351 (Criminal Sexual Conduct provisions). Clarifies the language by explicitly including the use by the actor of confinement, or superior size or strength, against the victim, that causes the victim to submit to sexual penetration or contact against the victim’s will.

Section 23 expands Minnesota Statutes, section 609.485 (Escape from Custody), to include persons civilly committed as sexual psychopathic personalities and sexually dangerous persons who abscond following the revocation of provisional discharge.

Section 24 provides that an escape described in **article 7, section 23**, is a felony offense, punishable by imprisonment for up to a year and one day.

Section 25 expands Minnesota Statutes, section 609.50 (obstructing legal process; arrest, or firefighting), by making it a crime to interfere with or obstruct a member of an ambulance service personnel crew in the performance of their official duties. Also expands the existing crime relating to interfering with or obstructing the prevention or extinguishing of a fire or disobeying a lawful order of a firefighter present at a fire by adding broader language relating to interfering or obstructing a firefighter while the firefighter is engaged in a performance of official duties.

Section 26 defines “false pretense” as any false, fictitious, misleading, or fraudulent information depicting or including or deceptively similar to the name, logo, Web site address, e-mail address, postal address, or telephone number of a for-profit or not-for-profit business or organization or of a government agency, to which the user has not legitimate claim of right. (See **article 7, section 29**.)

Section 27 expands the crime of identity theft by creating a 20-year felony for crimes involving the possession or distribution of child pornography (Minnesota Statutes, sections 609.246 and 609.247).

Section 28 requires a court, upon the written request of a direct victim or the prosecutor in the identify theft crime, to provide a copy of the complaint, the judgment of conviction, and an order setting forth the facts and circumstances of the offense.

Section 29 expands the crime of identity theft by creating a five-year felony for using a false pretense (see **article 7, section 26**) in an electronic communication with the intent to obtain the identity of another. Failure to obtain, use, or gain from the identity is not a defense.

Section 30 provides that the venue for prosecuting a violation of **article 7, section 29**, includes the county or place of residence of the person whose identity was obtained or sought.

Section 31 expands the definition of “designated offense” in the criminal code’s forfeiture law to include violations of **article 7, sections 13 and 14**. Generally, all personal property that is used or intended for use to commit or facilitate the commission of a designated offense is subject to forfeiture. In addition, all money and other property, real and personal, that represent the proceeds of a designated offense and all contraband property are also subject to forfeiture. A person must be convicted of a designated offense to trigger the forfeiture.

Section 32 amends Minnesota Statutes, section 609.5315 (Disposition of Forfeited Property), by adding a cross-reference to **article 7, section 33**, regarding disposition of proceeds from prostitution and trafficking offenses.

Section 33 creates a new subdivision under Minnesota Statutes, section 609.5315, providing that proceeds from forfeitures resulting from prostitution and trafficking offenses be distributed as follows:

- 40 percent of the proceeds must be forwarded to the appropriate local agency for the use of law enforcement;
- 20 percent must be forwarded to the prosecuting agency that handled the forfeiture; and
- 40 percent must be forwarded to the Commissioner of Public Safety for distribution to crime victim organizations providing services to victims of trafficking offenses.

Also requires the Commissioner of Public Safety to report annually to the Legislature on the money forwarded to the commissioner under this section and distributed to crime victims’ organizations providing services to trafficking victims.

Section 34 enhances the misdemeanor “interference with privacy” crime (Minnesota Statutes, section 609.746) to a gross misdemeanor, and the gross misdemeanor crime (applicable to repeat offenders and crimes involving victims under the age of 18) to a felony. Increases the maximum age from 16 to 18 of the victim for purposes of triggering the enhanced penalty.

Section 35 provides that a stepparent of a minor who is a victim of harassment may seek a restraining order on behalf of the minor. Under current law, only a parent or guardian may act on behalf of the minor.

Section 36 waives harassment restraining order filing fees if the petition alleges acts that would constitute a violation of Minnesota Statutes, sections 609.342 to 609.3451 (Criminal Sexual Conduct in the 1st through 5th Degrees). Under current law, filing fees are waived only if the petition alleges conduct that would violate Minnesota Statutes, section 609.749 (Harassment and Stalking).

Section 37 expands harassment and stalking crimes to include monitoring a person, whether in person or by technological or other means. Provides that the venue for prosecution of harassment

or stalking crimes using wireless or electronic communication may be where either the victim or the actor resides.

Section 38 expands the venue for prosecution of obscene or harassing telephone calls using wireless or electronic communication to include where the sender or the receiver resides. Under current law, the offense may only be prosecuted at the place where the call is made or where it is received.

Section 39 provides that the venue for prosecution of harassment by letter, telegram, or package be where the missive was sent or received, or, in the case of wireless electronic communication, where the sender or receiver resides.

Section 40 amends the criminal statute of limitations law to allow a criminal case to be commenced for a violation of **article 7, section 13**, at any time if the victim was under the age of 18 at the time of the offense. If the offense did not involve a minor victim, the statute of limitations is six years.

Section 41 specifically adopts certain modifications proposed by the Minnesota Sentencing Guidelines Commission in its 2005 report to the Legislature.

The most significant of the adopted modifications relate to the Commission's response to the U.S. Supreme Court's 2004 decision in Washington v. Blakely. They expand individual cells within the sentencing guidelines' grid to the full 15 percent range authorized by law, adopt a list of offenses for which permissive consecutive sentencing is authorized, and make changes to the guidelines text related to the Blakely decision.

In addition, specifically adopts the proposed modification relating to ranking the anhydrous ammonia tampering/theft crime as a severity level III offense.

Finally, it specifically rejects the Commission's proposed modifications relating to sex offenses (i.e., creating a separate grid for sex offenses, making changes to the way in which criminal history is calculated for sex offenders, etc.).

Minnesota Statutes, section 244.09, subdivision 11, requires the Sentencing Guidelines Commission to submit to the Legislature proposed changes to the guidelines by January 1 of the year in which the Commission wishes to make the change. These modifications go into effect automatically on the following August 1 unless the Legislature by law provides otherwise. The report in which these modifications were proposed was not submitted to the Legislature in a timely fashion. Therefore, the Legislature has to specifically adopt these modifications if they are to go into effect on August 1, 2005. Of note, **article 9, section 4**, changes the reporting deadline from January 1 to January 15.

Section 42 repeals Minnesota Statutes, section 609.725 (Vagrancy). This statute provides a misdemeanor penalty for the following acts of vagrancy:

- a person, with ability to work, who is without lawful means of support, does not seek employment, and is not under 18 year of age;

- a person found in or loitering near any structure, vehicle, or private grounds who is there without the consent of the owner and is unable to account for being there;
- a prostitute who loiters on the streets or in a public place or in a place open to the public with intent to solicit for immoral purposes; or
- a person who derives support in whole or in part from begging or as a fortune teller or similar imposter.

ARTICLE 8

911 Emergency Telecommunications Services

Overview

Article 8 provides for a transition of the 911 fee from one that is based on each telephone line to one that is based on each telephone number, with the change to become effective July 1, 2006. It increases the current 911 emergency telephone services fee by 25 cents to fund the current deficiency in the costs of operating the 911 telephone system, to pay off prior year obligations of the 911 telephone fund, and to help defray the cost of operating PSAPs. It authorizes the Commissioner of Public Safety to impose certain cost controls on 911 emergency telephone services contracts. It shortens the time limit for telephone companies to certify to the Commissioner their costs for providing 911 service. It replaces the current authorization for the Metropolitan Council to sell 911 revenue bonds for phases two and three of the 800 MHz public safety radio communications system with a similar authorization for the Commissioner of Finance to sell the bonds. It reduces the bond authorization for the second phase (in the metropolitan area) and increases the bond authorization for the third phase (in the areas around Rochester and St. Cloud). Finally, it sets priorities for payment of debt service costs from the 911 account.

Bonds for phases two and three of the 800 MHz radio system were previously authorized but not sold. They were authorized by Laws 2002, ch. 401, art. 1, § 7, and Laws 2003, First Sp. Sess. ch. 1, art. 2, §§ 116, and were to be paid for with fee increases totaling nine cents authorized by Laws 2002 ch. 401, art. 1, §§ 3, 8, and Laws 2003, First Sp. Sess. ch.1, art. 2, §§ 108, 117. The bonds were not sold because the Governor chose to divert the revenue from the nine-cent fee increase to pay operating costs of the telephone service when it became clear in the February 2004 forecast that actual revenue would fall short of the amounts forecast in February 2003.

Section 1 provides for a transition of the 911 fee from one that is based on each telephone line to one that is based on each telephone number, with the change to become effective July 1, 2006. It requires the Commissioner of Commerce to recommend to the Legislature by January 15, 2006, the new method for assessing the fee, which will become effective when enacted into law.

Section 2 transfers administration of the telephone assistance plan (TAP) from the Department of Administration to the Department of Public Safety. This is a conforming change to reflect a transfer that has already taken place.

Section 3 strikes a reference to a “special viewing screen” for the enhanced 911 program, which no longer uses one.

Section 4 updates the definition of enhanced 911 service to distinguish between the common network and database and the connections to the network.

Section 5 provides a more generic definition of the three elements of the 911 service to accommodate changing technology whereby telephones are looking more like computer networks.

Section 6 adds a new definition of “911 emergency telecommunications service provider” to enable contracting with entities other than telephone companies.

Section 7 adds wireless providers and packet-based telecommunication (VoIP) to the statute requiring phone companies to design their systems to provide 911 service. In spite of being included in the definition, VoIP providers like Vonage are not subject to state regulation without their consent, since they have been exempted by the FCC and federal court decisions.

Section 8 allows the state to contract with providers other than wire-line telecommunications service providers, in recognition of the growing role of nontelephone companies in providing 911 service.

Section 9 allows the state to contract with providers other than wire-line telecommunications service providers, in recognition of the growing role of nontelephone companies in providing 911 service.

Section 10 replaces a reference to a specified provision in the federal Electronic Communications Privacy Act of 1986 with a reference to a specified provision in the federal Communications Act of 1932.

Section 11 allows the state to contract with providers other than wire-line telecommunications service providers, in recognition of the growing role of nontelephone companies in providing 911 service.

Section 12 adds a reference to packet-based telecommunications service providers and increases the 911 emergency telephone services fee from 40 to 65 cents a month, limits the payment of telephone company charges for providing 911 service to those costs set forth in the company’s contract with the Commissioner of Public Safety, and authorizes the Commissioner not to contract to pay for services required by federal law or regulation.

Section 13 limits the payment of telephone company charges for providing 911 service to those costs set forth in the company’s contract with the Commissioner of Public Safety and adds a reference to include packet-based telecommunications service providers.

Section 14 shortens from two years to one year the time limit for a telephone company to certify to the Commissioner of Public Safety its charges for providing 911 services and requires each contract to provide that the Commissioner may limit payment of costs to 110 percent of the amount estimated when the contract was signed.

Section 15 adds a reference to include packet-based telecommunications service providers and strikes the current dedication of ten cents of the fee to paying the costs of operating PSAPs, since the future amount of the fee under the new system is unknown. The bill includes a direct appropriation of the amount raised by 20 cents of the fee, ten cents under current law plus ten cents of the increase.

Section 16 strikes language authorizing the Metropolitan Council to sell bonds for phase three.

Section 17 strikes language authorizing the Metropolitan Council to sell bonds for phases two and three.

Section 18 authorizes the Commissioner of Finance to sell 911 revenue bonds to pay the costs of the 800 MHz statewide public safety radio communication system that the Statewide Radio Board determines are of regional or statewide benefit. The bonds are payable from revenue to the 911 account. This section is modeled on Minnesota Statutes, section 473I.06, baseball park revenue bonds. The authority to borrow from the 911 account in anticipation of bond proceeds is modeled on Minnesota Statutes, section 16A.641, subdivision 8(b), for state general obligation bonds.

Section 19 provides an open appropriation for the payment of debt service on the bonds once they have been sold, and sets this appropriation as a first priority for the use of all the revenue in the 911 account so as to insure that the debt service will be paid on time.

Section 20 is a repealer.

Section 21 makes the article effective immediately and applies it to 911 services contracts executed on or after that date.

ARTICLE 9

Miscellaneous Provisions

Overview

Article 9 contains miscellaneous criminal justice provisions (those unrelated to substantive crimes). This article imposes, increases, and extends various fees and surcharges relating to driver's license and state identification card issuance, driver's license reinstatements, alcoholic beverage licensing, filing civil actions in court, and criminal and traffic offenders. It also raises the alcohol excise tax. In addition, the article establishes a new Minnesota Financial Crimes Oversight Council

and Task Force, makes changes related to CrimNet, addresses gasoline theft drive-offs, and creates a homelessness pilot project under the administration of the Commissioner of Public Safety.

Section 1 imposes a \$1 surcharge on every driver's license or state identification card issued. This money is to be deposited into the general fund.

Sections 2 and 3 extend the non-DWI driver's license reinstatement fee of \$20 to driver's licenses suspended for failure to appear and for unpaid fines. The receipts are deposited into the Special Revenue Fund and dedicated to the POST Board for reimbursement of local units of government for continuing education of peace officers.

Section 4 changes the statutory deadline for the Minnesota Sentencing Guidelines Commission to submit reports to the Legislature relating to proposed guidelines modifications from January 1 to January 15.

Section 5 amends the provision in current law that authorizes a local jail to collect local correctional fees only from convicted offenders. Authorizes facilities to charge fees to persons who are under the control and supervision of the facility. "Local correctional fees" include fees for the following correctional services:

- (1) community service work placement and supervision;
- (2) restriction collection;
- (3) supervision;
- (4) court-ordered investigations;
- (5) any other court-ordered service;
- (6) postprison supervision or other form of release; or
- (7) supervision or other services provided to probationers or parolees.

Section 6 provides that hearings on civil commitment petitions relating to sexually dangerous persons or persons with sexual psychopathic personalities must be held within 90 days from the date of the petition's filing. Currently, the deadline is 14 days from filing.

Sections 7 and 8 increase the alcohol excise tax on all distilled spirits and wine manufactured, imported, sold, or possessed in this state. The excise tax increase is intended to be the equivalent of a point of sale increase of one cent per drink.

Section 9 increases the alcohol excise tax on all fermented malt beverages that are imported, directly or indirectly sold, or possessed in this state. The excise tax increase is intended to be the equivalent of a point of sale increase of one cent per drink.

Section 10 increases the brewer's tax credit to conform with the increase in the excise tax on beer. The tax credit applies to brewers who manufacture less than 100,000 barrels of beer annually.

Section 11 increases from \$300 to \$600 the state reimbursement ceiling for bullet-proof vests purchased by peace officers and law enforcement agencies.

Section 12 is a conforming amendment relating to **article 9, section 11**, indexing the reimbursement rate to the Consumer Price Index.

Section 13 amends the provision limiting eligibility for bullet-proof vest reimbursements. Authorizes reimbursements for vests that are at least five years old (current law requires that they be at least six years old).

Section 14 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 **article 9, section 38**) are transferred to the oversight council for use by the task force created in this section.

Section 15 adds the chair and first vice chair of the Criminal and Juvenile Justice Information Task Force to the Criminal and Juvenile Justice Information Policy Group. Authorizes the policy group to hire an executive director in the unclassified service.

Sections 16 and 17 change the reporting requirement of the Criminal and Juvenile Justice Information Policy Group from December 1 to January 15 of each year. Amends the membership of the Criminal and Juvenile Justice Information Task Force (formed to assist the policy group with its duties) by removing the policy group members, the Director of the Office of Long-Range and Strategic Planning, and the Commissioner of Administration and adding the following members:

- the director of the Sentencing Guidelines Commission;

- one member appointed by the Commissioner of Public Safety;
- one member appointed by the Commissioner of Corrections;
- one member appointed by the Commissioner of Administration; and
- one member appointed by the Chief Justice of the Supreme Court.

The report must provide the status of current integration efforts, recommendations concerning legislative changes or appropriations, and a summary of the work of the policy group and the task force.

Section 18 transfers authority to determine system integration priorities from the Criminal and Juvenile Justice Information Policy Group to the CriMNet program office, in consultation with the task force and the approval of the policy group. Authorizes the task force to review funding requests and make recommendations to the policy group. Reserves authority to make final grant recommendations to the policy group. Provides a grant applicant matching fund requirement of up to 50 percent, to be constant across all applicants.

Sections 19 to 26 increase various fees relating to alcoholic beverage licensees.

Section 27 increases the fee for filing a civil action in court from \$235 to \$240.

Sections 28 and 29 increase the criminal/traffic surcharge from \$60 to \$71 and deposit the increase in the general fund.

Section 30 increases from \$4.50 to \$10.50 the surcharge on recording transaction fees collected by county recorders (Minnesota Statutes, section 357.18, subdivision 3).

Sections 31 and 32 increase from \$4.50 to \$10.50 the surcharge on registrars' fees collected by county registrars (Minnesota Statutes, sections 508.82, subdivision 1, and 508A.82, subdivision 1).

Section 33 amends the law authorizing service charges and civil penalties for persons who receive gasoline and then drive off without paying. Sets the service charge at \$30 and authorizes a law enforcement agency to keep this charge when the agency obtains payment for the gasoline on behalf of the retailer. Clarifies how the civil penalty is to be set.

Section 34 clarifies that civil liability under **article 9, section 33**, is not a bar to criminal liability for the gasoline drive-off.

Section 35, subdivision 1, authorizes the Commissioner of Public Safety to award two-year grants for homeless outreach programs in Hennepin County, Ramsey County and one county outside the seven-county metropolitan area. Requires a grant recipient from outside the seven-county

metropolitan area to provide a 25 percent match. A grant recipient from within the seven-county metropolitan area must provide a 50 percent match.

Subdivision 2 provides criteria for grant awards.

Subdivision 3 requires grant recipients to report annually, by June 30, on the services provided, expenditures of grant money and effectiveness of the programs. The commissioner must submit the reports to Legislature by November 1 of each year.

Section 36 transfers money remaining in the criminal justice special projects account in the special revenue fund to the general fund. There is currently money in this account left over from the 2001 racial profiling legislation. However, the authority to spend the money expired on June 30, 2003.

Section 37 requires that space be kept available at MCF-Faribault to allow Rice County to construct a local correctional facility there. This section sunsets in ten years.

Section 38 repeals Minnesota Statutes 2004, sections 299A.68 (Minnesota Financial Crimes Strike Force); and 299C.65, subdivisions 3, 4, 6, 7, 8, 8a, and 9, relating to the Criminal and Juvenile Justice Information Policy Group:

Subdivision 3 (Continuing Education Program);

Subdivision 4 (Criminal Code Numbering Scheme);

Subdivision 6 (Development of Integration Plan);

Subdivision 7 (Implementation of Integration Plan);

Subdivision 8 (Local Match);

Subdivision 8a (Criminal Justice Technology Infrastructure Improvements);

Subdivision 9 (Documentation and Reporting Requirements).

KPB:CT:ph

It's Common CENTS!

Top 10 reasons for a 1¢ increase in the alcohol user fee

10. The alcohol excise tax is a true “user fee.” 20% of drinkers consume 85% of all alcoholic beverages. That means that the remaining 80% of drinkers consume on average relatively little alcohol and pay a small amount of alcohol taxes.¹
60-70% of all crimes are committed while the offender is under the influence of alcohol and other drugs.²
8. 90% of the Minnesota prison population is either chemically dependent or abusive of alcohol and other drugs.³
7. In 2003, 427,849 people living in Minnesota had a DWI record. 11,299 Minnesotans were convicted of a 2nd, 3rd, even 4th+ DWI offense. No other offense in Minnesota occurs among a greater percentage of the population (10%) and consistently has so many re-offenders.⁴
6. Of patients receiving treatment for substance abuse from state chemical health programs, nearly half (46.4%) abuse alcohol as the primary substance, compared with 14.2% for meth and 13.8% for crack/cocaine.⁵
5. Of all drugs, alcohol has the greatest impact on Minnesota communities. In fact, Minnesota’s overall alcohol use is higher than the national average.⁶
4. For every \$1 of tax revenue spent on treatment, taxpayers save \$7, due mostly to reductions in crime.⁷
3. Alcohol use cost Minnesotans \$4.5 billion in 2001. That amounts to over \$900 for every person in the state. This is 19 times higher than taxes collected from alcohol sales.⁸
2. The current Minnesota alcohol excise tax is only pennies per drink and hasn’t been raised since 1987. Minnesota’s wine and beer excise taxes are average or below average compared with most other states.⁹ A penny increase in the alcohol excise tax would raise about \$24.5 million per year for public safety.¹⁰
1. Three out of four Minnesotans support increasing the alcohol tax.¹¹

¹ Rogers, J.D. & Greenfield, T.K. “Who Drinks Most of the Alcohol in the U.S.? The Policy Implications.” *Journal of Studies on Alcohol*. 60(1) (1999).

² “2000 Arrestee Drug Abuse Monitoring: Annual Report.” National Institute of Justice (April 2003).

³ Minnesota Department of Corrections: 2005 presentation by Chris Bray, Assistant Commissioner of Corrections.

⁴ Minnesota Supreme Court Chemical Dependency Task Force: Presentation for the Public Safety Budget Division, April 11, 2005. Data provided by the Office of Traffic Safety, Department of Public Safety.

Data from the Minnesota Department of Human Services: Project Management and Quality Improvement Division.

“Creating a Safer Minnesota: Byrne Advisory Committee Report.” Minnesota Department of Public Safety (1999).

⁷ “Evaluating Recovery Services: The California Drug and Alcohol Treatment Assessment (CALDATA).” California Department of Alcohol and Drug Programs (July 1994).

⁸ “The Human and Economic Costs of Alcohol Use in Minnesota.” Minnesota Department of Health (Jan 2004).

⁹ Minnesota House of Representatives Research, <http://www.house.leg.state.mn.us/hrd/issinfo/ssalbvtx.htm#Q5> (accessed April 20, 2005).

¹⁰ Minnesota Senate Counsel, Research and Fiscal Analysis.

¹¹ AARP poll conducted Jan. 2005 (<http://www.aarp.org/research/reference/publicopinions/Articles/aresearch-import-494.html>). Robert Wood Johnson poll conducted in 1997 and 2001 (http://www.epi.umn.edu/alcohol/pdf/2002_report.pdf).

Testimony on behalf Community Corrections Counties – Senate Criminal Justice Finance Committee –
April 13, 2005

Tom Adkins, Director, Washington County Community Corrections #651-430-6902

Andy Erickson, Director, Dodge-Fillmore-Olmsted County Community Corrections; #507-287-1686

We appreciate this opportunity to address the Senate Omnibus Public Safety Finance Bill regarding resources available to manage offenders in the community over the past few years, and provide a preliminary response to the Department of Corrections' memo on probation caseload trends dated March 29. We are representing our respective counties as probation directors, as well as members of MACCAC, the community corrections organization. As you often hear, three quarters of the convicted offenders in Minnesota are supervised in the community, by probation staff working for a community corrections agency.

In essence, the March 29 DOC memo suggests that probation caseloads have remained relatively flat since 2001, intimating a neutral impact from the budget reductions enacted for SFY04-05.

We have several responses to the Department's memo, and to the general area of probation funding, as follows:

1. A statewide probation task force presented its report to the MN Legislature in 1995, which concluded the probation system was underfunded by \$40 million. Legislative action provided \$18 million in new dollars toward that shortfall in 2002, and has since cut that by 8%. Since the report in 1995, probation cases have grown by 27.4%.
2. Counties throughout Minnesota have relied on a variety of techniques to balance growing probation pressure with declining resources, including:
 - a. Raising the risk level of offenders who are actively supervised (DFO has raised the threshold on the LSI risk assessment from 17 to 21, Washington has raised it from 17 to 19, and Dakota has raised it from 17 to 26).
 - b. Reducing "contact standards" for agents (the frequency with which offenders who are actively supervised are seen in their office or in their homes)
 - c. Shifting increasing numbers of offenders to either kiosks or paper supervision
 - d. Reducing treatment, educational classes
3. Minnesota has the 49th lowest incarceration rate in the nation, and is 46th lowest on per capita spending on corrections. 15 offenders can be supervised safely in the community for every offender placed in state prison (on an annualized basis). Probation is cost effective and more effective in reducing offender recidivism than prison alone.
4. A number of the programs that contribute to the success of probation and supervision of offenders in the community, namely treatment and cognitive behavioral programming, have been greatly reduced as opposed to laying off probation staff
5. The impact of the state funding reductions (effective date of 07/01/03) were primarily felt in the 2004 budget year by counties. As the 2004 State Probation Survey is still unfinished, caseloads for 2004 cannot yet be calculated on a statewide basis and the true impact of those reductions is uncertain.
6. In order to stave off further staffing reductions, local governments have stepped up to the plate with - in some cases - record levy increases for corrections.
7. Not only are the cases left on probation harder to supervise (as lower risk offenders are moved to paper), but the duties of officers have grown – from DNA collection, to co-facilitation of

cognitive skills classes and sometimes treatment groups, to pretrial supervision (which does not appear in probation counts), drug testing, and assuming responsibility for apprehension of low level offenders to relieve overburdened local law enforcement.

The Dodge-Fillmore-Olmsted Experience since 2001

1. The probationers have become more difficult to supervise
 - Today's offenders present more risk, have more violations (a DFO increase of 24% from 2002 to 2003) and are more likely to engage in behavior which results in probation revocation (which is then followed by a commitment to the DOC Commissioner and a return to the community on supervised release).
 - The outstate growth in methamphetamine production and addition:
 - There has been a significant increase in positive drug tests for meth in DFO (28.6% increase since 2001)
 - ½ of felony drug cases in last half of 2003 were meth-related
 - There has been a 35% increase in new drug felony cases since '02
2. DFO has enacted a 21% reduction in staff since 2001, with a concurrent 24% increase in offenders on probation. In order to stave off cuts to probation staff, the three counties have stepped up to the plate (26% levy increase in Olmsted, 7.5% in Fillmore, and 9.75% in Dodge County for 2005- See chart in Appendix). Had each of the counties levied their historical increase (of 5.71%), DFO would have laid off six staff.
3. DFO has enacted other measures to manage declining resources, including:
 - Raised LSI-R cut-off level from 17 to 21, increasing risk level of all caseloads
 - Decrease/eliminate service to Misdemeanor DUI offenders (men only)
 - Reduce supervision for Gross Misdemeanor property offenders
 - We have reduced our budget for cognitive skills for offenders by 40%. Our own study suggests that adult males who complete cog skills are 15% less likely to reoffend than those who don't.
 - Increased workload for Kiosk and Administrative Supervision, including handling of violations.

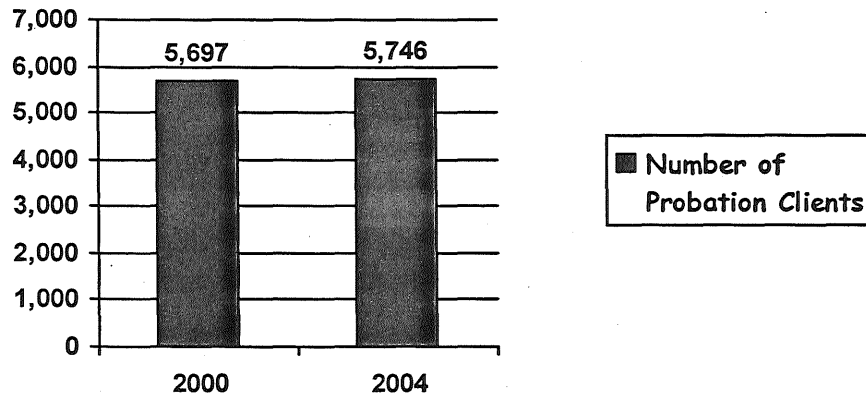
The initial cuts in DFO (to volunteer, program evaluation, contracted services) have had negligible impact on public safety. However, the cuts of the past two years have now begun to compromise public safety. Three specific case scenarios are provided in the appendix - these are the types of cases probation agents used to supervise (home visits, etc). All three of these cases are now on a kiosk, where they check in once per month at an electronic station.

Therefore, behind the numbers of a relatively flat caseload size average for probation agents across Minnesota lies a very different story. Adequate funding of probation needs to be considered in the context of public safety, along with law enforcement, the state department of Corrections, and state correctional facilities. Thank you.

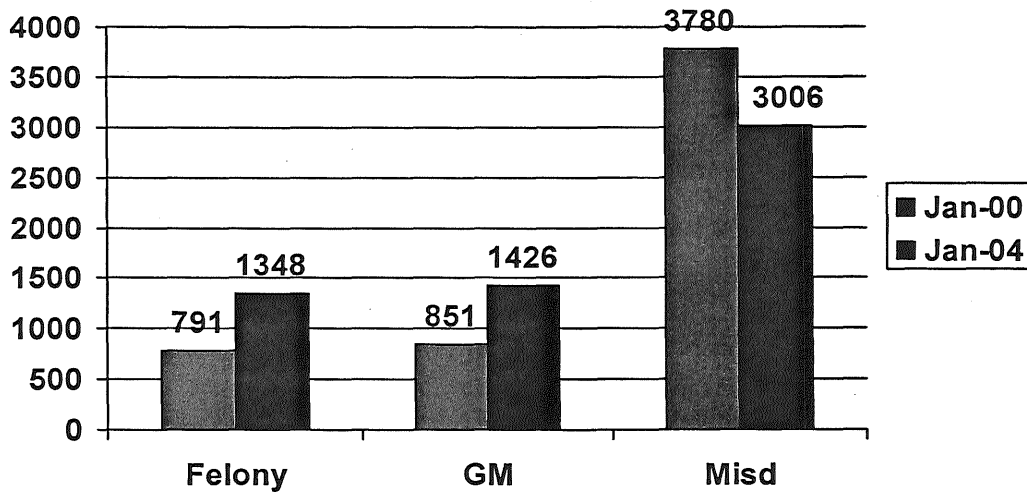
APPENDIX

Tom Adkins, Director, Washington County Community Corrections
Andy Erickson, Director, Dodge-Fillmore-Olmsted County Community Corrections

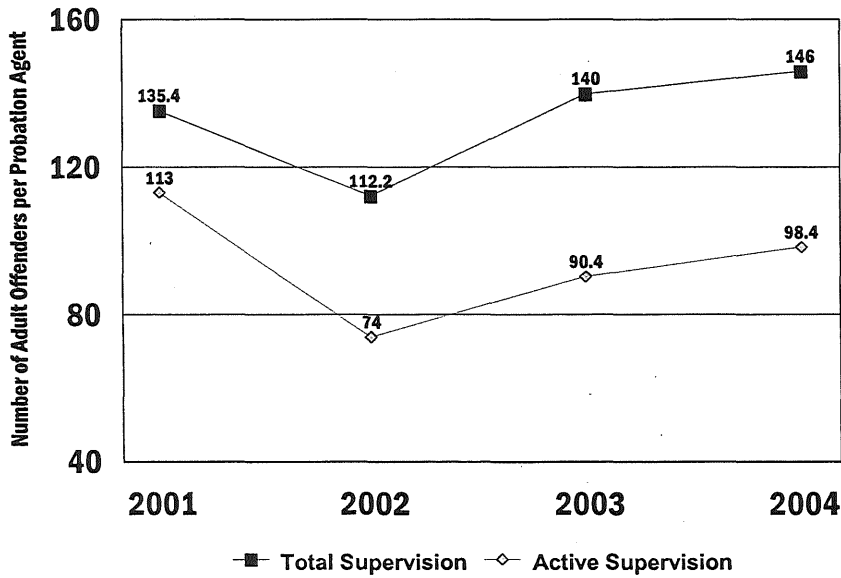
**Washington County Community Corrections
Offenders on probation - 2000 and 2004**



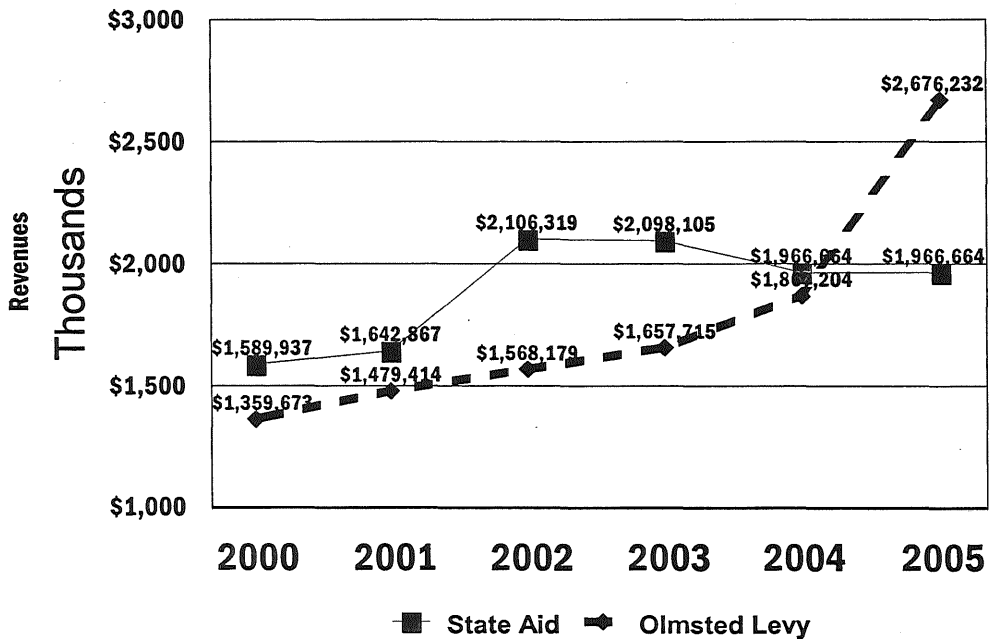
**Washington County Community Corrections
Breakdown by Offense Level
2000 and 2004**

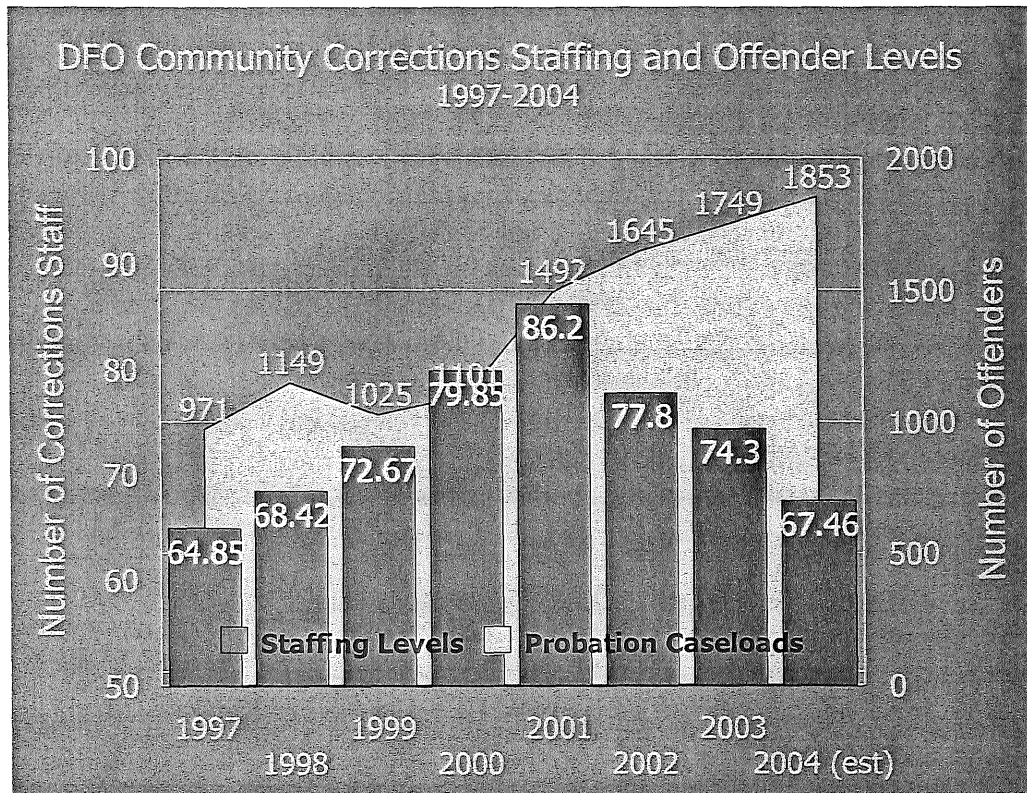


Olmsted County Adult Probation Caseload Trends - DFO Community Corrections
 2001-2004



Funding for DFO Community Corrections
 State Aid vs Olmsted Local Levy
 2000-2005





Three examples of offenders currently on kiosk supervision in DFO

33 year-old white male, currently on probation for two felony counts of Violation of Order for Protection. (The second count occurred approximately two months after being sentenced for the first count). The victim is his ex-wife. He has three previous convictions for OFP violations, as well as 2 DWI's and other miscellaneous driving offenses. He was convicted of 3rd degree Burglary as a juvenile. He has been violated for failing to remain abstinent and failing to remain law-abiding. He is chemically dependent and has been through both CD treatment and domestic violence programming. We continue to get calls from the victim with concerns about her safety.

38 year-old white male, currently on probation for felony 5th Degree Controlled Substance and Terroristic Threats. His wife is the victim of the terroristic threats conviction. The defendant has a lengthy criminal history, including Burglary as a juvenile, two Domestic Assault convictions, three Disorderly Conduct Convictions, two alcohol/drug related convictions, three Theft convictions, a 2nd degree Burglary conviction and 3rd degree Criminal Sexual Conduct conviction, as well as numerous driving offenses. He has had at least 27 detox admissions, 8 chemical dependency treatment admissions as well as domestic violence programming at least twice. He has violated his current sentences by failing to remain abstinent and failing to comply with domestic violence programming.

29 year-old white female, currently on probation for two counts of misdemeanor Theft and one count of misdemeanor 5th Degree Assault. Ten days after sentencing on these convictions she allegedly committed a new offense and has pending charges of 1st and 2nd degree Aggravated Robbery. The charges allege she entered the home of persons unknown to her and demanded money. When they refused she pulled a knife on them. She had her two small children with her during the commission of the crime. She has a lengthy criminal history that includes felony drug crimes, felony Fleeing a Peace Officer, felony Theft, and Prostitution. She also appears to having pending charges in Minneapolis of 1st Degree Controlled Substance. She has a history of chemical dependency.

Portrait of a Meth Case in DFO Community Corrections
NOTE: this case was only supervised by our electronic kiosk
February, 2005

- Corrections officers get tip from Narcotics Task Force that one of our female probationers is using/selling meth. Female probationer is on probation for DUI.
- Police and probation go to home of probationer to conduct a search. First three people they encounter in the home do not live there. They are stoned and in their late teens and early 20s.
- Husband of probationer comes out of bedroom. He has sores all over from meth use. Meth found in bedroom and appears to be the highly addictive crystal meth version.
- Marijuana and drug paraphernalia found under the couch in the living room.
- While at the home an older daughter comes home. She is concerned about the situation and about her 11 year old brother who is at school.
- Mom (probationer) arrives in a car with another young person. Mom tries to deny her identity. Older daughter helps confirm her identity.
- Young person in car with probationer is daughter of law enforcement official from another jurisdiction. Claims she does not use. Meth found in vehicle and appears to be more crystal meth.
- Older daughter agrees to pick up brother and care for him.
- Dad to jail with new felony charges.
- Mom tests positive for Meth and Cocaine. Mom goes to jail.
- Both already have pending First Degree Controlled Substance offenses pending in a neighboring county.
- One week previous, oldest son committed to prison for a sex offense, with the probation violation being use of methamphetamine.

How Supervision levels are Determined

Services and supervision levels are determined by:

- Specialized assessment tools
- Offense severity
- Court ordered conditions
- Cooperation and compliance with probation

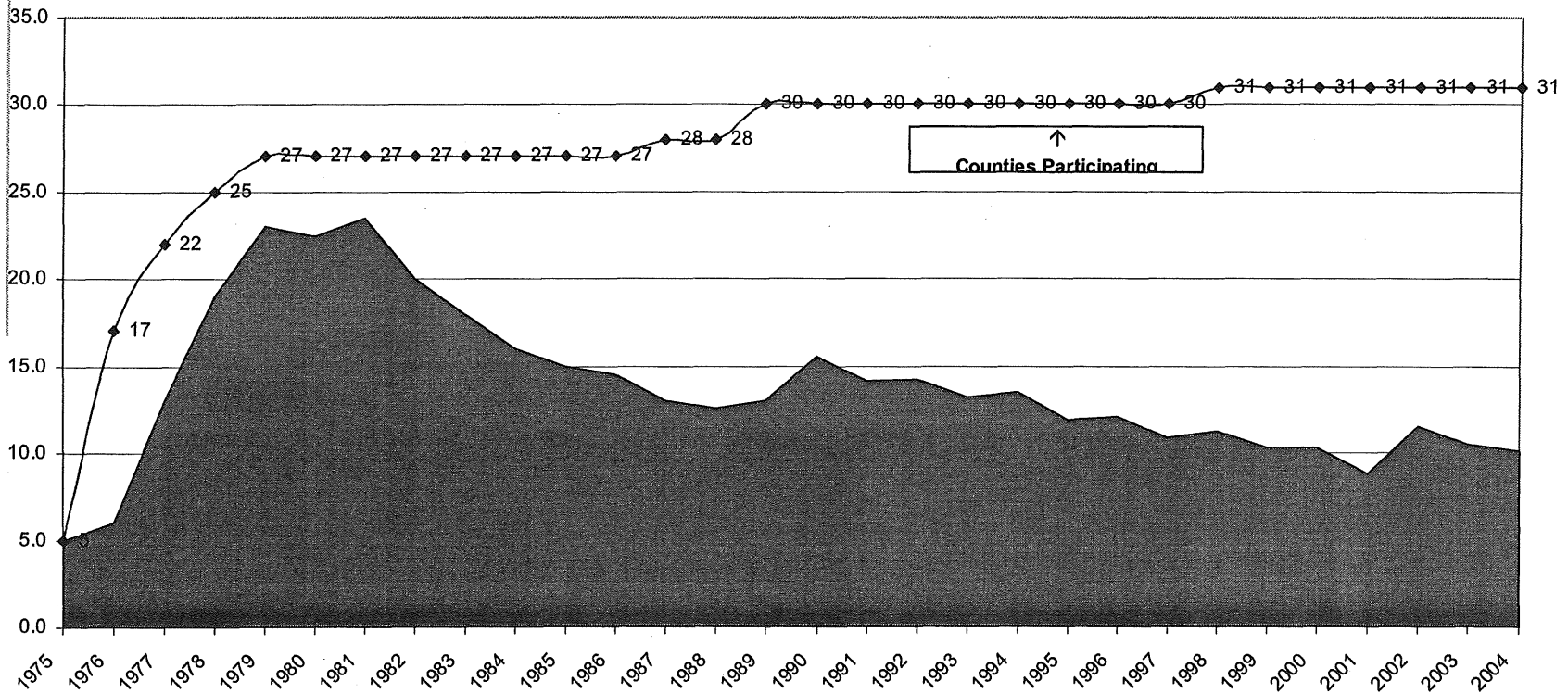
Supervision principles

- Community Corrections philosophy relies heavily on local decision making – the bench, community advisory panels, etc
- Utilize most resources on high-risk offenders, minimal for lower risk clients (*Best Practices*)
- Address small misbehaviors in the community before they escalate (*Broken Windows*)
- Utilize Restorative Justice Principles with a balance between victim, offender, and community risks and needs

Offender outcomes

- Offenders remain Law Abiding-Recidivism
- The Community Receives Restorative Services
- Restoring the Crime Victim – Victims Receive Court Ordered Restitution
- Develop Offenders Competencies and Assist Offenders to Change

CCA Subsidy as a Percent of DOC Budget 1975-2004



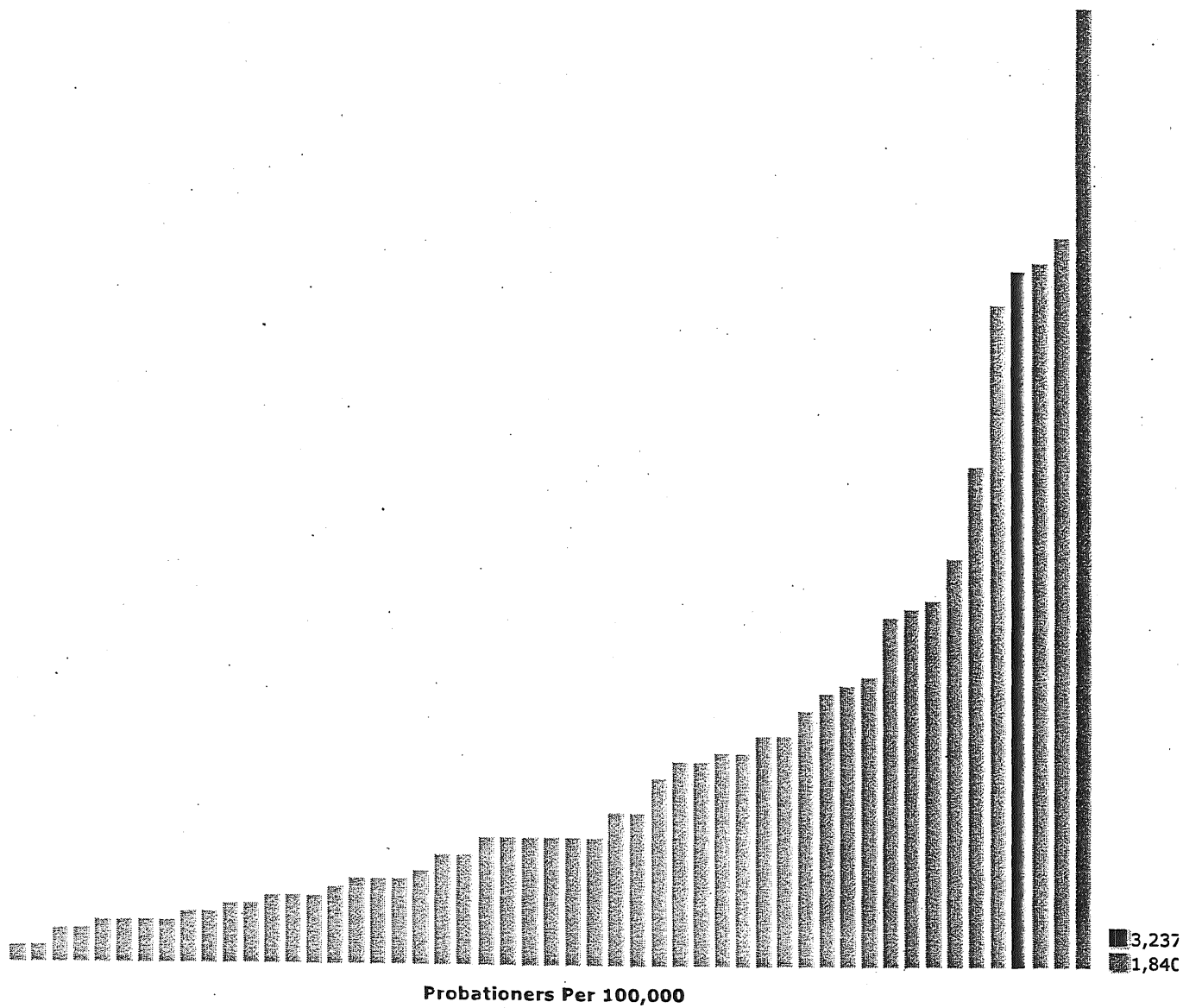
Sources: MN Department of Corrections; Department of Finance

Grade - D

At-A-Glance

The following graph displays Minnesota's rankings compared to all U.S. states.

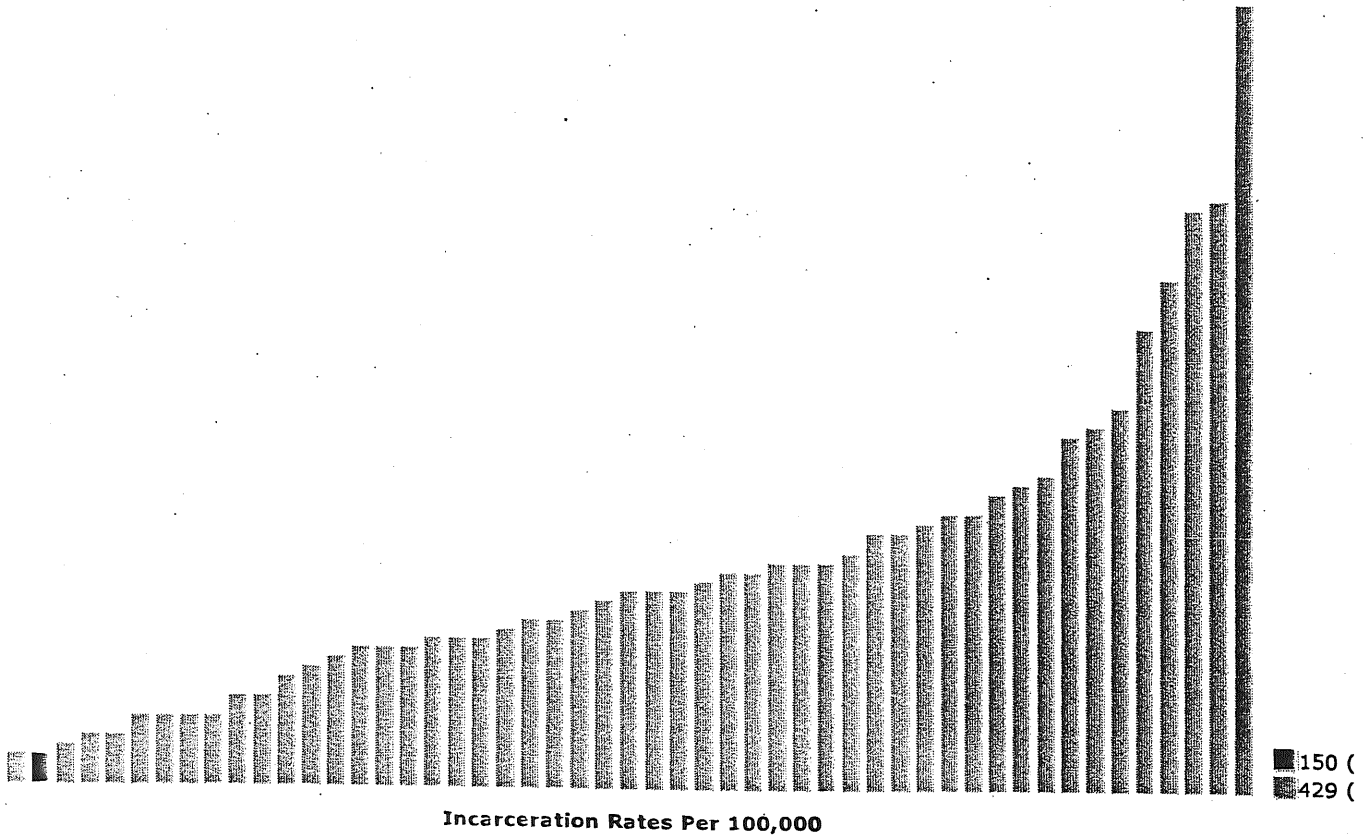
- Minnesota's Rates (per 100,000)
- U.S. National Average (per 100,000)



At-A-Glance

The following graph displays Minnesota's rankings compared to all U.S. states.

- Minnesota's Rates (per 100,000)
- U.S. National Average (per 100,000)

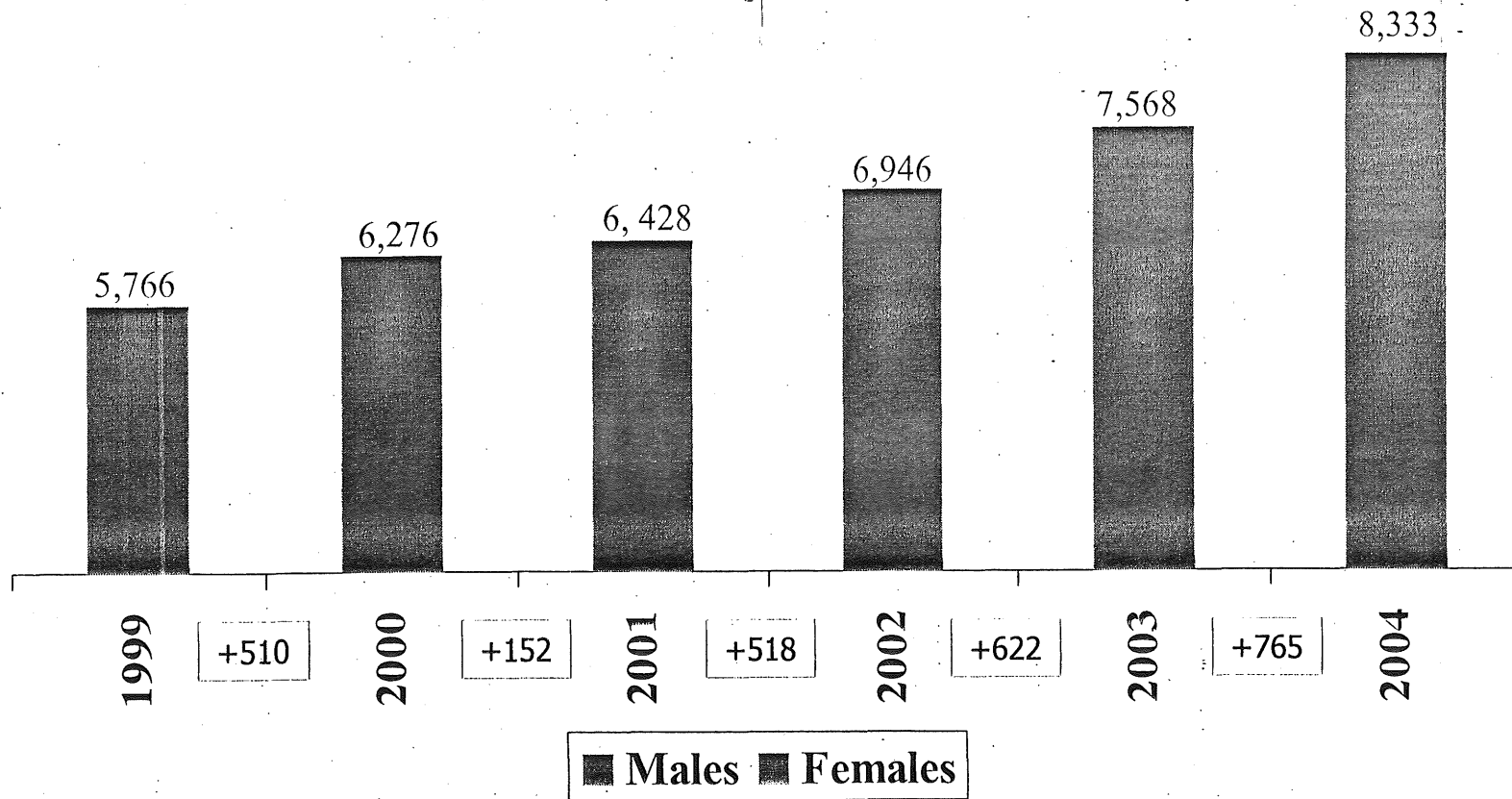


Minnesota Department of Corrections

Actual Prison Populations*

(July 1 of each year)

45 Percent Overall Increase from 1999 to 2004



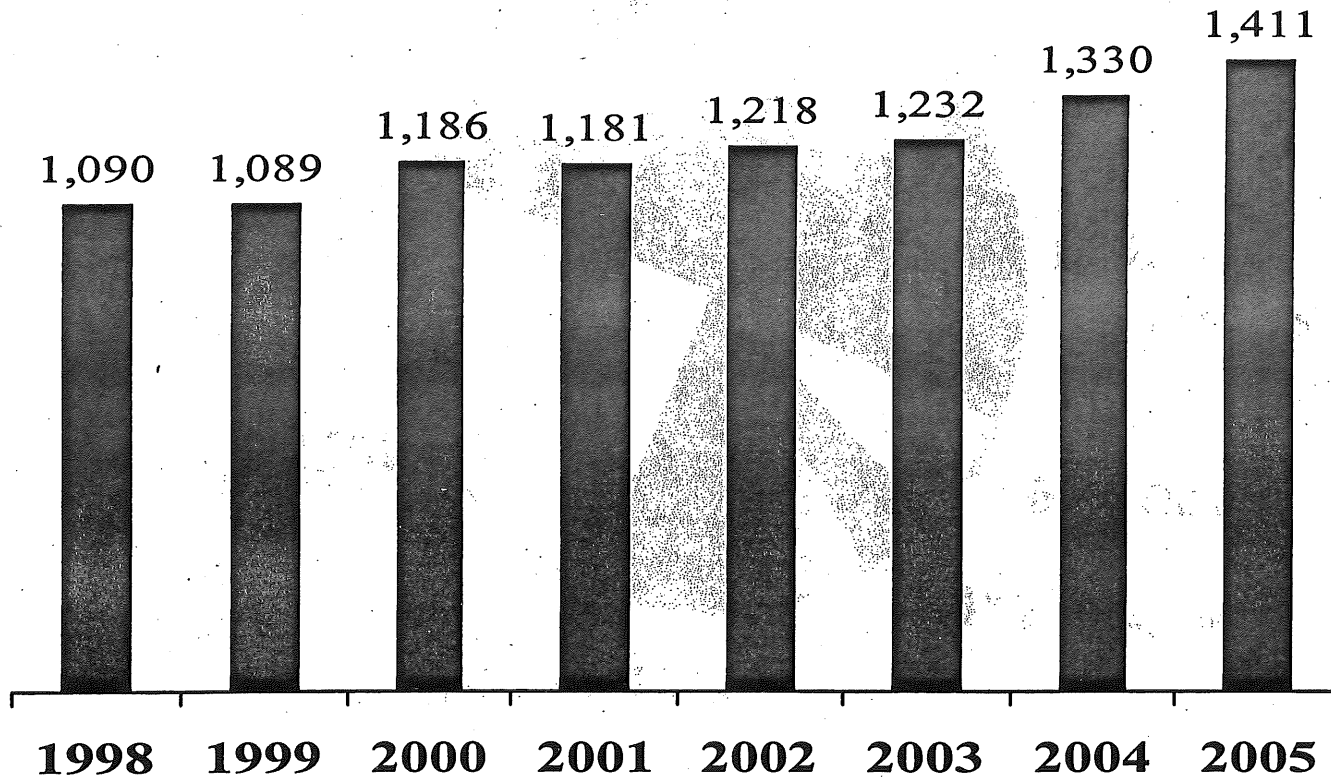
* Actual prison population include those housed in a DOC facility or contracted to be housed in a local jail/private facility.

Minnesota Prison Population

Sex Offenders- Governing Offense

January 1, 2005

30 percent increase from 1998 to 2005



1

A bill for an act

2 relating to education; providing for prekindergarten
3 through grade 12 education including general
4 education; education excellence; special programs;
5 technology, facilities, and accounting; libraries and
6 nutrition; state agencies; technical and conforming
7 amendments; authorizing rulemaking; providing for
8 reports; appropriating money; amending Minnesota
9 Statutes 2004, sections 13.321, by adding a
10 subdivision; 120A.05, by adding a subdivision;
11 120B.02; 120B.021, subdivision 1, by adding a
12 subdivision; 120B.024; 120B.11, subdivisions 1, 2, 3,
13 4, 5, 8; 120B.22, subdivision 1; 120B.30, subdivisions
14 1, 1a, by adding a subdivision; 120B.31, subdivision
15 4; 121A.06, subdivisions 2, 3; 121A.41, subdivision
16 10; 121A.53; 121A.66, subdivision 5, by adding
17 subdivisions; 121A.67; 122A.06, subdivision 4;
18 122A.12, subdivision 2; 122A.15, by adding a
19 subdivision; 122A.18, subdivision 2a; 122A.40,
20 subdivision 5; 122A.41, subdivisions 2, 5a, 14;
21 122A.413; 122A.60, subdivision 1, by adding
22 subdivisions; 122A.61, subdivision 1; 123A.05,
23 subdivision 2; 123B.02, by adding subdivisions;
24 123B.04, subdivisions 1, 2; 123B.42, by adding a
25 subdivision; 123B.49, subdivision 4; 123B.492;
26 123B.53, subdivisions 1, 4, by adding a subdivision;
27 123B.54, as amended; 123B.55; 123B.75, by adding a
28 subdivision; 123B.76, subdivision 3; 123B.79,
29 subdivision 6; 123B.81, subdivision 1; 123B.82;
30 123B.83, subdivision 2; 123B.88, by adding a
31 subdivision; 123B.92, subdivisions 1, 5; 124D.081;
32 124D.09, subdivision 12; 124D.095, subdivisions 2, 4,
33 8, by adding subdivisions; 124D.10, subdivision 8;
34 124D.11, subdivisions 1, 2, 5, 6; 124D.111,
35 subdivision 1; 124D.118, subdivision 4; 124D.40;
36 124D.59, subdivision 2; 124D.66, subdivision 3;
37 124D.68, subdivision 9; 124D.69, subdivision 1;
38 124D.74, subdivision 1; 124D.81, subdivision 1;
39 124D.84, subdivision 1; 125A.11, subdivision 1, by
40 adding a subdivision; 125A.24; 125A.28; 125A.51;
41 125A.76, subdivisions 1, 4; 125A.79, subdivisions 1,
42 6; 126C.01, subdivision 11; 126C.05, by adding
43 subdivisions; 126C.10, subdivisions 1, 2, 13, 13a,
44 13b, 18, 24, 29, 30, 31, 32, 33; 126C.13, subdivision
45 4, by adding subdivisions; 126C.17, subdivisions 1, 2,
46 5, 9, 11, 13; 126C.21, subdivision 4; 126C.40,

1 subdivision 1; 126C.457; 126C.48, subdivisions 2, 8;
 2 126C.63, subdivisions 5, 8; 127A.41, subdivision 8;
 3 127A.45, subdivisions 11, 12; 127A.47, subdivisions 7,
 4 8; 127A.49, subdivisions 2, 3; 128C.12, subdivisions
 5 1, 3; 128D.11, subdivision 9; 134.31, by adding a
 6 subdivision; 179A.03, subdivision 14; 260C.201,
 7 subdivision 1; 275.14; 275.16; 469.177, subdivision 9;
 8 475.61, subdivision 4; 2005 S.F. No. 1879, article 3,
 9 section 3, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, 10,
 10 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23,
 11 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36,
 12 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49,
 13 50, if enacted; 2005 S.F. No. 1879, article 3, section
 14 4, if enacted; 2005 S.F. No. 1879, article 3, section
 15 5, if enacted; Laws 1996, chapter 412, article 5,
 16 section 24; Laws 2003, First Special Session chapter
 17 9, article 4, section 29, as amended; proposing coding
 18 for new law in Minnesota Statutes, chapters 120A;
 19 120B; 121A; 122A; 123B; 124D; 125A; 125B; 127A; 129C;
 20 repealing Minnesota Statutes 2004, sections 121A.23;
 21 122A.414; 122A.415; 122A.60; 123B.83, subdivision 1;
 22 125A.75, subdivision 8; 126C.10, subdivisions 13a,
 23 13b, 29, 30, 31, 32, 33; 126C.42, subdivisions 1, 4;
 24 126C.44; 128C.12, subdivision 4.

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

26 ARTICLE 1

27 GENERAL EDUCATION

28 Section 1. Minnesota Statutes 2004, section 120A.05, is
 29 amended by adding a subdivision to read:

30 Subd. 18. [KINDERGARTEN.] "Kindergarten" means a program
 31 designed for pupils five years of age on September 1 of the
 32 calendar year in which the school year commences that prepares
 33 pupils to enter first grade the following school year. A
 34 program designed for pupils younger than five years of age on
 35 September 1 of the calendar year in which the school year
 36 commences that prepares pupils to enter kindergarten the
 37 following school year is a prekindergarten program.

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

40 Sec. 2. [121A.24] [SAFE SCHOOLS; RESERVED REVENUE.]

41 School districts must reserve an amount of the basic
 42 revenue under section 126C.10, subdivision 2, equal to \$27 per
 43 adjusted marginal cost pupil unit in fiscal year 2007 and
 44 later. The amount reserved under this section must be used for
 45 the purposes allowed under Minnesota Statutes 2004, section
 46 126C.44, including to pay for school counselors, school social
 47 workers, school nurses, and school psychologists.

1 Sec. 3. Minnesota Statutes 2004, section 123A.05,
2 subdivision 2, is amended to read:

3 Subd. 2. [RESERVE REVENUE.] Each district that is a member
4 of an area learning center must reserve revenue in an amount
5 equal to the sum of (1) at least 90 percent of the district
6 average general education revenue per pupil unit minus an amount
7 equal to the product of the formula allowance according to
8 section 126C.10, subdivision 2, times .0485 for fiscal year 2006
9 and .0458 for fiscal year 2007 and later, calculated without
10 basic skills revenue, and transportation sparsity revenue, and
11 ~~the-transportation-portion-of-the-transition-revenue-adjustment,~~
12 times the number of pupil units attending an area learning
13 center program under this section, plus (2) the amount of basic
14 skills revenue generated by pupils attending the area learning
15 center. The amount of reserved revenue under this subdivision
16 may only be spent on program costs associated with the area
17 learning center. Compensatory revenue must be allocated
18 according to section 126C.15, subdivision 2.

19 [EFFECTIVE DATE.] This section is effective for revenue for
20 fiscal year 2007.

21 Sec. 4. Minnesota Statutes 2004, section 123B.49,
22 subdivision 4, is amended to read:

23 Subd. 4. [BOARD CONTROL OF EXTRACURRICULAR ACTIVITIES.]
24 (a) The board may take charge of and control all extracurricular
25 activities of the teachers and children of the public schools in
26 the district. Extracurricular activities means all direct and
27 personal services for pupils for their enjoyment that are
28 managed and operated under the guidance of an adult or staff
29 member. The board shall allow all resident pupils receiving
30 instruction in a home school as defined in section 123B.36,
31 subdivision 1, paragraph (a), to be eligible to fully
32 participate in extracurricular activities on the same basis as
33 public school students.

34 (b) Extracurricular activities have all of the following
35 characteristics:

36 (1) they are not offered for school credit nor required for

1 graduation;

2 (2) they are generally conducted outside school hours, or
3 if partly during school hours, at times agreed by the
4 participants, and approved by school authorities;

5 (3) the content of the activities is determined primarily
6 by the pupil participants under the guidance of a staff member
7 or other adult.

8 (c) If the board does not take charge of and control
9 extracurricular activities, these activities shall be
10 self-sustaining with all expenses, except direct salary costs
11 and indirect costs of the use of school facilities, met by dues,
12 admissions, or other student fund-raising events. The general
13 fund must reflect only those salaries directly related to and
14 readily identified with the activity and paid by public funds.
15 Other revenues and expenditures for extra curricular activities
16 must be recorded according to the ~~"Manual-of-Instruction-for~~
17 ~~Uniform-Student-Activities-Accounting-for-Minnesota-School~~
18 ~~Districts-and-Area-Vocational-Technical-Colleges-"~~ Manual for
19 Activity Fund Accounting. Extracurricular activities not under
20 board control must have an annual financial audit and must also
21 be audited annually for compliance with this section.

22 (d) If the board takes charge of and controls
23 extracurricular activities, any or all costs of these activities
24 may be provided from school revenues and all revenues and
25 expenditures for these activities shall be recorded in the same
26 manner as other revenues and expenditures of the district.

27 (e) If the board takes charge of and controls
28 extracurricular activities, the teachers or pupils in the
29 district must not participate in such activity, nor shall the
30 school name or any allied name be used in connection therewith,
31 except by consent and direction of the board.

32 Sec. 5. Minnesota Statutes 2004, section 123B.53,
33 subdivision 1, is amended to read:

34 Subdivision 1. [DEFINITIONS.] (a) For purposes of this
35 section, the eligible debt service revenue of a district is
36 defined as follows:

1 (1) the amount needed to produce between five and six
2 percent in excess of the amount needed to meet when due the
3 principal and interest payments on the obligations of the
4 district for eligible projects according to subdivision 2,
5 including the amounts necessary for repayment of energy loans
6 according to section 216C.37 or sections 298.292 to 298.298,
7 debt service loans and capital loans, lease purchase payments
8 under section 126C.40, subdivision 2, alternative facilities
9 levies under section 123B.59, subdivision 5, minus

10 (2) the amount of debt service excess levy reduction for
11 that school year calculated according to the procedure
12 established by the commissioner.

13 (b) The obligations in this paragraph are excluded from
14 eligible debt service revenue:

15 (1) obligations under section 123B.61;

16 (2) the part of debt service principal and interest paid
17 from the taconite environmental protection fund or northeast
18 Minnesota economic protection trust;

19 (3) obligations issued under Laws 1991, chapter 265,
20 article 5, section 18, as amended by Laws 1992, chapter 499,
21 article 5, section 24; and

22 (4) obligations under section 123B.62.

23 (c) For purposes of this section, if a preexisting school
24 district reorganized under sections 123A.35 to 123A.43, 123A.46,
25 and 123A.48 is solely responsible for retirement of the
26 preexisting district's bonded indebtedness, capital loans or
27 debt service loans, debt service equalization aid must be
28 computed separately for each of the preexisting districts.

29 (d) For purposes of this section, the adjusted net tax
30 capacity determined according to section 127A.48 shall be
31 adjusted to include a portion of the tax capacity of property
32 generally exempted from ad valorem taxes under section 272.02,
33 subdivisions 64 and 65, equal to the product of that tax
34 capacity times the ratio of the eligible debt service revenue
35 attributed to general obligation bonds to the total eligible
36 debt service revenue of the district.

1 Sec. 6. Minnesota Statutes 2004, section 123B.75, is
2 amended by adding a subdivision to read:

3 Subd. 4a. [TACONITE REVENUE.] Taconite revenue received in
4 a calendar year by a school district under section 298.28,
5 subdivisions 4, paragraphs (b) and (c), and 11, paragraph (d),
6 is fully recognized in the fiscal year in which the February
7 payment falls.

8 Sec. 7. Minnesota Statutes 2004, section 123B.76,
9 subdivision 3, is amended to read:

10 Subd. 3. [EXPENDITURES BY BUILDING.] (a) For the purposes
11 of this section, "building" means education site as defined in
12 section 123B.04, subdivision 1.

13 (b) Each district shall maintain separate accounts to
14 identify general fund expenditures~~7-excluding-capital~~
15 ~~expenditures-and-pupil-transportation7~~ for each building. All
16 expenditures for regular instruction, secondary vocational
17 instruction, and school administration must be reported to the
18 department separately for each building. All expenditures for
19 special education instruction, instructional support services,
20 and pupil support services provided within a specific building
21 must be reported to the department separately for each
22 building. Salary expenditures reported by building must reflect
23 actual salaries for staff at the building and must not be based
24 on districtwide averages. All other general fund expenditures
25 may be reported by building or on a districtwide basis.

26 (c) The department must annually report information showing
27 school district general fund expenditures per pupil by program
28 category for each building and estimated school district general
29 fund revenue generated by pupils attending each building on its
30 Web site. For purposes of this report:

31 (1) expenditures not ~~required-to-be~~ reported by building
32 shall be allocated among buildings on a uniform per pupil basis;

33 (2) basic skills revenue shall be allocated according to
34 section 126C.10, subdivision 4;

35 (3) secondary sparsity revenue and elementary sparsity
36 revenue shall be allocated according to section 126C.10,

1 subdivisions 7 and 8;

2 (4) other general education revenue shall be allocated on a
3 uniform per pupil unit basis;

4 (5) first grade preparedness aid shall be allocated
5 according to section 124D.081;

6 (6) state and federal special education aid and Title I aid
7 shall be allocated in proportion to district expenditures for
8 these programs by building; and

9 (7) other general fund revenues shall be allocated on a
10 uniform per pupil basis, except that the department may allocate
11 other revenues attributable to specific buildings directly to
12 those buildings.

13 Sec. 8. Minnesota Statutes 2004, section 123B.79,
14 subdivision 6, is amended to read:

15 Subd. 6. [ACCOUNT TRANSFER FOR STATUTORY OPERATING DEBT.]

16 On June 30 of each year, a district may make a permanent
17 transfer from the general fund account entitled "~~undesigned~~
18 net unreserved general fund balance since statutory operating
19 debt" to the account entitled "reserved fund balance reserve
20 account for purposes of statutory operating debt reduction."

21 The amount of the transfer is limited to the lesser of (a) the
22 net ~~undesigned-operating~~ unreserved general fund balance, or
23 (b) the sum of the remaining statutory operating debt levies
24 authorized for all future years according to section 126C.42,
25 subdivision 1. If the net ~~undesigned-operating~~ unreserved
26 general fund balance is less than zero, the district may not
27 make a transfer.

28 Sec. 9. Minnesota Statutes 2004, section 123B.81,
29 subdivision 1, is amended to read:

30 Subdivision 1. [OPERATING DEBT.] The "operating debt" of a
31 school district means the net negative ~~undesigned~~ unreserved
32 general fund balance ~~in-all-school-district-funds,-other-than~~
33 ~~capital-expenditure,-building-construction,-debt-service,-and~~
34 ~~trust-and-agency,~~ calculated as of June 30 of each year in
35 accordance with the uniform financial accounting and reporting
36 standards for Minnesota school districts.

1 Sec. 10. Minnesota Statutes 2004, section 123B.82, is
2 amended to read:

3 123B.82 [REORGANIZATION OPERATING DEBT.]

4 The "reorganization operating debt" of a school district
5 means the net negative ~~undesignated~~ unreserved general fund
6 ~~balance~~ balances in all school district funds, other than
7 building construction, debt redemption, and trust and agency,
8 calculated in accordance with the uniform financial accounting
9 and reporting standards for Minnesota school districts as of:

10 (1) June 30 of the fiscal year before the first year that a
11 district receives revenue according to section 123A.39,
12 subdivision 3; or

13 (2) June 30 of the fiscal year before the effective date of
14 reorganization according to section 123A.46 or 123A.48.

15 Sec. 11. Minnesota Statutes 2004, section 123B.83,
16 subdivision 2, is amended to read:

17 Subd. 2. [~~UNDESIGNATED~~ NET UNRESERVED GENERAL FUND
18 BALANCES.] ~~Beginning-in-fiscal-year-1978-and-each-year~~
19 ~~thereafter, any~~ A school district ~~not-subject-to-the-provisions~~
20 ~~of-subdivision-1~~ must limit its expenditures so that
21 its ~~undesignated~~ net unreserved general fund ~~balances-de~~ balance
22 does not constitute statutory operating debt as defined in
23 section 126C.42.

24 Sec. 12. Minnesota Statutes 2004, section 123B.92,
25 subdivision 5, is amended to read:

26 Subd. 5. [DISTRICT REPORTS.] (a) Each district must report
27 data to the department as required by the department to account
28 for transportation expenditures.

29 (b) Salaries and fringe benefits of district employees
30 whose primary duties are other than transportation, including
31 central office administrators and staff, building administrators
32 and staff, teachers, social workers, school nurses, and
33 instructional aides, must not be included in a district's
34 transportation expenditures, except that a district may include
35 salaries and benefits according to paragraph (c) for (1) an
36 employee designated as the district transportation director, (2)

1 an employee providing direct support to the transportation
2 director, or (3) an employee providing direct transportation
3 services such as a bus driver or bus aide.

4 (c) Salaries and fringe benefits of other district
5 employees who work part-time in transportation and part-time in
6 other areas must not be included in a district's transportation
7 expenditures unless the district maintains documentation of the
8 employee's time spent on pupil transportation matters in the
9 form and manner prescribed by the department.

10 (d) Pupil transportation expenditures, excluding
11 expenditures for capital outlay, leased buses, student board and
12 lodging, crossing guards, and aides on buses, must be allocated
13 among transportation categories based on a cost per mile, cost
14 per student, cost per hour, or cost per route, regardless of
15 whether the transportation services are provided on
16 district-owned or contractor-owned school buses. Expenditures
17 for school bus driver salaries and fringe benefits may either be
18 directly charged to the appropriate transportation category or
19 may be allocated among transportation categories on a cost per
20 mile, cost per student basis, cost per hour, or cost per route.
21 Expenditures by private contractors or individuals who provide
22 transportation exclusively in one transportation category must
23 be charged directly to the appropriate transportation category.
24 Transportation services provided by contractor-owned school bus
25 companies incorporated under different names but owned by the
26 same individual or group of individuals must be treated as the
27 same company for cost allocation purposes.

28 [EFFECTIVE DATE.] This section is effective for expenditure
29 reporting for fiscal year 2006 and later.

30 Sec. 13. Minnesota Statutes 2004, section 124D.11,
31 subdivision 1, is amended to read:

32 Subdivision 1. [GENERAL EDUCATION REVENUE.] (a) For fiscal
33 year 2006, general education revenue must be paid to a charter
34 school as though it were a district. The general education
35 revenue for each adjusted marginal cost pupil unit is the state
36 average general education revenue per pupil unit, plus the

1 referendum equalization aid allowance in the pupil's district of
2 residence, minus an amount equal to the product of the formula
3 allowance according to section 126C.10, subdivision 2, times
4 .0485, calculated without basic skills revenue, extended time
5 revenue, transition revenue, and transportation sparsity
6 revenue, plus basic skills revenue, extended time revenue, and
7 transition revenue as though the school were a school district.
8 The general education revenue for each extended time marginal
9 cost pupil unit equals \$4,378.

10 (b) For fiscal year 2007 and later, general education
11 revenue must be paid to a charter school as though it were a
12 district. The general education revenue for each adjusted
13 marginal cost pupil unit is the state average general education
14 revenue per pupil unit, plus the referendum equalization aid
15 allowance in the pupil's district of residence, minus an amount
16 equal to the product of the formula allowance according to
17 section 126C.10, subdivision 2, times .0458, calculated without
18 basic skills revenue, extended time revenue, and transportation
19 sparsity revenue, plus basic skills revenue and extended time
20 revenue as though the school were a school district. The
21 general education revenue for each extended time marginal cost
22 pupil unit equals \$4,390. Each year, a charter school must also
23 be paid an amount equal to its 2004 transition revenue allowance
24 multiplied times its adjusted marginal cost pupil units for the
25 current year.

26 (c) Notwithstanding paragraph paragraphs (a) and (b), for
27 charter schools in the first year of operation, general
28 education revenue shall be computed using the number of adjusted
29 pupil units in the current fiscal year.

30 Sec. 14. Minnesota Statutes 2004, section 124D.11,
31 subdivision 2, is amended to read:

32 Subd. 2. [TRANSPORTATION REVENUE.] Transportation revenue
33 must be paid to a charter school that provides transportation
34 services according to section 124D.10, subdivision 16, according
35 to this subdivision. Transportation aid shall equal
36 transportation revenue.

1 In addition to the revenue under subdivision 1, for fiscal
2 year 2006 a charter school providing transportation services
3 must receive general education aid ~~for each pupil unit~~ equal to
4 the sum of the product of (1) an amount equal to the product of
5 the formula allowance according to section 126C.10, subdivision
6 2, times .0485 in fiscal years 2005 and 2006 and .0458 in fiscal
7 years 2007 and later, plus the transportation sparsity allowance
8 for the school district in which the charter school is located,
9 times (2) the adjusted marginal cost pupil units, plus the
10 product of \$223 times the extended time marginal cost pupil
11 units.

12 In addition to the revenue under subdivision 1, for fiscal
13 year 2007 and later, a charter school providing transportation
14 services must receive general education aid equal to the sum of
15 the product of (1) the formula allowance according to section
16 126C.10, subdivision 2, times .0458, plus the transportation
17 sparsity allowance for the school district in which the charter
18 school is located, times (2) the adjusted marginal cost pupil
19 units, plus the product of \$210 times the extended time marginal
20 cost pupil units.

21 Sec. 15. Minnesota Statutes 2004, section 124D.11,
22 subdivision 6, is amended to read:

23 Subd. 6. [OTHER AID, GRANTS, REVENUE.] (a) A charter
24 school is eligible to receive other aids, grants, and revenue
25 according to chapters 120A to 129C, as though it were a district.

26 (b) Notwithstanding paragraph (a), a charter school may not
27 receive aid, a grant, or revenue other than general education
28 revenue if a levy is required to obtain the money, except as
29 otherwise provided in this section.

30 (c) Federal aid received by the state must be paid to the
31 school, if it qualifies for the aid as though it were a school
32 district.

33 (d) A charter school may receive money from any source for
34 capital facilities needs. In the year-end report to the
35 commissioner of education, the charter school shall report the
36 total amount of funds received from grants and other outside

1 sources.

2 Sec. 16. Minnesota Statutes 2004, section 124D.68,
3 subdivision 9, is amended to read:

4 Subd. 9. [ENROLLMENT VERIFICATION.] (a) For a pupil
5 attending an eligible program full time under subdivision 3,
6 paragraph (d), the department must pay 90 percent of the
7 district's average general education revenue less basic skills
8 revenue to the eligible program and ten percent of the
9 district's average general education revenue less basic skills
10 revenue to the contracting district within 30 days after the
11 eligible program verifies enrollment using the form provided by
12 the department. For a pupil attending an eligible program part
13 time, revenue, excluding compensatory revenue, shall be reduced
14 proportionately, according to the amount of time the pupil
15 attends the program, and the payments to the eligible program
16 and the contracting district shall be reduced accordingly. A
17 pupil for whom payment is made according to this section may not
18 be counted by any district for any purpose other than
19 computation of general education revenue. If payment is made
20 for a pupil under this subdivision, a district shall not
21 reimburse a program under section 124D.69 for the same
22 pupil. The basic skills revenue shall-be-paid generated by
23 pupils attending the eligible program according to section
24 126C.10, subdivision 4, shall be paid to the eligible program.

25 (b) The department must pay up to 100 percent of the
26 revenue to the eligible program if there is an agreement to that
27 effect between the school district and the eligible program.

28 (c) Notwithstanding paragraphs (a) and (b), for an eligible
29 program that provides chemical treatment services to students,
30 the department must pay 100 percent of the revenue to the
31 eligible program.

32 Sec. 17. Minnesota Statutes 2004, section 124D.69,
33 subdivision 1, is amended to read:

34 Subdivision 1. [AID.] If a pupil enrolls in an alternative
35 program, eligible under section 124D.68, subdivision 3,
36 paragraph (d), or subdivision 4, operated by a private

1 organization that has contracted with a school district to
 2 provide educational services for eligible pupils under section
 3 124D.68, subdivision 2, the district contracting with the
 4 private organization must reimburse the provider an amount equal
 5 to the sum of (1) at least 95 percent of the district's average
 6 general education less basic skills revenue per pupil unit times
 7 the number of pupil units for pupils attending the program, and
 8 (2) the amount of basic skills revenue shall-be-paid generated
 9 by pupils attending the program according to section 126C.10,
 10 subdivision 4. ~~Compensatory-revenue-must-be-allocated-according~~
 11 ~~to-section-126C.15,-subdivision-2.~~ For a pupil attending the
 12 program part time, the revenue paid to the program, excluding
 13 compensatory revenue, must be reduced proportionately, according
 14 to the amount of time the pupil attends the program, and revenue
 15 paid to the district shall be reduced accordingly. Pupils for
 16 whom a district provides reimbursement may not be counted by the
 17 district for any purpose other than computation of general
 18 education revenue. If payment is made to a district or program
 19 for a pupil under this section, the department must not make a
 20 payment for the same pupil under section 124D.68, subdivision 9.
 21 Notwithstanding sections 125A.15, 125A.51, and 125A.515, general
 22 education revenue for a student who receives educational
 23 services under this section shall be paid according to this
 24 section.

25 Sec. 18. Minnesota Statutes 2004, section 126C.01,
 26 subdivision 11, is amended to read:

27 Subd. 11. [~~NET UNAPPROPRIATED-OPERATING UNRESERVED GENERAL~~
 28 ~~FUND BALANCE.~~] "Net unappropriated-operating unreserved general
 29 fund balance" means the sum of the unreserved general fund
 30 ~~balances-in-the-general,-food-service,-and-community-service~~
 31 ~~funds-minus-the-balances-reserved-for-statutory-operating-debt~~
 32 ~~reduction,-bus-purchase,-severance-pay,-taconite,-unemployment~~
 33 ~~benefits,-maintenance-levy-reduction,-operating-capital,-~~
 34 ~~disabled-access,-health-and-safety,-~~ balance and encumbrances,
 35 computed as of June 30 each year.

36 Sec. 19. Minnesota Statutes 2004, section 126C.05, is

1 amended by adding a subdivision to read:

2 Subd. 5a. [EXTENDED TIME PUPIL UNITS.] (a) "Extended time
 3 average daily membership for a district or charter school" means
 4 the sum of the average daily membership according to subdivision
 5 8, paragraph (a), minus the sum of the average daily membership
 6 according to subdivision 8, paragraph (b), for pupils enrolled
 7 in a learning year program under section 124D.128; an area
 8 learning center under sections 123A.05 and 123A.06; an
 9 alternative program under section 124D.68, subdivision 3,
 10 paragraph (d); or section 124D.69.

11 (b) "Extended time pupil units for a district or charter
 12 school" means the sum of the average daily membership in
 13 paragraph (a) weighted according to subdivision 1 for:

14 (1) pupils served according to subdivision 7; plus

15 (2) pupils according to subdivision 1 for whom the district
 16 or charter school pays tuition under section 123A.18; 123A.22;
 17 123A.30; 123A.32; 123A.44; 123A.488; 123B.88, subdivision 4;
 18 124D.04; 124D.05; 125A.03 to 125A.24; 125A.51; or 125A.65, minus

19 (3) pupils according to subdivision 1 for whom the district
 20 or charter school receives tuition under section 123A.18;
 21 123A.22; 123A.30; 123A.32; 123A.44; 123A.488; 123B.88,
 22 subdivision 4; 124D.04; 124D.05; 125A.03 to 125A.24; 125A.51; or
 23 125A.65.

24 (c) "Extended time marginal cost pupil units" means the
 25 greater of:

26 (1) the sum of .77 times the pupil units defined in
 27 paragraph (b) for the current school year and .23 times the
 28 pupil units defined in paragraph (b) for the previous school
 29 year; or

30 (2) the number of extended time pupil units defined in
 31 paragraph (b) for the current school year.

32 Sec. 20. Minnesota Statutes 2004, section 126C.05, is
 33 amended by adding a subdivision to read:

34 Subd. 20. [PROJECT-BASED AVERAGE DAILY MEMBERSHIP.] (a) To
 35 receive general education revenue for a pupil enrolled in a
 36 public school with a project-based program, a school must meet

1 the requirements in this paragraph. The school must:

2 (1) register with the commissioner as a project-based
3 program by May 30 of the preceding fiscal year;

4 (2) provide a minimum teacher contact of no less than one
5 hour per week per project-based credit for each pupil;

6 (3) maintain a record system that shows when each credit or
7 portion thereof was reported for membership for each pupil; and

8 (4) report pupil membership consistent with paragraph (b).

9 (b) The commissioner must develop a formula for reporting
10 pupil membership to compute average daily membership for each
11 registered project-based school. Average daily membership for a
12 pupil in a registered project-based program is the lesser of:

13 (1) 1.0; or

14 (2) the ratio of (i) the number of membership hours
15 generated by project-based credits completed during the school
16 year plus membership hours generated by credits completed in a
17 seat-based setting to (ii) the annual required instructional
18 hours at that grade level. Membership hours for a partially
19 completed project-based credit must be prorated.

20 Sec. 21. Minnesota Statutes 2004, section 126C.10,
21 subdivision 1, is amended to read:

22 Subdivision 1. [GENERAL EDUCATION REVENUE.] (a) ~~For fiscal~~
23 ~~year-2003,-the-general-education-revenue-for-each-district~~
24 ~~equals-the-sum-of-the-district's-basic-revenue,-basic-skills~~
25 ~~revenue,-training-and-experience-revenue,-secondary-sparsity~~
26 ~~revenue,-elementary-sparsity-revenue,-transportation-sparsity~~
27 ~~revenue,-total-operating-capital-revenue,-and-equity-revenue.~~

28 (b) For fiscal year ~~2004-and-later~~ 2006, the general
29 education revenue for each district equals the sum of the
30 district's basic revenue, extended time revenue, basic skills
31 revenue, training and experience revenue, secondary sparsity
32 revenue, elementary sparsity revenue, transportation sparsity
33 revenue, total operating capital revenue, equity revenue, and
34 transition revenue.

35 (b) For fiscal year 2007 and later, the general education
36 revenue for each district equals the sum of the district's basic

1 revenue, extended time revenue, basic skills revenue, training
 2 and experience revenue, secondary sparsity revenue, elementary
 3 sparsity revenue, transportation sparsity revenue, total
 4 operating capital revenue, and equity revenue.

5 Sec. 22. Minnesota Statutes 2004, section 126C.10,
 6 subdivision 2, is amended to read:

7 Subd. 2. [BASIC REVENUE.] The basic revenue for each
 8 district equals the formula allowance times the adjusted
 9 marginal cost pupil units for the school year. The formula
 10 allowance for fiscal year ~~2001~~ 2005 is ~~\$3,964~~ \$4,601. The
 11 formula allowance for fiscal year ~~2002~~ 2006 is ~~\$4,068~~ \$4,832.
 12 The formula allowance for fiscal year ~~2003~~ 2007 and subsequent
 13 years is ~~\$4,601~~ \$5,053.

14 Sec. 23. Minnesota Statutes 2004, section 126C.10,
 15 subdivision 13, is amended to read:

16 Subd. 13. [TOTAL OPERATING CAPITAL REVENUE.] (a) For
 17 fiscal year 2000 and thereafter, total operating capital revenue
 18 for a district equals the amount determined under paragraph (b)
 19 or (c), plus \$73 times the adjusted marginal cost pupil units
 20 for the school year. The revenue must be placed in a reserved
 21 account in the general fund and may only be used according to
 22 paragraph (d) or subdivision 14.

23 (b) For fiscal years 2000 and later, capital revenue for a
 24 district equals \$100 times the district's maintenance cost index
 25 times its adjusted marginal cost pupil units for the school year.

26 (c) For fiscal years 2000 and later, the revenue for a
 27 district that operates a program under section 124D.128, is
 28 increased by an amount equal to \$30 times the number of marginal
 29 cost pupil units served at the site where the program is
 30 implemented.

31 ~~(d) For fiscal years 2001, 2002, and 2003, the district~~
 32 ~~must reserve an amount equal to \$5 per adjusted marginal cost~~
 33 ~~pupil unit for telecommunication access costs. Reserve revenue~~
 34 ~~under this paragraph must first be used to pay for ongoing or~~
 35 ~~recurring telecommunication access costs, including access to~~
 36 ~~data and video connections, including Internet access. Any~~

1 ~~revenue-remaining-after-covering-all-ongoing-or-recurring-access~~
 2 ~~costs-may-be-used-for-computer-hardware-or-equipment.~~

3 Sec. 24. Minnesota Statutes 2004, section 126C.10,
 4 subdivision 13a, is amended to read:

5 Subd. 13a. [OPERATING CAPITAL LEVY.] To obtain operating
 6 capital revenue for fiscal ~~year~~ years 2005 and ~~later~~ 2006, a
 7 district may levy an amount not more than the product of its
 8 operating capital revenue for the fiscal year times the lesser
 9 of one or the ratio of its adjusted net tax capacity per
 10 adjusted marginal cost pupil unit to \$22,222.

11 Sec. 25. Minnesota Statutes 2004, section 126C.10,
 12 subdivision 13b, is amended to read:

13 Subd. 13b. [OPERATING CAPITAL AID.] For fiscal years 2005
 14 and 2006, a district's operating capital aid equals its
 15 operating capital revenue minus its operating capital levy times
 16 the ratio of the actual amount levied to the permitted levy.

17 Sec. 26. Minnesota Statutes 2004, section 126C.10,
 18 subdivision 18, is amended to read:

19 Subd. 18. [TRANSPORTATION SPARSITY REVENUE ALLOWANCE.] (a)
 20 For fiscal year 2006, a district's transportation sparsity
 21 allowance equals the greater of zero or the result of the
 22 following computation:

23 ~~(i)~~ (1) multiply the formula allowance according to
 24 subdivision 2, by .1469~~;~~i

25 ~~(ii)~~ (2) multiply the result in clause ~~(i)~~ (1) by the
 26 district's sparsity index raised to the 26/100 power~~;~~i

27 ~~(iii)~~ (3) multiply the result in clause ~~(ii)~~ (2) by the
 28 district's density index raised to the 13/100 power~~;~~i

29 ~~(iv)~~ (4) multiply the formula allowance according to
 30 subdivision 2, by .0485~~;~~i and

31 ~~(v)~~ (5) subtract the result in clause ~~(iv)~~ (4) from the
 32 result in clause ~~(iii)~~ (3).

33 (b) For fiscal year 2007 and later, a district's
 34 transportation sparsity allowance equals the greater of zero or
 35 the result of the following computation:

36 (1) multiply the formula allowance according to subdivision

1 2 by .1469;

2 (2) multiply the result in clause (1) by the district's
3 sparsity index raised to the 28/100 power;

4 (3) multiply the result in clause (2) by the district's
5 density index raised to the 13/100 power;

6 (4) multiply the formula allowance according to subdivision
7 2 by .0458; and

8 (5) subtract the result in clause (4) from the result in
9 clause (3).

10 (c) Transportation sparsity revenue is equal to the
11 transportation sparsity allowance times the adjusted marginal
12 cost pupil units.

13 (d) Transportation sparsity revenue is equal to the
14 transportation sparsity allowance times the adjusted marginal
15 cost pupil units.

16 Sec. 27. Minnesota Statutes 2004, section 126C.10,
17 subdivision 24, is amended to read:

18 Subd. 24. [EQUITY REVENUE.] (a) A school district
19 qualifies for equity revenue if:

20 (1) the school district's adjusted marginal cost pupil unit
21 amount of basic revenue~~7-supplemental-revenue7-transition~~
22 ~~revenue~~, and referendum revenue is less than the value of the
23 school district at or immediately above the 95th percentile of
24 school districts in its equity region for those revenue
25 categories; and

26 (2) the school district's administrative offices are not
27 located in a city of the first class on July 1, 1999.

28 (b) Equity revenue for a qualifying district that receives
29 referendum revenue under section 126C.17, subdivision 4, equals
30 the product of (1) the district's adjusted marginal cost pupil
31 units for that year; times (2) the sum of (i) \$13, plus (ii)
32 \$75, times the school district's equity index computed under
33 subdivision 27.

34 (c) Equity revenue for a qualifying district that does not
35 receive referendum revenue under section 126C.17, subdivision 4,
36 equals the product of the district's adjusted marginal cost

1 pupil units for that year times \$13.

2 (d) For fiscal year 2007 and later, referendum revenue for
3 the purpose of this section does not include referendum
4 conversion allowance authority transferred to the referendum
5 allowance in fiscal year 2007 under section 126C.17, subdivision
6 13, by the vote of a school board. Referendum conversion
7 allowance authority added to the referendum allowance under
8 section 126C.17, subdivision 1, shall be included in the
9 referendum for the purposes of this section if a school district
10 reauthorizes the revenue at an election according to section
11 126C.17, subdivision 9.

12 Sec. 28. Minnesota Statutes 2004, section 126C.10,
13 subdivision 29, is amended to read:

14 Subd. 29. [EQUITY LEVY.] To obtain equity revenue for
15 fiscal year years 2005 and ~~later~~ 2006, a district may levy an
16 amount not more than the product of its equity revenue for the
17 fiscal year times the lesser of one or the ratio of its
18 referendum market value per resident marginal cost pupil unit to
19 \$476,000.

20 Sec. 29. Minnesota Statutes 2004, section 126C.10,
21 subdivision 30, is amended to read:

22 Subd. 30. [EQUITY AID.] For fiscal years 2005 and 2006, a
23 district's equity aid equals its equity revenue minus its equity
24 levy times the ratio of the actual amount levied to the
25 permitted levy.

26 Sec. 30. Minnesota Statutes 2004, section 126C.10,
27 subdivision 31, is amended to read:

28 Subd. 31. [TRANSITION REVENUE.] (a) A district's
29 transition allowance for fiscal years 2004 through ~~2008~~ 2006
30 equals the greater of zero or the product of the ratio of the
31 number of adjusted marginal cost pupil units the district would
32 have counted for fiscal year 2004 under Minnesota Statutes 2002
33 to the district's adjusted marginal cost pupil units for fiscal
34 year 2004, times the difference between: (1) the lesser of the
35 district's general education revenue per adjusted marginal cost
36 pupil unit for fiscal year 2003 or the amount of general

1 education revenue the district would have received per adjusted
2 marginal cost pupil unit for fiscal year 2004 according to
3 Minnesota Statutes 2002, and (2) the district's general
4 education revenue for fiscal year 2004 excluding transition
5 revenue divided by the number of adjusted marginal cost pupil
6 units the district would have counted for fiscal year 2004 under
7 Minnesota Statutes 2002. A district's transition allowance for
8 fiscal year ~~2009~~ 2007 and later is zero.

9 (b) A district's transition revenue for fiscal year years
10 2004 and ~~later~~ 2005 equals the product of the district's
11 transition allowance times the district's adjusted marginal cost
12 pupil units.

13 (c) A district's transition revenue for fiscal year 2006
14 equals the sum of (1) the product of the district's transition
15 allowance times the district's adjusted marginal cost pupil
16 units, plus (2) the amount of referendum revenue under section
17 126C.17 and general education revenue, excluding transition
18 revenue, for fiscal year 2004 attributable to pupils four or
19 five years of age on September 1, 2003, enrolled in a
20 prekindergarten program implemented by the district before July
21 1, 2003, and reported as kindergarten pupils under section
22 126C.05, subdivision 1, for fiscal year 2004 multiplied times
23 0.01, plus (3) the amount of compensatory education revenue
24 under subdivision 3 for fiscal year 2005 attributable to pupils
25 four years of age on September 1, 2003, enrolled in a
26 prekindergarten program implemented by the district before July
27 1, 2003, and reported as kindergarten pupils under section
28 126C.05, subdivision 1, for fiscal year 2004 multiplied times
29 0.01.

30 Sec. 31. Minnesota Statutes 2004, section 126C.10,
31 subdivision 32, is amended to read:

32 Subd. 32. [TRANSITION LEVY.] To obtain transition revenue
33 for fiscal year years 2005 and ~~later~~ 2006, a district may levy
34 an amount not more than the product of its transition revenue
35 for the fiscal year times the lesser of one or the ratio of its
36 referendum market value per resident marginal cost pupil unit to

1 \$476,000.

2 Sec. 32. Minnesota Statutes 2004, section 126C.10,
3 subdivision 33, is amended to read:

4 Subd. 33. [TRANSITION AID.] (a) For fiscal year 2004, a
5 district's transition aid equals its transition revenue.

6 (b) For fiscal year years 2005 and ~~later~~ 2006, a district's
7 transition aid equals its transition revenue minus its
8 transition levy times the ratio of the actual amount levied to
9 the permitted levy.

10 Sec. 33. Minnesota Statutes 2004, section 126C.13, is
11 amended by adding a subdivision to read:

12 Subd. 3a. [CONSOLIDATED TAX RATE.] The commissioner must
13 establish the consolidated tax rate by July 1 of each year for
14 levies payable in the following year. The consolidated tax
15 capacity rate must be a rate, rounded up to the nearest
16 hundredth of a percent, that, when applied to the adjusted net
17 tax capacity for all districts, raises the amount specified in
18 this subdivision. The consolidated tax rate must be the rate
19 that raises \$99,172,300 for fiscal year 2007, \$110,770,300 for
20 fiscal year 2008, and \$122,380,100 for fiscal year 2009 and
21 later years. The consolidated tax rate may not be changed due
22 to changes or corrections made to a district's adjusted net tax
23 capacity after the tax rate has been established.

24 Sec. 34. Minnesota Statutes 2004, section 126C.13, is
25 amended by adding a subdivision to read:

26 Subd. 3b. [CONSOLIDATED LEVY.] To obtain general education
27 revenue, a district may levy an amount not to exceed the
28 consolidated tax rate times the adjusted net tax capacity of the
29 district for the preceding year. If the amount of the
30 consolidated levy would exceed the general education revenue,
31 the consolidated levy must be determined according to
32 subdivision 3c.

33 Sec. 35. Minnesota Statutes 2004, section 126C.13, is
34 amended by adding a subdivision to read:

35 Subd. 3c. [CONSOLIDATED LEVY; DISTRICTS OFF THE
36 FORMULA.] If the amount of the consolidated levy for a district

1 exceeds the district's general education revenue, the amount of
2 the consolidated levy must be limited to the following:

- 3 (1) the district's general education revenue; plus
4 (2) the amount of the aid reduction for the same school
5 year according to section 126C.14; minus
6 (3) payments made for the same school year according to
7 section 126C.21, subdivision 3.

8 For purposes of statutory cross-reference, a levy made
9 according to this subdivision shall be construed to be the levy
10 made according to subdivision 3b.

11 Sec. 36. Minnesota Statutes 2004, section 126C.13,
12 subdivision 4, is amended to read:

13 Subd. 4. [GENERAL EDUCATION AID.] (a) For fiscal year-2004
14 years 2005 and 2006, a district's general education aid is the
15 sum of the following amounts:

- 16 (1) general education revenue;
17 (2) shared time aid according to section 126C.01,
18 subdivision 7;
19 (3) referendum aid according to section 126C.17; and
20 (4) online learning aid according to section 126C.24.

21 (b) For fiscal year years 2005 and ~~later~~ 2006, a district's
22 general education aid is the sum of the following amounts:

- 23 (1) general education revenue, excluding equity revenue,
24 total operating capital, and transition revenue;
25 (2) operating capital aid according to section 126C.10,
26 subdivision 13b;
27 (3) equity aid according to section 126C.10, subdivision
28 30;
29 (4) transition aid according to section 126C.10,
30 subdivision 33;
31 (5) shared time aid according to section 126C.01,
32 subdivision 7;
33 (6) referendum aid according to section 126C.17; and
34 (7) online learning aid according to section ~~126C.24~~
35 124D.0962.

36 (c) For fiscal year 2007 and later, a district's general

1 education aid is the sum of the following amounts:

2 (1) the product of:

3 (i) the difference between the general education revenue

4 and the consolidated levy; times

5 (ii) the ratio of the actual amount levied to the permitted

6 levy;

7 (2) shared time aid according to section 126C.01,

8 subdivision 7;

9 (3) referendum aid according to section 126C.17; and

10 (4) online learning aid according to section 126C.24.

11 Sec. 37. Minnesota Statutes 2004, section 126C.17,

12 subdivision 1, is amended to read:

13 Subdivision 1. [REFERENDUM ALLOWANCE.] (a) For fiscal year
 14 ~~2003~~ 2006 and later, a district's initial referendum revenue
 15 allowance equals the sum of the allowance under section 126C.16,
 16 subdivision 2, plus any additional allowance per resident
 17 marginal cost pupil unit authorized under subdivision 9 before
 18 May 1, 2001, for fiscal year 2002 and later, plus the referendum
 19 conversion allowance approved under subdivision 13, minus \$415.
 20 For districts with more than one referendum authority, the
 21 reduction must be computed separately for each authority. The
 22 reduction must be applied first to the referendum conversion
 23 allowance and next to the authority with the earliest expiration
 24 date. A district's initial referendum revenue allowance may not
 25 be less than zero.

26 ~~(b) For-fiscal-year-2003,-a-district's-referendum-revenue~~
 27 ~~allowance-equals-the-initial-referendum-allowance-plus-any~~
 28 ~~additional-allowance-per-resident-marginal-cost-pupil-unit~~
 29 ~~authorized-under-subdivision-9-between-April-30,-2001,-and~~
 30 ~~December-30,-2001,-for-fiscal-year-2003-and-later.~~

31 ~~(c)~~ For fiscal year ~~2004-and-later~~ 2006, a district's
 32 referendum revenue allowance equals the sum of:

33 (1) the product of (i) the ratio of the resident marginal
 34 cost pupil units the district would have counted for fiscal year
 35 2004 under Minnesota Statutes 2002, section 126C.05, to the
 36 district's resident marginal cost pupil units for fiscal year

1 2004, times (ii) the initial referendum allowance plus any
 2 additional allowance per resident marginal cost pupil unit
 3 authorized under subdivision 9 between April 30, 2001, and May
 4 30, 2003, for fiscal year 2003 and later, plus

5 (2) any additional allowance per resident marginal cost
 6 pupil unit authorized under subdivision 9 after May 30, 2003,
 7 for fiscal year 2005 and later.

8 (c) For fiscal year 2007 and later, a district's referendum
 9 revenue allowance equals the sum of: (1) the referendum
 10 allowance the district would have received for fiscal year 2007
 11 and later under section 126C.17, subdivision 1, paragraph (c),
 12 based on elections held under subdivision 9, before May 30,
 13 2005, plus any additional allowance per resident pupil unit
 14 authorized under subdivision 9 after May 30, 2005, plus the
 15 referendum conversion allowance approved under subdivision 13.

16 Sec. 38. Minnesota Statutes 2004, section 126C.17,
 17 subdivision 2, is amended to read:

18 Subd. 2. [REFERENDUM ALLOWANCE LIMIT.] (a) Notwithstanding
 19 ~~subdivision 1, for fiscal year 2003, a district's referendum~~
 20 ~~allowance must not exceed the greater of:~~

21 ~~(1) the sum of a district's referendum allowance for fiscal~~
 22 ~~year 1994 times 1.162 plus its referendum conversion allowance~~
 23 ~~for fiscal year 2003, minus \$415;~~

24 ~~(2) 18.2 percent of the formula allowance;~~

25 ~~(3) for a newly reorganized district created on July 1,~~
 26 ~~2002, the referendum revenue authority for each reorganizing~~
 27 ~~district in the year preceding reorganization divided by its~~
 28 ~~resident marginal cost pupil units for the year preceding~~
 29 ~~reorganization, minus \$415; or~~

30 ~~(4) for a newly reorganized district created after July 1,~~
 31 ~~2002, the referendum revenue authority for each reorganizing~~
 32 ~~district in the year preceding reorganization divided by its~~
 33 ~~resident marginal cost pupil units for the year preceding~~
 34 ~~reorganization.~~

35 (b) Notwithstanding subdivision 1, for fiscal year 2004 and
 36 later, a district's referendum allowance must not exceed the

1 greater of:

2 (1) the sum of: (i) a district's referendum allowance for
3 fiscal year 1994 times 1.177 times the annual inflationary
4 increase as calculated under paragraph (c) plus (ii) its
5 referendum conversion allowance for fiscal year 2003, minus
6 (iii) \$415;

7 (2) the greater of (i) 18.6 percent of the formula
8 allowance or (ii) \$855.79 times the annual inflationary increase
9 as calculated under paragraph ~~(e)~~ (b); or

10 (3) for a newly reorganized district created after July 1,
11 2002, the referendum revenue authority for each reorganizing
12 district in the year preceding reorganization divided by its
13 resident marginal cost pupil units for the year preceding
14 reorganization.

15 ~~(e)~~ (b) For purposes of this subdivision, for fiscal year
16 2005 and later, "inflationary increase" means one plus the
17 percentage change in the Consumer Price Index for urban
18 consumers, as prepared by the United States Bureau of Labor
19 Standards, for the current fiscal year to fiscal year 2004. For
20 fiscal years 2009 and later, for purposes of paragraph (b),
21 clause (1), the inflationary increase equals the inflationary
22 increase for fiscal year 2008 plus one-fourth of the percentage
23 increase in the formula allowance for that year compared with
24 the formula allowance for fiscal year 2008.

25 Sec. 39. Minnesota Statutes 2004, section 126C.17,
26 subdivision 5, is amended to read:

27 Subd. 5. [REFERENDUM EQUALIZATION REVENUE.] (a) For fiscal
28 year 2003 and later, a district's referendum equalization
29 revenue equals the sum of the first tier referendum equalization
30 revenue and the second tier referendum equalization revenue.

31 (b) A district's first tier referendum equalization revenue
32 equals the district's first tier referendum equalization
33 allowance times the district's resident marginal cost pupil
34 units for that year.

35 ~~(c) For-fiscal-years-2003-and-2004,-a-district's-first-tier~~
36 ~~referendum-equalization-allowance-equals-the-lesser-of-the~~

~~1 district's referendum allowance under subdivision 1 or \$126.~~
2 For fiscal year 2005, a district's first tier referendum
3 equalization allowance equals the lesser of the district's
4 referendum allowance under subdivision 1 or \$405. For fiscal
5 year 2006 ~~and later~~, a district's first tier referendum
6 equalization allowance equals the lesser of the district's
7 referendum allowance under subdivision 1 or \$500. For fiscal
8 year 2007 and later, a district's first tier referendum
9 equalization allowance equals the lesser of the district's
10 referendum allowance under subdivision 1 or \$524.

11 (d) A district's second tier referendum equalization
12 revenue equals the district's second tier referendum
13 equalization allowance times the district's resident marginal
14 cost pupil units for that year.

15 (e) A district's second tier referendum equalization
16 allowance equals the lesser of the district's referendum
17 allowance under subdivision 1 or 18.6 percent of the formula
18 allowance, minus the district's first tier referendum
19 equalization allowance.

20 (f) Notwithstanding paragraph (e), the second tier
21 referendum allowance for a district qualifying for secondary
22 sparsity revenue under section 126C.10, subdivision 7, or
23 elementary sparsity revenue under section 126C.10, subdivision
24 8, equals the district's referendum allowance under subdivision
25 1 minus the district's first tier referendum equalization
26 allowance.

27 Sec. 40. Minnesota Statutes 2004, section 126C.17,
28 subdivision 9, is amended to read:

29 Subd. 9. [REFERENDUM REVENUE.] (a) The revenue authorized
30 by section 126C.10, subdivision 1, may be increased in the
31 amount approved by the voters of the district at a referendum
32 called for the purpose. The referendum may be called by the
33 board or shall be called by the board upon written petition of
34 qualified voters of the district. The referendum must be
35 conducted one or two calendar years before the increased levy
36 authority, if approved, first becomes payable. Only one

1 election to approve an increase may be held in a calendar year.
 2 Unless the referendum is conducted by mail under paragraph (g),
 3 the referendum must be held on the first Tuesday after the first
 4 Monday in November. The ballot must state the maximum amount of
 5 the increased revenue per resident marginal cost pupil unit, the
 6 estimated referendum tax rate as a percentage of referendum
 7 market value in the first year it is to be levied, and that the
 8 revenue must be used to finance school operations. The ballot
 9 may state a schedule, determined by the board, of increased
 10 revenue per resident marginal cost pupil unit that differs from
 11 year to year over the number of years for which the increased
 12 revenue is authorized. ~~If the ballot contains a schedule~~
 13 ~~showing different amounts, it must also indicate the estimated~~
 14 ~~referendum tax rate as a percent of referendum market value for~~
 15 ~~the amount specified for the first year and for the maximum~~
 16 ~~amount specified in the schedule.~~ The ballot may state that
 17 existing referendum levy authority is expiring. In this case,
 18 the ballot may also compare the proposed levy authority to the
 19 existing expiring levy authority, and express the proposed
 20 increase as the amount, if any, over the expiring referendum
 21 levy authority. The ballot must designate the specific number
 22 of years, not to exceed ten, for which the referendum
 23 authorization applies. The ballot, including a ballot on the
 24 question to revoke or reduce the increased revenue amount under
 25 paragraph (c), must abbreviate the term "per resident marginal
 26 cost pupil unit" as "per pupil." The notice required under
 27 section 275.60 may be modified to read, in cases of renewing
 28 existing levies:

29 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU MAY BE VOTING
 30 FOR A PROPERTY TAX INCREASE."

31 The ballot may contain a textual portion with the
 32 information required in this subdivision and a question stating
 33 substantially the following:

34 "Shall the increase in the revenue proposed by (petition
 35 to) the board of, School District No. ..., be approved?"

36 If approved, an amount equal to the approved revenue per

1 resident marginal cost pupil unit times the resident marginal
2 cost pupil units for the school year beginning in the year after
3 the levy is certified shall be authorized for certification for
4 the number of years approved, if applicable, or until revoked or
5 reduced by the voters of the district at a subsequent referendum.

6 (b) The board must prepare and deliver by first class mail
7 at least 15 days but no more than 30 days before the day of the
8 referendum to each taxpayer a notice of the referendum and the
9 proposed revenue increase. The board need not mail more than
10 one notice to any taxpayer. For the purpose of giving mailed
11 notice under this subdivision, owners must be those shown to be
12 owners on the records of the county auditor or, in any county
13 where tax statements are mailed by the county treasurer, on the
14 records of the county treasurer. Every property owner whose
15 name does not appear on the records of the county auditor or the
16 county treasurer is deemed to have waived this mailed notice
17 unless the owner has requested in writing that the county
18 auditor or county treasurer, as the case may be, include the
19 name on the records for this purpose. The notice must project
20 the anticipated amount of tax increase in annual dollars and
21 annual percentage for typical residential homesteads,
22 agricultural homesteads, apartments, and commercial-industrial
23 property within the school district.

24 The notice for a referendum may state that an existing
25 referendum levy is expiring and project the anticipated amount
26 of increase over the existing referendum levy in the first year,
27 if any, in annual dollars and annual percentage for typical
28 residential homesteads, agricultural homesteads, apartments, and
29 commercial-industrial property within the district.

30 The notice must include the following statement: "Passage
31 of this referendum will result in an increase in your property
32 taxes." However, in cases of renewing existing levies, the
33 notice may include the following statement: "Passage of this
34 referendum may result in an increase in your property taxes."

35 (c) A referendum on the question of revoking or reducing
36 the increased revenue amount authorized pursuant to paragraph

1 (a) may be called by the board and shall be called by the board
2 upon the written petition of qualified voters of the district.
3 A referendum to revoke or reduce the revenue amount must state
4 the amount per resident marginal cost pupil unit by which the
5 authority is to be reduced. Revenue authority approved by the
6 voters of the district pursuant to paragraph (a) must be
7 available to the school district at least once before it is
8 subject to a referendum on its revocation or reduction for
9 subsequent years. Only one revocation or reduction referendum
10 may be held to revoke or reduce referendum revenue for any
11 specific year and for years thereafter.

12 (d) A petition authorized by paragraph (a) or (c) is
13 effective if signed by a number of qualified voters in excess of
14 15 percent of the registered voters of the district on the day
15 the petition is filed with the board. A referendum invoked by
16 petition must be held on the date specified in paragraph (a).

17 (e) The approval of 50 percent plus one of those voting on
18 the question is required to pass a referendum authorized by this
19 subdivision.

20 (f) At least 15 days before the day of the referendum, the
21 district must submit a copy of the notice required under
22 paragraph (b) to the commissioner and to the county auditor of
23 each county in which the district is located. Within 15 days
24 after the results of the referendum have been certified by the
25 board, or in the case of a recount, the certification of the
26 results of the recount by the canvassing board, the district
27 must notify the commissioner of the results of the referendum.

28 Sec. 41. Minnesota Statutes 2004, section 126C.17,
29 subdivision 13, is amended to read:

30 Subd. 13. [REFERENDUM CONVERSION ALLOWANCE.] (a) A school
31 district that received supplemental or transition revenue in
32 fiscal year 2002 may convert its supplemental revenue conversion
33 allowance and transition revenue conversion allowance to
34 additional referendum allowance under subdivision 1 for fiscal
35 year 2003 and thereafter. A majority of the school board must
36 approve the conversion at a public meeting before November 1,

1 2001. For a district with other referendum authority, the
 2 referendum conversion allowance approved by the board continues
 3 until the portion of the district's other referendum authority
 4 with the earliest expiration date after June 30, 2006, expires.
 5 For a district with no other referendum authority, the
 6 referendum conversion allowance approved by the board continues
 7 until June 30, 2012.

8 (b) A school district that received transition revenue in
 9 fiscal year 2004 may convert ~~all-or-part-of-its-transition~~
 10 ~~revenue-to-referendum-revenue-with-voter-approval-in-a~~
 11 ~~referendum-called-for-the-purpose.--The-referendum-must-be-held~~
 12 ~~in-accordance-with-subdivision-9,-except-that-the-ballot-may~~
 13 ~~state-that-existing-transition-revenue-authority-is-being~~
 14 ~~cancelled-or-is-expiring.--In-this-case,-the-ballot-shall-compare~~
 15 ~~the-proposed-referendum-allowance-to-the-cancelled-or-expiring~~
 16 ~~transition-revenue-allowance.--For-purposes-of-this-comparison,~~
 17 ~~the-cancelled-or-expiring-transition-revenue-allowance-per~~
 18 ~~adjusted-marginal-cost-pupil-unit-shall-be-converted-to-an~~
 19 ~~allowance-per-resident-marginal-cost-pupil-unit-based-on-the~~
 20 ~~district's-ratio-of-adjusted-marginal-cost-pupil-units-to~~
 21 ~~resident-marginal-cost-pupil-units-for-the-preceding-fiscal~~
 22 ~~year.--The-referendum-must-be-held-on-the-first-Tuesday-after~~
 23 ~~the-first-Monday-in-November.--The-notice-required-under-section~~
 24 ~~275.60-may-be-modified-to-read:--"BY-VOTING-'YES'-ON-THIS-BALLOT~~
 25 ~~QUESTION,-YOU-MAY-BE-VOTING-FOR-A-PROPERTY-TAX-INCREASE."~~
 26 ~~Elections-under-this-paragraph-must-be-held-in-2007-or~~
 27 earlier. its transition revenue 2004 conversion allowance to
 28 additional referendum allowance under subdivision 1 for fiscal
 29 year 2007 and thereafter. A majority of the school board must
 30 approve the conversion at a public meeting before November 1,
 31 2005. For a district with other referendum authority, the
 32 referendum conversion allowance approved by the board under this
 33 paragraph continues until the portion of the district's other
 34 referendum authority with the earliest expiration date after
 35 June 30, 2010, expires. For a district with no other referendum
 36 authority, the referendum conversion allowance approved by the

1 board continues until June 30, 2016.

2 Sec. 42. Minnesota Statutes 2004, section 126C.21,
3 subdivision 4, is amended to read:

4 Subd. 4. [TACONITE DEDUCTIONS.] ~~{1}-Notwithstanding any~~
5 ~~provisions of any other law to the contrary, the adjusted net~~
6 ~~tax capacity used in calculating general education aid may~~
7 ~~include only that property that is currently taxable in the~~
8 ~~district.~~

9 ~~{2} For districts that received payments~~ have revenue under
10 sections 298.018; 298.225; 229.24 to 298.28, excluding 298.26
11 and 298.28, subdivision 4, paragraph (d); 298.34 to 298.39;
12 298.391 to 298.396; and 298.405; and 477A.15, any law imposing a
13 tax upon severed mineral values; ~~or recognized revenue under~~
14 ~~section 477A.15;~~ the general education aid must be reduced in
15 the final adjustment payment by (1) the difference between the
16 dollar amount of the payments received revenue recognized
17 pursuant to those sections, or revenue recognized under section
18 477A.15 in for the fiscal year to which the final adjustment is
19 attributable and, less (2) the amount that was calculated,
20 pursuant to section 126C.48, subdivision 8, as a reduction of
21 the levy attributable to the fiscal year to which the final
22 adjustment is attributable. If the final adjustment of a
23 district's general education aid for a fiscal year is a negative
24 amount because of this ~~clause~~ subdivision, the next fiscal
25 year's general education aid to that district must be reduced by
26 this negative amount in the following manner: there must be
27 withheld from each scheduled general education aid payment due
28 the district in such fiscal year, 15 percent of the total
29 negative amount, until the total negative amount has been
30 withheld. The amount reduced from general education aid
31 pursuant to this ~~clause~~ subdivision must be ~~recognized as~~ reduce
32 revenue in the fiscal year to which the final adjustment payment
33 is attributable.

34 Sec. 43. Minnesota Statutes 2004, section 126C.48,
35 subdivision 2, is amended to read:

36 Subd. 2. [NOTICE TO COMMISSIONER; FORMS.] By October 7 of

1 each year each district must notify the commissioner of the
 2 proposed levies in compliance with the levy limitations of this
 3 chapter and chapters 120B, 122A, 123A, 123B, 124D, 125A, 127A,
 4 and 136D. By January 15 7 of each year each district must
 5 notify the commissioner of the final levies certified. The
 6 commissioner shall prescribe the form of these notifications and
 7 may request any additional information necessary to compute
 8 certified levy amounts.

9 Sec. 44. Minnesota Statutes 2004, section 126C.48,
 10 subdivision 8, is amended to read:

11 Subd. 8. [TACONITE PAYMENT AND OTHER REDUCTIONS.] (1)
 12 Reductions in levies pursuant to subdivision 1 must be made
 13 prior to the reductions in clause (2).

14 (2) Notwithstanding any other law to the contrary,
 15 districts ~~which received payments~~ that have revenue pursuant to
 16 sections 298.018; 298.225; 298.24 to 298.28, except an amount
 17 distributed under ~~section~~ sections 298.26; 298.28, subdivision
 18 4, ~~paragraph paragraphs~~ (c), clause (ii), and (d); 298.34 to
 19 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law
 20 imposing a tax upon severed mineral values, ~~or recognized~~
 21 ~~revenue under section 477A.15 must not include a portion of~~
 22 ~~these aids in their permissible levies pursuant to these~~
 23 ~~sections, but instead~~ must reduce the permissible levies
 24 authorized by this chapter and chapters 120B, 122A, 123A, 123B,
 25 124A, 124D, 125A, and 127A by ~~the greater of the following:~~ 95
 26 percent of the previous year's revenue specified under this
 27 clause.

28 ~~(a) an amount equal to 50 percent of the total dollar~~
 29 ~~amount of the payments received pursuant to those sections or~~
 30 ~~revenue recognized under section 477A.15 in the previous fiscal~~
 31 ~~year, or~~

32 ~~(b) an amount equal to the total dollar amount of the~~
 33 ~~payments received pursuant to those sections or revenue~~
 34 ~~recognized under section 477A.15 in the previous fiscal year~~
 35 ~~less the product of the same dollar amount of payments or~~
 36 ~~revenue times five percent.~~

1 ~~For-levy-year-2002-only,-77-percent-of-the-amounts~~
2 ~~distributed-under-section-298.225-and-298.28,-and-100-percent-of~~
3 ~~the-amounts-distributed-under-sections-298.018,-298.34-to~~
4 ~~298.39,-298.391-to-298.396,-298.405,-and-any-law-imposing-a-tax~~
5 ~~upon-severed-mineral-values,-or-recognized-revenue-under-section~~
6 ~~477A.15,-shall-be-used-for-purposes-of-the-calculations-under~~
7 ~~this-paragraph.---For-levy-year-2003-only,-the-levy-reductions~~
8 ~~under-this-subdivision-must-be-calculated-as-if-section-298.28,~~
9 ~~subdivision-4,-paragraph-(f),-did-not-apply-for-the-2003~~
10 ~~distribution.~~

11 (3) The amount of any voter approved referendum, facilities
12 down payment, and debt levies shall not be reduced by more than
13 50 percent under this subdivision. In administering this
14 paragraph, the commissioner shall first reduce the nonvoter
15 approved levies of a district; then, if any payments, severed
16 mineral value tax revenue or recognized revenue under paragraph
17 (2) remains, the commissioner shall reduce any voter approved
18 referendum levies authorized under section 126C.17; then, if any
19 payments, severed mineral value tax revenue or recognized
20 revenue under paragraph (2) remains, the commissioner shall
21 reduce any voter approved facilities down payment levies
22 authorized under section 123B.63 and then, if any payments,
23 severed mineral value tax revenue or recognized revenue under
24 paragraph (2) remains, the commissioner shall reduce any voter
25 approved debt levies.

26 (4) Before computing the reduction pursuant to this
27 subdivision of the health and safety levy authorized by sections
28 123B.57 and 126C.40, subdivision 5, the commissioner shall
29 ascertain from each affected school district the amount it
30 proposes to levy under each section or subdivision. The
31 reduction shall be computed on the basis of the amount so
32 ascertained.

33 (5) To the extent the levy reduction calculated under
34 paragraph (2) exceeds the limitation in paragraph (3), an amount
35 equal to the excess must be distributed from the school
36 district's distribution under sections 298.225, 298.28, and

1 477A.15 in the following year to the cities and townships within
2 the school district in the proportion that their taxable net tax
3 capacity within the school district bears to the taxable net tax
4 capacity of the school district for property taxes payable in
5 the year prior to distribution. No city or township shall
6 receive a distribution greater than its levy for taxes payable
7 in the year prior to distribution. The commissioner of revenue
8 shall certify the distributions of cities and towns under this
9 paragraph to the county auditor by September 30 of the year
10 preceding distribution. The county auditor shall reduce the
11 proposed and final levies of cities and towns receiving
12 distributions by the amount of their distribution.
13 Distributions to the cities and towns shall be made at the times
14 provided under section 298.27.

15 Sec. 45. Minnesota Statutes 2004, section 127A.45,
16 subdivision 11, is amended to read:

17 Subd. 11. [PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.] One
18 hundred percent of the aid for the previous fiscal year must be
19 paid in the current year for the following aids:

20 telecommunications/Internet access equity aid according to
21 section 125B.26, special education special pupil aid according
22 to section 125A.75, subdivision 3, aid for litigation costs
23 according to section 125A.75, subdivision 8, aid for
24 court-placed special education expenses according to section
25 125A.79, subdivision 4, and aid for special education
26 out-of-state tuition according to section 125A.79, subdivision 8
27 and shared time aid according to section 126C.01, subdivision 7.

28 Sec. 46. Minnesota Statutes 2004, section 127A.47,
29 subdivision 8, is amended to read:

30 Subd. 8. [CHARTER SCHOOLS.] (a) The general education aid
31 for districts must be adjusted for each pupil attending a
32 charter school under section 124D.10. The adjustments must be
33 made according to this subdivision.

34 (b) General education aid paid to a district in which a
35 charter school not providing transportation according to section
36 124D.10, subdivision 16, is located must be increased by an

1 amount equal to the product of: (1) the sum of an amount equal
2 to the product of the formula allowance according to section
3 126C.10, subdivision 2, times .0485 for fiscal years 2005 and
4 2006 and times .0458 for fiscal year 2007 and later, plus the
5 transportation sparsity allowance for the district; times (2)
6 the pupil units attributable to the pupil.

7 Sec. 47. Minnesota Statutes 2004, section 127A.49,
8 subdivision 2, is amended to read:

9 Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278,
10 sections 270.07, 375.192, or otherwise, the net tax capacity of
11 any district for any taxable year is changed after the taxes for
12 that year have been spread by the county auditor and the local
13 tax rate as determined by the county auditor based upon the
14 original net tax capacity is applied upon the changed net tax
15 capacities, the county auditor shall, prior to February 1 of
16 each year, certify to the commissioner of education the amount
17 of any resulting net revenue loss that accrued to the district
18 during the preceding year. Each year, the commissioner shall
19 pay an abatement adjustment to the district in an amount
20 calculated according to the provisions of this subdivision.
21 This amount shall be deducted from the amount of the levy
22 authorized by section 126C.46. The amount of the abatement
23 adjustment must be the product of:

24 (1) the net revenue loss as certified by the county
25 auditor, times

26 (2) the ratio of:

27 (i) the sum of the amounts of the district's certified levy
28 in the third preceding year according to the following:

29 (A) section 123B.57, if the district received health and
30 safety aid according to that section for the second preceding
31 year;

32 (B) section 124D.20, if the district received aid for
33 community education programs according to that section for the
34 second preceding year;

35 (C) section 124D.135, subdivision 3, if the district
36 received early childhood family education aid according to

1 section 124D.135 for the second preceding year; and

2 (D) section 126C.17, subdivision 6, if the district
3 received referendum equalization aid according to that section
4 for the second preceding year; to

5 (ii) the total amount of the district's certified levy in
6 the third preceding December, plus or minus auditor's
7 adjustments.

8 Sec. 48. Minnesota Statutes 2004, section 127A.49,
9 subdivision 3, is amended to read:

10 Subd. 3. [EXCESS TAX INCREMENT.] (a) If a return of excess
11 tax increment is made to a district pursuant to ~~section~~ sections
12 469.176, subdivision 2, and 469.177, subdivision 9, or upon
13 decertification of a tax increment district, the school
14 district's aid and levy limitations must be adjusted for the
15 fiscal year in which the excess tax increment is paid under the
16 provisions of this subdivision.

17 (b) An amount must be subtracted from the district's aid
18 for the current fiscal year equal to the product of:

19 (1) the amount of the payment of excess tax increment to
20 the district, times

21 (2) the ratio of:

22 (i) the sum of the amounts of the district's certified levy
23 for the fiscal year in which the excess tax increment is paid
24 according to the following:

25 (A) section 123B.57, if the district received health and
26 safety aid according to that section for the second preceding
27 year;

28 (B) section 124D.20, if the district received aid for
29 community education programs according to that section for the
30 second preceding year;

31 (C) section 124D.135, subdivision 3, if the district
32 received early childhood family education aid according to
33 section 124D.135 for the second preceding year; and

34 (D) section 126C.17, subdivision 6, if the district
35 received referendum equalization aid according to that section
36 for the second preceding year; to

1 (ii) the total amount of the district's certified levy for
2 the fiscal year, plus or minus auditor's adjustments.

3 (c) An amount must be subtracted from the school district's
4 levy limitation for the next levy certified equal to the
5 difference between:

6 (1) the amount of the distribution of excess increment; and

7 (2) the amount subtracted from aid pursuant to clause (a).

8 If the aid and levy reductions required by this subdivision
9 cannot be made to the aid for the fiscal year specified or to
10 the levy specified, the reductions must be made from aid for
11 subsequent fiscal years, and from subsequent levies. The school
12 district must use the payment of excess tax increment to replace
13 the aid and levy revenue reduced under this subdivision.

14 (d) This subdivision applies only to the total amount of
15 excess increments received by a district for a calendar year
16 that exceeds \$25,000.

17 Sec. 49. Minnesota Statutes 2004, section 275.14, is
18 amended to read:

19 275.14 [CENSUS.]

20 ~~For the purposes of sections 275.124 to 275.167, the~~
21 ~~population of a city shall be that established by the last~~
22 ~~federal census, by a special census taken by the United States~~
23 ~~Bureau of the Census, by an estimate made by the Metropolitan~~
24 ~~Council, or by the state demographer made according to section~~
25 ~~4A.027, whichever has the latest stated date of count or~~
26 ~~estimate, before July 2 of the current levy year. The~~
27 population of a school district must be as certified by the
28 Department of Education from the most recent federal census. In
29 any year in which no federal census is taken pursuant to law in
30 any school district affected by sections ~~275.124 to~~
31 ~~275.16~~ 124D.20 and 124D.531 a population estimate may be made
32 and submitted to the state demographer for approval as
33 hereinafter provided. The school board of a school district, in
34 case it desires a population estimate, shall pass a resolution
35 by July 1 containing a current estimate of the population of the
36 school district and shall submit the resolution to the state

1 demographer. The resolution shall describe the criteria on
 2 which the estimate is based and shall be in a form and
 3 accompanied by the data prescribed by the state demographer.
 4 The state demographer shall determine whether or not the
 5 criteria and process described in the resolution provide a
 6 reasonable basis for the population estimate and shall inform
 7 the school district of that determination within 30 days of
 8 receipt of the resolution. If the state demographer determines
 9 that the criteria and process described in the resolution do not
 10 provide a reasonable basis for the population estimate, the
 11 resolution shall be of no effect. If the state demographer
 12 determines that the criteria and process do provide a reasonable
 13 basis for the population estimate, the estimate shall be treated
 14 as the population of the school district for the purposes of
 15 sections ~~275.124 to 275.16~~ 124D.20 and 124D.531 until the
 16 population of the school district has been established by the
 17 next federal census or until a more current population estimate
 18 is prepared and approved as provided herein, whichever occurs
 19 first. The state demographer shall establish guidelines for
 20 acceptable population estimation criteria and processes. The
 21 state demographer shall issue advisory opinions upon request in
 22 writing to cities or school districts as to proposed criteria
 23 and processes prior to their implementation in an estimation.
 24 The advisory opinion shall be final and binding upon the
 25 demographer unless the demographer can show cause why it should
 26 not be final and binding.

27 In the event that a census tract employed in taking a
 28 federal or local census overlaps two or more school districts,
 29 the county auditor shall, on the basis of the best information
 30 available, allocate the population of said census tract to the
 31 school districts involved.

32 ~~The term "council," as used in sections 275.124 to 275.167~~
 33 ~~means any board or body, whether composed of one or more~~
 34 ~~branches, authorized to make ordinances for the government of a~~
 35 ~~city within this state.~~

36 Sec. 50. Minnesota Statutes 2004, section 275.16, is

1 amended to read:

2 275.16 [COUNTY AUDITOR TO FIX AMOUNT OF LEVY.]

3 If any such municipality shall return to the county auditor
4 a levy greater than permitted by chapters 123A, 123B, 124D,
5 126C, and 136C, ~~and-136D~~, sections 275.124 to 275.16, and 275.70
6 to 275.74, such county auditor shall extend only such amount of
7 taxes as the limitations herein prescribed will permit;
8 provided, if such levy shall include any levy for the payment of
9 bonded indebtedness or judgments, such levies for bonded
10 indebtedness or judgments shall be extended in full, and the
11 remainder of the levies shall be reduced so that the total
12 thereof, including levies for bonds and judgments, shall not
13 exceed such amount as the limitations herein prescribed will
14 permit.

15 Sec. 51. Minnesota Statutes 2004, section 469.177,
16 subdivision 9, is amended to read:

17 Subd. 9. [DISTRIBUTIONS OF EXCESS TAXES ON CAPTURED NET
18 TAX CAPACITY.] (a) If the amount of tax paid on captured net tax
19 capacity exceeds the amount of tax increment, the county auditor
20 shall distribute the excess to the municipality, county, and
21 school district as follows: each governmental unit's share of
22 the excess equals

23 (1) the total amount of the excess for the tax increment
24 financing district, multiplied by

25 (2) a fraction, the numerator of which is the current local
26 tax rate of the governmental unit less the governmental unit's
27 local tax rate for the year the original local tax rate for the
28 district was certified (in no case may this amount be less than
29 zero) and the denominator of which is the sum of the numerators
30 for the municipality, county, and school district.

31 If the entire increase in the local tax rate is attributable to
32 a taxing district, other than the municipality, county, or
33 school district, then the excess must be distributed to the
34 municipality, county, and school district in proportion to their
35 respective local tax rates.

36 (b) The amounts distributed shall be deducted in computing

1 the levy limits of the taxing district for the succeeding
 2 taxable year. ~~In the case of a school district, only the~~
 3 ~~proportion of the excess taxes attributable to unequalized~~
 4 ~~levies that are subject to a fixed dollar amount levy limit~~
 5 ~~shall be deducted from the levy limit.~~

6 (c) In the case of distributions to a school district that
 7 ~~are attributable to state equalized levies,~~ the county auditor
 8 shall report amounts distributed to the commissioner of
 9 education in the same manner as provided for excess increments
 10 under section 469.176, subdivision 2, and the distribution shall
 11 be deducted from the school district's state aid payments and
 12 levy limitation according to section 127A.49, subdivision 3.

13 Sec. 52. 2005 S.F. No. 1879, article 3, section 3,
 14 subdivision 2, if enacted, is amended to read:

15 Subd. 2. [GENERAL EDUCATION AID.] For general education
 16 aid under Minnesota Statutes, section 126C.13, subdivision 4:

17	\$ 5,012,148,000	<u>5,214,680,000</u>	.....	2006
18	\$ 5,007,512,000	<u>5,420,098,000</u>	.....	2007

19 The 2006 appropriation includes \$784,978,000 for 2005 and
 20 ~~\$4,227,170,000~~ 4,429,702,000 for 2006.

21 The 2007 appropriation includes ~~\$782,399,000~~ 819,905,000
 22 for 2006 and ~~\$4,225,113,000~~ 4,600,193,000 for 2007.

23 Sec. 53. 2005 S.F. No. 1879, article 3, section 3,
 24 subdivision 3, if enacted, is amended to read:

25 Subd. 3. [REFERENDUM TAX BASE REPLACEMENT AID.] For
 26 referendum tax base replacement aid under Minnesota Statutes,
 27 section 126C.17, subdivision 7a:

28	\$8,704,000	.....	2006
29	\$8,704,000	<u>8,706,000</u>	..... 2007

30 The 2006 appropriation includes \$1,366,000 for 2005 and
 31 \$7,338,000 for 2006.

32 The 2007 appropriation includes \$1,366,000 for 2006 and
 33 ~~\$7,338,000~~ 7,340,000 for 2007.

34 Sec. 54. 2005 S.F. No. 1879, article 3, section 3,
 35 subdivision 4, if enacted, is amended to read:

36 Subd. 4. [ENROLLMENT OPTIONS TRANSPORTATION.] For

1 transportation of pupils attending postsecondary institutions
 2 under Minnesota Statutes, section 124D.09, or for transportation
 3 of pupils attending nonresident districts under Minnesota
 4 Statutes, section 124D.03:

5 \$55,000 2006

6 \$55,000 2007

7 Sec. 55. 2005 S.F. No. 1879, article 3, section 3,
 8 subdivision 5, if enacted, is amended to read:

9 Subd. 5. [ABATEMENT REVENUE.] For abatement aid under
 10 Minnesota Statutes, section 127A.49:

11 \$903,000 2006

12 \$955,000 2007

13 The 2006 appropriation includes \$187,000 for 2005 and
 14 \$716,000 for 2006.

15 The 2007 appropriation includes \$133,000 for 2006 and
 16 \$822,000 for 2007.

17 Sec. 56. 2005 S.F. No. 1879, article 3, section 3,
 18 subdivision 6, if enacted, is amended to read:

19 Subd. 6. [CONSOLIDATION TRANSITION.] For districts
 20 consolidating under Minnesota Statutes, section 123A.485:

21 \$253,000 2007

22 The 2007 appropriation includes \$-0- for 2006 and \$253,000
 23 for 2007.

24 Sec. 57. 2005 S.F. No. 1879, article 3, section 3,
 25 subdivision 7, if enacted, is amended to read:

26 Subd. 7. [NONPUBLIC PUPIL EDUCATION AID.] For nonpublic
 27 pupil education aid under Minnesota Statutes, sections 123B.40
 28 to 123B.43 and 123B.87:

29 ~~\$15,717,000~~ 15,817,000 2006

30 ~~\$15,976,000~~ 17,426,000 2007

31 The 2006 appropriation includes \$2,305,000 for 2005 and
 32 ~~\$12,869,000~~ 13,512,000 for 2006.

33 The 2007 appropriation includes ~~\$2,396,000~~ 2,516,000 for
 34 2006 and ~~\$13,580,000~~ 14,910,000 for 2007.

35 Sec. 58. 2005 S.F. No. 1879, article 3, section 3,
 36 subdivision 8, if enacted, is amended to read:

1 Subd. 8. [NONPUBLIC PUPIL TRANSPORTATION AID.] For
2 nonpublic pupil transportation aid under Minnesota Statutes,
3 section 123B.92, subdivision 9:

4 \$~~20,758,000~~ 21,633,000 2006

5 \$~~21,446,000~~ 23,390,000 2007

6 The 2006 appropriation includes \$3,274,000 for 2005 and
7 \$~~17,484,000~~ 18,359,000 for 2006.

8 The 2007 appropriation includes \$~~3,256,000~~ 3,418,000 for
9 2006 and \$~~18,190,000~~ 19,972,000 for 2007.

10 Sec. 59. 2005 S.F. No. 1879, article 3, section 3,
11 subdivision 9, if enacted, is amended to read:

12 Subd. 9. [ONE ROOM SCHOOLHOUSE.] For a grant to
13 Independent School District No. 690, Warroad, to operate the
14 Angle Inlet School:

15 \$50,000 2006

16 \$50,000 2007

17 Sec. 60. 2005 S.F. No. 1879, article 3, section 3,
18 subdivision 10, if enacted, is amended to read:

19 Subd. 10. [DECLINING PUPIL AID; ALBERT LEA.] For declining
20 pupil aid to Independent School District No. 241, Albert Lea:

21 \$75,000 2006

22 Sec. 61. 2005 S.F. No. 1879, article 3, section 3,
23 subdivision 11, if enacted, is amended to read:

24 Subd. 11. [DECLINING PUPIL AID; MESABI EAST.] For
25 declining pupil aid to Independent School District No. 2711,
26 Mesabi East:

27 \$50,000 2006

28 Sec. 62. 2005 S.F. No. 1879, article 3, section 3,
29 subdivision 12, if enacted, is amended to read:

30 Subd. 12. [DECLINING PUPIL AID; ROSEAU.] For declining
31 pupil aid to Independent School District No. 682, Roseau:

32 \$10,000 2006

33 Sec. 63. [FOUR-YEAR OLD PREKINDERGARTEN ALLOWANCE.]

34 (a) A district's four-year old prekindergarten revenue
35 equals the sum of (1) the amount of referendum revenue under
36 Minnesota Statutes, section 126C.17, and general education

1 revenue, excluding transition revenue, for fiscal year 2004
2 attributable to pupils four or five years of age on September 1,
3 2003, enrolled in a prekindergarten program implemented by the
4 district before July 1, 2003, and reported as kindergarten
5 pupils under Minnesota Statutes, section 126C.05, subdivision 1,
6 for fiscal year 2004, plus (2) the amount of compensatory
7 education revenue under Minnesota Statutes, section 126C.05,
8 subdivision 3, for fiscal year 2005 attributable to pupils four
9 years of age on September 1, 2003, enrolled in a prekindergarten
10 program implemented by the district before July 1, 2003, and
11 reported as kindergarten pupils under Minnesota Statutes,
12 section 126C.05, subdivision 1, for 2004.

13 (b) A district's four-year old prekindergarten allowance
14 equals a district's four-year old prekindergarten revenue under
15 paragraph (a) divided by its 2007 resident marginal cost pupil
16 units.

17 Sec. 64. [TRANSITION REVENUE 2004 CONVERSION ALLOWANCE.]

18 (a) A district's transition revenue 2004 conversion
19 allowance is equal to the district's total fiscal year 2004
20 transition revenue divided by its fiscal year 2007 resident
21 marginal cost pupil units plus its four-year old prekindergarten
22 allowance multiplied by 0.01.

23 (b) Notwithstanding Minnesota Statutes, section 126C.17,
24 subdivision 2, the transition revenue 2004 conversion allowance
25 is increased by \$40 for any school district whose referendum
26 allowance limit under Minnesota Statutes, section 126C.17,
27 subdivision 2, does not increase in fiscal year 2007 as a result
28 of real growth in the formula allowance under Minnesota
29 Statutes, section 126C.10, subdivision 2, and whose referendum
30 allowance under Minnesota Statutes, section 126C.17, subdivision
31 1, is greater than the formula allowance multiplied by 18.6
32 percent. A district that is eligible for sparsity revenue is
33 not eligible for this additional transition allowance adjustment.

34 Sec. 65. [SCHOOL BUS LOAN; CARPENTER SCHOOL BUSES.]

35 Subdivision 1. [BUS LOAN REVENUE.] In fiscal year 2006
36 only, a school district may receive bus loan revenue equal to up

1 to \$30,000 times the number of Carpenter school buses in its
2 fleet between March 30, 2003, and March 30, 2004, that have been
3 determined to have potentially defective welds and are subject
4 to the limitations imposed by the Department of Public Safety.
5 A school district that is eligible to receive revenue under this
6 subdivision must approve a board resolution to receive revenue
7 according to this section.

8 Subd. 2. [LEVY.] For taxes payable in 2006 through 2009, a
9 school district that receives revenue under subdivision 1 must
10 levy an amount equal to its bus loan revenue times .25.

11 Subd. 3. [GENERAL EDUCATION REVENUE WITHHOLDING.] For
12 fiscal years 2007 through 2010, the Department of Education
13 shall reduce the general education aid under Minnesota Statutes,
14 section 126C.13, subdivision 4, for each district that receives
15 revenue under subdivision 1 in an amount equal to the district's
16 bus loan revenue times .25.

17 Sec. 66. [RED LAKE FISCAL YEAR 2005 PUPIL UNITS.]

18 Notwithstanding Minnesota Statutes, section 126C.05, the
19 fiscal year 2005 average daily membership for Independent School
20 District No. 38, Red Lake, shall be the greater of the amount
21 that would have been computed if the district's school buildings
22 had not reopened after March 21, 2005, or the amount computed
23 using actual data for the entire school year. Notwithstanding
24 Minnesota Statutes, section 126C.05, subdivision 15, for fiscal
25 year 2005, learning year pupil units for Independent School
26 District No. 38, Red Lake, must be calculated using the hours in
27 excess of the actual number of instructional hours in the
28 calendar year for the school attended by the student, instead of
29 the number of hours in excess of 1,020 for a secondary school
30 pupil.

31 Sec. 67. [FISCAL YEARS 2006 AND 2007 DECLINING PUPIL UNIT
32 AID, RED LAKE.]

33 For fiscal years 2006 and 2007 only, Independent School
34 District No. 38, Red Lake, is eligible for declining pupil unit
35 aid equal to the greater of zero or the product of the general
36 education formula allowance times the difference between the

1 district's adjusted marginal cost pupil units for fiscal year
 2 2005 and the district's adjusted marginal cost pupil units for
 3 that fiscal year. Notwithstanding Minnesota Statutes, section
 4 126C.13, the declining pupil unit aid must be included in
 5 calculating the district's general education aid.

6 Sec. 68. [KINDERGARTEN REPORTING.]

7 Notwithstanding Minnesota Statutes, sections 120A.05,
 8 subdivision 18; 120A.20, subdivision 1; and 124D.02, subdivision
 9 1, pupils four or five years of age on September 1 of the
 10 calendar year in which the school year commences and enrolled in
 11 a prekindergarten program implemented by the district before
 12 July 1, 2003, may be reported as kindergarten pupils under
 13 Minnesota Statutes, section 126C.05, subdivision 1, for fiscal
 14 year 2004 and earlier.

15 [EFFECTIVE DATE.] This section is effective the day

16 following final enactment and applies to fiscal year 2004 and
 17 earlier.

18 Sec. 69. [TRANSITION REVENUE ADJUSTMENTS.]

19 For taxes payable in 2006, a district may levy an amount
 20 equal to the increase in the district's transition levy for
 21 fiscal year 2006 under Minnesota Statutes, section 126C.10,
 22 subdivision 31, paragraph (c).

23 Sec. 70. [APPROPRIATIONS.]

24 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums

25 indicated in this section are appropriated from the general fund
 26 to the Department of Education for the fiscal years designated.

27 Subd. 2. [SCHOOL BUS LOAN REVENUE.] For school bus loan

28 revenue under section 51:

29 \$3,630,000 2006

30 Sec. 71. [REPEALER.]

31 (a) Minnesota Statutes 2004, sections 123B.83, subdivision
 32 1; and 126C.42, subdivisions 1 and 4, are repealed.

33 (b) Minnesota Statutes 2004, sections 126C.10, subdivisions
 34 13a, 13b, 29, 30, 31, 32, and 33; and 126C.44, are repealed for
 35 revenue for fiscal year 2007.

36 ARTICLE 2

1 EDUCATION EXCELLENCE

2 Section 1. Minnesota Statutes 2004, section 13.321, is
3 amended by adding a subdivision to read:

4 Subd. 10. [TEACHER DATA FROM VALUE-ADDED ASSESSMENT
5 MODEL.] Data on individual teachers generated from a value-added
6 assessment model are governed under section 120B.362.

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

9 Sec. 2. [120A.38] [CLASSROOM PLACEMENT; PARENT
10 DISCRETION.]

11 (a) A parent or guardian of twins or higher order multiples
12 may request that the children be placed in the same classroom or
13 in separate classrooms if the children are in the same grade
14 level at the same school. The school may recommend classroom
15 placement to the parents and provide professional education
16 advice to the parents to assist them in making the best decision
17 for their children's education. A school must provide the
18 placement requested by the children's parent or guardian, unless
19 the school board makes a classroom placement determination
20 following the school principal's request according to this
21 section. The parent or guardian must request the classroom
22 placement no later than 14 days after the first day of each
23 school year or 14 days after the first day of attendance of the
24 children during a school year if the children are enrolled in
25 the school after the school year commences. At the end of the
26 initial grading period, if the school principal, in consultation
27 with the children's classroom teacher, determines that the
28 requested classroom placement is disruptive to the school, the
29 school principal may request that the school board determine the
30 children's classroom placement.

31 (b) For purposes of this section, "higher order multiples"
32 means triplets, quadruplets, quintuplets, or more.

33 [EFFECTIVE DATE.] This section is effective for the
34 2005-2006 school year and later.

35 Sec. 3. Minnesota Statutes 2004, section 120B.02, is
36 amended to read:

1 120B.02 [EDUCATIONAL EXPECTATIONS FOR MINNESOTA'S
2 STUDENTS.]

3 (a) The legislature is committed to establishing rigorous
4 academic standards for Minnesota's public school students. To
5 that end, the commissioner shall adopt in rule statewide
6 academic standards. The commissioner shall not prescribe in
7 rule or otherwise the delivery system, classroom assessments, or
8 form of instruction that school sites must use. For purposes of
9 this chapter, a school site is a separate facility, or a
10 separate program within a facility that a local school board
11 recognizes as a school site for funding purposes.

12 (b) All commissioner actions regarding the rule must be
13 premised on the following:

14 (1) the rule is intended to raise academic expectations for
15 students, teachers, and schools;

16 (2) any state action regarding the rule must evidence
17 consideration of school district autonomy; and

18 (3) the Department of Education, with the assistance of
19 school districts, must make available information about all
20 state initiatives related to the rule to students and parents,
21 teachers, and the general public in a timely format that is
22 appropriate, comprehensive, and readily understandable.

23 (c) When fully implemented, the requirements for high
24 school graduation in Minnesota must require students to ~~pass-the~~
25 ~~basic-skills-test-requirements-and~~ satisfactorily complete, as
26 determined by the school district, the course credit
27 requirements under section 120B.024 and:

28 (1) for students enrolled in grade 8 before the 2005-2006
29 school year, to pass the basic skills test requirements; or

30 (2) for students enrolled in grade 8 in the 2005-2006
31 school year and later, to pass the Minnesota Comprehensive
32 Assessments Second Edition (MCA-IIIs).

33 (d) The commissioner shall periodically review and report
34 on the state's assessment process.

35 (e) School districts are not required to adopt specific
36 provisions of ~~the-Goals-2000-and~~ the federal School-to-Work

1 programs.

2 Sec. 4. Minnesota Statutes 2004, section 120B.021,
3 subdivision 1, is amended to read:

4 Subdivision 1. [REQUIRED ACADEMIC STANDARDS.] The
5 following subject areas are required for statewide
6 accountability:

7 (1) language arts;

8 (2) mathematics;

9 (3) science;

10 (4) social studies, including history, geography,
11 economics, and government and citizenship;

12 (5) health and physical education, for which locally
13 developed academic standards apply; and

14 (6) the arts, for which statewide or locally developed
15 academic standards apply, as determined by the school district.

16 Public elementary and middle schools must offer at least three
17 and require at least two of the following four arts areas:

18 dance; music; theater; and visual arts. Public high schools
19 must offer at least three and require at least one of the
20 following five arts areas: media arts; dance; music; theater;
21 and visual arts.

22 The commissioner must submit proposed standards in science
23 and social studies to the legislature by February 1, 2004.

24 For purposes of applicable federal law, the academic standards
25 for language arts, mathematics, and science apply to all public
26 school students, except the very few students with extreme
27 cognitive or physical impairments for whom an individualized
28 education plan team has determined that the required academic
29 standards are inappropriate. An individualized education plan
30 team that makes this determination must establish alternative
31 standards.

32 A school district, no later than the 2007-2008 school year,
33 must adopt graduation requirements that meet or exceed state
34 graduation requirements established in law or rule. A school
35 district that incorporates these state graduation requirements
36 before the 2007-2008 school year must provide students who enter

1 the 9th grade in or before the 2003-2004 school year the
2 opportunity to earn a diploma based on existing locally
3 established graduation requirements in effect when the students
4 entered the 9th grade. District efforts to develop, implement,
5 or improve instruction or curriculum as a result of the
6 provisions of this section must be consistent with sections
7 120B.10, 120B.11, and 120B.20.

8 At a minimum, school districts must maintain the same
9 physical education and health education requirements for
10 students in kindergarten through grade 8 adopted for the
11 2004-2005 school year through the 2007-2008 school year. Before
12 a revision of the local health and physical education standards,
13 a school district must consult the grade-specific benchmarks
14 developed by the Department of Education's health and physical
15 education quality teaching network for the six national physical
16 education standards and the seven national health standards.

17 Sec. 5. Minnesota Statutes 2004, section 120B.021, is
18 amended by adding a subdivision to read:

19 Subd. 1a. [RIGOROUS COURSE OF STUDY; WAIVER.] (a) Upon
20 receiving a student's application signed by the student's parent
21 or guardian, a school district, area learning center, or charter
22 school must declare that a student meets or exceeds a specific
23 academic standard required for graduation under this section if
24 the local school board, the school board of the school district
25 in which the area learning center is located, or the charter
26 school board of directors determines that the student:

27 (1) is participating in a course of study, including an
28 advanced placement or international baccalaureate course or
29 program; a learning opportunity outside the curriculum of the
30 district, area learning center, or charter school; or an
31 approved preparatory program for employment or postsecondary
32 education that is equally or more rigorous than the
33 corresponding state or local academic standard required by the
34 district, area learning center, or charter school;

35 (2) would be precluded from participating in the rigorous
36 course of study, learning opportunity, or preparatory employment

1 or postsecondary education program if the student were required
2 to achieve the academic standard to be waived; and

3 (3) satisfactorily completes the requirements for the
4 rigorous course of study, learning opportunity, or preparatory
5 employment or postsecondary education program.

6 Consistent with the requirements of this section, the local
7 school board, the school board of the school district in which
8 the area learning center is located, or the charter school board
9 of directors also may formally determine other circumstances in
10 which to declare that a student meets or exceeds a specific
11 academic standard that the site requires for graduation under
12 this section.

13 (b) A student who satisfactorily completes a postsecondary
14 enrollment options course or program under section 124D.09 is
15 not required to complete other requirements of the academic
16 standards corresponding to that specific rigorous course of
17 study.

18 Sec. 6. Minnesota Statutes 2004, section 120B.024, is
19 amended to read:

20 120B.024 [GRADUATION REQUIREMENTS; COURSE CREDITS.]

21 Students beginning 9th grade in the 2004-2005 school year
22 and later must successfully complete the following high school
23 level course credits for graduation:

24 (1) four credits of language arts;

25 (2) three credits of mathematics, encompassing at least the
26 mathematical reasoning, algebra, geometry, statistics, and
27 probability sufficient-to-satisfy-the-academic
28 standard identified in the mathematics grades 9, 10, and 11
29 standards documents;

30 (3) three credits of science, including at least one credit
31 in biology;

32 (4) three and one-half credits of social studies,
33 encompassing at least United States history, geography,
34 government and citizenship, world history, and economics or
35 three credits of social studies encompassing at least United
36 States history, geography, government and citizenship, and world

1 history, and one-half credit of economics taught in a school's
2 social studies or business department;

3 (5) one credit in the arts; and

4 (6) one-half credit in physical education and one-half
5 credit in health education; and

6 (7) a minimum of ~~seven~~ six elective course credits.

7 A course credit is equivalent to a student successfully
8 completing an academic year of study or a student mastering the
9 applicable subject matter, as determined by the local school
10 district.

11 Sec. 7. Minnesota Statutes 2004, section 120B.11,
12 subdivision 1, is amended to read:

13 Subdivision 1. [DEFINITIONS.] For the purposes of this
14 section and section 120B.10, the following terms have the
15 meanings given them.

16 (a) "Instruction" means methods of providing learning
17 experiences that ~~enables~~ enable a student to meet state and
18 district academic standards and graduation
19 standards requirements.

20 (b) "Curriculum" means district or school adopted programs
21 and written plans for providing students with learning
22 experiences that lead to expected knowledge, and skills,--and
23 positive-attitudes.

24 Sec. 8. Minnesota Statutes 2004, section 120B.11,
25 subdivision 2, is amended to read:

26 Subd. 2. [ADOPTING POLICIES.] (a) A school board shall
27 ~~adopt-annually-a~~ have in place an adopted written policy that
28 includes the following:

29 (1) district goals for instruction and including the use of
30 best practices, district and school curriculum, and achievement
31 for all student subgroups;

32 (2) a process for evaluating each student's progress toward
33 meeting ~~graduation~~ academic standards and identifying the
34 strengths and weaknesses of instruction and curriculum affecting
35 students' progress;

36 (3) a system for periodically reviewing and evaluating all

1 instruction and curriculum;

2 (4) a plan for improving instruction and, curriculum, and
3 student achievement; and

4 (5) an ~~instruction-plan-that-includes~~ education
5 effectiveness ~~processes-developed-under~~ plan aligned with
6 section 122A.625 and that integrates instruction, curriculum,
7 and technology.

8 Sec. 9. Minnesota Statutes 2004, section 120B.11,
9 subdivision 3, is amended to read:

10 Subd. 3. [~~INSTRUCTION-AND-CURRICULUM~~ DISTRICT ADVISORY
11 COMMITTEE.] Each school board shall establish an ~~Instruction-and~~
12 ~~Curriculum~~ advisory committee to ensure active community
13 participation in all phases of planning and improving the
14 instruction and curriculum affecting state ~~graduation~~ and
15 district academic standards. A district advisory committee, to
16 the extent possible, shall reflect the diversity of the district
17 and its learning sites, and shall include teachers, parents,
18 support staff, ~~pupils~~ students, and other community residents.
19 The district may establish building teams as subcommittees of
20 the district advisory committee under subdivision 4. The
21 district advisory committee shall recommend to the school
22 board ~~districtwide-education-standards~~ rigorous academic
23 standards, student achievement goals and measures, assessments,
24 and program evaluations. Learning sites may expand upon
25 district evaluations of instruction, curriculum, assessments, or
26 programs. Whenever possible, parents and other community
27 residents shall comprise at least two-thirds of advisory
28 committee members.

29 Sec. 10. Minnesota Statutes 2004, section 120B.11,
30 subdivision 4, is amended to read:

31 Subd. 4. [BUILDING TEAM.] A school may establish a
32 building team to develop and implement an education
33 effectiveness plan to improve instruction and, curriculum, and
34 student achievement. The team shall advise the board and the
35 advisory committee about developing an instruction and
36 curriculum improvement plan that aligns curriculum, assessment

1 of student progress in meeting state graduation and district
2 academic standards, and instruction.

3 Sec. 11. Minnesota Statutes 2004, section 120B.11,
4 subdivision 5, is amended to read:

5 Subd. 5. [REPORT.] (a) By October 1 of each year, the
6 school board shall use standard statewide reporting procedures
7 the commissioner develops and adopt a report that includes the
8 following:

9 (1) student performanee achievement goals for meeting state
10 graduation academic standards ~~adopted-for-that-year~~;

11 (2) results of local assessment data, and any additional
12 test data;

13 (3) the annual school district improvement plans including
14 staff development goals under section 122A.60;

15 (4) information about district and learning site progress
16 in realizing previously adopted improvement plans; and

17 (5) the amount and type of revenue attributed to each
18 education site as defined in section 123B.04.

19 (b) The school board shall publish the report in the local
20 newspaper with the largest circulation in the district ~~or~~, by
21 mail, or by electronic means such as the district Web site. If
22 electronic means are used, copies of the report must be made
23 available to the public on request. The board shall make a copy
24 of the report available to the public for inspection. The board
25 shall send a copy of the report to the commissioner of education
26 by October 15 of each year.

27 (c) The title of the report shall contain the name and
28 number of the school district and read "Annual Report on
29 Curriculum, Instruction, and Student Performanee Achievement."
30 The report must include at least the following information about
31 advisory committee membership:

32 (1) the name of each committee member and the date when
33 that member's term expires;

34 (2) the method and criteria the school board uses to select
35 committee members; and

36 (3) the date by which a community resident must apply to

1 next serve on the committee.

2 Sec. 12. Minnesota Statutes 2004, section 120B.11,
3 subdivision 8, is amended to read:

4 Subd. 8. [BIENNIAL EVALUATION; ASSESSMENT PROGRAM.] At
5 least once every two years, the district report shall include an
6 evaluation of the district testing programs, according to the
7 following:

8 (1) written objectives of the assessment program;

9 (2) names of tests and grade levels tested;

10 (3) use of test results; and

11 (4) ~~implementation-of-an-assurance-of-mastery-program~~
12 student achievement results compared to previous years.

13 Sec. 13. [120B.15] [GIFTED AND TALENTED STUDENTS
14 PROGRAMS.]

15 Subdivision 1. [GIFTED AND TALENTED STUDENTS.] School
16 districts must adopt guidelines for assessing and identifying
17 students for participation in gifted and talented programs. The
18 guidelines should include the use of:

19 (1) multiple and objective criteria; and

20 (2) assessments and procedures that are valid and reliable,
21 fair, and based on current theory and research.

22 Subd. 2. [STUDENT ACCESS; PROGRAM CONTENT AND
23 DEVELOPMENT.] (a) Gifted and talented programs may include:

24 (1) curriculum aligned with the cognitive, affective,
25 developmental, and physical needs of gifted and talented
26 students;

27 (2) articulated prekindergarten through grade 12 learning
28 experiences;

29 (3) flexible instructional pacing and subject and
30 grade-based opportunities to accelerate instruction;

31 (4) rigorous content consistent with students' abilities
32 and social and emotional development;

33 (5) challenging learning experiences focused on problem
34 solving and advanced reasoning; and

35 (6) differentiated guidance services to nurture students'
36 social and emotional development.

1 (b) School districts, in collaboration with interested
2 community members and with technical assistance from the state
3 Department of Education, may offer gifted and talented programs.

4 [EFFECTIVE DATE.] This section is effective for the
5 2005-2006 school year and later.

6 Sec. 14. Minnesota Statutes 2004, section 120B.22,
7 subdivision 1, is amended to read:

8 Subdivision 1. [VIOLENCE PREVENTION CURRICULUM.] (a) The
9 commissioner of education, in consultation with the
10 commissioners of health and human services, state minority
11 councils, battered women's and domestic abuse programs, battered
12 women's shelters, sexual assault centers, representatives of
13 religious communities, and the assistant commissioner of the
14 Office of Drug Policy and Violence Prevention, shall assist
15 districts on request in developing or implementing a violence
16 prevention program for students in kindergarten to grade 12 that
17 can be integrated into existing curriculum. The purpose of the
18 program is to help students learn how to resolve conflicts
19 within their families and communities in nonviolent, effective
20 ways.

21 (b) Each district is encouraged to integrate into its
22 existing curriculum a program for violence prevention that
23 includes at least:

24 (1) a comprehensive, accurate, and age appropriate
25 curriculum on violence prevention, nonviolent conflict
26 resolution, sexual, racial, and cultural
27 harassment, self-protection, and student hazing that promotes
28 equality, respect, understanding, effective communication,
29 individual responsibility, thoughtful decision making, positive
30 conflict resolution, useful coping skills, critical thinking,
31 listening and watching skills, and personal safety;

32 (2) planning materials, guidelines, and other accurate
33 information on preventing physical and emotional violence,
34 identifying and reducing the incidence of sexual, racial, and
35 cultural harassment, and reducing child abuse and neglect;

36 (3) a special parent education component of early childhood

1 family education programs to prevent child abuse and neglect and
2 to promote positive parenting skills, giving priority to
3 services and outreach programs for at-risk families;

4 (4) involvement of parents and other community members,
5 including the clergy, business representatives, civic leaders,
6 local elected officials, law enforcement officials, and the
7 county attorney;

8 (5) collaboration with local community services, agencies,
9 and organizations that assist in violence intervention or
10 prevention, including family-based services, crisis services,
11 life management skills services, case coordination services,
12 mental health services, and early intervention services;

13 (6) collaboration among districts and service cooperatives;

14 (7) targeting early adolescents for prevention efforts,
15 especially early adolescents whose personal circumstances may
16 lead to violent or harassing behavior;

17 (8) opportunities for teachers to receive in-service
18 training or attend other programs on strategies or curriculum
19 designed to assist students in intervening in or preventing
20 violence in school and at home; and

21 (9) administrative policies that reflect, and a staff that
22 models, nonviolent behaviors that do not display or condone
23 sexual, racial, or cultural harassment or student hazing.

24 (c) The department may provide assistance at a neutral site
25 to a nonpublic school participating in a district's program.

26 Sec. 15. [120B.25] [AMERICAN HERITAGE EDUCATION.]

27 School districts shall permit grade-level instruction for
28 students to read and study America's founding documents,
29 including documents that contributed to the foundation or
30 maintenance of America's representative form of limited
31 government, the Bill of Rights, our free-market economic system,
32 and patriotism.

33 Sec. 16. Minnesota Statutes 2004, section 120B.30,
34 subdivision 1, is amended to read:

35 Subdivision 1. [STATEWIDE TESTING.] (a) The commissioner,
36 with advice from experts with appropriate technical

1 qualifications and experience and stakeholders, consistent with
2 subdivision 1a, shall include in the comprehensive assessment
3 system, for each grade level to be tested, state-constructed
4 tests developed from and aligned with the state's required
5 academic standards under section 120B.021 and administered
6 annually to all students in grades 3 through 8 and at the high
7 school level. A state-developed test in a subject other than
8 writing, developed after the 2002-2003 school year, must include
9 both ~~multiple-choice~~ machine-scoreable and constructed response
10 questions. The commissioner shall establish one or more months
11 during which schools shall administer the tests to students each
12 school year. For students enrolled in grade 8 before the
13 2005-2006 school year, only Minnesota basic skills tests in
14 reading, mathematics, and writing shall fulfill students' basic
15 skills testing requirements for a passing state notation. The
16 passing scores of the state tests in reading and mathematics are
17 the equivalent of:

18 (1) 70 percent correct for students entering grade 9 in
19 1996; and

20 (2) 75 percent correct for students entering grade 9 in
21 1997 and thereafter, as based on the first uniform test
22 administration of February 1998.

23 For students enrolled in grade 8 in the 2005-2006 school
24 year and later, only the Minnesota Comprehensive Assessments
25 Second Edition (MCA-IIIs) in reading, mathematics, and writing
26 shall fulfill students' academic standard requirements.

27 (b) The third through 8th grade and high school level test
28 results shall be available to districts for diagnostic purposes
29 affecting student learning and district instruction and
30 curriculum, and for establishing educational accountability.
31 The commissioner must disseminate to the public the test results
32 upon receiving those results.

33 (c) State tests must be constructed and aligned with state
34 academic standards. The testing process and the order of
35 administration shall be determined by the commissioner. The
36 statewide results shall be aggregated at the site and district

1 level, consistent with subdivision 1a.

2 (d) In addition to the testing and reporting requirements
3 under this section, the commissioner shall include the following
4 components in the statewide public reporting system:

5 (1) uniform statewide testing of all students in grades 3
6 through 8 and at the high school level that provides exemptions,
7 only with parent or guardian approval, for those very few
8 students for whom the student's individual education plan team
9 under sections 125A.05 and 125A.06, determines that the student
10 is incapable of taking a statewide test, or for a limited
11 English proficiency student under section 124D.59, subdivision
12 2, if the student has been in the United States for fewer than
13 three years;

14 (2) educational indicators that can be aggregated and
15 compared across school districts and across time on a statewide
16 basis, including average daily attendance, high school
17 graduation rates, and high school drop-out rates by age and
18 grade level;

19 (3) students' scores on the American College Test; and

20 (4) state results from participation in the National
21 Assessment of Educational Progress so that the state can
22 benchmark its performance against the nation and other states,
23 and, where possible, against other countries, and contribute to
24 the national effort to monitor achievement.

25 (e) Districts must report exemptions under paragraph (d),
26 clause (1), to the commissioner consistent with a format
27 provided by the commissioner.

28 Sec. 17. Minnesota Statutes 2004, section 120B.30,
29 subdivision 1a, is amended to read:

30 Subd. 1a. [STATEWIDE AND LOCAL ASSESSMENTS; RESULTS.] (a)
31 The commissioner must develop ~~language-arts~~ reading,
32 mathematics, and science assessments aligned with state academic
33 standards that districts and sites must use to monitor student
34 growth toward achieving those standards. The commissioner must
35 not develop statewide assessments for academic standards in
36 social studies, health and physical education, and the arts.

1 The commissioner must require:

2 (1) annual ~~language-arts~~ reading and mathematics
3 assessments in grades 3 through 8 and at the high school level
4 for the 2005-2006 school year and later; and

5 (2) annual science assessments in one grade in the grades 3
6 through 5 span, the grades 6 through 9 span, and a life sciences
7 assessment in the grades 10 through 12 span for the 2007-2008
8 school year and later.

9 (b) The commissioner must ensure that all statewide tests
10 administered to elementary and secondary students measure
11 students' academic knowledge and skills and not students'
12 values, attitudes, and beliefs.

13 (c) Reporting of assessment results must:

14 (1) provide timely, useful, and understandable information
15 on the performance of individual students, schools, school
16 districts, and the state;

17 (2) include, by the 2006-2007 school year, a value-added
18 component to measure student achievement growth over time; and

19 (3) (i) for students enrolled in grade 8 before the
20 2005-2006 school year, determine whether students have met the
21 state's basic skills requirements; or

22 (ii) for students enrolled in grade 8 in the 2005-2006
23 school year and later, determine whether students have met the
24 state's academic standards.

25 (d) Consistent with applicable federal law and subdivision
26 1, paragraph (d), clause (1), the commissioner must include
27 alternative assessments for the very few students with
28 disabilities for whom statewide assessments are inappropriate
29 and for students with limited English proficiency.

30 (e) A school, school district, and charter school must
31 administer statewide assessments under this section, as the
32 assessments become available, to evaluate student progress in
33 achieving the academic standards. If a state assessment is not
34 available, a school, school district, and charter school must
35 determine locally if a student has met the required academic
36 standards. A school, school district, or charter school may use

1 a student's performance on a statewide assessment as one of
2 multiple criteria to determine grade promotion or retention. A
3 school, school district, or charter school may use a high school
4 student's performance on a statewide assessment as a percentage
5 of the student's final grade in a course, or place a student's
6 assessment score on the student's transcript.

7 Sec. 18. Minnesota Statutes 2004, section 120B.30, is
8 amended by adding a subdivision to read:

9 Subd. 4. [ACCESS TO TESTS.] The commissioner must adopt
10 and publish a policy to provide public and parental access for
11 review of basic skills tests, Minnesota Comprehensive
12 Assessments, or any other such statewide test and assessment.
13 Upon receiving a written request, the commissioner must make
14 available to parents or guardians a copy of their student's
15 actual answer sheet to the test questions to be reviewed by the
16 parent.

17 Sec. 19. [120B.361] [VALUE-ADDED ASSESSMENT PROGRAM.]

18 (a) The commissioner of education must implement a
19 value-added assessment program to assist school districts,
20 public schools, and charter schools in assessing and reporting
21 students' growth in academic achievement under section 120B.30,
22 subdivision 1a. The program must use assessments consistent
23 with paragraph (d) of students' academic achievement to make
24 longitudinal comparisons of each student's academic growth over
25 time. School districts, public schools, and charter schools may
26 apply to the commissioner to participate in the initial trial
27 program using a form and in the manner the commissioner
28 prescribes. The commissioner must select program participants
29 from urban, suburban, and rural areas throughout the state.

30 (b) The commissioner may issue a request for a proposal to
31 contract with an organization that provides a value-added
32 assessment model that uses fully adaptive computer-based
33 assessments that reliably estimates school and school district
34 effects on students' academic achievement over time. The model
35 the commissioner selects must use each student's test data
36 across grades.

1 (c) The contract under paragraph (b) must be consistent
2 with the definition of "best value" under section 16C.02,
3 subdivision 4, and may not be executed until the state has
4 authority to use the assessments described in paragraph (d) for
5 purposes of the No Child Left Behind Act, Public Law 107-110.

6 (d) In connection with implementation of the value-added
7 assessment program, the department must request and obtain from
8 the United States Department of Education authority to use fully
9 adaptive computer-based assessments that accurately measure
10 student achievement and growth over time. The assessments must
11 be aligned with Minnesota standards, use a common scale score
12 over multiple grades or ages, and be capable of being used for
13 source data for a growth or value-added model of school
14 evaluation.

15 (e) In implementing the value-added assessment program, the
16 commissioner must report assessment result data in a way that
17 shows the growth trends over time for students in four groups:

- 18 (1) performing above grade level;
19 (2) performing at grade level;
20 (3) approaching grade-level performance; and
21 (4) performing significantly below grade level.

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

24 Sec. 20. Minnesota Statutes 2004, section 121A.06,
25 subdivision 2, is amended to read:

26 Subd. 2. ~~[REPORTS; CONTENT.] By January 17, 1994, the~~
27 ~~commissioner, in consultation with the criminal and juvenile~~
28 ~~information policy group, shall develop a standardized form to~~
29 ~~be used by schools to report incidents involving the use or~~
30 ~~possession of a dangerous weapon in school zones. School~~
31 districts must electronically report to the commissioner of
32 education incidents involving the use or possession of a
33 dangerous weapon in school zones. The form shall must include
34 the following information:

- 35 (1) a description of each incident, including a description
36 of the dangerous weapon involved in the incident;

1 (2) where, at what time, and under what circumstances the
2 incident occurred;

3 (3) information about the offender, other than the
4 offender's name, including the offender's age; whether the
5 offender was a student and, if so, where the offender attended
6 school; and whether the offender was under school expulsion or
7 suspension at the time of the incident;

8 (4) information about the victim other than the victim's
9 name, if any, including the victim's age; whether the victim was
10 a student and, if so, where the victim attended school; and if
11 the victim was not a student, whether the victim was employed at
12 the school;

13 (5) the cost of the incident to the school and to the
14 victim; and

15 (6) the action taken by the school administration to
16 respond to the incident.

17 The commissioner ~~also shall develop~~ provide an alternative
18 electronic reporting format that allows school districts to
19 provide aggregate data, ~~with an option to use computer~~
20 ~~technology to report the data.~~

21 Sec. 21. Minnesota Statutes 2004, section 121A.06,
22 subdivision 3, is amended to read:

23 Subd. 3. [REPORTS; FILING REQUIREMENTS.] By ~~February 1 and~~
24 July ± 31 of each year, each school, other than a home-school,
25 shall report incidents involving the use or possession of a
26 dangerous weapon in school zones to the commissioner. The
27 reports by public schools must be ~~made on the standardized forms~~
28 ~~or using the alternative format~~ submitted using the electronic
29 reporting system developed by the commissioner under subdivision
30 2. The commissioner shall compile the information it receives
31 from the schools and report it annually to the commissioner of
32 public safety, ~~the criminal and juvenile information policy~~
33 ~~group,~~ and the legislature.

34 Sec. 22. [121A.0695] [SCHOOL BOARD POLICY; PROHIBITING
35 INTIMIDATION AND BULLYING.]

36 Subdivision 1. [INTIMIDATION OR BULLYING

1 DEFINED.] "Intimidation or bullying" means an intentional
2 gesture or a written, oral, or physical act or threat that a
3 reasonable person under the circumstances knows or should know
4 has the effect of:

5 (1) harming a student;

6 (2) damaging a student's property;

7 (3) placing a student in reasonable fear of harm to the
8 student's person;

9 (4) placing a student in reasonable fear of damage to the
10 student's property; or

11 (5) creating a severe or persistent environment of
12 intimidation or abuse.

13 Subd. 2. [MODEL POLICY.] The commissioner of education
14 shall maintain and make available to school boards and other
15 schools a model policy prohibiting intimidation and bullying
16 that addresses the requirements of subdivision 3.

17 Subd. 3. [SCHOOL BOARD POLICY.] Each school board shall
18 adopt a written policy prohibiting intimidation and bullying of
19 any student, including, but not limited to, the acts defined in
20 subdivision 1. The policy must describe the behavior expected
21 of each student and state the consequences for and the
22 appropriate remedial action to be taken against the person
23 acting to intimidate or bully. The policy must include
24 reporting procedures, including, at a minimum, requiring school
25 personnel to report student intimidation or bullying incidents
26 and allowing persons to report incidents anonymously. Each
27 district must integrate into its violence prevention program
28 under section 120B.22, if applicable, behavior and expectations
29 established under this section. Each school must include the
30 policy in the student handbook on school policies.

31 [EFFECTIVE DATE.] This section is effective for the
32 2005-2006 school year and later.

33 Sec. 23. [121A.222] [POSSESSION AND USE OF NONPRESCRIPTION
34 PAIN RELIEVERS BY SECONDARY STUDENTS.]

35 A secondary student may possess and use nonprescription
36 pain relief in a manner consistent with the labeling, if the

1 district has received a written authorization from the student's
2 parent permitting the student to self-administer the
3 medication. The parent must submit written authorization for
4 the student to self-administer the medication each school year.
5 The district may revoke a student's privilege to possess and use
6 nonprescription pain relievers if the district determines that
7 the student is abusing the privilege.

8 Sec. 24. [121A.231] [COMPREHENSIVE FAMILY LIFE AND
9 SEXUALITY EDUCATION PROGRAMS.]

10 Subdivision 1. [DEFINITIONS.] (a) "Comprehensive family
11 life and sexuality education" means education in grades 7
12 through 12 that:

13 (1) respects community values and encourages family
14 communication;

15 (2) develops skills in communication, decision making, and
16 conflict resolution;

17 (3) contributes to healthy relations;

18 (4) provides human development and sexuality education that
19 is age appropriate and medically accurate;

20 (5) promotes responsible sexual behavior, including an
21 abstinence-first approach to delaying initiation to sexual
22 activity that emphasizes abstinence while also including
23 education about the use of protection and contraception; and

24 (6) promotes individual responsibility.

25 (b) "Age appropriate" refers to topics, messages, and
26 teaching methods suitable to particular ages or age groups of
27 children and adolescents, based on developing cognitive,
28 emotional, and behavioral capacity typical for the age or age
29 group.

30 (c) "Medically accurate" means verified or supported by
31 research conducted in compliance with scientific methods and
32 published in peer-reviewed journals, where appropriate, and
33 recognized as accurate and objective by professional
34 organizations and agencies in the relevant field, such as the
35 federal Centers for Disease Control and Prevention, the American
36 Public Health Association, the American Academy of Pediatrics,

1 or the American College of Obstetricians and Gynecologists.

2 Subd. 2. [CURRICULUM REQUIREMENTS.] (a) A school district
3 may offer and may independently establish policies, procedures,
4 curriculum, and services for providing comprehensive family life
5 and sexuality education that is age appropriate and medically
6 accurate for kindergarten through grade 6.

7 (b) A school district must offer and may independently
8 establish policies, procedures, curriculum, and services for
9 providing comprehensive family life and sexuality education that
10 is age appropriate and medically accurate for grades 7 through
11 12.

12 Subd. 3. [NOTICE AND PARENTAL OPTIONS.] (a) It is the
13 legislature's intent to encourage pupils to communicate with the
14 pupils' parents or guardians about human sexuality and to
15 respect rights of parents or guardians to supervise the parents'
16 or guardians' children's education on these subjects.

17 (b) Parents or guardians may excuse the parents' or
18 guardians' children from all or part of a comprehensive family
19 life and sexuality education program.

20 (c) A school district must establish procedures for
21 providing parents or guardians reasonable notice with the
22 following information:

23 (1) if the district is offering a comprehensive family life
24 and sexuality education program to the parents' or guardians'
25 child during the course of the year;

26 (2) how the parents or guardians may inspect the written
27 and audiovisual educational materials used in the program and
28 the process for inspection;

29 (3) if the program is presented by school district
30 personnel or outside consultants, and if outside consultants are
31 used, who they may be; and

32 (4) the right to choose not to have the parents' or
33 guardians' child participate in the program and the procedure
34 for exercising that right.

35 (d) A school district must establish procedures for
36 reasonably restricting the availability of written and

1 audiovisual educational materials from public view of students
2 who have been excused from all or part of a comprehensive family
3 life and sexuality education program at the request of a parent
4 or guardian.

5 Sec. 25. Minnesota Statutes 2004, section 121A.53, is
6 amended to read:

7 121A.53 [REPORT TO COMMISSIONER OF EDUCATION.]

8 Subdivision 1. [EXCLUSIONS AND EXPULSIONS.] The school
9 board ~~shall~~ must report through the department electronic
10 reporting system each exclusion or expulsion within 30 days of
11 the effective date of the action to the commissioner of
12 education. This report ~~shall~~ must include a statement of
13 alternative educational services given the pupil and the reason
14 for, the effective date, and the duration of the exclusion or
15 expulsion. The report must also include the student's age,
16 grade, gender, race, and special education status.

17 Subd. 2. [REPORT.] The school board must include state
18 student identification numbers of affected pupils on all
19 dismissal reports required by the department. The department
20 must report annually to the commissioner summary data on the
21 number of dismissals by age, grade, gender, race, and special
22 education status of the affected pupils. All dismissal reports
23 must be submitted through the department electronic reporting
24 system.

25 Sec. 26. Minnesota Statutes 2004, section 122A.06,
26 subdivision 4, is amended to read:

27 Subd. 4. [COMPREHENSIVE, SCIENTIFICALLY BASED READING
28 INSTRUCTION.] ~~"Comprehensive, scientifically based reading~~
29 ~~instruction"-includes-instruction-and-practice-in-phonemic~~
30 ~~awareness,-phonics-and-other-word-recognition-skills,-and-guided~~
31 ~~oral-reading-for-beginning-readers,-as-well-as-extensive-silent~~
32 ~~reading,-vocabulary-instruction,-instruction-in-comprehension,-~~
33 ~~and-instruction-that-fosters-understanding-and-higher-order~~
34 ~~thinking-for-readers-of-all-ages-and-proficiency~~
35 ~~levels-~~ "Comprehensive, scientifically based reading
36 instruction" includes a program or collection of instructional

1 practices with demonstrated success in instructing learners and
2 reliable and valid evidence to support the conclusion that when
3 these methods are used with learners, learners can be expected
4 to achieve, at a minimum, satisfactory progress in reading
5 achievement. The program or collection of practices must
6 include, at a minimum, instruction in five areas of reading:
7 phonemic awareness, phonics, fluency, vocabulary, and text
8 comprehension.

9 Comprehensive, scientifically based reading instruction
10 also includes and integrates instructional strategies for
11 continuously assessing and evaluating the learner's reading
12 progress and needs in order to design and implement ongoing
13 interventions so that learners of all ages and proficiency
14 levels can read and comprehend text and apply higher-level
15 thinking skills.

16 Sec. 27. Minnesota Statutes 2004, section 122A.12,
17 subdivision 2, is amended to read:

18 Subd. 2. [TERMS; COMPENSATION; REMOVAL; ADMINISTRATION;
19 REIMBURSEMENT.] (a) Membership terms, removal of members, and
20 the filling of membership vacancies are as provided in section
21 214.09. The terms of the initial board members must be
22 determined by lot as follows:

23 (1) three members must be appointed for terms that expire
24 August 1, 2002;

25 (2) three members must be appointed for terms that expire
26 August 1, 2003; and

27 (3) four members must be appointed for terms that expire
28 August 1, 2004.

29 Members shall not receive the daily payment under section
30 214.09, subdivision 3. The public employer of a member shall
31 not reduce the member's compensation or benefits for the
32 member's absence from employment when engaging in the business
33 of the board. The provision of staff, administrative services,
34 and office space; the review and processing of complaints; the
35 setting of fees; the selection and duties of an executive
36 secretary to serve the board; and other provisions relating to

1 board operations are as provided in chapter 214. Fiscal year
2 and reporting requirements are as provided in sections 214.07
3 and 214.08.

4 (b) The board may reimburse local school districts for the
5 cost of a substitute teacher employed when a regular teacher is
6 providing professional assistance to the state by serving on the
7 board or on a committee or task force appointed by the board.

8 Sec. 28. Minnesota Statutes 2004, section 122A.18,
9 subdivision 2a, is amended to read:

10 Subd. 2a. [READING STRATEGIES.] (a) All colleges and
11 universities approved by the Board of Teaching to prepare
12 persons for classroom teacher licensure must include in their
13 teacher preparation programs ~~reading-best-practices-that-enable~~
14 ~~classroom-teacher-licensure-candidates-to-know-how-to-teach~~
15 ~~reading,-such-as-phonics-or-other~~ research-based best practices
16 in reading, consistent with section 122A.06, subdivision 4, that
17 enable the licensure candidate to know how to teach reading in
18 the candidate's content areas.

19 (b) Board-approved teacher preparation programs for
20 teachers of elementary education must require instruction in the
21 application of comprehensive, scientifically based, and balanced
22 reading instruction programs: that:

23 (1) teach students to read using foundational knowledge,
24 practices, and strategies consistent with section 122A.06,
25 subdivision 4, so that all students will achieve continuous
26 progress in reading; and

27 (2) teach specialized instruction in reading strategies,
28 interventions, and remediations that enable students of all ages
29 and proficiency levels to become proficient readers.

30 Sec. 29. Minnesota Statutes 2004, section 122A.40,
31 subdivision 5, is amended to read:

32 Subd. 5. [PROBATIONARY PERIOD.] (a) The first three
33 consecutive years of a teacher's first teaching experience in
34 Minnesota in a single district is deemed to be a probationary
35 period of employment, and after completion thereof, the
36 probationary period in each district in which the teacher is

1 thereafter employed shall be one year. The school board must
2 adopt a plan for written evaluation of teachers during the
3 probationary period. Evaluation must occur at least three times
4 each year for a teacher performing services on 120 or more
5 school days, at least two times each year for a teacher
6 performing services on 60 to 119 school days, and at least one
7 time each year for a teacher performing services on fewer than
8 60 school days. Days devoted to parent-teacher conferences,
9 teachers' workshops, and other staff development opportunities
10 and days on which a teacher is absent from school must not be
11 included in determining the number of school days on which a
12 teacher performs services. Except as otherwise provided in
13 paragraph (b), during the probationary period any annual
14 contract with any teacher may or may not be renewed as the
15 school board shall see fit. However, the board must give any
16 such teacher whose contract it declines to renew for the
17 following school year written notice to that effect before July
18 1. If the teacher requests reasons for any nonrenewal of a
19 teaching contract, the board must give the teacher its reason in
20 writing, including a statement that appropriate supervision was
21 furnished describing the nature and the extent of such
22 supervision furnished the teacher during the employment by the
23 board, within ten days after receiving such request. The school
24 board may, after a hearing held upon due notice, discharge a
25 teacher during the probationary period for cause, effective
26 immediately, under section 122A.44.

27 (b) A board must discharge a probationary teacher,
28 effective immediately, upon receipt of notice under section
29 122A.20, subdivision 1, paragraph (b), that the teacher's
30 license has been revoked due to a conviction for child abuse or
31 sexual abuse.

32 (c) A probationary teacher must complete at least 60 days
33 of teaching service each year during the probationary period.
34 Days devoted to parent-teacher conferences, teachers' workshops,
35 and other staff development opportunities and days on which a
36 teacher is absent from school do not count as days of teaching

1 service under this paragraph.

2 (d) A probationary teacher whose first three years of
3 consecutive employment is interrupted for active military
4 service and who promptly resumes teaching consistent with
5 federal reemployment timelines for uniformed service personnel
6 under United States Code, title 38, section 4312(e), is
7 considered to have a consecutive teaching experience for
8 purposes of paragraph (a).

9 [EFFECTIVE DATE.] Paragraph (c) of this section is
10 effective July 1, 2005. Paragraph (d) of this section is
11 retroactively effective from September 10, 2001, and applies to
12 those probationary teachers absent for active military service
13 beginning on September 10, 2001, or later.

14 Sec. 30. Minnesota Statutes 2004, section 122A.41,
15 subdivision 2, is amended to read:

16 Subd. 2. [PROBATIONARY PERIOD; DISCHARGE OR DEMOTION.] (a)
17 All teachers in the public schools in cities of the first class
18 during the first three years of consecutive employment shall be
19 deemed to be in a probationary period of employment during which
20 period any annual contract with any teacher may, or may not, be
21 renewed as the school board, after consulting with the peer
22 review committee charged with evaluating the probationary
23 teachers under subdivision 3, shall see fit. The school site
24 management team or the school board if there is no school site
25 management team, shall adopt a plan for a written evaluation of
26 teachers during the probationary period according to subdivision
27 3. Evaluation by the peer review committee charged with
28 evaluating probationary teachers under subdivision 3 shall occur
29 at least three times each year for a teacher performing services
30 on 120 or more school days, at least two times each year for a
31 teacher performing services on 60 to 119 school days, and at
32 least one time each year for a teacher performing services on
33 fewer than 60 school days. Days devoted to parent-teacher
34 conferences, teachers' workshops, and other staff development
35 opportunities and days on which a teacher is absent from school
36 shall not be included in determining the number of school days

1 on which a teacher performs services. The school board may,
2 during such probationary period, discharge or demote a teacher
3 for any of the causes as specified in this code. A written
4 statement of the cause of such discharge or demotion shall be
5 given to the teacher by the school board at least 30 days before
6 such removal or demotion shall become effective, and the teacher
7 so notified shall have no right of appeal therefrom.

8 (b) A probationary teacher must complete at least 60 days
9 of teaching service each year during the probationary period.
10 Days devoted to parent-teacher conferences, teachers' workshops,
11 and other staff development opportunities and days on which a
12 teacher is absent from school do not count as days of teaching
13 service under this paragraph.

14 (c) A probationary teacher whose first three years of
15 consecutive employment is interrupted for active military
16 service and who promptly resumes teaching consistent with
17 federal reemployment timelines for uniformed service personnel
18 under United States Code, title 38, section 4312(e), is
19 considered to have a consecutive teaching experience for
20 purposes of paragraph (a).

21 [EFFECTIVE DATE.] Paragraph (b) of this section is
22 effective July 1, 2005. Paragraph (c) of this section is
23 retroactively effective from September 10, 2001, and applies to
24 those probationary teachers absent for active military service
25 beginning on September 10, 2001, or later.

26 Sec. 31. Minnesota Statutes 2004, section 122A.41,
27 subdivision 5a, is amended to read:

28 Subd. 5a. [PROBATIONARY PERIOD FOR PRINCIPALS HIRED
29 INTERNALLY.] A board and the exclusive representative of the
30 school principals in the district may negotiate a plan for a
31 probationary period of up to two school years for licensed
32 teachers employed by the board who are subsequently employed by
33 the board as a licensed school principal or assistant principal
34 and an additional probationary period of up to two years for
35 licensed assistant principals employed by the board who are
36 subsequently employed by the board as a licensed school

1 principal.

2 [EFFECTIVE DATE.] This section is effective August 1, 2005.

3 Sec. 32. Minnesota Statutes 2004, section 122A.41,
4 subdivision 14, is amended to read:

5 Subd. 14. [SERVICES TERMINATED BY DISCONTINUANCE OR LACK
6 OF PUPILS; PREFERENCE GIVEN.] (a) A teacher whose services are
7 terminated on account of discontinuance of position or lack of
8 pupils must receive first consideration for other positions in
9 the district for which that teacher is qualified. In the event
10 it becomes necessary to discontinue one or more positions, in
11 making such discontinuance, teachers must be discontinued in any
12 department in the inverse order in which they were employed,
13 unless a board and the exclusive representative of teachers in
14 the district negotiate a plan providing otherwise.

15 (b) Notwithstanding the provisions of clause (a), a teacher
16 is not entitled to exercise any seniority when that exercise
17 results in that teacher being retained by the district in a
18 field for which the teacher holds only a provisional license, as
19 defined by the Board of Teaching, unless that exercise of
20 seniority results in the termination of services, on account of
21 discontinuance of position or lack of pupils, of another teacher
22 who also holds a provisional license in the same field. The
23 provisions of this clause do not apply to vocational education
24 licenses.

25 (c) Notwithstanding the provisions of clause (a), a teacher
26 must not be reinstated to a position in a field in which the
27 teacher holds only a provisional license, other than a
28 vocational education license, while another teacher who holds a
29 nonprovisional license in the same field is available for
30 reinstatement.

31 [EFFECTIVE DATE.] This section is effective August 1, 2005.

32 Sec. 33. Minnesota Statutes 2004, section 122A.413, is
33 amended to read:

34 122A.413 [EDUCATIONAL IMPROVEMENT PLAN.]

35 Subdivision 1. [QUALIFYING PLAN.] A district may develop
36 an educational improvement plan for the purpose of qualifying

1 for ~~alternative-teacher-compensation~~ professional compensation
2 for teachers aid under ~~sections-122A.414-and-122A.415~~ section
3 122A.4142. The plan must include measures for improving school
4 district, school site, teacher, and individual student
5 performance.

6 Subd. 2. [PLAN COMPONENTS.] The educational improvement
7 plan must be approved by the school board and have at least
8 these elements:

9 (1) assessment and evaluation tools to measure student
10 performance and progress;

11 (2) performance goals and benchmarks for improvement;

12 (3) measures of student attendance and completion rates;

13 (4) a rigorous professional development system, consistent
14 with section 122A.601, that is aligned with educational

15 improvement, designed to achieve teaching quality improvement,
16 and consistent with clearly defined research-based standards;

17 (5) measures of student, family, and community involvement
18 and satisfaction;

19 (6) a data system about students and their academic
20 progress that provides parents and the public with
21 understandable information; and

22 (7) a teacher induction and mentoring program for
23 probationary teachers that provides continuous learning and
24 sustained teacher support:---~~The process for developing the plan~~
25 ~~must involve district teachers; and~~

26 (8) substantial teacher participation in developing the
27 plan, including teachers selected by the exclusive
28 representative of the teachers.

29 Subd. 3. [SCHOOL SITE ACCOUNTABILITY.] A district that
30 develops a plan under subdivisions 1 and 2 must ensure that each
31 school site develops a board-approved educational improvement
32 plan that is aligned with the district educational improvement
33 plan under subdivision 2 and developed with teacher
34 participation consistent with subdivision 2, clause (8). While
35 a site plan must be consistent with the district educational
36 improvement plan, it may establish performance goals and

1 benchmarks that meet or exceed those of the district. The
2 ~~process-for-developing-the-plan-must-involve-site-teachers.~~

3 Sec. 34. [122A.4142] [PROFESSIONAL COMPENSATION
4 INITIATIVE.]

5 Subdivision 1. [PROFESSIONAL COMPENSATION AGREEMENT.] A
6 school district and the exclusive representative of the teachers
7 may adopt, by agreement, professional compensation under
8 subdivision 2 to provide incentives to attract and retain
9 high-quality teachers and instructional staff, encourage
10 high-quality teachers to accept difficult assignments, encourage
11 teachers to improve their knowledge and skills, and support
12 teachers' roles in improving students' educational achievement.

13 Subd. 2. [ELIGIBILITY.] (a) To be eligible to participate
14 in the professional compensation initiative in fiscal year 2006,
15 a school district must comply with the conditions stated in
16 paragraph (b) or with the following conditions:

17 (1) submit to the department a letter of intent executed by
18 the school district and the exclusive representative of the
19 teachers to complete planning for and satisfy the conditions for
20 participation in fiscal year 2007 and later;

21 (2) reserve at least two percent of basic revenue for staff
22 development purposes consistent with sections 122A.60 and
23 122A.61, subdivision 1; and

24 (3) commit to spending at least the additional one percent
25 of basic revenue available through participation in the
26 professional compensation initiative for staff development
27 supporting the development of a district educational improvement
28 plan and site-based educational improvement plan under section
29 122A.413 and for developing the professional compensation
30 practices agreement under this section.

31 (b) To be eligible to participate in the professional
32 compensation initiative in fiscal year 2007 and later, a school
33 district must submit to the department:

34 (1) a districtwide or site-based educational improvement
35 plan as described in section 122A.413;

36 (2) an executed collective bargaining agreement that

1 contains at least the following elements:

2 (i) a description of the conditions or actions necessary
3 for career advancement and additional compensation;

4 (ii) compensation provisions that base at least 60 percent
5 of any increase in compensation on performance and not on years
6 of service or the attainment of additional education or
7 training;

8 (iii) career advancement options for teachers retaining
9 primary roles in student instruction, including staff
10 development activities, and for other members of the bargaining
11 unit;

12 (iv) incentives for teachers' continuous improvement in
13 content knowledge, pedagogy, and use of best practices;

14 (v) an objective evaluation program, including classroom or
15 performance observation, that is aligned with the district's or
16 site's educational improvement plan, and is a component of
17 determining performance;

18 (vi) provisions preventing any teacher's compensation from
19 being reduced as a result of implementing professional
20 compensation for teachers;

21 (vii) provisions enabling any teacher in the district, if
22 professional compensation for teachers is applied districtwide,
23 or at a site, if professional compensation for teachers applies
24 only to a site, to participate in professional compensation for
25 teachers without limitations by quota or other restrictions;

26 (viii) provisions encouraging collaboration among teachers
27 rather than competition; and

28 (ix) provisions for participation by all teachers in a
29 district, all teachers at a site, or at least 25 percent of the
30 teachers in a district.

31 (c) An agreement may contain different compensation
32 provisions for separate classifications of employees.

33 Subd. 3. [COMMISSIONER APPROVAL.] (a) Before concluding a
34 collective bargaining agreement, a district may submit a
35 proposed agreement and educational improvement plan for review,
36 comment, and preliminary approval by the commissioner. If the

1 Historical Society.

2 \$250,000 each year is for a grant to Special School
3 District No. 6, South St. Paul, for the IB program expansion to
4 the elementary and middle school years.

5 \$200,000 each year is for a grant to A Chance to Grow/New
6 Visions for the Minnesota Learning Resource Center's
7 comprehensive training program for education professionals
8 charged with helping children acquire basic reading and
9 mathematic skills.

10 Sec. 69. 2005 S.F. No. 1879, article 3, section 3,
11 subdivision 25, if enacted, is amended to read:

12 Subd. 25. [~~ALTERNATIVE-TEACHER~~ PROFESSIONAL COMPENSATION
13 FOR TEACHERS.] For ~~alternative-teacher~~ professional compensation
14 for teachers aid established under Minnesota Statutes, ~~sections~~
15 ~~122A.413 to 122A.415~~ section 122A.4142:

16 \$~~3,700,000~~ 8,700,000 2006
17 \$~~3,700,000~~ 8,700,000 2007

18 If the appropriations under this subdivision are
19 insufficient to fund all program participants, a participant may
20 receive less than the maximum per pupil amount available under
21 Minnesota Statutes, section ~~122A.415~~ 122A.4142, subdivision ~~1~~
22 4. A qualifying district or site receiving ~~alternative-teacher~~
23 professional compensation for teacher funding under this
24 subdivision may use the funding it receives to leverage
25 additional funds from a national program for enhancing teacher
26 professionalism. Grantees who received revenue in fiscal year
27 2005 under Minnesota Statutes 2004, sections 122A.413 to
28 122A.415 shall receive revenue in fiscal years 2006 and 2007
29 under Minnesota Statutes, section 122A.4142.

30 Sec. 70. 2005 S.F. No. 1879, article 3, section 3,
31 subdivision 26, if enacted, is amended to read:

32 Subd. 26. [~~YOUTHWORKS~~ YOUTH WORKS PROGRAM.] For funding
33 ~~youthwerks~~ youth works programs under Minnesota Statutes,
34 sections 124D.37 to 124D.45:

35 \$ 900,000 2006
36 \$ 900,000 2007

1 percent of the district's licensed teachers will participate in
2 the professional compensation initiative revenue equals one
3 percent of basic revenue for the fiscal year multiplied by the
4 percentage of participating teachers.

5 Subd. 5. [PERCENTAGE OF TEACHERS.] For purposes of
6 subdivision 4, the percentage of teachers participating in the
7 professional compensation initiative equals the ratio of the
8 number of licensed teachers who are working at least 60 percent
9 of a full-time teacher's hours and agree to participate in the
10 initiative to the total number of licensed teachers who are
11 working at least 60 percent of a full-time teacher's hours.

12 Subd. 6. [AID TIMING.] Districts or sites with approved
13 applications must receive professional compensation revenue for
14 each school year that the district or site participates in the
15 initiative and is in compliance with the conditions for
16 participation.

17 Subd. 7. [BASIC REVENUE.] A school district that qualifies
18 for participation in the professional compensation initiative
19 under subdivision 2, paragraph (b), may use the two percent of
20 basic revenue that would otherwise be reserved under section
21 122A.61 for compliance with the professional compensation
22 agreement under this section. If fewer than all of the licensed
23 teachers in the district participate in the initiative, the
24 amount of the two percent that may be used for the initiative
25 equals the two percent multiplied by the percentage of licensed
26 teachers participating in the initiative.

27 Subd. 8. [PARTICIPATION.] If a district and bargaining
28 unit do not participate in the professional compensation
29 initiatives in fiscal year 2006, they may elect to participate
30 in subsequent years. The requirements for participation in the
31 first year are the requirements described for fiscal year 2006.

32 [EFFECTIVE DATE.] This section is effective for fiscal year
33 2006 and thereafter.

34 Sec. 35. [122A.4143] [CLOSED CONTRACT.]

35 A district and the exclusive representative of the teachers
36 may agree jointly to reopen a collective bargaining agreement

1 for the sole purpose of entering into a professional
2 compensation system consistent with section 122A.4142 and an
3 educational improvement plan under section 122A.413.

4 [EFFECTIVE DATE.] This section is effective for fiscal year
5 2006 and later.

6 Sec. 36. Minnesota Statutes 2004, section 122A.60,
7 subdivision 1, is amended to read:

8 Subdivision 1. [STAFF DEVELOPMENT COMMITTEE.] A school
9 board must use the revenue authorized in section 122A.61 for
10 in-service education for programs under section 120B.22,
11 subdivision 2, or for staff development plans under this
12 section. The board must establish an advisory staff development
13 committee to develop the plan, assist site professional
14 development teams in developing a site plan consistent with the
15 goals of the plan, and evaluate staff development efforts at the
16 site level. A majority of the advisory committee and the site
17 professional development team must be teachers representing
18 various grade levels, subject areas, and special education. The
19 advisory committee must also include nonteaching staff, parents,
20 and administrators. ~~Districts must report staff development~~
21 ~~results and expenditures to the commissioner in the form and~~
22 ~~manner determined by the commissioner. The expenditure report~~
23 ~~must include expenditures by the board for district-level~~
24 ~~activities and expenditures made by the staff. The report must~~
25 ~~provide a breakdown of expenditures for (1) curriculum~~
26 ~~development and programs, (2) in-service education, workshops,~~
27 ~~and conferences, and (3) the cost of teachers or substitute~~
28 ~~teachers for staff development purposes. Within each of these~~
29 ~~categories, the report must also indicate whether the~~
30 ~~expenditures were incurred at the district level or the school~~
31 ~~site level, and whether the school-site expenditures were made~~
32 ~~possible by the grants to school sites that demonstrate~~
33 ~~exemplary use of allocated staff development revenue. These~~
34 ~~expenditures are to be reported using the UFARS system. The~~
35 ~~commissioner shall report the staff development expenditure data~~
36 ~~to the education committees of the legislature by February 15~~

1 ~~each-year-~~

2 Sec. 37. Minnesota Statutes 2004, section 122A.60, is
3 amended by adding a subdivision to read:

4 Subd. 1a. [EFFECTIVE STAFF DEVELOPMENT ACTIVITIES.] Staff
5 development activities must:

6 (1) focus on the school classroom and research-based
7 strategies that improve student learning;

8 (2) provide opportunities for teachers to practice and
9 improve their skills over time;

10 (3) provide opportunities for teachers to use data to
11 increase student achievement as part of their daily work;

12 (4) enhance teacher content knowledge and instructional
13 skills;

14 (5) align with state and local academic standards; and

15 (6) provide opportunities to build professional
16 relationships, foster collaboration among principals and staff
17 who provide instruction, and provide opportunities for
18 teacher-to-teacher mentoring.

19 Staff development activities may include curriculum development
20 and curriculum training programs, and activities that provide
21 teachers and other members of site-based teams training to
22 enhance team performance. In addition, the school district may
23 implement other staff development activities as required by law
24 and those associated with professional teacher compensation
25 models. Release time provided for teachers to supervise
26 students on field trips and school activities, or independent
27 tasks not associated with enhancing the teacher's knowledge and
28 skills, such as preparing report cards, calculating grades, or
29 organizing classroom materials, may not be counted as staff
30 development time that is financed with staff development
31 reserved revenue under section 122A.61.

32 Sec. 38. Minnesota Statutes 2004, section 122A.60, is
33 amended by adding a subdivision to read:

34 Subd. 4. [STAFF DEVELOPMENT REPORT.] (a) By October 15 of
35 each year, the district and site staff development committees
36 shall write and submit a report of staff development activities

1 and expenditures for the previous year, in the form and manner
2 determined by the commissioner. The report must include
3 assessment and evaluation data indicating progress toward
4 district and site staff development goals based on teaching and
5 learning outcomes, including the percentage of teachers and
6 other staff involved in instruction participating in effective
7 staff development activities under subdivision 3.

8 (b) The report must provide a breakdown of expenditures for:

9 (1) curriculum development and curriculum training
10 programs; and

11 (2) staff development training models, workshops, and
12 conferences, and the cost of releasing teachers or providing
13 substitute teachers for staff development purposes.

14 The report must also include whether the expenditures were
15 incurred at the district level or the school site level, and
16 whether the school site expenditures were made possible by
17 grants to school sites that demonstrate exemplary use of
18 allocated staff development revenue. These expenditures must be
19 reported using the uniform financial and accounting and
20 reporting standards.

21 (c) The commissioner shall report the staff development
22 progress and expenditure data to the house of representatives
23 and senate committees having jurisdiction over education by
24 February 15 each year.

25 Sec. 39. Minnesota Statutes 2004, section 122A.61,
26 subdivision 1, is amended to read:

27 Subdivision 1. [STAFF DEVELOPMENT REVENUE.] A district is
28 required to reserve an amount equal to at least two percent of
29 the basic revenue under section 126C.10, subdivision 2, for
30 in-service education for programs under section 120B.22,
31 subdivision 2, for staff development plans, including plans for
32 challenging instructional activities and experiences under
33 section ~~122A.60~~ 122A.601, and for curriculum development and
34 programs, other in-service education, teachers' workshops,
35 teacher conferences, the cost of substitute teachers staff
36 development purposes, preservice and in-service education for

1 special education professionals and paraprofessionals, and other
2 related costs for staff development efforts. ~~A district may~~
3 ~~annually waive the requirement to reserve their basic revenue~~
4 ~~under this section if a majority vote of the licensed teachers~~
5 ~~in the district and a majority vote of the school board agree to~~
6 ~~a resolution to waive the requirement.~~ A district in statutory
7 operating debt is exempt from reserving basic revenue according
8 to this section. Districts may expend an additional amount of
9 unreserved revenue for staff development based on their needs.
10 With the exception of amounts reserved for staff development
11 from revenues allocated directly to school sites, the board must
12 initially allocate 50 percent of the reserved revenue to each
13 school site in the district on a per teacher basis, which must
14 be retained by the school site until used. The board may retain
15 25 percent to be used for district wide staff development
16 efforts. The remaining 25 percent of the revenue must be used
17 to make grants to school sites for best practices methods. A
18 grant may be used for any purpose authorized under section
19 120B.22, subdivision 2, 122A.60, or for the costs of curriculum
20 development and programs, other in-service education, teachers'
21 workshops, teacher conferences, substitute teachers for staff
22 development purposes, and other staff development efforts, and
23 determined by the site professional development team. The site
24 professional development team must demonstrate to the school
25 board the extent to which staff at the site have met the
26 outcomes of the program. The board may withhold a portion of
27 initial allocation of revenue if the staff development outcomes
28 are not being met. A school district that participates in the
29 professional compensation initiative may, but is not required
30 to, reserve revenue under this section, except to the extent the
31 school district agrees to reserve or use revenue as a condition
32 of participation in the initiative.

33 Sec. 40. [122A.74] [PRINCIPALS' LEADERSHIP INSTITUTE.]

34 Subdivision 1. [ESTABLISHMENT.] (a) The commissioner of
35 education may contract with the regents of the University of
36 Minnesota to establish a Principals' Leadership Institute to

1 provide professional development to school principals by:

2 (1) creating a network of leaders in the educational and
3 business communities to communicate current and future trends in
4 leadership techniques;

5 (2) helping to create a vision for the school that is
6 aligned with the community and district priorities; and

7 (3) developing strategies to retain highly qualified
8 teachers.

9 (b) The University of Minnesota must cooperate with
10 participating members of the business community to provide
11 funding and content for the institute.

12 (c) Participants must agree to attend the Principals'
13 Leadership Institute for four weeks during the academic summer.

14 (d) The Principals' Leadership Institute must incorporate
15 program elements offered by leadership programs at the
16 University of Minnesota and program elements used by the
17 participating members of the business community to enhance
18 leadership within their businesses.

19 Subd. 2. [METHOD OF SELECTION AND REQUIREMENTS.] (a) The
20 board of each school district in the state may select a
21 principal, upon the recommendation of the district's
22 superintendent and based on the principal's leadership
23 potential, to attend the institute.

24 (b) The school board shall forward its list of recommended
25 participants to the commissioner of education by February 1 each
26 year. In addition, a principal may submit an application
27 directly to the commissioner by February 1. The commissioner of
28 education shall notify the school board, the principal
29 candidates, and the University of Minnesota of the principals
30 selected to participate in the Principals' Leadership Institute
31 each year.

32 Sec. 41. Minnesota Statutes 2004, section 123B.02, is
33 amended by adding a subdivision to read:

34 Subd. 14a. [EMPLOYEE RECOGNITION.] A school board may
35 establish and operate an employee recognition program for
36 district employees, including teachers, and may expend funds as

1 necessary to achieve the objectives of the program. The
2 employee recognition program shall not include monetary awards.

3 Sec. 42. Minnesota Statutes 2004, section 123B.02, is
4 amended by adding a subdivision to read:

5 Subd. 22. [REWARDS.] A school board may offer a reward to
6 persons who provide accurate and reliable information that leads
7 to the apprehension and arrest of a person who has committed a
8 crime against school district property, students, employees or
9 volunteers, or school board members.

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

12 Sec. 43. Minnesota Statutes 2004, section 123B.04,
13 subdivision 1, is amended to read:

14 Subdivision 1. [DEFINITION.] "Education site" means a
15 separate facility. A program within a facility or within a
16 district is an education site if the school board recognizes it
17 as a site.

18 Sec. 44. Minnesota Statutes 2004, section 123B.04,
19 subdivision 2, is amended to read:

20 ~~Subd. 2. [AGREEMENT.] (a) Either-the-school-board-or-the~~
21 ~~school-site-decision-making-team-may-request-that-the-school~~
22 ~~board-enter-into-an-agreement-with-a-school-site-decision-making~~
23 ~~team-concerning~~ Upon the request of 60 percent of the licensed
24 employees of a site or a school site decision-making team, the
25 school board shall enter into discussions to reach an agreement
26 concerning the governance, management, or control of the
27 school. A school site decision-making team may include the
28 school principal, teachers in the school or their designee,
29 other employees in the school, parents of pupils in the school,
30 representatives of pupils in the school, or other members in the
31 community. For purposes of formation of a new site, a school
32 site decision-making team may be a team of teachers that is
33 recognized by the board as a site. The school site
34 decision-making team shall include the school principal or other
35 person having general control and supervision of the school.
36 The site decision-making team must reflect the diversity of the

1 education site. ~~No more than~~ At least one-half of the members
2 shall be employees of the district, unless an employee is the
3 parent of a student enrolled in the school site, in which case
4 the employee may elect to serve as a parent member of the site
5 team.

6 (b) School site decision-making agreements must delegate
7 powers, duties, and broad management responsibilities to site
8 teams and involve staff members, students as appropriate, and
9 parents in decision making.

10 (c) An agreement shall include a statement of powers,
11 duties, responsibilities, and authority to be delegated to and
12 within the site.

13 (d) An agreement may include:

14 (1) an achievement contract according to subdivision 4;

15 (2) a mechanism to allow principals, a site leadership
16 team, or other persons having general control and supervision of
17 the school, to make decisions regarding how financial and
18 personnel resources are best allocated at the site and from whom
19 goods or services are purchased;

20 (3) a mechanism to implement parental involvement programs
21 under section 124D.895 and to provide for effective parental
22 communication and feedback on this involvement at the site
23 level;

24 (4) a provision that would allow the team to determine who
25 is hired into licensed and nonlicensed positions;

26 (5) a provision that would allow teachers to choose the
27 principal or other person having general control;

28 (6) an amount of revenue allocated to the site under
29 subdivision 3; and

30 (7) any other powers and duties determined appropriate by
31 the board.

32 The school board of the district remains the legal employer
33 under clauses (4) and (5).

34 (e) Any powers or duties not delegated to the school site
35 management team in the school site management agreement shall
36 remain with the school board.

1 (f) Approved agreements shall be filed with the
2 commissioner. If a school board denies a request or the school
3 site and school board fail to reach an agreement to enter into a
4 school site management agreement, ~~it~~ the school board shall
5 provide a copy of the request and the reasons for its denial to
6 the commissioner.

7 Sec. 45. Minnesota Statutes 2004, section 123B.88, is
8 amended by adding a subdivision to read:

9 Subd. 3a. [PUPIL TRANSPORTATION SAFETY COMMITTEE.] (a) A
10 school board may establish a pupil transportation safety
11 committee. The chair of the pupil transportation safety
12 committee is the district's school transportation safety
13 director. The school board shall appoint the other members of
14 the pupil transportation safety committee. Membership may
15 include parents, school bus drivers, representatives of school
16 bus companies, local law enforcement officials, other school
17 district staff, and representatives from other units of local
18 government.

19 (b) The duties of the pupil transportation safety committee
20 include: (1) reviewing and recommending changes to the
21 district's pupil transportation safety policy required under
22 subdivision 1; and (2) developing a comprehensive plan for the
23 safe transportation of students who face hazardous
24 transportation conditions. The comprehensive hazardous
25 transportation plan shall consider safety factors including the
26 types of roads that students must cross, the speed of traffic on
27 those roads, the age of the students, and any other factors as
28 determined by the committee.

29 (c) The pupil transportation safety committee must hold at
30 least one public meeting before adopting its comprehensive plan
31 for transporting students who face hazardous transportation
32 conditions.

33 (d) Any recommended changes to the district's pupil
34 transportation safety policy and the comprehensive plan for
35 hazardous transportation must be submitted to the school board.

36 [EFFECTIVE DATE.] This section is effective the day

1 following final enactment.

2 Sec. 46. Minnesota Statutes 2004, section 124D.081, is
3 amended to read:

4 124D.081 [~~FIRST-GRADE-PREPAREDNESS~~ ALL-DAY KINDERGARTEN
5 PROGRAM.]

6 Subdivision 1. [PURPOSE.] The purposes of the ~~first-grade~~
7 ~~preparedness~~ all-day kindergarten program are to ensure that
8 every child has the opportunity before first grade to develop
9 the skills and abilities necessary to read and succeed in school
10 and to reduce the underlying causes that create a need for
11 compensatory revenue.

12 Subd. 2. [QUALIFYING DISTRICT.] A school district may
13 receive ~~first-grade-preparedness~~ all-day kindergarten revenue
14 for qualifying school sites if, consistent with subdivision 5,
15 the school board approves a resolution requiring the district to
16 provide services to all children located in a qualifying school
17 site attendance area.

18 Subd. 3. [QUALIFYING SCHOOL SITE.] (a) The commissioner
19 shall rank all school sites with kindergarten programs that do
20 not exclusively serve students under sections 125A.03 to
21 125A.24, and 125A.65. The ranking must be from highest to
22 lowest based on the site's free and reduced lunch count as a
23 percent of the fall enrollment using the preceding October 1
24 enrollment data. Once a school site is calculated to be
25 eligible, it remains eligible for the duration of the pilot
26 ~~program, unless the site's ranking falls below the state average~~
27 ~~for elementary schools.~~ For each school site, the percentage
28 used to calculate the ranking must be the greater of (1) the
29 percent of the fall kindergarten enrollment receiving free and
30 reduced lunch, or (2) the percent of the total fall enrollment
31 receiving free and reduced lunch. The list of ranked sites must
32 be separated into the following geographic areas: Minneapolis
33 district, St. Paul district, suburban Twin Cities districts in
34 the seven-county metropolitan area, and school districts in
35 greater Minnesota.

36 (b) The commissioner shall establish a process and

1 timelines to qualify school sites for the next school year.
2 School sites must be qualified in each geographic area from the
3 list of ranked sites until the estimated revenue available for
4 this program has been allocated. The total estimated revenue
5 must be distributed to qualified school sites in each geographic
6 area as follows: 25 percent for Minneapolis sites, 25 percent
7 for St. Paul sites, 25 percent for suburban Twin Cities sites,
8 and 25 percent for greater Minnesota.

9 Subd. 4. [PROGRAM.] A qualifying school site must develop
10 its ~~first-grade-preparedness~~ all-day kindergarten program in
11 collaboration with other providers of school readiness and child
12 development services. A school site must offer a full-day
13 kindergarten program to participating children who are five
14 years of age or older for the full school day every day, a
15 program for participating children who are four years old, or a
16 combination of both. The program may offer as an option to
17 families home visits and other practices as appropriate, and may
18 provide such services with the consent of the parent or
19 guardian. Program providers must ensure that the program
20 supplements existing school readiness and child development
21 programs and complements the services provided with compensatory
22 revenue. Where possible, individuals receiving assistance under
23 a family assistance plan can meet the work activity requirement
24 of the plan by participating in a ~~first-grade-preparedness~~ an
25 all-day kindergarten program as a volunteer.

26 Subd. 5. [EXTENDED DAY REQUIREMENTS.] The board of a
27 qualifying school district must develop and approve a plan to
28 provide extended day services to serve as many children as
29 possible. To accept children whose families participate in
30 child care assistance programs under section 119B.03 or 119B.05,
31 and to meet the requirements of section 245A.03, subdivision 2,
32 the board must formally approve the ~~first-grade-preparedness~~
33 all-day kindergarten program. All revenue received under
34 subdivision 6 must be allocated to the qualifying school sites
35 within the district.

36 Subd. 6. [PREPAREDNESS REVENUE.] (a) A qualifying school

1 district is eligible for ~~first-grade-preparedness~~ all-day
2 kindergarten revenue equal to the basic formula allowance for
3 that year times the number of children five years of age or
4 older enrolled in a kindergarten program at the site on October
5 1 of the previous year times .53.

6 (b) This revenue must supplement and not replace
7 compensatory revenue that the district uses for the same or
8 similar purposes under chapters 120B, 123A, 123B, 124D, 126C,
9 and 127A.

10 (c) A pupil enrolled in the ~~first-grade-preparedness~~
11 all-day kindergarten program at a qualifying school site is
12 eligible for transportation under section 123B.88, subdivision 1.

13 (d) ~~First-grade-preparedness~~ All-day kindergarten revenue
14 paid to a charter school for which a school district is
15 providing transportation according to section 124D.10,
16 subdivision 16, shall be decreased by an amount equal to the
17 product of the formula allowance according to section 126C.10,
18 subdivision 2, times .0485 times the pupil units calculated
19 according to paragraph (a). This amount shall be paid to the
20 school district for transportation costs.

21 Subd. 9. [RESERVE ACCOUNT.] ~~First-grade-preparedness~~
22 All-day kindergarten revenue must be placed in a reserve account
23 within the general fund and may only be used for ~~first-grade~~
24 preparedness all-day kindergarten programs at qualifying school
25 sites.

26 Sec. 47. Minnesota Statutes 2004, section 124D.09,
27 subdivision 12, is amended to read:

28 Subd. 12. [CREDITS.] A pupil may enroll in a course under
29 this section for either secondary credit or postsecondary
30 credit. At the time a pupil enrolls in a course, the pupil
31 shall designate whether the course is for secondary or
32 postsecondary credit. A pupil taking several courses may
33 designate some for secondary credit and some for postsecondary
34 credit. A pupil must not audit a course under this section.

35 A district shall grant academic credit to a pupil enrolled
36 in a course for secondary credit if the pupil successfully

1 completes the course. Seven quarter or four semester college
2 credits equal at least one full year of high school credit.
3 Fewer college credits may be prorated. A district must also
4 grant academic credit to a pupil enrolled in a course for
5 postsecondary credit if secondary credit is requested by a
6 pupil. If no comparable course is offered by the district, the
7 district must, as soon as possible, notify the commissioner, who
8 shall determine the number of credits that shall be granted to a
9 pupil who successfully completes a course. If a comparable
10 course is offered by the district, the school board shall grant
11 a comparable number of credits to the pupil. If there is a
12 dispute between the district and the pupil regarding the number
13 of credits granted for a particular course, the pupil may appeal
14 the board's decision to the commissioner. The commissioner's
15 decision regarding the number of credits shall be final.

16 The secondary credits granted to a pupil must be counted
17 toward the graduation requirements and subject area requirements
18 of the district. Evidence of successful completion of each
19 course and secondary credits granted must be included in the
20 pupil's secondary school record. A pupil shall provide the
21 school with a copy of the pupil's grade in each course taken for
22 secondary credit under this section. Upon the request of a
23 pupil, the pupil's secondary school record must also include
24 evidence of successful completion and credits granted for a
25 course taken for postsecondary credit. In either case, the
26 record must indicate that the credits were earned at a
27 postsecondary institution.

28 If a pupil enrolls in a postsecondary institution after
29 leaving secondary school, the postsecondary institution must
30 award postsecondary credit for any course successfully completed
31 for secondary credit at that institution. Other postsecondary
32 institutions may award, after a pupil leaves secondary school,
33 postsecondary credit for any courses successfully completed
34 under this section. An institution may not charge a pupil for
35 the award of credit.

36 The Board of Trustees of the Minnesota State Colleges and

1 Universities and the Board of Regents of the University of
2 Minnesota must, and private nonprofit and proprietary
3 postsecondary institutions, should award postsecondary credit
4 for any successfully completed courses in a program certified by
5 the National Alliance of Concurrent Enrollment Partnerships
6 offered according to an agreement under subdivision 10.

7 Sec. 48. Minnesota Statutes 2004, section 124D.11,
8 subdivision 6, is amended to read:

9 Subd. 6. [OTHER AID, GRANTS, REVENUE.] (a) A charter
10 school is eligible to receive other aids, grants, and revenue
11 according to chapters 120A to 129C, as though it were a district.

12 (b) Notwithstanding paragraph (a), a charter school may not
13 receive aid, a grant, or revenue if a levy is required to obtain
14 the money, or if the aid, grant, or revenue is a replacement of
15 levy revenue, except as otherwise provided in this section.

16 (c) Federal aid received by the state must be paid to the
17 school, if it qualifies for the aid as though it were a school
18 district.

19 (d) A charter school may receive money from any source for
20 capital facilities needs. In the year-end report to the
21 commissioner of education, the charter school shall report the
22 total amount of funds received from grants and other outside
23 sources.

24 Sec. 49. Minnesota Statutes 2004, section 124D.66,
25 subdivision 3, is amended to read:

26 Subd. 3. [ELIGIBLE SERVICES.] (a) Assurance of mastery
27 programs may provide direct instructional services to an
28 eligible pupil, or a group of eligible pupils, under the
29 following conditions in paragraphs (b) to (d).

30 (b) Instruction may be provided at one or more grade levels
31 from kindergarten to grade 8 and for students in grades 9
32 through 12 who were enrolled in grade 8 before the 2005-2006
33 school year and have failed the basic skills tests, or were
34 enrolled in grade 8 in the 2005-2006 school year and later and
35 who have failed the Minnesota Comprehensive Assessments
36 (MCA-IIIs) in reading, mathematics, or writing as required for

1 high school graduation under section 120B.02. If an assessment
2 of pupils' needs within a district demonstrates that the
3 eligible pupils in grades kindergarten to grade 8 are being
4 appropriately served, a district may serve eligible pupils in
5 grades 9 to 12.

6 (c) Instruction must be provided under the supervision of
7 the eligible pupil's regular classroom teacher. Instruction may
8 be provided by the eligible pupil's classroom teacher, by
9 another teacher, by a team of teachers, or by an education
10 assistant or aide. A special education teacher may provide
11 instruction, but instruction that is provided under this section
12 is not eligible for aid under section 125A.76.

13 (d) The instruction that is provided must differ from the
14 initial instruction the pupil received in the regular classroom
15 setting. The instruction may differ by presenting different
16 curriculum than was initially presented in the regular classroom
17 or by presenting the same curriculum:

18 (1) at a different rate or in a different sequence than it
19 was initially presented;

20 (2) using different teaching methods or techniques than
21 were used initially; or

22 (3) using different instructional materials than were used
23 initially.

24 Sec. 50. Minnesota Statutes 2004, section 124D.74,
25 subdivision 1, is amended to read:

26 Subdivision 1. [PROGRAM DESCRIBED.] American Indian
27 education programs are programs in public elementary and
28 secondary schools, nonsectarian nonpublic, community,
29 tribal, charter, or alternative schools enrolling American
30 Indian children designed to:

31 (1) support postsecondary preparation for pupils;

32 (2) support the academic achievement of American Indian
33 students with identified focus to improve reading and mathematic
34 skills;

35 (3) make the curriculum more relevant to the needs,
36 interests, and cultural heritage of American Indian pupils;

1 (4) provide positive reinforcement of the self-image of
2 American Indian pupils;

3 (5) develop intercultural awareness among pupils, parents,
4 and staff; and

5 (6) supplement, not supplant, state and federal educational
6 and cocurricular programs.

7 Program components may include: development of support
8 components for students in the areas of academic achievement,
9 retention, and attendance; development of support components for
10 staff, including in-service training and technical assistance in
11 methods of teaching American Indian pupils; research projects,
12 including experimentation with and evaluation of methods of
13 relating to American Indian pupils; provision of personal and
14 vocational counseling to American Indian pupils; modification of
15 curriculum, instructional methods, and administrative procedures
16 to meet the needs of American Indian pupils; and supplemental
17 instruction in American Indian language, literature, history,
18 and culture. Districts offering programs may make contracts for
19 the provision of program components by establishing cooperative
20 liaisons with tribal programs and American Indian social service
21 agencies. These programs may also be provided as components of
22 early childhood and family education programs.

23 Sec. 51. Minnesota Statutes 2004, section 124D.81,
24 subdivision 1, is amended to read:

25 Subdivision 1. [GRANTS; PROCEDURES.] Each fiscal year the
26 commissioner of education must make grants to no fewer than six
27 American Indian education programs. At least three programs
28 must be in urban areas and at least three must be on or near
29 reservations. The board of a local district, a participating
30 school or a group of boards may develop a proposal for grants in
31 support of American Indian education programs. Proposals may
32 provide for contracts for the provision of program components by
33 nonsectarian nonpublic, community, tribal, charter, or
34 alternative schools. The commissioner shall prescribe the form
35 and manner of application for grants, and no grant shall be made
36 for a proposal not complying with the requirements of sections

1 124D.71 to 124D.82. ~~The commissioner must submit all proposals~~
2 ~~to the state Advisory Committee on American Indian Education~~
3 ~~Programs for its recommendations concerning approval,~~
4 ~~modification, or disapproval and the amounts of grants to~~
5 ~~approved programs.~~

6 Sec. 52. Minnesota Statutes 2004, section 124D.84,
7 subdivision 1, is amended to read:

8 Subdivision 1. [AWARDS.] The commissioner, ~~with the advice~~
9 ~~and counsel of the Minnesota Indian Education Committee,~~ may
10 award scholarships to any Minnesota resident student who is of
11 one-fourth or more Indian ancestry, who has applied for other
12 existing state and federal scholarship and grant programs, and
13 who, in the opinion of the commissioner, has the capabilities to
14 benefit from further education. Scholarships must be for
15 accredited degree programs in accredited Minnesota colleges or
16 universities or for courses in accredited Minnesota business,
17 technical, or vocational schools. Scholarships may also be
18 given to students attending Minnesota colleges that are in
19 candidacy status for obtaining full accreditation, and are
20 eligible for and receiving federal financial aid programs.
21 Students are also eligible for scholarships when enrolled as
22 students in Minnesota higher education institutions that have
23 joint programs with other accredited higher education
24 institutions. Scholarships shall be used to defray the total
25 cost of education including tuition, incidental fees, books,
26 supplies, transportation, other related school costs and the
27 cost of board and room and shall be paid directly to the college
28 or school concerned where the student receives federal financial
29 aid. The total cost of education includes all tuition and fees
30 for each student enrolling in a public institution and the
31 portion of tuition and fees for each student enrolling in a
32 private institution that does not exceed the tuition and fees at
33 a comparable public institution. Each student shall be awarded
34 a scholarship based on the total cost of the student's education
35 and a federal standardized need analysis. Applicants are
36 encouraged to apply for all other sources of financial aid. ~~The~~

~~1 amount-and-type-of-each-scholarship-shall-be-determined-through~~
~~2 the-advice-and-counsel-of-the-Minnesota-Indian-education~~
~~3 committee.~~

4 When an Indian student satisfactorily completes the work
5 required by a certain college or school in a school year the
6 student is eligible for additional scholarships, if additional
7 training is necessary to reach the student's educational and
8 vocational objective. Scholarships may not be given to any
9 Indian student for more than five years of study ~~without-special~~
10 ~~recommendation-of-the-Minnesota-Indian-Education-Committee.~~

11 Sec. 53. [127A.095] [IMPLEMENTATION OF NO CHILD LEFT
12 BEHIND ACT.]

13 Subdivision 1. [CONTINUED IMPLEMENTATION.] The Department
14 of Education shall continue to implement the federal No Child
15 Left Behind Act, Public Law 107-110, without interruption.

16 Subd. 2. [NO CHILD LEFT BEHIND NULLIFICATION.] (a) The
17 consolidated state plan submitted by the state to the federal
18 Department of Education on implementing the No Child Left Behind
19 Act, Public Law 107-110, and any other Minnesota state contract
20 or agreement under the provisions of the No Child Left Behind
21 Act, shall be nullified and revoked by the commissioner of
22 education on July 1, 2006, if the conditions of paragraph (b)
23 are not met.

24 (b) The commissioner shall report to the house of
25 representatives and senate committees having jurisdiction over
26 kindergarten through grade 12 education policy and finance by
27 April 1, 2006, whether the department has:

28 (1) received approval from the federal Department of
29 Education to allow the state to develop a plan using multiple
30 measures including value-added measurement of student
31 achievement in addition to relying on standardized test results
32 to evaluate school and student performance for the purpose of
33 determining adequate yearly progress;

34 (2) received approval from the federal Department of
35 Education to allow the state to average three years of data for
36 the purposes of identifying a school for improvement;

1 (3) developed a plan and model legislation to ensure that
2 if an adequate yearly progress determination was made in error,
3 that the error will not adversely affect the school's or school
4 district's sanction status in subsequent years. The department
5 must have a policy in place to correct errors to accountability
6 reports;

7 (4) reported the additional costs for state fiscal years
8 2006 to 2009 that the No Child Left Behind Act imposes on the
9 state, the state's school districts, and charter schools that
10 are in excess of costs associated with the Improving America's
11 Schools Act of 1994, Public Law 103-382;

12 (5) received approval from the federal Department of
13 Education to allow the state to use No Child Left Behind Act
14 money to provide supplemental education services only in the
15 academic subject area that causes a school to miss adequate
16 yearly progress;

17 (6) received approval from the federal Department of
18 Education to exclude from sanctions schools that have not made
19 adequate yearly progress solely due to a subgroup of students
20 with disabilities not testing at a proficient level;

21 (7) received approval from the federal Department of
22 Education to exclude from sanctions a school that is classified
23 as not having made adequate yearly progress solely due to
24 different subgroups testing below proficient levels for at least
25 two consecutive years;

26 (8) received approval from the federal Department of
27 Education to identify a school as not making adequate yearly
28 progress only after missing the adequate yearly progress targets
29 in the same subject and subgroup for two consecutive years;

30 (9) received approval from the federal Department of
31 Education to identify a district as in need of improvement only
32 after missing the adequate yearly progress target in the same
33 subject across multiple grade spans for two consecutive years;

34 (10) received approval from the federal Department of
35 Education to limit the score of a student within multiple
36 subgroups to the one subgroup that is the smallest subgroup in

1 which that student is a part of when calculating adequate yearly
2 progress;

3 (11) implemented a uniform financial reporting system for
4 school districts to report costs related to implementing No
5 Child Left Behind Act requirements, including the costs of
6 complying with sanctions;

7 (12) received approval from the federal Department of
8 Education to determine the percentage of the special education
9 students that would be best educated based on out-of-level
10 standards and tested accordingly based on an individual
11 education plan; and

12 (13) received approval from the federal Department of
13 Education to determine when to hold schools accountable for
14 including a student with limited English proficiency in adequate
15 yearly progress calculations.

16 Subd. 3. [DEPARTMENT OF FINANCE CERTIFICATION.] If the
17 commissioner of education has not received approval from the
18 federal Department of Education regarding the conditions in
19 subdivision 2, paragraph (b), the commissioner of finance shall
20 certify and report to the legislature beginning January 1, 2007,
21 and each year thereafter, the amount of federal revenue, if any,
22 that has been withheld by the federal government as a result of
23 the state's discontinued implementation of the No Child Left
24 Behind Act. The report shall also specify the intended purpose
25 of the federal revenue and the amount of revenue withheld from
26 the state, each school district, and each charter school in each
27 fiscal year.

28 Subd. 4. [ANNUAL CONTINGENT APPROPRIATION.] For fiscal
29 year 2007 and thereafter, an amount equal to the federal revenue
30 withheld in the same fiscal year as a result of the state's
31 discontinued implementation of the No Child Left Behind Act, as
32 certified by the commissioner of finance under subdivision 3, is
33 appropriated from the general fund to the commissioner of
34 education. The commissioner of education shall allocate the
35 appropriation under this section according to the report from
36 the commissioner of finance in subdivision 3.

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

3 Sec. 54. [129C.105] [BOARD MEETINGS BY TELEPHONE OR OTHER
4 ELECTRONIC MEANS.]

5 (a) Notwithstanding section 13D.01 and if complying with
6 section 13D.02 is impractical, the Board of the Perpich Center
7 for Arts Education may conduct a meeting of its members by
8 telephone or other electronic means when:

9 (1) all members of the board participating in the meeting,
10 wherever the members' physical locations, can hear one another
11 and all discussion and testimony;

12 (2) members of the public present at the regular meeting
13 location of the board can hear all discussion and testimony and
14 all votes of members of the board;

15 (3) at least one member of the board is physically present
16 at the regular meeting location; and

17 (4) all votes are conducted by roll call, so each member's
18 vote on each issue can be identified and recorded.

19 (b) Each member of the board participating in a meeting by
20 telephone or other electronic means is considered present at the
21 meeting for purposes of determining a quorum and participating
22 in all proceedings.

23 (c) If telephone or other electronic means is used to
24 conduct a meeting, the board, to the extent practical, shall
25 allow a person to monitor the meeting electronically from a
26 remote location. The board may require the person making such a
27 connection to pay for documented marginal costs that the board
28 incurs as a result of the additional connection.

29 (d) If telephone or other electronic means is used to
30 conduct a regular, special, or emergency meeting, the board
31 shall provide notice of the regular meeting location, of the
32 fact that some members may participate by telephone or other
33 electronic means, and of the provisions of paragraph (c). The
34 timing and method of providing notice is governed by section
35 13D.04.

36 [EFFECTIVE DATE.] This section is effective the day

1 following final enactment.

2 Sec. 55. Minnesota Statutes 2004, section 179A.03,
3 subdivision 14, is amended to read:

4 Subd. 14. [PUBLIC EMPLOYEE OR EMPLOYEE.] "Public employee"
5 or "employee" means any person appointed or employed by a public
6 employer except:

7 (a) elected public officials;

8 (b) election officers;

9 (c) commissioned or enlisted personnel of the Minnesota
10 National Guard;

11 (d) emergency employees who are employed for emergency work
12 caused by natural disaster;

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

16 (f) employees whose positions are basically temporary or
17 seasonal in character and: (1) are not for more than 67 working
18 days in any calendar year; or (2) are not for more than 100
19 working days in any calendar year and the employees are under
20 the age of 22, are full-time students enrolled in a nonprofit or
21 public educational institution prior to being hired by the
22 employer, and have indicated, either in an application for
23 employment or by being enrolled at an educational institution
24 for the next academic year or term, an intention to continue as
25 students during or after their temporary employment;

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

31 (h) employees of charitable hospitals as defined by section
32 179.35, subdivision 3;

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

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

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

7 (l) with respect to court employees:

8 (1) personal secretaries to judges;

9 (2) law clerks;

10 (3) managerial employees;

11 (4) confidential employees; and

12 (5) supervisory employees.

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

15 (i) an employee hired by a school district or the Board of
16 Trustees of the Minnesota State Colleges and Universities except
17 at the university established in section 136F.13 or for
18 community services or community education instruction offered on
19 a noncredit basis: (A) to replace an absent teacher or faculty
20 member who is a public employee, where the replacement employee
21 is employed more than 30 working days as a replacement for that
22 teacher or faculty member; or (B) to take a teaching position
23 created due to increased enrollment, curriculum expansion,
24 courses which are a part of the curriculum whether offered
25 annually or not, or other appropriate reasons; and

26 (ii) an employee hired for a position under clause (f)(1)
27 if that same position has already been filled under clause
28 (f)(1) in the same calendar year and the cumulative number of
29 days worked in that same position by all employees exceeds 67
30 calendar days in that year. For the purpose of this paragraph,
31 "same position" includes a substantially equivalent position if
32 it is not the same position solely due to a change in the
33 classification or title of the position; and

34 (iii) an early childhood family education teacher employed
35 by a school district.

36 **[EFFECTIVE DATE.]** This section is effective July 1, 2005.

1 Sec. 56. Minnesota Statutes 2004, section 260C.201,
2 subdivision 1, is amended to read:

3 Subdivision 1. [DISPOSITIONS.] (a) If the court finds that
4 the child is in need of protection or services or neglected and
5 in foster care, it shall enter an order making any of the
6 following dispositions of the case:

7 (1) place the child under the protective supervision of the
8 responsible social services agency or child-placing agency in
9 the home of a parent of the child under conditions prescribed by
10 the court directed to the correction of the child's need for
11 protection or services:

12 (i) the court may order the child into the home of a parent
13 who does not otherwise have legal custody of the child, however,
14 an order under this section does not confer legal custody on
15 that parent;

16 (ii) if the court orders the child into the home of a
17 father who is not adjudicated, he must cooperate with paternity
18 establishment proceedings regarding the child in the appropriate
19 jurisdiction as one of the conditions prescribed by the court
20 for the child to continue in his home;

21 (iii) the court may order the child into the home of a
22 noncustodial parent with conditions and may also order both the
23 noncustodial and the custodial parent to comply with the
24 requirements of a case plan under subdivision 2; or

25 (2) transfer legal custody to one of the following:

26 (i) a child-placing agency; or

27 (ii) the responsible social services agency. In placing a
28 child whose custody has been transferred under this paragraph,
29 the agencies shall make an individualized determination of how
30 the placement is in the child's best interests using the
31 consideration for relatives and the best interest factors in
32 section 260C.212, subdivision 2, paragraph (b); or

33 (3) if the child has been adjudicated as a child in need of
34 protection or services because the child is in need of special
35 services or care to treat or ameliorate a physical or mental
36 disability, the court may order the child's parent, guardian, or

1 custodian to provide it. The court may order the child's health
2 plan company to provide mental health services to the child.
3 Section 62Q.535 applies to an order for mental health services
4 directed to the child's health plan company. If the health
5 plan, parent, guardian, or custodian fails or is unable to
6 provide this treatment or care, the court may order it
7 provided. Absent specific written findings by the court that
8 the child's disability is the result of abuse or neglect by the
9 child's parent or guardian, the court shall not transfer legal
10 custody of the child for the purpose of obtaining special
11 treatment or care solely because the parent is unable to provide
12 the treatment or care. If the court's order for mental health
13 treatment is based on a diagnosis made by a treatment
14 professional, the court may order that the diagnosing
15 professional not provide the treatment to the child if it finds
16 that such an order is in the child's best interests; or

17 (4) if the court believes that the child has sufficient
18 maturity and judgment and that it is in the best interests of
19 the child, the court may order a child 16 years old or older to
20 be allowed to live independently, either alone or with others as
21 approved by the court under supervision the court considers
22 appropriate, if the county board, after consultation with the
23 court, has specifically authorized this dispositional
24 alternative for a child.

25 (b) If the child was adjudicated in need of protection or
26 services because the child is a runaway or habitual truant, the
27 court may order any of the following dispositions in addition to
28 or as alternatives to the dispositions authorized under
29 paragraph (a):

30 (1) counsel the child or the child's parents, guardian, or
31 custodian;

32 (2) place the child under the supervision of a probation
33 officer or other suitable person in the child's own home under
34 conditions prescribed by the court, including reasonable rules
35 for the child's conduct and the conduct of the parents,
36 guardian, or custodian, designed for the physical, mental, and

1 moral well-being and behavior of the child; or with the consent
2 of the commissioner of corrections, place the child in a group
3 foster care facility which is under the commissioner's
4 management and supervision;

5 (3) subject to the court's supervision, transfer legal
6 custody of the child to one of the following:

7 (i) a reputable person of good moral character. No person
8 may receive custody of two or more unrelated children unless
9 licensed to operate a residential program under sections 245A.01
10 to 245A.16; or

11 (ii) a county probation officer for placement in a group
12 foster home established under the direction of the juvenile
13 court and licensed pursuant to section 241.021;

14 (4) require the child to pay a fine of up to \$100. The
15 court shall order payment of the fine in a manner that will not
16 impose undue financial hardship upon the child;

17 (5) require the child to participate in a community service
18 project;

19 (6) order the child to undergo a chemical dependency
20 evaluation and, if warranted by the evaluation, order
21 participation by the child in a drug awareness program or an
22 inpatient or outpatient chemical dependency treatment program;

23 (7) if the court believes that it is in the best interests
24 of the child and or of public safety that the child's driver's
25 license or instruction permit be canceled, the court may order
26 the commissioner of public safety to cancel the child's license
27 or permit for any period up to the child's 18th birthday. If
28 the child does not have a driver's license or permit, the court
29 may order a denial of driving privileges for any period up to
30 the child's 18th birthday. The court shall forward an order
31 issued under this clause to the commissioner, who shall cancel
32 the license or permit or deny driving privileges without a
33 hearing for the period specified by the court. At any time
34 before the expiration of the period of cancellation or denial,
35 the court may, for good cause, order the commissioner of public
36 safety to allow the child to apply for a license or permit, and

1 the commissioner shall so authorize;

2 (8) order that the child's parent or legal guardian deliver
3 the child to school at the beginning of each school day for a
4 period of time specified by the court; or

5 (9) require the child to perform any other activities or
6 participate in any other treatment programs deemed appropriate
7 by the court.

8 To the extent practicable, the court shall enter a
9 disposition order the same day it makes a finding that a child
10 is in need of protection or services or neglected and in foster
11 care, but in no event more than 15 days after the finding unless
12 the court finds that the best interests of the child will be
13 served by granting a delay. If the child was under eight years
14 of age at the time the petition was filed, the disposition order
15 must be entered within ten days of the finding and the court may
16 not grant a delay unless good cause is shown and the court finds
17 the best interests of the child will be served by the delay.

18 (c) If a child who is 14 years of age or older is
19 adjudicated in need of protection or services because the child
20 is a habitual truant and truancy procedures involving the child
21 were previously dealt with by a school attendance review board
22 or county attorney mediation program under section 260A.06 or
23 260A.07, the court shall order a cancellation or denial of
24 driving privileges under paragraph (b), clause (7), for any
25 period up to the child's 18th birthday.

26 (d) In the case of a child adjudicated in need of
27 protection or services because the child has committed domestic
28 abuse and been ordered excluded from the child's parent's home,
29 the court shall dismiss jurisdiction if the court, at any time,
30 finds the parent is able or willing to provide an alternative
31 safe living arrangement for the child, as defined in Laws 1997,
32 chapter 239, article 10, section 2.

33 (e) When a parent has complied with a case plan ordered
34 under subdivision 6 and the child is in the care of the parent,
35 the court may order the responsible social services agency to
36 monitor the parent's continued ability to maintain the child

1 safely in the home under such terms and conditions as the court
2 determines appropriate under the circumstances.

3 Sec. 57. 2005 S.F. No. 1879, article 3, section 3,
4 subdivision 13, if enacted, is amended to read:

5 Subd. 13. [CHARTER SCHOOL BUILDING LEASE AID.] For charter
6 school building lease aid under Minnesota Statutes, section
7 124D.11, subdivision 4:

8 \$25,465,000 2006

9 \$30,929,000 2007

10 The 2006 appropriation includes \$3,324,000 for 2005 and
11 \$22,141,000 for 2006.

12 The 2007 appropriation includes \$4,123,000 for 2006 and
13 \$26,806,000 for 2007.

14 Sec. 58. 2005 S.F. No. 1879, article 3, section 3,
15 subdivision 14, if enacted, is amended to read:

16 Subd. 14. [CHARTER SCHOOL START-UP AID.] For charter
17 school start-up cost aid under Minnesota Statutes, section
18 124D.11:

19 \$1,393,000 2006

20 \$3,185,000 2007

21 The 2006 appropriation includes \$-0- for 2005 and
22 \$1,393,000 for 2006.

23 The 2007 appropriation includes \$259,000 for 2006 and
24 \$2,926,000 for 2007.

25 Sec. 59. 2005 S.F. No. 1879, article 3, section 3,
26 subdivision 15, if enacted, is amended to read:

27 Subd. 15. [INTEGRATION AID.] For integration aid under
28 Minnesota Statutes, section 124D.86, subdivision 5:

29 \$57,801,000 2006

30 \$57,536,000 2007

31 The 2006 appropriation includes \$8,545,000 for 2005 and
32 \$49,256,000 for 2006.

33 The 2007 appropriation includes \$9,173,000 for 2006 and
34 \$48,363,000 for 2007.

35 Sec. 60. 2005 S.F. No. 1879, article 3, section 3,
36 subdivision 16, if enacted, is amended to read:

1 Subd. 16. [MAGNET SCHOOL GRANTS.] For magnet school and
2 program grants:

3 \$ 750,000 2006

4 \$ 750,000 2007

5 These amounts may be used for magnet school programs under
6 Minnesota Statutes, section 124D.88.

7 Sec. 61. 2005 S.F. No. 1879, article 3, section 3,
8 subdivision 17, if enacted, is amended to read:

9 Subd. 17. [INTERDISTRICT DESEGREGATION OR INTEGRATION
10 TRANSPORTATION GRANTS.] For interdistrict desegregation or
11 integration transportation grants under Minnesota Statutes,
12 section 124D.87:

13 \$7,768,000 2006

14 \$9,908,000 2007

15 Sec. 62. 2005 S.F. No. 1879, article 3, section 3,
16 subdivision 18, if enacted, is amended to read:

17 Subd. 18. [SUCCESS FOR THE FUTURE.] For American Indian
18 success for the future grants under Minnesota Statutes, section
19 124D.81:

20 \$2,137,000 2006

21 \$2,137,000 2007

22 The 2006 appropriation includes \$335,000 for 2005 and
23 \$1,802,000 for 2006.

24 The 2007 appropriation includes \$335,000 for 2006 and
25 \$1,802,000 for 2007.

26 Sec. 63. 2005 S.F. No. 1879, article 3, section 3,
27 subdivision 19, if enacted, is amended to read:

28 Subd. 19. [AMERICAN INDIAN SCHOLARSHIPS.] For American
29 Indian scholarships under Minnesota Statutes, section 124D.84:

30 \$1,875,000 2006

31 \$1,875,000 2007

32 Sec. 64. 2005 S.F. No. 1879, article 3, section 3,
33 subdivision 20, if enacted, is amended to read:

34 Subd. 20. [AMERICAN INDIAN TEACHER PREPARATION GRANTS.]
35 For joint grants to assist American Indian people to become
36 teachers under Minnesota Statutes, section 122A.63:

1 \$ 190,000 2006

2 \$ 190,000 2007

3 Sec. 65. 2005 S.F. No. 1879, article 3, section 3,
4 subdivision 21, if enacted, is amended to read:

5 Subd. 21. [TRIBAL CONTRACT SCHOOLS.] For tribal contract
6 school aid under Minnesota Statutes, section 124D.83:

7 \$2,315,000 2006

8 \$2,415,000 2007

9 The 2006 appropriation includes \$348,000 for 2005 and
10 \$1,967,000 for 2006.

11 The 2007 appropriation includes \$366,000 for 2006 and
12 \$2,049,000 for 2007.

13 Sec. 66. 2005 S.F. No. 1879, article 3, section 3,
14 subdivision 22, if enacted, is amended to read:

15 Subd. 22. [EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS.]
16 For early childhood family education programs at tribal contract
17 schools under Minnesota Statutes, section 124D.83, subdivision 4:

18 \$ 68,000 2006

19 \$ 68,000 2007

20 Sec. 67. 2005 S.F. No. 1879, article 3, section 3,
21 subdivision 23, if enacted, is amended to read:

22 Subd. 23. [STATEWIDE TESTING SUPPORT.] For statewide
23 testing support under Minnesota Statutes, section 120B.30:

24 \$9,000,000 2006

25 \$9,000,000 2007

26 Sec. 68. 2005 S.F. No. 1879, article 3, section 3,
27 subdivision 24, if enacted, is amended to read:

28 Subd. 24. [BEST PRACTICES SEMINARS.] For best practices
29 seminars and other professional development capacity building
30 activities that assure proficiency in teaching and
31 implementation of graduation rule standards:

32 \$1,000,000 2006

33 \$1,000,000 2007

34 \$400,000 each year is for a grant to the Minnesota
35 Humanities Commission.

36 \$150,000 each year is for a grant to the Minnesota

1 Historical Society.

2 \$250,000 each year is for a grant to Special School
3 District No. 6, South St. Paul, for the IB program expansion to
4 the elementary and middle school years.

5 \$200,000 each year is for a grant to A Chance to Grow/New
6 Visions for the Minnesota Learning Resource Center's
7 comprehensive training program for education professionals
8 charged with helping children acquire basic reading and
9 mathematic skills.

10 Sec. 69. 2005 S.F. No. 1879, article 3, section 3,
11 subdivision 25, if enacted, is amended to read:

12 Subd. 25. [~~ALTERNATIVE-TEACHER~~ PROFESSIONAL COMPENSATION
13 FOR TEACHERS.] For ~~alternative-teacher~~ professional compensation
14 for teachers aid established under Minnesota Statutes, ~~sections~~
15 ~~122A.413 to 122A.415~~ section 122A.4142:

16	\$ 3,700,000 <u>8,700,000</u>	.....	2006
17	\$ 3,700,000 <u>8,700,000</u>	.....	2007

18 If the appropriations under this subdivision are
19 insufficient to fund all program participants, a participant may
20 receive less than the maximum per pupil amount available under
21 Minnesota Statutes, section ~~122A.415~~ 122A.4142, subdivision ~~1~~
22 4. A qualifying district or site receiving ~~alternative-teacher~~
23 professional compensation for teacher funding under this
24 subdivision may use the funding it receives to leverage
25 additional funds from a national program for enhancing teacher
26 professionalism. Grantees who received revenue in fiscal year
27 2005 under Minnesota Statutes 2004, sections 122A.413 to
28 122A.415 shall receive revenue in fiscal years 2006 and 2007
29 under Minnesota Statutes, section 122A.4142.

30 Sec. 70. 2005 S.F. No. 1879, article 3, section 3,
31 subdivision 26, if enacted, is amended to read:

32 Subd. 26. [~~YOUTHWORKS~~ YOUTH WORKS PROGRAM.] For funding
33 ~~youthworks~~ youth works programs under Minnesota Statutes,
34 sections 124D.37 to 124D.45:

35	\$ 900,000	.....	2006
36	\$ 900,000	.....	2007

1 A grantee organization may provide health and child care
2 coverage to the dependents of each participant enrolled in a
3 full-time youth works program to the extent such coverage is not
4 otherwise available.

5 Sec. 71. 2005 S.F. No. 1879, article 3, section 3,
6 subdivision 27, if enacted, is amended to read:

7 Subd. 27. [STUDENT ORGANIZATIONS.] For student
8 organizations:

9 \$ 625,000 2006

10 \$ 625,000 2007

11 Sec. 72. 2005 S.F. No. 1879, article 3, section 3,
12 subdivision 28, if enacted, is amended to read:

13 Subd. 28. [ONLINE LEARNING AID.] For online learning aid
14 under Minnesota Statutes, section 124D.096:

15 \$1,250,000 2006

16 \$1,250,000 2007

17 Sec. 73. 2005 S.F. No. 1879, article 3, section 3,
18 subdivision 29, if enacted, is amended to read:

19 Subd. 29. [COLLABORATIVE URBAN EDUCATOR.] For the
20 collaborative urban educator program:

21 \$ ~~528,000~~ 550,000 2006

22 \$ ~~528,000~~ 550,000 2007

23 Sec. 74. 2005 S.F. No. 1879, article 3, section 3,
24 subdivision 30, if enacted, is amended to read:

25 Subd. 30. [EXAMINATION FEES; TEACHER TRAINING AND SUPPORT
26 PROGRAMS.] (a) For students' advanced placement and
27 international baccalaureate examination fees under Minnesota
28 Statutes, section 120B.13, subdivision 3, and the training and
29 related costs for teachers and other interested educators under
30 Minnesota Statutes, section 120B.13, subdivision 1:

31 \$ 778,000 2006

32 \$ 778,000 2007

33 (b) The advanced placement program shall receive 75 percent
34 of the appropriation each year and the international
35 baccalaureate program shall receive 25 percent of the
36 appropriation each year. The department, in consultation with

1 representatives of the advanced placement and international
 2 baccalaureate programs selected by the Advanced Placement
 3 Advisory Council and IBMN, respectively, shall determine the
 4 amounts of the expenditures each year for examination fees and
 5 training and support programs for each program.

6 (c) Notwithstanding Minnesota Statutes, section 120B.13,
 7 subdivision 1, \$375,000 each year is for teachers to attend
 8 subject matter summer training programs and follow-up support
 9 workshops approved by the advanced placement or international
 10 baccalaureate programs. The amount of the subsidy for each
 11 teacher attending an advanced placement or international
 12 baccalaureate summer training program or workshop shall be the
 13 same. The commissioner shall determine the payment process and
 14 the amount of the subsidy.

15 (d) The commissioner shall pay all examination fees for all
 16 students of low-income families under Minnesota Statutes,
 17 section 120B.13, subdivision 3, and to the extent of available
 18 appropriations shall also pay examination fees for students
 19 sitting for an advanced placement examination, international
 20 baccalaureate examination, or both.

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

23 Sec. 75. 2005 S.F. No. 1879, article 3, section 3,
 24 subdivision 31, if enacted, is amended to read:

25 Subd. 31. [~~FIRST-GRADE-PREPAREDNESS~~ ALL-DAY KINDERGARTEN.]
 26 For ~~first-grade-preparedness-grants~~ all-day kindergarten under
 27 Minnesota Statutes, section 124D.081:

28	\$7,250,000	.....	2006
29	\$7,250,000	.....	2007

30 Sec. 76. [~~CONTINGENT ALL-DAY KINDERGARTEN REVENUE~~
 31 ~~INCREASE.~~]

32 (a) If on the basis of the November 2005 and February 2006
 33 forecast there is an available unrestricted general fund balance
 34 projected for June 30, 2007, attributable to the collection of
 35 sales taxes by sellers who do not have a physical presence in
 36 Minnesota and the conditions of Minnesota Statutes, section

1 16A.152, subdivision 2, have been met, then the commissioner of
2 finance shall implement the provisions in paragraphs (b) to (e).

3 (b) The revenue in Minnesota Statutes, section 124D.081,
4 subdivision 6, shall be increased in fiscal year 2006 and later
5 by the amounts available from the taxation of sales made by
6 sellers who do not have a physical presence in Minnesota not to
7 exceed a total appropriation of \$160,000,000 annually.

8 (c) The amount necessary to implement this section is
9 appropriated from the general fund.

10 (d) The amount available to increase grants for all-day
11 kindergarten shall be certified to the commissioner of education
12 the day after the release of the November 2005 and February 2006
13 forecasts.

14 (e) The commissioner of education shall notify appropriate
15 school districts based on the all-day kindergarten grant
16 formulas in Minnesota Statutes, section 124D.081, of the
17 resulting increase in the grant within two weeks of the
18 certification.

19 Sec. 77. [COLLEGE PREPARATION STANDARDS.]

20 (a) The Higher Education Advisory Council must convene a
21 working group to develop standards describing the skills and
22 knowledge a high school graduate must have at entry into
23 postsecondary education in order to successfully graduate from
24 college. The standards must, to the extent possible, be
25 applicable for all postsecondary education but may describe
26 differences in the skills and knowledge necessary for success in
27 different higher education institutions and programs. The
28 standards need not be comprehensive but must, at a minimum, be
29 the essential skills and knowledge that will enable a student to
30 succeed in college. The Higher Education Services Office must
31 provide staff for the working group.

32 (b) The Higher Education Advisory Council must submit the
33 standards to the commissioner of education no later than January
34 15, 2006. No later than March 15, 2006, the commissioner of
35 education must report, to the chairs of the legislative
36 committees with jurisdiction over kindergarten through grade 12

1 education policy and finance and higher education policy and
2 finance, its recommendations regarding the changes, if any, that
3 must be made in Minnesota's academic standards in order to
4 ensure that Minnesota high school graduates meet the college
5 readiness standards established by the Higher Education Advisory
6 Council.

7 (c) The Higher Education Advisory Council must invite the
8 University of Minnesota, Minnesota State Colleges and
9 Universities, representatives of private colleges, and other
10 private postsecondary institutions, to participate in the
11 working group and may invite other individuals or entities to
12 participate. The Higher Education Advisory Council and its
13 working group may collaborate with the Minnesota P-16 Education
14 Partnership in developing the college readiness standards.

15 Sec. 78. [MINNESOTA COMPREHENSIVE ASSESSMENTS; RULES.]

16 The commissioner of education shall adopt rules on or
17 before January 1, 2005, to implement the Minnesota Comprehensive
18 Assessments Second Edition (MCA-IIIs) in reading, mathematics,
19 and writing. For purposes of state and local high school
20 graduation requirements, the rules must include criteria
21 enabling school districts to:

22 (1) appropriately accommodate a student who fails but seeks
23 to pass the Minnesota Comprehensive Assessments Second Edition;
24 and

25 (2) exempt a disabled student, consistent with the
26 student's individualized education plan, or an English language
27 learner from the Minnesota Comprehensive Assessments Second
28 Edition or administer an alternative assessment either to a
29 disabled student, consistent with the student's individualized
30 education plan, or to an English language learner.

31 Sec. 79. [HEALTH AND PHYSICAL EDUCATION MODEL BENCHMARKS.]

32 By July 1, 2006, the commissioner of education must
33 transmit to school districts model kindergarten through grade 12
34 health and physical education benchmarks developed by the
35 department's health and physical education quality teaching
36 network.

1 Sec. 80. [RULES FOR SUPPLEMENTAL SERVICE PROVIDERS.]

2 The commissioner of education must amend Minnesota Rules,
3 part 3512.5400, relating to supplemental service providers to
4 include outcome standards. The commissioner must include in the
5 amended rules criteria to remove an education service provider
6 from the listing of approved service providers if they fail to
7 meet the outcome standards.

8 Sec. 81. [MODEL POLICY; INTIMIDATION AND BULLYING.]

9 The commissioner of education shall work with the Minnesota
10 School Boards Association to develop a model policy that
11 prohibits intimidating and bullying as required in Minnesota
12 Statutes, section 121A.0695, subdivision 2.

13 Sec. 82. [SCHOOL FINANCE STUDY.]

14 (a) The commissioner of education must contract with an
15 independent contractor that has extensive experience working
16 with various states on education finance systems to continue and
17 complete the work done by the governor's education funding task
18 force included in the June 2004 report, Investing in Our
19 Future. The commissioner must contract with a firm other than
20 the consulting firm performing services for and submitting a
21 report on behalf of the governor's education funding task force.

22 (b) The contractor must:

23 (1) conduct an in-depth analysis of the governor's
24 education funding task force report, Investing in Our Future,
25 dated June 2004, focusing on the data produced by the
26 professional judgment panel study included in the report;

27 (2) convene a meeting in Minnesota to help gather any
28 necessary additional data that is not contained in the
29 governor's task force report or to further validate some of the
30 report's existing data;

31 (3) determine the dollar value of an instructional services
32 allocation, including cost estimates for each school district
33 adjusting the allocation for individual student and school
34 district characteristics; and

35 (4) conduct outreach and support to explain its findings to
36 appropriate officials in Minnesota.

1 (c) In addition to the requirements in paragraph (b), the
2 contractor must analyze data from Minnesota school districts
3 that have proven to be successful in educating students to meet
4 the state's academic standards. The contractor must use a
5 statistical analysis to help explain differences in spending
6 across school districts while controlling for student
7 performance.

8 (d) The commissioner must report on the findings on the
9 contract to the legislative committees having jurisdiction over
10 kindergarten through grade 12 finance before December 15, 2005.

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

13 Sec. 83. [EVALUATING THE EDUCATIONAL IMPACT OF FEDERAL AND
14 STATE TESTS ON KINDERGARTEN THROUGH GRADE 12 STUDENTS.]

15 (a) The Office of Educational Accountability under
16 Minnesota Statutes, section 120B.31, subdivision 3, must
17 evaluate the educational impact of the federal No Child Left
18 Behind Act and other state and federal laws requiring school
19 districts to administer tests to kindergarten through grade 12
20 students. The evaluation at least must include:

21 (1) potential educational costs to kindergarten through
22 grade 12 public school students through the 2013-2014 school
23 year of complying with testing requirements;

24 (2) educational factors that may increase or decrease the
25 educational costs identified under clause (1);

26 (3) the impact of testing requirements on the statewide
27 accountability system, teacher training and employment, and
28 curriculum development; and

29 (4) the relationship between the testing requirements,
30 postsecondary entrance requirements, and the expectations of the
31 business community regarding the educational preparation of new
32 high school graduates seeking employment.

33 The Office of Educational Accountability, at its
34 discretion, may include additional areas for evaluation.

35 (b) In preparing this evaluation, the Office of Educational
36 Accountability must select a sample of school districts to

1 explore in depth the areas listed in paragraph (a). The school
2 districts must be of varying sizes and geographical locations,
3 and must include some districts with schools designated by the
4 state Department of Education as "needing improvement" under the
5 No Child Left Behind Act. The Office of Educational
6 Accountability must contact school officials, employees of
7 postsecondary institutions, and representatives of business
8 communities from throughout the state to collect information and
9 perceptions related to the evaluation. State and local entities
10 must cooperate with and assist the Office of Educational
11 Accountability with this evaluation at the request of the Office
12 of Educational Accountability.

13 (c) The Office of Educational Accountability must submit
14 the evaluation in writing to the chairs of the house of
15 representatives and senate committees having jurisdiction over
16 kindergarten through grade 12 education policy and finance by
17 February 15, 2006.

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

20 Sec. 84. [LICENSED STUDENT SUPPORT SERVICES.]

21 Subdivision 1. [ACCESS TO SERVICES.] School districts and
22 the Department of Education shall work to provide for students'
23 educational achievement, to provide for student safety, and to
24 enhance student physical, emotional, and social well-being by
25 providing access to licensed student support services, such as
26 licensed school nurses, licensed school counselors, licensed
27 school social workers, licensed alcohol and drug abuse
28 counselors, and licensed school psychologists.

29 Subd. 2. [FUNDING.] School districts and the Department of
30 Education shall explore opportunities for obtaining additional
31 funds to improve students' access to needed licensed student
32 support services including, at least, medical assistance
33 reimbursements, local collaborative time study funds, federal
34 funds, public health funds, and specifically designated funds.

35 Subd. 3. [IMPROVING ACCESS.] School districts and the
36 Department of Education must consider nationally recommended

1 licensed staff-to-student ratios, work loads, and best practices
 2 when working to improve student access to needed licensed
 3 student support services.

4 Sec. 85. [BOARD OF TEACHING REPORT.]

5 By January 16, 2006, the Board of Teaching, in consultation
 6 with the Department of Education and other education
 7 stakeholders, must prepare and submit to the house of
 8 representatives and senate committees having jurisdiction over
 9 kindergarten through grade 12 education policy and finance
 10 proposed licensure requirements for teachers of
 11 interdisciplinary curriculum to facilitate learning in
 12 state-approved innovative schools and programs.

13 Sec. 86. [PROFESSIONAL COMPENSATION FOR TEACHERS TASK
 14 FORCE.]

15 The commissioner of education must convene a task force on
 16 professional compensation models for teachers. The commissioner
 17 shall report the task force findings to the legislative
 18 committees having jurisdiction over kindergarten through grade
 19 12 education funding and policy issues by December 16, 2006.
 20 The task force must recommend a professional compensation model
 21 designed to improve teacher performance and student
 22 achievement. The task force must recommend a method to
 23 transition from the current pilot alternative compensation sites
 24 to a statewide program, including recommendations for funding a
 25 statewide program.

26 Sec. 87. [APPROPRIATIONS.]

27 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
 28 indicated in this section are appropriated from the general fund
 29 to the Department of Education for the fiscal years designated.

30 Subd. 2. [IMPROVED SCHOOL FINANCE SYSTEM CONTRACT.] For a
 31 contract to follow up on the work of the governor's education
 32 funding task force:

33 \$ 175,000 2006

34 Subd. 3. [STAFF DEVELOPMENT STATE MATCH.] For the state
 35 match for staff development under Minnesota Statutes, section
 36 122A.61:

1 (2) an exclusionary time-out, which is not a regulated
 2 intervention, and involves instructing the pupil to leave the
 3 school activity during the school day and not participate in or
 4 observe the classroom activity, but to go to another area from
 5 which the pupil may leave; or

6 (3) a locked time-out, which is a regulated intervention,
 7 and involves involuntarily removing the pupil from the school
 8 activity during the school day and placing the pupil in a
 9 specially designed and continuously supervised isolation room
 10 that the pupil is prevented from leaving.

11 Sec. 4. Minnesota Statutes 2004, section 121A.67, is
 12 amended to read:

13 121A.67 [AVERSIVE AND DEPRIVATION PROCEDURES.]

14 Subdivision 1. [RULES.] The commissioner, after
 15 consultation with interested parent organizations and advocacy
 16 groups, the Minnesota Administrators for Special Education, the
 17 Minnesota Association of School Administrators, Education
 18 Minnesota, the Minnesota School Boards Association, the
 19 Minnesota Police Officers Association, a representative of a
 20 bargaining unit that represents paraprofessionals, the
 21 Elementary School Principals Association, and the Secondary
 22 School Principals Association, must ~~adopt~~ amend rules governing
 23 the use of aversive and deprivation procedures by school
 24 district employees or persons under contract with a school
 25 district. The rules must:

26 (1) promote the use of positive ~~approaches~~ behavioral
 27 interventions and supports and must not encourage or require the
 28 use of aversive or deprivation procedures;

29 (2) require that planned application of aversive and
 30 deprivation procedures only be a-part-of-an instituted after
 31 completing a functional behavior assessment and developing a
 32 behavior intervention plan that is included in or maintained
 33 with the individual education plan;

34 (3) require ~~parents-or-guardians-to-be-notified-after-the~~
 35 ~~use-of~~ educational personnel to notify a parent or guardian of a
 36 pupil with an individual education plan on the same day aversive

1 or deprivation procedures are used in an emergency or in writing
2 within two school days if district personnel are unable to
3 provide same-day notice;

4 (4) establish health and safety standards for the use of
5 locked time-out procedures that require a safe environment,
6 continuous monitoring of the child, ventilation, and adequate
7 space, a locking mechanism that disengages automatically when
8 not continuously engaged by school personnel, and full
9 compliance with state and local fire and building codes,
10 including state rules on time-out rooms; and

11 (5) contain a list of prohibited procedures;

12 (6) consolidate and clarify provisions related to behavior
13 intervention plans;

14 (7) require school districts to register with the
15 commissioner any room used for locked time-out, which the
16 commissioner must monitor by making announced and unannounced
17 on-site visits;

18 (8) place a student in locked time-out only if the
19 intervention is:

20 (i) part of the comprehensive behavior intervention plan
21 that is included in or maintained with the student's individual
22 education plan, and the plan uses positive behavioral
23 interventions and supports, and data support its continued use;
24 or

25 (ii) used in an emergency for the duration of the emergency
26 only; and

27 (9) require a providing school district or cooperative to
28 establish an oversight committee composed of at least one member
29 with training in behavioral analysis and other appropriate
30 education personnel to annually review aggregate data regarding
31 the use of aversive and deprivation procedures.

32 Subd. 2. [REMOVAL BY PEACE OFFICER.] If a pupil who has an
33 individual education plan is restrained or removed from a
34 classroom, school building, or school grounds by a peace officer
35 at the request of a school administrator or a school staff
36 person during the school day twice in a 30-day period, the

1 pupil's individual education program team must meet to determine
2 if the pupil's individual education plan is adequate or if
3 additional evaluation is needed.

4 [EFFECTIVE DATE.] Subdivision 1 of this section is
5 effective the day following final enactment.

6 Sec. 5. Minnesota Statutes 2004, section 122A.15, is
7 amended by adding a subdivision to read:

8 Subd. 3. [STUDENT SUPPORT SERVICES ADVISORY COMMITTEE;
9 DISTRICT PLAN.] (a) A student support services advisory
10 committee composed of ten members selected by the commissioner
11 is established under section 15.059. The commissioner must
12 select one committee member from each of the following
13 organizations:

- 14 (1) the Minnesota Department of Education;
- 15 (2) the Minnesota School Boards Association;
- 16 (3) the Minnesota Association of School Administrators;
- 17 (4) the Minnesota School Social Work Association;
- 18 (5) the School Nurse Organization of Minnesota;
- 19 (6) the Minnesota School Psychologists Association;
- 20 (7) the Minnesota School Counselors Association;
- 21 (8) the Minnesota Association of Resources for Recovery and
22 Chemical Health;
- 23 (9) the Minnesota Administrators for Special Education; and
- 24 (10) the Minnesota Parent Teachers Association.

25 (b) The committee must:

- 26 (1) establish a method for identifying student needs that
27 are barriers to learning;
- 28 (2) identify alternatives for integrating student support
29 services into public schools;
- 30 (3) recommend support staff to student ratios and best
31 practices for providing student support services premised on
32 evidence-based practice;
- 33 (4) identify the substance and extent of the work that
34 student support services staff are trained and licensed to
35 provide and the characteristics of the student populations they
36 serve;

1 (5) recommend how school districts can most appropriately
2 integrate student support services into the education program;
3 and

4 (6) recommend public and nonpublic revenue sources that
5 school districts can use to fund student support services
6 including, among other sources, medical assistance
7 reimbursements, private health insurance, local collaborative
8 time study funds, federal funds, public health funds, and
9 specifically designated funds such as school safety levies and
10 district general funds, among other funds.

11 (c) The committee must consider the oral and written
12 testimony of school district personnel and parents and students
13 in complying with paragraph (b). The committee must submit
14 periodic recommendations about student support services to the
15 commissioner and to the committees of the legislature having
16 jurisdiction over birth to age 21 education policy and budget
17 issues. The commissioner must consider the committee's
18 recommendations in deciding whether to develop and maintain a
19 model district plan for student support services. If the
20 commissioner develops and maintains a model plan, the
21 commissioner also must decide whether to transmit the plan to
22 school districts, whether to require the districts to adopt and
23 maintain a district plan for providing student support services
24 that meets the criteria recommended by the advisory committee,
25 and whether to require the districts to submit the plan for
26 biennial review.

27 (d) Notwithstanding section 15.059, subdivision 5, the
28 committee expires on June 30, 2016.

29 [EFFECTIVE DATE.] This section is effective the day
30 following final enactment and applies to the 2006-2007 school
31 year and later.

32 Sec. 6. Minnesota Statutes 2004, section 123B.92,
33 subdivision 1, is amended to read:

34 Subdivision 1. [DEFINITIONS.] For purposes of this section
35 and section 125A.76, the terms defined in this subdivision have
36 the meanings given to them.

1 (a) "Actual expenditure per pupil transported in the
2 regular and excess transportation categories" means the quotient
3 obtained by dividing:

4 (1) the sum of:

5 (i) all expenditures for transportation in the regular
6 category, as defined in paragraph (b), clause (1), and the
7 excess category, as defined in paragraph (b), clause (2), plus
8 (ii) an amount equal to one year's depreciation on the
9 district's school bus fleet and mobile units computed on a
10 straight line basis at the rate of 15 percent per year for
11 districts operating a program under section 124D.128 for grades
12 1 to 12 for all students in the district and 12-1/2 percent per
13 year for other districts of the cost of the fleet, plus

14 (iii) an amount equal to one year's depreciation on the
15 district's type three school buses, as defined in section
16 169.01, subdivision 6, clause (5), which must be used a majority
17 of the time for pupil transportation purposes, computed on a
18 straight line basis at the rate of 20 percent per year of the
19 cost of the type three school buses by:

20 (2) the number of pupils eligible for transportation in the
21 regular category, as defined in paragraph (b), clause (1), and
22 the excess category, as defined in paragraph (b), clause (2).

23 (b) "Transportation category" means a category of
24 transportation service provided to pupils as follows:

25 (1) Regular transportation is:

26 (i) transportation to and from school during the regular
27 school year for resident elementary pupils residing one mile or
28 more from the public or nonpublic school they attend, and
29 resident secondary pupils residing two miles or more from the
30 public or nonpublic school they attend, excluding desegregation
31 transportation and noon kindergarten transportation; but with
32 respect to transportation of pupils to and from nonpublic
33 schools, only to the extent permitted by sections 123B.84 to
34 123B.87;

35 (ii) transportation of resident pupils to and from language
36 immersion programs;

1 (iii) transportation of a pupil who is a custodial parent
2 and that pupil's child between the pupil's home and the child
3 care provider and between the provider and the school, if the
4 home and provider are within the attendance area of the school;

5 (iv) transportation to and from or board and lodging in
6 another district, of resident pupils of a district without a
7 secondary school; and

8 (v) transportation to and from school during the regular
9 school year required under subdivision 3 for nonresident
10 elementary pupils when the distance from the attendance area
11 border to the public school is one mile or more, and for
12 nonresident secondary pupils when the distance from the
13 attendance area border to the public school is two miles or
14 more, excluding desegregation transportation and noon
15 kindergarten transportation.

16 For the purposes of this paragraph, a district may
17 designate a licensed day care facility, respite care facility,
18 the residence of a relative, or the residence of a person chosen
19 by the pupil's parent or guardian as the home of a pupil for
20 part or all of the day, if requested by the pupil's parent or
21 guardian, and if that facility or residence is within the
22 attendance area of the school the pupil attends.

23 (2) Excess transportation is:

24 (i) transportation to and from school during the regular
25 school year for resident secondary pupils residing at least one
26 mile but less than two miles from the public or nonpublic school
27 they attend, and transportation to and from school for resident
28 pupils residing less than one mile from school who are
29 transported because of extraordinary traffic, drug, or crime
30 hazards; and

31 (ii) transportation to and from school during the regular
32 school year required under subdivision 3 for nonresident
33 secondary pupils when the distance from the attendance area
34 border to the school is at least one mile but less than two
35 miles from the public school they attend, and for nonresident
36 pupils when the distance from the attendance area border to the

1 school is less than one mile from the school and who are
2 transported because of extraordinary traffic, drug, or crime
3 hazards.

4 (3) Desegregation transportation is transportation within
5 and outside of the district during the regular school year of
6 pupils to and from schools located outside their normal
7 attendance areas under a plan for desegregation mandated by the
8 commissioner or under court order.

9 (4) "Transportation services for pupils with disabilities"
10 is:

11 (i) transportation of pupils with disabilities who cannot
12 be transported on a regular school bus between home or a respite
13 care facility and school;

14 (ii) necessary transportation of pupils with disabilities
15 from home or from school to other buildings, including centers
16 such as developmental achievement centers, hospitals, and
17 treatment centers where special instruction or services required
18 by sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65
19 are provided, within or outside the district where services are
20 provided;

21 (iii) necessary transportation for resident pupils with
22 disabilities required by sections 125A.12, and 125A.26 to
23 125A.48;

24 (iv) board and lodging for pupils with disabilities in a
25 district maintaining special classes;

26 (v) transportation from one educational facility to another
27 within the district for resident pupils enrolled on a
28 shared-time basis in educational programs, and necessary
29 transportation required by sections 125A.18, and 125A.26 to
30 125A.48, for resident pupils with disabilities who are provided
31 special instruction and services on a shared-time basis or if
32 resident pupils are not transported, the costs of necessary
33 travel between public and private schools or neutral
34 instructional sites by essential personnel employed by the
35 district's program for children with a disability;

36 (vi) transportation for resident pupils with disabilities

1 to and from board and lodging facilities when the pupil is
2 boarded and lodged for educational purposes; and

3 (vii) services described in clauses (i) to (vi), when
4 provided for pupils with disabilities in conjunction with a
5 summer instructional program that relates to the pupil's
6 individual education plan or in conjunction with a learning year
7 program established under section 124D.128.

8 For purposes of computing special education base revenue
9 under section 125A.76, subdivision 2, the cost of providing
10 transportation for children with disabilities includes (A) the
11 additional cost of transporting a homeless student from a
12 temporary nonshelter home in another district to the school of
13 origin, or a formerly homeless student from a permanent home in
14 another district to the school of origin but only through the
15 end of the academic year; and (B) depreciation on district-owned
16 school buses purchased after July 1, 2005, and used primarily
17 for transportation of pupils with disabilities, calculated
18 according to paragraph (a), clauses (ii) and (iii).
19 Depreciation costs included in the disabled transportation
20 category must be excluded in calculating the actual expenditure
21 per pupil transported in the regular and excess transportation
22 categories according to paragraph (a).

23 (5) "Nonpublic nonregular transportation" is:

24 (i) transportation from one educational facility to another
25 within the district for resident pupils enrolled on a
26 shared-time basis in educational programs, excluding
27 transportation for nonpublic pupils with disabilities under
28 clause (4);

29 (ii) transportation within district boundaries between a
30 nonpublic school and a public school or a neutral site for
31 nonpublic school pupils who are provided pupil support services
32 pursuant to section 123B.44; and

33 (iii) late transportation home from school or between
34 schools within a district for nonpublic school pupils involved
35 in after-school activities.

36 (c) "Mobile unit" means a vehicle or trailer designed to

1 provide facilities for educational programs and services,
2 including diagnostic testing, guidance and counseling services,
3 and health services. A mobile unit located off nonpublic school
4 premises is a neutral site as defined in section 123B.41,
5 subdivision 13.

6 Sec. 7. Minnesota Statutes 2004, section 124D.11,
7 subdivision 5, is amended to read:

8 Subd. 5. [SPECIAL EDUCATION AID.] (a) Except as provided
9 in subdivision 2, special education aid must be paid to a
10 charter school according to section 125A.76, as though it were a
11 school district. The charter school may charge tuition to the
12 district of residence equal to the lesser of the district's
13 initial unreimbursed special education cost per pupil or the
14 charter school's initial unreimbursed special education cost per
15 pupil.

16 (b) The charter school may submit a tuition bill in an
17 amount equal to 70 percent of its remaining unreimbursed costs
18 to the commissioner of education as provided in section 125A.11.

19 (c) For purposes of this subdivision, "initial unreimbursed
20 special education cost" means the difference between the school
21 district or charter school's total special education costs for
22 that year and its regular special education revenue.

23 [EFFECTIVE DATE.] This section is effective for revenue for
24 fiscal year 2006.

25 Sec. 8. [124D.4531] [CAREER AND TECHNICAL LEVY.]

26 Subdivision 1. [CAREER AND TECHNICAL LEVY.] (a) A district
27 with a career and technical program approved under this section
28 for the fiscal year in which the levy is certified may levy an
29 amount equal to the lesser of:

30 (1) \$80 times the district's average daily membership in
31 grades 10 through 12 for the fiscal year in which the levy is
32 certified; or

33 (2) 25 percent of approved expenditures in the fiscal year
34 in which the levy is certified for the following:

35 (i) salaries paid to essential, licensed personnel
36 providing direct instructional services to students in that

1 fiscal year for services rendered in the district's approved
2 career and technical education programs;

3 (ii) contracted services provided by a public or private
4 agency other than a Minnesota school district or cooperative
5 center under subdivision 7;

6 (iii) necessary travel between instructional sites by
7 licensed career and technical education personnel;

8 (iv) necessary travel by licensed career and technical
9 education personnel for vocational student organization
10 activities held within the state for instructional purposes;

11 (v) curriculum development activities that are part of a
12 five-year plan for improvement based on program assessment;

13 (vi) necessary travel by licensed career and technical
14 education personnel for noncollegiate credit-bearing
15 professional development; and

16 (vii) specialized vocational instructional supplies.

17 (b) Up to ten percent of a district's career and technical
18 levy may be spent on equipment purchases. Districts using the
19 career and technical levy for equipment purchases must report to
20 the department on the improved learning opportunities for
21 students that result from the investment in equipment.

22 (c) The district must recognize the full amount of this
23 levy as revenue for the fiscal year in which it is certified.

24 Subd. 2. [ALLOCATION FROM COOPERATIVE CENTERS AND
25 INTERMEDIATE DISTRICTS.] For purposes of this section, a
26 cooperative center or an intermediate district must allocate its
27 approved expenditures for career and technical education
28 programs among participating districts.

29 Subd. 3. [LEVY GUARANTEE.] Notwithstanding subdivision 1,
30 the career and technical education levy for a district is not
31 less than the lesser of:

32 (1) the district's career and technical education levy
33 authority for the previous fiscal year; or

34 (2) 100 percent of the approved expenditures for career and
35 technical programs included in subdivision 1, paragraph (b), for
36 the fiscal year in which the levy is certified.

1 Subd. 4. [DISTRICT REPORTS.] Each district or cooperative
2 center must report data to the department for all career and
3 technical education programs as required by the department to
4 implement the career and technical levy formula.

5 [EFFECTIVE DATE.] This section is effective for taxes
6 payable in 2009.

7 Sec. 9. Minnesota Statutes 2004, section 124D.59,
8 subdivision 2, is amended to read:

9 Subd. 2. [PUPIL OF LIMITED ENGLISH PROFICIENCY.] (a)
10 "Pupil of limited English proficiency" means a pupil in
11 kindergarten through grade 12 who meets the following
12 requirements:

13 (1) the pupil, as declared by a parent or guardian first
14 learned a language other than English, comes from a home where
15 the language usually spoken is other than English, or usually
16 speaks a language other than English; and

17 (2) the pupil is determined by developmentally appropriate
18 measures, which might include observations, teacher judgment,
19 parent recommendations, or developmentally appropriate
20 assessment instruments, to lack the necessary English skills to
21 participate fully in classes taught in English.

22 (b) Notwithstanding paragraph (a), a pupil in grades 4
23 through 12 who was enrolled in a Minnesota public school on the
24 dates during the previous school year when a commissioner
25 provided assessment that measures the pupil's emerging academic
26 English was administered, shall not be counted as a pupil of
27 limited English proficiency in calculating limited English
28 proficiency pupil units under section 126C.05, subdivision 17,
29 and shall not generate state limited English proficiency aid
30 under section 124D.65, subdivision 5, unless the pupil scored
31 below the state cutoff score on an assessment measuring emerging
32 academic English provided by the commissioner during the
33 previous school year.

34 (c) Notwithstanding paragraphs (a) and (b), a pupil in
35 kindergarten through grade 12 shall not be counted as a pupil of
36 limited English proficiency in calculating limited English

1 proficiency pupil units under section 126C.05, subdivision 17,
2 and shall not generate state limited English proficiency aid
3 under section 124D.65, subdivision 5, if:

4 (1) the pupil is not enrolled during the current fiscal
5 year in an educational program for pupils of limited English
6 proficiency in accordance with sections 124D.58 to 124D.64; or

7 (2) the pupil has generated ~~five~~ seven or more years of
8 average daily membership in Minnesota public schools since July
9 1, 1996.

10 [EFFECTIVE DATE.] This section is effective for revenue for
11 fiscal years 2006 and 2007 if the basic formula allowance under
12 Minnesota Statutes, section 126C.10, subdivision 2, does not
13 grow by at least a real three and one-half percent each year.

14 Sec. 10. Minnesota Statutes 2004, section 125A.11,
15 subdivision 1, is amended to read:

16 Subdivision 1. [NONRESIDENT TUITION RATE; OTHER COSTS.]

17 (a) For fiscal year 2006, when a school district provides
18 instruction and services outside the district of residence,
19 board and lodging, and any tuition to be paid, shall be paid by
20 the district of residence. The tuition rate to be charged for
21 any child with a disability, excluding a pupil for whom tuition
22 is calculated according to section 127A.47, subdivision 7,
23 paragraph (d), must be the sum of (1) the actual cost of
24 providing special instruction and services to the child
25 including a proportionate amount for ~~capital-outlay-and-debt~~
26 ~~service-but-not-including-any-amount-for~~ special transportation
27 and unreimbursed building lease and debt service costs for
28 facilities used primarily for special education, plus (2) the
29 amount of general education revenue and referendum aid
30 attributable to the pupil, minus (3) the amount of special
31 education aid for children with a disability received on behalf
32 of that child, minus (4) if the pupil receives special
33 instruction and services outside the regular classroom for more
34 than 60 percent of the school day, the amount of general
35 education revenue and referendum aid, excluding portions
36 attributable to district and school administration, district

1 support services, operations and maintenance, capital
2 expenditures, and pupil transportation, attributable to that
3 pupil for the portion of time the pupil receives instruction in
4 the regular classroom. If the boards involved do not agree upon
5 the tuition rate, either board may apply to the commissioner to
6 fix the rate. Notwithstanding chapter 14, the commissioner must
7 then set a date for a hearing or request a written statement
8 from each board, giving each board at least ten days' notice,
9 and after the hearing or review of the written statements the
10 commissioner must make an order fixing the tuition rate, which
11 is binding on both school districts. General education revenue
12 and referendum aid attributable to a pupil must be calculated
13 using the resident district's average general education and
14 referendum revenue per adjusted pupil unit.

15 (b) For fiscal year 2007 and later, when a school district
16 provides special instruction and services for a pupil with a
17 disability as defined in section 125A.02 outside the district of
18 residence, excluding a pupil for whom an adjustment to special
19 education aid is calculated according to section 127A.47,
20 subdivision 7, paragraph (e), special education aid paid to the
21 resident district must be reduced by an amount equal to (1) the
22 actual cost of providing special instruction and services to the
23 pupil, including a proportionate amount for special
24 transportation and unreimbursed building lease and debt service
25 costs for facilities used primarily for special education, plus
26 (2) the amount of general education revenue and referendum aid
27 attributable to that pupil, minus (3) the amount of special
28 education aid for children with a disability received on behalf
29 of that child, minus (4) if the pupil receives special
30 instruction and services outside the regular classroom for more
31 than 60 percent of the school day, the amount of general
32 education revenue and referendum aid, excluding portions
33 attributable to district and school administration, district
34 support services, operations and maintenance, capital
35 expenditures, and pupil transportation, attributable to that
36 pupil for the portion of time the pupil receives instruction in

1 the regular classroom. General education revenue and referendum
2 aid attributable to a pupil must be calculated using the
3 resident district's average general education revenue and
4 referendum aid per adjusted pupil unit. If the resident
5 district's special education aid is insufficient to make the
6 full adjustment, the remaining adjustment shall be made to other
7 state aid due to the district.

8 Sec. 11. Minnesota Statutes 2004, section 125A.11,
9 subdivision 1, is amended to read:

10 Subdivision 1. [NONRESIDENT TUITION RATE; OTHER COSTS.]
11 When a school district provides instruction and services outside
12 the district of residence, board and lodging, and any tuition to
13 be paid, shall be paid by the district of residence, except as
14 provided in subdivision 4. The tuition rate to be charged for
15 any child with a disability must be the actual cost of providing
16 special instruction and services to the child including a
17 proportionate amount for capital outlay and debt service but not
18 including any amount for transportation, minus the amount of
19 special aid for children with a disability received on behalf of
20 that child. If the boards involved do not agree upon the
21 tuition rate, either board may apply to the commissioner to fix
22 the rate. The commissioner must then set a date for a hearing,
23 giving each board at least ten days' notice, and after the
24 hearing the commissioner must make an order fixing the tuition
25 rate, which is binding on both school districts.

26 [EFFECTIVE DATE.] This section is effective July 1, 2005,
27 for revenue for fiscal year 2006.

28 Sec. 12. Minnesota Statutes 2004, section 125A.11, is
29 amended by adding a subdivision to read:

30 Subd. 4. [CHARTER SCHOOL TUITION RATE.] (a) When a charter
31 school provides instruction and services to a child with a
32 disability, the tuition rate to be charged to the resident
33 school district for that child must equal the amount determined
34 under section 124D.11, subdivision 5.

35 (b) The charter school may bill the commissioner of
36 education for 70 percent of the difference between the actual

1 cost of providing special instruction and services to the child
2 including a proportionate amount for capital outlay and debt
3 service but not including any amount for transportation, and the
4 sum of the amount of special aid for children with a disability
5 received on behalf of that child directly from the regular
6 special education formula and the tuition paid by the resident
7 school district to the charter school.

8 (c) The commissioner must pay the unfunded special
9 education costs directly to the charter school from the charter
10 school special education account according to section 125A.795.

11 [EFFECTIVE DATE.] This section is effective July 1, 2005,
12 for revenue for fiscal year 2006.

13 Sec. 13. Minnesota Statutes 2004, section 125A.24, is
14 amended to read:

15 125A.24 [PARENT ADVISORY COUNCILS.]

16 In order to increase the involvement of parents of children
17 with disabilities in district policy making and decision making,
18 school districts must have a special education advisory council
19 that is incorporated into the district's special education
20 system plan.

21 (1) This advisory council may be established either for
22 individual districts or in cooperation with other districts who
23 are members of the same special education cooperative.

24 (2) A district may set up this council as a subgroup of an
25 existing board, council, or committee.

26 (3) At least half of the designated council members must be
27 parents of students with a disability. The council must include
28 at least one member who is a parent of a nonpublic school
29 student with a disability or an employee of a nonpublic school
30 if a nonpublic school is located in the district. Each local
31 council must meet no less than once each year. The number of
32 members, frequency of meetings, and operational procedures are
33 to be locally determined.

34 Sec. 14. Minnesota Statutes 2004, section 125A.28, is
35 amended to read:

36 125A.28 [STATE INTERAGENCY COORDINATING COUNCIL.]

1 An Interagency Coordinating Council of at least 17, but not
2 more than 25 members is established, in compliance with Public
3 Law 102-119, section 682. The members must be appointed by the
4 governor. Council members must elect the council chair. The
5 representative of the commissioner may not serve as the chair.
6 The council must be composed of at least five parents, including
7 persons of color, of children with disabilities under age 12,
8 including at least three parents of a child with a disability
9 under age seven, five representatives of public or private
10 providers of services for children with disabilities under age
11 five, including a special education director, county social
12 service director, local Head Start director, and a community
13 health services or public health nursing administrator, one
14 member of the senate, one member of the house of
15 representatives, one representative of teacher preparation
16 programs in early childhood-special education or other
17 preparation programs in early childhood intervention, at least
18 one representative of advocacy organizations for children with
19 disabilities under age five, one physician who cares for young
20 children with special health care needs, one representative each
21 from the commissioners of commerce, education, health, human
22 services, a representative from the state agency responsible for
23 child care, and a representative from Indian health services or
24 a tribal council. Section 15.059, subdivisions 2 to 5, apply to
25 the council. The council must meet at least quarterly.

26 The council must address methods of implementing the state
27 policy of developing and implementing comprehensive,
28 coordinated, multidisciplinary interagency programs of early
29 intervention services for children with disabilities and their
30 families.

31 The duties of the council include recommending policies to
32 ensure a comprehensive and coordinated system of all state and
33 local agency services for children under age five with
34 disabilities and their families. The policies must address how
35 to incorporate each agency's services into a unified state and
36 local system of multidisciplinary assessment practices,

1 individual intervention plans, comprehensive systems to find
2 children in need of services, methods to improve public
3 awareness, and assistance in determining the role of interagency
4 early intervention committees.

5 ~~By-September-1~~ On the date that Minnesota Part C Annual
6 Performance Report is submitted to the federal Office of Special
7 Education, the council must recommend to the governor and the
8 commissioners of education, health, human services, commerce,
9 and employment and economic development policies for a
10 comprehensive and coordinated system.

11 Notwithstanding any other law to the contrary, the State
12 Interagency Coordinating Council expires on June 30, ~~2005~~ 2009.

13 Sec. 15. Minnesota Statutes 2004, section 125A.51, is
14 amended to read:

15 125A.51 [PLACEMENT OF CHILDREN WITHOUT DISABILITIES;
16 EDUCATION AND TRANSPORTATION.]

17 The responsibility for providing instruction and
18 transportation for a pupil without a disability who has a
19 short-term or temporary physical or emotional illness or
20 disability, as determined by the standards of the commissioner,
21 and who is temporarily placed for care and treatment for that
22 illness or disability, must be determined as provided in this
23 section.

24 (a) The school district of residence of the pupil is the
25 district in which the pupil's parent or guardian resides.

26 (b) When parental rights have been terminated by court
27 order, the legal residence of a child placed in a residential or
28 foster facility for care and treatment is the district in which
29 the child resides.

30 (c) Before the placement of a pupil for care and treatment,
31 the district of residence must be notified and provided an
32 opportunity to participate in the placement decision. When an
33 immediate emergency placement is necessary and time does not
34 permit resident district participation in the placement
35 decision, the district in which the pupil is temporarily placed,
36 if different from the district of residence, must notify the

1 district of residence of the emergency placement within 15 days
2 of the placement.

3 (d) When a pupil without a disability is temporarily placed
4 for care and treatment in a day program and the pupil continues
5 to live within the district of residence during the care and
6 treatment, the district of residence must provide instruction
7 and necessary transportation to and from the treatment facility
8 for the pupil. Transportation shall only be provided by the
9 district during regular operating hours of the district. The
10 district may provide the instruction at a school within the
11 district of residence, at the pupil's residence, or in the case
12 of a placement outside of the resident district, in the district
13 in which the day treatment program is located by paying tuition
14 to that district. The district of placement may contract with a
15 facility to provide instruction by teachers licensed by the
16 state Board of Teaching.

17 (e) When a pupil without a disability is temporarily placed
18 in a residential program for care and treatment, the district in
19 which the pupil is placed must provide instruction for the pupil
20 and necessary transportation while the pupil is receiving
21 instruction, and in the case of a placement outside of the
22 district of residence, the nonresident district must bill the
23 district of residence for the actual cost of providing the
24 instruction for the regular school year and for summer school,
25 excluding transportation costs.

26 (f) Notwithstanding paragraph (e), if the pupil is homeless
27 and placed in a public or private homeless shelter, then the
28 district that enrolls the pupil under section 127A.47,
29 subdivision 2, shall provide the transportation, unless the
30 district that enrolls the pupil and the district in which the
31 pupil is temporarily placed agree that the district in which the
32 pupil is temporarily placed shall provide transportation. When
33 a pupil without a disability is temporarily placed in a
34 residential program outside the district of residence, the
35 administrator of the court placing the pupil must send timely
36 written notice of the placement to the district of residence.

1 The district of placement may contract with a residential
2 facility to provide instruction by teachers licensed by the
3 state Board of Teaching. For purposes of this section, the state
4 correctional facilities operated on a fee-for-service basis are
5 considered to be residential programs for care and treatment.

6 ~~(f)~~ (g) The district of residence must include the pupil in
7 its residence count of pupil units and pay tuition as provided
8 in section 123A.488 to the district providing the instruction.
9 Transportation costs must be paid by the district providing the
10 transportation and the state must pay transportation aid to that
11 district. For purposes of computing state transportation aid,
12 pupils governed by this subdivision must be included in the
13 disabled transportation category if the pupils cannot be
14 transported on a regular school bus route without special
15 accommodations.

16 Sec. 16. Minnesota Statutes 2004, section 125A.76,
17 subdivision 1, is amended to read:

18 Subdivision 1. [DEFINITIONS.] For the purposes of this
19 section, the definitions in this subdivision apply.

20 (a) "Base year" for fiscal year 1998 and later fiscal years
21 means the second fiscal year preceding the fiscal year for which
22 aid will be paid.

23 (b) "Basic revenue" has the meaning given it in section
24 126C.10, subdivision 2. For the purposes of computing basic
25 revenue pursuant to this section, each child with a disability
26 shall be counted as prescribed in section 126C.05, subdivision 1.

27 (c) "Essential personnel" means teachers, cultural
28 liaisons, related services, and support services staff providing
29 direct services to students. Essential personnel may also
30 include special education paraprofessionals or clericals
31 providing support to teachers and students by preparing
32 paperwork and making arrangements related to special education
33 compliance requirements, including parent meetings and
34 individual education plans.

35 (d) "Average daily membership" has the meaning given it in
36 section 126C.05.

1 (e) "Program growth factor" means 1.046 for fiscal year
2 2003~~7~~and; 1.0 for fiscal year years 2004, 2005, and 2006;
3 1.042 for fiscal year 2007; and 1.046 for fiscal year 2008 and
4 later.

5 [EFFECTIVE DATE.] This section is effective for revenue for
6 fiscal year 2006.

7 Sec. 17. Minnesota Statutes 2004, section 125A.76,
8 subdivision 4, is amended to read:

9 Subd. 4. [STATE TOTAL SPECIAL EDUCATION AID.] The state
10 total special education aid for fiscal year 2004 equals
11 \$530,642,000. The state total special education aid for fiscal
12 year 2005 equals \$529,164,000. The state total special
13 education aid for fiscal year 2006 equals \$528,846,000. The
14 state total special education aid for later fiscal years equals:

15 (1) the state total special education aid for the preceding
16 fiscal year; times

17 (2) the program growth factor; times

18 (3) the ratio of the state total average-daily-membership
19 unduplicated count of students with an individual education plan
20 for the current fiscal year to the state total average-daily
21 membership unduplicated count of students with an individual
22 education plan for the preceding fiscal year.

23 [EFFECTIVE DATE.] This section is effective for revenue for
24 fiscal year 2006.

25 Sec. 18. Minnesota Statutes 2004, section 125A.79,
26 subdivision 1, is amended to read:

27 Subdivision 1. [DEFINITIONS.] For the purposes of this
28 section, the definitions in this subdivision apply.

29 (a) "Unreimbursed special education cost" means the sum of
30 the following:

31 (1) expenditures for teachers' salaries, contracted
32 services, supplies, equipment, and transportation services
33 eligible for revenue under section 125A.76; plus

34 (2) expenditures for tuition bills received under sections
35 125A.03 to 125A.24 and 125A.65 for services eligible for revenue
36 under section 125A.76, subdivision 2; minus

1 (3) revenue for teachers' salaries, contracted services,
2 supplies, and equipment under section 125A.76; minus

3 (4) tuition receipts under sections 125A.03 to 125A.24 and
4 125A.65 for services eligible for revenue under section 125A.76,
5 subdivision 2.

6 ~~(b) "General revenue" means for fiscal year 1996, the sum~~
7 ~~of the general education revenue according to section 126C.10,~~
8 ~~subdivision 1, as adjusted according to section 127A.47,~~
9 ~~subdivision 7, plus the total referendum revenue according to~~
10 ~~section 126C.17, subdivision 4. For fiscal years 1997 and~~
11 ~~later,~~ "General revenue" means the sum of the general education
12 revenue according to section 126C.10, subdivision 1, as adjusted
13 according to section 127A.47, subdivisions 7 and 8, plus the
14 total referendum revenue minus transportation sparsity revenue
15 minus total operating capital revenue.

16 (c) "Average daily membership" has the meaning given it in
17 section 126C.05.

18 (d) "Program growth factor" means 1.02 for fiscal year
19 2003, and; 1.0 for fiscal year years 2004 and 2005; and 1.02
20 for fiscal year 2006 and later.

21 [EFFECTIVE DATE.] This section is effective for revenue for
22 fiscal year 2006.

23 Sec. 19. Minnesota Statutes 2004, section 125A.79,
24 subdivision 6, is amended to read:

25 Subd. 6. [STATE TOTAL SPECIAL EDUCATION EXCESS COST AID.]

26 The state total special education excess cost aid for fiscal
27 year 2004 equals \$92,067,000. The state total special education
28 aid for fiscal year 2005 equals \$91,811,000. The state total
29 special education excess cost aid for fiscal year 2006 equals
30 \$91,784,000. The state total special education excess cost aid
31 for fiscal year ~~2006~~ 2007 and later fiscal years equals:

32 (1) the state total special education excess cost aid for
33 the preceding fiscal year; times

34 (2) the program growth factor; times

35 (3) the ratio of the state total average daily membership
36 for the current fiscal year to the state total average daily

1 membership for the preceding fiscal year;

2 (4) all less the amount transferred into the charter school
3 special education reimbursement account under section 125A.795.

4 [EFFECTIVE DATE.] This section is effective for revenue for
5 fiscal year 2006.

6 Sec. 20. [125A.795] [CHARTER SCHOOL SPECIAL EDUCATION
7 REIMBURSEMENT ACCOUNT.]

8 Subdivision 1. [ACCOUNT CREATED.] The charter school
9 special education reimbursement account is created in the state
10 general fund.

11 Subd. 2. [REVENUE.] The estimated amount necessary to pay
12 for the state share of net unreimbursed special education costs
13 of charter school pupils with a disability is transferred from
14 the appropriation for special education excess cost aid to the
15 charter school special education reimbursement account.

16 Subd. 3. [REVIEW.] The commissioner of education must
17 examine the tuition bills from charter schools and may adjust
18 the bills in the same manner as authorized under section 125A.80.

19 [EFFECTIVE DATE.] This section is effective July 1, 2005,
20 for revenue for fiscal year 2006.

21 Sec. 21. Minnesota Statutes 2004, section 126C.40,
22 subdivision 1, is amended to read:

23 Subdivision 1. [TO LEASE BUILDING OR LAND.] (a) When an
24 independent or a special school district or a group of
25 independent or special school districts finds it economically
26 advantageous to rent or lease a building or land for any
27 instructional purposes or for school storage or furniture
28 repair, and it determines that the operating capital revenue
29 authorized under section 126C.10, subdivision 13, is
30 insufficient for this purpose, it may apply to the commissioner
31 for permission to make an additional capital expenditure levy
32 for this purpose. An application for permission to levy under
33 this subdivision must contain financial justification for the
34 proposed levy, the terms and conditions of the proposed lease,
35 and a description of the space to be leased and its proposed use.

36 (b) The criteria for approval of applications to levy under

1 this subdivision must include: the reasonableness of the price,
2 the appropriateness of the space to the proposed activity, the
3 feasibility of transporting pupils to the leased building or
4 land, conformity of the lease to the laws and rules of the state
5 of Minnesota, and the appropriateness of the proposed lease to
6 the space needs and the financial condition of the district.
7 The commissioner must not authorize a levy under this
8 subdivision in an amount greater than 90 percent of the cost to
9 the district of renting or leasing a building or land for
10 approved purposes. The proceeds of this levy must not be used
11 for custodial or other maintenance services. A district may not
12 levy under this subdivision for the purpose of leasing or
13 renting a district-owned building or site to itself.

14 (c) For agreements finalized after July 1, 1997, a district
15 may not levy under this subdivision for the purpose of leasing:
16 (1) a newly constructed building used primarily for regular
17 kindergarten, elementary, or secondary instruction; or (2) a
18 newly constructed building addition or additions used primarily
19 for regular kindergarten, elementary, or secondary instruction
20 that contains more than 20 percent of the square footage of the
21 previously existing building.

22 (d) Notwithstanding paragraph (b), a district may levy
23 under this subdivision for the purpose of leasing or renting a
24 district-owned building or site to itself only if the amount is
25 needed by the district to make payments required by a lease
26 purchase agreement, installment purchase agreement, or other
27 deferred payments agreement authorized by law, and the levy
28 meets the requirements of paragraph (c). A levy authorized for
29 a district by the commissioner under this paragraph may be in
30 the amount needed by the district to make payments required by a
31 lease purchase agreement, installment purchase agreement, or
32 other deferred payments agreement authorized by law, provided
33 that any agreement include a provision giving the school
34 districts the right to terminate the agreement annually without
35 penalty.

36 (e) The total levy under this subdivision for a district

1 for any year must not exceed \$90 times the resident pupil units
2 for the fiscal year to which the levy is attributable.

3 (f) For agreements for which a review and comment have been
4 submitted to the Department of Education after April 1, 1998,
5 the term "instructional purpose" as used in this subdivision
6 excludes expenditures on stadiums.

7 (g) The commissioner of education may authorize a school
8 district to exceed the limit in paragraph (e) if the school
9 district petitions the commissioner for approval. The
10 commissioner shall grant approval to a school district to exceed
11 the limit in paragraph (e) for not more than five years if the
12 district meets the following criteria:

13 (1) the school district has been experiencing pupil
14 enrollment growth in the preceding five years;

15 (2) the purpose of the increased levy is in the long-term
16 public interest;

17 (3) the purpose of the increased levy promotes colocation
18 of government services; and

19 (4) the purpose of the increased levy is in the long-term
20 interest of the district by avoiding over construction of school
21 facilities.

22 (h) A school district that is a member of an intermediate
23 school district may include in its authority under this section
24 90 percent of the costs associated with leases of administrative
25 and classroom space for intermediate school district programs.
26 This authority must not exceed \$22.50 times the adjusted
27 marginal cost pupil units of the member districts. This
28 authority is in addition to any other authority authorized under
29 this section.

30 (i) In addition to the allowable capital levies in
31 paragraph (a), a district that is a member of the "Technology
32 and Information Education Systems" data processing joint board,
33 that finds it economically advantageous to enter into a lease
34 purchase agreement for a building for a group of school
35 districts or special school districts for staff development
36 purposes, may levy for its portion of lease costs attributed to

1 the district within the total levy limit in paragraph (e).

2 (j) A school district that is a member of the Wright
3 Technical Center may include in its authority under this section
4 90 percent of the costs associated with leases of administrative
5 and classroom space at the Wright Technical Center. This
6 authority must not exceed \$22.50 times the adjusted marginal
7 cost pupil units of the member districts. This authority may be
8 in addition to any other authority authorized under this section.

9 Sec. 22. Minnesota Statutes 2004, section 126C.457, is
10 amended to read:

11 126C.457 [CAREER AND TECHNICAL LEVY.]

12 For taxes payable in 2006, 2007, and 2008, a school
13 district may levy an amount equal to the greater of (1) \$10,000,
14 or (2) the district's fiscal year 2001 entitlement for career
15 and technical aid under Minnesota Statutes 2000, section
16 124D.453. The district must recognize the full amount of this
17 levy as revenue for the fiscal year in which it is certified.
18 Revenue received under this section must be reserved and used
19 only for career and technical programs.

20 Sec. 23. [127A.21] [STATE COORDINATOR FOR WORLD
21 LANGUAGES.]

22 (a) The commissioner of education shall designate a
23 full-time state coordinator for world languages education within
24 the Department of Education by July 1, 2005. The commissioner
25 shall seek input from the Quality Teaching Network before
26 designating or hiring the coordinator who must have classroom
27 experience teaching world languages. The coordinator, at a
28 minimum, shall:

29 (1) survey school districts in the state to:

30 (i) identify the types of existing world language programs
31 and exemplary model extended world languages programs; and

32 (ii) in consultation with Minnesota postsecondary
33 institutions, identify and address staff development needs of
34 current world language teachers and preservice teachers;

35 (2) identify successful extended world language programs
36 from other states;

1 (3) establish guidelines for a variety of model extended
2 world languages programs;

3 (4) research and recommend the funding necessary to
4 implement various models of extended world languages programs in
5 different languages; and

6 (5) support and monitor, using the most recent information
7 available, current world languages programs.

8 (b) For the purposes of this section, "extended world
9 languages program" means a world languages program:

10 (1) with a sequence of consecutive years in any of
11 kindergarten through grade 12, including, for example, sequences
12 of kindergarten through grade 12, grades 5 through 12, and
13 grades 7 through 12; and

14 (2) based on professionally recognized proficiency
15 guidelines, and which incorporates current best practices for
16 world language programs.

17 Sec. 24. Minnesota Statutes 2004, section 127A.47,
18 subdivision 7, is amended to read:

19 Subd. 7. [ALTERNATIVE ATTENDANCE PROGRAMS.] The general
20 education aid and special education aid for districts must be
21 adjusted for each pupil attending a nonresident district under
22 sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.08, and
23 124D.68. The adjustments must be made according to this
24 subdivision.

25 (a) General education aid paid to a resident district must
26 be reduced by an amount equal to the referendum equalization aid
27 attributable to the pupil in the resident district.

28 (b) General education aid paid to a district serving a
29 pupil in programs listed in this subdivision must be increased
30 by an amount equal to the referendum equalization aid
31 attributable to the pupil in the nonresident district.

32 (c) If the amount of the reduction to be made from the
33 general education aid of the resident district is greater than
34 the amount of general education aid otherwise due the district,
35 the excess reduction must be made from other state aids due the
36 district.

1 (d) For fiscal year 2006, the district of residence must
2 pay tuition to a district or an area learning center, operated
3 according to paragraph ~~(e)~~ (f), providing special instruction
4 and services to a pupil with a disability, as defined in section
5 125A.02, or a pupil, as defined in section 125A.51, who is
6 enrolled in a program listed in this subdivision. The tuition
7 must be equal to (1) the actual cost of providing special
8 instruction and services to the pupil, including a proportionate
9 amount for ~~debt-service-and-for-capital-expenditure-facilities~~
10 ~~and-equipment,-and-debt-service-but-not-including-any-amount-for~~
11 special transportation and unreimbursed building lease and debt
12 service costs for facilities used primarily for special
13 education, minus (2) if the pupil receives special instruction
14 and services outside the regular classroom for more than 60
15 percent of the school day, the amount of general education
16 revenue and referendum aid attributable to that pupil for the
17 portion of time the pupil receives special instruction and
18 services outside of the regular classroom, excluding portions
19 attributable to district and school administration, district
20 support services, operations and maintenance, capital
21 expenditures, and pupil transportation, minus (3) special
22 education aid ~~but-not-including-any-amount-for-transportation,~~
23 attributable to that pupil, that is received by the district
24 providing special instruction and services. For purposes of
25 this paragraph, general education revenue and referendum aid
26 attributable to a pupil must be calculated using the serving
27 district's average general education revenue and referendum aid
28 per adjusted pupil unit.

29 (e) For fiscal year 2007 and later, special education aid
30 paid to a resident district must be reduced by an amount equal
31 to (1) the actual cost of providing special instruction and
32 services, including special transportation and unreimbursed
33 building lease and debt service costs for facilities used
34 primarily for special education, for a pupil with a disability,
35 as defined in section 125A.02, or a pupil, as defined in section
36 125A.51, who is enrolled in a program listed in this

1 subdivision, minus (2) if the pupil receives special instruction
2 and services outside the regular classroom for more than 60
3 percent of the school day, the amount of general education
4 revenue and referendum aid attributable to that pupil for the
5 portion of time the pupil receives special instruction and
6 services outside of the regular classroom, excluding portions
7 attributable to district and school administration, district
8 support services, operations and maintenance, capital
9 expenditures, and pupil transportation, minus (3) special
10 education aid attributable to that pupil, that is received by
11 the district providing special instruction and services. For
12 purposes of this paragraph, general education revenue and
13 referendum aid attributable to a pupil must be calculated using
14 the serving district's average general education revenue and
15 referendum aid per adjusted pupil unit. Special education aid
16 paid to the district providing special instruction and services
17 for the pupil, or to the fiscal agent district for a
18 cooperative, must be increased by the amount of the reduction in
19 the aid paid to the resident district. If the resident
20 district's special education aid is insufficient to make the
21 full adjustment, the remaining adjustment shall be made to other
22 state aids due to the district.

23 (f) An area learning center operated by a service
24 cooperative, intermediate district, education district, or a
25 joint powers cooperative may elect through the action of the
26 constituent boards to charge the resident district tuition for
27 pupils rather than to have the general education revenue paid to
28 a fiscal agent school district. Except as provided in paragraph
29 (d) or (e), the district of residence must pay tuition equal to
30 at least 90 percent of the district average general education
31 revenue per pupil unit minus an amount equal to the product of
32 the formula allowance according to section 126C.10, subdivision
33 2, times .0485 for fiscal year 2006, and .0458 for fiscal year
34 2007 and later fiscal years, calculated without basic skills
35 revenue and transportation sparsity revenue, times the number of
36 pupil units for pupils attending the area learning center, plus

1 the amount of compensatory revenue generated by pupils attending
2 the area learning center.

3 Sec. 25. Minnesota Statutes 2004, section 134.31, is
4 amended by adding a subdivision to read:

5 Subd. 6. [ADVISORY COMMITTEE.] The commissioner shall
6 appoint an advisory committee of five members to advise the
7 staff of the Minnesota Library for the Blind and Physically
8 Handicapped on long-range plans and library services. Members
9 shall be people who use the library. Section 15.059 governs
10 this committee except that the committee shall not expire.

11 Sec. 26. 2005 Senate File No. 1879, article 3, section 3,
12 subdivision 32, if enacted, is amended to read:

13 Subd. 32. [SPECIAL EDUCATION; REGULAR.] For special
14 education aid under Minnesota Statutes, section 125A.75:

15 \$528,846,000 2006
16 ~~\$527,446,000~~ 546,111,000 2007

17 The 2006 appropriation includes \$83,078,000 for 2005 and
18 \$445,768,000 for 2006.

19 The 2007 appropriation includes \$83,019,000 for 2006 and
20 ~~\$444,427,000~~ 463,092,000 for 2007.

21 Sec. 27. 2005 Senate File No. 1879, article 3, section 3,
22 subdivision 33, if enacted, is amended to read:

23 Subd. 33. [AID FOR CHILDREN WITH DISABILITIES.] For aid
24 under Minnesota Statutes, section 125A.75, subdivision 3, for
25 children with disabilities placed in residential facilities
26 within the district boundaries for whom no district of residence
27 can be determined:

28 \$2,212,000 2006
29 \$2,615,000 2007

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

32 Sec. 28. 2005 Senate File No. 1879, article 3, section 3,
33 subdivision 34, if enacted, is amended to read:

34 Subd. 34. [TRAVEL FOR HOME-BASED SERVICES.] For aid for
35 teacher travel for home-based services under Minnesota Statutes,
36 section 125A.75, subdivision 1:

1 \$ 187,000 2006

2 \$ 195,000 2007

3 The 2006 appropriation includes \$28,000 for 2005 and
4 \$159,000 for 2006.

5 The 2007 appropriation includes \$29,000 for 2006 and
6 \$166,000 for 2007.

7 Sec. 29. 2005 Senate File No. 1879, article 3, section 3,
8 subdivision 35, if enacted, is amended to read:

9 Subd. 35. [SPECIAL EDUCATION; EXCESS COSTS.] For excess
10 cost aid under Minnesota Statutes, section 125A.79, subdivision
11 7:

12 \$91,784,000 2006

13 ~~\$91,784,000~~ 93,430,000 2007

14 The 2006 appropriation includes \$37,455,000 for 2005 and
15 \$54,329,000 for 2006.

16 The 2007 appropriation includes ~~\$37,417,000~~ 39,252,000 for
17 2006 and \$54,178,000 for 2007.

18 Sec. 30. 2005 Senate File No. 1879, article 3, section 3,
19 subdivision 36, if enacted, is amended to read:

20 Subd. 36. [LITIGATION COSTS FOR SPECIAL EDUCATION.] For
21 paying the costs a district incurs under Minnesota Statutes,
22 section 125A.75, subdivision 8:

23 \$ ~~17,000~~ 0 2006

24 \$ ~~17,000~~ 0 2007

25 Sec. 31. 2005 Senate File No. 1879, article 3, section 3,
26 subdivision 37, if enacted, is amended to read:

27 Subd. 37. [TRANSITION FOR DISABLED STUDENTS.] For aid for
28 transition programs for children with disabilities under
29 Minnesota Statutes, section 124D.454:

30 \$8,788,000 2006

31 \$8,765,000 2007

32 The 2006 appropriation includes \$1,380,000 for 2005 and
33 \$7,408,000 for 2006.

34 The 2007 appropriation includes \$1,379,000 for 2006 and
35 \$7,386,000 for 2007.

36 Sec. 32. 2005 Senate File No. 1879, article 3, section 3,

1 subdivision 38, if enacted, is amended to read:

2 Subd. 38. [COURT-PLACED SPECIAL EDUCATION REVENUE.] For
3 reimbursing serving school districts for unreimbursed eligible
4 expenditures attributable to children placed in the serving
5 school district by court action under Minnesota Statutes,
6 section 125A.79, subdivision 4:

7 \$ 65,000 2006

8 \$ 70,000 2007

9 Sec. 33. 2005 Senate File No. 1879, article 3, section 3,
10 subdivision 39, if enacted, is amended to read:

11 Subd. 39. [OUT-OF-STATE TUITION SPECIAL EDUCATION.] For
12 special education out-of-state tuition according to Minnesota
13 Statutes, section 125A.79, subdivision 8:

14 \$ 250,000 2006

15 \$ 250,000 2007

16 Sec. 34. [EMINENCE CREDENTIALING.]

17 Subdivision 1. [GOAL.] It is the goal of the state to
18 support the teaching and revitalization of the Dakota and
19 Anishinaabe languages. The Native Language Eminence
20 Credentialing Task Force is created to achieve this goal.

21 Subd. 2. [MEMBERSHIP.] The Native Language Eminence
22 Credentialing Task Force consists of the following members:

23 (1) four members representing public schools with large
24 Native American populations appointed by the commissioner of
25 education;

26 (2) one member appointed by each federally recognized
27 Indian tribe in the state;

28 (3) one member appointed by each institution of higher
29 education that trains credentialed Dakota and Anishinaabe
30 language teachers;

31 (4) one member representing the Minnesota Historical
32 Society;

33 (5) the chair of the state Indian Affairs Council; and

34 (6) three native speakers of the Anishinaabe language and
35 three native speakers of the Dakota language, all appointed by
36 the Dakota Ojibwe Language Revitalization Alliance.

1 Subd. 3. [ADMINISTRATION.] (a) The Native Language
2 Eminence Credentialing Task Force is governed by Minnesota
3 Statutes, section 15.059.

4 (b) The task force shall elect a chair from its
5 membership. The commissioner of education shall provide staff
6 and administrative support for the task force.

7 Subd. 4. [DUTIES.] The task force shall review and
8 recommend changes to the eminence credentials for teachers of
9 the Dakota and Anishinaabe languages in order to increase the
10 number of fluent "first speakers" who can teach the language and
11 the number of teachers of the Dakota and Anishinaabe languages
12 by considering and addressing the following:

13 (1) whether a rating system should be developed that
14 includes separate ratings for fluency of the spoken language,
15 writing and reading skills in language, and specifying which
16 dialect of the Anishinaabe and Dakota languages is being spoken;

17 (2) whether a strategy for determining the level of fluency
18 should be developed;

19 (3) consistency of evaluation of language fluency;

20 (4) identifying issues between tribal authority and state
21 law around strategies of language revitalization; and

22 (5) a strategy to provide affordable and accessible
23 language and culture credentials throughout Minnesota.

24 Subd. 5. [REPORT.] The task force shall submit a report to
25 the legislature by January 15, 2006, to fulfill the duties of
26 the task force.

27 Subd. 6. [EXPIRATION.] The task force expires upon
28 submission of the report on January 15, 2006.

29 Sec. 35. [TASK FORCE ON DELIVERY OF SPECIAL EDUCATION TO
30 NONPUBLIC SCHOOL STUDENTS BY PUBLIC SCHOOL DISTRICTS.]

31 Subdivision 1. [PURPOSE; ESTABLISHMENT.] With the
32 congressional reauthorization of the federal Individuals with
33 Disabilities Education Act, a task force on the delivery of
34 special education services to nonpublic school students by
35 public school districts shall be established to compare and
36 evaluate how the individual needs of each child are being met,

1 if services are provided in the least restrictive environment,
2 and whether best practices and program efficiencies are being
3 used in the specific areas of transportation, location of
4 services, and shared time aid.

5 Subd. 2. [MEMBERS.] The governor shall appoint the members
6 of the task force from each of the following:

7 (1) two members from the Department of Education, one
8 representing special education programs and policy and one
9 representing district finances;

10 (2) two special education teachers with one member from a
11 public school and one member from a nonpublic school;

12 (3) two special education administrators with one member
13 from a public school and one member from a nonpublic school;

14 (4) two members with one from each of two special education
15 advocacy organizations;

16 (5) two parents of children receiving special education
17 services with one member from a public school and one member
18 from a nonpublic school;

19 (6) two elementary school principals with one member from a
20 public school and one member from a nonpublic school;

21 (7) two superintendents with one member from a public
22 school district and one member from a nonpublic school district;

23 (8) two school business officials with one from a public
24 school and one from a nonpublic school; and

25 (9) two school board officials with one from a public
26 school and one from a nonpublic school.

27 The task force may select additional members to work on the
28 task force. The commissioner of education shall provide
29 necessary materials and assistance.

30 Subd. 3. [REPORT.] The task force shall submit a report by
31 January 15, 2006, to the house of representatives and senate
32 committees having jurisdiction over education on the delivery of
33 special education services to nonpublic school students by
34 public school districts, to compare and evaluate how the
35 individual needs of each child are being met in the least
36 restrictive environment, and whether best practices and program

1 efficiencies are being used.

2 Subd. 4. [EXPIRATION.] This section expires January 31,
3 2006.

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

6 Sec. 36. [APPROPRIATIONS.]

7 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
8 indicated in this section are appropriated from the general fund
9 to the Department of Education for the fiscal years designated.

10 Subd. 2. [NONPUBLIC STUDENT SPECIAL EDUCATION TASK FORCE.]
11 For funding of a task force on delivery of special education to
12 nonpublic school students by public school districts:

13 \$50,000 2006

14 Sec. 37. [REPEALER.]

15 Minnesota Statutes 2004, section 125A.75, subdivision 8, is
16 repealed.

17 ARTICLE 4

18 TECHNOLOGY, FACILITIES, AND ACCOUNTING

19 Section 1. Minnesota Statutes 2004, section 123B.42, is
20 amended by adding a subdivision to read:

21 Subd. 1a. [CURRICULUM; ELECTRONIC COMPONENTS.] A school
22 district that provides curriculum to resident students that has
23 both physical and electronic components must make the electronic
24 component accessible to a resident student in a home school in
25 compliance with sections 120A.22 and 120A.24 at the request of
26 the student or the student's parent or guardian, provided that
27 the district does not incur more than an incidental cost as a
28 result of providing access electronically.

29 Sec. 2. Minnesota Statutes 2004, section 123B.492, is
30 amended to read:

31 123B.492 [SUPERVISED COMPETITIVE HIGH SCHOOL DIVING.]

32 Notwithstanding Minnesota Rules, part 4717.3750, any pool
33 built before January 1, 1987, that was used for a one-meter
34 board high school diving program during the 2000-2001 school
35 year may be used for supervised competitive one-meter board high
36 school diving. Schools and school districts are strongly

1 encouraged to use a pool for supervised competitive high school
2 diving that meets the requirements of Minnesota Rules, part
3 4717.3750. A school or district using a pool for
4 supervised ~~training-practice-for~~ competitive high school
5 diving for either training practice or competition that does not
6 meet the requirements of Minnesota Rules, part 4717.3750, must
7 provide appropriate notice to parents and participants as to the
8 type of variance from Minnesota Rules and risk it may present.

9 Sec. 3. Minnesota Statutes 2004, section 123B.53, is
10 amended by adding a subdivision to read:

11 Subd. 1a. [DEBT SERVICE LEVIES; CHOICE OF TAX BASE.] A
12 school board may by resolution elect to levy the debt service
13 for a bond issued after July 1, 2005, against the referendum
14 market value of the district, as defined under section 126C.01,
15 subdivision 3, rather than the net tax capacity of the district,
16 except that for purposes of this subdivision, noncommercial 4c(1)
17 property under section 273.13 is valued at its market value. A
18 resolution to levy against referendum market value must be
19 passed at an open meeting of the board, at least 60 days prior
20 to the bond or the date of the sale of the bonds if an election
21 is not required to authorize their issuance.

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

24 Sec. 4. Minnesota Statutes 2004, section 123B.53,
25 subdivision 4, is amended to read:

26 Subd. 4. [DEBT SERVICE EQUALIZATION REVENUE.] (a) The debt
27 service equalization revenue of a district equals the sum of the
28 first tier debt service equalization revenue and the second tier
29 debt service equalization revenue.

30 (b) The first tier debt service equalization revenue of a
31 district equals the greater of zero or the eligible debt service
32 revenue minus the amount raised by a levy of 15 percent times
33 the adjusted net tax capacity of the district minus the second
34 tier debt service equalization revenue of the district.

35 (c) The second tier debt service equalization revenue of a
36 district equals the greater of zero or the eligible debt service

1 revenue, excluding alternative facilities levies under section
2 123B.59, subdivision 5, minus the amount raised by a levy of 25
3 percent times the adjusted net tax capacity of the district.

4 (d) Debt service equalization revenue is determined as
5 provided under this subdivision regardless of whether the debt
6 service is being levied against net tax capacity or referendum
7 market value.

8 [EFFECTIVE DATE.] This section is effective July 1, 2005.

9 Sec. 5. Minnesota Statutes 2004, section 123B.54, as
10 amended by 2005 S. F. No. 1879, article 3, section 1, if
11 enacted, is amended to read:

12 123B.54 [DEBT SERVICE APPROPRIATION.]

13 (a) ~~\$22,942,000~~ \$22,282,000 in fiscal year 2008 and
14 ~~\$21,942,000~~ \$21,182,000 in fiscal year 2009 and later are
15 appropriated from the general fund to the commissioner of
16 education for payment of debt service equalization aid under
17 section 123B.53.

18 (b) The appropriations in paragraph (a) must be reduced by
19 the amount of any money specifically appropriated for the same
20 purpose in any year from any state fund.

21 Sec. 6. Minnesota Statutes 2004, section 123B.55, is
22 amended to read:

23 123B.55 [DEBT SERVICE LEVY.]

24 Subdivision 1. [LEVY AMOUNT.] A district may levy the
25 amounts necessary to make payments for bonds issued and for
26 interest on them, including the bonds and interest on them,
27 issued as authorized by Minnesota Statutes 1974, section
28 275.125, subdivision 3, clause (7)(C); and the amounts necessary
29 for repayment of debt service loans and capital loans, minus the
30 amount of debt service equalization revenue of the district.

31 Subd. 2. [AID APPORTIONMENT.] A district's debt service
32 equalization aid shall be apportioned between the net tax
33 capacity debt service levy and the referendum market value debt
34 service levy in the same proportions as eligible debt service
35 revenues resulting from bonds issued against net tax capacity
36 are to eligible debt service revenues resulting from bonds

1 issued against referendum market value. For the purposes of
2 assessments between counties under section 475.61, subdivision
3 2, if a school district that chooses to spread its levy on
4 referendum market value is located in more than one county, the
5 county auditor shall spread the portion of the levy which bears
6 the same ratio to the whole amount of levy as the referendum
7 market value in that part of the school district located in the
8 auditor's county bears to the referendum market value of all
9 referendum market value taxable property in the district.

10 Subd. 3. [NET TAX CAPACITY DEBT SERVICE LEVY.] The levy
11 amount determined under subdivision 1, plus the eligible debt
12 service revenues resulting from bonds issued against net tax
13 capacity, minus the debt service equalization aid apportioned to
14 the net tax capacity debt service levy, must be levied against
15 the net tax capacity of the district as determined under section
16 273.13 and must be included with the other net tax capacity
17 levies certified to the county auditor under section 275.07.

18 Subd. 4. [REFERENDUM MARKET VALUE DEBT SERVICE LEVY.] The
19 eligible debt service revenues resulting from bonds issued
20 against referendum market value, minus the debt service
21 equalization aid apportioned to the referendum market value debt
22 service levy, must be levied against the referendum market value
23 of the district as defined in section 126C.01, subdivision 3,
24 and must be separately certified to the county auditor under
25 section 275.07. For purposes of section 475.61, a referendum
26 market value debt service levy levied against the referendum
27 market value of the school district shall be a direct general ad
28 valorem tax upon all taxable property in the school district.

29 [EFFECTIVE DATE.] This section is effective for taxes
30 payable in 2006 and later.

31 Sec. 7. [123B.715] [ACOUSTICAL PERFORMANCE CRITERIA.]

32 School districts are encouraged to consider the American
33 National Standards Institute acoustical performance criteria
34 design requirements and guidelines for schools of the maximum
35 background noise level and reverberation times when designing a
36 new building or remodeling an existing building.

1 Sec. 8. Minnesota Statutes 2004, section 124D.095,
2 subdivision 2, is amended to read:

3 Subd. 2. [DEFINITIONS.] For purposes of this section, the
4 following terms have the meanings given them.

5 (a) "Online learning" is an interactive course or program
6 that delivers instruction from a teacher to a student by
7 computer; is combined with other traditional delivery methods
8 that include frequent student assessment and may include actual
9 teacher contact time; and meets or exceeds state academic
10 standards.

11 (b) "Online learning provider" is a school district, an
12 intermediate school district, an organization of two or more
13 school districts operating under a joint powers agreement, or a
14 charter school located in Minnesota that provides online
15 learning to students.

16 (c) "Student" is a Minnesota resident enrolled in a school
17 under section 120A.22, subdivision 4, in kindergarten through
18 grade 12.

19 (d) "Online learning student" is a student enrolled in an
20 online learning course or program delivered by an online
21 provider under paragraph (b).

22 (e) "Enrolling district" means the school district or
23 charter school in which a student is enrolled under section
24 120A.22, subdivision 4, for purposes of compulsory attendance.

25 Sec. 9. Minnesota Statutes 2004, section 124D.095,
26 subdivision 4, is amended to read:

27 Subd. 4. [ONLINE LEARNING PARAMETERS.] (a) An online
28 learning student must receive academic credit for completing the
29 requirements of an online learning course or program. Secondary
30 credits granted to an online learning student must be counted
31 toward the graduation and credit requirements of the enrolling
32 district. The enrolling district must apply the same graduation
33 requirements to all students, including online learning
34 students, and must continue to provide nonacademic services to
35 online learning students. If a student completes an online
36 learning course or program that meets or exceeds a graduation

1 standard or grade progression requirement at the enrolling
2 district, that standard or requirement is met. The enrolling
3 district must use the same criteria for accepting online
4 learning credits or courses as it does for accepting credits or
5 courses for transfer students under section 124D.03, subdivision
6 9. The enrolling district may reduce the teacher contact time
7 of an online learning student in proportion to the number of
8 online learning courses the student takes from an online
9 learning provider that is not the enrolling district.

10 (b) An online learning student may:

11 (1) enroll during a single school year in a maximum of 12
12 semester-long courses or their equivalent delivered by an online
13 learning provider or the enrolling district;

14 (2) complete course work at a grade level that is different
15 from the student's current grade level; and

16 (3) enroll in additional courses with the online learning
17 provider under a separate agreement that includes terms for
18 payment of any tuition or course fees.

19 (c) A student with a disability may enroll in an online
20 learning course or program if the student's IEP team determines
21 that online learning is appropriate education for the student.

22 (d) An online learning student has the same access to the
23 computer hardware and education software available in a school
24 as all other students in the enrolling district. An online
25 learning provider must assist an online learning student whose
26 family qualifies for the education tax credit under section
27 290.0674 to acquire computer hardware and educational software
28 for online learning purposes.

29 (e) An enrolling district may offer online learning to its
30 enrolled students. Such online learning does not generate
31 online learning funds under this section. An enrolling district
32 that offers online learning only to its enrolled students is not
33 subject to the reporting requirements or review criteria under
34 subdivision 7. A teacher with a Minnesota license must assemble
35 and deliver instruction to enrolled students receiving online
36 learning from an enrolling district. The delivery of

1 instruction occurs when the student interacts with the computer
2 or the teacher and receives ongoing assistance and assessment of
3 learning. The instruction may include curriculum developed by
4 persons other than a teacher with a Minnesota license.

5 (f) An online learning provider that is not the enrolling
6 district is subject to the reporting requirements and review
7 criteria under subdivision 7. A teacher with a Minnesota
8 license must assemble and deliver instruction to online learning
9 students. The delivery of instruction occurs when the student
10 interacts with the computer or the teacher and receives ongoing
11 assistance and assessment of learning. The instruction may
12 include curriculum developed by persons other than a teacher
13 with a Minnesota license. Unless the commissioner grants a
14 waiver, a teacher providing online learning instruction must not
15 instruct more than 40 students in any one online learning course
16 or program.

17 Sec. 10. Minnesota Statutes 2004, section 124D.095,
18 subdivision 8, is amended to read:

19 Subd. 8. [FINANCIAL ARRANGEMENTS.] (a) For a student
20 enrolled in an online learning course, the department must
21 calculate average daily membership and make payments according
22 to this subdivision.

23 (b) The initial online learning average daily membership
24 equals 1/12 for each semester course or a proportionate amount
25 for courses of different lengths. The adjusted online learning
26 average daily membership equals the initial online learning
27 average daily membership times .88.

28 (c) No online learning average daily membership shall be
29 generated if: (1) the student does not complete the online
30 learning course, or (2) the student is enrolled in online
31 learning provided by the enrolling district and the student was
32 either enrolled in a Minnesota public school for the school year
33 before the school year in which the student first enrolled in
34 online learning, or the student is enrolled in an instructional
35 program in which at least 40 percent of the total instructional
36 time takes place in the school's facilities. For students

1 enrolled in online learning according to clause (2), the
2 department shall calculate average daily membership according to
3 section 126C.05, subdivision 8.

4 (d) Online learning average daily membership under this
5 subdivision for a student currently enrolled in a Minnesota
6 public school and who was enrolled in a Minnesota public school
7 for the school year before the school year in which the student
8 first enrolled in online learning shall be used only for
9 computing average daily membership according to section 126C.05,
10 subdivision 19, paragraph (a), clause ~~(1)~~ (2), and for
11 computing online learning aid according to section ~~126C.24~~
12 124D.096.

13 (e) Online learning average daily membership under this
14 subdivision for students not included in paragraph (c) or (d)
15 shall be used only for computing average daily membership
16 according to section 126C.05, subdivision 19, paragraph (a),
17 clause ~~(1)~~ (2), and for computing payments under paragraphs (f)
18 and (g).

19 (f) Subject to the limitations in this subdivision, the
20 department must pay an online learning provider an amount equal
21 to the product of the adjusted online learning average daily
22 membership for students under paragraph (e) times the student
23 grade level weighting under section 126C.05, subdivision 1,
24 times the formula allowance.

25 (g) The department must pay each online learning provider
26 100 percent of the amount in paragraph (f) within 45 days of
27 receiving final enrollment and course completion information
28 each quarter or semester.

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

31 Sec. 11. Minnesota Statutes 2004, section 124D.095, is
32 amended by adding a subdivision to read:

33 Subd. 10. [ONLINE LEARNING ADVISORY COUNCIL.] (a) An
34 online learning advisory council is established under section
35 15.059, except that the term for each council member shall be
36 three years. The advisory council is composed of 12 members

1 from throughout the state who have demonstrated experience with
2 or interest in online learning. The members of the council
3 shall be appointed by the commissioner. The advisory council
4 shall bring to the attention of the commissioner any matters
5 related to online learning and provide input to the department
6 in matters related, but not restricted, to:

- 7 (1) quality assurance;
- 8 (2) teacher qualifications;
- 9 (3) program approval;
- 10 (4) special education;
- 11 (5) attendance;
- 12 (6) program design and requirements; and
- 13 (7) fair and equal access to programs.

14 (b) The online learning advisory council under this
15 subdivision expires June 30, 2008.

16 Sec. 12. [125B.26] [TELECOMMUNICATIONS/INTERNET ACCESS
17 EQUITY AID.]

18 Subdivision 1. [COSTS TO BE SUBMITTED.] (a) A district or
19 charter school shall submit its actual
20 telecommunications/Internet access costs for the previous fiscal
21 year, adjusted for any e-rate revenue received, to the
22 department by August 15 of each year as prescribed by the
23 commissioner. Costs eligible for reimbursement under this
24 program are limited to the following:

25 (1) ongoing or recurring telecommunications/Internet access
26 costs associated with Internet access, data lines, and video
27 links providing:

28 (i) the equivalent of one data line, video link, or
29 integrated data/video link that relies on a transport medium
30 that operates at a minimum speed of 1.544 megabytes per second
31 (T1) for each elementary school, middle school, or high school
32 under section 120A.05, subdivisions 9, 11, and 13, including the
33 recurring telecommunications line lease costs and ongoing
34 Internet access service fees; or

35 (ii) the equivalent of one data line or video circuit, or
36 integrated data/video link that relies on a transport medium

1 that operates at a minimum speed of 1.544 megabytes per second
2 (T1) for each district, including recurring telecommunications
3 line lease costs and ongoing Internet access service fees;

4 (2) recurring costs of contractual or vendor-provided
5 maintenance on the school district's wide area network to the
6 point of presence at the school building up to the router,
7 codec, or other service delivery equipment located at the point
8 of presence termination at the school or school district;

9 (3) recurring costs of cooperative, shared arrangements for
10 regional delivery of telecommunications/Internet access between
11 school districts, postsecondary institutions, and public
12 libraries including network gateways, peering points, regional
13 network infrastructure, Internet2 access, and network support,
14 maintenance, and coordination; and

15 (4) service provider installation fees for installation of
16 new telecommunications lines or increased bandwidth.

17 (b) Costs not eligible for reimbursement under this program
18 include:

19 (1) recurring costs of school district staff providing
20 network infrastructure support;

21 (2) recurring costs associated with voice and standard
22 telephone service;

23 (3) costs associated with purchase of network hardware,
24 telephones, computers, or other peripheral equipment needed to
25 deliver telecommunications access to the school or school
26 district;

27 (4) costs associated with laying fiber for
28 telecommunications access;

29 (5) costs associated with wiring school or school district
30 buildings;

31 (6) costs associated with purchase, installation, or
32 purchase and installation of Internet filtering; and

33 (7) costs associated with digital content, including online
34 learning or distance learning programming, and information
35 databases.

36 Subd. 2. [E-RATES.] To be eligible for aid under this

1 section, a district or charter school is required to file an
2 e-rate application either separately or through its
3 telecommunications access cluster and have a current technology
4 plan on file with the department. Discounts received on
5 telecommunications expenditures shall be reflected in the costs
6 submitted to the department for aid under this section.

7 Subd. 3. [REIMBURSEMENT CRITERIA.] The commissioner shall
8 develop criteria for approving costs submitted by school
9 districts and charter schools under subdivision 1.

10 Subd. 4. [DISTRICT AID.] For fiscal year 2006 and later, a
11 district or charter school's Internet access equity aid equals
12 90 percent of the district or charter school's approved cost for
13 the previous fiscal year according to subdivision 1 exceeding
14 \$15 times the district's adjusted marginal cost pupil units for
15 the previous fiscal year.

16 Subd. 5. [TELECOMMUNICATIONS/INTERNET ACCESS SERVICES FOR
17 NONPUBLIC SCHOOLS.] (a) Districts shall provide each year upon
18 formal request by or on behalf of a nonpublic school, not
19 including home schools, located in that district or area,
20 ongoing or recurring telecommunications access services to the
21 nonpublic school either through existing district providers or
22 through separate providers.

23 (b) The amount of district aid for telecommunications
24 access services for each nonpublic school under this subdivision
25 equals the lesser of:

26 (1) 90 percent of the nonpublic school's approved cost for
27 the previous fiscal year according to subdivision 1 exceeding
28 \$10 for fiscal year 2006 and later times the number of weighted
29 pupils enrolled at the nonpublic school as of October 1 of the
30 previous school year; or

31 (2) the product of the district's aid per pupil unit
32 according to subdivision 4 times the number of weighted pupils
33 enrolled at the nonpublic school as of October 1 of the previous
34 school year.

35 (c) For purposes of this subdivision, nonpublic school
36 pupils shall be weighted by grade level using the weighting

1 factors defined in section 126C.05, subdivision 1.

2 (d) Each year, a district providing services under
3 paragraph (a) may claim up to five percent of the aid determined
4 in paragraph (b) for costs of administering this subdivision.
5 No district may expend an amount for these telecommunications
6 access services which exceeds the amount allocated under this
7 subdivision. The nonpublic school is responsible for the
8 Internet access costs not covered by this section.

9 (e) At the request of a nonpublic school, districts may
10 allocate the amount determined in paragraph (b) directly to the
11 nonpublic school to pay for or offset the nonpublic school's
12 costs for telecommunications access services; however, the
13 amount allocated directly to the nonpublic school may not exceed
14 the actual amount of the school's ongoing or recurring
15 telecommunications access costs.

16 Subd. 6. [SEVERABILITY.] If any portion of this section is
17 found by a court to be unconstitutional, the remaining portions
18 of the section shall remain in effect.

19 [EFFECTIVE DATE.] This section is effective for revenue for
20 fiscal year 2006.

21 Sec. 13. Minnesota Statutes 2004, section 126C.17,
22 subdivision 11, is amended to read:

23 Subd. 11. [REFERENDUM DATE.] (a) Except for a referendum
24 held under paragraph (b) or (d), any referendum under this
25 section held on a day other than the first Tuesday after the
26 first Monday in November must be conducted by mail in accordance
27 with section 204B.46. Notwithstanding subdivision 9, paragraph
28 (b), to the contrary, in the case of a referendum conducted by
29 mail under this paragraph, the notice required by subdivision 9,
30 paragraph (b), must be prepared and delivered by first-class
31 mail at least 20 days before the referendum.

32 (b) In addition to the referenda allowed in subdivision 9,
33 clause (a), the commissioner may grant authority to a district
34 to hold a referendum on a different day if the district is in
35 statutory operating debt and has an approved plan or has
36 received an extension from the department to file a plan to

1 eliminate the statutory operating debt.

2 (c) The commissioner must approve, deny, or modify each
3 district's request for a referendum levy on a different day
4 within 60 days of receiving the request from a district.

5 (d) In addition to the referenda allowed in subdivision 9,
6 paragraph (a), a district may hold a referendum on the same day
7 as a district election for a facility under chapter 475 if the
8 referendum is directly related to the operating costs of the
9 proposed facility except for licensed personnel costs.

10 [EFFECTIVE DATE.] This section is effective for referenda
11 held on or after July 1, 2005.

12 Sec. 14. Minnesota Statutes 2004, section 126C.63,
13 subdivision 5, is amended to read:

14 Subd. 5. [LEVY.] "Levy" means a district's net debt
15 service levy after the reduction of debt service equalization
16 aid under section 123B.53, subdivision 6. For taxes payable in
17 2003 and later, each district's maximum effort debt service levy
18 for purposes of subdivision 8, must be reduced by an equal
19 number of percentage points if the commissioner of finance
20 determines that the levy reduction will not result in a payment
21 from the general fund in the state treasury according to section
22 16A.641, as would be required under section 126C.72, subdivision
23 3. A district's levy that is adjusted under this section must
24 not be reduced below ~~30~~ 25 percent of the district's adjusted
25 net tax capacity.

26 Sec. 15. Minnesota Statutes 2004, section 126C.63,
27 subdivision 8, is amended to read:

28 Subd. 8. [MAXIMUM EFFORT DEBT SERVICE LEVY.] (a) "Maximum
29 effort debt service levy" means the lesser of:

30 (1) a levy in whichever of the following amounts is
31 applicable:

32 (i) in any district receiving a debt service loan for a
33 debt service levy payable in 2002 and thereafter, or granted a
34 capital loan after January 1, 2002, a levy in total dollar
35 amount computed at a rate of ~~40~~ 32 percent of adjusted net tax
36 capacity for taxes payable in 2002 and thereafter;

1 (ii) in any district receiving a debt service loan for a
 2 debt service levy payable in 2001 or earlier, or granted a
 3 capital loan before January 2, ~~2001~~ 2002, a levy in a total
 4 dollar amount computed at a rate of ~~32~~ 28 percent of adjusted
 5 net tax capacity for taxes payable in 2002 and thereafter; or

6 (2) a levy in any district for which a capital loan was
 7 approved prior to August 1, 1981, a levy in a total dollar
 8 amount equal to the sum of the amount of the required debt
 9 service levy and an amount which when levied annually will in
 10 the opinion of the commissioner be sufficient to retire the
 11 remaining interest and principal on any outstanding loans from
 12 the state within 30 years of the original date when the capital
 13 loan was granted.

14 (b) The board in any district affected by the provisions of
 15 paragraph (a), clause (2), may elect instead to determine the
 16 amount of its levy according to the provisions of paragraph (a),
 17 clause (1). If a district's capital loan is not paid within 30
 18 years because it elects to determine the amount of its levy
 19 according to the provisions of paragraph (a), clause (2), the
 20 liability of the district for the amount of the difference
 21 between the amount it levied under paragraph (a), clause (2),
 22 and the amount it would have levied under paragraph (a), clause
 23 (1), and for interest on the amount of that difference, must not
 24 be satisfied and discharged pursuant to Minnesota Statutes 1988,
 25 or an earlier edition of Minnesota Statutes if applicable,
 26 section 124.43, subdivision 4.

27 Sec. 16. Minnesota Statutes 2004, section 128C.12,
 28 subdivision 1, is amended to read:

29 Subdivision 1. [DUES AND EVENTS REVENUE.] (a) The state
 30 auditor annually must examine the accounts of, and audit all
 31 money paid to, the State High School League by its members. The
 32 audit must include financial and compliance issues. The state
 33 ~~auditor~~ audit must also ~~audit~~ include all money derived from any
 34 event sponsored by the league. ~~League-audits-must-include~~
 35 ~~audits-of-administrative-regions-of-the-league---The-league-and~~
 36 ~~its-administrative-regions-may-not-contract-with-private~~

1 ~~auditors.---The-scope-of-the-state-auditor's-examinations-of-the~~
2 ~~league-must-be-agreed-upon-by-the-board-and-the-state-auditor,~~
3 ~~provided-that-all-requirements-of-this-section-must-be-met.~~

4 (b) The administrative regions of the league may contract
5 with the state auditor or with a private certified public
6 accountant for the audit required by this section. If the audit
7 is performed by a private certified public accountant, the state
8 auditor may require additional information from the private
9 certified public accountant as the state auditor deems in the
10 public interest. The state auditor may accept the audit or make
11 additional examinations as the state auditor deems to be in the
12 public interest.

13 Sec. 17. Minnesota Statutes 2004, section 128C.12,
14 subdivision 3, is amended to read:

15 Subd. 3. [COPIES.] The ~~state-auditor~~ board must file
16 copies of the ~~financial-and-compliance~~ audit report with the
17 commissioner of education and the director of the Legislative
18 Reference Library.

19 Sec. 18. Minnesota Statutes 2004, section 128D.11,
20 subdivision 9, is amended to read:

21 Subd. 9. [NET DEBT DEFINED.] The net debt of the school
22 district for the purposes of this limitation is the amount of
23 bonds less the amount of all money and the face value of all
24 securities then held as a sinking fund for the payment of such
25 bonds, and shall not include school aid and tax anticipation
26 certificates of indebtedness not in default or bonds issued to
27 pay pension fund liabilities under section 475.52, subdivision 6.

28 Sec. 19. Minnesota Statutes 2004, section 475.61,
29 subdivision 4, is amended to read:

30 Subd. 4. [SURPLUS FUNDS.] (a) All such taxes shall be
31 collected and remitted to the municipality by the county
32 treasurer as other taxes are collected and remitted, and shall
33 be used only for payment of the obligations on account of which
34 levied or to repay advances from other funds used for such
35 payments, except that any surplus remaining in the debt service
36 fund when the obligations and interest thereon are paid may be

1 appropriated to any other general purpose by the municipality.
2 However, for obligations authorized before July 1, 2005, the
3 amount of any surplus remaining in the debt service fund of a
4 school district when the obligations and interest thereon are
5 paid shall be used to reduce the general fund ~~levy~~ levies
6 authorized pursuant to chapters 122A, 123A, 123B, 124D, and 126C
7 and the state aids authorized pursuant to chapters 122A, 123A,
8 123B, 124D, 125A, 126C, and 127A. For obligations authorized on
9 July 1, 2005, or thereafter, the amount of any surplus remaining
10 in the debt service fund of a school district when the
11 obligations and interest thereon are paid in full may be
12 appropriated to any other general purpose by the school district
13 without any reduction in state aid or levies or may be used to
14 reduce the general fund levies authorized under chapters 122A,
15 123A, 123B, 124D, and 126C, and the state aids authorized under
16 chapters 122A, 123A, 123B, 124D, 125A, 126C, and 127A.

17 (b) If the district qualified for second tier debt service
18 equalization aid in the last year that it qualified for debt
19 service equalization aid, the reduction to state aids equals the
20 lesser of (1) the amount of the surplus times the ratio of the
21 district's second tier debt service equalization aid to the
22 district's second tier debt service equalization revenue for the
23 last year that the district qualified for debt service
24 equalization aid; or (2) the district's cumulative amount of
25 debt service equalization aid.

26 (c) If the district did not qualify for second tier debt
27 service equalization aid in the last year that it qualified for
28 debt service equalization aid, the reduction to state aids
29 equals the lesser of (1) the amount of the surplus times the
30 ratio of the district's debt service equalization aid to the
31 district's debt service equalization revenue for the last year
32 that the district qualified for debt service equalization aid;
33 or (2) the district's cumulative amount of debt service
34 equalization aid.

35 (d) The reduction to the general fund ~~levy~~ levies equals
36 the total amount of the surplus minus the reduction to state

1 aids.

2 Sec. 20. Laws 1996, chapter 412, article 5, section 24, is
3 amended to read:

4 Sec. 24. [BONDS PAID FROM TACONITE PRODUCTION TAX
5 REVENUES.]

6 Subdivision 1. [REFUNDING BONDS.] The appropriation of
7 funds from the distribution of taconite production tax revenues
8 to the taconite environmental protection tax fund and the
9 northeast Minnesota economic protection fund made by Laws 1988,
10 chapter 718, article 7, sections 62 and 63, Laws 1989, chapter
11 329, article 5, section 20, Laws 1990, chapter 604, article 8,
12 section 13, Laws 1992, chapter 499, article 5, section 29, and
13 ~~by sections 18 to 20~~ Laws 1996, chapter 412, article 5, sections
14 20 to 22, and Laws 2000, chapter 489, article 5, sections 24 to
15 26, shall continue to apply to bonds issued under Minnesota
16 Statutes, chapter 475, to refund bonds originally issued
17 pursuant to those chapters.

18 Subd. 2. [LOCAL PAYMENTS.] School districts that are
19 required in Laws 1988, chapter 718, article 7, sections 62 and
20 63, Laws 1989, chapter 329, article 5, section 20, Laws 1990,
21 chapter 604, article 8, section 13, Laws 1992, chapter 499,
22 article 5, section 29, and ~~by sections 18 to 20~~ Laws 1996,
23 chapter 412, article 5, sections 20 to 22, and Laws 2000,
24 chapter 489, article 5, sections 24 to 26, to impose levies to
25 pay debt service on the bonds issued under those provisions to
26 the extent the principal and interest on the bonds is not paid
27 by distributions from the taconite environmental protection fund
28 and the northeast Minnesota economic protection trust, may pay
29 their portion of the principal and interest from any funds
30 available to them. To the extent a school district uses funds
31 other than the proceeds of a property tax levy to pay its share
32 of the principal and interest on the bonds, the requirement to
33 impose a property tax to pay the local share does not apply to
34 the school district.

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

1 Sec. 21. Laws 2003, First Special Session chapter 9,
2 article 4, section 29, as amended by Laws 2003, First Special
3 Session chapter 23, section 18, is amended to read:

4 Sec. 29. [GARAGE LEASE LEVY; SARTELL.]

5 For taxes payable in 2004, 2005, ~~and 2006~~, and 2007,
6 independent school district No. ~~740~~ 748, Sartell, may levy up to
7 \$107,000 each year and for taxes payable in 2008 may levy up to
8 \$67,000 for the purpose of leasing a school bus storage
9 facility. The department of education shall include this levy
10 in the calculation of eligible building lease levy under
11 Minnesota Statutes, section 126C.40, subdivision 1. This levy
12 shall not allow the district to exceed the \$90 per resident
13 pupil unit cap in that section. The district is eligible to
14 make this levy only if it sells its current school bus storage
15 site to the city of Sartell and the district may not use this
16 levy as part of a lease purchase agreement to replace its
17 current school bus storage facility.

18 Sec. 22. 2005 S.F. No. 1879, article 3, section 3,
19 subdivision 40, if enacted, is amended to read:

20 Subd. 40. [HEALTH AND SAFETY REVENUE.] For health and
21 safety aid according to Minnesota Statutes, section 123B.57,
22 subdivision 5:

23 \$ 802,000 2006

24 \$ 578,000 2007

25 The 2006 appropriation includes \$211,000 for 2005 and
26 \$591,000 for 2006.

27 The 2007 appropriation includes \$109,000 for 2006 and
28 \$469,000 for 2007.

29 Sec. 23. 2005 S.F. No. 1879, article 3, section 3,
30 subdivision 41, if enacted, is amended to read:

31 Subd. 41. [DEBT SERVICE EQUALIZATION.] For debt service
32 aid according to Minnesota Statutes, section 123B.53,
33 subdivision 6:

34 \$25,654,000 2006

35 ~~\$24,611,000~~ 24,519,000 2007

36 The 2006 appropriation includes \$4,654,000 for 2005 and

1 \$21,000,000 for 2006.

2 The 2007 appropriation includes \$3,911,000 for 2006 and
3 ~~\$20,700,000~~ 20,608,000 for 2007.

4 Sec. 24. 2005 S.F. No. 1879, article 3, section 3,
5 subdivision 42, if enacted, is amended to read:

6 Subd. 42. [ALTERNATIVE FACILITIES BONDING AID.] For
7 alternative facilities bonding aid, according to Minnesota
8 Statutes, section 123B.59, subdivision 1:

9	\$19,287,000	.....	2006
10	\$19,287,000	.....	2007

11 The 2006 appropriation includes \$3,028,000 for 2005 and
12 \$16,259,000 for 2006.

13 The 2007 appropriation includes \$3,028,000 for 2006 and
14 \$16,259,000 for 2007.

15 Sec. 25. [HEALTH AND SAFETY REVENUE; NEW ULM.]

16 Notwithstanding Minnesota Statutes, section 123B.57,
17 subdivision 6, Independent School District No. 88, New Ulm, may
18 use health and safety revenue to construct appurtenances used
19 exclusively to house and maintain mechanical air handling
20 systems that maintain the air quality necessary for a healthy
21 environment.

22 [EFFECTIVE DATE.] This section is effective retroactively
23 from January 1, 2004.

24 Sec. 26. [DISABLED ACCESS LEVY AUTHORITY; EAST GRAND
25 FORKS.]

26 Notwithstanding the time limits established in Minnesota
27 Statutes, section 123B.58, subdivision 3, Independent School
28 District No. 595, East Grand Forks, may levy its remaining
29 disabled access levy authority over five or fewer years.

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

32 Sec. 27. [MAXIMUM EFFORT CAPITAL LOAN FORGIVEN; EAST
33 CENTRAL.]

34 Subdivision 1. [SALE REQUIREMENTS.] Independent School
35 District No. 2580, East Central, may sell its middle school
36 building in accordance with Minnesota Statutes, section

1 16A.695. The net proceeds from the sale of the property must be
2 paid to the commissioner of finance and deposited in the state
3 bond fund.

4 Subd. 2. [OUTSTANDING LOAN BALANCE FORGIVEN.] Any
5 remaining outstanding balance on the maximum effort capital loan
6 issued in January 1982 to former Independent School District No.
7 566, Askov, after the application of the sale proceeds according
8 to subdivision 1, is forgiven.

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

11 Sec. 28. [TAX BASE ADJUSTMENTS, FERTILE-BELTRAMI.]

12 (a) Notwithstanding Minnesota Statutes, section 123B.61,
13 the commissioner of education, when making offsetting levy
14 adjustments between levy categories to ensure that each levy
15 category is positive for Independent School District No. 599,
16 Fertile-Beltrami, shall make such adjustments first between levy
17 categories that are imposed on identical tax bases before making
18 such adjustments between levy categories that are imposed on
19 different tax bases. The commissioner may make offsetting levy
20 adjustments between the general fund and the debt service fund,
21 if necessary.

22 (b) The commissioner of education must make the offsetting
23 levy adjustments according to the process in paragraph (a) until
24 Independent School District No. 599, Fertile-Beltrami's current
25 referendum authority, under Minnesota Statutes, section 126C.17,
26 expires.

27 Sec. 29. [RESIDENTIAL PROGRAM FACILITIES; WORTHINGTON.]

28 Subject to Minnesota Statutes, section 16A.695, Independent
29 School District No. 518, Worthington, may use the facilities
30 provided under Laws 1994, chapter 643, section 14, subdivision
31 8, as amended by Laws 1995, chapter 76, to provide adult foster
32 care or child foster care services licensed by the commissioner
33 of human services or for other special education purposes.

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

36 Sec. 30. [FUND TRANSFERS.]

1 Subdivision 1. [BUTTERFIELD.] Notwithstanding Minnesota
2 Statutes, section 123B.79 or 123B.80, for calendar years 2005
3 through 2007, on June 30 of each year, Independent School
4 District No. 836, Butterfield, may permanently transfer up to
5 \$50,000 from its reserved operating capital account in its
6 general fund to its undesignated general fund balance and
7 \$60,000 from its reserved bus purchase account in its general
8 fund to its undesignated general fund balance. The total amount
9 transferred for the three-year period must not total more than
10 \$50,000 from the reserved operating capital account and \$60,000
11 from the reserved bus purchase account.

12 Subd. 2. [CHOKIO-ALBERTA.] Notwithstanding Minnesota
13 Statutes, section 123B.79 or 123B.80, on June 30, 2005,
14 Independent School District No. 771, Chokio-Alberta, may
15 permanently transfer up to \$150,000 from its reserved operating
16 capital account and up to \$50,000 from its reserved account for
17 disabled accessibility to the undesignated general fund balance.

18 Subd. 3. [CLINTON-GRACEVILLE-BEARDSLEY.] Notwithstanding
19 Minnesota Statutes, sections 123B.79, 123B.80, and 475.64,
20 subdivision 4, on June 30, 2005, Independent School District No.
21 2888, Clinton-Graceville-Beardsley may permanently transfer up
22 to \$244,000 from its reserved for disabled accessibility account
23 to its unrestricted general fund account without making a levy
24 reduction.

25 Subd. 4. [HASTINGS.] Notwithstanding Minnesota Statutes,
26 section 123A.27, on June 30, 2005, Independent School District
27 No. 200, Hastings, may permanently transfer up to \$300,000 from
28 its reserved account for instructional services from entities
29 formed for cooperative services for special education and
30 secondary vocational programs in its general fund to its
31 unrestricted general fund account.

32 Subd. 5. [LAKE CRYSTAL-WELLCOME MEMORIAL.] Notwithstanding
33 Minnesota Statutes, section 123B.79 or 123B.80, on June 30,
34 2005, upon approval of the commissioner of education,
35 Independent School District No. 2071, Lake Crystal-Wellcome
36 Memorial, may permanently transfer up to \$133,000 from its

1 reserved account for handicapped access to its undesignated
2 general fund balance.

3 Subd. 6. [M.A.C.C.R.A.Y.] Notwithstanding Minnesota
4 Statutes, section 123B.79 or 123B.80, upon approval of the
5 commissioner of education, on June 30, 2005, Independent School
6 District No. 2180, M.A.C.C.R.A.Y., may permanently transfer up
7 to \$230,000 from its reserved account for handicapped access to
8 its undesignated general fund balance.

9 Subd. 7. [MCLEOD WEST.] Notwithstanding Minnesota
10 Statutes, section 123B.79 or 123B.80, on or before June 30,
11 2007, Independent School District No. 2887, McLeod West, may
12 permanently transfer up to \$200,000 from its reserved operating
13 capital account in its general fund to the undesignated fund
14 balance.

15 Subd. 8. [RUSSELL.] Notwithstanding Minnesota Statutes,
16 section 123B.79 or 123B.80, on June 30, 2005, Independent School
17 District No. 418, Russell, may transfer up to \$50,000 from its
18 reserved capital accounts in its general fund to its
19 undesignated fund balance.

20 Subd. 9. [RUTHTON.] Notwithstanding Minnesota Statutes,
21 section 123B.79 or 123B.80, on June 30, 2005, Independent School
22 District No. 584, Ruthton, may permanently transfer up to
23 \$140,000 from its reserved for operating capital account to the
24 undesignated general fund balance.

25 Subd. 10. [WINDOM.] Notwithstanding Minnesota Statutes,
26 sections 123B.79 and 123B.80, on June 30, 2005, Independent
27 School District No. 177, Windom, may permanently transfer up to
28 \$270,000 from its reserved for operating capital account to the
29 undesignated balance in its general fund.

30 Subd. 11. [WIN-E-MAC.] Notwithstanding Minnesota Statutes,
31 section 123B.79 or 123B.80, on June 30, 2005, Independent School
32 District No. 2609, Win-E-Mac, may permanently transfer up to
33 \$87,000 from its reserved account for disabled accessibility to
34 its reserved operating capital account in its general fund.

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

1 Sec. 31. [STUDY OF AVERAGE SCHOOL CONSTRUCTION COSTS.]

2 The commissioner shall submit a report by January 15, 2006,
3 to the house of representatives and senate committees having
4 jurisdiction over education finance on the costs of construction
5 of new school facilities as defined in Minnesota Statutes,
6 section 120A.05, including elementary school, middle school,
7 secondary school, or prekindergarten through grade 12
8 facilities. The commissioner shall review the ranges in costs
9 per square foot of new school construction that received a
10 positive review and comment during the period July 1, 2002, to
11 June 30, 2005, and shall evaluate the specific reasons for those
12 ranges in costs.

13 Sec. 32. [APPROPRIATIONS.]

14 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
15 indicated in this section are appropriated from the general fund
16 to the Department of Education for the fiscal years designated.

17 Subd. 2. [EQUITY IN TELECOMMUNICATIONS ACCESS.] For equity
18 in telecommunications access:

19	<u>\$5,000,000</u>	<u>.....</u>	<u>2006</u>
20	<u>\$5,000,000</u>	<u>.....</u>	<u>2007</u>

21 If the appropriation amount is insufficient, the
22 commissioner shall reduce the reimbursement rate in Minnesota
23 Statutes, section 125B.26, subdivisions 4 and 5, and the revenue
24 for the fiscal years 2006 and 2007 shall be prorated. The base
25 for this program in fiscal year 2008 and later is \$10,000,000.

26 Subd. 3. [EMERGENCY AID, RED LAKE.] For Independent School
27 District No. 38, Red Lake, for onetime emergency aid to repair
28 infrastructure damage to the Red Lake High School as a result of
29 the March 21, 2005, school shooting:

30	<u>\$ 100,000</u>	<u>.....</u>	<u>2006</u>
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31 The school district must submit proposed expenditures for
32 these funds for review and comment approval under Minnesota
33 Statutes, section 123B.71, before the commissioner releases the
34 funds to the district.

35 Sec. 33. [REPEALER.]

36 Minnesota Statutes 2004, section 128C.12, subdivision 4, is

1 repealed.

2 [EFFECTIVE DATE.] This section is effective for revenue for
3 fiscal year 2006.

4 ARTICLE 5

5 LIBRARIES AND NUTRITION

6 Section 1. Minnesota Statutes 2004, section 124D.111,
7 subdivision 1, is amended to read:

8 Subdivision 1. [SCHOOL LUNCH AID COMPUTATION.] Each school
9 year, the state must pay districts participating in the national
10 school lunch program the amount of ~~eight~~ ten cents for each full
11 paid, reduced, and free student lunch served to students in the
12 district.

13 Sec. 2. Minnesota Statutes 2004, section 124D.118,
14 subdivision 4, is amended to read:

15 Subd. 4. [REIMBURSEMENT.] In accordance with program
16 guidelines, the commissioner shall reimburse each participating
17 public or nonpublic school ~~nine~~ 14 cents for each half-pint of
18 milk that is served to kindergarten students and is not part of
19 a school lunch or breakfast reimbursed under section 124D.111 or
20 124D.1158.

21 Sec. 3. 2005 S.F. No. 1879, article 3, section 3,
22 subdivision 43, if enacted, is amended to read:

23 Subd. 43. [SCHOOL LUNCH.] For school lunch aid according
24 to Minnesota Statutes, section 124D.111, and Code of Federal
25 Regulations, title 7, section 210.17:

26 \$~~777487000~~ 9,585,000 2006

27 \$~~778267000~~ 9,781,000 2007

28 Sec. 4. 2005 S.F. No. 1879, article 3, section 3,
29 subdivision 44, if enacted, is amended to read:

30 Subd. 44. [TRADITIONAL SCHOOL BREAKFAST; MILK FOR
31 KINDERGARTENERS.] For traditional school breakfast aid under
32 Minnesota Statutes, section 124D.1158 and milk for
33 kindergarteners under Minnesota Statutes, section 124D.118:

34 \$~~476347000~~ 4,878,000 2006

35 \$~~477237000~~ 4,968,000 2007

36 Sec. 5. 2005 S.F. No. 1879, article 3, section 3,

1 subdivision 45, if enacted, is amended to read:

2 Subd. 45. [SUMMER FOOD SERVICE REPLACEMENT AID.] For
3 summer food service replacement aid under Minnesota Statutes,
4 section 124D.119:

5 \$ 150,000 2006

6 \$ 150,000 2007

7 Sec. 6. 2005 S.F. No. 1879, article 3, section 3,
8 subdivision 46, if enacted, is amended to read:

9 Subd. 46. [BASIC SUPPORT.] For basic support grants
10 according to Minnesota Statutes, sections 134.32 to 134.342:

11 \$8,570,000 2006

12 \$8,570,000 2007

13 The 2006 appropriation includes \$1,345,000 for 2005 and
14 \$7,225,000 for 2006.

15 The 2007 appropriation includes \$1,345,000 for 2006 and
16 \$7,225,000 for 2007.

17 Sec. 7. 2005 S.F. No. 1879, article 3, section 3,
18 subdivision 47, if enacted, is amended to read:

19 Subd. 47. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For
20 grants according to Minnesota Statutes, sections 134.353 and
21 134.354, to multicounty, multitype library systems:

22 \$ 903,000 2006

23 \$ 903,000 2007

24 The 2006 appropriation includes \$141,000 for 2005 and
25 \$762,000 for 2006.

26 The 2007 appropriation includes \$141,000 for 2006 and
27 \$762,000 for 2007.

28 Sec. 8. 2005 S.F. No. 1879, article 3, section 3,
29 subdivision 48, if enacted, is amended to read:

30 Subd. 48. [ELECTRONIC LIBRARY FOR MINNESOTA.] For
31 statewide licenses to online databases selected in cooperation
32 with the Higher Education Services Office for school media
33 centers, public libraries, and state government agency
34 libraries, and public, private, or university libraries:

35 \$ 400,000 2006

36 \$ 400,000 2007

1 Sec. 9. 2005 S.F. No. 1879, article 3, section 3,
2 subdivision 49, if enacted, is amended to read:

3 Subd. 49. [REGIONAL LIBRARY TELECOMMUNICATIONS AID.] For
4 regional library telecommunications aid under Minnesota
5 Statutes, section 134.355:

6 \$1,200,000 2006

7 \$1,200,000 2007

8 Of the 2006 appropriation, \$188,000 is for 2005 and
9 \$1,012,000 is for 2006.

10 Of the 2007 appropriation, \$188,000 is for 2006 and
11 \$1,012,000 is for 2007.

12 Sec. 10. [MILK CONSUMPTION PILOT PROGRAM.]

13 Independent School District No. 11, Anoka-Hennepin, and
14 Independent School District No. 709, Duluth, are each eligible
15 to receive \$25,000 in fiscal year 2006 to establish a pilot
16 program to enhance milk consumption in the schools. The funds
17 must be used by the districts to enhance the attractiveness of
18 consuming milk to students in both the school lunch and a la
19 carte programs, including, at a minimum, improving
20 refrigeration, purchasing products or packaging not previously
21 available, and upgrading quality of products previously
22 supplied. The pilot program must be implemented during the
23 2005-2006 school year. Each district must develop a plan to
24 implement the pilot program. The plan must be developed by
25 district food service personnel, the dairy which is contracted
26 to provide milk to the districts' schools, and representatives
27 of the Midwest Dairy Association and the Midwest Dairy Council.
28 The plan must be submitted to the Department of Education by
29 August 15, 2005. Additional funds for the program may be sought
30 from interested individuals and organizations. Each eligible
31 school district must report to the house of representatives and
32 senate committees having jurisdiction over kindergarten through
33 grade 12 education funding and agriculture funding by October
34 15, 2006. The report should include statistics on the prior
35 year's consumption in the district, the various methods chosen
36 to enhance consumption, and the results of those methods.

1 Sec. 11. [APPROPRIATIONS.]

2 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
3 indicated in this section are appropriated from the general fund
4 to the Department of Education for the fiscal years designated.

5 Subd. 2. [MILK CONSUMPTION PILOT PROGRAM.] For milk
6 consumption pilot program grants:

7 \$ 50,000 2006

8 ARTICLE 6

9 STATE AGENCIES

10 Section 1. 2005 S.F. No. 1879, article 3, section 3,
11 subdivision 50, if enacted, is amended to read:

12 Subd. 50. [DEPARTMENT.] (a) For the Department of
13 Education:

14 \$21,772,700 21,814,000 2006

15 \$21,772,700 23,074,000 2007

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

18 (b) \$260,000 each year is for the Minnesota Children's
19 Museum.

20 (c) \$41,000 each year is for the Minnesota Academy of
21 Science.

22 (d) \$621,000 each year is for the Board of Teaching.

23 (e) \$165,000 each year is for the Board of School
24 Administrators.

25 (f) ~~\$29,000 each year is for Minnesota's Washington, D.C.,~~
26 office None of the amounts appropriated under this subdivision
27 may be used for Minnesota's Washington, D.C., office.

28 (g) None of the amounts appropriated under this subdivision
29 or any federal funds may be used for the communications function
30 within the Office of Finance and Administration. The Department
31 of Education shall not relocate or rename this function to avoid
32 making this reduction.

33 (h) \$128,000 each year is for the funding of a world
34 languages coordinator in the Department of Education.

35 (i) \$50,000 in fiscal year 2006 and \$75,000 in fiscal year
36 2007 is for the development and distribution to school districts

1 of materials addressing the dangers of methamphetamine.

2 (j) \$300,000 in fiscal year 2006 and \$1,600,000 in fiscal
3 year 2007 and later are for value-added index assessment model.

4 Sec. 2. 2005 S.F. No. 1879, article 3, section 4, if
5 enacted, is amended to read:

6 Sec. 3. [APPROPRIATIONS; MINNESOTA STATE ACADEMIES.]

7 The sums indicated in this section are appropriated from
8 the general fund to the Minnesota State Academies for the Deaf
9 and the Blind for the fiscal years designated:

10	\$10,466,000	<u>10,878,000</u>	.....	2006
11	\$10,466,000	<u>10,953,000</u>	.....	2007

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

14 Sec. 4. 2005 S.F. No. 1879, article 3, section 5, if
15 enacted, is amended to read:

16 Sec. 5. [APPROPRIATIONS; PERPICH CENTER FOR ARTS
17 EDUCATION.]

18 The sums indicated in this section are appropriated from
19 the general fund to the Perpich Center for Arts Education for
20 the fiscal years designated:

21	\$6,423,000	<u>6,424,000</u>	.....	2006
22	\$6,423,000	<u>6,422,000</u>	.....	2007

23 Any balance in the first year does not cancel but is
24 available in the second year. The base appropriation for fiscal
25 year 2008 and later is \$6,672,000.

26 Sec. 6. [USE OF FEDERAL FUNDS.]

27 Subdivision 1. [FEDERAL GRANTS AND AIDS.] The expenditures
28 of federal grants and aids as shown in the biennial budget
29 document and its supplements are approved and appropriated and
30 shall be spent as indicated.

31 Subd. 2. [EXCEPTIONS.] (a) Notwithstanding subdivision 1,
32 the following grants and aids are appropriated as indicated in
33 this section.

34 (b) Ninety-five percent of the improving teacher quality
35 state grant is appropriated for the professional compensation
36 initiative under Minnesota Statutes, section 122A.4142.

1 an expulsion, in which case the school administration may extend
2 the suspension to a total of 15 days. In the case of a student
3 with a disability, the student's individual education plan team
4 must meet immediately but not more than ten school days after
5 the date on which the decision to remove the student from the
6 student's current education placement is made. The individual
7 education plan team and other qualified personnel shall at that
8 meeting: conduct a review of the relationship between the
9 child's disability and the behavior subject to disciplinary
10 action; and determine the appropriateness of the child's
11 education plan.

12 The requirements of the individual education plan team
13 meeting apply when:

14 (1) the parent requests a meeting;

15 (2) the student is removed from the student's current
16 placement for five or more consecutive days; or

17 (3) the student's total days of removal from the student's
18 placement during the school year exceed ten cumulative days in a
19 school year. The school administration shall implement
20 alternative educational services when the suspension exceeds
21 five days. A separate administrative conference is required for
22 each period of suspension.

23 Sec. 2. Minnesota Statutes 2004, section 120B.31,
24 subdivision 4, is amended to read:

25 Subd. 4. [STATISTICAL ADJUSTMENTS.] In developing policies
26 and assessment processes to hold schools and districts
27 accountable for high levels of academic standards, ~~including the~~
28 ~~profile-of-learning~~ under section 120B.021, the commissioner
29 shall aggregate student data over time to report student
30 performance levels measured at the school district, regional, or
31 statewide level. When collecting and reporting the data, the
32 commissioner shall: (1) acknowledge the impact of significant
33 demographic factors such as residential instability, the number
34 of single parent families, parents' level of education, and
35 parents' income level on school outcomes; and (2) organize and
36 report the data so that state and local policy makers can

1 understand the educational implications of changes in districts'
2 demographic profiles over time. Any report the commissioner
3 disseminates containing summary data on student performance must
4 integrate student performance and the demographic factors that
5 strongly correlate with that performance.

6 Sec. 3. Minnesota Statutes 2004, section 124D.10,
7 subdivision 8, is amended to read:

8 Subd. 8. [STATE AND LOCAL REQUIREMENTS.] (a) A charter
9 school shall meet all applicable state and local health and
10 safety requirements.

11 (b) A school sponsored by a school board may be located in
12 any district, unless the school board of the district of the
13 proposed location disapproves by written resolution.

14 (c) A charter school must be nonsectarian in its programs,
15 admission policies, employment practices, and all other
16 operations. A sponsor may not authorize a charter school or
17 program that is affiliated with a nonpublic sectarian school or
18 a religious institution.

19 (d) Charter schools must not be used as a method of
20 providing education or generating revenue for students who are
21 being home-schooled.

22 (e) The primary focus of a charter school must be to
23 provide a comprehensive program of instruction for at least one
24 grade or age group from five through 18 years of age.
25 Instruction may be provided to people younger than five years
26 and older than 18 years of age.

27 (f) A charter school may not charge tuition.

28 (g) A charter school is subject to and must comply with
29 chapter 363A and section 121A.04.

30 (h) A charter school is subject to and must comply with the
31 Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, and the
32 Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

33 (i) A charter school is subject to the same financial
34 audits, audit procedures, and audit requirements as a district.
35 Audits must be conducted in compliance with generally accepted
36 governmental auditing standards, the Federal Single Audit Act,

1 if applicable, and section 6.65. A charter school is subject to
2 and must comply with sections 15.054; 118A.01; 118A.02; 118A.03;
3 118A.04; 118A.05; 118A.06; 123B.52, subdivision 5; 471.38;
4 471.391; 471.392; 471.425; 471.87; 471.88, subdivisions 1, 2, 3,
5 4, 5, 6, 12, 13, and 15; 471.881; and 471.89. The audit must
6 comply with the requirements of sections 123B.75 to 123B.83,
7 except to the extent deviations are necessary because of the
8 program at the school. Deviations must be approved by the
9 commissioner. The Department of Education, state auditor, or
10 legislative auditor may conduct financial, program, or
11 compliance audits. A charter school determined to be in
12 statutory operating debt under sections 123B.81 to 123B.83 must
13 submit a plan under section 123B.81, subdivision 4.

14 (j) A charter school is a district for the purposes of tort
15 liability under chapter 466.

16 (k) A charter school must comply with sections 13.32;
17 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3
18 and 5.

19 (l) A charter school is subject to the Pledge of Allegiance
20 requirement under section 121A.11, subdivision 3.

21 (m) Charter school board of director open meeting
22 requirements are governed according to subdivision 4.

23 Sec. 4. Minnesota Statutes 2004, section 124D.40, is
24 amended to read:

25 124D.40 [YOUTH WORKS GRANTS.]

26 Subdivision 1. [APPLICATION.] An eligible organization
27 interested in receiving a grant under sections 124D.39 to
28 124D.44 may prepare and submit an application to the commission
29 ~~an-application-that-complies-with-section-124D-41.~~

30 Subd. 2. [GRANT AUTHORITY.] The commission must use any
31 state appropriation and any available federal funds, including
32 any grant received under federal law, to award grants to
33 establish programs for youth works ~~meeting-the-requirements-of~~
34 ~~section-124D-41.~~ At least one grant each must be available for
35 a metropolitan proposal, a rural proposal, and a statewide
36 proposal. If a portion of the suburban metropolitan area is not

1 included in the metropolitan grant proposal, the statewide grant
2 proposal must incorporate at least one suburban metropolitan
3 area. In awarding grants, the commission may select at least
4 one residential proposal and one nonresidential proposal,
5 ~~provided the proposals meet or exceed the criteria in section~~
6 ~~124D.41.~~

7 Sec. 5. Minnesota Statutes 2004, section 127A.41,
8 subdivision 8, is amended to read:

9 Subd. 8. [APPROPRIATION TRANSFERS.] (a) If a direct
10 appropriation from the general fund to the department for any
11 education aid or grant authorized in this chapter and chapters
12 122A, 123A, 123B, 124D, 125A, 126C, and 134, excluding
13 appropriations under sections 124D.135, 124D.16, 124D.20,
14 ~~124D.21,~~ 124D.22, 124D.52, 124D.531, ~~124D.54,~~ 124D.55, and
15 124D.56, exceeds the amount required, the commissioner may
16 transfer the excess to any education aid or grant appropriation
17 that is insufficient. However, section 126C.20 applies to a
18 deficiency in the direct appropriation for general education
19 aid. Excess appropriations must be allocated proportionately
20 among aids or grants that have insufficient appropriations. The
21 commissioner of finance shall make the necessary transfers among
22 appropriations according to the determinations of the
23 commissioner. If the amount of the direct appropriation for the
24 aid or grant plus the amount transferred according to this
25 subdivision is insufficient, the commissioner shall prorate the
26 available amount among eligible districts. The state is not
27 obligated for any additional amounts.

28 (b) Transfers for aids paid under section 127A.45,
29 subdivisions 12, paragraph (a), 12a, paragraph (a), and 13,
30 shall be made during the fiscal year after the fiscal year of
31 the entitlement. Transfers for aids paid under section 127A.45,
32 subdivisions 11, 12, paragraph (b), and 12a, paragraph (b),
33 shall be made during the fiscal year of the appropriation.

34 Sec. 6. Minnesota Statutes 2004, section 127A.45,
35 subdivision 12, is amended to read:

36 Subd. 12. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] (a) One

1 hundred percent of the aid for the current fiscal year must be
2 paid for the following aids: reimbursement for enrollment
3 options transportation, according to sections 124D.03,
4 subdivision 8, 124D.09, subdivision 22, and 124D.10; school
5 lunch aid, according to section 124D.111; hearing impaired
6 support services aid, according to section 124D.57; and Indian
7 postsecondary preparation grants according to section
8 ~~124D.80~~ 124D.81.

9 (b) One hundred percent of the aid for the current fiscal
10 year, based on enrollment in the previous year, must be paid for
11 the first grade preparedness program according to section
12 124D.081.

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121A.23 PROGRAMS TO PREVENT AND REDUCE THE RISKS OF SEXUALLY TRANSMITTED INFECTIONS AND DISEASES.

Subdivision 1. Sexually transmitted infections and diseases program. The commissioner of education, in consultation with the commissioner of health, shall assist districts in developing and implementing a program to prevent and reduce the risk of sexually transmitted infections and diseases, including but not exclusive to human immune deficiency virus and human papilloma virus. Each district must have a program that includes at least:

- (1) planning materials, guidelines, and other technically accurate and updated information;
- (2) a comprehensive, technically accurate, and updated curriculum that includes helping students to abstain from sexual activity until marriage;
- (3) cooperation and coordination among districts and SCs;
- (4) a targeting of adolescents, especially those who may be at high risk of contracting sexually transmitted infections and diseases, for prevention efforts;
- (5) involvement of parents and other community members;
- (6) in-service training for appropriate district staff and school board members;
- (7) collaboration with state agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program;

(8) collaboration with local community health services, agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program; and

(9) participation by state and local student organizations.

The department may provide assistance at a neutral site to a nonpublic school participating in a district's program. District programs must not conflict with the health and wellness curriculum developed under Laws 1987, chapter 398, article 5, section 2, subdivision 7.

If a district fails to develop and implement a program to prevent and reduce the risk of sexually transmitted infection and disease, the department must assist the service cooperative in the region serving that district to develop or implement the program.

Subd. 2. Funding sources. Districts may accept funds for sexually transmitted infection and disease prevention programs developed and implemented under this section from public and private sources including public health funds and foundations, department professional development funds, federal block grants or other federal or state grants.

122A.414 ALTERNATIVE TEACHER COMPENSATION.

Subdivision 1. Restructured pay system. A restructured teacher compensation system is established under subdivision 2 to provide incentives for teachers to improve their knowledge and skills and for school districts to recruit and retain highly qualified teachers, and to support teachers' roles in improving students' educational achievement.

Subd. 2. Alternative teacher professional pay system.

(a) To participate in this program, a school district must have an educational improvement plan as described in section 122A.413 and an alternative teacher professional pay system as described in paragraph (b).

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(b) The alternative teacher professional pay system must:

- (1) describe the conditions necessary for career advancement and additional compensation;
- (2) provide career advancement options for teachers retaining primary roles in student instruction;
- (3) use a professional pay system that replaces the step and lane salary schedule and is not based on years of service;
- (4) encourage teachers' continuous improvement in content knowledge, pedagogy, and use of best practices; and
- (5) implement an objective evaluation system, including classroom observation, that is aligned with the district's or the site's educational improvement plan as described in section 122A.413.

Subd. 3. Report. Participating districts and school sites must report on the implementation and effectiveness of the alternative teacher compensation plan, particularly addressing each requirement under subdivision 2 and make biennial recommendations by January 1 to their school boards. The school boards shall transmit a summary of the findings and recommendations of their district to the commissioner.

122A.415 ALTERNATIVE COMPENSATION AID.

Subdivision 1. Aid amount. (a) A school district that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative compensation aid. The commissioner must consider only applications submitted jointly by a school district and the exclusive representative of the teachers for participation in the program. The application must contain a formally adopted collective bargaining agreement, memorandum of understanding, or other binding agreement that implements an alternative teacher professional pay system consistent with section 122A.414 and includes all teachers in a district, all teachers at a school site, or at least 25 percent of the teachers in a district. The commissioner, in approving applications, may give preference to applications involving entire districts or sites or to applications that align measures of teacher performance with student academic achievement and progress under section 120B.35, subdivision 1.

(b) Alternative compensation aid for a qualifying school district, site, or portion of a district or school site is as follows:

(1) for a school district in which the school board and the exclusive representative of the teachers agree to place all teachers in the district or at the site on the alternative compensation schedule, alternative compensation aid equals \$150 times the district's or the site's number of pupils enrolled on October 1 of the previous fiscal year; or

(2) for a district in which the school board and the exclusive representative of the teachers agree that at least 25 percent of the district's licensed teachers will be paid on the alternative compensation schedule, alternative compensation aid equals \$150 times the percentage of participating teachers times the district's number of pupils enrolled as of October 1 of the previous fiscal year.

Subd. 2. Percentage of teachers. For purposes of this section, the percentage of teachers participating in the teacher professional pay system equals the ratio of the number of licensed teachers who are working at least 60 percent of a full-time teacher's hours and agree to participate in the

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teacher professional pay system to the total number of licensed teachers who are working at least 60 percent of a full-time teacher's hours.

Subd. 3. **Aid timing.** (a) Districts or sites with approved applications must receive alternative compensation aid for each school year that the district or site participates in the program as described in this subdivision. Districts or sites with applications received by the commissioner before June 1 of the first year of a two-year contract shall receive alternative compensation aid for both years of the contract. Districts or sites with applications received by the commissioner after June 1 of the first year of a two-year contract shall receive alternative compensation aid only for the second year of the contract. A qualifying district or site that received alternative compensation aid for the previous fiscal year must receive at least an amount equal to the lesser of the amount it received for the previous fiscal year or its proportionate share of the previous year's appropriation if the district or site submits a timely application and the commissioner determines that the district or site continues to implement an alternative teacher professional pay system, consistent with its application under this section. The commissioner must approve initial applications for school districts qualifying under subdivision 1, paragraph (b), clause (1), by January 15 of each year. If any money remains, the commissioner must approve aid amounts for school districts qualifying under subdivision 1, paragraph (b), clause (2), by February 15 of each year.

(b) The commissioner shall select applicants that qualify for this program, notify school districts and school sites about the program, develop and disseminate application materials, and carry out other activities needed to implement this section.

122A.60 STAFF DEVELOPMENT PROGRAM.

Subdivision 1. **Staff development committee.** A school board must use the revenue authorized in section 122A.61 for in-service education for programs under section 120B.22, subdivision 2, or for staff development plans under this section. The board must establish an advisory staff development committee to develop the plan, assist site professional development teams in developing a site plan consistent with the goals of the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee and the site professional development team must be teachers representing various grade levels, subject areas, and special education. The advisory committee must also include nonteaching staff, parents, and administrators. Districts must report staff development results and expenditures to the commissioner in the form and manner determined by the commissioner. The expenditure report must include expenditures by the board for district level activities and expenditures made by the staff. The report must provide a breakdown of expenditures for (1) curriculum development and programs, (2) in-service education, workshops, and conferences, and (3) the cost of teachers or substitute teachers for staff development purposes. Within each of these categories, the report must also indicate whether the expenditures were incurred at the district level or the school site level, and whether the school site expenditures were made possible by the grants to school sites that demonstrate exemplary use of allocated staff development revenue. These

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expenditures are to be reported using the UFARS system. The commissioner shall report the staff development expenditure data to the education committees of the legislature by February 15 each year.

Subd. 2. **Contents of the plan.** The plan must include the staff development outcomes under subdivision 3, the means to achieve the outcomes, and procedures for evaluating progress at each school site toward meeting education outcomes.

Subd. 3. **Staff development outcomes.** The advisory staff development committee must adopt a staff development plan for improving student achievement. The plan must be consistent with education outcomes that the school board determines. The plan must include ongoing staff development activities that contribute toward continuous improvement in achievement of the following goals:

(1) improve student achievement of state and local education standards in all areas of the curriculum by using best practices methods;

(2) effectively meet the needs of a diverse student population, including at-risk children, children with disabilities, and gifted children, within the regular classroom and other settings;

(3) provide an inclusive curriculum for a racially, ethnically, and culturally diverse student population that is consistent with the state education diversity rule and the district's education diversity plan;

(4) improve staff collaboration and develop mentoring and peer coaching programs for teachers new to the school or district;

(5) effectively teach and model violence prevention policy and curriculum that address early intervention alternatives, issues of harassment, and teach nonviolent alternatives for conflict resolution; and

(6) provide teachers and other members of site-based management teams with appropriate management and financial management skills.

123B.83 EXPENDITURE LIMITATIONS.

Subdivision 1. **Reduce statutory operating debt.** (a) Beginning in fiscal year 1978 and in each year thereafter, a district which had statutory operating debt on June 30, 1977 pursuant to section 126C.42 must limit its expenditures in each fiscal year so that the amount of its statutory operating debt calculated at the end of that fiscal year is not greater than the amount of the district's statutory operating debt as of June 30, 1977, as certified and adjusted by the commissioner, increased by an amount equal to 2-1/2 percent of that district's operating expenditures for the fiscal year for which the statutory operating debt calculation is being made.

(b) When a district is no longer required to levy pursuant to section 126C.42, subdivision 1, subdivision 2 is applicable.

125A.75 SPECIAL EDUCATION PROGRAM APPROVAL; AID PAYMENTS; TRAVEL AID.

Subd. 8. **Litigation and hearing costs.** (a) For fiscal year 1999 and thereafter, the commissioner of education, or the commissioner's designee, shall use state funds to pay school districts for the administrative costs of a due process hearing incurred under section 125A.091, subdivisions 12, 13, and 24, including hearing officer fees, court reporter fees, mileage costs, transcript costs, interpreter and transliterator

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fees, independent evaluations ordered by the hearing officer, and rental of hearing rooms, but not including district attorney fees. To receive state aid under this paragraph, a school district shall submit to the commissioner by August 1 an itemized list of unreimbursed actual costs for fees and other expenses under this paragraph incurred after June 30, 1998, for hearings completed during the previous fiscal year. State funds used for aid to school districts under this paragraph shall be based on the unreimbursed actual costs and fees submitted by a district.

(b) The commissioner shall provide districts with a form on which to annually report litigation costs under this section and shall base aid estimates on preliminary reports submitted by the district during the current fiscal year.

126C.10 GENERAL EDUCATION REVENUE.

Subd. 13a. **Operating capital levy.** To obtain operating capital revenue for fiscal year 2005 and later, a district may levy an amount not more than the product of its operating capital revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted marginal cost pupil unit to \$22,222.

Subd. 13b. **Operating capital aid.** A district's operating capital aid equals its operating capital revenue minus its operating capital levy times the ratio of the actual amount levied to the permitted levy.

Subd. 29. **Equity levy.** To obtain equity revenue for fiscal year 2005 and later, a district may levy an amount not more than the product of its equity revenue for the fiscal year times the lesser of one or the ratio of its referendum market value per resident marginal cost pupil unit to \$476,000.

Subd. 30. **Equity aid.** A district's equity aid equals its equity revenue minus its equity levy times the ratio of the actual amount levied to the permitted levy.

Subd. 31. **Transition revenue.** (a) A district's transition allowance for fiscal years 2004 through 2008 equals the greater of zero or the product of the ratio of the number of adjusted marginal cost pupil units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference between: (1) the lesser of the district's general education revenue per adjusted marginal cost pupil unit for fiscal year 2003 or the amount of general education revenue the district would have received per adjusted marginal cost pupil unit for fiscal year 2004 according to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002. A district's transition allowance for fiscal year 2009 and later is zero.

(b) A district's transition revenue for fiscal year 2004 and later equals the product of the district's transition allowance times the district's adjusted marginal cost pupil units.

Subd. 32. **Transition levy.** To obtain transition revenue for fiscal year 2005 and later, a district may levy an amount not more than the product of its transition revenue for the fiscal year times the lesser of one or the ratio of its referendum market value per resident marginal cost pupil unit to

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\$476,000.

Subd. 33. Transition aid. (a) For fiscal year 2004, a district's transition aid equals its transition revenue.

(b) For fiscal year 2005 and later, a district's transition aid equals its transition revenue minus its transition levy times the ratio of the actual amount levied to the permitted levy.

126C.42 OPERATING DEBT LEVIES.

Subdivision 1. 1977 statutory operating debt. (a) In each year in which so required by this subdivision, a district must make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977, and certified and adjusted by the commissioner. This levy shall not be made in more than 30 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall be an amount which is equal to the amount raised by a levy of a net tax rate of 2.67 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 2002 and thereafter; provided that in the last year in which the district is required to make this levy, it must levy an amount not to exceed the amount raised by a levy of a net tax rate of 2.67 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 2002 and thereafter. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 123B.79, subdivision 6, equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(b) The district must establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. The proceeds of this levy must be used only for cash flow requirements and must not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(c) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Subd. 4. 1992 operating debt. (a) For taxes payable for calendar year 2003 and earlier, a district that has filed a plan pursuant to section 123B.83, subdivision 4, may levy, with the approval of the commissioner, to eliminate a deficit in the net unappropriated balance in the operating funds of the district, determined as of June 30, 1992, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the lesser of:

(1) an amount raised by a levy of a net tax rate of one percent times the adjusted net tax capacity; or

(2) \$100,000.

This amount must be reduced by referendum revenue authorized under section 126C.17 pursuant to the plan filed under section 123B.83. However, the total amount of this levy for all years it is made must not exceed the amount of the deficit in the net unappropriated balance in the operating funds of the district as of June 30, 1992. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy must be discontinued.

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(b) A district, if eligible, may levy under this subdivision or subdivision 2 or 3, or under section 123A.73, subdivision 9, or Laws 1992, chapter 499, article 7, sections 16 or 17, but not under more than one.

(c) The proceeds of this levy must be used only for cash flow requirements and must not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(d) Any district that levies pursuant to this subdivision must certify the maximum levy allowable under section 126C.13, subdivision 2, in that same year.

126C.44 SAFE SCHOOLS LEVY.

Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$27 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy must be used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's schools; (4) to pay the costs for security in the district's schools and on school property; or (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, and violence prevention measures taken by the school district. The district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this section is not included in determining the school district's levy limitations.

128C.12 AUDITS AND REPORTS BY STATE AUDITOR.

Subd. 4. Coverage of report. The audit report must include the aggregate totals for all revenues and expenditures for the current year and the three years before the current year and the percent and dollar change from the year before each of the four years. Revenue items from student activities, membership dues, publications, registration of officials and judges, interest, automobile sales; and from other sources including medals, refunds, and reimbursements must be audited annually. Expenditure items related to staff, the board of directors, student activities, capital outlay, and office and other purposes including membership services must be audited annually.

1 Senator moves to amend S.F. No. (05-4092) as
2 follows:

3 Page 10, line 22, delete "\$4,390" and insert "\$4,391"

4 Page 14, line 13, delete the colon, and insert "pupils
5 included in the pupil unit calculations under subdivision 5,
6 paragraph (a)."

7 Page 14, delete lines 14 to 23

8 Page 25, line 4, strike "(c)" and insert "(b)"

9 Page 30, line 31, after the comma, insert "as of July 1,
10 2005, that extends beyond June 30, 2010,"

11 Page 30, line 34, after "authority" insert ", as of July 1,
12 2005,"

13 Page 30, line 36, after the comma, insert ", as of July 1,
14 2005, that extends beyond June 30, 2010,"

15 Page 40, line 17, delete "5,214,680,000" and insert
16 "5,215,775,000"

17 Page 40, line 18, delete "5,420,098,000" and insert
18 "5,419,253,000"

19 Page 40, line 20, delete "4,429,702,000" and insert
20 "4,430,797,000"

21 Page 40, line 21, delete "819,905,000" and insert
22 "825,190,000"

23 Page 40, line 22, delete "4,600,193,000" and insert
24 "4,594,063,000"

25 Pages 40 and 41, delete sections 54 to 56

26 Page 42, delete sections 59 to 62

27 Page 43, delete lines 18 to 22 and insert:

28 "(a) A district's transition revenue 2004 conversion
29 allowance is equal to the sum of (1) the district's fiscal year
30 2004 transition revenue allowance multiplied by the ratio of its
31 adjusted marginal cost pupil units to its resident marginal cost
32 pupil units for the preceding fiscal year, plus (2) its
33 four-year old prekindergarten allowance multiplied by 0.01."

34 Page 43, line 28, delete "real" and after "growth" insert
35 ", excluding roll-ins,"

36 Page 73, line 1, before "professional" insert "the"

1 Page 73, line 2, delete "for teachers" and strike "aid" and
2 insert "initiative"

3 Page 73, line 14, delete "122A.601" and insert "122A.60"

4 Page 74, line 30, delete "practices"

5 Page 74, line 35, after the semicolon, insert "and"

6 Page 76, line 18, delete everything after "(b)"

7 Page 76, line 19, delete everything before "For"

8 Page 77, line 12, delete "AID" and insert "REVENUE"

9 Page 78, after line 5, insert:

10 "Sec. 36. [122A.4144] [PROFESSIONAL COMPENSATION PILOT
11 SITE AID.]

12 Subdivision 1. [AID AMOUNT.] (a) A school district that
13 received revenue under Minnesota Statutes 2004, section
14 122A.415, or meets the eligibility conditions of section
15 122A.4142, subdivision 1, paragraph (b), and submits an
16 application approved by the commissioner is eligible for
17 professional compensation pilot site aid. The commissioner must
18 consider only applications submitted jointly by a school
19 district and the exclusive representative of the teachers for
20 participation in the program. The application must contain a
21 formally adopted collective bargaining agreement, memorandum of
22 understanding, or other binding agreement that implements a
23 professional compensation pay system consistent with the
24 eligibility conditions of section 122A.4142, subdivision 2,
25 paragraph (b), and includes all teachers in a district, all
26 teachers at a school site, or at least 25 percent of the
27 teachers in a district. The commissioner, in approving
28 applications, may give preference to applications involving
29 entire districts or sites or to applications that align measures
30 of teacher performance with student academic achievement and
31 progress under section 122A.4142.

32 (b) Professional compensation aid for a qualifying school
33 district, site, or portion of a district or school site is as
34 follows:

35 (1) for a school district in which the school board and the
36 exclusive representative of the teachers agree to place all

1 teachers in the district or at the site on the alternative
2 compensation schedule, alternative compensation aid equals \$150
3 times the district's or the site's number of pupils enrolled on
4 October 1 of the previous fiscal year; or

5 (2) for a district in which the school board and the
6 exclusive representative of the teachers agree that at least 25
7 percent of the district's licensed teachers will be paid on the
8 alternative compensation schedule, alternative compensation aid
9 equals \$150 times the percentage of participating teachers times
10 the district's number of pupils enrolled as of October 1 of the
11 previous fiscal year.

12 Subd. 2. [PERCENTAGE OF TEACHERS.] For purposes of this
13 section, the percentage of teachers participating in the teacher
14 professional pay system equals the ratio of the number of
15 licensed teachers who are working at least 60 percent of a
16 full-time teacher's hours and agree to participate in the
17 teacher professional pay system to the total number of licensed
18 teachers who are working at least 60 percent of a full-time
19 teacher's hours.

20 Subd. 3. [AID TIMING.] (a) Districts or sites with
21 approved applications must receive alternative compensation aid
22 for each school year that the district or site participates in
23 the program as described in this subdivision. Districts or
24 sites with applications received by the commissioner before June
25 1 of the first year of a two-year contract shall receive
26 alternative compensation aid for both years of the contract.
27 Districts or sites with applications received by the
28 commissioner after June 1 of the first year of a two-year
29 contract shall receive alternative compensation aid only for the
30 second year of the contract. A qualifying district or site that
31 received alternative compensation aid for the previous fiscal
32 year must receive at least an amount equal to the lesser of the
33 amount it received for the previous fiscal year or its
34 proportionate share of the previous year's appropriation if the
35 district or site submits a timely application and the
36 commissioner determines that the district or site continues to

1 implement an alternative teacher professional pay system,
 2 consistent with its application under this section. The
 3 commissioner must approve initial applications for school
 4 districts qualifying under subdivision 1, paragraph (b), clause
 5 (1), by January 15 of each year. If any money remains, the
 6 commissioner must approve aid amounts for school districts
 7 qualifying under subdivision 1, paragraph (b), clause (2), by
 8 February 15 of each year.

9 (b) The commissioner shall select applicants that qualify
 10 for this program, notify school districts and school sites about
 11 the program, develop and disseminate application materials, and
 12 carry out other activities needed to implement this section.

13 [EFFECTIVE DATE.] This section is effective for revenue for
 14 fiscal year 2006 and later."

15 Page 80, line 33, delete "122A.601" and insert "122A.60"

16 Pages 104 to 106, delete sections 57 to 67

17 Page 108, delete sections 71 and 72

18 Pages 108 and 109, delete section 74

19 Page 116, line 1, delete "\$45,959,000" and insert
 20 "\$45,939,000"

21 Page 116, line 12, after the second semicolon, insert "and"

22 Page 116, line 13, delete "; and 122A.60"

23 Page 128, line 13, delete "real" and after "year" insert ",
 24 excluding roll-ins"

25 Page 128, line 20, before the period, insert ", except as
 26 provided in subdivision 4"

27 Page 130, after line 7 insert:

28 "[EFFECTIVE DATE.] This section is effective July 1, 2005,
 29 for revenue for fiscal year 2006."

30 Page 130, delete section 11

31 Page 136, after line 6 insert:

32 "Sec. 17. Minnesota Statutes 2004, section 125A.76,
 33 subdivision 3, is amended to read:

34 Subd. 3. [ADJUSTED SPECIAL EDUCATION BASE REVENUE.] For
 35 fiscal year ~~1997~~ 2006 and later, a district's adjusted special
 36 education base revenue equals the district's special education

1 base revenue times the ratio of the district's average-daily
2 membership unduplicated count of students with an individual
3 education plan for the current school year to the district's
4 average-daily-membership unduplicated count of students with an
5 individual education plan for the base year.

6 [EFFECTIVE DATE.] This section is effective for revenue for
7 fiscal year 2006."

8 Page 136, line 18, reinstate the stricken language

9 Page 136, delete line 19

10 Page 136, line 20, reinstate the stricken language

11 Page 136, line 21, delete the new language and reinstate
12 the stricken language

13 Page 136, line 22, delete the new language

14 Pages 145 and 146, delete sections 27 and 28

15 Pages 146 and 147, delete sections 31 to 33

16 Page 167, delete section 22

17 Page 168, delete section 24

18 Pages 168 and 169, delete section 27

19 Pages 173 to 175, delete sections 5 to 9

20 Renumber the sections in sequence and correct the internal
21 references

22 Amend the title accordingly

1 Senator moves to amend S.F. No. (05-4092) as
2 follows:

3 Page 150, after line 13, insert:

4 "Subd. 3. [NATIVE LANGUAGE EMINENCE CREDENTIALING TASK
5 FORCE.] For funding of a task force to support the teaching and
6 revitalization of the Dakota and Anishinaabe languages:

7 \$102,000 2006"

8 Page 176, line 14, delete "21,814,000" and insert
9 "21,511,000"

10 Page 176, line 15, delete "23,074,000" and insert
11 "22,796,000"

12 Page 177, after line 3, insert:

13 "(k) The base in fiscal year 2008 and later for the
14 Department of Education shall be \$22,904,000."

1 Senator moves to amend S.F. No. (05-4092) as
2 follows:

3 Page 125, delete section 7 and insert:

4 "Sec. 7. Minnesota Statutes 2004, section 124D.11,
5 subdivision 5, is amended to read:

6 Subd. 5. [SPECIAL EDUCATION AID.] (a) Except as provided
7 in subdivision 2, special education aid must be paid to a
8 charter school according to section 125A.76, as though it were a
9 school district.

10 (b) For fiscal year 2006, the charter school may charge
11 tuition to the district of residence as follows:

12 (1) if the charter school does not receive general
13 education revenue on behalf of the student according to
14 subdivision 1, tuition shall be charged as provided in section
15 125A.11; or

16 (2) if the charter school receives general education
17 revenue on behalf of the student according to subdivision 1,
18 tuition shall be charged as provided in section 127A.47,
19 subdivision 7, paragraph (d).

20 (c) For fiscal year 2007 and later, the special education
21 aid paid to the charter school shall be adjusted as follows:

22 (1) if the charter school does not receive general
23 education revenue on behalf of the student according to
24 subdivision 1, the aid shall be adjusted as provided in section
25 125A.11; or

26 (2) if the charter school receives general education
27 revenue on behalf of the student according to subdivision 1, the
28 aid shall be adjusted as provided in section 127A.47,
29 subdivision 7, paragraph (d).

30 (d) Notwithstanding paragraphs (b) and (c), sections
31 125A.11 and 127A.47, subdivision 7, paragraph (d), for charter
32 schools where fewer than 30 percent of enrolled students receive
33 special education and related services, the tuition calculations
34 or aid adjustments must be based on the lesser of the charter
35 school's or the resident district's actual special education
36 cost per service hour for the student's primary disability area,

1 or grouping of disability areas used by the school for tuition
2 billing. For fiscal year 2006, the charter school may submit a
3 tuition bill in an amount equal to 70 percent of its remaining
4 unreimbursed special education costs to the commissioner. For
5 fiscal year 2007 and later, the commissioner must calculate the
6 remaining unreimbursed special education costs. The
7 commissioner must reimburse the charter school in an amount
8 equal to 70 percent of the school's remaining unreimbursed
9 special education costs from the charter school special
10 education reimbursement account according to section 125A.795."

11 Pages 130 and 131, delete section 12

12 Renumber the sections in sequence and correct the internal
13 references

14 Amend the title accordingly

1 Senator moves to amend S.F. No. (05-4092) as
2 follows:

3 Page 94, line 16, delete "NULLIFICATION" and insert
4 "REVIEW" and after "The" insert "legislature states its
5 intention to require the Department of Education to conduct a
6 comprehensive review of the"

7 Page 94, line 19, delete everything after "Act" and insert
8 ". The Minnesota Department of Education shall review and seek
9 waivers under paragraph (b). If the Department of Education is
10 unable to obtain waivers under paragraph (b), it should make a
11 recommendation in its report under paragraph (b) about whether
12 the state should opt out of the No Child Left Behind Act."

13 Page 94, delete lines 20 to 23

14 Page 96, line 22, delete "has been" and insert "may be"

15 Page 96, line 23, delete "the state's discontinued" and
16 insert "a potential state decision to discontinue"

17 Page 96, line 25, before "withheld" insert "that may be"

18 Page 96, delete lines 28 to 36

1 Senator moves to amend S.F. No. (05-4092) as
2 follows:

3 Page 111, after line 30 insert:

4 "Sec. 79. [ADAPTIVE COMPUTER-BASED ASSESSMENT.]

5 The commissioner of education shall include the cost of
6 developing an adaptive computer-based assessment within the
7 budget for statewide testing, including the Minnesota
8 comprehensive assessments and value-added testing. If an
9 additional appropriation is necessary to develop the
10 computer-based assessment, the commissioner shall request that
11 the legislature include the required appropriation in a
12 subsequent budget."

13 Renumber the sections in sequence and correct the internal
14 references

15 Amend the title accordingly

Summary in Chair's Recommended 2005 Senate K-12 Bill
As of April 21, 2005

- Aid Target = 765M over SF. 1879; \$761.7M over the Feb Fcst Base
- The K-12 levy target is zero.
- Formula allowance 5% and 4%.
- Special Education Growth Factors Reinstated in FY07 and later.
- Proposal will expand the pilot Alternative Compensation (ProComp) program with an incentive for expanded staff development. Additional sites for those districts that are ready will be funded under the bill.
- Proposal will collapse equity, safe schools, operating capital into a single "consolidated levy" inside the Gened program. Levied against ANTC. Levy will be a Net Zero.
- Compensatory, Referendum Cap, Sparsity, PSEO, Transportation Sparsity, Nonpublic Pupil Aid and Nonpublic Pupil Transportation Aid will all remain linked to formula allowance.
- Ref cap will increase based on formula allowance growth. Grandfathers will be provided additional revenue in FY07.
- Governor's recommendation on transportation sparsity to adjust the "slope of the line" will be accepted. Mostly technical.
- Transition revenue will be rolled into referendum revenue with board vote in FY07.

E-12 Education Finance Targets

2005 Legislative Session

	Senate K-12 Finance & ECFE Finance*	Governor's Recommendation
<u>AID BUDGET</u>		
<u>Feb Fcst</u>	FY 2006-07	FY 2006-07
K-12	11,853,061	11,853,061
Early Childhood & Fam. Ed.	159,781	159,781
Feb Fcst	12,012,842	12,012,842
<u>SF 1879 Targets Increments</u>		
K-12	(3,346)	0
Early Childhood	0	0
SF 1879 Base	12,009,496	12,012,842
<u>Funding Target Increments Relative to SF 1879</u>		
K-12	765,000	388,695
Early Childhood & Fam. Ed.	35,000	3,149
Target	12,809,496	391,844
<u>Final Spending Numbers</u>		
K-12	12,614,715	12,241,756
Early Childhood & Fam. Ed.	194,781	162,930
Difference	12,809,496	12,404,686
<u>Difference Relative to Feb Fcst</u>		
K-12	761,654	388,695
Early Childhood & Fam. Ed.	35,000	3,149
Difference	796,654	391,844
<u>LEVY BUDGET</u>		
	Pay 2006	Pay 2006
K-12	1,474,670	1,474,670
Early Childhood & Fam. Ed.	70,835	70,835
Feb. Fcst	1,545,506	1,545,506
K-12	1,474,670	1,613,886
Early Childhood & Fam. Ed.	70,835	70,820
Structural Target	1,545,506	1,684,706
K-12	0	139,216
Early Childhood & Fam. Ed.	0	(15)
Difference	0	139,201

Senate aid targets reflect the combed jurisdictions of the K-12 budget division & the Early Childhood budget division for the purpose of comparison to the combined House jurisdictions
Both committees' targets are a net zero above the February forecast base.

2005 SESSION, SENATE K-12 BILL
 Revenue, Aid & Levy Changes Per ADM
 5% & 4% FA, Equity Adjust, Trans Rollin, Consolidated Levy
 Total General Education Program & Referendum Revenue

Senate CRFA
 ELNauman

	ADMs Served	Feb Fcst Per Pupil			Senate Bill Per ADM			DIFFERENCE PER ADM		
		Gen'l Ed, Ref & Safe Schools Revenue Feb Fcst	Gen'l Ed, Ref Safe Schools Levy Feb Fcst	General Ed & Referendum Aid Feb Fcst	Gen'l Ed, Ref Revenue Senate Bill	Gen'l Ed, Ref Levy Senate Bill	Gen'l Ed, Ref Aid Senate Bill	Revenue Sen Bill- Feb Fcst	Levy Sen Bill- Feb Fcst	Aid Sen Bill- Feb Fcst
Total	816,972	6,975	756	6,219	7,518	756	6,762	543.1	0.2	542.9
1 AITKIN	1,219	6,568	268	6,300	7,136	268	6,868	568.7	(0.1)	568.8
1.03 MINNEAPOLIS	35,607	8,594	1,118	7,476	9,264	1,193	8,071	670.0	74.8	595.2
2 HILL CITY	295	8,061	89	7,972	8,800	91	8,709	738.9	1.3	737.5
4 MCGREGOR	508	8,115	261	7,854	8,845	333	8,512	730.2	71.7	658.5
6 SOUTH ST. PAUL	3,009	7,075	982	6,094	7,606	964	6,642	530.8	(17.6)	548.4
11 ANOKA-HENNEPIN	40,589	6,751	777	5,974	7,258	756	6,502	506.1	(21.6)	527.7
12 CENTENNIAL	7,032	5,789	155	5,634	6,284	100	6,184	495.6	(54.4)	550.0
13 COLUMBIA HEIGHTS	3,009	7,251	796	6,455	7,831	766	7,065	579.6	(30.2)	609.8
14 FRIDLEY	2,384	7,025	978	6,047	7,559	947	6,612	533.9	(30.8)	564.7
15 ST. FRANCIS	5,750	6,335	447	5,888	6,839	416	6,423	503.7	(31.7)	535.4
16 SPRING LAKE PARK	4,394	6,990	1,138	5,852	7,500	1,121	6,379	510.6	(16.8)	527.4
22 DETROIT LAKES	2,609	6,628	375	6,253	7,161	343	6,819	533.9	(32.3)	566.2
23 FRAZEE	1,092	6,299	100	6,199	6,841	111	6,730	541.6	10.8	530.8
25 PINE POINT	69	7,820	0	7,820	8,543	0	8,543	722.6	0.0	722.6
31 BEMIDJI	4,574	7,004	404	6,600	7,596	418	7,178	591.7	14.4	577.3
32 BLACKDUCK	708	6,861	117	6,744	7,457	81	7,376	595.7	(36.5)	632.3
36 KELLIHER	253	10,325	109	10,216	11,367	116	11,251	1,041.4	6.4	1,035.0
38 RED LAKE	1,605	9,008	1	9,007	9,696	1	9,695	687.8	0.1	687.8
47 SAUK RAPIDS	3,578	5,797	81	5,716	6,305	82	6,223	508.0	0.9	507.1
51 FOLEY	1,588	5,930	84	5,846	6,445	89	6,356	515.9	5.4	510.4
62 ORTONVILLE	428	7,695	346	7,349	8,347	356	7,991	651.7	9.2	642.6
75 ST. CLAIR	566	6,140	255	5,885	6,649	212	6,437	508.5	(44.0)	552.5
77 MANKATO	7,008	6,561	624	5,937	7,078	589	6,489	516.4	(35.2)	551.6
81 COMFREY	153	7,496	569	6,926	8,035	630	7,405	539.6	61.0	478.6
84 SLEEPY EYE	580	6,624	123	6,501	7,197	155	7,042	572.6	31.7	540.9
85 SPRINGFIELD	586	6,885	297	6,588	7,414	284	7,130	528.9	(12.8)	541.6
88 NEW ULM	2,051	6,655	551	6,104	7,176	520	6,656	521.1	(31.4)	552.5
91 BARNUM	600	6,357	216	6,141	6,886	189	6,697	529.3	(27.2)	556.5
93 CARLTON	584	6,812	489	6,323	7,345	473	6,872	532.4	(16.8)	549.2
94 CLOQUET	2,473	6,386	169	6,216	6,931	123	6,808	545.2	(46.6)	591.8
95 CROMWELL	314	7,220	102	7,118	7,872	115	7,756	651.8	13.9	637.8
97 MOOSE LAKE	745	6,403	274	6,129	6,927	246	6,681	524.4	(27.6)	552.0

2005 SESSION, SENATE K-12 BILL
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Senate CRFA
 ELNauman

		ADMs Served	Feb Fcst Per Pupil			Senate Bill Per ADM			DIFFERENCE PER ADM		
			Gen'l Ed, Ref & Safe Schools Revenue Feb Fcst	Gen'l Ed, Ref Safe Schools Levy Feb Fcst	General Ed & Referendum Aid Feb Fcst	Gen'l Ed, Ref Revenue Senate Bill	Gen'l Ed, Ref Levy Senate Bill	Gen'l Ed, Ref Aid Senate Bill	Revenue Sen Bill- Feb Fcst	Levy Sen Bill- Feb Fcst	Aid Sen Bill- Feb Fcst
99	ESKO	1,124	6,140	269	5,871	6,664	260	6,403	523.9	(8.4)	532.3
100	WRENSHALL	331	6,236	104	6,132	6,782	118	6,664	546.0	13.9	532.1
108	NORWOOD	902	6,627	732	5,895	7,143	720	6,423	515.7	(12.0)	527.6
110	WACONIA	2,589	6,436	718	5,718	6,924	709	6,215	488.3	(8.9)	497.2
111	WATERTOWN-MAYER	1,496	6,202	369	5,833	6,711	332	6,379	509.5	(36.6)	546.2
112	CHASKA	8,814	6,642	951	5,691	7,135	932	6,203	493.0	(18.8)	511.7
113	WALKER-AKELEY	954	6,417	253	6,164	6,982	375	6,607	564.7	121.8	443.0
115	CASS LAKE	1,185	7,499	197	7,303	8,190	194	7,996	691.0	(2.6)	693.6
116	PILLAGER	714	6,471	192	6,280	7,036	259	6,777	564.4	67.1	497.3
118	REMER	455	8,549	839	7,710	9,284	1,084	8,200	735.3	244.9	490.4
129	MONTEVIDEO	1,413	6,857	284	6,573	7,395	255	7,140	537.6	(28.6)	566.2
138	NORTH BRANCH	4,111	5,793	94	5,699	6,295	99	6,197	502.9	5.3	497.6
139	RUSH CITY	1,008	5,909	93	5,816	6,424	112	6,311	514.8	18.9	495.8
146	BARNESVILLE	768	6,362	209	6,153	6,884	182	6,702	521.6	(27.2)	548.7
150	HAWLEY	902	6,416	237	6,179	6,918	211	6,706	502.1	(25.7)	527.7
152	MOORHEAD	5,413	6,347	165	6,181	6,877	116	6,761	530.5	(49.3)	579.9
162	BAGLEY	1,052	6,751	89	6,662	7,342	82	7,260	590.9	(7.3)	598.2
166	COOK COUNTY	598	7,694	735	6,959	8,348	819	7,529	654.1	84.1	570.0
173	MOUNTAIN LAKE	506	7,386	461	6,925	7,942	452	7,490	556.5	(8.8)	565.3
177	WINDOM	902	6,614	318	6,297	7,139	296	6,843	524.6	(22.0)	546.6
181	BRAINERD	7,011	6,396	338	6,058	6,929	303	6,626	532.7	(35.3)	568.0
182	CROSBY	1,285	7,004	697	6,307	7,553	739	6,814	548.7	42.0	506.7
186	PEQUOT LAKES	1,473	6,084	313	5,771	6,609	373	6,236	525.2	60.4	464.8
191	BURNSVILLE	10,262	6,914	1,134	5,780	7,420	1,117	6,302	506.3	(16.6)	522.9
192	FARMINGTON	6,353	5,810	233	5,576	6,293	190	6,103	483.0	(43.2)	526.3
194	LAKEVILLE	10,987	6,626	954	5,672	7,117	932	6,185	491.3	(22.5)	513.8
195	RANDOLPH	485	6,365	587	5,777	6,861	577	6,284	496.2	(10.8)	507.0
196	ROSEMOUNT-APPLE	25,982	6,594	789	5,805	7,096	761	6,334	501.8	(27.3)	529.1
197	WEST ST. PAUL	4,908	6,928	1,230	5,699	7,477	1,304	6,173	548.4	74.1	474.3
199	INVER GROVE	3,523	6,941	1,200	5,741	7,452	1,195	6,257	511.6	(4.5)	516.1
200	HASTINGS	4,932	6,715	863	5,852	7,223	844	6,378	508.0	(18.5)	526.6
203	HAYFIELD	943	6,359	283	6,076	6,866	269	6,597	506.9	(14.4)	521.3
204	KASSON-MANTORVIL	1,974	5,659	67	5,592	6,150	59	6,091	491.2	(7.4)	498.7
206	ALEXANDRIA	3,921	6,541	618	5,924	7,062	592	6,470	520.5	(25.9)	546.4
207	BRANDON	293	6,683	461	6,222	7,205	448	6,757	522.0	(12.8)	534.8

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208	EVANSVILLE	205	7,323	757	6,567	7,869	763	7,106	546.0	6.6	539.5
213	OSAKIS	649	6,120	90	6,031	6,654	104	6,550	534.0	14.3	519.7
227	CHATFIELD	914	6,281	319	5,962	6,781	292	6,489	500.8	(26.3)	527.1
229	LANESBORO	336	6,669	321	6,348	7,228	290	6,938	559.0	(31.2)	590.2
238	MABEL-CANTON	355	6,556	312	6,244	7,070	301	6,770	514.5	(11.2)	525.7
239	RUSHFORD-PETERSO	563	7,424	803	6,621	7,965	796	7,169	541.6	(6.4)	548.0
241	ALBERT LEA	3,327	6,896	451	6,445	7,441	435	7,007	545.5	(16.3)	561.8
242	ALDEN	384	6,712	247	6,465	7,252	223	7,029	539.6	(24.2)	563.9
252	CANNON FALLS	1,315	6,463	561	5,903	7,003	573	6,430	539.4	12.1	527.2
253	GOODHUE	525	6,305	193	6,112	6,828	174	6,654	522.8	(19.2)	541.9
255	PINE ISLAND	1,241	6,359	400	5,959	6,861	361	6,501	502.7	(39.0)	541.7
256	RED WING	2,759	6,754	889	5,864	7,267	881	6,386	513.0	(8.7)	521.7
261	ASHBY	264	6,189	87	6,102	6,733	97	6,635	544.1	10.2	533.9
264	HERMAN-NORCROSS	113	10,571	1,153	9,418	11,242	1,296	9,946	670.8	143.4	527.4
270	HOPKINS	7,910	7,358	1,673	5,685	7,907	1,799	6,108	548.6	126.1	422.6
271	BLOOMINGTON	10,536	7,035	1,222	5,813	7,588	1,277	6,310	552.2	55.1	497.1
272	EDEN PRAIRIE	9,701	6,772	1,204	5,568	7,297	1,247	6,050	524.5	43.0	481.5
273	EDINA	7,501	7,113	1,613	5,499	7,644	1,695	5,949	531.2	81.3	449.9
276	MINNETONKA	7,442	7,325	1,757	5,568	7,870	1,864	6,006	544.8	107.1	437.7
277	WESTONKA	2,355	6,937	1,376	5,560	7,472	1,474	5,998	534.7	97.3	437.4
278	ORONO	2,469	6,615	1,114	5,501	7,143	1,193	5,950	529.0	79.7	449.2
279	OSSEO	21,361	7,207	1,132	6,076	7,732	1,123	6,609	525.3	(8.5)	533.9
280	RICHFIELD	3,808	7,494	1,154	6,340	8,067	1,165	6,903	573.1	10.5	562.6
281	ROBBINSDALE	13,420	7,112	1,158	5,955	7,635	1,148	6,487	522.8	(9.5)	532.3
282	ST. ANTHONY-NEW	1,643	6,632	1,011	5,621	7,157	1,006	6,151	525.1	(5.2)	530.3
283	ST. LOUIS PARK	4,209	7,741	1,972	5,769	8,305	2,092	6,213	564.3	120.4	443.9
284	WAYZATA	9,937	6,730	1,212	5,518	7,234	1,246	5,988	504.0	34.4	469.6
286	BROOKLYN CENTER	1,621	7,583	605	6,978	8,196	559	7,637	613.1	(45.5)	658.6
294	HOUSTON	725	6,697	443	6,254	7,212	413	6,799	514.9	(30.0)	544.9
297	SPRING GROVE	342	7,169	584	6,585	7,702	564	7,137	532.8	(19.6)	552.4
299	CALEDONIA	828	7,101	614	6,487	7,638	594	7,044	537.2	(19.9)	557.1
300	LACRESCENT	1,407	6,198	137	6,061	6,718	79	6,639	519.9	(58.2)	578.1
306	LAPORTE	274	6,971	183	6,787	7,600	235	7,365	629.9	51.8	578.1
308	NEVIS	515	6,693	357	6,336	7,266	323	6,943	573.3	(34.1)	607.4
309	PARK RAPIDS	1,759	6,579	127	6,452	7,128	176	6,952	548.9	49.2	499.7

2005 SESSION, SENATE K-12 BILL
 Revenue, Aid & Levy Changes Per ADM
 5% & 4% FA, Equity Adjust, Trans Rollin, Consolidated Levy
 Total General Education Program & Referendum Revenue

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		Feb Fcst Per Pupil			Senate Bill Per ADM			DIFFERENCE PER ADM			
	ADMs Served	Gen'l Ed, Ref & Safe Schools Revenue Feb Fcst	Gen'l Ed, Ref Safe Schools Levy Feb Fcst	General Ed & Referendum Aid Feb Fcst	Gen'l Ed, Ref Revenue Senate Bill	Gen'l Ed, Ref Levy Senate Bill	Gen'l Ed, Ref Aid Senate Bill	Revenue Sen Bill- Feb Fcst	Levy Sen Bill- Feb Fcst	Aid Sen Bill- Feb Fcst	
314	BRAHAM	886	6,567	313	6,254	7,105	297	6,807	537.4	(16.4)	553.8
316	GREENWAY	1,293	7,341	724	6,617	7,886	697	7,188	545.0	(26.2)	571.2
317	DEER RIVER	965	6,974	123	6,851	7,595	143	7,452	621.2	20.1	601.1
318	GRAND RAPIDS	3,600	6,591	163	6,428	7,160	207	6,953	568.9	44.0	524.9
319	NASHWAUK-KEEWATI	647	6,874	179	6,695	7,460	146	7,314	585.8	(32.6)	618.4
323	FRANCONIA	27	7,351	1,491	5,861	7,902	1,608	6,294	550.4	117.1	433.3
330	HERON LAKE-OKABE	285	8,568	687	7,881	9,184	709	8,476	616.1	21.6	594.5
332	MORA	1,728	6,258	212	6,046	6,783	178	6,605	525.3	(34.4)	559.6
333	OGILVIE	713	6,221	86	6,135	6,768	88	6,680	546.6	2.1	544.4
345	NEW LONDON-SPICE	1,467	6,642	485	6,158	7,174	455	6,718	531.3	(29.2)	560.5
347	WILLMAR	3,923	7,173	400	6,773	7,734	374	7,361	561.5	(26.0)	587.5
356	LANCASTER	159	10,236	707	9,528	11,004	710	10,294	768.2	2.4	765.8
361	INTERNATIONAL FA	1,326	6,966	510	6,457	7,509	482	7,027	542.2	(27.7)	569.9
362	LITTLEFORK-BIG F	317	8,275	60	8,215	9,073	58	9,015	797.9	(2.4)	800.3
363	SOUTH KOOCHICHIN	337	10,456	60	10,396	11,490	57	11,433	1,033.7	(3.4)	1,037.1
371	BELLINGHAM	115	8,508	657	7,851	9,073	677	8,397	565.5	19.8	545.7
378	DAWSON	540	7,177	395	6,782	7,721	398	7,323	544.4	2.6	541.8
381	LAKE SUPERIOR	1,436	6,726	168	6,559	7,321	219	7,102	594.9	51.7	543.2
390	LAKE OF THE WOOD	619	7,085	184	6,901	7,700	163	7,537	615.3	(20.8)	636.2
391	CLEVELAND	381	6,405	502	5,903	6,952	519	6,433	546.1	16.6	529.5
392	LECENTER	672	6,374	264	6,110	6,890	232	6,658	516.1	(31.9)	548.0
394	MONTGOMERY	1,080	5,944	105	5,839	6,458	125	6,333	514.2	20.4	493.8
402	HENDRICKS	146	7,418	587	6,831	7,986	584	7,401	567.7	(2.1)	569.8
403	IVANHOE	181	7,314	305	7,009	7,912	308	7,604	598.3	3.3	595.0
404	LAKE BENTON	225	7,134	385	6,748	7,696	386	7,310	562.8	1.1	561.6
409	TYLER	287	5,949	114	5,835	6,451	92	6,359	502.3	(22.5)	524.7
411	BALATON	140	7,378	796	6,582	7,961	859	7,103	583.2	62.4	520.8
413	MARSHALL	2,190	6,333	273	6,060	6,852	226	6,626	519.5	(46.9)	566.4
414	MINNEOTA	478	6,173	119	6,054	6,720	130	6,590	547.0	11.4	535.5
415	LYND	141	7,726	647	7,078	8,327	710	7,616	600.9	62.7	538.2
417	TRACY	697	7,471	319	7,152	8,065	311	7,754	593.4	(8.4)	601.8
418	RUSSELL	122	7,101	441	6,660	7,644	437	7,207	543.7	(3.8)	547.4
423	HUTCHINSON	2,890	6,838	798	6,041	7,347	770	6,578	509.1	(27.8)	536.9
424	LESTER PRAIRIE	465	6,520	406	6,115	7,029	373	6,656	509.1	(32.2)	541.3
432	MAHNOMEN	716	7,349	90	7,259	8,008	79	7,928	658.6	(10.9)	669.4

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ADM Served	Feb Fcst Per Pupil			Senate Bill Per ADM			DIFFERENCE PER ADM				
	Gen'l Ed, Ref & Safe Schools Revenue Feb Fcst	Gen'l Ed, Ref Safe Schools Levy Feb Fcst	General Ed & Referendum Aid Feb Fcst	Gen'l Ed, Ref Revenue Senate Bill	Gen'l Ed, Ref Levy Senate Bill	Gen'l Ed, Ref Aid Senate Bill	Revenue Sen Bill- Feb Fcst	Levy Sen Bill- Feb Fcst	Aid Sen Bill- Feb Fcst		
435	WAUBUN	599	7,437	104	7,333	8,105	116	7,990	668.4	11.6	656.8
441	NEWFOLDEN	328	8,851	664	8,187	9,572	650	8,922	720.5	(14.4)	734.9
447	GRYGLA	190	9,893	104	9,790	10,791	84	10,707	897.8	(19.2)	917.0
458	TRUMAN	386	7,210	531	6,680	7,752	535	7,217	541.9	4.6	537.3
463	EDEN VALLEY	712	6,677	270	6,407	7,228	248	6,980	550.2	(22.4)	572.6
465	LITCHFIELD	1,892	6,475	292	6,183	6,998	262	6,736	523.0	(30.1)	553.1
466	DASSEL-COKATO	2,107	6,191	191	6,000	6,706	153	6,553	515.3	(37.8)	553.1
473	ISLE	546	6,563	148	6,416	7,143	196	6,947	579.6	48.4	531.3
477	PRINCETON	3,629	5,741	85	5,656	6,240	89	6,151	499.9	4.2	495.7
480	ONAMIA	684	7,134	219	6,915	7,755	225	7,530	620.8	5.5	615.3
482	LITTLE FALLS	2,514	7,248	839	6,409	7,787	830	6,957	539.0	(9.1)	548.1
484	PIERZ	925	6,955	330	6,625	7,512	307	7,205	556.6	(23.0)	579.7
485	ROYALTON	660	6,140	131	6,010	6,664	95	6,568	523.4	(35.2)	558.6
486	SWANVILLE	307	7,330	595	6,734	7,892	588	7,304	562.2	(7.7)	569.9
487	UPSALA	378	6,220	161	6,059	6,737	127	6,610	516.9	(33.8)	550.8
492	AUSTIN	3,814	7,303	629	6,674	7,851	612	7,239	547.8	(17.8)	565.6
495	GRAND MEADOW	337	6,925	556	6,369	7,442	560	6,881	517.1	4.6	512.4
497	LYLE	245	7,493	456	7,037	8,084	485	7,600	591.5	28.7	562.8
499	LEROY	369	7,292	547	6,745	7,834	550	7,285	542.6	2.4	540.2
500	SOUTHLAND	590	7,216	672	6,544	7,736	686	7,050	519.9	14.0	505.9
505	FULDA	410	8,776	1,010	7,766	9,359	1,025	8,335	583.4	14.2	569.1
507	NICOLLET	282	7,080	727	6,353	7,627	781	6,847	546.9	53.8	493.2
508	ST. PETER	1,696	6,553	431	6,122	7,080	394	6,687	527.1	(37.4)	564.6
511	ADRIAN	597	6,824	181	6,643	7,370	167	7,204	546.0	(14.4)	560.4
513	BREWSTER	187	7,198	436	6,762	7,739	439	7,300	540.7	2.4	538.2
514	ELLSWORTH	173	6,767	109	6,658	7,311	113	7,199	544.3	3.7	540.6
516	ROUND LAKE	112	7,488	577	6,911	8,051	571	7,480	563.5	(5.7)	569.1
518	WORTHINGTON	2,185	7,160	266	6,894	7,723	243	7,479	562.7	(22.2)	584.9
531	BYRON	1,541	5,864	160	5,704	6,390	146	6,243	525.5	(14.2)	539.8
533	DOVER-EYOTA	1,212	6,203	152	6,051	6,716	96	6,619	513.0	(55.4)	568.4
534	STEWARTVILLE	1,719	6,688	637	6,051	7,184	614	6,569	495.5	(23.2)	518.7
535	ROCHESTER	16,238	6,584	614	5,970	7,100	587	6,513	516.1	(26.9)	542.9
542	BATTLE LAKE	499	6,338	237	6,101	6,892	367	6,525	553.5	129.2	424.3
544	FERGUS FALLS	2,565	6,454	451	6,003	6,962	418	6,544	507.5	(33.8)	541.2
545	HENNING	347	7,941	1,236	6,705	8,517	1,274	7,244	576.5	37.5	539.0

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547	PARKERS PRAIRIE	516	7,036	326	6,710	7,607	312	7,294	570.7	(13.2)	583.9
548	PELICAN RAPIDS	1,020	6,682	167	6,515	7,244	223	7,021	562.2	56.1	506.1
549	PERHAM	1,466	6,278	236	6,042	6,813	222	6,591	534.7	(13.8)	548.4
550	UNDERWOOD	448	6,252	86	6,166	6,800	96	6,703	547.9	10.2	537.6
553	NEW YORK MILLS	707	6,626	160	6,466	7,186	130	7,055	559.4	(29.5)	588.9
561	GOODRIDGE	163	10,974	517	10,456	11,839	545	11,294	865.4	27.4	837.9
564	THIEF RIVER FALL	2,074	6,948	447	6,500	7,465	427	7,037	517.0	(19.9)	536.9
577	WILLOW RIVER	424	7,352	264	7,087	7,987	256	7,731	635.5	(8.5)	644.0
578	PINE CITY	1,639	7,106	858	6,248	7,636	844	6,792	530.2	(14.2)	544.3
581	EDGERTON	275	7,385	489	6,895	7,985	468	7,517	600.2	(21.2)	621.4
584	RUTHTON	117	7,446	384	7,062	8,012	399	7,613	566.4	15.1	551.2
592	CLIMAX	171	9,292	635	8,657	9,898	641	9,257	606.1	6.3	599.8
593	CROOKSTON	1,306	7,314	362	6,952	7,874	354	7,519	559.9	(8.0)	567.9
595	EAST GRAND FORKS	1,700	6,219	145	6,074	6,738	106	6,632	519.0	(38.4)	557.4
599	FERTILE-BELTRAMI	490	8,342	682	7,659	9,005	715	8,290	662.7	32.4	630.3
600	FISHER	297	7,251	520	6,732	7,790	462	7,329	538.9	(58.2)	597.1
601	FOSSTON	686	6,794	110	6,684	7,375	78	7,298	580.9	(32.7)	613.6
611	CYRUS	107	7,001	557	6,444	7,557	591	6,966	555.8	34.2	521.5
621	MOUNDS VIEW	9,485	7,031	1,184	5,847	7,545	1,189	6,356	514.6	5.9	508.6
622	NORTH ST. PAUL-M	10,708	7,015	1,144	5,871	7,536	1,139	6,396	521.0	(5.0)	525.9
623	ROSEVILLE	6,154	7,200	1,446	5,754	7,752	1,521	6,232	552.6	75.1	477.5
624	WHITE BEAR LAKE	8,545	6,661	1,066	5,595	7,163	1,053	6,110	502.4	(13.3)	515.7
625	ST. PAUL	38,234	8,150	574	7,576	8,788	610	8,178	638.2	35.9	602.3
627	OKLEE	198	8,691	287	8,404	9,428	266	9,162	736.2	(21.7)	757.9
628	PLUMMER	144	8,156	622	7,534	8,804	605	8,199	648.5	(17.1)	665.5
630	RED LAKE FALLS	348	8,224	448	7,775	8,846	426	8,420	621.8	(23.0)	644.8
635	MILROY	131	7,107	427	6,680	7,641	448	7,193	533.7	20.2	513.5
640	WABASSO	379	6,895	270	6,625	7,440	283	7,157	544.9	12.9	531.9
656	FARIBAULT	4,283	6,256	176	6,080	6,783	130	6,653	526.4	(45.6)	572.0
659	NORTHFIELD	3,710	6,746	813	5,933	7,255	789	6,467	509.8	(24.4)	534.1
671	HILLS-BEAVER CRE	302	7,237	566	6,671	7,784	573	7,210	546.1	7.3	538.7
676	BADGER	212	8,304	622	7,683	8,895	614	8,282	590.8	(8.0)	598.7
682	ROSEAU	1,379	6,297	122	6,175	6,824	88	6,736	526.8	(34.1)	560.9
690	WARROAD	1,185	6,493	125	6,368	7,044	91	6,953	551.0	(34.1)	585.1
695	CHISHOLM	721	7,150	601	6,549	7,678	564	7,113	527.2	(36.8)	564.0

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	Feb Fcst	Feb Fcst	Feb Fcst	Senate Bill	Senate Bill	Senate Bill	Feb Fcst	Feb Fcst	Feb Fcst		
696	ELY	526	12,067	463	11,604	12,629	446	12,183	562.0	(17.2)	579.3
698	FLOODWOOD	385	7,344	97	7,247	8,004	108	7,896	660.2	11.3	648.9
700	HERMANTOWN	1,912	5,943	158	5,785	6,446	101	6,346	503.1	(57.8)	560.9
701	HIBBING	2,318	6,982	445	6,538	7,556	436	7,121	574.2	(9.0)	583.2
704	PROCTOR	1,793	5,969	147	5,822	6,476	99	6,377	507.0	(48.2)	555.2
706	VIRGINIA	1,575	6,256	141	6,115	6,789	90	6,699	532.6	(51.1)	583.7
707	NETT LAKE	121	8,863	5	8,858	9,615	10	9,605	751.9	5.0	746.9
709	DULUTH	10,295	6,797	526	6,271	7,343	551	6,792	546.7	24.9	521.8
712	MOUNTAIN IRON-BU	550	7,043	527	6,516	7,587	515	7,073	543.9	(12.6)	556.5
716	BELLE PLAINE	1,604	5,720	91	5,629	6,215	97	6,118	495.2	5.6	489.6
717	JORDAN	1,678	5,761	134	5,628	6,282	122	6,160	520.7	(11.6)	532.3
719	PRIOR LAKE	7,132	6,551	980	5,571	7,038	964	6,073	486.3	(15.7)	502.0
720	SHAKOPEE	5,593	6,637	787	5,850	7,141	757	6,384	503.3	(30.4)	533.7
721	NEW PRAGUE	3,422	6,236	457	5,780	6,730	426	6,304	493.5	(30.8)	524.3
726	BECKER	2,793	6,485	884	5,601	6,974	887	6,087	488.5	2.4	486.1
727	BIG LAKE	3,480	5,704	118	5,587	6,195	74	6,121	490.6	(44.2)	534.8
728	ELK RIVER	10,007	6,722	827	5,896	7,233	801	6,433	511.0	(26.0)	537.0
738	HOLDINGFORD	1,012	6,310	238	6,072	6,824	202	6,623	514.1	(36.5)	550.6
739	KIMBALL	758	5,976	95	5,881	6,495	107	6,388	519.0	11.7	507.3
740	MELROSE	1,455	6,799	324	6,475	7,335	300	7,035	536.2	(23.3)	559.5
741	PAYNESVILLE	1,029	6,623	375	6,247	7,149	359	6,790	525.7	(16.7)	542.4
742	ST. CLOUD	9,132	6,927	796	6,130	7,465	769	6,696	538.3	(27.3)	565.6
743	SAUK CENTRE	1,064	6,989	628	6,361	7,526	599	6,927	536.9	(29.6)	566.5
745	ALBANY	1,594	6,247	301	5,945	6,778	301	6,477	531.1	(0.5)	531.6
748	SARTELL	2,935	6,007	311	5,696	6,497	271	6,226	490.4	(40.1)	530.6
750	COLD SPRING	2,332	6,129	228	5,901	6,641	183	6,458	512.0	(45.7)	557.6
756	BLOOMING PRAIRIE	747	6,440	271	6,169	6,955	256	6,699	515.3	(14.7)	530.0
761	OWATONNA	4,936	6,909	675	6,234	7,423	655	6,768	514.1	(19.9)	534.0
763	MEDFORD	817	6,028	200	5,828	6,530	163	6,367	501.8	(37.5)	539.3
768	HANCOCK	221	6,989	494	6,495	7,511	489	7,022	521.7	(5.0)	526.7
769	MORRIS	900	6,483	279	6,204	7,005	245	6,761	522.4	(34.4)	556.9
771	CHOKIO-ALBERTA	184	9,897	2,527	7,370	10,468	2,587	7,882	571.2	59.6	511.6
775	KERKHOVEN-MURDOC	565	7,160	284	6,876	7,731	278	7,454	571.9	(6.2)	578.1
777	BENSON	981	6,740	252	6,488	7,288	234	7,054	547.7	(18.3)	565.9
786	BERTHA-HEWITT	430	6,971	105	6,867	7,572	76	7,496	600.5	(28.7)	629.2

2005 SESSION, SENATE K-12 BILL
 Revenue, Aid & Levy Changes Per ADM
 5% & 4% FA, Equity Adjust, Trans Rollin, Consolidated Levy
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Senate CRFA
 ELNauman

ADM Served		Feb Fcst Per Pupil			Senate Bill Per ADM			DIFFERENCE PER ADM			
		Gen'l Ed, Ref & Safe Schools Revenue Feb Fcst	Gen'l Ed, Ref Safe Schools Levy Feb Fcst	General Ed & Referendum Aid Feb Fcst	Gen'l Ed, Ref Revenue Senate Bill	Gen'l Ed, Ref Levy Senate Bill	Gen'l Ed, Ref Aid Senate Bill	Revenue Sen Bill- Feb Fcst	Levy Sen Bill- Feb Fcst	Aid Sen Bill- Feb Fcst	
787	BROWERVILLE	466	6,682	134	6,548	7,251	106	7,145	568.9	(28.4)	597.4
801	BROWNS VALLEY	125	9,386	554	8,832	10,078	556	9,522	691.6	1.9	689.7
803	WHEATON	426	7,974	719	7,255	8,580	737	7,843	605.3	17.8	587.5
806	ELGIN-MILLVILLE	469	6,704	438	6,266	7,256	442	6,815	552.1	3.2	548.9
810	PLAINVIEW	1,054	6,170	183	5,987	6,682	148	6,534	512.0	(35.4)	547.4
811	WABASHA	653	6,414	297	6,117	6,951	260	6,691	537.4	(37.0)	574.4
813	LAKE CITY	1,393	6,587	627	5,960	7,091	599	6,492	503.8	(27.7)	531.5
815	PRINSBURG	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
818	VERNDALE	455	6,681	70	6,612	7,280	54	7,225	598.0	(15.3)	613.3
820	SEBEKA	554	7,666	397	7,269	8,252	383	7,869	585.7	(14.3)	600.0
821	MENAHGA	766	6,574	87	6,487	7,146	84	7,063	572.9	(3.1)	576.0
829	WASECA	1,932	7,016	528	6,487	7,546	495	7,051	530.0	(33.6)	563.6
831	FOREST LAKE	7,475	6,757	888	5,868	7,257	874	6,383	500.4	(14.6)	515.0
832	MAHTOMEDI	2,985	6,830	1,191	5,639	7,359	1,214	6,145	529.5	23.2	506.2
833	SOUTH WASHINGTON	16,565	6,706	1,037	5,669	7,221	1,047	6,175	515.0	9.9	505.1
834	STILLWATER	9,066	6,878	1,124	5,754	7,385	1,126	6,259	507.0	1.4	505.6
836	BUTTERFIELD	205	7,556	410	7,146	8,131	413	7,719	575.1	3.0	572.1
837	MADELIA	591	6,539	168	6,371	7,080	154	6,926	540.5	(13.9)	554.4
840	ST. JAMES	1,250	7,021	291	6,731	7,577	267	7,310	555.9	(23.6)	579.5
846	BRECKENRIDGE	871	6,083	79	6,004	6,612	81	6,531	528.6	1.7	526.9
850	ROTHSAY	208	8,750	995	7,756	9,325	1,002	8,323	574.7	7.1	567.6
852	CAMPBELL-TINTAH	123	11,296	1,903	9,393	12,017	2,024	9,993	720.7	120.4	600.3
857	LEWISTON	734	6,654	381	6,273	7,182	353	6,829	528.4	(27.9)	556.3
858	ST. CHARLES	1,032	5,873	51	5,821	6,416	81	6,335	543.0	29.4	513.6
861	WINONA	3,465	7,015	760	6,254	7,556	735	6,821	541.7	(24.7)	566.4
876	ANNANDALE	1,696	6,513	574	5,939	7,026	568	6,458	512.1	(6.8)	518.9
877	BUFFALO	5,838	6,353	475	5,878	6,852	447	6,406	499.0	(28.4)	527.5
879	DELANO	2,001	6,265	551	5,713	6,761	522	6,239	496.4	(29.7)	526.1
881	MAPLE LAKE	878	6,639	668	5,971	7,151	637	6,515	511.9	(31.2)	543.2
882	MONTICELLO	4,181	5,993	295	5,698	6,486	253	6,233	493.4	(41.7)	535.1
883	ROCKFORD	1,693	5,873	183	5,690	6,377	134	6,243	503.9	(48.6)	552.5
885	ST. MICHAEL-ALBE	4,390	6,188	456	5,732	6,677	418	6,259	488.3	(38.2)	526.4
891	CANBY	583	7,346	254	7,091	7,938	245	7,693	592.4	(9.5)	602.0
911	CAMBRIDGE-ISANTI	5,383	5,997	199	5,798	6,502	157	6,345	505.0	(42.4)	547.4
912	MILACA	1,800	6,171	121	6,049	6,696	83	6,613	525.2	(38.5)	563.7

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		Gen'l Ed, Ref & Safe Schools Revenue Feb Fcst	Gen'l Ed, Ref Safe Schools Levy Feb Fcst	General Ed & Referendum Aid Feb Fcst	Gen'l Ed, Ref Revenue Senate Bill	Gen'l Ed, Ref Levy Senate Bill	Gen'l Ed, Ref Aid Senate Bill	Revenue Sen Bill- Feb Fcst	Levy Sen Bill- Feb Fcst	Aid Sen Bill- Feb Fcst	
		914	ULEN-HITTERDAL	275	7,487	478	7,009	8,060	475	7,585	572.9
2071	LAKE CRYSTAL-WEL	808	6,911	720	6,191	7,420	711	6,709	509.0	(9.8)	518.8
2125	TRITON	1,115	6,605	322	6,284	7,130	313	6,816	524.1	(8.5)	532.6
2134	UNITED SOUTH CENTRAL	934	7,163	429	6,734	7,714	423	7,291	551.1	(5.9)	557.0
2135	MAPLE RIVER	1,245	6,911	600	6,311	7,426	574	6,852	515.3	(25.5)	540.8
2137	KINGSLAND	803	6,498	299	6,200	7,020	276	6,744	522.0	(22.2)	544.3
2142	ST. LOUIS COUNTY	2,127	8,194	343	7,851	8,916	364	8,552	722.7	21.4	701.2
2143	WATERVILLE-ELYSIAN-MO	967	6,615	516	6,099	7,132	500	6,632	517.2	(16.3)	533.6
2144	CHISAGO LAKES AREA	3,465	6,313	514	5,799	6,817	490	6,326	503.3	(24.1)	527.4
2149	MINNEWASKA	1,257	6,459	174	6,285	7,012	152	6,860	553.8	(21.6)	575.4
2154	EVELETH-GILBERT	1,329	6,564	263	6,301	7,095	229	6,866	530.6	(34.0)	564.6
2155	WADENA-DEER CREEK	1,186	6,701	150	6,552	7,262	111	7,151	560.5	(38.7)	599.3
2159	BUFFALO LAKE-HECTOR	532	7,578	770	6,808	8,136	797	7,339	558.9	27.0	531.9
2164	DILWORTH-GLYNDON	1,359	5,958	68	5,890	6,475	58	6,417	516.4	(10.2)	526.6
2165	HINCKLEY-FINLAYS	1,000	6,566	236	6,330	7,127	222	6,905	560.6	(14.1)	574.8
2167	LAKEVIEW	546	6,640	291	6,349	7,165	280	6,885	524.6	(11.0)	535.6
2168	NRHEG	935	6,053	104	5,949	6,579	122	6,457	526.6	18.3	508.3
2169	MURRAY COUNTY	726	7,211	545	6,666	7,745	543	7,202	534.3	(2.2)	536.5
2170	STAPLES-MOTLEY	1,391	6,871	188	6,683	7,445	175	7,270	573.5	(13.7)	587.2
2171	KITTSOON CENTRAL	341	9,766	1,626	8,140	10,391	1,687	8,704	624.5	61.2	563.3
2172	KENYON-WANAMINGO	890	6,418	397	6,021	6,930	387	6,543	512.0	(9.8)	521.8
2174	PINE RIVER-BACKU	940	7,188	253	6,935	7,809	280	7,529	621.1	27.4	593.7
2176	WARREN-ALVARADO-	472	9,314	940	8,374	9,967	950	9,017	652.6	9.8	642.8
2180	MACCRAY	761	7,273	559	6,714	7,829	556	7,273	555.8	(3.1)	558.9
2184	LUVERNE	1,272	6,487	249	6,238	7,005	230	6,775	517.7	(19.3)	537.0
2190	YELLOW MEDICINE EAST	1,086	6,853	294	6,559	7,401	287	7,114	547.5	(6.6)	554.1
2198	FILMORE CENTRAL	629	6,689	386	6,303	7,223	377	6,846	534.0	(9.8)	543.8
2215	NORMAN COUNTY EAST	370	7,607	234	7,374	8,224	222	8,002	616.4	(11.3)	627.7
2310	SIBLEY EAST	1,223	6,486	228	6,258	7,014	201	6,813	528.0	(27.7)	555.7
2311	CLEARBROOK-GONVICK	444	7,165	215	6,950	7,790	201	7,589	625.3	(13.9)	639.3
2342	WEST CENTRAL AREA	794	6,800	328	6,472	7,347	329	7,018	547.4	1.5	545.9
2358	KARLSTAD-STRANDQ	269	9,570	532	9,038	10,379	560	9,819	809.0	28.4	780.6
2364	BELGRADE-BROOTEN-ELR	718	7,539	570	6,969	8,099	581	7,518	560.0	10.6	549.4
2365	G.F.W.	842	7,003	401	6,602	7,537	408	7,129	534.0	7.7	526.3
2396	A.C.G.C.	811	7,163	652	6,511	7,708	666	7,042	545.5	14.5	531.0

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	2397	LESUEUR-HENDERSO	1,276	6,575	326	6,249	7,101	297	6,803	525.9	(28.4)
2448	MARTIN COUNTY	815	6,743	235	6,508	7,289	226	7,063	546.3	(8.2)	554.5
2527	HALSTAD-HENDRUM	300	8,303	384	7,919	8,942	383	8,559	639.1	(1.5)	640.6
2534	OLIVIA-BIRD ISLA	833	6,889	339	6,550	7,442	324	7,119	553.7	(15.1)	568.8
2536	GRANADA HUNTLEY-	289	7,285	471	6,814	7,840	527	7,312	554.8	56.8	498.0
2580	SANDSTONE-ASKOV	904	6,895	174	6,721	7,491	160	7,331	595.7	(14.5)	610.2
2609	WIN-E-MAC	483	6,371	76	6,295	6,934	87	6,847	563.2	10.9	552.3
2683	GREENBUSH-MIDDLE RIV	454	8,715	363	8,352	9,419	345	9,074	703.4	(18.5)	721.8
2687	HOWARD LAKE-WAVERLY-V	978	6,095	283	5,812	6,603	255	6,349	508.2	(28.6)	536.8
2689	PIPESTONE-JASPER	1,209	6,693	243	6,450	7,230	240	6,990	536.7	(2.8)	539.5
2711	MESABI EAST	926	6,533	212	6,321	7,084	181	6,903	550.7	(31.2)	581.8
2752	FAIRMONT AREA SCHOOLS	1,695	7,000	450	6,550	7,548	422	7,126	547.9	(28.6)	576.4
2753	LONG PRAIRIE-GREY EA	1,068	7,072	362	6,710	7,653	348	7,305	580.8	(14.5)	595.2
2754	CEDAR MOUNTAIN	386	6,978	310	6,669	7,529	314	7,215	550.9	4.8	546.1
2759	EAGLE BEND-CLARISSA	336	7,802	543	7,260	8,394	528	7,866	591.5	(14.9)	606.4
2805	ZUMBROTA-MAZEPPA	1,130	6,233	278	5,955	6,744	241	6,503	510.2	(37.7)	547.9
2835	JANESVILLE-WALDO	568	6,444	313	6,130	6,957	316	6,641	513.1	2.8	510.3
2853	MADISON-MARIETTA-LACQ	1,025	7,054	293	6,762	7,612	300	7,312	557.5	7.6	550.0
2854	ADA-BORUP	505	7,228	206	7,022	7,825	196	7,629	596.5	(10.6)	607.1
2856	STEPHEN-ARGYLE	341	9,217	885	8,332	9,929	934	8,995	711.8	48.2	663.5
2859	GLENCOE-SILVER LAKE	1,690	6,943	660	6,284	7,465	648	6,817	521.3	(11.5)	532.8
2860	BLUE EARTH-DELAVAN-EL	1,243	7,112	460	6,652	7,659	454	7,206	547.1	(6.4)	553.5
2884	RED ROCK CENTRAL	465	7,951	592	7,359	8,596	647	7,948	644.7	55.7	588.9
2886	GLENVILLE-EMMONS	392	7,493	714	6,779	8,040	717	7,322	546.9	3.1	543.9
2887	MCLEOD WEST SCHOOLS	475	6,909	583	6,326	7,433	577	6,855	523.7	(5.8)	529.5
2888	CLINTON-GRACEVILLE-BE	411	7,861	130	7,730	8,586	181	8,405	725.1	50.4	674.7
2889	LAKE PARK-AUDUBON	636	6,680	608	6,072	7,208	624	6,584	528.1	15.3	512.8
2890	DRSH	620	7,699	576	7,123	8,276	585	7,692	577.5	8.8	568.7
2895	JACKSON COUNTY CENTRA	1,151	6,322	152	6,170	6,859	140	6,720	537.2	(12.1)	549.3
2897	REDWOOD AREA SCHOOLS	1,392	6,182	57	6,125	6,738	87	6,651	556.5	30.4	526.0
2898	WESTBROOK-WALNUT GRO	505	8,325	422	7,903	8,959	449	8,510	633.6	26.7	606.9

K-12 FY 2006-2007 Budget

Appropriation Tracking -- SF XXXX, As amended by BL1016
2005 Session

Line No.	Program	February Forecast FY 2006	February Forecast FY 2007	February Forecast FY 2008	February Forecast FY 2009	Gov's Rec FY 2006	Gov's Rec FY 2007	Gov's Rec FY 2008	Gov's Rec FY 2009	Senate FY 2006	Senate FY 2007	Senate FY 2006-07	Difference Sen-Feb FY 2006-07	Difference Sen-Gov FY 2006-07	Senate FY 2008	Senate FY 2009	Senate FY 2008-09	Difference Sen-Feb FY 2008-09	Difference Sen-Gov FY 2006-07
	Formula Allowance	4601	4601	4601	4601	4716	5293	5293	5293	4832	5053				5053	5053			
	Base Increase																		
	\$ increase	0	0	0	0	115	118	0	0	231	221				0	0			
	\$ rolled in as reserve									0	27				0	0			
	% increase	0.0%	0.0%	0.0%	0.0%	2.5%	2.5%	0.0%	0.0%	5.0%	4.0%				0.0%	0.0%			
1	GENERAL EDUCATION PROGRAM																		
2	General Education (includes perm. school fund)	5,012,148	5,007,512	4,947,007	4,911,528	5,012,148	5,007,512	4,947,007	4,911,528	5,012,148	5,007,512	10,019,660	0	0	4,947,007	4,911,528	9,858,535	0	0
3	Formula Increase	0	0	0	0	92,205	203,079	219,250	217,375	202,333	433,781	636,114	636,114	340,830	470,869	468,717	939,585	939,585	502,960
4	Qcomp Alternative Compensation	0	0	0	0	16,295	69,646	78,145	77,281	0	0	0	0	(85,941)	0	0	0	0	(155,426)
5	Compensatory -- Delink & Increase	0	0	0	0	6,508	15,865	17,454	17,442	0	0	0	0	(22,373)	0	0	0	0	(34,896)
6	Compensatory -- Hmong Refugees	0	0	0	0	3,544	660	0	0	0	0	0	0	(4,204)	0	0	0	0	0
7	Extended Time Inflation	0	0	0	0	1,021	2,546	3,440	3,579	0	0	0	0	(3,567)	0	0	0	0	(7,019)
8	PSEO -- Delink & Increase	0	0	0	0	508	973	967	949	0	0	0	0	(1,481)	0	0	0	0	(1,916)
9	Shared Time Revenue -- Increase	0	0	0	0	79	149	160	160	0	0	0	0	(228)	0	0	0	0	(320)
10	Contracted Alternatives -- Increase	0	0	0	0	280	617	670	651	0	0	0	0	(897)	0	0	0	0	(1,321)
11	Sparsity Revenue -- Delink & Increase	0	0	0	0	1,533	1,054	973	1,067	0	0	0	0	(2,587)	0	0	0	0	(2,040)
12	Transition Revenue Change -- Prekindergarten	0	0	0	0	986	183	0	0	14	3	17	17	(1,152)	0	0	0	0	0
13	Transition Revenue Change -- Minimum Increase	0	0	0	0	0	1,807	1,555	4,877	0	0	0	0	(1,807)	0	0	0	0	(6,432)
14	Repeal Teacher Contract Penalty	0	0	0	0	85	15	85	15	0	0	0	0	(100)	0	0	0	0	(100)
15	Shared Time Change to Reimbursement	0	0	0	0	0	(3,117)	0	0	0	0	0	0	3,117	0	0	0	0	0
16	Eliminate TRA Reduction	0	0	0	0	0	7,386	0	0	0	0	0	0	(7,386)	0	0	0	0	0
17	Discretionary Levy Equalization Aid	0	0	0	0	0	13,682	13,031	9,731	0	0	0	0	(13,682)	0	0	0	0	(22,762)
18	T & E Levy Equalized Aid	0	0	0	0	0	(4,413)	(3,836)	(2,747)	0	0	0	0	4,413	0	0	0	0	6,583
19	Referendum Equalization Aid with Cap Increase	0	0	0	0	0	1,397	1,774	(1,287)	0	0	0	0	(1,397)	0	0	0	0	(487)
20	Truancy/Driver's License Revocation	0	0	0	0	404	862	922	902	0	0	0	0	(1,266)	0	0	0	0	(1,824)
21	Eliminate Operating Capital Levy	0	0	0	0	69	141	177	197	0	50,651	50,651	50,651	50,441	56,486	62,921	119,406	119,406	119,032
22	Eliminate Equity Levy	0	0	0	0	0	0	0	0	0	28,053	28,053	28,053	28,053	30,288	33,685	63,973	63,973	63,973
23	Consolidated Levy	0	0	0	0	0	0	0	0	0	(75,458)	(75,458)	(75,458)	(75,458)	(87,307)	(99,212)	(186,519)	(186,519)	(186,519)
24	Roll Safe Schools Levy into Consolidated Levy	0	0	0	0	0	0	0	0	0	(23,714)	(23,714)	(23,714)	(23,714)	(23,463)	(23,168)	(46,631)	(46,631)	(46,631)
25	Eliminate Transition Revenue: Aid Savings	0	0	0	0	0	0	0	0	0	(6,877)	(6,877)	(6,877)	(6,877)	(6,635)	(987)	(7,622)	(7,622)	(7,622)
26	Ref Allowance: Roll-in 4 YO PreK	0	0	0	0	0	0	0	0	0	14	14	14	14	13	12	25	25	25
27	Ref Allowance: Trans Revenue & Incl. Eq. Factor Adjust	0	0	0	0	0	0	0	0	0	6,877	6,877	6,877	6,877	6,635	987	7,622	7,622	7,622
28	Carpenter School Bus Loan Repayment	0	0	0	0	0	0	0	0	0	(743)	(743)	(743)	(743)	(908)	(908)	(1,815)	(1,815)	(1,815)
29	Aid Savings from Property Tax Shift	0	0	0	0	(69,351)	(27,188)	(6,480)	(4,254)	1,280	(845)	435	435	96,974	(2,963)	0	(2,963)	(2,963)	7,772
30	Advance Final Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	General Education Program Subtotal	5,012,148	5,007,512	4,947,007	4,911,528	5,066,314	5,292,856	5,275,294	5,237,466	5,215,775	5,419,253	10,635,028	615,368	275,858	5,390,022	5,353,575	10,743,597	885,062	230,837
33	OTHER GENERAL EDUCATION PROGRAMS																		
34	Tax Base Replacement Aid	8,704	8,704	8,704	8,704	8,704	8,704	8,704	8,704	8,704	8,706	17,410	2	2	8,706	8,704	17,410	2	2
35	Enrollment Options Transportation	55	55	55	55	55	55	55	55	55	55	110	0	0	55	55	110	0	0
36	Abatement Aid	1,361	1,393	1,341	1,385	903	955	1,030	1,083	903	955	1,858	(896)	0	1,030	1,083	2,113	(613)	0
37	Consolidation Transition Revenue	0	253	174	23	0	253	174	23	0	253	253	0	0	174	23	197	0	0
38	Declining Pupil Aid; ISD #2190, Yellow Medicine East	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	Declining Pupil Aid, ISD #241, Albert Lea	75	0	0	0	75	0	0	0	75	0	75	0	0	0	0	0	0	0
40	Declining Pupil Aid, ISD #2711, Mesabi East	50	0	0	0	50	0	0	0	50	0	50	0	0	0	0	0	0	0
42	One Room School House, ISD 690, Warroad	50	50	50	50	50	50	50	50	50	50	100	0	0	50	50	100	0	0
41	Declining Pupil Aid, ISD #682, Roseau	10	0	0	0	10	0	0	0	10	0	10	0	0	0	0	0	0	0
43	Nonpublic Pupil Aid	15,174	15,976	16,807	17,605	15,298	16,263	16,993	17,630	15,817	17,426	33,243	2,093	1,682	18,454	19,330	37,784	3,372	3,161
44	Nonpublic Pupil Transportation	20,758	21,446	22,067	22,651	21,196	22,446	23,017	22,796	21,633	23,390	45,023	2,819	1,381	24,229	24,870	49,099	4,381	3,286
45	Carpenter School Bus Loan	0	0	0	0	0	0	0	0	3,630	0	3,630	3,630	3,630	0	0	0	0	0
46	Transportation Cost Reallocation	0	0	0	0	0	0	(338)	(400)	0	0	0	0	0	0	0	0	0	738
45	Other General Education Programs Subtotal	46,237	47,877	49,198	50,473	46,341	48,726	49,685	49,941	50,927	50,835	101,762	7,648	6,695	52,698	54,115	106,813	7,142	7,187

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47	GENERAL EDUCATION	5,058,385	5,055,389	4,996,205	4,962,001	5,112,655	5,341,582	5,324,979	5,287,407	5,266,702	5,470,088	10,736,790	623,016	282,553	5,442,720	5,407,689	10,850,410	892,204	238,024
48	EDUCATION EXCELLENCE																		
50	Charter School Building Lease Aid	25,465	30,929	36,880	43,359	25,465	30,929	36,880	43,654	25,465	30,929	56,394	0	0	36,880	43,359	80,239	0	(295)
51	Charter School Start-Up	1,393	3,185	3,470	3,470	1,393	3,185	3,470	3,593	1,393	3,185	4,578	0	0	3,470	3,470	6,940	0	(123)
52	Charter School Integration Aid	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
53	Integration Aid	57,801	57,536	56,445	55,347	57,812	57,351	56,281	55,271	57,801	57,536	115,337	0	174	56,445	55,347	111,792	0	240
54	Magnet School and Program Grants	750	750	750	750	750	750	750	750	750	750	1,500	0	0	750	750	1,500	0	0
55	Magnet School Start-Up Aid	0	0	166	196	0	0	166	196	0	0	0	0	0	166	196	362	0	0
56	Interdistrict Desegregation Transportation	7,768	9,908	10,642	12,151	7,768	9,908	10,642	12,151	7,768	9,908	17,676	0	0	10,642	12,151	22,793	0	0
57	Success for the Future	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	4,274	0	0	2,137	2,137	4,274	0	0
58	American Indian Scholarships	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	3,750	0	0	1,875	1,875	3,750	0	0
59	Indian Teacher Preparation Grants	190	190	190	190	190	190	190	190	190	190	380	0	0	190	190	380	0	0
60	Tribal Contract Schools	2,315	2,415	2,512	2,554	2,362	2,533	2,617	2,766	2,315	2,415	4,730	0	(165)	2,512	2,554	5,066	0	(317)
61	Early Childhood Programs at Tribal Schools	68	68	68	68	68	68	68	68	68	68	136	0	0	68	68	136	0	0
62	Statewide Testing/Grad Standards Support	9,000	9,000	9,000	9,000	Transfer to Agency Bud.	Transfer to Agency Bud.	Transfer to Agency Bud.	Transfer to Agency Bud.	9,000	9,000	18,000	0	18,000	9,000	9,000	18,000	0	18,000
63	Best Practices Seminars	1,000	1,000	1,000	1,000	Transfer to Agency Bud.	Transfer to Agency Bud.	Transfer to Agency Bud.	Transfer to Agency Bud.	1,000	1,000	2,000	0	2,000	1,000	1,000	2,000	0	2,000
64	ProComp Pilot Sites (Alternative Compensation)	3,700	3,700	3,700	3,700	0	0	0	0	8,700	8,700	17,400	10,000	17,400	8,700	8,700	17,400	10,000	17,400
65	ProComp Staff Development	0	0	0	0	0	0	0	0	45,939	47,883	93,822	93,822	93,822	47,690	47,438	95,128	95,128	95,128
66	ProComp Statewide Implementation Transition Task Force	0	0	0	0	0	0	0	0	200	400	400	400	400	0	0	0	0	0
67	Adv. Placement/Int'l Baccalaureate Prog.	778	778	778	778	4,500	4,500	2,000	2,000	778	778	1,556	0	(7,444)	778	778	1,556	0	(2,444)
68	All Day Kindergarten Grants (First Grade Preparedness)	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	7,250	14,500	0	0	7,250	7,250	14,500	0	0
69	Online Learning	1,250	1,250	1,250	1,250	2,250	3,250	4,250	5,250	1,250	1,250	2,500	0	(3,000)	1,250	1,250	2,500	0	(7,000)
70	Collaborative Urban Educator	528	528	528	528	528	528	528	528	550	550	1,100	44	44	550	550	1,100	44	44
71	Youthworks Program	900	900	900	900	900	900	900	900	900	900	1,800	0	0	900	900	1,800	0	0
72	MN Foundation for Student Organizations	625	625	625	625	625	625	625	625	625	625	1,250	0	0	625	625	1,250	0	0
73	"Get Ready, Get Credit" College Exam Program	0	0	0	0	825	1,650	1,650	1,650	0	0	0	0	(2,475)	0	0	0	0	(3,300)
74	"Get Ready, Get Credit" Educ. Planning & Assessment	0	0	0	0	829	829	829	829	0	0	0	0	(1,658)	0	0	0	0	(1,658)
75	Completion of Education Finance Adequacy Study	0	0	0	0	0	0	0	0	175	0	175	175	175	0	0	0	0	0
76	Career & Technical Education Grants	0	0	0	0	1,000	1,000	0	0	0	0	0	0	(2,000)	0	0	0	0	0
77	Education Excellence Subtotal	124,793	134,024	140,166	147,128	118,527	129,458	133,108	141,683	176,129	187,129	363,258	104,441	115,273	192,878	199,588	392,466	105,172	117,675
78	SPECIAL PROGRAMS																		
80	Special Education - Regular	528,846	527,446	525,871	523,801	528,502	527,116	525,478	523,468	528,846	546,111	1,074,957	18,665	19,339	569,196	593,033	1,162,229	112,557	113,283
80	Special Education Equalization	0	0	0	0	0	2,176	3,609	2,804	0	0	0	0	(2,176)	0	0	0	0	(6,413)
81	Cross Subsidy Aid	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
82	Special Education -- Children with Disabilities	2,212	2,615	2,922	3,261	2,212	2,615	2,922	3,261	2,212	2,615	4,827	0	0	2,922	3,261	6,183	0	0
83	Travel for Home-Based Services	187	195	202	211	187	195	202	211	187	195	382	0	0	202	211	413	0	0
84	Special Education - Excess Cost	91,784	91,595	91,432	91,035	102,782	102,483	102,179	101,801	91,784	93,430	185,214	1,835	(20,051)	96,210	97,715	193,925	11,458	(10,055)
85	Litigation Costs for Special Education	17	17	17	17	17	17	17	17	0	0	0	(34)	(34)	0	0	0	(34)	(34)
86	Transition Programs--Students with Disabilities	8,788	8,765	8,739	8,706	8,788	8,765	8,739	8,706	8,788	8,765	17,553	0	0	8,739	8,706	17,445	0	0
87	Court Placed Special Education Revenue	65	70	72	74	65	70	72	74	65	70	135	0	0	72	74	146	0	0
88	Special Ed. Nonpublic Pupil Task Force	0	0	0	0	0	0	0	0	50	0	50	50	50	0	0	0	0	0
89	Native Language Eminence Credentialing Task Force	0	0	0	0	0	0	0	0	102	0	102	102	102	0	0	0	0	0
90	Out of State Special Education Tuition	250	250	250	250	250	250	250	250	250	250	500	0	0	250	250	500	0	0
91	Special Programs Subtotal	632,149	630,953	629,505	627,355	642,803	643,687	643,468	640,592	632,284	651,436	1,283,720	20,618	(2,770)	677,591	703,250	1,380,841	123,981	96,781
92	FACILITIES AND TECHNOLOGY																		
94	Health & Safety Aid	802	578	471	413	802	561	452	394	802	578	1,380	0	17	471	413	884	0	38
95	Debt Service Equalization	25,654	24,611	22,942	21,942	25,654	24,608	22,096	20,806	25,654	24,611	50,265	0	3	22,942	21,942	44,884	0	1,982
96	Alternative Facilities Bonding Aid	19,287	19,287	19,287	19,287	19,287	19,287	19,287	19,287	19,287	19,287	38,574	0	0	19,287	19,287	38,574	0	0
97	Maximum Effort Debt Service Rate Reduction	0	0	0	0	0	(92)	(660)	(759)	0	(92)	(92)	(92)	0	(660)	(760)	(1,420)	(1,420)	(1)
98	Capital Loan Payoff, ISD 566, Askov	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
99	Telcommunications Access	0	0	0	0	4,500	4,600	4,700	4,700	5,000	5,000	10,000	10,000	900	10,000	10,000	20,000	20,000	10,600

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100	One-Time Emergency Aid, ISD 38, Red Lake	0	0	0	0	0	0	0	0	100	0	100	100	100	0	0	0	0	0
101	Deferred Maintenance Aid and Levy	0	0	0	0	0	2,556	2,235	1,516	0	0	0	0	(2,556)	0	0	0	0	(3,751)
102	Facilities and Technology Subtotal	45,743	44,476	42,700	41,642	50,243	51,520	48,110	45,944	50,843	49,384	100,227	10,008	(1,536)	52,040	50,882	102,922	18,580	8,866
103																			
104	NUTRITION PROGRAMS																		
105	School Lunch and Food Storage Program	7,748	7,826	7,904	8,022	7,748	7,826	7,904	8,022	9,585	9,781	19,366	3,792	3,792	9,879	10,027	19,906	3,980	3,980
106	School Breakfast Aid	4,634	4,723	4,800	4,880	4,634	4,723	4,800	4,880	4,878	4,968	9,846	489	489	5,045	5,124	10,169	489	489
107	Fast Break to Learning	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
108	Milk Consumption Pilot Program	0	0	0	0	0	0	0	0	50	0	50	50	50	0	0	0	0	0
109	Summer Food Service Replacement Aid	150	150	150	150	150	150	150	150	150	150	300	0	0	150	150	300	0	0
110	Nutrition Programs Subtotal	12,532	12,699	12,854	13,052	12,532	12,699	12,854	13,052	14,663	14,899	29,562	4,331	4,331	15,074	15,301	30,375	4,469	4,469
111																			
112	LIBRARIES																		
113	Basic Support Grants for Libraries	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	8,570	17,140	0	0	8,570	8,570	17,140	0	0
116	Multicounty, Multitype Library Systems	903	903	903	903	903	903	903	903	903	903	1,806	0	0	903	903	1,806	0	0
115	Electronic Library	400	400	400	400	1,039	1,091	1,140	1,200	400	400	800	0	(1,330)	400	400	800	0	(1,540)
114	Regional Library Telecommunications Aid	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	2,400	0	0	1,200	1,200	2,400	0	0
117	Libraries Subtotal	11,073	11,073	11,073	11,073	11,712	11,764	11,813	11,873	11,073	11,073	22,146	0	(1,330)	11,073	11,073	22,146	0	(1,540)
118																			
120																			
121	General Education Total	5,058,385	5,055,389	4,996,205	4,962,001	5,112,655	5,341,582	5,324,979	5,287,407	5,266,702	5,470,088	10,736,790	623,016	282,553	5,442,720	5,407,689	10,850,410	892,204	238,024
122	Categorical Totals	826,290	833,225	836,298	840,250	835,817	849,128	849,353	853,144	884,992	913,921	1,798,913	139,398	113,968	948,656	980,095	1,928,750	252,202	226,253
123	SUBTOTAL: EDUCATION FINANCE	5,884,675	5,888,614	5,832,503	5,802,251	5,948,472	6,190,710	6,174,332	6,140,551	6,151,694	6,384,008	12,535,703	762,414	396,521	6,391,376	6,387,784	12,779,160	1,144,406	464,277
124																			
155																			
156	STATE AGENCY BUDGETS																		
157																			
158	DEPARTMENT OF EDUCATION																		
159	Base Education Agency Budget	21,881	21,881	21,881	21,881	21,881	21,881	21,881	21,881	21,881	21,881	43,762	0	0	21,881	21,881	43,762	0	0
160	Salary & Benefit Base Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
161	Board of Teaching	621	621	621	621	621	621	621	621	621	621	1,242	0	0	621	621	1,242	0	0
162	Board of Administrators	165	165	165	165	165	165	165	165	165	165	330	0	0	165	165	330	0	0
163	MN Children's Museum	260	260	260	260	260	260	260	260	260	260	520	0	0	260	260	520	0	0
164	Minnesota Academy of Science	41	41	41	41	41	41	41	41	41	41	82	0	0	41	41	82	0	0
165	Minnesota's Washington DC Office (Transfer Out)	29	29	29	29	29	29	29	29	0	0	0	(58)	(58)	0	0	0	(58)	(58)
166																			
167	Best Practices Grants (Transfer from Aids Budget)	0	0	0	0	1,000	1,000	1,000	1,000	0	0	0	0	(2,000)	0	0	0	0	(2,000)
168	Best Practices Grants (Program Reduction)	0	0	0	0	(500)	(500)	(1,000)	(1,000)	0	0	0	0	1,000	0	0	0	0	2,000
169	Statewide Testing (Transfer from Aids Budget)	0	0	0	0	9,000	9,000	9,000	9,000	0	0	0	0	(18,000)	0	0	0	0	(18,000)
170	Develop Interactive Science Test	0	0	0	0	1,200	1,200	0	0	0	0	0	0	(2,400)	0	0	0	0	0
171	Value Added Index Assessment	0	0	0	0	300	1,600	1,600	1,600	300	1,600	1,900	1,900	0	1,600	1,600	3,200	3,200	0
172	Alternative Teacher Preparation Program	0	0	0	0	0	500	500	500	0	0	0	0	(500)	0	0	0	0	(1,000)
173	Scholarship Tax Credit Administration	0	0	0	0	250	250	250	250	0	0	0	0	(500)	0	0	0	0	(500)
174	Meth Education Materials	0	0	0	0	50	75	75	75	50	75	125	125	0	75	75	150	150	0
175	School Readiness Staff Increase	0	0	0	0	169	200	200	200	0	0	0	0	(369)	0	0	0	0	(400)
176	Single Purpose Charter Sponsors	0	0	0	0	10	15	15	15	0	0	0	0	(25)	0	0	0	0	(30)
177	Rulemaking for Board of School Administrators	0	0	0	0	20	0	0	0	0	0	0	0	(20)	0	0	0	0	0
178	State Agency PALS Funding Elimination	0	0	0	0	(75)	(75)	(75)	(75)	0	0	0	0	150	0	0	0	0	150
179	Rulemaking for Supplemental Svcs Providers	0	0	0	0	0	0	0	0	20	0	20	20	0	0	0	0	0	0
180	Rulemaking for MCA-lis	0	0	0	0	0	0	0	0	20	0	20	20	0	0	0	0	0	0
180	Elimination of MDE Communications Function	0	0	0	0	0	0	0	0	(367)	(367)	(734)	(734)	(734)	(367)	(367)	(734)	(734)	(734)
181	World Languages Coordinator	0	0	0	0	0	0	0	0	128	128	256	256	256	128	128	256	256	256
182	General Operating Budget Reduction	0	0	0	0	(1,225)	(1,225)	(1,225)	(1,225)	(1,608)	(1,608)	(3,216)	(3,216)	(766)	(1,500)	(1,500)	(3,000)	(3,000)	(550)
183																			

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184	Education Subtotal	22,997	22,997	22,997	22,997	33,196	35,037	33,337	33,337	21,511	22,796	44,307	(1,687)	(23,926)	22,904	22,904	45,808	(186)	(20,866)
185																			
186	PERPICH CENTER FOR ARTS EDUCATION																		
187	Base Center for Arts Education Budget	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423	12,846	0	0	6,423	6,423	12,846	0	0
188	Electronic Telecommunications	0	0	0	0	0	0	0	0	1	(1)	(0)	(0)	(0)	(1)	(1)	(2)	(2)	(2)
189	Salary & Benefit Base Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
190	General Operating Budget	0	0	0	0	(168)	(168)	(168)	(168)	0	0	0	0	336	250	250	500	500	836
191	Perpich Center for Arts Education Subtotal	6,423	6,423	6,423	6,423	6,255	6,255	6,255	6,255	6,424	6,422	12,846	(0)	336	6,672	6,672	13,344	498	834
192																			
193	FARIBAULT ACADEMIES FOR THE DEAF & BLIND																		
194	Academy Operations	10,466	10,466	10,466	10,466	10,466	10,466	10,466	10,466	10,466	10,466	20,932	0	0	10,466	10,466	20,932	0	0
195	Salary & Benefit Base Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
196	Special Education Increase	0	0	0	0	412	487	487	487	412	487	899	899	0	487	487	974	974	0
197	General Operating Budget Reduction	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
198	Faribault Academies Subtotal	10,466	10,466	10,466	10,466	10,878	10,953	10,953	10,953	10,878	10,953	21,831	899	0	10,953	10,953	21,906	974	0
199																			
200	SUBTOTAL: AGENCY OPERATIONS	39,886	39,886	39,886	39,886	50,329	52,245	50,545	50,545	38,813	40,171	78,984	(788)	(23,590)	40,529	40,529	81,058	1,286	(20,032)
201																			
202	SUBTOTAL: EDUCATION FINANCE	5,884,675	5,888,614	5,832,503	5,802,251	5,948,472	6,190,710	6,174,332	6,140,551	6,151,694	6,384,008	12,535,703	762,414	396,521	6,391,376	6,387,784	12,779,160	1,144,406	464,277
207																			
208	TOTAL GENERAL FUND, K-12 APPROPRIATIONS	5,924,561	5,928,500	5,872,389	5,842,137	5,998,801	6,242,955	6,224,877	6,191,096	6,190,507	6,424,180	12,614,687	761,626	372,931	6,431,905	6,428,313	12,860,218	1,145,692	444,245
209																			
210	Payment Shifts Not Included in Appropriations																		
211	Property Tax Aids and Credits	(66)	(33)	(36)	(37)	(66)	(33)	(36)	(37)	(66)	(33)	(99)	0	0	(36)	(37)	(73)	0	0
212	Administrative Decision: Non-shifted Rounding Amount	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
213																			
214	Revenue Changes																		
215																			
216	SUBTOTAL: REVENUE CHANGES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
217																			
220	GENERAL FUND TOTAL, K-12 APPROPRIATIONS	5,924,495	5,928,467	5,872,353	5,842,100	5,998,735	6,242,922	6,224,841	6,191,059	6,190,441	6,424,147	12,614,588	761,626	372,931	6,431,869	6,428,276	12,860,145	1,145,692	444,245
221																			
222																			
223	Payment Shifts																		
224																			
225	Property Tax Recognition Shifts	0	0	0	0	(69,351)	(27,188)	(6,480)	(4,254)	1,280	(845)	435	435	96,974	(2,963)	0	(2,963)	(2,963)	7,772
226	Payment Schedule Shifts	(687)	(1,780)	(2,118)	(2,182)	(687)	(1,780)	(2,118)	(2,182)	(687)	(1,780)	(2,467)	0	0	(2,118)	(2,182)	(4,300)	0	0
227																			
228	Total Payment Shifts	(687)	(1,780)	(2,118)	(2,182)	(70,038)	(28,968)	(8,598)	(6,436)	593	(2,625)	(2,032)	435	96,974	(5,081)	(2,182)	(7,263)	(2,963)	7,772
229																			
230																			
233	TOTAL GENERAL FUND LESS SHIFTS, K-12	5,925,182	5,930,247	5,874,471	5,844,282	6,068,773	6,271,890	6,233,439	6,197,495	6,189,848	6,426,771	12,616,619	761,190	275,956	6,436,949	6,430,458	12,867,407	1,148,654	436,473

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Senate

State of Minnesota

S.F. No. XXXX - Omnibus Education Bill

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AMB
SW

Date: April 25, 2005

Article 1 General Education

Section 1 [Kindergarten.] defines kindergarten as a program for pupils five years of age on September 1 of the calendar year in which the school year commences that prepares pupils to enter the first grade the following year. Further defines a program designed for pupils younger than five years of age by September 1 of the calendar year as a prekindergarten program.

Section 2 [Safe Schools; Reserved Revenue.] requires school districts to reserve \$27 of general education revenue per pupil to pay for crime prevention, drug abuse prevention, counseling, gang resistance, and peace officer services.

Section 3 [Reserve Revenue.] updates the transportation sparsity formula for fiscal year 2007 and later to reflect current data for area learning centers.

Section 4 [Board Control of Extracurricular Activities.] requires a school board to record revenues and expenditures for extra curricular activities according to the Manual for Activity Fund Accounting.

Section 5 [Definitions.] defines adjusted net tax capacity for the purposes of debt service equalization.

Section 6 [Taconite Revenue.] recognizes taconite revenue in full for the fiscal year in which the February payment falls.

Section 7 [Expenditures by Building.] requires districts to also maintain separate accounts for capital expenditures and pupil transportation as it would for general fund expenditures.

Section 8 [Account Transfer for Statutory Operating Debt.] changes the name of the account that districts transfer from when they are in statutory operating debt from undesignated fund balance to the net unreserved general fund balance.

Section 9 [Operating Debt.] changes the definition of operating debt to mean the unreserved general fund balance instead of the undesignated fund balance and includes in the total calculation of operating debt the capital expenditure, building construction, debt service, and trust and agency funds.

Section 10 [Reorganization Operating Debt.] changes the definition of reorganization operating debt to be the net negative unreserved general fund balances instead of net negative undesignated general fund balance.

Section 11 [Net Unreserved General Fund Balances.] updates the reference account that a school district must refer to in limiting their expenditures to the net unreserved general fund instead of the undesignated fund balances.

Section 12 [District Reports.] requires districts to report: (1) salaries and fringe benefits of district employees whose primary duties are other than transportation; (2) salaries and fringe benefits of district employees who work part-time in transportation but who are not included in the district's transportation reports; and (3) pupil transportation expenditures.

Section 13 [General Education Revenue.] updates the definition of general education revenue for charter schools for fiscal year 2006. For fiscal year 2007 and later, the definition is adjusted to account for changes made to general education in that year.

Section 14 [Transportation Revenue.] updates the transportation sparsity formula for fiscal year 2007 and later to reflect current data for charter schools.

Section 15 [Other aid, Grants, Revenue.] clarifies revenue eligible to be received by a charter school.

Section 16 [Enrollment Verification.] clarifies the basic skills revenue under the graduation incentives program.

Section 17 [Aid.] makes technical changes to the alternative program aid payment statute.

Section 18 [Net Unreserved General Fund Balance.] updates the name of the account from net unappropriated operating fund balance to the net unreserved general fund balance. The unreserved general fund balance is equal to the sum of the unreserved general fund balance and encumbrances.

Section 19 [Extended Time Pupil Units.] codifies the definition of extended time average daily membership for a district or charter school and provides the formula calculation.

Section 20 [Project-Based Average Daily Membership.] identifies the requirements that a public school with a project-based program must meet in order to receive general education revenue.

Section 21 [General Education Revenue.] strikes obsolete language and defines general education revenue for fiscal year 2007. For fiscal years 2004 through 2006, transition revenue is included in the calculation; for fiscal year 2007 and later, transition revenue is not included in the calculation of general education revenue because it is rolled into referendum revenue.

Section 22 [Basic Revenue.] sets the basic formula allowance to \$4,832 for fiscal year 2006 and \$5,243 in fiscal year 2007.

Section 23 [Total Operating Capital Revenue.] removes obsolete language on telecommunications access costs.

Section 24 [Operating Capital Levy.] eliminates the operating capital levy after fiscal year 2006.

Section 25 [Operating Capital Aid.] eliminates the operating capital aid after fiscal year 2006.

Section 26 [Transportation Sparsity Revenue Allowance.] updates the transportation sparsity calculation to reflect current department data for school districts.

Section 27 [Equity Revenue.] removes outdated language related to supplemental revenue and transition revenue in determining equity revenue. For the purposes of this section, beginning in fiscal year 2007, the referendum revenue excludes referendum conversion allowance authority unless a district allows the revenue at an election.

Section 28 [Equity Levy.] eliminates the equity levy after fiscal year 2006.

Section 29 [Equity Aid.] eliminates the equity aid after fiscal year 2006.

Section 30 [Transition Revenue.] eliminates the transition revenue after fiscal year 2006. Redefines transition revenue for fiscal year 2006.

Section 31 [Transition Levy.] eliminates the transition levy after fiscal year 2006.

Section 32 [Transition Aid.] eliminates the transition aid after fiscal year 2006.

Section 33 [Consolidated Tax Rate.] requires the Commissioner to establish a tax rate for the purposes of a consolidated levy. The tax rate is constant for fiscal year 2009 and later.

Section 34 [Consolidated Levy.] requires a district to levy an amount up to the consolidated tax rate times the adjusted net tax capacity of the district the preceding year and not greater than the district's general education revenue in order to obtain general education revenue.

Section 35 [Consolidated Levy; Districts Off the Formula.] establishes levy limitations and calculations in the case that the amount of the consolidated levy amount exceeds the district's general education revenue.

Section 36 [General Education Aid.] adjusts the calculation of general education aid to reflect the changes in general education that eliminate the operating capital levy, equity levy, and transition revenue.

Section 37 [Referendum Allowance.] changes the referendum revenue allowance calculation to reflect the referendum conversion allowance.

Section 38 [Referendum Allowance Limit.] removes obsolete language.

Section 39 [Referendum Equalization Revenue.] increases the first tier referendum equalization allowance to \$524 in fiscal year 2007.

Section 40 [Referendum Revenue.] simplifies ballot language by abbreviating the term "per resident pupil unit" to "per pupil" and removing language on the ballot referring to estimated referendum tax rate.

Section 41 [Referendum Conversion Allowance.] allows a district that received transition revenue in 2004 to convert its transition revenue 2004 conversion allowance to additional referendum allowance for fiscal year 2007 and later, upon approval by a majority of the school board and sets limitation dates.

Section 42 [Taconite Deductions.] makes technical changes.

Section 43 [Notice to Commissioner; Forms.] changes the date that a district must notify the Commissioner of the levies certified from January 15 to January 7.

Section 44 [Taconite Payments and Other Reductions.] makes technical changes and specifies that any law imposing a tax upon severed mineral values must reduce levies to 95 percent of the previous year's revenue.

Section 45 [Payment Percentage for Reimbursement Aids.] includes telecommunications/Internet access equity aid and shared time aid in the total list of aids that must be paid to school districts.

Section 46 [Charter Schools.] updates the transportation sparsity formula for fiscal year 2007 and later to reflect current data.

Section 47 [Abatements.] changes the calculations of abatement aid from first prior year to third prior year.

Section 48 [Excess Tax Increment.] makes technical changes.

Section 49 [Census.] makes technical changes.

Section 50 [County Auditor to Fix Amount of Levy.] makes technical changes.

Section 51 [Distributions of Excess Taxes on Captured Net Tax Capacity.] makes technical changes.

Sections 52 to 62 amend S.F. No. 1879, if enacted. See fiscal tracking sheets.

Section 63 [Four-Year Old Prekindergarten Allowance.] establishes a revenue calculation for a district's four-year old prekindergarten program.

Section 64 [Transition Revenue 2004 Conversion Allowance.] establishes a district's transition revenue 2004 conversion allowance. Transition revenue 2004 conversion allowance is increased by \$40 for any school district with a grandfathered referendum cap. A district eligible for sparsity revenue is not eligible for this allowance.

Section 65 [School Bus Loan; Carpenter School Buses.]

Subdivision 1 [Bus Loan Revenue.] provides districts with loan revenue to replace Carpenter school buses that have potentially defective welds, upon approval of a board resolution.

Subdivision 2 [Levy.] requires a district that received loan revenue for Carpenter buses to levy for an amount equal to its bus loan revenue times 0.25 for taxes payable in 2006 through 2009.

Subdivision 3 [General Education Revenue Withholding.] requires the Department of Education to reduce the general education aid for each district that received bus loan revenue by an amount equal to the district's bus loan revenue times 0.25.

Section 66 [Red Lake Fiscal Year 2005 Pupil Units.] allows for Independent School District No. 38, Red Lake, to consider the amount of pupils that would have been computed if the district's school buildings had not reopened after March 21, 2005, when calculating the fiscal year 2005 average daily membership. Learning year pupil units must be calculated using the hours in excess of the actual number of instruction hours in the calendar year for the school attended by the student, for fiscal year 2005.

Section 67 [Fiscal Years 2006 and 2007 Declining Pupil Unit Aid, Red Lake.] provides Independent School District No. 38, Red Lake, with declining pupil units aid in fiscal years 2006 and 2007. Declining pupil unit aid must be included when calculating the district's general education aid.

Section 68 [Kindergarten Reporting.] allows a district to retain in the reporting of pupils four or five years of age that had enrolled in a prekindergarten program implemented by the district before July 1, 2003.

Section 69 [Transition Revenue Adjustments.] allows districts who received additional transition revenue for the four-year old prekindergarten program in fiscal year 2006 to levy for that revenue in fiscal year 2007.

Section 70 [Appropriations.]

Subdivision 1 [Department of Education.] appropriates money from the general fund to the department of education.

Subdivision 2 [School Bus Loan Revenue.] appropriates \$3,630,000 in fiscal year 2006 for school bus loan revenue.

Section 71 [Repealer.] repeals Minnesota Statutes 2004, sections 123B.83, subdivision 1 (reduce statutory operating debt; 126C.42, subdivision 1 (1977 statutory operating debt), subdivision 4 (1992 operating debt); 126C.10, subdivisions 13a (operating capital levy), 13b (operating capital aid), 29 (equity levy), 30 (equity aid), 31 (transition revenue), 33 (transition aid); and 126C.44 (safe schools levy), for revenue for fiscal year 2007.

**Article 2
Education Excellence**

Section 1 [Teacher Date from Value-Added Assessment Model.] states that data on teachers from a value-added assessment model is governed under Minnesota Statutes, section 120B.362.

Section 2 [Classroom Placement; Parent Discretion.] allows a parent of twins or higher order multiples to request a particular classroom placement for their children. A district may make a recommendation to the parents and provide professional advice to assist parents in making the best decision for their children. A school must provide the requested classroom placement, unless the school's board makes a determination to follow the school principal's recommendation.

Section 3 [Educational Expectations for Minnesota's Students.] provides for the transition from the Basic Skills Test to the Minnesota Comprehensive Assessments Second Edition.

Section 4 [Required Academic Standards.] requires the district to maintain, at a minimum, the same physical education and health education requirements for students through the 2007-2008 school year. A district must consult benchmarks developed by the Department of Education's Health and Physical Education Quality Teaching Network before revising their local standards.

Section 5 [Rigorous Course of Study; Waiver.] allows a school district, area learning center, or charter school to declare that a student has met or exceeded an academic standard required for graduation if the student:

- (1) is participating in a course of study or program that is equally or more rigorous than the corresponding state or local academic standard required by the district, area learning center, or charter school;
- (2) would be precluded from participation in the course of study or program if they were required to achieve the academic standard to be waived; and
- (3) satisfactorily completes the course of study or program.

A student completing a postsecondary enrollment options course is not required to complete other academic standard requirements corresponding to that specific rigorous course.

Section 6 [Graduation Requirements; Course Credits.] requires students to complete one-half credit in physical education and one-half credit in health education in order to graduate.

Sections 7 to 12 [Definitions.] update and align the school district process for reviewing instruction and curriculum with academic standards and student achievement goals. Districts may use electronic means for disseminating reports to the public.

Section 13 [Gifted and Talented Students.] requires districts to adopt guidelines for assessing and identifying gifted and talented students. Districts, in collaboration with interested community members and with technical assistance from the Department of Education, may offer gifted and talented programs.

Section 14 [Violence Prevention Curriculum.] includes self-protection as one of the components of violence prevention curriculum.

Section 15 [American Heritage Education.] allows districts to provide instruction for students to read and study America's founding documents.

Section 16 [Statewide Testing.] provides for the transition from the Basic Skills Test to the Minnesota Comprehensive Assessments Second Edition.

Section 17 [Statewide and Local Assessments; Results.] provides for the transition from the Basic Skills Test to the Minnesota Comprehensive Assessments Second Edition.

Section 18 [Access to Tests.] codifies session law directing the Commissioner to adopt and publish a policy to provide access to statewide tests.

Section 19 [Value-Added Assessment Program.] directs the Commissioner to implement a value-added assessment program using adaptive computer-based assessments. The Commissioner must obtain authority to use fully adaptive computer-based assessments, aligned with state academic standards, that accurately measure student achievement and growth over time.

Sections 20, 21, and 25 [Reports.] align the dangerous weapons report with federal reporting requirements by reducing reporting to once a year, allowing for electronic reporting, and requiring submission of certain demographic information.

Section 22 [School Board Policy; Prohibiting Intimidation and Bullying.]

Subdivision 1 [Intimidation or Bullying Defined.] defines “intimidation or bullying” as an intentional gesture or a written, oral, or physical act or threat that a reasonable person under the circumstances knows or should know has the effect of:

- (1) harming a student;
- (2) damaging a student’s property;
- (3) placing a student in reasonable fear of harm to the student’s person;
- (4) placing a student in reasonable fear of damage to the student’s property; or
- (5) creating a severe or persistent environment of intimidation or abuse.

Subdivision 2 [Model Policy.] directs the Commissioner to maintain a model policy.

Subdivision 3 [School Board Policy.] requires a school board to have a policy prohibiting intimidation and bullying of any student. The policy must describe expected student behavior, consequences for and the appropriate remedial action to be taken against the person acting to intimidate or bully, and reporting procedures.

Section 23 [Possession and Use of Nonprescription Pain Relievers by Secondary Students.] permits a secondary student to possess and use nonprescription pain relief, consistent with labeling, if their parent sends written authorization to the school district.

Section 24 [Comprehensive Family Life and Sexuality Education.]

Subdivision 1 [Definitions.] defines “comprehensive family life and sexuality education” as education in grades 7 through 12 that includes abstinence, use of protection, and contraception.

Subdivision 2 [Curriculum requirements.] allows for a school district to independently establish their policy and curriculum. A school district is permitted to provide comprehensive family life and sexuality education in kindergarten through sixth grade. A district must offer comprehensive family life and sexuality education in grades 7 through 12.

Subdivision 3 [Notice and parental options.] requires districts to establish procedures on providing parents or guardians with reasonable notice regarding the comprehensive family

life and sexuality education program and the opportunity to inspect any educational materials. If the parent chooses not to have their child participate, the district must reasonably restrict that child's access to the material.

Sections 26 and 28 [Comprehensive, Scientifically Based Reading Instruction.] update the current definition of reading instruction to include all five reading areas, and increasing instructional strategies so that student of all ages and proficiency levels can read, comprehend text, and apply higher-level thinking skills.

Section 27 [Terms; Compensation; Removal; Administration; Reimbursement.] allows the Board of School Administrators to reimburse school districts for substitute teacher costs when a regular teacher is providing professional assistance to the state.

Sections 29 and 30 [Probationary Period.] require a probationary teacher to complete at least 60 days of teaching service each year. A probationary teacher whose first three years of service is interrupted for active military service and promptly resumes teaching is considered to have consecutive teacher experience.

Section 31 [Probationary Period for Principals Hired Internally.] allows for a district in a city of the first class to negotiate an additional probationary period of up to two years for assistant principals that were hired internally.

Section 32 [Services Terminated by Discontinuance or Lack of Pupils; Preference Given.] allows a district in a city of the first class and the exclusive representative of the teachers to negotiate a plan for teacher discontinuance.

Section 33 [Educational Improvement Plan.] updates the section to correspond with the professional compensation initiative.

Section 34 [Professional Compensation Initiative.]

Subdivision 1 [Professional Compensation Agreement.] permits a school district and the exclusive representative of the teachers to adopt a professional compensation agreement.

Subdivision 2 [Eligibility.] establishes conditions for participation in the professional compensation initiative. In fiscal year 2006, at a minimum, districts must submit a letter of intent to complete planning for and to participate in the initiative in fiscal year 2007, reserve at least two percent of the basic revenue for staff development, and commit to spending at least the additional one percent of basic revenue available through participation in the initiative on staff development supporting the district's educational improvement plan and developing an agreement under this section. In fiscal year 2007 and later, districts must submit the educational improvement plan and an executed collective bargaining agreement.

Subdivision 3 [Commissioner Approval.] allows the Commissioner to give preliminary approval if a district submits a proposed collective bargaining agreement and educational improvement plan for review. The Commissioner must provide detailed notice to a school district if their application is denied.

Subdivision 4 [Professional Compensation Revenue.] establishes calculations for a district's professional compensation revenue dependent upon the district's level of participation in the initiative.

Subdivision 5 [Percentage of Teachers.] establishes a formula for determining the percentage of teachers participating in the initiative for the purposes of calculating the revenue amount.

Subdivision 6 [Aid Timing.] states that districts or sites must receive revenue for each school year that they participate in the initiative and comply with the conditions for participation.

Subdivision 7 [Basic Revenue.] permits a district to spend the basic revenue reserved for staff development under Minnesota Statutes, section 122A.61, for compliance with the professional compensation initiative.

Subdivision 8 [Participation.] permits a district and its teachers to participate in the initiative in subsequent fiscal years even if they don't participate in fiscal year 2006.

Section 35 [Closed Contract.] permits a district and the exclusive representative of the teachers to jointly agree to reopen a collective bargaining agreement for the sole purpose of entering into a professional compensation system.

Section 36 [Staff Development Committee.] strikes obsolete reporting language from the staff development program.

Section 37 [Effective Staff Development Activities.] defines effective staff development activities. Excludes release time to supervise students on field trips and school activities and independent tasks not associated with enhancing the teacher's knowledge and skills from counting as staff development time.

Section 38 [Staff Development Report.] directs the district and the site staff development committees to submit a written report to the Commissioner on staff development activities. The Commissioner must report staff development progress and expenditure data to the Legislature.

Section 39 [Staff Development Revenue.] strikes the method for a district and the majority of the licensed teachers to annually waive the staff development revenue set aside. A district participating in the professional compensation initiative is not required to set aside staff development revenue except to the extent they agree to reserve or use it as a condition for participation in the initiative.

Section 40 [Principals' Leadership Institute.]

Subdivision 1 [Establishment.] permits the Commissioner to contract with the University of Minnesota to establish a principals' leadership institute.

Subdivision 2 [Method of Selection and Requirements.] allows for a district to submit the name of a principal to participate to the Commissioner. In addition, a principal may submit their own application for participation.

Section 41 [Employee Recognition.] allows a school board to establish an employee recognition program for teachers as long as the program doesn't include monetary awards.

Section 42 [Rewards.] allows a school board to offer rewards for information that leads to the apprehension and arrest of a person who committed a crime against the district's property, students, employees, volunteers, or school board members.

Sections 43 and 44 [Definition.] amend the requirements for site decision-making agreements. The definition of "education site" is amended to include a program with a district that is recognized by the school board as a site. At least 60 percent of the licensed staff of a site may request the school board enter into discussions to reach a site-based decision-making agreement. At least one-half of the site team's members must be employees of the district. A site leadership team may make decisions on how financial and personnel resources are allocated at the site and from whom to purchase goods and services.

Section 45 [Pupil Transportation Safety Committee.] allows a district to establish a pupil transportation safety committee to review and recommend changes to the district's policy and to develop a comprehensive plan for safe transportation of students who face hazardous transportation conditions.

Section 46 [All-Day Kindergarten.] changes the name of the first-grade preparedness program to all-day kindergarten.

Section 47 [Credits.] directs Minnesota State Colleges and Universities and the University of Minnesota to award postsecondary credit for successfully completed courses in a program certified by the National Alliance of Concurrent Enrollment Partnerships.

Section 48 [Other Aid, Grants, Revenue.] clarifies that charter schools are not eligible for aids, grants, or other revenue if the revenue is the replacement of levy revenue.

Section 49 [Eligible Services.] provides for the transition from the Basic Skills Test to the Minnesota Comprehensive Assessments Second Edition.

Sections 50 to 52 [Indian Education.] update the Indian Education Act and removes obsolete language.

Section 53 [Implementation of No Child Left Behind Act.]

Subdivision 1 [Continued Implementation.] The Minnesota Department of Education will implement the No Child Left Behind Act (NCLB) without interruption.

Subdivision 2 [No Child Left Behind Nullification.] The state plan on implementing NCLB will be nullified and revoked by the Commissioner on July 1, 2006, if the conditions below are not met. The Department of Education will report to the House of Representatives and Senate education funding and policy divisions by April 1, 2006, that the following conditions have been met and, if necessary, approved by the federal Department of Education:

- (1) the Department of Education may use multiple measures, including value-added measures of student achievement in addition to relying on standardized test scores for determining adequate yearly progress (AYP);
- (2) the Department of Education may average three years of data to identify a school for improvement;
- (3) the Department of Education will correct errors in accountability reports in a manner such that a school will not be adversely affected by the error;
- (4) the Department of Education has outlined the additional costs for the fiscal years 2006 through 2009 that the implementation of the NCLB Act imposes on the state.
- (5) the Department of Education uses NCLB money to provide supplemental education services only in the academic subject area that causes a school to miss AYP;
- (6) the Department of Education may exclude from sanctions a school that is classified as not making AYP solely due to a subgroup of students with disabilities not testing at a proficient level;
- (7) the Department of Education may exclude from sanctions a school that is classified as not making AYP solely due to different subgroups testing below proficient levels for at least two consecutive years;
- (8) the Department of Education will identify a school as not making AYP only after missing AYP targets in the same subject and subgroup for two consecutive years;
- (9) the Department of Education will identify a district as in need of improvement only after missing the AYP target in the same subject across multiple grade spans for two consecutive years;
- (10) the Department of Education will limit the score of a student to one subgroup when calculating AYP. Currently under NCLB, a student that falls under several subgroups is counted in the AYP calculations as many times;
- (11) the Department of Education has implemented a uniform financial reporting system for use by school districts;
- (12) the Department of Education will determine the percentage of special education students that would be best educated based on out-of-level standards; and
- (13) the Department of Education will determine when to hold schools accountable for including a student with limited English proficiency in AYP calculations.

Subdivision 3 [Department of Finance Certification.] If the Commissioner does not receive approval regarding the conditions in subdivision 2, the Commissioner of Finance will report to the Legislature the amount of revenue, if any, that has been withheld by the federal government as a result of the state's discontinued implementation of NCLB.

Subdivision 4 [Annual contingent Appropriation.] The amount equal to the federal revenue withheld as stated in subdivision 3 is appropriated from the general fund to the Commissioner of Education.

Section 54 [Board Meetings by Telephone or Other Electronic Means.] permits the Board of the Perpich Center for Arts Education to conduct meetings by telephone or other electronic means.

Section 55 [Public Employee or Employee.] includes early childhood family education teachers employed by a public school in the definition of public employee.

Section 56 [Dispositions.] permits a court to cancel a child's driver's license or instruction permit if it's in the best interests of the child or of public safety.

Sections 57 to 75 [Appropriations.] amend S.F. No. 1879, if enacted. See fiscal tracking sheets.

Section 76 [Contingent All-Day Kindergarten Revenue Increase.] directs the Commissioner of Finance to appropriate up to \$160,000,000 annually for all-day kindergarten if there is an available unrestricted general fund balance projected for June 30, 2007, attributable to the collection of sales taxes by sellers who do not have a physical presence in Minnesota.

Section 77 [College Preparation Standards.] directs the Higher Education Advisory Council to convene a working group to develop standards describing the knowledge and skills a high school graduate must have at entry into postsecondary education in order to successfully graduate from college and submit the standards to the Commissioner of Education. The Commissioner of Education must report on its recommendations regarding changes that must be made to the academic standards to ensure high school graduates meet the standards established by the Higher Education Advisory Council.

Section 78 [Minnesota Comprehensive Assessments; Rules.] directs the Commissioner to adopt rules to implement the Minnesota Comprehensive Assessments Second Edition.

Section 79 [Health and Physical Education Model Benchmarks.] directs the Commissioner to transit model kindergarten through grade 12 health and physical education benchmarks to districts.

Section 80 [Rules for Supplemental Service Providers.] directs the Commissioner to amend rules relating to supplemental service providers to include removal criteria for providers if they fail to meet outcome standards.

Section 81 [Model Policy; Intimidation and Bullying.] directs the Commissioner to work with the Minnesota School Boards Association to develop a model policy prohibiting intimidation and bullying.

Section 82 [School Finance Study.] directs the Commissioner to contract with an independent contractor to complete the work done by the Governor's education funding task force.

Section 83 [Evaluating the Educational Impact of Federal and State Tests on Kindergarten through Grade 12 Students.] directs the Office of Educational Accountability to evaluate the educational impact of the No Child Left Behind Act and other state and federal laws requiring school districts to administer tests to students.

Section 84 [Licensed Student Support Services.] directs the Commissioner and school districts to work towards improving access to licensed student support services by exploring opportunities for obtaining additional funding and considering nationally recommended licensed staff-to-student ratios, work loads, and best practices.

Section 85 [Board of Teaching Report.] directs the Board of Teaching to report proposed licensure requirements for teachers of interdisciplinary curriculum to facilitate learning in state-approved innovative schools and programs.

Section 86 [Professional Compensation for Teachers Task Force.] directs the Commissioner to convene a task force to recommend a method to transition to a statewide professional compensation program.

Section 87 [Appropriations.] See fiscal tracking sheets.

Section 88 [Repealer.] repeals Minnesota Statutes 2004, section 121A.23 (programs to prevent and reduce the risks of sexually transmitted infections and diseases); 122A.414 (alternative teacher compensation); 122A.415 (alternative compensation aid); and 122A.60 (staff development program).

Article 3 Special Programs

Section 1 [Emergency.] clarifies the level of severity in definition of emergency pertaining to preventing property damage.

Section 2 [Positive Behavioral Interventions and Supports.] defines positive behavioral interventions and supports to be strategies to improve the school environment and exhibit appropriate behavior.

Section 3 [Time-Out.] defines time-out as: (1) a contingent observation; (2) an exclusionary time-out, which is not regulated; or (3) a locked time-out, which is a regulated intervention.

Section 4 [Aversive and Deprivation Procedures.]

Subdivision 1 [Rules.] directs the Commissioner to consult with a prescribed list of organizations, associations, and advocacy groups prior to amending rules governing the use of aversive and deprivation procedures. This section changes the requirements that govern the rules for the use of aversive and deprivation procedures by school district employees

Subdivision 2 [Removal by a Peace Officer.] permits a peace officer to remove or restrain a student who has an individual education plan upon request by school administration or certain staff.

Section 5 [Student Support Services Advisory Committee.] establishes a student support advisory committee composed of ten members selected by the Commissioner from a prescribed list of associations. This section defines the content and purpose of the committee; the committee expires on June 30, 2016.

Section 6 [Definitions.] allows for the costs associated with transporting personnel employed by the district's program for children with a disability to be included as part of excess transportation; includes the cost of transporting a homeless student with disabilities for the purposes of computing special education base revenue.

Section 7 [Special Education Aid.] allows a charter school to charge tuition to the resident district equal to the lesser of the district's or the charter school's initial unreimbursed special education cost per pupil and allows a charter school to bill the Commissioner for an amount equal to 70 percent of the unreimbursed costs. This section defines initial unreimbursed special education cost to be the difference between the district's or charter school's total special education cost for that year and its regular special education revenue.

Section 8 [Career and Technical Levy.]

Subdivision 1 [Career and Technical Levy.] allows a district with a career and technical program to levy; sets certain limitations on levy use; and requires the district to recognize the full amount of this levy as revenue for the fiscal year in which it is certified.

Subdivision 2 [Allocation from Cooperative Centers and Intermediate Districts.] requires a cooperative center or intermediate district to allocate its approved expenditures for career and technical education programs among participating districts.

Subdivision 3 [Levy Guarantee.] the levy must be greater than the lesser of the district's career and technical levy authority for the previous year or 100 percent of the approved expenditures for career and technical programs for the fiscal year in which the levy is certified.

Subdivision 4 [District Reports.] requires the district or cooperative center to report to the department on all career and technical programs in order to implement the career and technical levy formula.

Section 9 [Pupil of Limited English Proficiency.] increases the time in which a pupil can generate average daily membership from five to seven years if the basic formula allowance does not grow by at least a real three and one-half percent each year.

Section 10 [Nonresident Tuition Rate; Other Costs.] excludes a pupil for whom tuition is calculated using the alternative attendance program formula from the nonresident tuition rate; directs the Commissioner to include several factors relating to transportation, lease and debt service, and instructional time in the regular classroom when calculating the special education nonresident tuition rate.

Section 11 [Nonresident Tuition Rate; Other Costs.] requires the district of residence to pay the tuition rate and other costs of a special education pupil except when the pupil is enrolled in a charter school.

Section 12 [Charter School Tuition Rate.] requires the resident district to pay the tuition rate and other costs of a special education pupil enrolled in a charter school. This section allows the charter school to bill the Commissioner for an amount equal to 70 percent of the unreimbursed costs and requires the Commissioner to pay the unfunded special education costs directly to the charter school.

Section 13 [Parent Advisory Councils.] requires districts to include a parent of a nonpublic school student with a disability or an employee of a nonpublic school if one is located in the district as part of its special education advisory council and requires the council to meet at least once each year.

Section 14 [State Interagency Coordinating Council.] changes the date that the council must recommend to the governor on a comprehensive and coordinated system and extends the completion of the council from 2005 until 2009.

Section 15 [Placement of Children Without Disabilities; Education and Transportation.] requires the enrolling district to provide transportation for a pupil with a disability, unless an agreement is reached with the district in which the pupil is temporarily placed. This section clarifies that pupils must be included in the disabled transportation category if the pupils cannot be transported on a regular school bus route without special accommodations for the purposes of computing state transportation aid.

Section 16 [Definitions.] increases the 2003 program growth factor to 1.042 in fiscal year 2006 and to 1.046 in fiscal year 2007 and later for regular special education.

Section 17 [State Total Special Education Aid.] ensures that within the calculation for the special education aid that the ratio of pupil counts for this fiscal year and the preceding fiscal year be unduplicated counts.

Section 18 [Definitions.] reinstates the 2003 program growth factor of 1.02 for special education excess costs in year 2006 and later and removes obsolete language.

Section 19 [State Total Special Education Excess Cost Aid.] sets the state total special education excess cost aid for fiscal year 2006 and adjusts the formula in an amount equal to the charter school special education reimbursement when determining the state total special education excess cost aid for 2007.

Section 20 [Charter School Special Education Reimbursement Account.]

Subdivision 1 [Account created.] establishes a charter school special education reimbursement account in the state general fund.

Subdivision 2 [Revenue.] appropriates the estimated share of net unreimbursed special education costs of charter school pupils with a disability to the charter school special education reimbursement account.

Subdivision 3 [Review.] requires the Commissioner to examine tuition bills from charter schools and allows the Commissioner to make appropriate adjustments.

Section 21 [To Lease Building or Land.] authorizes a school district that is a member of the Wright Technical Center to include in its authority 90 percent of the costs associated with leases of administrative and classroom space at the Wright Technical Center, up to \$22.50 times the adjusted marginal cost pupil units of the member districts.

Section 22 [Career and Technical Levy.] authorizes the levy for taxes payable in 2006, 2007, and 2008.

Section 23 [State Coordinator for World Languages.] directs the Commissioner of Education to designate a full-time state coordinator for world languages education within the Department of Education by July 1, 2005, and outlines minimum purposes and duties of the position.

Section 24 [Alternative Attendance Programs.] includes special education aid as part of the adjustment for each pupil attending a nonresident district. This section adjusts the tuition to the resident district by the district providing special instruction to a student with a disability account for the costs of facilities used primarily for special education, instructional time in the regular classroom. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aids due to the district.

Sections 25 to 33 amend S.F. No. 1879, if enacted. See fiscal tracking sheets.

Section 34 [Eminence Credentialing.]

Subdivision 1 [Goal.] establishes the Native Language Eminence Credentialing Task Force to achieve the state's goal of supporting the teaching and revitalization of the Dakota and Anishinaabe languages.

Subdivision 2 [Membership.] identifies the members of the task force.

Subdivision 3 [Administration.] requires the task force to elect a chair from its membership and directs the Commissioner of education to provide staff and administrative support for the task force.

Subdivision 4 [Duties.] defines the purpose and responsibilities of the task force including recommending changes to increase the number of fluent "first speakers" who can teach the language.

Subdivision 5 [Report.] requires the task force to submit a report to the Legislature by January 15, 2006.

Subdivision 6 [Expiration.] expires the task force upon submission of the report.

Section 35 [Task Force on Delivery of Special Education to Nonpublic School Students by Public School Districts.]

Subdivision 1 [Purpose; Establishment.] establishes a task force on the delivery of special education services to nonpublic school students by public school districts.

Subdivision 2 [Members.] directs the Governor to appoint the members of the task force according to certain selection criteria.

Subdivision 3 [Report.] requires the task force to submit a report by January 15, 2006 to the Legislature.

Subdivision 4 [Expiration.] expires the task force on January 31, 2006.

Section 36 [Appropriations.]

Subdivision 1 [Department of Education.] appropriates money from the general fund to the Department of Education.

Subdivision 2 [Nonpublic Student Special Education Task Force.] appropriates money to the task force on delivery of special education to nonpublic school students by public school districts.

Section 37 [Repealer.] repeals Minnesota Statutes 2004, section 125A.75, subdivision 8 (litigation and hearing costs).

Article 4
Technology, Facilities, and Accounting

Section 1 [Curriculum; Electronic Components.] directs a school district to provide resident pupils educated in a home school with access to the electronic components of curriculum as long as the district does not incur more than incidental costs.

Section 2 [Supervised Competitive High School Diving.] clarifies when a school district can use certain pools for supervised competitive high school diving.

Sections 3, 4, and 6 [Debt Service Levies; Choice of Tax Base.] permit a school board to elect to levy debt service for a bond against the referendum market value of the district or the net tax capacity of the district and provides a process for the levy.

Section 5 [Debt Service Appropriation.] makes an appropriation for debt service equalization aid.

Section 7 [Acoustical Performance Criteria.] encourages school districts to consider American National Standards Institute acoustical performance criteria design requirements and guidelines of the maximum background noise levels and reverberation times when designing a new building or remodeling.

Section 8 [Definitions.] clarifies that teachers delivery online learning instruction and allows intermediate districts provide online learning.

Section 9 [Online Learning Parameters.] clarifies that the delivery of instruction occurs when the student interacts with the computer or the teacher in an online learning program and receives ongoing assistance and assessment of learning.

Section 10 [Financial Arrangements.] clarifies that online learning programs that include an online component and at least 40 percent of instructional time in school facilities should generate general education revenue per pupil instead of online learning average daily membership.

Section 11 [Online Learning Advisory Council.] establishes and online learning advisory council of 12 members to advise the Commissioner on matters related to quality assurance, teacher qualifications, program approval, special education, attendance, program design and requirements, and fair and equal access to programs.

Section 12 [Telecommunications/Internet Access Equity Aid.]

Subdivision 1 [Costs to be Submitted.] requires a district to submit to the Department of Education the costs for telecommunications/Internet access costs for the previous fiscal year. Costs not eligible for reimbursement include recurring costs of staff or standard telephone service, costs associated with peripheral equipment needed to deliver the access, costs of laying fiber or wiring, and costs associated with internet filtering or other digital content.

Subdivision 2 [E-Rates.] requires a district to file an e-rate application, either separately or through its telecommunications access cluster, to be eligible for aid under this section and **to file a current technology plan with the department.**

Subdivision 3 [Reimbursement Criteria.] requires the Commissioner to develop criteria for approving costs in subdivision 1.

Subdivision 4 [District Aid.] sets a district's Internet access equity aid equal to 90 percent of the district's cost for the previous fiscal year exceeding \$15 times the district's AMCPU for the previous fiscal year for fiscal year 2006 and later.

Subdivision 5 [Telecommunications/Internet Access Services for Nonpublic Schools.] requires districts to provide ongoing access services to nonpublic schools in the district. The amount of aid for access services for those nonpublic schools is the lesser of: 90 percent of the nonpublic school's cost for the previous fiscal year exceeding \$10 times the number of weighted pupils enrolled at the nonpublic school in the previous year; or the product of the district's aid per AMCPU times the number of weighted pupils enrolled at the nonpublic school in the previous year.

A district providing services may claim up to five percent of the aid for costs of providing services to nonpublic schools. The nonpublic school is responsible for the access costs not covered by a district.

If the nonpublic school chooses to receive telecommunications access services through a provider other than the district, the district will allocate an amount directly to the nonpublic school for the access costs the nonpublic school will incur.

Subdivision 6 [Severability.] states that if any part of this section is unconstitutional, the following sections remain in effect.

Section 13 [Referendum Date.] allows a district to hold a referendum on the same day as a district election for a facility if the referendum is related to operating costs of the proposed facility.

Sections 14 and 15 [Levy] lower the maximum effort capital loan tax rate.

Sections 16 and 17 [Dues and Events Revenue.] permit the administrative regions of the Minnesota High School League to contract with the state auditor or private certified public accountants for required audits.

Section 18 [Net Bet Defined.] amends the net debt limit definition for the Minneapolis School District.

Section 19 [Surplus Funds.] allows a district to use the amount of any surplus remaining in the debt service fund of a school district when the obligations and the interest are paid in full for any other general purpose without any reduction in state aid or levies or to reduce general fund levies.

Section 20 [Bonds Paid from Taconite Production Tax Revenues.] clarifies a provision allowing for the refunding of bonds paid from taconite production tax revenues.

Section 21 [Garage Lease Levy; Sartell.] extends the Sartell school district's authority to levy for the purpose of leasing a school bus storage facility.

Section 22 to 24 [Appropriations.] amend S.F. No. 1879, if enacted. See fiscal tracking sheets.

Section 25 [Health and Safety Revenue; New Ulm.] allows the New Ulm school district to use health and safety revenue to construct appurtenances used to house and maintain mechanical air handling systems.

Section 26 [Disabled Access Levy Authority; East Grand Forks.] permits the East Grand Forks School district to levy its remaining disabled access levy authority over five or fewer years.

Section 27 [Maximum Effort Capital Loan Forgiven; East Central.] permits the East Central school district to sell its middle school building and forgives any outstanding loan balance on the maximum effort capital loan issued in 1982 to the former Askov school district.

Section 28 [Tax Base Adjustments; Fertile-Beltrami.] directs the Commissioner to make levy adjustments for the Fertile-Beltrami district first between levy categories that are imposed on identical tax bases before making adjustments between levy categories that are imposed on different tax bases.

Section 29 [Residential Program Facilities; Worthington.] permits the Worthington School District to use facilities, that were built using state bonds, to provide adult foster care or child foster care services or form other special education purposes.

Section 30 [Fund Transfers.]

Subdivision 1 [Butterfield.] permits the district to transfer up to \$50,000 from its reserved operating capital account to its undesignated general fund balance and \$60,000 from its reserved bus purchase account to its undesignated general fund balance.

Subdivision 2 [Chokio-Alberta.] permits the district to transfer up to \$150,000 from is reserved operating capital account and up to \$50,000 from its reserved account for disabled accessibility to the undesignated general fund balance.

Subdivision 3 [Clinton-Graceville-Beardsley.] permits the district to transfer up to \$244,000 from its reserved for disabled accessibility account to its unrestricted general fund account.

Subdivision 4 [Hastings.] permits the district to transfer up to \$300,000 from its reserved account for instructional services from entities formed for cooperative services for special education and secondary vocational programs to its unrestricted general fund.

Subdivision 5 [Lake Crystal-Wellcome Memorial.] permits the district to transfer up to \$133,000 from its reserved account for handicapped access to its undesignated general fund.

Subdivision 6 [M.A.C.C.R.A.Y.] permits the district to transfer up to \$230,000 from its reserved account for handicapped access to its undesignated general fund.

Subdivision 7 [McLeod West.] permits the district to transfer up to \$200,000 from its reserved operating capital account to its general fund.

Subdivision 8 [Russell.] permits the district to transfer up to \$50,000 from its reserved capital accounts to its undesignated general fund.

Subdivision 9 [Ruthton.] permits the district to transfer up to \$140,000 from its reserved for operating capital account to its undesignated general fund.

Subdivision 10 [Windom.] permits the district to transfer up to \$270,000 from its reserved for operating capital account to its undesignated general fund.

Subdivision 11 [Win-E-Mac.] permits the district to transfer up to \$87,000 from its reserved for disabled accessibility account to its reserved operating capital account.

Section 31 [Study of Average School Construction Costs.] directs the Commissioner to report on the costs of construction of new facilities, including the ranges in costs per square foot of new school construction that received a positive review and comment between July 1, 2002, and June 30, 2005.

Section 32 [Appropriations.] see fiscal tracking sheets.

Section 33 [Repealer.] repeals Minnesota Statutes 2004, section 128C.12, subdivision 4 (high school league audit report coverage).

Article 5 Libraries and Nutrition

Section 1 [School Lunch Aid Computation.] increases the amount of state aid to school districts participating in the national school lunch program.

Section 2 [Reimbursement.] increases the reimbursement amount paid to public or nonpublic schools for milk that is served to kindergarten students.

Section 3 to 9 amend S.F. 1879, if enacted. See fiscal tracking sheets.

Section 10 [Milk Consumption Pilot Program.] makes grants available to Independent School District No. 11, Anoka-Hennepin, and Independent School District No. 709, Duluth, for \$25,000 in fiscal year 2006 to establish a pilot program to enhance milk consumption in the schools.

Section 11 [Appropriations.]

Subdivision 1 [Department of Education.] appropriates money from the general fund to the Department of Education.

Subdivision 2 [Milk Consumption Pilot Program.] appropriates \$50,000 for the milk consumption pilot program grants.

Article 6 State Agencies

Sections 1 to 5 [Department.] amend S.F. No. 1879, if enacted, to appropriate money to the Department of Education, the Minnesota State Academies, and the Perpich Center for Arts Education.

Section 6 [Use of Federal Funds.]

Subdivision 1 [Federal Grants and Aids.] approves the expenditures of federal grants and aids as shown in the budget document and its supplements.

Subdivision 2 [Exceptions.] excludes from subdivision 1, 95 percent of the improving teacher quality state grant to be used for the professional compensation initiative, \$200,000 of the twenty-first century community learning centers funds to be used for the Summit Academy's Quantum Opportunities program, and \$500,000 for the Principals' Leadership Academy. A match of nonstate resources is required for the Principals' Leadership Academy allocation.

Article 7 Technical and Conforming Amendments

Section 1 [Suspension.] corrects a statutory-cross reference.

Section 2 [Statistical Adjustments.] corrects a reference to the repealed profile of learning.

Section 3 [State and Local Requirements.] creates a cross-reference to the open meeting law requirements for charter school board of director's meetings.

Section 4 [Youth Works Grants.] strikes a reference to a repealed statute.

Section 5 [Appropriation Transfers.] strikes references to repealed statutes.

Section 6 [Payment Percentage for Certain Aids.] corrects a statutory cross-reference.

AMB/SW:vs