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and Fiscal Analysis**

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Senate

State of Minnesota

S.F. No. 3764 - Transportation Omnibus Bill (Delete- Everything Amendment, SCS3764A19)

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Date: April 20, 2006

Article 1 Trunk Highway Bonding

Section 1 appropriates \$35,189,000 from the bond proceeds fund in the trunk highway fund to the Commissioner of Transportation for trunk highway purposes.

Section 2 list appropriations for trunk highway bonding projects, as follows:

Summary by Project

Mankato district headquarters building	\$	18,228,000
Transportation Building exterior		10,161,000
Marked Trunk Highway 610		6,000,000
Marked Trunk Highway 61 corridor predesign		300,000
French Rapids Bridge predesign		150,000
Bond sale expenses		<u>350,000</u>
TOTAL		35,189,000

Section 3 authorizes the issue of trunk highway bonds in the amount of \$35,189,000, to provide the funds for the appropriations in **Section 2**.

Section 4 states that this article is effective immediately.

Article 2
Deposit of Motor Vehicle Sales Tax Revenues

Section 1 creates a transit fund in the state treasury to receive MVST distributions and other appropriations. Money in the fund must be used for transit purposes, through the greater Minnesota transit account and the metropolitan area transit account (which accounts are structured as separate funds under current law).

Section 2 changes a reference from “fund” to “account” to conform with the change in Section 1.

Section 3 changes the distribution of MVST proceeds beginning July 1, 2007. The percentages of MVST deposited in the highway user fund and in the transit fund increase each year through FY 2012 as follows:

Highway user tax distribution fund:

FY2008 – 38.25%

FY2009 – 44.25%

FY2010 – 50.25%

FY2011 – 56.25%

Transit fund:

FY2008 – 25.5%

FY2009 – 29.5%

FY2010 – 33.5%

FY2011 – 37.5%

On and after July 1, 2011 – 60%

On and after July 1, 2011 – 40%

The remaining money through FY2011 is deposited in the general fund.

Section 4 changes the ballot question to be submitted to the voters along with the MVST dedication amendment. The amended question refers to dedication of “the existing tax” and dedicates revenues to “highways and public transit” without specifying percentages.

Section 5 directs the secretary of state to place the proposed MVST amendment as the first question on the 2006 ballot.

Section 6 specifies that Article 2, Sections 1-3 are effective on July 1, 2007, if the constitutional amendment is adopted at the 2006 election.

Article 3
Transportation Policy

Section 1 updates a cross-reference section in the Data Practices Act to conform to the new provisions in this article governing access to personal information in motor vehicle and driver’s license records. [SF 3375, Sen. Chaudhary]

Section 2 increases from \$200,000 to \$300,000 the maximum net tax capacity a town may have and still be eligible for 100% assistance from the town bridge account for bridge engineering costs. This section also requires that towns' net tax capacity limit be annually adjusted for inflation, for purposes of allocating matching money from the town bridge account. [SF 2940, Sen. Murphy]

Section 3 adds a \$3 onetime "Gold Star Family Plate Surcharge" to all sales of personalized motor vehicle license plates. The proceeds must be deposited in the highway user tax distribution fund. [SF 3045, Sen. Marko]

Section 4 amends the special plates for veterans law to authorize a special motorcycle plates for combat wounded veterans, similar to that currently available for passenger autos, pickup trucks, and recreational vehicles. The fee for a single motorcycle plate will remain \$10. [SF 2393, Sen. Murphy]

Section 5 amends a special license plate statute enacted in 2005, changing it in the following ways:

- Plate inscription reads "Disabled Veteran" instead of "Disabled American Veteran";
- Plate owner must have been awarded a claim for disability from the United States Department of Veterans Affairs, instead of having a permanent and total service-connected disability; and
- Plate will be designed by the Commissioner of Veterans Affairs with the approval of the Commissioner of Public Safety, instead of by the Commissioner of Public Safety. [SF 3473, Sen. Murphy]

Section 6 removes vans and pickup trucks from the definition of "motor vehicle," for purposes of the section of statute relating to special license plates for disabled veterans. [SF 3473, Sen. Murphy]

Section 7 creates the Gold Star Family License Plate for motor vehicles.

Subdivision 1 directs the commissioner to issue the "Gold Star Family" plate to vehicle owners authorized as "eligible persons" by the state or federal Veterans Affairs departments.

Subdivision 2 defines "eligible person" as a surviving spouse, parent, grandparent, sibling, or child of a person who has died while serving honorably in active U.S. military service.

Subdivision 3 sets the plate fee at \$10; no surcharges may be added. A surviving spouse or parent is exempt from this fee.

Subdivision 4 allows a surviving spouse or parent to whom Gold Star Family plates have been issued to exempt one vehicle from the annual vehicle registration tax.

Subdivision 5 directs the Commissioner of Transportation to design the Gold Star Family Plates in consultation with the Commissioner of Veterans Affairs.

Subdivision 6 allows application for these plates to be made at any time.

Subdivision 7 allows transfer of the plates to another vehicle of the eligible person, subject to a \$5 fee. [SF 3045, Sen. Marko]

Section 8 requires a dealer to notify the Commissioner of Public Safety electronically of acquisition of an older-model vehicle, late-model vehicle, or high-value vehicle that is titled and registered in Minnesota, if the vehicle is to be dismantled or destroyed. A dealer may contract this service to a deputy registrar who may charge a fee up to \$7 per transaction. [SF 2983, Sen. Murphy]

Section 9 allows an individual owner of a passenger automobile to have a security interest cancelled seven years after it was filed, if the owner has paid the lien in full and cannot locate the lienholder to obtain a release, after requesting release by certified mail, return receipt requested. [Amendment, Sen. Murphy]

Section 10 allows the MnDOT freeway service patrol to immediately tow a vehicle in the eight-county Metro district, if its location constitutes an accident or traffic hazard. A tower who has been requested before the arrival of the MnDOT patrol must be given a reasonable opportunity to complete requested towing operations. [SF 3097, Sen. McGinn]

Section 11 clarifies that notice of a vehicle's impoundment must be given by the unit of government or impound lot operator to both the registered owner and any lienholders. New language requires an addition to the notice, stating "You have the right to pick up your contents from your vehicle, whether or not you give up the right to reclaim your vehicle." [SF 3327, Sen. Dibble]

Section 12 allows a unit of government or impound lot operator to establish reasonable procedures for an owner's retrieval of contents from an impounded vehicle, allowing an owner to retrieve contents without charge at any time before expiration of the applicable waiting period. Contents means personal belongings, not permanently affixed auto parts, auto body parts, or accessories including audio or video players. [SF 3327, Sen. Dibble]

Section 13 changes the definition of "motorized foot scooter" to include certain vehicles with no more than two ten-inch or smaller diameter wheels, and (current law provides "or") an engine or motor capable of a maximum speed of 15 miles per hour. [SF 2983, Sen. Murphy]

Section 14 amends the definition of "recreational vehicle combination," to add "motorized golf cart" to the list of vehicles permitted to be carried by the trailer in an RV combination. [SF 3083, Sen. D.E. Johnson]

Section 15 amends the definition of "towing authority" to include the MnDOT freeway service patrol or a private company authorized by MnDOT. [SF 3097, Sen. McGinn]

Section 16 allows the MnDOT freeway service patrol to order a tow from a trunk highway after preparing a written towing report provided by the State Patrol. No parking citation is required. [SF 3097, Sen. McGinn]

Section 17 deals with exhibition driving. The section:

- includes vehicle racing within the definition of reckless driving, which is a misdemeanor. A person who operates a vehicle and “willfully compares or contests relative speeds” is guilty of vehicle racing, even if the vehicle is operated within the speed limit;
- declares exhibition driving to be a misdemeanor. Exhibition driving involves starting or accelerating with an unnecessary exhibition of speed, which may be evidenced by screeching of the vehicle’s tires, throwing of sand or gravel by the tires, or both; and
- specifically excludes an authorized emergency vehicle responding to an emergency call or in pursuit of a violator, emergency operation of a vehicle avoiding imminent danger; and a racing facility, or government-sanctioned event.

This section is effective August 1, 2006, for violations committed on and after that date. [SF 2982 Sen. Murphy]

Section 18 amends the statute on prohibition of use of headphones in a motor vehicle, to allow the use of communication headsets by firefighters in fire trucks during emergency response. [SF 2474, Sen. Senjem]

Section 19 adds children between, and including, the ages of five and eight, weighing less than 80 pounds, to the law requiring child passenger restraints in motor vehicles. Specific requirements include:

- A child less than one year, weighing less than 20 pounds, must be restrained in a rear-facing child restraint system;
- A child under the age of nine, weighing 80 pounds or more, must be restrained in a seat belt;
- A child under the age of nine must sit in the back seat, unless the vehicle has no forward-facing back seat, all back seats are occupied by children under nine, or a child restraint cannot be properly installed in the back seat;
- A child under the age of nine, weighing 40 pounds or more, may wear a lap-only seat belt in the rear if there are no shoulder belts in the back seat, or if all shoulder belts are in use by children weighing at least 40 pounds and under the age of 16.

The section further requires an operator of a pickup truck or sports utility vehicle transporting a child under the age of nine to transport the child within the vehicle’s passenger compartment.

The fine for a first violation of this subdivision may be waived or reduced if the driver produces evidence of having acquired a booster seat.

An officer issuing a citation for violation of this section must provide written information to the driver concerning no-cost child restraint equipment for people in need. [SF 298, Sen. McGinn]

contract. The remedy and penalty provisions under the Data Practices Act would apply to a violation of the law by a government entity or employee. [SF 3375, Sen. Chaudhary]

Section 31 contains a statement that this chapter does not affect the use of organ donation information in driver's license records or access to personal information by organ procurement organizations in connection with authorized activities, consistent with federal law. [SF 3375, Sen. Chaudhary]

Section 32 contains a provision under which an individual who is the subject of personal information may request that the individual's residence address or name and address be classified as private data. This is based on current law in **section 168.346**, which is applicable to motor vehicle registration data. [SF 3375, Sen. Chaudhary]

Section 33 authorizes the Commissioner of Public Safety to refuse to disclose personal information if the Commissioner has reason to believe that the person requesting the information is likely to use it for an illegal or improper purpose or is otherwise not going to comply with the law. This is an expanded version of current law in **section 171.12, subdivision 7a**, which is limited to disclosures for public safety purposes. [SF 3375, Sen. Chaudhary]

Section 34 contains language clarifying the relationship of these provisions to the Data Practices Act. [SF 3375, Sen. Chaudhary]

Section 35 adds to the definition of "conviction" in the driver's license law a plea of nolo contendere (no contest) that is accepted by the court. [SF 2980, Sen. Jungbauer]

Sections 36 and 37 conform language relating to instruction permit holders and provisional license holders to the primary seat belt section. [SF 1070, Sen. Murphy]

Section 38 adds to the required content of a driver's license the license class, and any endorsements or restrictions. [SF 2980, Sen. Jungbauer]

Section 39 directs the Commissioner of Public Safety to adopt rules requiring that driver education courses include a minimum of 30 minutes of instruction relating to organ and tissue donation. [SF 2646, Sen. Wiger]

Section 40 requires cancellation of the driver's license of a person who failed to give correct information on a driver's license application and committed fraud or deceit in making the application, for the longer of 60 days or until the required information is provided. [SF 3106, Sen. Marko]

Section 41 allows suspension of a driver's license if the licensee pays, or attempts to pay, required vehicle taxes or fees with a dishonored check. [SF 3106, Sen. Marko]

Section 42 allows an advertising device to be erected adjacent to a road, with the consent of the owner/lessee of the land and adjacent land, if the sign does not exceed 432 square inches, displays the owner's name and telephone number, and is displayed for no more than six weeks in a calendar year. [SF 3093, Sen. Wergin]

Section 43 directs the Commissioner of Transportation to establish an Interstate Highway 55 transit services revolving loan fund, to be administered by the city of Buffalo, to make loans to providers of transit services on Highway 55 between Buffalo and Minneapolis. Criteria for loans must be established by the city of Buffalo, and are to include criteria set forth in this section. Loans from the fund must bear interest at or below market rates and have a repayment term not longer than 30 years. This section is effective the day following final enactment. [Amendment, Sen. Koch]

Section 44 creates a new public safety and financial crimes account in the special revenue fund consisting of the fees collected for obtaining access to personal information in motor vehicle registration and driver's license records. Fifty percent of the money is appropriated to the Commissioner of Public Safety for purposes of operation of the system for access to personal information and 50 percent is appropriated for purposes of the operations of the Minnesota Financial Crimes Task Force. [SF 3375, Sen. Chaudhary]

Section 45 provides that the operation and maintenance of airports is an essential public service. [SF 80, Sen. Jungbauer]

Section 46 makes a municipality ineligible for assistance from the state airports fund if it adopts a comprehensive plan that the commissioner finds incompatible with the state aviation plan. [SF 80, Sen. Jungbauer]

Section 47 requires a seller of real estate located in safety zone A, B, or C of an airport to disclose to the buyer the existence of airport zoning regulations that affect the property. This disclosure must take place before the seller accepts consideration or signs an agreement to sell the property. [SF 80, Sen. Jungbauer]

Section 48 permits a transit service provider, acting as a subcontractor, to receive financial assistance from the Metropolitan Council, if the provider meets eligibility requirements and the primary contractor is a 501(c)(3) organization. [SF 3454, Sen. Higgins]

Section 49 adds a reference to subcontract in the section of law dealing with transit provider eligibility for Metropolitan Council financial assistance. [SF 3454, Sen. Higgins]

Section 50 requires the Metropolitan Council to ensure that the geographic service area of the Metro Mobility special transportation service is continuous within the transit taxing district's boundaries as of March 1, 2006. [SF 3450, Sen. Murphy]

Section 51 removes the June 10, 2006, sunset of the repeal of the motor vehicle insurance random sampling program. [Sen. Murphy Amendment to SF 2646, Sen. Wiger]

Section 52 directs the Commissioner of Public Safety to conduct a child passenger restraint law awareness campaign, to educate the public about state laws on child passenger restraint and to inform individuals in financial need how to obtain child restraint systems at no cost. [SF 298, Sen. McGinn]

Section 53 directs the Commissioner of Transportation to erect a specific service sign on Trunk Highway 52 in Olmsted County, displaying the name or business panel, or both, of a retail establishment on Highway 52. [SF 1980, Sen. Kiscaden]

Section 54 directs the Commissioner of Public Safety to amend the current rule, using the procedure for adopting exempt rules, to include requiring driver education relating to organ and tissue donations. [SF 2646, Sen. Wiger]

Section 55 directs the Commissioner of Transportation to credit, from existing general fund appropriations, \$100,000 to the Interstate Highway 55 transit services revolving loan fund, and \$50,000 for a grant to the city of Buffalo to subsidize transit service providers in the I-55 corridor. [Amendment, Sen. Koch]

Section 56 repeals current laws that are replaced by the new provisions in this article relating to motor vehicle and driver's license records. [SF 3375 Sen. Chaudhary]

BB/KB:rer

TRANSPORTATION OMNIBUS 2006
S.F. 3764 (Delete-All Amendment A-19)
Senator Steve Murphy
(1=\$1,000)

APPROPRIATIONS

		2006	2007	Total Biennium	2008	2009	Total Biennium
DEPARTMENT OF TRANSPORTATION							
Mankato Headquarters	THB	0	18,228	18,228	0	0	0
Trunk Highway 610 Fed. Match	THB	0	6,000	6,000	0	0	0
Highway 61 Corridor Predesign	THB	0	300	300	0	0	0
French Rapids Bridge	THB	0	150	150	0	0	0
TH 55 Revolving Loan Fund	GEN	0	100	100	0	0	0
Buffalo-Hwy 55 Transit Services	GEN	0	50	50	0	0	0
TOTAL TRANSPORTATION		0	24,828	24,828	0	0	0
DEPARTMENT OF ADMINISTRATION							
DOT Building Exterior	THB	0	10,161	10,161	0	0	0
TOTAL ADMINISTRATION		0	10,161	10,161	0	0	0
DEPARTMENT OF FINANCE							
Bond Sale Expenses	THB	0	350	350	0	0	0
TOTAL FINANCE		0	350	350	0	0	0
ALL AGENCIES TOTAL APPROPRIATIONS							
	GEN	0	150	150	0	0	0
	TH	0	35,189	35,189	0	0	0
	ALL	0	35,339	35,339	0	0	0

REVENUES

MVST Statutory Allocation Revenue Changes (1):							
Trunk Highway Fund	TH	0	0	0	20,530	41,928	62,458
County State Aid Highways	CSAH	0	0	0	11,346	23,171	34,517
Municipal State Aid Streets	MSAS	0	0	0	2,980	6,086	9,066
Transit (Metro and Greater MN)	TR	0	0	0	20,914	45,035	65,949
General Fund	GEN	0	0	0	(55,770)	(116,220)	(171,990)
Child Safety Seats:							
NHTSA Federal Grant	OTS	0	0	0	800	700	1,500
Driver's License Suspension:							
DL Reinstatement Fees	SR-DS	0	12	12	12	12	24
Motor Vehicle and Driver's License Data Access:							
Motor Vehicle Records Receipts	SR-VS	0	(120)	(120)	(120)	0	(120)
Driver License Record Receipts	SR-DS	0	(576)	(576)	(576)	0	(576)
MV and DL Records Receipts & Surcharges	GEN	0	(963)	(963)	(963)	0	(963)
Access/application fees - FC Task Force	SR-FC	0	846	846	846	1,431	2,277
Access/application fees - DPS Data Operations	SR-FC	0	846	846	846	1,431	2,277
Gold Star Family License Plates:							
Plate Revenue to Vehicle Services Acct	SR-VS	0	3	3	2	1	3
Gold Star Plate Surcharge	HUTD	0	36	36	36	36	72
Vehicle Registration Exemption	HUTD	0	(109)	(109)	(200)	(237)	(437)
ALL SOURCES TOTAL REVENUES							
	GEN	0	(963)	(963)	(56,733)	(116,220)	(172,953)
	HUTD	0	(73)	(73)	(164)	(201)	(365)
	TH	0	0	0	20,433	41,810	62,243
	CSAH	0	0	0	11,301	23,116	34,416
	MSAS	0	0	0	2,966	6,069	9,035
	TR	0	0	0	20,914	45,035	65,949
	OTS	0	0	0	800	700	1,500
	SR-DS	0	(564)	(564)	(564)	12	(552)
	SR-VS	0	(117)	(117)	(118)	1	(117)
	SR-FC	0	1,692	1,692	1,692	2,862	4,554
	ALL (3)	0	(25)	(25)	683	3,374	4,057

Fund Transfer to Bond Proceeds Fund for Principal and Interest:

Baseline THB Debt Service (2)	36,347	52,712	89,059	52,183	52,272	104,455
Additional THB Debt Service Required	0	1,071	1,071	2,672	3,854	6,526
Total THB Debt Service after S.F. 3764	36,347	53,783	90,130	54,855	56,126	110,981

NOTE 1: Contingent on adoption of 2006 constitutional amendment on dedication of MVST revenues to transportation.
 NOTE 2: Per Feb-06 Trunk Highway Fund Forecast
 NOTE 3: Total corrected to remove duplication of HUTD revenues in TH, CSAH and MSAS funds

Consolidated Fiscal Note – 2005-06 Session

Bill #: S3764-1A Complete Date: 04/25/06

Chief Author: MURPHY, STEVE

Title: TRUNK HWY BONDING & MISC TRANSP PROV

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings	X	
Tax Revenue	X	

Agencies: Transportation Dept (04/20/06)
 Public Safety Dept (04/25/06)
 Finance Dept (04/17/06)

Supreme Court (04/24/06)
 Metropolitan Council (04/20/06)
 Attorney General (04/19/06)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Net Expenditures					
General Fund		22	2,249	2,663	2,678
Metropolitan Council			1,500	2,100	2,300
Public Safety Dept		22	749	563	378
Misc Special Revenue Fund			895	870	1,455
Public Safety Dept			895	870	1,455
Trunk Highway Fund			1,071	2,672	4,307
Finance Dept			1,071	2,672	3,854
Transportation Dept					453
Federal Fund				800	700
Public Safety Dept				800	700
Revenues					
New Fund				142,214	171,425
Transportation Dept				142,214	171,425
General Fund			(1,926)	(57,696)	(118,146)
Transportation Dept				(55,770)	(116,220)
Public Safety Dept			(1,926)	(1,926)	(1,926)
Misc Special Revenue Fund			327	336	1,507
Public Safety Dept			327	336	1,507
Municipal State Aid Street Fund				2,980	6,086
Transportation Dept				2,980	6,086
County State Aid Highway Fund				11,346	23,171
Transportation Dept				11,346	23,171
Trunk Highway Fund				20,530	41,928
Transportation Dept				20,530	41,928
Highway Users Tax Distribution Fund			(73)	(164)	(201)
Public Safety Dept			(73)	(164)	(201)
Federal Fund				800	700
Public Safety Dept				800	700
Metropolitan Area Transit Fund				(114,329)	(119,126)
Transportation Dept				(114,329)	(119,126)
Greater Minnesota Transit Fund				(6,971)	(7,264)
Transportation Dept				(6,971)	(7,264)
Net Cost <Savings>					
New Fund				(142,214)	(171,425)
Transportation Dept				(142,214)	(171,425)
General Fund		22	4,175	60,359	120,824
Transportation Dept				55,770	116,220
Metropolitan Council			1,500	2,100	2,300
Public Safety Dept		22	2,675	2,489	2,304
Misc Special Revenue Fund			568	534	(52)
Public Safety Dept			568	534	(52)
Municipal State Aid Street Fund				(2,980)	(6,086)
Transportation Dept				(2,980)	(6,086)
County State Aid Highway Fund				(11,346)	(23,171)
Transportation Dept				(11,346)	(23,171)
Trunk Highway Fund			1,071	(17,858)	(37,621)
Finance Dept			1,071	2,672	3,854
Transportation Dept				(20,530)	(41,475)

Highway Users Tax Distribution Fund			73	164	201
Public Safety Dept			73	164	201
Federal Fund				0	0
Public Safety Dept				0	0
Metropolitan Area Transit Fund				114,329	119,126
Transportation Dept				114,329	119,126
Greater Minnesota Transit Fund				6,971	7,264
Transportation Dept				6,971	7,264
Total Cost <Savings> to the State		22	5,887	7,959	9,060

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
General Fund		0.14	0.00	2.50	2.50
Public Safety Dept		0.14	0.00	2.50	2.50
Total FTE		0.14	0.00	2.50	2.50

Consolidated EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER

Date: 04/25/06 Phone: 215-0594

Fiscal Note – 2005-06 Session

Bill #: S3764-1A Complete Date: 04/20/06

Chief Author: MURPHY, STEVE

Title: TRUNK HWY BONDING & MISC TRANSP PROV

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue	X	

Agency Name: Transportation Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
Trunk Highway Fund					453
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
Trunk Highway Fund					453
Revenues					
New Fund				142,214	171,425
General Fund				(55,770)	(116,220)
Municipal State Aid Street Fund				2,980	6,086
County State Aid Highway Fund				11,346	23,171
Trunk Highway Fund				20,530	41,928
Metropolitan Area Transit Fund				(114,329)	(119,126)
Greater Minnesota Transit Fund				(6,971)	(7,264)
Net Cost <Savings>					
New Fund				(142,214)	(171,425)
General Fund				55,770	116,220
Municipal State Aid Street Fund				(2,980)	(6,086)
County State Aid Highway Fund				(11,346)	(23,171)
Trunk Highway Fund				(20,530)	(41,475)
Metropolitan Area Transit Fund				114,329	119,126
Greater Minnesota Transit Fund				6,971	7,264
Total Cost <Savings> to the State				0	453

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

Senate File 3764-1A is the transportation omnibus bill that was passed by the Senate Transportation Committee on April 11, 2006, and was referred to the Senate Finance Committee. The bill has three articles:

1. Article 1 – Trunk Highway Bonding. This article proposes appropriations and trunk highway bond authorizations totaling \$35,189,000 for five projects, plus funding for bond sale expenses.
2. Article 2 – Deposit of Motor Vehicle Sales Tax Revenues. This article proposes changes to the distribution of these revenues consistent with the proposed constitutional amendment (Laws of 2005, Chapter 88). The changes are contingent on adoption of this amendment by the voters at the 2006 general election.
3. Article 3 – Transportation Policy. This article contains 50 sections, nine of which affect Mn/DOT.

Assumptions

1. Revenues for the motor vehicle sales tax are those predicted in the February 2006 Economic Forecast.
2. The general fund appropriations mentioned in Article 3, section 49 (dealing with transit funding related to the city of Buffalo) would be from the transit appropriations provided to Mn/DOT for the 2006-07 biennium.
3. The constitutional amendment included in Laws of 2005, Chapter 88, will be adopted by the voters at the 2006 general election.

Expenditure and/or Revenue Formula

Expenditures

Article 1 – This article proposes a total of \$34,839,000 million of appropriations for five projects that are enumerated in the bill, plus \$350,000 for bond sale expenses. Fiscal note procedures state that neither expenditure nor receipt of bonds are to be included in the fiscal note; instead the fiscal note should address future expenditures needed for operation or maintenance of the project built with the bond proceeds. The Department of Finance’s fiscal note will provide the estimated debt service on the proposed bonds.

The five projects listed are:

1. Mn/DOT Mankato Headquarters Building	\$18,228,000
2. Transportation Building Exterior	10,161,000
3. Marked Trunk Highway 610 project	6,000,000
4. Marked Trunk Highway 61 corridor study	300,000
5. French Rapids Bridge study	150,000

The last of these projects, the French Rapids Bridge study, would not be eligible for funding using trunk highway bonds, because the bridge is not part of the trunk highway system. Therefore it should be deleted from the bill or the funding should be changed to general fund, general obligation bonds. This amount will not be included in the cash flow projections provided to the Department of Finance for the debt service calculations associated with these appropriations.

The projected cash flow projections for the bond proceeds is shown below.

Projected Cash Flow For Proposed Bonding Projects (Dollars in Thousands)					
	Mankato Project	DOT Bldg Repair	TH 610 Match Fed. Funds	TH 61 Study	Total
Fiscal Year 2007	10,937	7,113		300	18,350
Fiscal Year 2008	7,291	3,048			10,339
Fiscal Year 2009			6,000		6,000

Operational Costs Associated With Bond Projects

Ongoing maintenance of **\$453,000 per year**, beginning in fiscal year 2009, would be needed for the Mankato headquarters building. This amount would be needed for 2 additional positions and additional utilities costs, because the new facility has more than 80,000 additional square feet compared with the existing facility.

The Transportation Building Exterior project is not expected to have any additional operational costs.

The bond proceeds for trunk highway 610 would be used as the state matching funds for federal highway administration high priority project funding designated for this project. There would be some additional highway maintenance costs associated with new highway lanes opened to traffic, but Mn/DOT would be able to absorb these costs within its existing maintenance budget.

The funding for the marked trunk highway 61 corridor is for a study; any future costs would be dependent on the results of the study and would not be mandated in any event. Therefore, no future operational costs are being depicted for this project.

Article 2 – This article is devoted to changing the distribution of motor vehicle sales tax revenues, and does not have any expenditure impacts.

Article 3 – This article has nine sections that have are related to responsibilities of Mn/DOT. Of these sections, five have some expenditure impacts.

1. Section 2, dealing with the town road bridge account.
2. Section 20 dealing with 80,000 pound trucks being allowed to drive on routes that are today designated as 9 ton routes.
3. Section 39 and section 49, which would allocate funding for transit between the city Buffalo and Minneapolis.
4. Section 47, dealing with a specific service sign on the east side of Marked Trunk Highway 52.

Town Road Bridge Account Change – Section 2 would waive the \$10,000 local payment requirement for engineering costs for towns with a net tax capacity of less than \$300,000, and would index the \$300,000 amount to the annual increase in inflation. These payments are made from the town road account in the county state aid highway fund. This provision would not increase overall spending within the account, but would result in slightly greater amounts being spent on engineering costs, leaving slightly lower amounts for other expenditures from the account.

9 Ton Route Changes – These provisions, contained in section 20, would permit 80,000 pound trucks to travel on routes on which only 9 ton trucks are currently permitted. However, these trucks would have to retain the maximum weight per axle allowed in current law (9 tons), so that this provision would not have a fiscal impact.

Funding For Transit Between Buffalo and Minneapolis – These provisions, contained in sections 39 and 49, would establish an Interstate Highway 55 Transit Services Revolving Loan Fund to be administered by the city of Buffalo. \$100,000 of money already appropriated to Mn/DOT from the general fund would be credited to this account, and \$50,000 of existing general fund appropriations would be made available to the city of Buffalo to provide subsidies for transit service providers in the Interstate Highway 55 corridor. Since it seems clear that there is no intention to provide additional appropriations for these purposes, there is not a direct cost associated with them. There would be an indirect effect from these provisions on Mn/DOT expenditures, however, in that \$150,000 of existing appropriations for greater Minnesota transit assistance would not be available. This would either prevent Mn/DOT from providing funding already promised to a new service in Ottertail County or require Mn/DOT to amend (i.e., reduce funding) various existing contracts for transit assistance throughout greater Minnesota.

Specific Service Sign Near Trunk Highway 52 in Olmstead County – Section 47 would require Mn/DOT to erect a specific service sign near the intersection of Trunk Highway 52 and 37th Street NW in Olmstead County, after “... being assured of adequate funding from nonstate sources.” This provision would require a relatively small amount of additional expenditures, which would be offset by the receipt of undedicated receipts provided by the nonstate sources. Since the amount is relatively small and the expenditure would be offset by the same amount of revenue, no expenditure is being shown on the fiscal note. Note that state law prohibits erecting this type of sign on urban freeways, and Trunk Highway 52 in this location is part of an urban freeway.

Summary of Effects of These Provisions

The expenditure effects for the various provisions described above have either minimal expenditure effects or indirect effects. Therefore no expenditures have been included in the totals on the fiscal note for these provisions.

Revenues

Article 2 proposes changes to the distribution of revenues from the motor vehicle sales tax. A new fund, called the Transit Fund, would be established. Two accounts would be set up within the new fund called the greater Minnesota transit account and the metropolitan area transit account. The bill proposes allocating the percentages listed below to this fund, plus the highway user tax distribution fund and the general fund. Two existing funds, the greater Minnesota transit fund and the metropolitan area transit fund, would not receive any allocations after June 30, 2007. Under current law the greater Minnesota transit fund would receive 1.25% and the metropolitan area transit fund would receive 20.5% for fiscal year 2008 and beyond.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Highway User Tax Distribution Fund	38.25%	44.25%	50.25%	56.25%	60%
Transit Fund	25.50%	29.50%	33.50%	37.50%	40%
General Fund	36.25%	26.25%	16.25%	6.25%	0%

The amount of two new accounts within the new fund, the greater Minnesota transit account and the metropolitan area transit account, is not specifically prescribed in the bill. The distribution of revenues between these two accounts would be decided on by future legislatures, either through a proposed statutory allocation or as part of the biennial budget process.

The changes in revenues associated with these changes are shown in the table below.

Changes in Revenue Based on Allocations of Motor Vehicle Sales Tax Revenues Proposed in Senate File 3764 (\$ in thousands)		
	FY 2008	FY 2009
Highway User Tax Distribution Fund	\$ 34,856	\$ 71,185
Transit Fund	\$ 142,214	\$ 171,425
Greater Minnesota Transit Fund	\$ (6,971)	\$ (7,264)
Metropolitan Area Transit Fund	\$ (114,329)	\$ (119,126)
(Total For All Three Transit Funds)	\$ 20,914	\$ 45,035
General Fund	\$ (55,770)	\$ (116,220)

The amounts shown above for the Highway User Tax Distribution Fund would be further allocated, in accordance with constitutional and statutory formulas, to the three funds shown below.

Distribution of Additional Highway User Tax Distribution Fund Revenues		
	FY 2008	FY 2009
Trunk Highway Fund	\$ 20,530	\$ 41,928
County State Aid Highway Fund	\$ 11,346	\$ 23,171
Municipal State Aid Street Fund	\$ 2,980	\$ 6,086

The proposed revenue changes for these three funds, plus changes to the general fund and the three transit funds listed above, have been entered on the fiscal note.

Long-Term Fiscal Considerations

The \$453,000 per year of increased expenditures associated with construction of a new Mankato headquarters building would continue in fiscal year 2010 and beyond. The allocations of revenue from the motor vehicle sales tax changes included in Article 2 would continue to change, as described earlier in this fiscal note. This would result in increased revenue for the highway user tax distribution fund and for the proposed new transit fund, with decreased revenue for the general fund. Beginning in fiscal year 2012, the general fund would no longer receive any revenue from the motor vehicle sales tax. The Interstate Highway 55 Transit Services Revolving Loan Fund would continue in fiscal year 2010 and beyond, although the bill does not provide any specific funding recommendations beyond fiscal year 2007 (presumably the biennial budget for fiscal years 2008-09 would address funding for this program).

Local Government Revenues and Costs

Local governments would receive increased revenue associated with the increased amounts of motor vehicle sales tax revenue that would be allocated to the county state aid highway fund (all 87 counties, plus funding for townships is provided from this fund) and the municipal state aid street fund (all municipalities with population greater than 5,000 – 138 currently). In addition increased funding for the proposed new Transit Fund (with an undetermined allocation of this revenue to the greater Minnesota transit account) would permit some expansion of transit service outside the seven county metropolitan area. The city of Buffalo would receive \$150,000 of funding for assisting with transit service between Buffalo and Minneapolis. Local governments would have some minimal cost impacts related to the provision allowing 80,000 pound trucks to travel on highways currently rated for travel by nine ton trucks. These effects include some possible long-term reduced road life and a small increase in total mileage on posted roads that would result in a cost for posting signs. The provision related to towns with net tax capacity of less than \$300,000 described previously would affect small towns.

References/Sources

- Mn/DOT Metropolitan Area District
- Mn/DOT Office of Investment Management
- Mn/DOT Office of Maintenance
- Mn/DOT State Aid For Local Transportation Division
- Mn/DOT Office of Transit

FN Coord Signature: BRUCE BRIESE
Date: 04/19/06 Phone: 297-1203

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER
Date: 04/20/06 Phone: 215-0594

Fiscal Note – 2005-06 Session

Bill #: S3764-1A **Complete Date:** 04/19/06

Chief Author: MURPHY, STEVE

Title: TRUNK HWY BONDING & MISC TRANSP PROV

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Attorney General

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

S.F. 3764-1A as it relates to the Attorney General's Office, provides for applying M.S. 8.31 remedies and penalties that apply to a user of personal information or a subsequent user who violates this chapter or the terms of a user contract.

Assumptions

It is likely that the attorney general activities addressed by this bill could be absorbed by existing staff and resources.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

N/A

Local Government Costs

N/A

References/Sources

Agency Contact Name: Don Muetting (651-296-3369)
FN Coord Signature: TERRY POHLKAMP
Date: 04/17/06 Phone: 297-1143

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: PEGGY LEXAU
Date: 04/19/06 Phone: 296-6237

Fiscal Note – 2005-06 Session

Bill #: S3764-1A **Complete Date:** 04/20/06

Chief Author: MURPHY, STEVE

Title: TRUNK HWY BONDING & MISC TRANSP PROV

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings	X	
Tax Revenue	X	

Agency Name: Metropolitan Council

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund			1,500	2,100	2,300
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund			1,500	2,100	2,300
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund			1,500	2,100	2,300
Total Cost <Savings> to the State			1,500	2,100	2,300

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description: This bill (SF 3764-1A – Delete all amendment TransArt1 with seven amendments) requires the Council to ensure that the geographic coverage area of special transportation service (Metro Mobility and other ADA services) is continuous within the boundaries of the transit taxing district as in place on March 1, 2006. The other part of the bill that impacts the Council is Article 2 concerning the MVST transfer.

Background:

- Under current federal law, the Metropolitan Council is required to provide “complementary service” to the fixed regular route system for persons with disabilities, this service is known as special transportation service and is provided primarily through Metro Mobility.
- The federal law requires that special transportation services be provided within ¾ of a mile of existing non-commuter regular routes, and that the service operate under similar hours and frequency of service.
- This minimum requirement can result in only portions of a city being served by special transportation services and also a somewhat confusing service area.
- To avoid this confusion, the Council’s past practice has been that if the ¾ mile requirement would result in only a portion of a city being served, the entire city has been provided the service. This practice has also resulted in a current special transportation service area that is essentially contiguous with the transit taxing district and is also much larger than required under federal law. Serving this larger area has resulted in approximately \$3 million in additional operating costs.
- Metro Mobility has historically been recognized as a service that is a state funding obligation and has been funded entirely through state general fund appropriations and fares.
- Metro Mobility retains the Federal Transit Administration’s goal of having a zero trip denial rate.
- Two years ago when the Council had a significant budget deficit and was forced to make substantial service cuts to the regular route system, the Council chose to essentially hold Metro Mobility “harmless,” and no service cuts were applied to Metro Mobility.
- The operating budget for Metro Mobility was reduced due to efficiencies which were realized by; buying bulk fuel at more competitive rates, lower competitive contract rates, and implementation of a third party assessment program to assure eligibility under ADA guidelines. Over \$2 million in annual savings occurred without any resulting service cuts.
- When the Council chose not to cut back special transportation service it resulted in a funding shift whereby for the first time, the service began to be funded partially through non-state revenue sources.

Assumptions: Note: The remaining cost/revenue impacts of this bill not included below is incorporated into the fiscal note submitted by Mn/DOT.

(Note: We are interpreting the bill language to mean that the service area must be equal to or contiguous with the area within the transit taxing district.)

- The CY 2006 budget for special transportation services is approximately \$31.4 million and is 9.8% of the Council’s total transportation budget.
- In 2005, special transportation services provided over 1.3 million rides, at a passenger subsidy rate of \$20.80 per trip. Current one-way fares are \$3.50 during peak hours and \$2.50 during non-peak hours.
- Falling motor vehicle sales tax (MVST) revenues, combined with the Council’s assumption of an annual 3.2% increase in costs, leads to a projected budget deficit for fiscal years 2007 through 2009. Estimated deficits are approximately: FY07 - \$15.3 million, FY08 - \$21.5 million and in FY09 - \$23.8 million.
- If the constitutional amendment fails this November, the Council will have a significant budget deficit that will need to be addressed through a combination of increased general fund appropriations, service cuts and other cost saving measures.
- If the constitutional amendment to dedicate additional motor vehicle sales tax revenues to transportation (38% to the metropolitan area) is passed this November, the Council will be able to manage the deficits in fiscal years 08 and 09 with the new revenues, but will still have a deficit in FY07.
- Given the efficiency savings that recently occurred with the special transportation service budget, it is not anticipated that the shortfall can be addressed through additional efficiency measures.

Expenditure Formula:

Special transportation service share of deficit at 9.8% of total budget:

FY07 \$15.3 M x .098 = \$1.5 M

FY08 \$21.5 M x .098 = \$2.1 M

FY09 \$23.8 M x .098 = \$2.3 M

SF 3450 would prohibit the Council from achieving any savings through reduction of special transportation service levels, even if the regular route service is being cut back. Therefore, if the constitutional amendment does not pass, it is anticipated that to maintain the current special transportation service level a general fund appropriation equal to the amount of the shortfall would be required.

Long Term Fiscal Considerations:

- Under federal law and Council practice, if a city joined the taxing district and was receiving only commuter route service, special transportation service would not be provided to that city.
- Under this legislation, the Council would be required to provide special transportation service to any city that joined the taxing district. This could result in substantial new costs and would be a disincentive for the Council to expand the transit taxing district.
- For example, if the City of Lakeville were to join the taxing district, providing special transportation service would have an estimated annual cost of \$840,000 in 2010.
- If the denial rate for Metro Mobility trips increased, the Council could be subject to legal action.

Local Government Impact: None.

Agency Contact Name: Amy Vennewitz, Transit Plng 651-602-1058

FN Coord Signature: MIKE KUEHN

Date: 04/17/06 Phone: 602-1364

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER

Date: 04/20/06 Phone: 215-0594

Fiscal Note – 2005-06 Session

Bill #: S3764-1A **Complete Date:** 04/24/06

Chief Author: MURPHY, STEVE

Title: TRUNK HWY BONDING & MISC TRANSP PROV

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Supreme Court

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalent					
-- No Impact --					
Total FTE					

Bill Description.

A section of this bill would impose a surcharge equal to the fine for the moving violation but not less than \$25, whenever a person, convicted of a moving traffic violation, is using a cell phone or wireless phone during the commission of the violation.

The courts have no data upon which to make an estimate of the number of incidents to which this provision would apply.

FN Coord Signature: JUDY REHAK
Date: 04/24/06 Phone: 297-7800

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING
Date: 04/24/06 Phone: 296-7964

Fiscal Note – 2005-06 Session

Bill #: S3764-1A **Complete Date:** 04/25/06

Chief Author: MURPHY, STEVE

Title: TRUNK HWY BONDING & MISC TRANSP PROV

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings	X	
Tax Revenue	X	

Agency Name: Public Safety Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		22	749	563	378
Misc Special Revenue Fund			895	870	1,455
Federal Fund				800	700
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		22	749	563	378
Misc Special Revenue Fund			895	870	1,455
Federal Fund				800	700
Revenues					
General Fund			(1,926)	(1,926)	(1,926)
Misc Special Revenue Fund			327	336	1,507
Highway Users Tax Distribution Fund			(73)	(164)	(201)
Federal Fund				800	700
Net Cost <Savings>					
General Fund		22	2,675	2,489	2,304
Misc Special Revenue Fund			568	534	(52)
Highway Users Tax Distribution Fund			73	164	201
Federal Fund				0	0
Total Cost <Savings> to the State		22	3,316	3,187	2,453

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
General Fund		0.14	0.00	2.50	2.50
Total FTE		0.14	0.00	2.50	2.50

Bill Description

Article 3, Section 14 of this bill expands the current child restraint law from requiring only children less than 4 years of age to use an appropriate child restraint system, to requiring children under 9 years of age and weighing less than 80 lbs. to use an appropriate child restraint system in a motor vehicle (a.k.a. booster seat). The law continues to be a primary enforcement law and fines that are collected are deposited into the child restraint and education account. Through the Department of Public Safety, Office of Traffic Safety the funds are provided as car seat grants for Minnesota agencies that conduct child passenger safety education and car seat distribution to low-income families across the state.

Article 3; Section 21 request and disclosure requirements for personal information; establishes a \$4.00 fee for access to data; and establishes the financial crimes account.

Section 32 driver education and cancellation of drivers' license for NSF.

Article 3, Section 40 of this bill directs the Department of Public Safety to conduct a public information campaign to educate the citizens of Minnesota about the inclusion of children ages 4 to 9 about the "booster seat" law and to inform low income individuals about how to obtain child restraints and seats at no cost.

Assumptions

Article 3, Section 14

1. The fines collected will be deposited into the state treasury and credited to the Minnesota child passenger safety restraint and education account.
2. Fines collected under the current child restraint law during the past five calendar years (1999 -2004) averaged \$53,820 a year. That figure was used as a basis to estimate additional funds collected under the expanded scope of the law.
3. The population of 4 to 9 year olds in Minnesota, according to the 2000 census, is similar to the population of 0 to 4 year olds. The 0-4 year olds made up 6.7% of the population and 5-9 year olds make up 7.2% of the population in 2000. Minnesota population projections indicate that between the year 2000 and 2010 the 0-4 year old population will increase by 7.1% and the 5-9 year old population will increase by 0.2%. With little change in the 5-9 year old population during the next five years, it is reasonable to use the above figure as an estimate for collections through state fiscal year 2009.
4. Discussions with law enforcement officers revealed that an expansion of a law such as the child restraint law would initially result in more warnings and education than citations. Therefore the collection of fines would be gradual as law enforcement becomes knowledgeable and more comfortable with the law and the public's awareness of it.
5. The federal National Highway Traffic Safety Administration will award states that pass a "booster seat" law meeting specific criteria grant funding equaling up to 25% of the state's basic Section 402 grant. Minnesota should qualify for this grant award. The grant would be awarded to the Office of Traffic Safety which can use it for a number of reasons which include: (1) to purchase and distribute child seats and restraints to low income families, (2) the enforcement of child restraint laws, (3) training child passenger safety professionals and parents, and (4) educating the public concerning proper use and installation of child safety seats and restraints. Minnesota could receive a maximum of \$800,000 per federal fiscal year for four consecutive years starting in October, 2007. An assumption is being made that Minnesota will receive \$800,000 the first year and as other states also qualify the Minnesota share would be reduced by \$100,000 in each of the subsequent years. Because the passage of the law and subsequent enforcement is in itself effective education; The Office of Traffic Safety believes amount would be adequate to achieve the public education mandate set out in Section 40, described above.

Article 3; Section 21 Request and Disclosure Requirements and Conditions assumptions:

Assumes DVS would be unable to comply with the requirements by January 1, 2007 and would be unable to sell electronic and bulk records or paper records to third parties until the requirements are met.

Assume a preliminary assessment and requirements definition would be completed to clearly define the scope and approach for implementing the requirements of this bill.

Assume a preliminary assessment would take six (6) months to complete.

Assumes an application would need to be developed to select individual fields for distribution for specific approved users.

Assumes encryption will need to be implemented for transferring data to approved users.

Assumes business agreements with approved users will need to be rewritten, implemented and monitored.
 Assumes the design and implementation of an automated tracking process.
 Assumes a random audit process will need to be designed and implemented.
 Assumes an evaluation and purchase of encryption software.
 Assumes a unique identification for all data provided to each permissible user.
 Assumes DVS would manage customer de-encryption keys.
 Assumes website monitoring will need a logging system designed and developed.
 Assumes an independent audit to monitor the security of the system annually.
 Assumes the purchase of additional hardware (two servers) and software.
 Assumes there will be on-going cost.
 Assumes implementation would take approximately one (1) year (after completion of preliminary assessment).
 Assumes OTSS would have to use 0.14 FTE in FY06 for preparation at a cost of \$10,000 and administrative cost of \$12,000.

Article 3; Section 21; subd 4 Fees assumptions:

\$4.00 application fee – DVS assumes all record requestors who would pay an application fee. DVS assumes this is an annual fee for writing a contract with anyone requesting driver's license or motor vehicle records.
 Assumes an estimated 650,000 request for records remains constant.
 Assumes 90% of the 650,000 records are electronic purchases.
 Assumes 65,000 individuals and 700 electronic customers would have to pay the annual application fee.
 Assumes, with the implementation of this section and section 43, DVS would no longer be able to collect fees under current Minnesota Statutes.
 Assumes an effective date of 7-1-07.

Article 3; Section 32 dishonored personal check assumptions:

Assume 100 dishonored personal checks each month.
 Assume 50% of dishonored checks are will be taken care off prior to suspension.
 Assume individual would have to pay a \$20.00 reinstatement fee.

Gold Star Family Plates Assumptions:

Assumes the plates would be issued in the same manner as Ex-POW plates.
 Assumes a \$3 surcharge is added to the personalized plate fee and 12,000 personalized plates are issued yearly.
 Assumes the expenses incurred from the Vehicle Services Operating Account in the Special Revenue Fund (VSOF) would be appropriated to the Commissioner of Public Safety.
 Assumes 2,973 people would qualify for the plates and free registration and another 3,700 would qualify for the plate but not the free registration
 Assumes a \$10 plate fee for 300 FY07; 200 FY08; 100 FY09 & 100 FY10.
 Assumes an average annual registration cost of \$91.00 for 1,200 FY07; 2,200 FY08; 2,600 FY09 & 3,000 FY10.
 Assume the effective date is July 1, 2006 and approximately six months would be needed for the design and establishing an inventory. Assume the marketing of the Gold Star plate is similar to current Veteran plates.

Estimated	Sales	Total in Fleet
FY07	1,500 (1,200 free reg 300 other)	1,500
FY08	1,200 (1,000 free reg 200 other)	2,700
FY09	500 (400 free reg 100 other)	3,200
FY10	500 (400 free reg 100 other)	3,700

All plates issued would require mailing at a cost of \$1.98 and assumes postal rates remain constant. MINNCOR also charges a \$0.51 handling cost.
 Assumes the minimum cost of 100 MC plates of \$4,249 by MINNCOR remains constant.
 DVS also assumes a one time programming cost of \$5,000.

Expenditure and/or Revenue Formula

Article 3, section 14

Revenue Formula:

SFY	Percentage current fine collections will increase	Amount of increase	Federal Incentive Grant
2007	20%	\$10,763	\$0
2008	30%	\$21,526	\$800,000
2009	40%	\$23,312	\$700,000
2010	50%	\$26,910	\$600,000

Additional fine revenues collected under this section will be used to provide grants for agencies that conduct child passenger safety education and car seat distribution to low-income families in Minnesota. Any federal grant funding Minnesota would qualify for would be used to fund a statewide public information campaign. If there are additional funds available in the federal grant, funding would be distributed for car seat distribution and used in other ways to increase appropriate child restraint and seat use.

Article 3; Section 21:

Item	Task	Cost
1	A preliminary assessment Requirements definition must be completed to clearly define the scope and approach for implementing the requirements of the bill	\$375,000
2	Systems Analysis Identify other data feeds on the DVS SQL servers. (71 databases, containing 2,595 tables, all together comprising 15,109 columns)	\$53,000
3	Mainframe or SQL Solution for taking mainframe files	\$125,000
4	Existing SQL Feeds	\$120,000
5	DL Data and Vehicle information via the website	\$53,000
6	User Control / Tracking System	\$119,000
	TOTAL	\$845,000

One time cost: Preliminary assessment \$375,000 and one half of implementation expenses \$235,000 in FY07; one half on implementation expenses \$235,000 in FY08.

Additional hardware/software: FY07 \$65,000.

On-going (technology) annual cost: \$74,000 in FY07 and \$148,000 each fiscal year thereafter.

1.5 FTE ITS3 (step 7) functional and technical testing; on-going application and encryption support: \$116,332 beginning in FY08.

One FTE State Program Adm Sr: \$63,976 beginning in FY08.

Annual independent audit of electronic access to driver and vehicle data cost of \$50,000 per year beginning in FY09.

OTSS preparation cost in FY06 of 0.14 FTE at \$10,000 and administrative cost of \$12,000.

Revenue:

DVS anticipates a loss in special revenue receipts from the sale of records from January 1, 2007 until completion (one year) of implementation of approximately \$20,000 per month (Vehicle Services Operating Account) from motor vehicle records and \$96,000 (Driver Services Operating Account) per month of driver license records (based on current year receipts). There would also be a loss in general fund revenue of approximately \$17,000 per month from motor vehicle records and \$121,000 per month from driver license records (based on current year receipts). Also, there would be a loss to the general fund for record surcharge of approximately \$22,500 per month (based on current receipts).

Article 3; Section 21; subd 4:

Revenue:

Current record sales average based on current receipts (see above): General Fund \$17,000 + \$121,000 + \$22,500 = \$160,500/per month x 12 = \$1,926,000; Special Revenue DSOA \$96,000 x 12 = \$1,152,000; and VSOA \$20,000 x 12 = \$240,000.

Proposed \$4.00 fees (new record system to start on 1-1-08): Application fee (annual) 65,000 individual + 700 electronic = 65,700 x \$4.00 = \$262,800. Record fee 650,000 x \$4.00 = \$2,600,000. Proposed total: \$2,862,888 (\$1,431,400 to the financial crimes account and \$1,431,400 to Public Safety).

Revenue comparison:							
	Current Law		Total	SF3764 Proposal		Total	
FY07	7-1 to 12-31-06	1-1 to 6-30-07		7-1 to 12-31-06	1-1 to 6-30-07		
General Fund	\$ 963,000		\$ 963,000				0
Special Rev (DSOA)	\$ 576,000		\$ 576,000				0
Special Rev (VSOA)	\$ 120,000		\$ 120,000				0
Special Rev (Financial Crimes)				\$ 715,700	\$ 130,700	\$ 846,400	
Special Revenue (DPS)				\$ 715,700	\$ 130,700	\$ 846,400	
			\$ 1,659,000			\$ 1,692,800	
FY08	7-1 to 12-31-07	1-1 to 6-30-08	Total	7-1 to 12-31-07	1-1 to 6-30-08	Total	
General Fund		\$ 963,000	\$ 963,000				0
Special Rev (DSOA)		\$ 576,000	\$ 576,000				0
Special Rev (VSOA)		\$ 120,000	\$ 120,000				0
Special Rev (Financial Crimes)				\$ 130,700	\$ 715,700	\$ 846,400	
Special Revenue (DPS)				\$ 130,700	\$ 715,700	\$ 846,400	
			\$ 1,659,000			\$ 1,692,800	
FY09	7-1-08 to 6-30-09			7-1-08 to 6-30-09			
General Fund	\$ 1,926,000		\$ 1,926,000				0
Special Rev (DSOA)	\$ 1,152,000		\$ 1,152,000				0
Special Rev (VSOA)	\$ 240,000		\$ 240,000				0
Special Rev (Financial Crimes)				\$ 1,431,400		\$ 1,431,400	
Special Revenue (DPS)				\$ 1,431,400		\$ 1,431,400	
			\$ 3,318,000			\$ 2,862,800	

Article 3; Section 32

Revenue:

600 suspensions due to dishonored personal checks x \$20.00 reinstatement fee = \$12,000.

Gold Star Family Plates:

Start-up cost: \$38,484

(5000 plates @ \$5.10 + 100 MC plates \$4,249= \$29,749. Programming cost of \$5,000; mailing cost & Minncor handling charge for FY07 1,500@ \$2.49= \$3,735; FY08:1200@ \$2.49= \$2,988; FY09: 500@ \$2.49= \$1,245; FY10: 500@ \$2.49= \$1,245.)

Revenue from plate fee (\$10.00): FY07 \$3,000; FY08 \$2,000; FY09 \$1,000; FY10 \$1,000.
Revenue (loss): FY07 (\$109,200); FY08 (\$200,200); FY09 (\$236,600); FY10 (\$273,000).
Revenue from surcharge (\$3.00): \$36,000 each year. Under this bill the surcharge is to be deposited in the Highway User Tax Distribution Fund.

Article 8, Section 35

Section 35 creates the public safety and financial crimes account in the special revenue fund. Fifty percent of the money is annual appropriated to the commissioner of public safety for the purposes of the operations of the Minnesota Financial Crimes Task Force established in section 299A.681, subdivision 3. The estimated amount of money available each year is the following: FY 2007 \$846,400; FY 2008 \$846,400; and FY2009 \$1,431,000.

Long-Term Fiscal Considerations

On going costs would continue. Under current law, DVS collects \$4.50 for electronic records with \$1.80 of that going to the special revenue operating accounts and \$9.00 for paper records are deposited to special revenue operating fund. With the loss of revenues from fees, DVS may have to reduce staff which will have an impact on services. Gold Star Plates: loss of HUTD funds increase in proportion to increased eligibility.

Article 3, Section 14

100% of the fines deposited into the child restraint and education account are used to distribute new child safety restraints back into Minnesota communities while providing education. None of the funds are used to defray any administrative costs, either on the part of the state or the receiving agency. Minnesota should not assume that the incentive grant funding will be continued after SFY2010. Thus education and provision of child restraints and seats to low-income families would revert to the level currently being supported in the Office of Traffic Safety.

Local Government Costs

Article 3, Section 14

80% of the account has been used to grants to local governmental agencies such as public health, police departments, and schools that provide the child safety restraints directly to the families that need them. The remaining 20% of the account is given by grant to non-profit agencies that also provide the restraints directly to the families in need.

While data is not available to determine how many fines are currently being collected for violations of the seat belt law (169.686) specifically by passengers age 4-8, those specific violations under this change would no longer be directed to the Emergency Medical Services Relief account. As a result, the Emergency Medical Services Relief account may see a slight decrease in the total fines collected.

Article 3 Section 21:

Electronic records and third party records would not be available until system is implemented. Gold Star Plates: VA would need resources to provide verification letters to qualifying individuals.

References/Sources

NHTSA website: <http://nhtsa.gov/portal/site/nhtsa/template.MAXIMIZE/menuitem>.
SafeTEA-LU Fact Sheet, section 2011, for information on the incentive grants.

Agency Contact Name: Pat McCormack 296-2097
FN Coord Signature: FRANK AHRENS
Date: 04/24/06 Phone: 296-9484

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER
Date: 04/25/06 Phone: 215-0594

Fiscal Note – 2005-06 Session

Bill #: S3764-1A **Complete Date:** 04/17/06

Chief Author: MURPHY, STEVE

Title: TRUNK HWY BONDING & MISC TRANSP PROV

Agency Name: Finance Dept

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
Trunk Highway Fund			1,071	2,672	3,854
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
Trunk Highway Fund			1,071	2,672	3,854
Revenues					
-- No Impact --					
Net Cost <Savings>					
Trunk Highway Fund			1,071	2,672	3,854
Total Cost <Savings> to the State			1,071	2,672	3,854

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Assumptions

The legislation would provide \$35,189,000 of state general obligation trunk highway bond financing to provide funding for various trunk highway projects.

It is assumed that state general obligation trunk highway bonds are sold to finance the capital projects. The bonds are sold with level principal payments and mature over 20 years. The costs shown in the fiscal note are the amounts that would be required to be transferred from the trunk highway fund to the debt service fund annually.

<u>Bond Sale Date</u>	<u>Interest Rate</u>	<u>Bonds Sold</u>
June 2006	4.40%	2,932
November 2006	4.50%	7,478
August 2007	4.70%	16,128
June 2008	4.90%	3,959
November 2008	5.20%	4,692

Debt Service Costs by Fiscal Year

2006	0
2007	1,071
2008	2,672
2009	3,854

FN Coord Signature: PETER SAUSEN
Date: 04/12/06 Phone: 296-8372

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: PEGGY LEXAU
Date: 04/17/06 Phone: 296-6237

ML 2005, 1st Special Session, Ch. 1, Art. 2, Sec. 11

VETO LIST Recommended for 2006

House File 3746 & Senate File 3463

Subd. #	Title	LCMR Funding Recommendations	Veto Amount	Veto Amount	Veto Amount	Constitution	116P.08 Statute(s)
			TF Year 1 FY 2006 7/1/05 - 6/30/06	TF Year 2 FY 2007 7/1/06 - 6/30/07	GLPA Year 1 FY 2006		
Environmental Education							
2	Environmental Problem-Solving Model for Twin Cities Schools	75,000	38,000	37,000		Air, Land, Water	# 4
<i>Train 560 high school students and 15 teachers on environmental problem solving + statewide handbook</i>							
3	Enhancing Civic Understanding of Groundwater	150,000	75,000	75,000		Water	# 4
<i>Groundwater exhibits and a statewide traveling groundwater classroom program - 75,000 visitors + 8,600 students in classes - previous match</i>							
	SUBTOTAL	225,000	113,000	112,000			
Energy							
4	Phillips Biomass Community Energy System	900,000	450,000	450,000		Air, Water	# 6
<i>Partial costs for a biomass district energy system - 900 feet of special pipe design and installation - heat for 3 million sq ft - 80% match</i>							
5	Laurentian Energy Authority Biomass Project	466,000	233,000	233,000		Air, Water	# 6
<i>Biomass/coal fired Municipal utility - plant 2750 acres of trees - 35 Mw power + district heat (1/20th of 1% state elec) - federal match 1:1</i>							
6	Planning for Economic Development via Energy Independence	240,000	120,000	120,000		Air, Water	# 2, 3
<i>Evaluate the socioeconomic benefits of renewable energy production</i>							
	SUBTOTAL	1,606,000	803,000	803,000			
Land Use and Natural Resource Information							
7	Land Cover Mapping for Natural Resource Protection	250,000	125,000	125,000		Land	# 3
<i>GIS tools for prioritizing natural areas protection and to update and complete land cover classification across whole Metro area</i>							
	SUBTOTAL	250,000	125,000	125,000			
Water Resources							
8	Upgrades to Blue Heron Research Vessel	295,000	133,000	134,000	28,000	Water	# 2, 3
<i>Upgrade and overhaul the Blue Heron Research Vessel - will attract federal research money</i>							
9	Green Roof Cost Share and Monitoring	350,000	175,000	175,000		Water	# 4, 6
<i>Green roofs on four new/retro commercial buildings: monitor for storm water mgmt, flood reduction, water quality, and energy efficiency (few northern clime examples) - matched by at least 50 percent nonstate money</i>							
10	Climate Change Impacts on Minnesota's Aquatic Resources	250,000	125,000	125,000		Water	# 2, 3
<i>Quantify climate, hydrologic, and ecological variability and trend and identify indicators of future climate change effects on MN aquatic systems</i>							
	SUBTOTAL	895,000	433,000	434,000	28,000		
Fish & Wildlife Habitat							
11	Land Exchange Revolving Fund for Aitkin, Cass, and Crow Wing Counties	500,000	250,000	250,000		Land	# 6
<i>Improve ownership patterns: increase management efficiency and protect critical habitat - local match \$900k ALL PAID Back</i>							
	SUBTOTAL	500,000	250,000	250,000			
	Total Amount Recommended	3,476,000	1,724,000	1,724,000	28,000		

Sec. 14. **ENVIRONMENT AND NATURAL RESOURCES FUND.** A permanent environment and natural resources trust fund is established in the state treasury. Loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. The assets of the fund shall be appropriated by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. The amount appropriated each year of a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, may be up to 5-1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. Not less than 40 percent of the net proceeds from any state-operated lottery must be credited to the fund until the year 2025. [Adopted, November 8, 1988; Amended, November 6, 1990; November 3, 1998]

==116P.08 116P.08 Trust fund expenditures; exceptions; plans.

Subdivision 1. **Expenditures.** Money in the trust fund may be spent only for:

- (1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;
- (2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;
- (3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;
- (4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;
- (5) capital projects for the preservation and protection of unique natural resources;
- (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;
- (7) administrative and investment expenses incurred by the State Board of Investment in investing deposits to the trust fund; and
- (8) administrative expenses subject to the limits in section 116P.09.

Support the MVST Language In SF3764- Omnibus Transportation Funding Bill

Minnesotans for Better Roads and Transit (MBRT), a statewide coalition of over 400 organizations representing business, labor, local governments, local chambers of commerce and transportation businesses from around the state, urges your support for the language currently contained in SF3764 dealing with the proposed constitutional amendment to dedicate all of the motor vehicle sales tax revenue to transportation.

We urge you to vote NO on any amendments to Article 2.

MBRT strongly supports passage of the language contained in the Senate Omnibus Transportation Funding Bill (**SF3764**) which would:

1. Change the ballot question language to a simpler, more direct question for voters to consider;
2. Establish a statutory split of MVST revenue with 60% to be deposited in the Highway User Tax Distribution Fund and 40% for transit to be deposited in a transit fund.

According to an opinion issued on April 5, 2006 by the Attorney General, the legislature no longer has any control or authority over a proposed constitutional amendment once both houses have approved it and published it according to their rules. However, the wording of the ballot question may be modified.

Please support the language that sets the 60/40 highway/transit split in state law rather than attempting to change the constitutional amendment itself.

MINNESOTANS FOR BETTER ROADS AND TRANSIT

Member Organizations and Businesses Supporting the MVST Constitutional Amendment

As of April 18, 2006

Advocacy Organizations

AAA Minneapolis
AAA Minnesota/Iowa
Alliance for Metropolitan Stability
American Council of Engineering Companies of Minnesota
American Society of Civil Engineers
Associated General Contractors of Minnesota
Association of Metropolitan Municipalities
Building Owners & Managers Assn. (BOMA) Minnesota
Central Corridor Partnership
Central Minnesota Transportation Alliance
City Engineers Association of Minnesota
Dakota Area Resources and Transportation for Seniors (DARTS)
Downtown Minneapolis Transportation Management Organization
Greater Saint Paul Building Owners & Managers Assn. (BOMA)
Highway 52 Freeway Partnership
Highway 55 Corridor Coalition
HSI – Human Services, Inc.
I-494 Corridor Commission
League of Minnesota Cities
LOCATE
Metro Transitways Development Board
Metropolitan Inter-County Association
Minneapolis Building Owners & Managers Assn. (BOMA)
Minneapolis Downtown Council
Minnesota Agri-Growth Council
Minnesota River Area Agency on Aging
Minnesota Asphalt Pavement Association
Minnesota Beer Wholesalers Association
Minnesota Beverage Association
Minnesota Building Owners & Managers Assn. (BOMA)
Minnesota Business Partnership
Minnesota Concrete Pipe Association
Minnesota Center for Environmental Advocacy
Minnesota County Engineers Association
Minnesota Forest Industries
Minnesota Grain and Feed Association
Minnesota Holstein Association
Minnesota Laborers-Employer Cooperation Education Trust
Minnesota Police Chiefs Association
Minnesota Pork Producers Association
Minnesota Public Transit Association
Minnesota Senior Federation
Minnesota State Patrol Troopers Association

Advocacy Organizations (Cont'd)

Minnesota Transportation Alliance
Minnesota Trucking Association
Minnesotans For An Energy-Efficient Economy
Municipal Legislative Commission
National Assn. of Industrial and Office Properties
National Electrical Contractors Assn – Minneapolis Chapter
North Metro Mayors Association
Regional Council of Mayors
Sierra Club, North Star Chapter
Southwest Corridor Transportation Coalition
Suburban Transit Association
The I-35W Solutions Alliance
The Itasca Project
Transit Team, Inc.
Transit for Livable Communities
Women's Transportation Seminar, Minnesota Chapter

Businesses

3M
All Agape
Atlas Foundation Co.
AVR/AME/FSA
Benefits Plus, LLC
Best Buy Co., Inc
Carlson Companies
Collisys
Comcast
Davisco Foods International Inc.
Do Tell Properties
Ecolab Inc.
Express Personnel Services
Federated Insurance Companies
Flagship Marketing, Inc.
Flint Hills Resource LP
Foote & Co.
GCI Systems
Goff & Howard, Inc.
Gold'n Plump
Hormel Foods Corporation
Hunt Electric Corporation
Ideal Printers, Inc.
International Council of Shopping Centers
Kalina, Wills, Gisvold & Clark, PLLP
J&F Reddy Rents, Inc.
Land For Sale, Inc.
Larson, Allen, Weishair & Company, LLP
LDI Fibres
Liberty Diversified Industries, Inc.
Lumberman's Underwriting Alliance
M&I Bank

MINNESOTANS FOR BETTER ROADS AND TRANSIT

Businesses (Cont'd)

Marquette Financial Services
Marvin Windows and Doors
Medtronic, Inc.
Michael Foods, Inc.
Minneapolis Marriott
Minnesota Agro-Forestry Cooperative
Minnesota Mailing Solutions
Minnesota Shopping Centers
Mintahoe Hospitality Group
Moore Costello & Hart PLLP
Murphy Warehouse Company
Nardini Fire Equipment Co., Inc.
Northern State Bank of Thief River Falls
Northern States Supply
Northstar Partners
Piper Jaffray Company
Precision Appraisals
Press-Seal Gasket Corporation
Radisson Plaza
Realty Executives
Schadegg Mechanical
Securian Financial Group
Select Comfort Corporation
SJE-Rhombus Controls
Spee Dee Delivery
State Farm Mutual Automobile Insurance Co.
Summit Oil Company
T.C. Field & Company
Target Corporation
The Schwan Food Company
Thrivent Financial for Lutherans
United Hospital
USB Financial Services
US Bank
Washington P&G Inc.
Wells Fargo Bank, Minnesota, N.A.

Chambers of Commerce

Anoka Area Chamber of Commerce
Austin Area Chamber of Commerce
Brainerd Lakes Area Chambers of Commerce
Burnsville Chamber of Commerce
Cambridge Area Chamber of Commerce
Chanhassen Chamber of Commerce
Chaska Chamber of Commerce
Daremont Area Chamber of Commerce
Duluth Area Chamber of Commerce
Eden Prairie Chamber of Commerce
Edina Chamber of Commerce
Elk River Area Chamber of Commerce
Faribault Area Chamber of Commerce & Tourism
Forest Lake Area Chamber of Commerce
Greater Mankato Area Chamber of Commerce

Chambers of Commerce (Cont'd)

Hastings Chamber of Commerce
Hermantown Area Chamber of Commerce
I-94 West Chamber of Commerce
International Falls Area Chamber of Commerce
Marshall Area Chamber of Commerce
Metro North Chamber of Commerce
Metropolitan Coalition of Chambers
Midway Chamber of Commerce
Minneapolis Regional Chamber of Commerce
Minnesota Chamber of Commerce
Monticello Chamber of Commerce
North Hennepin Area Chamber of Commerce
Northern Dakota County Chamber of Commerce
Northfield Area Chamber of Commerce
Owatonna Area Chamber of Commerce & Tourism
Red Wing Chamber of Commerce
Redwood Area Chamber & Tourism
Richfield Chamber of Commerce
River Heights Chamber of Commerce
Rochester Area Chamber of Commerce
St. Cloud Area Chamber of Commerce
Saint Paul Area Chamber of Commerce
Saint Peter Area Chamber of Commerce
Twin Cities North Chamber of Commerce
Twin West Chamber of Commerce
Two Harbors Chamber of Commerce
Waconia Chamber of Commerce
Wayzata Chamber of Commerce
Willmar Lakes Area Chamber of Commerce
Winona Area Chamber of Commerce
Worthington Area Chamber of Commerce

Labor

AFSCME Council 5
AFSCME Local 2827
Amalgamated Transit Union, Local 1005
International Union of Operating Engineers, Local 49
Joint Council 32 DRIVE
Laborers District Council of Minnesota and North Dakota

Local Governments

Aitkin County
Anoka County
Anoka County Transit
Becker County
Beltrami County
Benton County
Blue Earth County
Brown County
Carver County
Cass County
Chippewa County

MINNESOTANS FOR BETTER ROADS AND TRANSIT

Local Governments (Cont'd)

City of Bird Island
City of Blaine
City of Bloomington
City of Burnsville
City of Byron
City of Carver
City of Chanhassen
City of Chaska
City of Cokato
City of Eagan
City of Eden Prairie
City of Edina
City of Elk River
City of Farmington
City of Golden Valley
City of Hopkins
City of Hutchinson
City of Lake City
City of Lakeville
City of Lexington
City of Maple Grove
City of Maplewood
City of Mendota Heights
City of Minneapolis
City of Newport
City of North Branch
City of Norwood Young America
City of Plymouth
City of Richfield
City of Robbinsdale
City of St. Michael
City of Saint Paul
City of Saint Paul Park
City of Saint Peter
City of Spring Park
City of Victoria
City of Waconia
City of Woodbury
Chisago County
Chisago-Isanti County Heartland Express
Clay County
Collinwood Township
Cottonwood County
Crow Wing County
Dakota County
Dorwin Township
Douglas County
Duluth Transit Authority
Ellsworth Township
Faribault County
Far North Public Transit
Fillmore County
Freeborn County

Local Governments (Cont'd)

Goodhue County
Hennepin County
Hubbard County
Jackson County
Kingston Township
Kittson County
Koochiching County
Lac qui Parle County
Lake County
Lake of the Woods County
LeSueur County
Lyon County
Manannah Township
Maple Grove Transit
Martin County
McLeod County
Meeker County
Metropolitan Council
Murray County
Nicollet County
Nobles County
Olmsted County
Pennington County
Pine Island Township
Pipestone County
Pope County
Rainbow Rider Transit
Ramsey County
Ramsey County Regional Railroad Authority
Renville County
Rice County
Rock County
Sherburne County
Sibley County
St. Cloud Area Planning Organization
St. Cloud Metro Bus
Stearns County
Steele County
Stevens County
Southwest Metro Transit
Traverse County
Tri-Cap Transit Connection
Wabasha County
Waseca County
Washington County
Watsonwan County
Winona County
Wright County

MINNESOTANS FOR BETTER ROADS AND TRANSIT

Transportation Businesses

AAA Striping
Adolfson & Peterson
Aggregate and Ready Mix Association of Minnesota
Alliant Engineering
Alvin E. Benike Inc.
American Agency, Inc.
Ames Construction
Anderson Brothers Construction Company
Anderson Trucking
Associated Builders & Contractors Inc.
Ayres Associates
Bartels Tuck Line, Inc.
Beckman Trucking
Bloom Engineers
Bonestroo and Associates
Braun Intertec Corporation
Brenny Specialized
CH2M HILL, Inc.
Carciofini Company
Central Landscaping, Inc.
Cobb Strecker Dunphy and Zimmerman
CONCRETE, INC
Concrete Paving Association of Minnesota
Construction Career Training Program
Costas, Inc.
Cretex Concrete Products North
C.S. McCrossan Inc.
Dart Transit Company
Dedicated Logistics
Doody Mech
Duininck Brothers
Ed Steele Construction
Edwards and Kelcey Inc.
Engineering America, Inc.
EVS, Inc.
G.R. Daniels Trucking, Inc.
Gale-Tec Engineering, Inc.
George F. Cook Construction Co
Geyer Signal
Graham Penn-Co
Grande American Bus Sales
Grazzini Bros.
H&R Const. Co.
Hakanson Anderson Assoc. Inc.
Hardrives, Inc.
Hyden-Murphy Equipment Co. Inc.
JDR Inc
Highway Construction Industry Council
HNTB Corporation
Holte Contracting
Hoover Construction
Howard R. Green
IWCO Direct

Transportation Businesses (Cont'd)

Johnson Wilson Constructors, Inc.
Kadmas, Lee & Jackson
KGM Contractors Inc
Kraus-Anderson
Kottke Trucking, Inc.
Laidlaw Transit Services
Lakeland Enterprises, Inc.
Lakeville Motor Express
LeFebvre Companies, Inc.
LHB Inc.
M.A. Mortenson Company
Magney Construction Inc.
Marcy Construction Company
Martin Marietta Materials
Mathiowetz Construction Company
Mathy Construction Company
McFarland Truck Lines, Inc.
McGough Companies
Mead & Hunt
Midstate Reclamation
Midstate Trucking
Midwest Contracting LLC
Midwest Motor Express
Midwest Specialized Transportation, Inc.
Minnesota Mechanical Contractors Assn
Minnesota Petroleum Service
Minnowa Construction
Monson Trucking
North Central Aggregates
North Central Cement Council
Northern Con-AGG, Inc.
Northland Constructors
Oldcastle Precast
Orion Search Group
Palmer Soderberg Inc.
Parsons Brinckerhoff Quade & Douglas, Inc.
PCL
Prairie Line, Inc.
Progressive Consulting Engineers, Inc.
Progressive Contractors Inc.
R&E Enterprises of Mankato
R and G Construction Co.
RJ Ahmann
Rani Engineering, Inc.
Ray Riihiluoma Inc.
Reilly Construction
Road Machinery & Supplies Co.
Robert C. Carlstrom Co.
Rochester Cartage, Inc.
Ruffridge Johnson Equipment Co Inc
Ryan Companies
Safety Signs
SEH, Inc.

Transportation Businesses (Cont'd)

Sellin Brothers, Inc.
Shafer Contracting Co. Inc.
Shamrock Disposal
Simplex Construction Supplies
South Minnesota Lubes
SRF Consulting Group
Stamiden Wire Products Corporation
Swanson & Youngdale, Inc.
Terra Services
TFE Toro Express
The Hathor Group
Three Rivers Construction
Tiller Corporation
TKDA
Tower Asphalt
Truck Writers, Inc.
Ulland Brothers
United Rentals Highway Technologies
URS Corporation
Valley Paving
Vermeer Sales & Service
W. Gohman Construction Co.
Watson-Forsberg Co.
Weis Builders, Inc.
Wells Concrete Products
Western Steel
Wheeler Consolidated Inc
Wm Mueller & Sons, Inc.
WSB & Associates, Inc.
Yaggy Colby Associates
Ziegler Inc.

Senator Murphy introduced—

S.F. No. 3764: Referred to the Committee on Transportation.

1.1 A bill for an act

1.2 relating to transportation; amending the allocation of revenue from a tax on
1.3 sale of motor vehicles; amending Minnesota Statutes 2004, section 297B.09,
1.4 subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2004, section 297B.09, subdivision 1, is amended to read:

1.7 Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this
1.8 chapter must be deposited as provided in this subdivision.

1.9 ~~(b) From July 1, 2002, to June 30, 2003, 32 percent of the money collected and~~
1.10 ~~received must be deposited in the highway user tax distribution fund, 20.5 percent must be~~
1.11 ~~deposited in the metropolitan area transit fund under section 16A.88, and 1.25 percent~~
1.12 ~~must be deposited in the greater Minnesota transit fund under section 16A.88. The~~
1.13 ~~remaining money must be deposited in the general fund.~~

1.14 ~~(c) (b) From July 1, 2003, to through June 30, 2007 2006, 30 percent of the money~~
1.15 ~~collected and received must be deposited in the highway user tax distribution fund, 21.5~~
1.16 ~~percent must be deposited in the metropolitan area transit fund under section 16A.88, 1.43~~
1.17 ~~percent must be deposited in the greater Minnesota transit fund under section 16A.88,~~
1.18 ~~0.65 percent must be deposited in the county state-aid highway fund, and 0.17 percent~~
1.19 ~~must be deposited in the municipal state-aid street fund. The remaining money must~~
1.20 ~~be deposited in the general fund.~~

1.21 ~~(d) On and after (c) From July 1, 2007, 32 through June 30, 2008, 38.25 percent of~~
1.22 ~~the money collected and received must be deposited in the highway user tax distribution~~
1.23 ~~fund, 20.5 24.225 percent must be deposited in the metropolitan area transit fund under~~

2.1 section 16A.88, and ~~1.25~~ 1.275 percent must be deposited in the greater Minnesota transit
2.2 fund under section 16A.88. The remaining money must be deposited in the general fund.

2.3 (d) From July 1, 2008, through June 30, 2009, 44.25 percent must be deposited in the
2.4 highway user tax distribution fund, 28.025 percent must be deposited in the metropolitan
2.5 area transit fund under section 16A.88, and 1.475 percent must be deposited in the greater
2.6 Minnesota transit fund under section 16A.88. The remaining money must be deposited
2.7 in the general fund.

2.8 (e) From July 1, 2009, through June 30, 2010, 50.25 percent must be deposited in the
2.9 highway user tax distribution fund, 31.825 percent must be deposited in the metropolitan
2.10 area transit fund under section 16A.88, and 1.675 percent must be deposited in the greater
2.11 Minnesota transit fund under section 16A.88. The remaining money must be deposited
2.12 in the general fund.

2.13 (f) From July 1, 2010, through June 30, 2011, 56.25 percent must be deposited in the
2.14 highway user tax distribution fund, 35.625 percent must be deposited in the metropolitan
2.15 area transit fund under section 16A.88, and 1.875 percent must be deposited in the greater
2.16 Minnesota transit fund under section 16A.88. The remaining money must be deposited
2.17 in the general fund.

2.18 (g) On and after July 1, 2011, 60 percent must be deposited in the highway user
2.19 tax distribution fund, 38 percent must be deposited in the metropolitan area transit fund
2.20 under section 16A.88, and two percent must be deposited in the greater Minnesota transit
2.21 fund under section 16A.88.

2.22 (h) Notwithstanding any other law, the commissioner shall, in fiscal years 2006
2.23 through 2009, reduce the amount that would otherwise be distributed to the trunk highway
2.24 fund from the amount deposited in the highway user tax distribution fund under this section
2.25 by the following amounts, and shall transfer the reduced amount to the general fund:

2.26 (1) in fiscal year 2006, \$100,200,000;

2.27 (2) in fiscal year 2007, \$103,600,000;

2.28 (3) in fiscal year 2008, \$106,000,000; and

2.29 (4) in fiscal year 2009, \$109,700,000.

2.30 **Sec. 2. EFFECTIVE DATE.**

2.31 Section 1 is effective upon the adoption at the 2006 general election of an
2.32 amendment to the state constitution that requires dedication of all motor vehicle sales tax
2.33 revenues to transportation purposes beginning in 2011.

1.1 Senator moves to amend S.F. No. 3764 as follows:

2 Delete everything after the enacting clause and insert:

1.3 " **ARTICLE 1**
1.4 **TRUNK HIGHWAY BONDING**

1.5 Section 1. **TRUNK HIGHWAY APPROPRIATIONS**

1.6 The sums shown in the columns marked "APPROPRIATIONS" are appropriated
1.7 from the bond proceeds fund in the trunk highway fund to the commissioner of
1.8 transportation to be spent for trunk highway purposes.

1.9 **SUMMARY BY FUND**

	<u>2006</u>		<u>2007</u>		<u>TOTAL</u>
1.10					
1.11	<u>Trunk Highway</u>	\$		\$	<u>35,189,000</u>
			<u>35,189,000</u>	\$	<u>35,189,000</u>

1.12 **APPROPRIATIONS**
1.13 **Available for the Year**
1.14 **Ending June 30**

	<u>2006</u>	<u>2007</u>
1.15		

1.16 **Sec. 2. TRUNK HIGHWAY PROJECTS**
1.17 **FINANCED BY STATE TRUNK**
1.18 **HIGHWAYS BONDS**

1.19	<u>Subdivision 1. Mankato district headquarters</u>				
1.20	<u>building</u>	\$		\$	<u>18,228,000</u>

1.21 To design, construct, furnish, and equip a
22 new district headquarters facility in Mankato.

1.23	<u>Subd. 2. Transportation Building exterior</u>				<u>10,161,000</u>
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1.24 To replace the structural support system
1.25 for the granite panels on the exterior of the
1.26 Transportation Building.

1.27	<u>Subd. 3. Marked Trunk Highway 610 project</u>				<u>6,000,000</u>
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1.28 To match federal funds to assist in the
1.29 completion of Marked Trunk Highway 610
1.30 as a four-lane freeway from its intersection
1 with Marked Trunk Highway 169 to its
1.32 intersection with Marked Interstate Highway
1.33 94.

2.1	<u>Subd. 4. Marked Trunk Highway 61 corridor</u>	
2.2	<u>predesign</u>	<u>300,000</u>

2.3 For predesign of the corridor that extends
 2.4 along Marked Trunk Highway 61 from its
 2.5 intersection with Marked Trunk Highway
 2.6 316 to its intersection with Marked Trunk
 2.7 Highway 50, then along Marked Trunk
 2.8 Highway 50 to its intersection with Marked
 2.9 Trunk Highway 52.

2.10	<u>Subd. 5. French Rapids Bridge predesign</u>	<u>150,000</u>
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2.11 To match federal funds for environmental
 2.12 study, corridor predesign and mapping,
 2.13 and right-of-way acquisition for the French
 2.14 Rapids Bridge over the Mississippi River
 2.15 north of the city of Brainerd.

2.16	<u>Subd. 6. Bond sale expenses</u>	<u>350,000</u>
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2.17 To the commissioner of finance for bond sale
 2.18 expenses under Minnesota Statutes, section
 2.19 16A.641, subdivision 8.

2.20 **Sec. 3. BOND SALE AUTHORIZATION.**

2.21 To provide the money appropriated in this article from the bond proceeds account in
 2.22 the trunk highway fund, the commissioner of finance shall sell and issue bonds of the state
 2.23 in an amount up to \$35,189,000 in the manner, on the terms, and with the effect prescribed
 2.24 by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution,
 2.25 article XIV, section 11, at the times and in the amounts requested by the commissioner
 2.26 of transportation. The proceeds of the bonds, except accrued interest and any premium
 2.27 received from the sale of the bonds, must be deposited in the bond proceeds account in
 2.28 the trunk highway fund.

2.29 **Sec. 4. EFFECTIVE DATE.**

2.30 This article is effective the day following final enactment.

2.31 **ARTICLE 2**
 2.32 **DEPOSIT OF MOTOR VEHICLE SALES TAX REVENUES**

2.33 Section 1. Minnesota Statutes 2004, section 16A.88, is amended to read:

2.34 **16A.88 TRANSIT FUNDS FUND.**

3.1 Subdivision 1. Transit fund. A transit fund is established within the state treasury.
 3.2 The fund receives money distributed under section 297B.09, and other money as specified
 3.3 by law. Money in the fund must be allocated to the greater Minnesota transit account
 3.4 under subdivision 2 and the metropolitan area transit account under subdivision 3, and
 3.5 must be used for transit purposes.

3.6 Subd. 2. Greater Minnesota transit fund account. The greater Minnesota transit
 3.7 fund account is established within the ~~state treasury transit fund~~. Money in the ~~fund~~
 3.8 account is annually appropriated to the commissioner of transportation for assistance to
 3.9 transit systems outside the metropolitan area under section 174.24. ~~Beginning in fiscal~~
 3.10 ~~year 2003~~; The commissioner may use up to \$400,000 each year for administration of the
 3.11 transit program. The commissioner shall use the fund account for transit operations as
 3.12 provided in section 174.24 and related program administration.

3.13 Subd. 3. Metropolitan area transit fund account. The metropolitan area transit
 3.14 fund account is established within the ~~state treasury transit fund~~. All money in the ~~fund~~
 3.15 account is annually appropriated to the Metropolitan Council for the funding of transit
 3.16 systems within the metropolitan area under sections 473.384, 473.387, 473.388, and
 3.17 473.405 to 473.449.

3.18 ~~Subd. 3. Metropolitan area transit appropriation account.~~ The metropolitan
 3.19 ~~area transit appropriation account~~ is established within the general fund. Money in the
 3.20 ~~account~~ is to be used for the funding of transit systems in the metropolitan area, subject to
 3.21 legislative appropriation.

3.22 Sec. 2. Minnesota Statutes 2004, section 174.24, subdivision 1, is amended to read:

3.23 Subdivision 1. **Establishment; purpose.** A public transit participation program is
 3.24 established to carry out the objectives stated in section 174.21 by providing financial
 3.25 assistance from the state, including the greater Minnesota transit fund account established
 3.26 in section 16A.88, to eligible recipients outside of the metropolitan area.

3.27 Sec. 3. Minnesota Statutes 2004, section 297B.09, subdivision 1, is amended to read:

3.28 Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this
 3.29 chapter must be deposited as provided in this subdivision.

3.30 (b) ~~From July 1, 2002, to June 30, 2003, 32 percent of the money collected and~~
 3.31 ~~received must be deposited in the highway user tax distribution fund, 20.5 percent must be~~
 3.32 ~~deposited in the metropolitan area transit fund under section 16A.88, and 1.25 percent~~
 3.33 ~~must be deposited in the greater Minnesota transit fund under section 16A.88. The~~
 3.34 ~~remaining money must be deposited in the general fund.~~

4.1 ~~(e)~~ From July 1, 2003, to June 30, 2007, 30 percent of the money collected and
 4.2 ~~received~~ must be deposited in the highway user tax distribution fund, 21.5 percent must be
 4.3 deposited in the metropolitan area transit fund under section 16A.88, 1.43 percent must be
 4.4 deposited in the greater Minnesota transit fund under section 16A.88, 0.65 percent must
 4.5 be deposited in the county state-aid highway fund, and 0.17 percent must be deposited
 4.6 in the municipal state-aid street fund. The remaining money must be deposited in the
 4.7 general fund.

4.8 ~~(d) On and after (c)~~ From July 1, 2007, ~~32~~ to June 30, 2008, 38.25 percent of the
 4.9 ~~money collected and received~~ must be deposited in the highway user tax distribution
 4.10 fund, ~~20.5 percent must be deposited in the metropolitan area transit fund under section~~
 4.11 ~~16A.88~~, and ~~1.25~~ 25.5 percent must be deposited in the ~~greater Minnesota~~ transit fund
 4.12 under section 16A.88. The remaining money must be deposited in the general fund.

4.13 (d) From July 1, 2008, to June 30, 2009, 44.25 percent must be deposited in the
 4.14 highway user tax distribution fund, and 29.5 percent must be deposited in the transit fund.
 4.15 The remaining money must be deposited in the general fund.

4.16 (e) From July 1, 2009, to June 30, 2010, 50.25 percent must be deposited in the
 4.17 highway user tax distribution fund, and 33.5 percent must be deposited in the transit fund.
 4.18 The remaining money must be deposited in the general fund.

4.19 (f) From July 1, 2010, to June 30, 2011, 56.25 percent must be deposited in the
 4.20 highway user tax distribution fund, and 37.5 percent must be deposited in the transit fund.
 4.21 The remaining money must be deposited in the general fund.

4.22 (g) On and after July 1, 2011, 60 percent must be deposited in the highway user tax
 4.23 distribution fund, and 40 percent must be deposited in the transit fund.

4.24 Sec. 4. Laws 2005, chapter 88, article 3, section 10, is amended to read:

4.25 Sec. 10. **SUBMISSION TO VOTERS.**

4.26 The constitutional amendment proposed in section ~~12.9~~ must be presented to the
 4.27 people at the 2006 general election. The question submitted must be:

4.28 "Shall the Minnesota Constitution be amended to ~~dedicate revenue from a tax on~~
 4.29 ~~the sale of new and used motor vehicles over a five-year period, so that after June 30,~~
 4.30 ~~2011, all of the revenue is dedicated at least 40 percent for public transit assistance and~~
 4.31 ~~not more than 60 percent for highway purposes~~ so that after June 30, 2011, all of the
 4.32 revenues from the existing tax on the sale of new and used motor vehicles are dedicated
 4.33 to highways and public transit?

4.34 Yes
 4.35 No"

4.36 Sec. 5. **BALLOT PLACEMENT.**

5.1 The secretary of state shall place as the first question on the ballot at the 2006
5.2 general election the constitutional amendment proposed in Laws 2005, chapter 88, article
5.3 3, section 10, as amended by this act.

5.4 Sec. 6. **EFFECTIVE DATE.**

5.5 Sections 1 to 3 are effective on July 1, 2007, upon adoption at the 2006 general
5.6 election of a constitutional amendment that requires dedication of all motor vehicle sales
5.7 tax revenues to transportation purposes by July 1, 2011.

5.8 **ARTICLE 3**

5.9 **TRANSPORTATION POLICY**

5.10 Section 1. Minnesota Statutes 2005 Supplement, section 13.6905, subdivision 3,
5.11 is amended to read:

5.12 Subd. 3. **Motor vehicle registration and driver's license data.** ~~Various data on~~
5.13 ~~Disclosure and use of motor vehicle registrations are classified under sections 168.327,~~
5.14 ~~subdivision 3, and 168.346 registration and driver's license data is governed by chapter~~
5.15 170A.

5.16 Sec. 2. Minnesota Statutes 2004, section 161.082, subdivision 2a, is amended to read:

5.17 Subd. 2a. **Town bridges and culverts; town road account.** (a) Money in the
5.18 town bridge account must be expended on town road bridge structures that are ten feet
5.19 or more in length and on town road culverts that replace existing town road bridges. In
5.20 addition, if the present bridge structure is less than ten feet in length but a hydrological
5.21 survey indicates that the replacement bridge structure or culvert must be ten feet or more
5.22 in length, then the bridge or culvert is eligible for replacement funds.

5.23 (b) In addition, if a culvert that replaces a deficient bridge is in a county
5.24 comprehensive water plan approved by the Board of Water and Soil Resources and the
5.25 Department of Natural Resources, the costs of the culvert and roadway grading other than
5.26 surfacing are eligible for replacement funds up to the cost of constructing a replacement
5.27 bridge.

5.28 (c) The expenditures on a bridge structure or culvert may be paid from the county
5.29 turnback account and may be for 100 percent of the cost of the replacement structure or
5.30 culvert or for 100 percent of the cost of rehabilitating the existing structure.

5.31 (d) The town bridge account may be used to pay the costs to abandon an existing
5.32 bridge that is deficient and in need of replacement, but where no replacement will be
5.33 made. It may also be used to pay the costs to construct a road or street to facilitate the
5.34 abandonment of an existing bridge determined by the commissioner to be deficient, if the
5.35 commissioner determines that construction of the road or street is more cost efficient
5.36 than replacing the existing bridge.

6.1 (e) When bridge approach construction work exceeds \$10,000 in costs, or when
 6.2 the county engineer determines that the cost of the replacement culverts alone will not
 6.3 exceed \$20,000, or engineering costs exceed \$10,000, the town shall be eligible for
 6.4 financial assistance from the town bridge account. Financial assistance shall be requested
 6.5 by resolution of the county board and shall be limited to:

6.6 (1) 100 percent of the cost of the bridge approach work that is in excess of \$10,000;

6.7 (2) 100 percent of the cost of the replacement culverts when the cost does not
 6.8 exceed \$20,000 and the town board agrees to be responsible for all the other costs, which
 6.9 may include costs for structural removal, installation, and permitting. The replacement
 6.10 structure design and costs shall be approved and certified by the county engineer, but need
 6.11 not be subsequently approved by the Department of Transportation; or

6.12 (3) 100 percent of all related engineering costs that exceed \$10,000, or in the case
 6.13 of towns with a net tax capacity of less than ~~\$200,000~~ \$300,000, 100 percent of the
 6.14 engineering costs. Beginning in fiscal year 2007, and for each fiscal year thereafter, the
 6.15 net tax capacity limit must be annually adjusted for the increase in inflation, from the most
 6.16 recent previous year available, using the annual implicit price deflator for state and local
 6.17 expenditures as published by the United States Department of Commerce.

6.18 (f) Money in the town road account must be distributed as provided in section
 6.19 162.081.

6.20 Sec. 3. Minnesota Statutes 2005 Supplement, section 168.12, subdivision 2a, is
 6.21 amended to read:

6.22 Subd. 2a. **Personalized plates; rules.** (a) The commissioner shall issue personalized
 6.23 plates or, if requested for special plates issued under section 168.123 for veterans,
 6.24 168.124 for medal of honor recipients, or 168.125 for former prisoners of war, applicable
 6.25 personalized special veterans plates, to an applicant who:

6.26 (1) is an owner of a passenger automobile including a passenger automobile
 6.27 registered as a classic car, pioneer car, collector car, or street rod; any truck with a
 6.28 manufacturer's nominal rated capacity of one ton or less and resembling a pickup truck; a
 6.29 motorcycle, including a classic motorcycle; or a recreational ~~motor~~ vehicle;

6.30 (2) pays a onetime fee of \$100 and any other fees required by this chapter;

6.31 (3) pays a onetime surcharge of \$3, to be titled the "Gold Star Family Plate
 6.32 Surcharge," the proceeds of which must be deposited in the highway user tax distribution
 6.33 fund;

6.34 (4) pays the registration tax required by this chapter for the motor vehicle; and

6.35 ~~(4)~~ (5) complies with this chapter and rules governing registration of motor vehicles
 6.36 and licensing of drivers.

7.1 (b) The commissioner shall charge a replacement fee for personalized license plates
7.2 and personalized special veterans plates issued under section 168.123 as specified in
7.3 subdivision 5. This fee must be paid by the applicant whenever the personalized plates are
7.4 required to be replaced by law, except that as provided in section 168.124, subdivision
7.5 3, and 168.125, subdivision 1b, no fee may be charged to replace plates issued under
7.6 those sections.

7.7 (c) In lieu of the registration number assigned as provided in subdivision 1,
7.8 personalized plates and personalized special veterans plates must have imprinted on them
7.9 a series of not more than seven numbers and letters, or five numbers and letters for
7.10 personalized special veterans plates, in any combination and, as applicable, satisfy the
7.11 design requirements of section 168.123, 168.124, or 168.125. When an applicant has once
7.12 obtained personalized plates or personalized special veterans plates, the applicant shall
7.13 have a prior claim for similar personalized plates or personalized special veterans plates in
7.14 the next succeeding year as long as current motor vehicle registration is maintained.

7.15 (d) The commissioner shall adopt rules in the manner provided by chapter 14,
7.16 regulating the issuance and transfer of personalized plates and personalized special
7.17 veterans plates. No words or combination of letters placed on these plates may be used
7.18 for commercial advertising, be of an obscene, indecent, or immoral nature, or be of a
7.19 nature that would offend public morals or decency. The call signals or letters of a radio or
7.20 television station are not commercial advertising for the purposes of this subdivision.

7.21 (e) Despite the provisions of subdivision 1, personalized plates and personalized
7.22 special veterans plates issued under this subdivision may be transferred to another motor
7.23 vehicle listed in paragraph (a) and owned by the applicant, upon the payment of a fee of \$5.

7.24 (f) The commissioner may by rule specify the format for notification.

7.25 (g) A personalized plate or personalized special veterans plate issued for a classic
7.26 car, pioneer car, collector car, street rod, or classic motorcycle may not be transferred
7.27 to a vehicle not eligible for such a plate.

7.28 (h) Despite any law to the contrary, if the personalized license plates are lost, stolen,
7.29 or destroyed, the applicant may apply and must be issued duplicate license plates bearing
7.30 the same combination of letters and numbers and the same design as (1) the former
7.31 personalized plates or personalized special veterans plates under section 168.123 upon
7.32 the payment of the fee required by section 168.29 or (2) the former personalized special
7.33 veterans plates issued under section 168.124 or 168.125, without charge.

7.34 Sec. 4. Minnesota Statutes 2005 Supplement, section 168.123, subdivision 1, is
7.35 amended to read:

8.1 Subdivision 1. **General requirements; fees.** (a) On payment of a fee of \$10 for
8.2 each set of two plates, or for a single plate in the case of a motorcycle plate, payment of
8.3 the registration tax required by law, and compliance with other applicable laws relating to
8.4 vehicle registration and licensing, as applicable, the commissioner shall issue:

8.5 (1) special veteran's plates to an applicant who served in the active military service
8.6 in a branch of the armed forces of the United States or of a nation or society allied with the
8.7 United States in conducting a foreign war, was discharged under honorable conditions,
8.8 and is a registered owner of a passenger automobile, recreational motor vehicle, or truck
8.9 resembling a pickup truck and having a manufacturer's nominal rated capacity of one ton,
8.10 but which is not a commercial motor vehicle as defined in section 169.01, subdivision
8.11 75; or

8.12 (2) a veteran's special motorcycle plate as described in subdivision 2, paragraph (a),
8.13 (e), (f), (h), or (i), or another special plate designed by the commissioner to an applicant
8.14 who is a registered owner of a motorcycle and meets the criteria listed in this paragraph
8.15 and in subdivision 2, paragraph (a), (e), (f), (h), or (i). Plates issued under this clause must
8.16 be the same size as regular motorcycle plates. Special motorcycle license plates issued
8.17 under this clause are not subject to section 168.1293.

8.18 (b) The additional fee of \$10 is payable for each set of veteran's plates, is payable
8.19 only when the plates are issued, and is not payable in a year in which stickers are issued
8.20 instead of plates.

8.21 (c) The veteran must have a certified copy of the veteran's discharge papers,
8.22 indicating character of discharge, at the time of application. If an applicant served in the
8.23 active military service in a branch of the armed forces of a nation or society allied with the
8.24 United States in conducting a foreign war and is unable to obtain a record of that service
8.25 and discharge status, the commissioner of veterans affairs may certify the applicant as
8.26 qualified for the veterans' plates provided under this section.

8.27 (d) For license plates issued for one-ton trucks described in paragraph (a), clause
8.28 (1), the commissioner shall collect a surcharge of \$5 on each \$10 fee collected under
8.29 paragraph (a). The surcharge must be deposited in the vehicle services operating account
8.30 in the special revenue fund.

8.31 Sec. 5. Minnesota Statutes 2005 Supplement, section 168.1251, subdivision 1, is
8.32 amended to read:

8.33 Subdivision 1. **Issuance and design.** The commissioner shall issue special license
8.34 plates bearing the inscription "DISABLED ~~AMERICAN~~ VETERAN" to an applicant
8.35 who is certified in writing by the United States Department of Veterans Affairs or the
8.36 state commissioner of veterans affairs as having ~~a permanent and total service-connected~~

9.1 ~~disability~~ been awarded a claim for a service-connected disability from the United States
 9.2 Department of Veterans Affairs, who complies with all laws relating to the registration
 9.3 and licensing of motor vehicles and drivers, and who pays a fee of \$10 for each set of
 9.4 license plates applied for. The commissioner of veterans affairs shall design the special
 9.5 license plates ~~must be of a design and size determined by the commissioner~~ subject to the
 9.6 approval of the registrar.

9.7 Sec. 6. Minnesota Statutes 2005 Supplement, section 168.1251, subdivision 5, is
 9.8 amended to read:

9.9 Subd. 5. **Motor vehicle; special definition.** For purposes of this section, "motor
 9.10 vehicle" means a vehicle for personal use, not used for commercial purposes, and may
 9.11 include a passenger automobile, ~~van, pickup truck,~~ motorcycle, or recreational vehicle.

9.12 Sec. 7. **[168.1253] GOLD STAR FAMILY LICENSE PLATE.**

9.13 Subdivision 1. **Issuance; eligibility.** The commissioner shall issue special plates
 9.14 bearing the inscription "GOLD STAR FAMILY" to an applicant who is an owner or joint
 9.15 owner of a motor vehicle, who is certified in writing by the United States Department of
 9.16 Veterans Affairs or the state commissioner of veterans affairs as being an eligible person,
 9.17 and who complies with all laws relating to the registration and licensing of motor vehicles
 9.18 and drivers. The certification must indicate whether the person is an eligible person as
 9.19 defined in either clause (1) or clause (2) of subdivision 2, paragraph (b).

9.20 Subd. 2. **Definitions.** For purposes of this section:

9.21 (a) "Active military service" has the meaning given in section 190.05, subdivision 5.

9.22 (b) The term "eligible person" includes:

9.23 (1) the surviving spouse or surviving biological or adoptive parent of a person
 9.24 who has died while serving honorably in active military service in the United States
 9.25 armed forces; and

9.26 (2) the surviving biological or adoptive grandparent, sibling, or child of a person
 9.27 who has died while serving honorably in active military service in the United States
 9.28 armed forces.

9.29 (c) "Motor vehicle" means a vehicle for personal use, not used for commercial
 9.30 purposes, and may include a passenger automobile; a motorcycle; a recreational vehicle;
 9.31 or a truck resembling a pickup truck and having a manufacturer's nominal rated capacity
 9.32 of one ton.

9.33 Subd. 3. **Plate fee; exemption.** A plate fee may not be charged to an eligible person
 9.34 defined in subdivision 2, paragraph (b), clause (1). For all other eligible persons, the

10.1 commissioner shall charge a fee of \$10 per set of plates issued under this section. No
10.2 surcharge may be added to this fee.

10.3 Subd. 4. Annual registration fee; exemption. For each eligible person defined in
10.4 subdivision 2, paragraph (b), clause (1), to whom the commissioner has issued special
10.5 plates under this section, the commissioner may exempt one vehicle from the annual
10.6 registration tax required under section 168.013.

10.7 Subd. 5. Design. The special license plates issued under this section must be of a
10.8 design and size determined by the commissioner, in consultation with the commissioner
10.9 of veterans affairs. The commissioner may design the plates in accordance with section
10.10 168.1291, subdivision 2.

10.11 Subd. 6. Application. Application for issuance of these plates may be made at
10.12 any time.

10.13 Subd. 7. Transfer. On payment of a fee of \$5 and notification to the commissioner,
10.14 special plates issued under this section may be transferred to another personal motor
10.15 vehicle owned or jointly owned by the eligible person.

10.16 Sec. 8. Minnesota Statutes 2004, section 168A.153, is amended to read:

10.17 **168A.153 REPORT OF VEHICLE RECEIPT; SURRENDER OF**
10.18 **CERTIFICATE.**

10.19 **Subdivision 1. Older model vehicle.** A dealer who buys an older model vehicle
10.20 to be dismantled or destroyed shall report to the department within 30 days including
10.21 the vehicle's license plate number and identification number, and the seller's name and
10.22 driver's license number.

10.23 **Subd. 2. Late-model or high-value vehicle.** A dealer who buys a late-model or
10.24 high-value vehicle to be dismantled or destroyed shall notify the secured party, if any, and
10.25 ~~then surrender the certificate of title and a properly completed application for a salvage~~
10.26 ~~certificate of title to the department within ten days~~ the commissioner within ten days
10.27 in the manner prescribed in subdivision 3. The dealer shall then properly destroy the
10.28 certificate of title.

10.29 **Subd. 3. Notification on vehicle to be dismantled or destroyed; service fee.**
10.30 Within the time frames prescribed in subdivisions 1 and 2 of acquiring a vehicle titled and
10.31 registered in Minnesota, a dealer shall notify the registrar that the dealership purchased the
10.32 vehicle to be dismantled or destroyed. The notification must be made electronically as
10.33 prescribed by the registrar. The dealer may contract this service to a deputy registrar and
10.34 the registrar may charge a fee not to exceed \$7 per transaction to provide this service.

11.1 Sec. 9. Minnesota Statutes 2005 Supplement, section 168A.20, subdivision 5, is
 11.2 amended to read:

11.3 Subd. 5. **Satisfaction of automobile lien seven years old; release.** ~~(a)~~ A security
 11.4 interest perfected under this chapter ~~expires~~ may be cancelled seven years from the
 11.5 perfection date for a passenger automobile, as defined in section 168.011, subdivision
 11.6 7, upon the request of the owner of the passenger automobile, if the owner has paid the
 11.7 lien in full and is unable to locate the lienholder to obtain a lien release. At a minimum,
 11.8 the owner must send a letter to the lienholder by certified mail, return receipt requested,
 11.9 requesting a lien release. If the owner is unable to obtain a lien release by sending a
 11.10 letter by certified mail, then the owner must present to the department or its agent the
 11.11 returned letter as evidence of the attempted contact. This subdivision applies only to
 11.12 vehicle owners who are individuals.

11.13 ~~(b) A lien holder may notify the department in writing or in a format approved by~~
 11.14 ~~the department during the sixth year of the lien, no later than 90 days in advance of the~~
 11.15 ~~seven-year anniversary, if the lien will not be satisfied during this registration period and~~
 11.16 ~~the lien must be extended up to seven additional years as requested by the lien holder.~~

11.17 Sec. 10. Minnesota Statutes 2004, section 168B.04, subdivision 2, is amended to read:

11.18 Subd. 2. **Unauthorized vehicles.** (a) Units of government and peace officers may
 11.19 take into custody and impound any unauthorized vehicle under section 169.041.

11.20 (b) A vehicle may also be impounded after it has been left unattended in one of the
 11.21 following public or private locations for the indicated period of time:

11.22 (1) in a public location not governed by section 169.041:

11.23 (i) on a highway and properly tagged by a peace officer, four hours;

11.24 (ii) located so as to constitute an accident or traffic hazard to the traveling public, as
 11.25 determined by a peace officer, immediately; or

11.26 (iii) located so as to constitute an accident or traffic hazard to the traveling
 11.27 public within the Department of Transportation's eight-county metropolitan district,
 11.28 as determined by an authorized employee of the department's freeway service patrol,
 11.29 immediately; or

11.30 ~~(iii)~~ (iv) that is a parking facility or other public property owned or controlled by a
 11.31 unit of government, properly posted, four hours; or

11.32 (2) on private property:

11.33 (i) that is single-family or duplex residential property, immediately;

11.34 (ii) that is private, nonresidential property, properly posted, immediately;

11.35 (iii) that is private, nonresidential property, not posted, 24 hours;

12.1 (iv) that is private, nonresidential property of an operator of an establishment for the
 12.2 servicing, repair, or maintenance of motor vehicles, five business days after notifying the
 12.3 vehicle owner by certified mail, return receipt requested, of the property owner's intention
 12.4 to have the vehicle removed from the property; or

12.5 (v) that is any residential property, properly posted, immediately.

12.6 (c) When a tow is requested under paragraph (b), clause (1) (iii), the department shall
 12.7 ensure that the tower initially requested to remove the vehicle is given the opportunity,
 12.8 to the greatest reasonable extent, to actually conduct and complete all towing operations
 12.9 requested; provided that, the owner of the vehicle to be towed has not already requested
 12.10 that another tower remove the vehicle, in which case the tower contacted by the owner
 12.11 must be given the first reasonable opportunity to conduct the towing operations required.

12.12 Sec. 11. Minnesota Statutes 2004, section 168B.06, subdivision 1, is amended to read:

12.13 **Subdivision 1. Contents; notice given within five days.** When an impounded
 12.14 vehicle is taken into custody, the unit of government or impound lot operator taking it
 12.15 into custody shall give notice to the registered vehicle owner and any lienholders of the
 12.16 taking within five days. The notice shall:

12.17 ~~(a)~~ (1) set forth the date and place of the taking, the year, make, model and serial
 12.18 number of the impounded motor vehicle if such information can be reasonably obtained
 12.19 and the place where the vehicle is being held;

12.20 ~~(b)~~ (2) inform the vehicle owner and any lienholders of their right to reclaim the
 12.21 vehicle under section 168B.07; ~~and;~~

12.22 ~~(c)~~ (3) state that failure of the owner or lienholders to exercise their right to reclaim
 12.23 the vehicle ~~and contents~~ within the appropriate time allowed under section 168B.051,
 12.24 subdivision 1, 1a, or 2, shall be deemed a waiver by them of all right, title, and interest in
 12.25 the vehicle and remaining contents and a consent to the transfer of title to and disposal or
 12.26 sale of the vehicle and remaining contents pursuant to section 168B.08; and

12.27 (4) state: "You have the right to pick up your contents from your vehicle, whether or
 12.28 not you give up the right to reclaim your vehicle."

12.29 Sec. 12. Minnesota Statutes 2004, section 168B.07, is amended by adding a
 12.30 subdivision to read:

12.31 Subd. 3. Retrieval of contents. A unit of government or impound lot operator
 12.32 may establish a reasonable procedure for retrieval of vehicle contents. At any time
 12.33 before the expiration of the waiting periods provided in section 168B.051, subdivision
 12.34 1, 1a, or 2, the owner of an impounded vehicle has the right to retrieve, without charge,
 12.35 any and all contents. For the purposes of this subdivision, "contents" means all personal
 12.36 belongings and does not include any permanently affixed mechanical or nonmechanical:

13.1 (i) automobile parts; (ii) automobile body parts; or (iii) automobile accessories, including
13.2 audio or video players.

13.3 Sec. 13. Minnesota Statutes 2005 Supplement, section 169.01, subdivision 4c, is
13.4 amended to read:

13.5 Subd. 4c. **Motorized foot scooter.** "Motorized foot scooter" means a device with
13.6 handlebars designed to be stood or sat upon by the operator, and powered by an internal
13.7 combustion engine or electric motor that is capable of propelling the device with or
13.8 without human propulsion, and that has ~~either (1) no more than two ten-inch or smaller~~
13.9 ~~diameter wheels or (2) and has an engine or motor that is capable of a maximum speed of~~
13.10 ~~15 miles per hour on a flat surface with not more than one percent grade in any direction~~
13.11 ~~when the motor is engaged. An electric personal assistive mobility device, a motorized~~
13.12 ~~bicycle, an electric-assisted bicycle, or a motorcycle is not a motorized foot scooter.~~

13.13 Sec. 14. Minnesota Statutes 2005 Supplement, section 169.01, subdivision 78, is
13.14 amended to read:

13.15 Subd. 78. **Recreational vehicle combination.** (a) "Recreational vehicle
13.16 combination" means a combination of vehicles consisting of a pickup truck as defined
13.17 in section 168.011, subdivision 29, attached by means of a fifth-wheel coupling to a
13.18 camper-semitrailer which has hitched to it a trailer carrying a watercraft as defined in
13.19 section 86B.005, subdivision 18; off-highway motorcycle as defined in section 84.787,
13.20 subdivision 7; motorcycle; motorized bicycle; snowmobile as defined in section 84.81,
13.21 subdivision 3; all-terrain vehicle as defined in section 84.92, subdivision 8; motorized golf
13.22 cart; or equestrian equipment or supplies.

13.23 (b) For purposes of this subdivision:

13.24 (1) A "fifth-wheel coupling" is a coupling between a camper-semitrailer and a
13.25 towing pickup truck in which a portion of the weight of the camper-semitrailer is carried
13.26 over or forward of the rear axle of the towing pickup.

13.27 (2) A "camper-semitrailer" is a trailer, other than a manufactured home as defined in
13.28 section 327B.01, subdivision 13, designed for human habitation and used for vacation or
13.29 recreational purposes for limited periods.

13.30 Sec. 15. Minnesota Statutes 2004, section 169.041, subdivision 1, is amended to read:

13.31 Subdivision 1. **Towing authority.** For purposes of this section, "towing authority"
13.32 means:

13.33 (1) any local authority authorized by section 169.04 to enforce the traffic laws, and
13.34 ~~also includes a private towing company authorized by a local authority to tow vehicles on~~
13.35 ~~behalf of that local authority; or~~

14.1 (2) an authorized employee of the Department of Transportation's freeway service
14.2 patrol within the department's eight-county metropolitan district, and also includes a
14.3 private towing company authorized by the department to tow vehicles on behalf of the
14.4 department.

14.5 Sec. 16. Minnesota Statutes 2004, section 169.041, subdivision 2, is amended to read:

14.6 Subd. 2. **Towing order required.** A towing authority may not tow a motor
14.7 vehicle from public property unless a peace officer or parking enforcement officer has
14.8 prepared, in addition to the parking citation, a written towing report describing the motor
14.9 vehicle and the reasons for towing. The report must be signed by the officer and the tow
14.10 driver. Within the Department of Transportation's eight-county metropolitan district, an
14.11 authorized employee of the department's freeway service patrol may order a tow from a
14.12 trunk highway after preparing a written towing report provided by the Minnesota State
14.13 Patrol but is not required to issue a citation. The department employee shall ensure that
14.14 the tower initially requested to remove the vehicle is given the opportunity, to the greatest
14.15 reasonable extent, to actually conduct and complete all towing operations requested;
14.16 provided that, the owner of the vehicle to be towed has not already requested that another
14.17 tower remove the vehicle, in which case the tower contacted by the owner must be given
14.18 the first reasonable opportunity to conduct the towing operations required.

14.19 Sec. 17. Minnesota Statutes 2004, section 169.13, is amended to read:

14.20 **169.13 RECKLESS-OR, CARELESS, OR EXHIBITION DRIVING.**

14.21 Subdivision 1. **Reckless driving.** (a) Any person who drives any vehicle in such a
14.22 manner as to indicate either a willful or a wanton disregard for the safety of persons or
14.23 property is guilty of reckless driving and such reckless driving is a misdemeanor.

14.24 (b) A person shall not race any vehicle upon any street or highway of this state.
14.25 Any person who willfully compares or contests relative speeds by operating one or more
14.26 vehicles is guilty of racing, which constitutes reckless driving, whether or not the speed
14.27 contested or compared is in excess of the maximum speed prescribed by law.

14.28 Subd. 2. **Careless driving.** Any person who operates or halts any vehicle upon any
14.29 street or highway carelessly or heedlessly in disregard of the rights of others, or in a
14.30 manner that endangers or is likely to endanger any property or any person, including the
14.31 driver or passengers of the vehicle, is guilty of a misdemeanor.

14.32 Subd. 2a. **Exhibition driving.** A person who operates any vehicle in such a
14.33 manner as to start or accelerate with an unnecessary exhibition of speed is guilty of a
14.34 petty misdemeanor. Prima facie evidence of an unnecessary exhibition of speed is the

15.1 unreasonable squealing or screeching sounds emitted by the vehicle's tires or the throwing
 15.2 of sand or gravel by the vehicle's tires, or both.

15.3 Subd. 3. **Application.** (a) The provisions of this section apply, but are not limited in
 15.4 application, to any person who drives any vehicle in the manner prohibited by this section:

15.5 (1) upon the ice of any lake, stream, or river, including but not limited to the ice of
 15.6 any boundary water; or

15.7 (2) in a parking lot ordinarily used by or available to the public though not as a
 15.8 matter of right, and a driveway connecting ~~such a~~ the parking lot with a street or highway.

15.9 (b) This section does not apply to:

15.10 (1) an authorized emergency vehicle, when responding to an emergency call or when
 15.11 in pursuit of an actual or suspected violator;

15.12 (2) the emergency operation of any vehicle when avoiding imminent danger; or

15.13 (3) any raceway, racing facility, or other public event sanctioned by the appropriate
 15.14 governmental authority.

15.15 **EFFECTIVE DATE.** This section is effective August 1, 2006, for violations
 15.16 committed on or after that date.

15.17 Sec. 18. Minnesota Statutes 2004, section 169.471, subdivision 2, is amended to read:

15.18 Subd. 2. **Use of headphones in vehicle.** (a) No person, while operating a
 15.19 motor vehicle, shall wear headphones or earphones ~~which~~ that are used in both ears
 15.20 simultaneously for purposes of receiving or listening to broadcasts or reproductions from
 15.21 radios, tape decks, or other sound-producing or transmitting devices. ~~This section shall~~
 15.22 ~~not prohibit the use, however, of~~

15.23 (b) Paragraph (a) does not prohibit:

15.24 (1) the use of a hearing aid ~~devices~~ device by ~~persons in need thereof~~ a person
 15.25 who needs the device; or

15.26 (2) the use of a communication headset by a firefighter while operating a fire
 15.27 department emergency vehicle in response to an emergency.

15.28 Sec. 19. Minnesota Statutes 2004, section 169.685, subdivision 5, is amended to read:

15.29 Subd. 5. **Violation; petty misdemeanor.** (a) Every motor vehicle operator, when
 15.30 transporting a child under the age of ~~four~~ nine and weighing less than 80 pounds on the
 15.31 streets and highways of this state in a motor vehicle equipped with factory-installed seat
 15.32 belts, shall equip and install for use in the motor vehicle, according to the manufacturer's
 15.33 instructions, a child passenger restraint system meeting federal motor vehicle safety
 15.34 standards.

16.1 (b) No motor vehicle operator who is operating a motor vehicle on the streets and
16.2 highways of this state may transport a child under the age of four nine and weighing less
16.3 than 80 pounds in a seat of a motor vehicle equipped with a factory-installed seat belt,
16.4 unless the child is properly fastened in the child passenger restraint system. The driver of
16.5 a vehicle shall additionally restrain children under the age of nine as follows:

16.6 (1) a child less than one year of age weighing less than 20 pounds must be properly
16.7 restrained in a rear-facing child restraint system;

16.8 (2) a child under the age of nine and weighing 80 pounds or more must be restrained
16.9 in a properly adjusted seat belt system;

16.10 (3) a child under the age of nine must sit in the back seat unless the vehicle has no
16.11 forward-facing back seat, all seating positions in the back are being used by children under
16.12 the age of nine, or the child restraint cannot be installed properly in the back seat; and

16.13 (4) a child under the age of nine and weighing 40 pounds or more may wear a
16.14 lap-only seat belt in the rear seat if there are no shoulder belts in the back seat or if all
16.15 of the shoulder belts in the back seat are being used by children weighing 40 pounds
16.16 or more and under the age of 16.

16.17 (c) An operator of a pickup truck or sports utility vehicle who transports a child
16.18 under the age of nine shall transport the child within the vehicle's passenger compartment.

16.19 (d) Any motor vehicle operator who violates this subdivision is guilty of a petty
16.20 misdemeanor and may be sentenced to pay a fine of not more than \$50. The fine for
16.21 the first violation may be waived or the amount reduced if the motor vehicle operator
16.22 produces evidence that within 14 days after the date of the violation a child passenger
16.23 restraint system meeting federal motor vehicle safety standards was purchased or obtained
16.24 for the exclusive use of the operator.

16.25 ~~(e)~~ (e) The fines collected for violations of this subdivision must be deposited in
16.26 the state treasury and credited to a special account to be known as the Minnesota child
16.27 passenger restraint and education account.

16.28 When issuing a citation for violation of this section, an officer shall provide to
16.29 the vehicle operator written information identifying a source of no-cost child restraint
16.30 equipment for individuals in financial need, if the vehicle does not contain child-restraint
16.31 equipment.

16.32 Sec. 20. Minnesota Statutes 2004, section 169.686, subdivision 1, is amended to read:

16.33 Subdivision 1. **Seat belt requirement.** (a) A properly adjusted and fastened seat
16.34 belt, including both the shoulder and lap belt when the vehicle is so equipped, shall be
16.35 worn by:

16.36 ~~(1)~~ (1) the driver and passengers of a passenger vehicle or commercial motor vehicle;

17.1 ~~(2) a passenger riding in the front seat of a passenger vehicle or commercial motor~~
 17.2 ~~vehicle; and~~

17.3 ~~(3) a passenger riding in any seat of a passenger vehicle who is older than three~~
 17.4 ~~but younger than 11 years of age.~~

17.5 (b) A person who is 15 years of age or older and who violates paragraph (a), clause
 17.6 (1) or (2), is subject to a fine of \$25. The driver of the ~~passenger vehicle or commercial~~
 17.7 ~~motor vehicle~~ in which the violation occurred is subject to a \$25 fine for a violation of
 17.8 paragraph (a), clause (2) or (3), by a ~~child of the driver~~ passenger under the age of 15
 17.9 or any child under the age of 11. A peace officer may not issue a citation for a violation
 17.10 of this section unless the officer lawfully stopped or detained the driver of the motor
 17.11 vehicle for a moving violation other than a violation involving motor vehicle equipment.
 17.12 The Department of Public Safety shall not record a violation of this subdivision on a
 17.13 person's driving record.

17.14 Sec. 21. Minnesota Statutes 2005 Supplement, section 169.81, subdivision 3c, is
 17.15 amended to read:

17.16 Subd. 3c. **Recreational vehicle combination.** Notwithstanding subdivision 3, a
 17.17 recreational vehicle combination may be operated without a permit if:

17.18 (1) the combination does not consist of more than three vehicles, and the towing
 17.19 rating of the pickup truck is equal to or greater than the total weight of all vehicles
 17.20 being towed;

17.21 (2) the combination does not exceed 70 feet in length;

17.22 ~~(3) the middle vehicle in the combination does not exceed 28 feet in length;~~

17.23 ~~(4)~~ (3) the operator of the combination is at least 18 years of age;

17.24 ~~(5)~~ (4) the trailer carrying a watercraft, motorcycle, motorized bicycle, off-highway
 17.25 motorcycle, snowmobile, all-terrain vehicle, motorized golf cart, or equestrian equipment
 17.26 or supplies meets all requirements of law;

17.27 ~~(6)~~ (5) the trailers in the combination are connected to the pickup truck and each
 17.28 other in conformity with section 169.82; and

17.29 ~~(7)~~ (6) the combination is not operated within the seven-county metropolitan area,
 17.30 as defined in section 473.121, subdivision 2, during the hours of 6:00 a.m. to 9:00 a.m.
 17.31 and 4:00 p.m. to 7:00 p.m. on Mondays through Fridays.

17.32 Sec. 22. Minnesota Statutes 2004, section 169.824, as amended by Laws 2005, First
 17.33 Special Session chapter 1, article 4, section 36, is amended to read:

17.34 **169.824 GROSS WEIGHT SCHEDULE.**

17.35 Subdivision 1. **Table of axle weight limits.** (a) No vehicle or combination of
 17.36 vehicles equipped with pneumatic tires shall be operated upon the highways of this state

18.1 where the total gross weight on any group of two or more consecutive axles of any vehicle
 18.2 or combination of vehicles exceeds that given in the following table for the distance
 18.3 between the centers of the first and last axles of any group of two or more consecutive
 18.4 axles under consideration; unless otherwise noted, the distance between axles being
 18.5 measured longitudinally to the nearest even foot, and when the measurement is a fraction
 18.6 of exactly one-half foot the next largest whole number in feet shall be used, except that
 18.7 when the distance between axles is more than three feet four inches and less than three
 18.8 feet six inches the distance of four feet shall be used:

18.9	Maximum gross weight in pounds on a group of			
18.10		2	3	4
18.11	Distances in feet between centers of foremost and rearmost axles of a group	consecutive axles of a 2-axle vehicle or of any vehicle or combination of vehicles having a total of 2 or more axles	consecutive axles of a 3-axle vehicle or of any vehicle or combination of vehicles having a total of 3 or more axles	consecutive axles of a 4-axle vehicle or any combination of vehicles having a total of 4 or more axles
18.12				
18.13				
18.14				
18.15				
18.16				
18.17				
18.18	4	34,000		
18.19	5	34,000		
18.20	6	34,000		
18.21	7	34,000	37,000	
18.22	8	34,000	38,500	
18.23	8 plus	34,000	42,000	
18.24		(38,000)		
18.25	9	35,000	43,000	
18.26		(39,000)		
18.27	10	36,000	43,500	49,000
18.28		(40,000)		
18.29	11	36,000	44,500	49,500
18.30	12		45,000	50,000
18.31	13		46,000	51,000
18.32	14		46,500	51,500
18.33	15		47,500	52,000
18.34	16		48,000	53,000
18.35	17		49,000	53,500
18.36	18		49,500	54,000
18.37	19		50,500	55,000
18.38	20		51,000	55,500
18.39	21		52,000	56,000
18.40	22		52,500	57,000
18.41	23		53,500	57,500
18.42	24		54,000	58,000
18.43	25		(55,000)	59,000
18.44	26		(55,500)	59,500
18.45	27		(56,500)	60,000

18.46	28	(57,000)	61,000
19.1	29	(58,000)	61,500
19.2	30	(58,500)	62,000
19.3	31	(59,500)	63,000
19.4	32	(60,000)	63,500
19.5	33		64,000
19.6	34		65,000
19.7	35		65,500
19.8	36		66,000
19.9	37		67,000
19.10	38		67,500
19.11	39		68,000
19.12	40		69,000
19.13	41		69,500
19.14	42		70,000
19.15	43		71,000
19.16	44		71,500
19.17	45		72,000
19.18	46		72,500
19.19	47		(73,500)
19.20	48		(74,000)
19.21	49		(74,500)
19.22	50		(75,500)
19.23	51		(76,000)

19.24 The maximum gross weight on a group of three consecutive axles where the distance
 19.25 between centers of foremost and rearmost axles is listed as seven feet or eight feet applies
 19.26 only to vehicles manufactured before August 1, 1991.
 19.27 "8 plus" refers to any distance greater than eight feet but less than nine feet.

19.28 Maximum gross weight in pounds on a group of				
		5	6	7
19.30	Distances in feet between centers of foremost and rearmost axles of a group	consecutive axles		
19.31		of a 5-axle vehicle		
19.32		or any combination		
19.33		of vehicles having		
19.34		a total of 5 or more		
19.35		axles		
19.36	14	57,000		
19.37	15	57,500		
19.38	16	58,000		
19.39	17	59,000		
19.40	18	59,500		
41	19	60,000		
19.42	20	60,500	66,000	72,000
19.43	21	61,500	67,000	72,500
19.44	22	62,000	67,500	73,000

19.45	23	62,500	68,000	73,500
19.46	24	63,000	68,500	74,000
20.1	25	64,000	69,000	75,000
20.2	26	64,500	70,000	75,500
20.3	27	65,000	70,500	76,000
20.4	28	65,500	71,000	76,500
20.5	29	66,500	71,500	77,000
20.6	30	67,000	72,000	77,500
20.7	31	67,500	73,000	78,500
20.8	32	68,000	73,500	79,000
20.9	33	69,000	74,000	79,500
20.10	34	69,500	74,500	80,000
20.11	35	70,000	75,000	
20.12	36	70,500	76,000	
20.13	37	71,500	76,500	
20.14	38	72,000	77,000	
20.15	39	72,500	77,500	
20.16	40	73,000	78,000	
20.17	41	(74,000)	79,000	
20.18	42	(74,500)	79,500	
20.19	43	(75,000)	80,000	
20.20	44	(75,500)		
20.21	45	(76,500)		
20.22	46	(77,000)		
20.23	47	(77,500)		
20.24	48	(78,000)		
20.25	49	(79,000)		
20.26	50	(79,500)		
20.27	51	(80,000)		

20.28 The gross weights shown in parentheses in this table are permitted only on state trunk
 20.29 highways and routes designated under section 169.832, subdivision 11, and on routes
 20.30 designated as having maximum weight limit of nine tons per axle.

20.31 (b) Notwithstanding any lesser weight in pounds shown in this table but subject to
 20.32 the restrictions on gross vehicle weights in subdivision 2, paragraph (a), two consecutive
 20.33 sets of tandem axles may carry a gross load of 34,000 pounds each and a combined gross
 20.34 load of 68,000 pounds provided the overall distance between the first and last axles of
 20.35 the consecutive sets of tandem axles is 36 feet or more.

20.36 Subd. 2. **Gross vehicle weight of all axles.** (a) Notwithstanding the provisions
 20.37 of section 169.85, the gross vehicle weight of all axles of a vehicle or combination of
 20.38 vehicles ~~shall~~ must not exceed:

20.39 (1) 80,000 pounds for any vehicle or combination of vehicles on all state trunk
 20.40 highways as defined in section 160.02, subdivision 29, and for all routes designated under
 20.41 ~~section 169.832, subdivision 11~~ as having a maximum weight limit of nine tons per axle;

21.1 (2) 88,000 pounds for any vehicle or combination of vehicles with six or more
 21.2 axles while exclusively engaged in hauling livestock on all state trunk highways other
 21.3 than interstate highways, if the vehicle has a permit under section 169.86, subdivision
 21.4 5, paragraph (k); or

21.5 (3) 73,280 pounds for any vehicle or combination of vehicles with five axles or less
 21.6 on all routes, other than state trunk highways and routes that are designated under section
 21.7 169.832, subdivision 11, ~~except that a vehicle needing reasonable access to a terminal or~~
 21.8 ~~facilities for food, fuel, repairs, and rest, located within three miles of a ten-ton route, may~~
 21.9 ~~not exceed 80,000 pounds. "Terminal" means any location where freight either originates,~~
 21.10 ~~terminates, or is handled in the transportation process, or where commercial motor carriers~~
 21.11 ~~maintain operating facilities; and~~ on routes designated as having a maximum weight
 21.12 limit of nine tons per axle.

21.13 ~~(4) 80,000 pounds for any vehicle or combination of vehicles with six or more axles~~
 21.14 ~~on all routes, other than state trunk highways and routes that are designated under section~~
 21.15 ~~169.832, subdivision 11.~~

21.16 ~~(b) The maximum weights specified in this section for five consecutive axles shall~~
 21.17 ~~not apply to a four-axle ready-mix concrete truck which was equipped with a fifth axle~~
 21.18 ~~prior to June 1, 1981. The maximum gross weight on four or fewer consecutive axles of~~
 21.19 ~~vehicles excepted by this clause shall not exceed any maximum weight specified for four~~
 21.20 ~~or fewer consecutive axles in this section.~~

21.21 Sec. 23. Minnesota Statutes 2004, section 169.829, subdivision 2, is amended to read:

21.22 Subd. 2. **Tow truck.** Sections 169.822 to 169.828 do not apply to a tow truck or
 21.23 towing vehicle when towing a disabled or damaged vehicle ~~damaged in such manner that~~
 21.24 ~~the towed vehicle cannot be towed from the rear and,~~ when the movement is temporary
 21.25 urgent, and when the movement is for the purpose of taking removing the disabled vehicle
 21.26 from the roadway to a place of safekeeping or to a place of repair.

21.27 Sec. 24. Minnesota Statutes 2004, section 169.86, is amended by adding a subdivision
 21.28 to read:

21.29 Subd. 8. **Tow truck.** A tow truck or towing vehicle, when towing a disabled or
 21.30 damaged vehicle to a place of repair or to a place of safekeeping, may exceed the length
 21.31 and weight limitations of this chapter, subject to a \$300 annual permit fee and such
 21.32 conditions as the commissioner may prescribe.

21.33 Sec. 25. Minnesota Statutes 2004, section 169.89, is amended by adding a subdivision
21.34 to read:

22.1 Subd. 6. Violation committed while operating mobile phone. (a) A person
22.2 convicted of a moving violation, which does not include a parking violation, a vehicle
22.3 equipment violation, or a warning citation, who, during the commission of the violation,
22.4 was communicating over a cellular or wireless telephone, is assessed an additional
22.5 surcharge equal to the amount of the fine imposed for the moving violation, but not less
22.6 than \$25.

22.7 (b) It is an affirmative defense against a charge of violating paragraph (a) that the
22.8 mobile telephone was used for the purpose of contacting the following in response to
22.9 an emergency:

- 22.10 (1) a first responder by use of a 911 or other emergency telephone number;
22.11 (2) a hospital, clinic, or doctor's office;
22.12 (3) an ambulance service provider;
22.13 (4) a fire department or law enforcement agency; or
22.14 (5) a first aid squad.

22.15 Sec. 26. [170A.01] PERSONAL INFORMATION IN MOTOR VEHICLE AND
22.16 DRIVER'S LICENSE RECORDS.

22.17 Subdivision 1. Definitions. The definitions in United States Code, title 18, section
22.18 2725, and chapters 168 and 171, apply to this chapter.

22.19 Subd. 2. Application. This chapter applies to:

- 22.20 (1) personal information on an owner provided to register a motor vehicle under
22.21 chapter 168; and
22.22 (2) personal information provided to obtain a driver's license or Minnesota
22.23 identification card under chapter 171.

22.24 Subd. 3. Federal compliance; permissible disclosures under state law. Except
22.25 as otherwise provided in this section, personal information must be treated as provided
22.26 in United States Code, title 18, section 2721. The commissioner shall disclose personal
22.27 information as required by section 2721, paragraph (b), and for the uses permitted by
22.28 paragraph (b), clauses (1) to (3), (5) to (7), (9), and (14), subject to the restrictions on
22.29 the disclosure of highly restricted personal information. The commissioner must not
22.30 disclose personal information for other uses except as required by law or with the consent
22.31 of the subject.

22.32 Subd. 4. Consent. The subject of personal information may expressly consent
22.33 in writing to the disclosure of the individual's personal information not authorized by

22.34 United States Code, title 18, section 2721, or this chapter, to a person who makes a written
22.35 request for the personal information. If the subject of the information is an individual and
23.1 so authorizes disclosure, the commissioner shall implement the request. The consent
23.2 must be on a document separate from the application for a motor vehicle registration,
23.3 driver's license, or Minnesota identification card. The commissioner must not condition
23.4 the issuance of a registration, license, or card upon a consent or give any preference to an
23.5 individual who grants consent.

23.6 **Sec. 27. [170A.02] PUBLIC SAFETY DISCLOSURES.**

23.7 The commissioner shall disclose personal information when the use is related to the
23.8 operation or use of a motor vehicle or public safety, as authorized under United States
23.9 Code, section 2721(b)(14). The use of personal information is related to public safety if it
23.10 concerns the physical safety or security of drivers, vehicles, pedestrians, or property.

23.11 **Sec. 28. [170A.03] TYPE OF RECORD ACCESS AUTHORIZED.**

23.12 Subdivision 1. **Access limited to individual records.** Except as provided in
23.13 subdivision 2, the commissioner may disclose personal information only on an individual
23.14 record basis in response to a permissible user's identification of the name of the individual
23.15 subject of the data to whom the permissible use relates or, in the case of a disclosure for
23.16 purposes of notifying an owner of a towed or impounded vehicle, the vehicle identification
23.17 number or license plate number.

23.18 Subd. 2. **Exception to individual record requirement for certain uses.** The
23.19 commissioner may disclose personal information in a manner other than an individual
23.20 record basis only for a permissible use under United States Code, title 18, section
23.21 2721(b)(1), (2), (5), (6), or (14).

23.22 **Sec. 29. [170A.04] REQUEST AND DISCLOSURE REQUIREMENTS AND**
23.23 **CONDITIONS.**

23.24 Subdivision 1. **Requirements for request; cooperation.** A person who requests
23.25 disclosure of personal information under section 170A.01 must identify the data elements
23.26 requested and the reason each element is needed. The commissioner shall disclose only
23.27 those data elements needed to accomplish the use for which the request is made. A person
23.28 who receives personal information from the commissioner or from a permissible user
23.29 under subdivision 3 must cooperate in good faith with all compliance activities.

23.30 Subd. 2. **Disclosure conditions.** (a) Personal information may be disclosed
23.31 only under the following conditions, which must be reflected in a contract between the
23.32 permissible user and the commissioner:

23.33 (1) the commissioner may periodically conduct an audit to assess compliance by the
23.34 permissible user with this section;

24.1 (2) the commissioner shall encrypt data that are released electronically and uniquely
24.2 identify all data provided to each permissible user in order to prevent unauthorized access
24.3 and track the source of unauthorized releases of the data; this encryption and unique
24.4 identifier must not be removed, altered, or otherwise compromised by the permissible user
24.5 or any subsequent user;

24.6 (3) the permissible user shall submit a signed, dated certification to the commissioner
24.7 as provided in paragraph (b);

24.8 (4) the commissioner shall disclose only the data elements that are necessary to
24.9 accomplish the application certified by the permissible user;

24.10 (5) the permissible user may use the data only for the use and applications for which
24.11 the data are obtained and certified;

24.12 (6) the permissible user shall permit access to the data only by persons for whom
24.13 access is necessary to perform or support the application certified by the permissible user;

24.14 (7) the permissible user shall establish comprehensive administrative, technical, and
24.15 administrative safeguards to insure the security and confidentiality of the data, to protect
24.16 against any anticipated threats or hazards to the security and integrity of the data, and to
24.17 protect against unauthorized access to or use of the data; and

24.18 (8) the permissible user must not resell or redisclose any data obtained under this
24.19 section to any subsequent user, except as provided in subdivision 3.

24.20 (b) The certification required under paragraph (a) must state:

24.21 (1) each statutory use under which the user requests the data;

24.22 (2) each specific application of the data by the user consistent with the statutory use;

24.23 (3) each data element necessary to accomplish that application; and

24.24 (4) the reason the data element is necessary to accomplish the application;

24.25 The certification must be made by the permissible user under penalty of perjury and
24.26 upon direct knowledge of the truth of the matters certified. If any part of the certification is
24.27 no longer accurate or has changed, the permissible user must file an amended certification
24.28 before obtaining further access to data under the contract. A permissible user who obtains
24.29 access to data under the terms of an existing contract is deemed to have affirmed the
24.30 existing certification.

24.31 Subd. 3. Conditions for resale or redisclosure. A permissible user or subsequent
24.32 permissible user who receives personal information under this section may resell or
24.33 redisclose the information only under the following conditions, which must be reflected in
24.34 a contract between the permissible user and the subsequent permissible user:

24.35 (1) the permissible user shall obtain from the subsequent user a certification meeting
24.36 the requirements of subdivision 2, paragraph (a), clause (3), and paragraph (b);

25.1 (2) the permissible user shall independently determine and verify the business
25.2 identity of any subsequent user that is not an individual and that each user has, and is
25.3 legitimately engaged in, the uses and applications it certified, including, as appropriate,
25.4 through a site visit;

25.5 (3) the permissible user may redisclose or resell only the data elements that are
25.6 necessary to accomplish the application certified by the subsequent user;

25.7 (4) the subsequent user may use the data only for the use and applications for which
25.8 the data are obtained and certified;

25.9 (5) the permissible user shall require that the subsequent user use the data for
25.10 the same statutory use under which the permissible user received the data from the
25.11 commissioner, and for no other permissible use or application inconsistent with this use;

25.12 (6) the commissioner or the permissible user may only resell or redisclose data
25.13 with an encryption and unique identifier in the data placed by the commissioner under
25.14 subdivision 2, paragraph (a), clause (2), and shall prohibit the subsequent user from
25.15 removing, altering, or otherwise compromising an encryption and identifier;

25.16 (7) the permissible user shall verify that the subsequent user has established
25.17 administrative, technical, and administrative safeguards at least as secure as the
25.18 permissible user's comprehensive security safeguards;

25.19 (8) the commissioner or the permissible user may periodically audit the subsequent
25.20 user's compliance with its certification and this section; and

25.21 (9) the permissible user shall inform the subsequent user that section 170A.05
25.22 imposes private and public penalties and remedies for a violation of this chapter or a
25.23 user contract.

25.24 Subd. 4. Fees. The commissioner shall charge the following fees for access to data
25.25 under this section by a permissible user, other than an organ procurement organization or
25.26 government agency:

25.27 (1) \$4 application fee; and

25.28 (2) \$4 fee for each request for access to personal information.

25.29 The fees collected under this subdivision must be deposited in the financial crimes
25.30 account under section 299A.683.

31 **EFFECTIVE DATE.** Subdivision 2, paragraph (a), clause (2), is effective January
25.32 1, 2007.

25.33 **Sec. 30. [170A.05] REMEDIES AND PENALTIES.**

25.34 The remedies and penalties in section 8.31 apply to a user of personal information
25.35 or a subsequent user who violates this chapter or the terms of a user contract. Sections
26.1 13.08 and 13.09 apply to a violation of this chapter by a government entity or employee
26.2 of a government entity.

26.3 **Sec. 31. [170A.06] ORGAN PROCUREMENT ORGANIZATIONS.**

26.4 This chapter does not affect the use of organ donation information on an individual's
26.5 driver's license or Minnesota identification card or affect access to personal information
26.6 by a federally certified or designated nonprofit organ procurement organization in
26.7 connection with its authorized activities.

26.8 **Sec. 32. [170A.07] PRIVACY CLASSIFICATION FOR PERSONAL SAFETY.**

26.9 An individual who is the subject of personal information may request, in writing,
26.10 that the individual's residence address or name and residence address be classified as
26.11 private data on individuals, as defined in section 13.02, subdivision 12. The commissioner
26.12 shall grant the classification on receipt of a signed statement by the individual that the
26.13 classification is required for the safety of the individual or the individual's family, if the
26.14 statement also provides a valid, existing address where the individual consents to receive
26.15 service of process. The commissioner shall use the service of process mailing address
26.16 in place of the individual's residence address in all documents and notices pertaining
26.17 to the motor vehicle or driver's license or Minnesota identification card, as applicable.
26.18 The residence address or name and residence address and any information provided in
26.19 the classification request, other than the individual's service for process mailing address,
26.20 are private data on individuals but may be provided to requesting law enforcement
26.21 agencies, probation and parole agencies, and public authorities, as defined in section
26.22 518.54, subdivision 9.

26.23 **Sec. 33. [170A.08] REFUSAL TO DISCLOSE INFORMATION UNDER**
26.24 **CERTAIN CIRCUMSTANCES.**

26.25 The commissioner may refuse to disclose personal information under this chapter if
26.26 the commissioner has reason to believe that the person requesting the personal information
26.27 is likely to use the information for an illegal or improper purpose or is otherwise not
26.28 going to comply with this chapter.

26.29 **Sec. 34. [170A.09] RELATIONSHIP TO DATA PRACTICES ACT.**

26.30 Chapter 13 applies to this chapter except to the extent provisions of this chapter are
26.31 inconsistent with chapter 13. The disclosures authorized under this chapter are subject to
26.32 restrictions on access to data under section 13.69 and other applicable law.

26.33 **Sec. 35. Minnesota Statutes 2004, section 171.01, subdivision 29, is amended to read:**

26.34 **Subd. 29. Conviction.** The term "conviction" means a final conviction either after
26.35 trial or upon a plea of guilty or nolo contendere accepted by the court. Also, a forfeiture
27.1 of cash or collateral deposited to guarantee a defendant's appearance in court, which
27.2 forfeiture has not been vacated; the failure to comply with a written notice to appear in
27.3 court; ~~or~~ a breach of a condition of release without bail; or the payment of a fine or court
27.4 cost, is equivalent to a conviction.

27.5 **Sec. 36.** Minnesota Statutes 2005 Supplement, section 171.05, subdivision 2b, is
27.6 amended to read:

27.7 **Subd. 2b. Instruction permit use by person under age 18.** (a) This subdivision
27.8 applies to persons who have applied for and received an instruction permit under
27.9 subdivision 2.

27.10 (b) The permit holder may, with the permit in possession, operate a motor vehicle,
27.11 but must be accompanied by and be under the supervision of a certified driver education
27.12 instructor, the permit holder's parent or guardian, or another licensed driver age 21 or
27.13 older. The supervisor must occupy the seat beside the permit holder.

27.14 (c) The permit holder may operate a motor vehicle only when every occupant under
27.15 the age of ~~18~~ 15 has a seat belt or child passenger restraint system properly fastened
27.16 according to sections 169.685 and 169.686. A person who violates this paragraph is
27.17 subject to a fine of \$25. ~~A peace officer may not issue a citation for a violation of this~~
27.18 ~~paragraph unless the officer lawfully stopped or detained the driver of the motor vehicle~~
27.19 ~~for a moving violation as defined in section 171.04, subdivision 1~~ A passenger who is at
27.20 least 15 years of age is subject to the requirements and penalty of section 169.686. The
27.21 commissioner shall not record a violation of this paragraph on a person's driving record.

27.22 (d) The permit holder may not operate a vehicle while communicating over, or
27.23 otherwise operating, a cellular or wireless telephone, whether handheld or hands free,
27.24 when the vehicle is in motion. The permit holder may assert as an affirmative defense
27.25 that the violation was made for the sole purpose of obtaining emergency assistance to
27.26 prevent a crime about to be committed, or in the reasonable belief that a person's life
27.27 or safety was in danger.

27.28 (e) The permit holder must maintain a driving record free of convictions for moving
27.29 violations, as defined in section 171.04, subdivision 1, and free of convictions for violation
27.30 of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53. If the permit
27.31 holder drives a motor vehicle in violation of the law, the commissioner shall suspend,
27.32 cancel, or revoke the permit in accordance with the statutory section violated.

27.33 **Sec. 37.** Minnesota Statutes 2005 Supplement, section 171.055, subdivision 2, is
27.34 amended to read:

28.35 Subd. 2. **Use of provisional license.** (a) A provisional license holder may operate a
28.36 motor vehicle only when every occupant under the age of ~~18~~ 15 has a seat belt or child
28.1 passenger restraint system properly fastened according to sections 169.685 and 169.686.
28.2 A person who violates this paragraph is subject to a fine of \$25. ~~A peace officer may not~~
28.3 ~~issue a citation for a violation of this paragraph unless the officer lawfully stopped or~~
28.4 ~~detained the driver of the motor vehicle for a moving violation as defined in section 171.04~~
28.5 A passenger who is at least 15 years of age is subject to the requirements and penalty of
28.6 section 169.686. The commissioner shall not record a violation of this paragraph on a
28.7 person's driving record.

28.8 (b) A provisional license holder may not operate a vehicle while communicating
28.9 over, or otherwise operating, a cellular or wireless telephone, whether handheld or
28.10 hands free, when the vehicle is in motion. The provisional license holder may assert
28.11 as an affirmative defense that the violation was made for the sole purpose of obtaining
28.12 emergency assistance to prevent a crime about to be committed, or in the reasonable belief
28.13 that a person's life or safety was in danger.

28.14 (c) If the holder of a provisional license during the period of provisional licensing
28.15 incurs (1) a conviction for a violation of section 169A.20, 169A.33, 169A.35, or sections
28.16 169A.50 to 169A.53, (2) a conviction for a crash-related moving violation as defined in
28.17 section 171.04, or (3) more than one conviction for a moving violation that is not crash
28.18 related, the person may not be issued a driver's license until 12 consecutive months have
28.19 expired since the date of the conviction or until the person reaches the age of 18 years,
28.20 whichever occurs first.

28.21 Sec. 38. Minnesota Statutes 2005 Supplement, section 171.07, subdivision 1, is
28.22 amended to read:

28.23 Subdivision 1. **License; contents.** (a) Upon the payment of the required fee, the
28.24 department shall issue to every qualifying applicant a license designating the type or class
28.25 of vehicles the applicant is authorized to drive as applied for. This license must bear a
28.26 distinguishing number assigned to the licensee; the licensee's full name, date of birth,
28.27 ~~and~~ residence address; the license class, endorsements, and restrictions imposed, if any;
28.28 a description of the licensee in a manner as the commissioner deems necessary; and the
28.29 usual signature of the licensee. No license is valid unless it bears the usual signature of
28.30 the licensee. Every license must bear a colored photograph or an electronically produced
28.31 image of the licensee.

28.32 (b) If the United States Postal Service will not deliver mail to the applicant's
28.33 residence address as listed on the license, then the applicant shall provide verification from
28.34 the United States Postal Service that mail will not be delivered to the applicant's residence

28.35 address and that mail will be delivered to a specified alternate mailing address. When an
 28.36 applicant provides an alternate mailing address under this subdivision, the commissioner
 29.1 shall use the alternate mailing address in lieu of the applicant's residence address for
 29.2 all notices and mailings to the applicant.

29.3 (c) Every license issued to an applicant under the age of 21 must be of a
 29.4 distinguishing color and plainly marked "Under-21."

29.5 (d) The department shall use processes in issuing a license that prohibit, as nearly as
 29.6 possible, the ability to alter or reproduce a license, or prohibit the ability to superimpose a
 29.7 photograph or electronically produced image on a license, without ready detection.

29.8 (e) A license issued to an applicant age 65 or over must be plainly marked "senior" if
 29.9 requested by the applicant.

29.10 Sec. 39. Minnesota Statutes 2004, section 171.0701, is amended to read:

9.11 **171.0701 DRIVER EDUCATION; ORGAN AND TISSUE DONATION.**

29.12 The commissioner shall adopt rules requiring a minimum of 30 minutes of
 29.13 instruction relating to organ and tissue donations and the provisions of section 171.07,
 29.14 subdivision 5, for persons enrolled in driver education programs offered at public schools,
 29.15 private schools, and commercial driver training schools.

29.16 Sec. 40. Minnesota Statutes 2004, section 171.14, is amended to read:

29.17 **171.14 CANCELLATION.**

29.18 (a) The commissioner shall have authority to may cancel any driver's license upon
 29.19 determination that (1) the licensee was not entitled to the issuance thereof hereunder, or
 29.20 that of the license, (2) the licensee failed to give the required or correct information in
 29.21 the application, or and committed any fraud or deceit in making such the application:
 29.22 ~~The commissioner may also cancel the driver's license of any, or (3) the person who,~~
 29.23 ~~at the time of the cancellation, would not have been entitled to receive a license under~~
 29.24 ~~the provisions of section 171.04.~~

29.25 (b) The commissioner shall cancel the driver's license of a person described in
 29.26 paragraph (a), clause (2), for 60 days or until the required or correct information has
 29.27 been provided, whichever is longer.

29.28 Sec. 41. Minnesota Statutes 2005 Supplement, section 171.18, subdivision 1, is
 29.29 amended to read:

29.30 Subdivision 1. **Offenses.** The commissioner may suspend the license of a driver
 .31 without preliminary hearing upon a showing by department records or other sufficient
 29.32 evidence that the licensee:

29.33 (1) has committed an offense for which mandatory revocation of license is required
29.34 upon conviction;

30.1 (2) has been convicted by a court for violating a provision of chapter 169 or
30.2 an ordinance regulating traffic, other than a conviction for a petty misdemeanor, and
30.3 department records show that the violation contributed in causing an accident resulting in
30.4 the death or personal injury of another, or serious property damage;

30.5 (3) is an habitually reckless or negligent driver of a motor vehicle;

30.6 (4) is an habitual violator of the traffic laws;

30.7 (5) is incompetent to drive a motor vehicle as determined in a judicial proceeding;

30.8 (6) has permitted an unlawful or fraudulent use of the license;

30.9 (7) has committed an offense in another state that, if committed in this state, would
30.10 be grounds for suspension;

30.11 (8) has committed a violation of section 169.444, subdivision 2, paragraph (a),
30.12 within five years of a prior conviction under that section;

30.13 (9) has committed a violation of section 171.22, except that the commissioner may
30.14 not suspend a person's driver's license based solely on the fact that the person possessed a
30.15 fictitious or fraudulently altered Minnesota identification card;

30.16 (10) has failed to appear in court as provided in section 169.92, subdivision 4;

30.17 (11) has failed to report a medical condition that, if reported, would have resulted in
30.18 cancellation of driving privileges;

30.19 (12) has been found to have committed an offense under section 169A.33; ~~or~~

30.20 (13) has paid or attempted to pay a fee required under this chapter for a license or
30.21 permit by means of a dishonored check issued to the state or a driver's license agent,
30.22 which must be continued until the registrar determines or is informed by the agent that the
30.23 dishonored check has been paid in full; or

30.24 (14) as owner of a vehicle whose taxes or fees required under chapter 168, 168A, or
30.25 297B were due, paid or attempted to pay, or had another person pay or attempt to pay, the
30.26 vehicle taxes or fees required under chapter 168, 168A, or 297B by means of a dishonored
30.27 personal check issued to the state or a deputy registrar, which must be continued until the
30.28 registrar determines or is informed by the deputy registrar that the dishonored check
30.29 has been paid in full.

30.30 However, an action taken by the commissioner under clause (2) or (5) must conform to
30.31 the recommendation of the court when made in connection with the prosecution of the
30.32 licensee.

30.33 Sec. 42. Minnesota Statutes 2004, section 173.08, is amended by adding a subdivision
30.34 to read:

31.1 Subd. 3. Advertising devices adjacent to roadway. (a) Except as otherwise
 31.2 provided in this chapter, no advertising device may be erected or maintained within any
 31.3 area adjacent to a road, as defined in section 160.02, except an advertising device that:
 31.4 (1) does not exceed the size of 432 square inches, including border and trim, but
 31.5 excluding base and supports;
 31.6 (2) displays the name and telephone number of its owner;
 31.7 (3) is located at a minimum distance of 20 feet from the edge of the road; and
 31.8 (4) is erected and maintained for a maximum duration of six weeks in a calendar year.
 31.9 (b) The owner of the advertising device, before erecting the device, shall obtain the
 31.10 consent of the owner and lessee of the land on which the sign is erected and the owner and
 31.11 lessee of adjacent land.

31.12 **Sec. 43. [174.267] INTERSTATE HIGHWAY 55 TRANSIT SERVICES**
 1.13 **REVOLVING LOAN FUND.**

31.14 (a) The commissioner of transportation shall establish an Interstate Highway 55
 31.15 transit services revolving loan fund to be administered by the city of Buffalo to make
 31.16 loans to providers of transit services in the Interstate Highway 55 corridor between the
 31.17 city of Buffalo and the city of Minneapolis. Repayments and interest from loans from the
 31.18 Interstate Highway 55 transit services revolving loan fund must be credited to the fund.
 31.19 Money in the account is annually appropriated to the commissioner and does not lapse.

31.20 (b) The city of Buffalo shall establish an application process and criteria to evaluate
 31.21 applicants for loans from the fund. The criteria must include:

- 31.22 (1) the amount of the loan needed and other possible sources of funding;
- 31.23 (2) the proposed methods and sources of funds to be used for loan repayment;
- 31.24 (3) the financial status and ability of the borrower to repay loans;
- 31.25 (4) the need for the proposed transit service;
- 31.26 (5) the overall impact of the service, particularly with respect to its ability to reduce
 31.27 highway congestion due to the closure of marked Trunk Highway 241, along with other
 31.28 factors; and

31.29 (6) the extent to which the service will improve the movement of people and freight.

31.30 (c) Loans from the Interstate Highway 55 transit services revolving loan fund must
 31.31 bear interest at or below market rates and have a repayment term not longer than 30 years.

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

1.33 **Sec. 44. [299A.683] PUBLIC SAFETY AND FINANCIAL CRIMES ACCOUNT.**

31.34 A public safety and financial crimes account is created in the special revenue fund
 31.35 consisting of the fees collected under section 170A.04 that are designated for this purpose.

32.1 Fifty percent of the money in the account is annually appropriated to the commissioner
 32.2 of public safety for the operation of the system for access to motor vehicle and driver's
 32.3 license records under chapter 170A and 50 percent is annually appropriated to the
 32.4 commissioner of public safety for purposes of the operations of the Minnesota Financial
 32.5 Crimes Task Force established under section 299A.681, subdivision 3. The commissioner
 32.6 shall make specialized financial crimes prosecutors' grants as recommended by the
 32.7 Minnesota Financial Crimes Oversight Council in consultation with representatives of
 32.8 county attorneys and the attorney general.

32.9 Sec. 45. Minnesota Statutes 2004, section 360.013, subdivision 39, is amended to read:

32.10 Subd. 39. **Airport.** "Airport" means any area of land or water, except a restricted
 32.11 landing area, which is designed for the landing and takeoff of aircraft, whether or not
 32.12 facilities are provided for the shelter, surfacing, or repair of aircraft, or for receiving or
 32.13 discharging passengers or cargo, and all appurtenant areas used or suitable for airport
 32.14 buildings or other airport facilities, including facilities described in section 116R.02,
 32.15 subdivision 6, and all appurtenant rights-of-way, whether heretofore or hereafter
 32.16 established. The operation and maintenance of airports is an essential public service.

32.17 Sec. 46. Minnesota Statutes 2004, section 360.017, subdivision 1, is amended to read:

32.18 Subdivision 1. **Creation; authorized disbursements.** (a) There is hereby created
 32.19 a fund to be known as the state airports fund. The fund shall consist of all money
 32.20 appropriated to it, or directed to be paid into it, by the legislature.

32.21 (b) The state airports fund shall be paid out on authorization of the commissioner
 32.22 and shall be used:

32.23 (1) to acquire, construct, improve, maintain, and operate airports and other air
 32.24 navigation facilities;

32.25 (2) to assist municipalities in the acquisition, construction, improvement, and
 32.26 maintenance of airports and other air navigation facilities;

32.27 (3) to assist municipalities to initiate, enhance, and market scheduled air service at
 32.28 their airports;

32.29 (4) to promote interest and safety in aeronautics through education and information;
 32.30 and

32.31 (5) to pay the salaries and expenses of the Department of Transportation related to
 32.32 aeronautic planning, administration, and operation. All allotments of money from the state
 32.33 airports fund for salaries and expenses shall be approved by the commissioner of finance.

32.34 A municipality that adopts a comprehensive plan that the commissioner finds is
 32.35 incompatible with the state aviation plan is not eligible for assistance from the state
 32.36 airports fund.

33.1 Sec. 47. Minnesota Statutes 2004, section 360.065, is amended by adding a subdivision
33.2 to read:

33.3 Subd. 3. Disclosure of airport zoning regulations. Before accepting consideration
33.4 or signing an agreement to sell or transfer real property that is located in safety zone A,
33.5 B, or C under zoning regulations adopted by the governing body, the seller or transferor,
33.6 whether executing the agreement in the seller or transferor's own right, or as executor,
33.7 administrator, assignee, trustee, or otherwise by authority of law, must disclose in writing
33.8 to the buyer or transferee the existence of airport zoning regulations that affect the real
33.9 property.

33.10 Sec. 48. Minnesota Statutes 2004, section 473.384, subdivision 1, is amended to read:

33.11 Subdivision 1. **Contracts required.** The council shall make contracts with eligible
33.12 recipients for financial assistance to transit service within the metropolitan area. The
33.13 council may not give financial assistance to another transit provider without first having
33.14 executed a contract. A provider of transit service may receive financial assistance from
33.15 the council through a subcontract if the subcontractor meets the eligibility requirements
33.16 of subdivision 2 and has been approved by the council, and the primary contractor is
33.17 an organization described in section 501(c)(3) of the Internal Revenue Code of 1986,
33.18 as amended from time to time.

33.19 The provisions of this section do not apply to contracts made under sections 473.386
33.20 and 473.388.

33.21 Sec. 49. Minnesota Statutes 2004, section 473.384, subdivision 2, is amended to read:

33.22 Subd. 2. **Eligibility.** To be eligible to receive financial assistance by contract or
33.23 subcontract under this section a recipient must be:

33.24 (a) a county, statutory or home rule charter city or town or combination thereof, or
33.25 public authority organized and existing pursuant to chapter 398A, providing financial
33.26 assistance to or providing or operating public transit; or

33.27 (b) a private provider of public transit.

33.28 Sec. 50. Minnesota Statutes 2004, section 473.386, subdivision 3, is amended to read:

33.29 Subd. 3. **Duties of council.** In implementing the special transportation service, the
33.30 council shall:

33.31 (a) encourage participation in the service by public, private, and private nonprofit
33.32 providers of special transportation currently receiving capital or operating assistance
33 from a public agency;

33.34 (b) contract with public, private, and private nonprofit providers that have
33.35 demonstrated their ability to effectively provide service at a reasonable cost;

34.1 (c) encourage individuals using special transportation to use the type of service
34.2 most appropriate to their particular needs;

34.3 (d) ensure that all persons providing special transportation service receive equitable
34.4 treatment in the allocation of the ridership;

34.5 (e) encourage shared rides to the greatest extent practicable;

34.6 (f) encourage public agencies that provide transportation to eligible individuals as a
34.7 component of human services and educational programs to coordinate with this service
34.8 and to allow reimbursement for transportation provided through the service at rates that
34.9 reflect the public cost of providing that transportation;

34.10 (g) establish criteria to be used in determining individual eligibility for special
34.11 transportation services;

34.12 (h) consult with the Transportation Accessibility Advisory Committee in a timely
34.13 manner before changes are made in the provision of special transportation services,
34.14 including, but not limited to, changes in policies affecting the matters subject to hearing
34.15 under subdivision 2;

34.16 (i) provide for effective administration and enforcement of council policies and
34.17 standards; ~~and~~

34.18 (j) annually evaluate providers of special transportation service to ensure compliance
34.19 with the standards established for the program; and

34.20 (k) ensure that, taken as a whole including contracts with public, private, and private
34.21 nonprofit providers, the geographic coverage area of the special transportation service is
34.22 continuous within the boundaries of the transit taxing district, as defined as of March 1,
34.23 2006, in section 473.446, subdivision 2.

34.24 Sec. 51. Laws 2005, First Special Session chapter 6, article 3, section 109, is amended
34.25 to read:

34.26 **Sec. 109. EFFECTIVE DATE; EXPIRATION.**

34.27 Sections 91 to 98 are effective the day following final enactment and do not expire
34.28 ~~on June 10, 2006.~~

34.29 **Sec. 52. CHILD PASSENGER RESTRAINT LAW AWARENESS CAMPAIGN.**

34.30 The commissioner of public safety shall conduct a child passenger restraint law
34.31 awareness campaign by developing and distributing education materials, making public
34.32 service announcements through mass media throughout the state, and implementing other
34.33 education and awareness activities to educate the public about state laws concerning
34.34 child restraint in vehicles and to inform individuals in financial need how to obtain child
34.35 restraint systems at no cost.

35.1 **Sec. 53. SPECIFIC SERVICE SIGN.**

35.2 Notwithstanding any other law or administrative rule or order, the commissioner of
35.3 transportation, after being assured of adequate funding from nonstate sources, shall erect a
35.4 specific service sign on the east side of Marked Trunk Highway 52, near its intersection
35.5 with 37th Street NW in Olmsted County. The sign must display the name or business
35.6 panel, or both, of a retail establishment on the east side of Marked Trunk Highway 52
35.7 that began operation before construction of the noise wall on the east side of Marked
35.8 Trunk Highway 52, and the premises of which is blocked by the noise wall from view
35.9 from Marked Trunk Highway 52.

35.10 **Sec. 54. RULE CHANGE.**

35.11 Pursuant to Minnesota Statutes, section 14.388, the commissioner shall amend
35.12 Minnesota Rules, part 7411.0515, subpart 2, to provide that driver education programs
35.13 offered at public schools, private schools, and commercial driver training schools must
35.14 include a minimum of 30 minutes of instruction relating to organ and tissue donations and
35.15 the provisions of Minnesota Statutes, section 171.07, subdivision 5.

35.16 **Sec. 55. CREDIT OF EXISTING APPROPRIATION.**

35.17 The commissioner of transportation must credit \$150,000 of existing general fund
35.18 appropriations as follows:

35.19 (1) \$100,000 is credited to the Interstate Highway 55 transit services revolving loan
35.20 fund to be used for the purposes specified in Minnesota Statutes, section 174.267; and

35.21 (2) \$50,000 is for a grant to the city of Buffalo to provide subsidies for transit service
35.22 providers in the Interstate Highway 55 corridor.

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

35.24 **Sec. 56. REPEALER.**

35.25 Minnesota Statutes 2004, section 13.6905, subdivision 10, and Minnesota Statutes
35.26 2005 Supplement, sections 168.346; and 171.12, subdivisions 7 and 7a, are repealed."

35.27 Amend the title accordingly

1.1 Senator moves to amend the delete-everything amendment
1.2 (SCS3764A19) to S.F. No. 3764 as follows:

1.3 Page 35, after line 9, insert:

1.4 "Sec. 54. **REPORT ON GREATER MINNESOTA TRANSPORTATION**
1.5 **NEEDS.**

1.6 The commissioner of transportation shall study public transportation needs in
1.7 greater Minnesota, and shall, no later than February 15, 2007, provide a written report
1.8 to the transportation committees of the senate and the house of representatives. The
1.9 commissioner shall comply in all respects with Minnesota Statutes, sections 3.195
1.10 and 3.197. The report must include an update of the 2001 greater Minnesota public
1.11 transportation plan, and a statement of the capital and operating costs needed to meet
1.12 greater Minnesota public transportation needs."

1.13 Renumber the sections in sequence and correct the internal references

1.14 Amend the title accordingly

1.1 Senator moves to amend the delete-everything amendment
1.2 (SCS3764A19) to S.F. No. 3764 as follows:

1.2

1.3 Page 35, after line 9, insert:

1.4 "Sec. 54. STUDY OF TRANSPORTATION LONG-RANGE SOLUTIONS.

1.5 (a) The commissioner of transportation shall conduct a study to evaluate the current
1.6 and long-range needs of the state's transportation system, and investigate possible
1.7 strategies to meet these needs.

1.8 (b) The study must include, but is not limited to:

1.9 (1) evaluation of the current needs of the state's highway systems and bridges;

1.10 (2) analysis and quantification of the needs for the next 20 years of the state's
1.11 highway systems and bridges;

1.12 (3) comparison of estimates of revenues raised by current transportation funding
1.13 sources, with long-term needs of the state's transportation system;

1.14 (4) identification of options for maintenance and improvement of the state's
1.15 transportation system with specific reference to factors such as changes in vehicle fuel
1.16 economy, availability of alternative modes of transportation, and the nation's attempts to
1.17 decrease dependence on foreign oil;

1.18 (5) analysis of alternative pricing options utilized in other states, and their potential
1.19 for use, public acceptance, alleviation of congestion, and revenue generation in this
1.20 state; and

1.21 (6) identification of options for road pricing or other alternative financing
1.22 mechanisms, and estimates of implementation costs, user costs, and revenue.

1.23 (c) The commissioner shall report the results of the study to the legislature no later
1.24 than January 12, 2007."

1.25 Renumber the sections in sequence and correct the internal references

1.26 Amend the title accordingly

- 1.1 Senator moves to amend the delete-everything amendment
- 1.2 (SCS3764A19) to S.F. No. 3764 as follows:
- 1.3 Page 31, delete section 43
- 1.4 Page 35, delete section 55
- 1.5 Renumber the sections in sequence and correct the internal references
- 1.6 Amend the title accordingly

1.1 Senator moves to amend the delete-everything amendment
1.2 (SCS3764A19) to S.F. No. 3764 as follows:

1.3 Page 5, after line 15, insert:

1.4 "Sec. 2. Minnesota Statutes 2004, section 117.036, is amended to read:

1.5 **117.036 APPRAISAL AND NEGOTIATION REQUIREMENTS**
1.6 **APPLICABLE TO ACQUISITION OF PROPERTY FOR TRANSPORTATION**
1.7 **PURPOSES.**

1.8 Subdivision 1. **Application.** This section applies to the acquisition of property
1.9 for public highways, streets, roads, alleys, airports, mass transit facilities, or for other
1.10 transportation facilities or purposes.

1.11 Subd. 2. **Appraisal.** (a) Before commencing an eminent domain proceeding under
1.12 this chapter, the acquiring authority must obtain at least one appraisal for the property
1.13 proposed to be acquired. In making the appraisal, the appraiser must confer with one or
1.14 more of the fee owners or contract purchasers of the property, if reasonably possible.
1.15 Notwithstanding section 13.44 or any other law to the contrary, the acquiring authority
1.16 must provide the fee owner or contract purchaser with a copy of the appraisal at least 20
1.17 days before presenting a petition under section 117.055, ~~the acquiring authority must~~
1.18 ~~provide the owner with a copy of the appraisal~~ and inform the owner of the owner's
1.19 fee owner or contract purchaser of the right to obtain an appraisal under this section.
1.20 Upon request, the acquiring authority must make available to the fee owner or contract
1.21 purchaser all appraisals of the property.

1.22 (b) The fee owner or contract purchaser may obtain an appraisal by a qualified
1.23 appraiser of the property proposed to be acquired. The fee owner or contract purchaser
1.24 is entitled to reimbursement for the reasonable costs of the appraisal from the acquiring
1.25 authority up to a maximum of \$1,500 ~~within 30 days after the~~ for an appraisal of
1.26 residential, agricultural, or open land and up to a maximum of \$5,000 for an appraisal of
1.27 commercial or industrial land if the fee owner or contract purchaser:

1.28 (1) submits to the acquiring authority a copy of the appraisal and the information
1.29 necessary for reimbursement, ~~provided that the owner does so;~~

1.30 (2) requests reimbursement within 60 90 days after the owner receives receiving
1.31 the appraisal from the authority under paragraph (a); and at least 30 days before a
1.32 condemnation commissioners' hearing; and

1.33 (3) ensures that the appraisal is conducted in accordance with the Uniform Standards
1.34 of Professional Appraisal Practice. The acquiring authority must pay the reimbursement to
1.35 the fee owner or contract purchaser within 30 days after receiving a copy of the appraisal
1.36 and the reimbursement information. Upon agreement between the acquiring authority

2.1 and either the fee owner or contract purchaser, the acquiring authority may pay the
2.2 reimbursement directly to the appraiser.

2.3 Subd. 3. **Negotiation.** In addition to the appraisal requirements under subdivision 2,
2.4 before commencing an eminent domain proceeding, the acquiring authority must make a
2.5 good faith attempt to negotiate personally with the fee owner or contract purchaser of the
2.6 property in order to acquire the property by direct purchase instead of the use of eminent
2.7 domain proceedings. In making this negotiation, the acquiring authority must consider
2.8 the appraisals in its possession, including any appraisal obtained and furnished by the fee
2.9 owner or contract purchaser if available, and other information that may be relevant to a
2.10 determination of damages under this chapter.

2.11 Subd. 4. **Condemnation commissioners' hearing.** (a) Notwithstanding
2.12 section 13.44, an owner's appraisal may not be used or considered in a condemnation
2.13 commissioners' hearing conducted under section 117.085, nor may the owner's appraiser
2.14 testify, unless a copy of the owner's appraiser's written report is provided to the acquiring
2.15 authority at least five days before the hearing.

2.16 (b) Notwithstanding section 13.44, the acquiring authority's appraisal may not be
2.17 used or considered in a condemnation commissioners' hearing conducted under section
2.18 117.085, nor may the acquiring authority's appraiser testify, unless a copy of the acquiring
2.19 authority's appraiser's written report is provided to the owner or contract purchaser at
2.20 least five days before the hearing.

2.21 "

2.22 Page 6, after line 19, insert:

2.23 "Sec. 4. Minnesota Statutes 2004, section 161.442, is amended to read:

2.24 **161.442 RECONVEYANCE TO FORMER OWNER.**

2.25 Notwithstanding sections 161.23, 161.41, 161.411, 161.43, 161.44, or any other
2.26 statute, the commissioner of transportation, with the consent of the owner, or for good
2.27 cause and with the consent of the court, may transfer, sell, or convey real property
2.28 including fixtures, and interests in real property including easements, to the owner
2.29 from whom the property was acquired by the state for trunk highway purposes through
2.30 a pending eminent domain action. The transfer of title may be by stipulation, partial
2.31 dismissal, bill of sale, or conveyance. Any resulting change in the state's acquisition must
2.32 be explained in the final certificate for that action. This provision does not confer on a
2.33 landowner the right to compel a reconveyance without the consent of the commissioner.

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

2.35 Renumber the sections in sequence and correct the internal references

3.1 Amend the title accordingly

1.1 Senator moves to amend the delete-everything amendment
1.2 (SCS3764A19) to S.F. No. 3764 as follows:

1.3 Page 23, line 16, after the first "vehicle" insert "or facilitating motor vehicle
1.4 transfers and registration"

1.1 Senator moves to amend the delete-everything amendment
1.2 (SCS3764A19) to S.F. No. 3764 as follows:

1.3 Page 25, line 24, before the first "The" insert "In addition to all other fees and
1.4 surcharges allowed by statute."

1.5 Page 25, delete lines 27 and 28, and insert:

1.6 "(1) \$1.50 fee for each request for access to personal information on an individual
1.7 record basis; and

1.8 (2) \$50 fee for each request for access to personal information in a manner other
1.9 than an individual record basis."

1.10 Page 25, line 31, delete "January" and insert "July"

1.11 Page 32, line 1, delete everything before "is" and insert "An amount equal to fees
1.12 collected under section 170A.04, subdivision 4, clause (1)."

1.13 Page 32, line 3, delete "50 percent" and insert "an amount equal to fees collected
1.14 under section 170A.04, subdivision 4, clause (2)."

- 1.1 Senator moves to amend the delete-everything amendment
- 1.2 (SCS3764A19) to S.F. No. 3764 as follows:
- 1.3 Page 33, delete sections 48 and 49
- 1.4 Renumber the sections in sequence and correct the internal references
- 1.5 Amend the title accordingly

- 1.1 Senator moves to amend the delete-everything amendment
- 1.2 (SCS3764A19) to S.F. No. 3764 as follows:
- 1.3 Page 5, delete section 1
- 1.4 Page 22, delete section 26
- 1.5 Page 23, delete sections 27 to 29
- 1.6 Page 25, delete section 30
- 1.7 Page 26, delete sections 31 to 34
- 1.8 Page 31, delete section 44
- 1.9 Page 35, delete section 56
- 1.10 Renumber the sections in sequence and correct the internal references
- 1.11 Amend the title accordingly

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

1.2 S.F. No. 3764: A bill for an act relating to transportation; amending the allocation
1.3 of revenue from a tax on sale of motor vehicles; amending Minnesota Statutes 2004,
1.4 section 297B.09, subdivision 1.

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

1.6 Delete everything after the enacting clause and insert:

1.7 "ARTICLE 1
1.8 TRUNK HIGHWAY BONDING

1.9 Section 1. TRUNK HIGHWAY APPROPRIATIONS

1.10 The sums shown in the columns marked "APPROPRIATIONS" are appropriated
1.11 from the bond proceeds fund in the trunk highway fund to the commissioner of
1.12 transportation to be spent for trunk highway purposes.

1.13 SUMMARY BY FUND

1.14		<u>2006</u>		<u>2007</u>		<u>TOTAL</u>
1.15	<u>Trunk Highway</u>	\$		\$ 35,189,000	\$	<u>35,189,000</u>

1.16 APPROPRIATIONS
1.17 Available for the Year
1.18 Ending June 30

1.19		<u>2006</u>		<u>2007</u>
------	--	-------------	--	-------------

1.20 Sec. 2. TRUNK HIGHWAY PROJECTS
1.21 FINANCED BY STATE TRUNK
1.22 HIGHWAYS BONDS

1.23	<u>Subdivision 1. Mankato district headquarters</u>				
1.24	<u>building</u>	\$		\$	<u>18,228,000</u>

1.25 To design, construct, furnish, and equip a
1.26 new district headquarters facility in Mankato.

1.27	<u>Subd. 2. Transportation Building exterior</u>			<u>10,161,000</u>
------	--	--	--	-------------------

1.28 To replace the structural support system
1.29 for the granite panels on the exterior of the
1.30 Transportation Building.

1.31	<u>Subd. 3. Marked Trunk Highway 610 project</u>			<u>6,000,000</u>
------	--	--	--	------------------

1.32 To match federal funds to assist in the
1.33 completion of Marked Trunk Highway 610
4 as a four-lane freeway from its intersection
1.35 with Marked Trunk Highway 169 to its

1.36 intersection with Marked Interstate Highway

1.37 94.

2.1 Subd. 4. **Marked Trunk Highway 61 corridor**
 2.2 **predesign**

300,000

2.3 For predesign of the corridor that extends

2.4 along Marked Trunk Highway 61 from its

2.5 intersection with Marked Trunk Highway

2.6 316 to its intersection with Marked Trunk

2.7 Highway 50, then along Marked Trunk

2.8 Highway 50 to its intersection with Marked

2.9 Trunk Highway 52.

2.10 Subd. 5. **French Rapids Bridge predesign**

150,000

.11 To match federal funds for environmental

2.12 study, corridor predesign and mapping,

2.13 and right-of-way acquisition for the French

2.14 Rapids Bridge over the Mississippi River

2.15 north of the city of Brainerd.

2.16 Subd. 6. **Bond sale expenses**

350,000

2.17 To the commissioner of finance for bond sale

2.18 expenses under Minnesota Statutes, section

2.19 16A.641, subdivision 8.

2.20 **Sec. 3. BOND SALE AUTHORIZATION.**

.21 To provide the money appropriated in this article from the bond proceeds account in

2.22 the trunk highway fund, the commissioner of finance shall sell and issue bonds of the state

2.23 in an amount up to \$35,189,000 in the manner, on the terms, and with the effect prescribed

2.24 by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution,

2.25 article XIV, section 11, at the times and in the amounts requested by the commissioner

2.26 of transportation. The proceeds of the bonds, except accrued interest and any premium

2.27 received from the sale of the bonds, must be deposited in the bond proceeds account in

2.28 the trunk highway fund.

2.29 **Sec. 4. EFFECTIVE DATE.**

2.30 This article is effective the day following final enactment.

2.31

ARTICLE 2

2.32

DEPOSIT OF MOTOR VEHICLE SALES TAX REVENUES

2.33 Section 1. Minnesota Statutes 2004, section 16A.88, is amended to read:

3.1 **16A.88 TRANSIT FUNDS FUND.**

3.2 Subdivision 1. **Transit fund.** A transit fund is established within the state treasury.
3.3 The fund receives money distributed under section 297B.09, and other money as specified
3.4 by law. Money in the fund must be allocated to the greater Minnesota transit account
3.5 under subdivision 2 and the metropolitan area transit account under subdivision 3, and
3.6 must be used for transit purposes.

3.7 **Subd. 2. Greater Minnesota transit fund account.** The greater Minnesota transit
3.8 ~~fund~~ account is established within the ~~state treasury~~ transit fund. Money in the ~~fund~~
3.9 account is annually appropriated to the commissioner of transportation for assistance to
3.10 transit systems outside the metropolitan area under section 174.24. ~~Beginning in fiscal~~
3.11 ~~year 2003~~; The commissioner may use up to \$400,000 each year for administration of the
3.12 transit program. The commissioner shall use the ~~fund~~ account for transit operations as
3.13 provided in section 174.24 and related program administration.

3.14 **Subd. 2 3. Metropolitan area transit fund account.** The metropolitan area transit
3.15 ~~fund~~ account is established within the ~~state treasury~~ transit fund. All money in the ~~fund~~
3.16 account is annually appropriated to the Metropolitan Council for the funding of transit
3.17 systems within the metropolitan area under sections 473.384, 473.387, 473.388, and
3.18 473.405 to 473.449.

3.19 ~~Subd. 3. Metropolitan area transit appropriation account.~~ ~~The metropolitan~~
3.20 ~~area transit appropriation account is established within the general fund. Money in the~~
3.21 ~~account is to be used for the funding of transit systems in the metropolitan area, subject to~~
3.22 ~~legislative appropriation.~~

3.23 Sec. 2. Minnesota Statutes 2004, section 174.24, subdivision 1, is amended to read:

3.24 Subdivision 1. **Establishment; purpose.** A public transit participation program is
3.25 established to carry out the objectives stated in section 174.21 by providing financial
3.26 assistance from the state, including the greater Minnesota transit ~~fund~~ account established
3.27 in section 16A.88, to eligible recipients outside of the metropolitan area.

3.28 Sec. 3. Minnesota Statutes 2004, section 297B.09, subdivision 1, is amended to read:

3.29 Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this
3.30 chapter must be deposited as provided in this subdivision.

3.31 (b) ~~From July 1, 2002, to June 30, 2003, 32 percent of the money collected and~~
3.32 ~~received must be deposited in the highway user tax distribution fund, 20.5 percent must be~~
3.33 ~~deposited in the metropolitan area transit fund under section 16A.88, and 1.25 percent~~
3.34 ~~must be deposited in the greater Minnesota transit fund under section 16A.88. The~~
3.35 ~~remaining money must be deposited in the general fund.~~

4.1 ~~(c)~~ From July 1, 2003, to June 30, 2007, 30 percent ~~of the money collected and~~
 4.2 ~~received~~ must be deposited in the highway user tax distribution fund, 21.5 percent must be
 4.3 deposited in the metropolitan area transit fund under section 16A.88, 1.43 percent must be
 4.4 deposited in the greater Minnesota transit fund under section 16A.88, 0.65 percent must
 4.5 be deposited in the county state-aid highway fund, and 0.17 percent must be deposited
 4.6 in the municipal state-aid street fund. The remaining money must be deposited in the
 4.7 general fund.

4.8 ~~(d) On and after (c) From July 1, 2007, 32 to June 30, 2008, 38.25 percent of the~~
 4.9 ~~money collected and received~~ must be deposited in the highway user tax distribution
 4.10 fund, ~~20.5 percent must be deposited in the metropolitan area transit fund under section~~
 4.11 ~~16A.88, and 1.25~~ 25.5 percent must be deposited in the ~~greater Minnesota~~ transit fund
 4.12 under section 16A.88. The remaining money must be deposited in the general fund.

4.13 (d) From July 1, 2008, to June 30, 2009, 44.25 percent must be deposited in the
 4.14 highway user tax distribution fund, and 29.5 percent must be deposited in the transit fund.
 4.15 The remaining money must be deposited in the general fund.

4.16 (e) From July 1, 2009, to June 30, 2010, 50.25 percent must be deposited in the
 4.17 highway user tax distribution fund, and 33.5 percent must be deposited in the transit fund.
 4.18 The remaining money must be deposited in the general fund.

4.19 (f) From July 1, 2010, to June 30, 2011, 56.25 percent must be deposited in the
 4.20 highway user tax distribution fund, and 37.5 percent must be deposited in the transit fund.
 4.21 The remaining money must be deposited in the general fund.

4.22 (g) On and after July 1, 2011, 60 percent must be deposited in the highway user tax
 4.23 distribution fund, and 40 percent must be deposited in the transit fund.

4.24 Sec. 4. Laws 2005, chapter 88, article 3, section 10, is amended to read:

4.25 **Sec. 10. SUBMISSION TO VOTERS.**

4.26 The constitutional amendment proposed in section ~~12~~ 9 must be presented to the
 4.27 people at the 2006 general election. The question submitted must be:

4.28 "Shall the Minnesota Constitution be amended ~~to dedicate revenue from a tax on~~
 4.29 ~~the sale of new and used motor vehicles over a five-year period, so that after June 30,~~
 4.30 ~~2011, all of the revenue is dedicated at least 40 percent for public transit assistance and~~
 4.31 ~~not more than 60 percent for highway purposes~~ so that after June 30, 2011, all of the
 4.32 revenues from the existing tax on the sale of new and used motor vehicles are dedicated
 4.33 to highways and public transit?

4.34 Yes
 4.35 No"

6.1 (2) requests reimbursement within ~~60~~ 90 days after the owner receives receiving
6.2 the appraisal from the authority under paragraph (a); and at least five days before a
6.3 condemnation commissioners' hearing; and

6.4 (3) ensures that the appraisal is conducted in accordance with the Uniform Standards
6.5 of Professional Appraisal Practice. The acquiring authority must pay the reimbursement to
6.6 the fee owner or contract purchaser within 30 days after receiving a copy of the appraisal
6.7 and the reimbursement information. Upon agreement between the acquiring authority
6.8 and either the fee owner or contract purchaser, the acquiring authority may pay the
6.9 reimbursement directly to the appraiser.

6.10 Subd. 3. **Negotiation.** In addition to the appraisal requirements under subdivision 2,
6.11 before commencing an eminent domain proceeding, the acquiring authority must make a
6.12 good faith attempt to negotiate personally with the fee owner or contract purchaser of the
6.13 property in order to acquire the property by direct purchase instead of the use of eminent
6.14 domain proceedings. In making this negotiation, the acquiring authority must consider
6.15 the appraisals in its possession, including any appraisal obtained and furnished by the fee
6.16 owner or contract purchaser if available, and other information that may be relevant to a
6.17 determination of damages under this chapter.

6.18 Subd. 4. **Condemnation commissioners' hearing.** (a) Notwithstanding
6.19 section 13.44, an owner's appraisal may not be used or considered in a condemnation
6.20 commissioners' hearing conducted under section 117.085, nor may the owner's appraiser
6.21 testify, unless a copy of the owner's appraiser's written report is provided to the acquiring
6.22 authority at least five days before the hearing.

6.23 (b) Notwithstanding section 13.44, the acquiring authority's appraisal may not be
6.24 used or considered in a condemnation commissioners' hearing conducted under section
6.25 117.085, nor may the acquiring authority's appraiser testify, unless a copy of the acquiring
6.26 authority's appraiser's written report is provided to the owner or contract purchaser at
6.27 least five days before the hearing.

6.28 Sec. 2. Minnesota Statutes 2004, section 161.082, subdivision 2a, is amended to read:

6.29 Subd. 2a. **Town bridges and culverts; town road account.** (a) Money in the
6.30 town bridge account must be expended on town road bridge structures that are ten feet
6.31 or more in length and on town road culverts that replace existing town road bridges. In
6.32 addition, if the present bridge structure is less than ten feet in length but a hydrological
6.33 survey indicates that the replacement bridge structure or culvert must be ten feet or more
6.34 in length, then the bridge or culvert is eligible for replacement funds.

6.35 (b) In addition, if a culvert that replaces a deficient bridge is in a county
6.36 comprehensive water plan approved by the Board of Water and Soil Resources and the

7.1 Department of Natural Resources, the costs of the culvert and roadway grading other than
7.2 surfacing are eligible for replacement funds up to the cost of constructing a replacement
7.3 bridge.

7.4 (c) The expenditures on a bridge structure or culvert may be paid from the county
7.5 turnback account and may be for 100 percent of the cost of the replacement structure or
7.6 culvert or for 100 percent of the cost of rehabilitating the existing structure.

7.7 (d) The town bridge account may be used to pay the costs to abandon an existing
7.8 bridge that is deficient and in need of replacement, but where no replacement will be
7.9 made. It may also be used to pay the costs to construct a road or street to facilitate the
7.10 abandonment of an existing bridge determined by the commissioner to be deficient, if the
7.11 commissioner determines that construction of the road or street is more cost efficient
7.12 than replacing the existing bridge.

7.13 (e) When bridge approach construction work exceeds \$10,000 in costs, or when
7.14 the county engineer determines that the cost of the replacement culverts alone will not
7.15 exceed \$20,000, or engineering costs exceed \$10,000, the town shall be eligible for
7.16 financial assistance from the town bridge account. Financial assistance shall be requested
7.17 by resolution of the county board and shall be limited to:

7.18 (1) 100 percent of the cost of the bridge approach work that is in excess of \$10,000;

7.19 (2) 100 percent of the cost of the replacement culverts when the cost does not
7.20 exceed \$20,000 and the town board agrees to be responsible for all the other costs, which
7.21 may include costs for structural removal, installation, and permitting. The replacement
7.22 structure design and costs shall be approved and certified by the county engineer, but need
7.23 not be subsequently approved by the Department of Transportation; or

7.24 (3) 100 percent of all related engineering costs that exceed \$10,000, or in the case
7.25 of towns with a net tax capacity of less than ~~\$200,000~~ \$300,000, 100 percent of the
7.26 engineering costs. Beginning in fiscal year 2007, and for each fiscal year thereafter, the
7.27 net tax capacity limit must be annually adjusted for the increase in inflation, from the most
7.28 recent previous year available, using the annual implicit price deflator for state and local
7.29 expenditures as published by the United States Department of Commerce.

7.30 (f) Money in the town road account must be distributed as provided in section
7.31 162.081.

7.32 Sec. 3. Minnesota Statutes 2004, section 161.442, is amended to read:

7.33 **161.442 RECONVEYANCE TO FORMER OWNER.**

7.34 Notwithstanding sections 161.23, 161.41, 161.411, 161.43, 161.44, or any other
7.35 statute, the commissioner of transportation, with the consent of the owner, or for good
7.36 cause and with the consent of the court, may transfer, sell, or convey real property

8.1 including fixtures, and interests in real property including easements, to the owner
8.2 from whom the property was acquired by the state for trunk highway purposes through
8.3 a pending eminent domain action. The transfer of title may be by stipulation, partial
8.4 dismissal, bill of sale, or conveyance. Any resulting change in the state's acquisition must
8.5 be explained in the final certificate for that action. This provision does not confer on a
8.6 landowner the right to compel a reconveyance without the consent of the commissioner.

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

8.8 Sec. 4. Minnesota Statutes 2005 Supplement, section 168.12, subdivision 2a, is
8.9 amended to read:

8.10 Subd. 2a. **Personalized plates; rules.** (a) The commissioner shall issue personalized
8.11 plates or, if requested for special plates issued under section 168.123 for veterans,
8.12 168.124 for medal of honor recipients, or 168.125 for former prisoners of war, applicable
8.13 personalized special veterans plates, to an applicant who:

8.14 (1) is an owner of a passenger automobile including a passenger automobile
8.15 registered as a classic car, pioneer car, collector car, or street rod; any truck with a
8.16 manufacturer's nominal rated capacity of one ton or less and resembling a pickup truck; a
8.17 motorcycle, including a classic motorcycle; or a recreational motor vehicle;

8.18 (2) pays a onetime fee of \$100 and any other fees required by this chapter;

8.19 (3) pays a onetime surcharge of \$3, to be titled the "Gold Star Family Plate
8.20 Surcharge," the proceeds of which must be deposited in the highway user tax distribution
8.21 fund;

8.22 (4) pays the registration tax required by this chapter for the motor vehicle; and

8.23 ~~(4)~~ (5) complies with this chapter and rules governing registration of motor vehicles
8.24 and licensing of drivers.

8.25 (b) The commissioner shall charge a replacement fee for personalized license plates
8.26 and personalized special veterans plates issued under section 168.123 as specified in
8.27 subdivision 5. This fee must be paid by the applicant whenever the personalized plates are
8.28 required to be replaced by law, except that as provided in section 168.124, subdivision
8.29 3, and 168.125, subdivision 1b, no fee may be charged to replace plates issued under
8.30 those sections.

8.31 (c) In lieu of the registration number assigned as provided in subdivision 1,
8.32 personalized plates and personalized special veterans plates must have imprinted on them
8.33 a series of not more than seven numbers and letters, or five numbers and letters for
8.34 personalized special veterans plates, in any combination and, as applicable, satisfy the
8.35 design requirements of section 168.123, 168.124, or 168.125. When an applicant has once
8.36 obtained personalized plates or personalized special veterans plates, the applicant shall

9.1 have a prior claim for similar personalized plates or personalized special veterans plates in
9.2 the next succeeding year as long as current motor vehicle registration is maintained.

9.3 (d) The commissioner shall adopt rules in the manner provided by chapter 14,
9.4 regulating the issuance and transfer of personalized plates and personalized special
9.5 veterans plates. No words or combination of letters placed on these plates may be used
9.6 for commercial advertising, be of an obscene, indecent, or immoral nature, or be of a
9.7 nature that would offend public morals or decency. The call signals or letters of a radio or
9.8 television station are not commercial advertising for the purposes of this subdivision.

9.9 (e) Despite the provisions of subdivision 1, personalized plates and personalized
9.10 special veterans plates issued under this subdivision may be transferred to another motor
9.11 vehicle listed in paragraph (a) and owned by the applicant, upon the payment of a fee of \$5.

9.12 (f) The commissioner may by rule specify the format for notification.

13 (g) A personalized plate or personalized special veterans plate issued for a classic
9.14 car, pioneer car, collector car, street rod, or classic motorcycle may not be transferred
9.15 to a vehicle not eligible for such a plate.

9.16 (h) Despite any law to the contrary, if the personalized license plates are lost, stolen,
9.17 or destroyed, the applicant may apply and must be issued duplicate license plates bearing
9.18 the same combination of letters and numbers and the same design as (1) the former
9.19 personalized plates or personalized special veterans plates under section 168.123 upon
9.20 the payment of the fee required by section 168.29 or (2) the former personalized special
9.21 veterans plates issued under section 168.124 or 168.125, without charge.

9.22 Sec. 5. Minnesota Statutes 2005 Supplement, section 168.123, subdivision 1, is
23 amended to read:

24 Subdivision 1. **General requirements; fees.** (a) On payment of a fee of \$10 for
9.25 each set of two plates, or for a single plate in the case of a motorcycle plate, payment of
9.26 the registration tax required by law, and compliance with other applicable laws relating to
9.27 vehicle registration and licensing, as applicable, the commissioner shall issue:

9.28 (1) special veteran's plates to an applicant who served in the active military service
9.29 in a branch of the armed forces of the United States or of a nation or society allied with the
9.30 United States in conducting a foreign war, was discharged under honorable conditions,
9.31 and is a registered owner of a passenger automobile, recreational motor vehicle, or truck
9.32 resembling a pickup truck and having a manufacturer's nominal rated capacity of one ton,
9.33 but which is not a commercial motor vehicle as defined in section 169.01, subdivision
4 75; or

9.35 (2) a veteran's special motorcycle plate as described in subdivision 2, paragraph (a),
9.36 (e), (f), (h), or (i), or another special plate designed by the commissioner to an applicant

10.1 who is a registered owner of a motorcycle and meets the criteria listed in this paragraph
10.2 and in subdivision 2, paragraph (a), ~~(e)~~, (f), (h), or (i). Plates issued under this clause must
10.3 be the same size as regular motorcycle plates. Special motorcycle license plates issued
10.4 under this clause are not subject to section 168.1293.

10.5 (b) The additional fee of \$10 is payable for each set of veteran's plates, is payable
10.6 only when the plates are issued, and is not payable in a year in which stickers are issued
10.7 instead of plates.

10.8 (c) The veteran must have a certified copy of the veteran's discharge papers,
10.9 indicating character of discharge, at the time of application. If an applicant served in the
10.10 active military service in a branch of the armed forces of a nation or society allied with the
10.11 United States in conducting a foreign war and is unable to obtain a record of that service
10.12 and discharge status, the commissioner of veterans affairs may certify the applicant as
10.13 qualified for the veterans' plates provided under this section.

10.14 (d) For license plates issued for one-ton trucks described in paragraph (a), clause
10.15 (1), the commissioner shall collect a surcharge of \$5 on each \$10 fee collected under
10.16 paragraph (a). The surcharge must be deposited in the vehicle services operating account
10.17 in the special revenue fund.

10.18 Sec. 6. Minnesota Statutes 2005 Supplement, section 168.1251, subdivision 1, is
10.19 amended to read:

10.20 Subdivision 1. **Issuance and design.** The commissioner shall issue special license
10.21 plates bearing the inscription "~~DISABLED AMERICAN VETERAN~~" to an applicant
10.22 who is certified in writing by the United States Department of Veterans Affairs or the
10.23 state commissioner of veterans affairs as having ~~a permanent and total service-connected~~
10.24 ~~disability~~ been awarded a claim for a service-connected disability from the United States
10.25 Department of Veterans Affairs, who complies with all laws relating to the registration
10.26 and licensing of motor vehicles and drivers, and who pays a fee of \$10 for each set of
10.27 license plates applied for. The commissioner of veterans affairs shall design the special
10.28 license plates ~~must be of a design and size determined by the commissioner, subject~~
10.29 to the approval of the registrar.

10.30 Sec. 7. Minnesota Statutes 2005 Supplement, section 168.1251, subdivision 5, is
10.31 amended to read:

10.32 Subd. 5. **Motor vehicle; special definition.** For purposes of this section, "motor
10.33 vehicle" means a vehicle for personal use, not used for commercial purposes, and may
34 include a passenger automobile, ~~van, pickup truck,~~ motorcycle, or recreational vehicle.

10.35 Sec. 8. [168.1253] GOLD STAR FAMILY LICENSE PLATE.

11.1 Subdivision 1. Issuance; eligibility. The commissioner shall issue special plates
11.2 bearing the inscription "GOLD STAR FAMILY" to an applicant who is an owner or joint
11.3 owner of a motor vehicle, who is certified in writing by the United States Department of
11.4 Veterans Affairs or the state commissioner of veterans affairs as being an eligible person,
11.5 and who complies with all laws relating to the registration and licensing of motor vehicles
11.6 and drivers. The certification must indicate whether the person is an eligible person as
11.7 defined in either clause (1) or clause (2) of subdivision 2, paragraph (b).

11.8 Subd. 2. Definitions. For purposes of this section:

11.9 (a) "Active military service" has the meaning given in section 190.05, subdivision 5.

11.10 (b) The term "eligible person" includes:

11.11 (1) the surviving spouse or surviving biological or adoptive parent of a person
11.12 who has died while serving honorably in active military service in the United States
11.13 armed forces; and

11.14 (2) the surviving biological or adoptive grandparent, sibling, or child of a person
11.15 who has died while serving honorably in active military service in the United States
11.16 armed forces.

11.17 (c) "Motor vehicle" means a vehicle for personal use, not used for commercial
11.18 purposes, and may include a passenger automobile; a motorcycle; a recreational vehicle;
11.19 or a truck resembling a pickup truck and having a manufacturer's nominal rated capacity
11.20 of one ton.

11.21 Subd. 3. Plate fee; exemption. A plate fee may not be charged to an eligible person
11.22 defined in subdivision 2, paragraph (b), clause (1). For all other eligible persons, the
11.23 commissioner shall charge a fee of \$10 per set of plates issued under this section. No
11.24 surcharge may be added to this fee.

11.25 Subd. 4. Annual registration fee; exemption. For each eligible person defined in
11.26 subdivision 2, paragraph (b), clause (1), to whom the commissioner has issued special
11.27 plates under this section, the commissioner may exempt one vehicle from the annual
11.28 registration tax required under section 168.013.

11.29 Subd. 5. Design. The special license plates issued under this section must be of a
11.30 design and size determined by the commissioner, in consultation with the commissioner
11.31 of veterans affairs. The commissioner may design the plates in accordance with section
11.32 168.1291, subdivision 2.

11.33 Subd. 6. Application. Application for issuance of these plates may be made at
34 any time.

12.1 Subd. 7. Transfer. On payment of a fee of \$5 and notification to the commissioner,
 12.2 special plates issued under this section may be transferred to another personal motor
 12.3 vehicle owned or jointly owned by the eligible person.

12.4 Sec. 9. Minnesota Statutes 2004, section 168A.153, is amended to read:

12.5 **168A.153 REPORT OF VEHICLE RECEIPT; SURRENDER OF**
 12.6 **CERTIFICATE.**

12.7 Subdivision 1. **Older model vehicle.** A dealer who buys an older model vehicle
 12.8 to be dismantled or destroyed shall report to the department within 30 days including
 12.9 the vehicle's license plate number and identification number, and the seller's name and
 12.10 driver's license number.

12.11 Subd. 2. **Late-model or high-value vehicle.** A dealer who buys a late-model or
 12.12 high-value vehicle to be dismantled or destroyed shall notify the secured party, if any, and
 12.13 ~~then surrender the certificate of title and a properly completed application for a salvage~~
 12.14 ~~certificate of title to the department within ten days~~ the commissioner within ten days
 12.15 in the manner prescribed in subdivision 3. The dealer shall then properly destroy the
 12.16 certificate of title.

12.17 Subd. 3. Notification on vehicle to be dismantled or destroyed; service fee.
 12.18 Within the time frames prescribed in subdivisions 1 and 2 of acquiring a vehicle titled and
 12.19 registered in Minnesota, a dealer shall notify the registrar that the dealership purchased the
 12.20 vehicle to be dismantled or destroyed. The notification must be made electronically as
 12.21 prescribed by the registrar. The dealer may contract this service to a deputy registrar and
 12.22 the registrar may charge a fee not to exceed \$7 per transaction to provide this service.

12.23 Sec. 10. Minnesota Statutes 2005 Supplement, section 168A.20, subdivision 5, is
 12.24 amended to read:

12.25 Subd. 5. **Satisfaction of automobile lien seven years old; release.** ~~(a)~~ A security
 12.26 interest perfected under this chapter ~~expires~~ may be cancelled seven years from the
 12.27 perfection date for a passenger automobile, as defined in section 168.011, subdivision
 12.28 7, upon the request of the owner of the passenger automobile, if the owner has paid the
 12.29 lien in full and is unable to locate the lienholder to obtain a lien release. At a minimum,
 12.30 the owner must send a letter to the lienholder by certified mail, return receipt requested,
 12.31 requesting a lien release. If the owner is unable to obtain a lien release by sending a
 12.32 letter by certified mail, then the owner must present to the department or its agent the
 12.33 returned letter as evidence of the attempted contact. This subdivision applies only to
 34 vehicle owners who are individuals.

12.35 ~~(b) A lien holder may notify the department in writing or in a format approved by~~
 12.36 ~~the department during the sixth year of the lien, no later than 90 days in advance of the~~

13.1 ~~seven-year anniversary, if the lien will not be satisfied during this registration period and~~
 13.2 ~~the lien must be extended up to seven additional years as requested by the lien holder.~~

13.3 Sec. 11. Minnesota Statutes 2004, section 168B.04, subdivision 2, is amended to read:

13.4 Subd. 2. **Unauthorized vehicles.** (a) Units of government and peace officers may
 13.5 take into custody and impound any unauthorized vehicle under section 169.041.

13.6 (b) A vehicle may also be impounded after it has been left unattended in one of the
 13.7 following public or private locations for the indicated period of time:

13.8 (1) in a public location not governed by section 169.041:

13.9 (i) on a highway and properly tagged by a peace officer, four hours;

13.10 (ii) located so as to constitute an accident or traffic hazard to the traveling public, as
 13.11 determined by a peace officer, immediately; ~~or~~

13.12 (iii) located so as to constitute an accident or traffic hazard to the traveling
 13.13 public within the Department of Transportation's eight-county metropolitan district,
 13.14 as determined by an authorized employee of the department's freeway service patrol,
 13.15 immediately; or

13.16 ~~(iii)~~ (iv) that is a parking facility or other public property owned or controlled by a
 13.17 unit of government, properly posted, four hours; or

13.18 (2) on private property:

13.19 (i) that is single-family or duplex residential property, immediately;

13.20 (ii) that is private, nonresidential property, properly posted, immediately;

13.21 (iii) that is private, nonresidential property, not posted, 24 hours;

13.22 (iv) that is private, nonresidential property of an operator of an establishment for the
 13.23 servicing, repair, or maintenance of motor vehicles, five business days after notifying the
 13.24 vehicle owner by certified mail, return receipt requested, of the property owner's intention
 13.25 to have the vehicle removed from the property; or

13.26 (v) that is any residential property, properly posted, immediately.

13.27 (c) When a tow is requested under paragraph (b), clause (1) (iii), the department shall
 13.28 ensure that the tower initially requested to remove the vehicle is given the opportunity,
 13.29 to the greatest reasonable extent, to actually conduct and complete all towing operations
 13.30 requested; provided that, the owner of the vehicle to be towed has not already requested
 13.31 that another tower remove the vehicle, in which case the tower contacted by the owner
 13.32 must be given the first reasonable opportunity to conduct the towing operations required.

13.33 Sec. 12. Minnesota Statutes 2004, section 168B.06, subdivision 1, is amended to read:

13.34 Subdivision 1. **Contents; notice given within five days.** When an impounded
 13.35 vehicle is taken into custody, the unit of government or impound lot operator taking it

14.1 into custody shall give notice to the registered vehicle owner and any lienholders of the
 14.2 taking within five days. The notice shall:

14.3 ~~(a)~~ (1) set forth the date and place of the taking, the year, make, model and serial
 14.4 number of the impounded motor vehicle if such information can be reasonably obtained
 14.5 and the place where the vehicle is being held;

14.6 ~~(b)~~ (2) inform the vehicle owner and any lienholders of their right to reclaim the
 14.7 vehicle under section 168B.07, ~~and~~;

14.8 ~~(c)~~ (3) state that failure of the owner or lienholders to exercise their right to reclaim
 14.9 the vehicle ~~and contents~~ within the appropriate time allowed under section 168B.051,
 14.10 subdivision 1, 1a, or 2, shall be deemed a waiver by them of all right, title, and interest in
 14.11 the vehicle and remaining contents and a consent to the transfer of title to and disposal or
 14.12 sale of the vehicle and remaining contents pursuant to section 168B.08; and

14.13 (4) state: "You have the right to pick up your contents from your vehicle, whether or
 14.14 not you give up the right to reclaim your vehicle."

14.15 Sec. 13. Minnesota Statutes 2004, section 168B.07, is amended by adding a
 14.16 subdivision to read:

14.17 Subd. 3. Retrieval of contents. A unit of government or impound lot operator
 14.18 may establish a reasonable procedure for retrieval of vehicle contents. At any time
 14.19 before the expiration of the waiting periods provided in section 168B.051, subdivision
 14.20 1, 1a, or 2, the owner of an impounded vehicle has the right to retrieve, without charge,
 14.21 any and all contents. For the purposes of this subdivision, "contents" means all personal
 14.22 belongings and does not include any permanently affixed mechanical or nonmechanical:
 14.23 (i) automobile parts; (ii) automobile body parts; or (iii) automobile accessories, including
 14.24 audio or video players.

14.25 Sec. 14. Minnesota Statutes 2005 Supplement, section 169.01, subdivision 4c, is
 14.26 amended to read:

14.27 Subd. 4c. Motorized foot scooter. "Motorized foot scooter" means a device with
 14.28 handlebars designed to be stood or sat upon by the operator, and powered by an internal
 14.29 combustion engine or electric motor that is capable of propelling the device with or
 14.30 without human propulsion, and that has ~~either (1)~~ no more than two ten-inch or smaller
 14.31 diameter wheels ~~or (2)~~ and has an engine or motor that is capable of a maximum speed of
 14.32 15 miles per hour on a flat surface with not more than one percent grade in any direction
 14.33 when the motor is engaged. An electric personal assistive mobility device, a motorized
 14.34 bicycle, an electric-assisted bicycle, or a motorcycle is not a motorized foot scooter.

14.35 Sec. 15. Minnesota Statutes 2005 Supplement, section 169.01, subdivision 78, is
 14.36 amended to read:

15.1 Subd. 78. **Recreational vehicle combination.** (a) "Recreational vehicle
15.2 combination" means a combination of vehicles consisting of a pickup truck as defined
15.3 in section 168.011, subdivision 29, attached by means of a fifth-wheel coupling to a
15.4 camper-semitrailer which has hitched to it a trailer carrying a watercraft as defined in
15.5 section 86B.005, subdivision 18; off-highway motorcycle as defined in section 84.787,
15.6 subdivision 7; motorcycle; motorized bicycle; snowmobile as defined in section 84.81,
15.7 subdivision 3; all-terrain vehicle as defined in section 84.92, subdivision 8; motorized golf
15.8 cart; or equestrian equipment or supplies.

15.9 (b) For purposes of this subdivision:

15.10 (1) A "fifth-wheel coupling" is a coupling between a camper-semitrailer and a
15.11 towing pickup truck in which a portion of the weight of the camper-semitrailer is carried
15.12 over or forward of the rear axle of the towing pickup.

15.13 (2) A "camper-semitrailer" is a trailer, other than a manufactured home as defined in
15.14 section 327B.01, subdivision 13, designed for human habitation and used for vacation or
15.15 recreational purposes for limited periods.

15.16 Sec. 16. Minnesota Statutes 2004, section 169.041, subdivision 1, is amended to read:

15.17 Subdivision 1. **Towing authority.** For purposes of this section, "towing authority"
15.18 means:

15.19 (1) any local authority authorized by section 169.04 to enforce the traffic laws, and
15.20 ~~also includes a private towing company authorized by a local authority to tow vehicles on~~
15.21 ~~behalf of that local authority;~~ or

15.22 (2) an authorized employee of the Department of Transportation's freeway service
15.23 patrol within the department's eight-county metropolitan district, and also includes a
15.24 private towing company authorized by the department to tow vehicles on behalf of the
15.25 department.

15.26 Sec. 17. Minnesota Statutes 2004, section 169.041, subdivision 2, is amended to read:

15.27 Subd. 2. **Towing order required.** A towing authority may not tow a motor
15.28 vehicle from public property unless a peace officer or parking enforcement officer has
15.29 prepared, in addition to the parking citation, a written towing report describing the motor
15.30 vehicle and the reasons for towing. The report must be signed by the officer and the tow
15.31 driver. Within the Department of Transportation's eight-county metropolitan district, an
15.32 authorized employee of the department's freeway service patrol may order a tow from a
15.33 trunk highway after preparing a written towing report provided by the Minnesota State
15.34 Patrol but is not required to issue a citation. The department employee shall ensure that
15.35 the tower initially requested to remove the vehicle is given the opportunity, to the greatest

16.1 reasonable extent, to actually conduct and complete all towing operations requested;
16.2 provided that, the owner of the vehicle to be towed has not already requested that another
16.3 tower remove the vehicle, in which case the tower contacted by the owner must be given
16.4 the first reasonable opportunity to conduct the towing operations required.

16.5 Sec. 18. Minnesota Statutes 2004, section 169.13, is amended to read:

16.6 **169.13 RECKLESS-OR, CARELESS, OR EXHIBITION DRIVING.**

16.7 Subdivision 1. **Reckless driving.** (a) Any person who drives any vehicle in such a
16.8 manner as to indicate either a willful or a wanton disregard for the safety of persons or
16.9 property is guilty of reckless driving and such reckless driving is a misdemeanor.

16.10 (b) A person shall not race any vehicle upon any street or highway of this state.
16.11 Any person who willfully compares or contests relative speeds by operating one or more
16.12 vehicles is guilty of racing, which constitutes reckless driving, whether or not the speed
16.13 contested or compared is in excess of the maximum speed prescribed by law.

16.14 Subd. 2. **Careless driving.** Any person who operates or halts any vehicle upon any
16.15 street or highway carelessly or heedlessly in disregard of the rights of others, or in a
16.16 manner that endangers or is likely to endanger any property or any person, including the
16.17 driver or passengers of the vehicle, is guilty of a misdemeanor.

16.18 Subd. 2a. **Exhibition driving.** A person who operates any vehicle in a manner
16.19 so as to start or accelerate with an unnecessary exhibition of speed is guilty of a petty
16.20 misdemeanor. Prima facie evidence of an unnecessary exhibition of speed is the
16.21 unreasonable squealing or screeching sounds emitted by the vehicle's tires or the throwing
16.22 of sand or gravel by the vehicle's tires, or both.

16.23 Subd. 3. **Application.** (a) The provisions of this section apply, but are not limited in
16.24 application, to any person who drives any vehicle in the manner prohibited by this section:

16.25 (1) upon the ice of any lake, stream, or river, including but not limited to the ice of
16.26 any boundary water; or

16.27 (2) in a parking lot ordinarily used by or available to the public though not as a
16.28 matter of right, and a driveway connecting ~~such a~~ the parking lot with a street or highway.

16.29 (b) This section does not apply to:

16.30 (1) an authorized emergency vehicle, when responding to an emergency call or when
16.31 in pursuit of an actual or suspected violator;

16.32 (2) the emergency operation of any vehicle when avoiding imminent danger; or

16.33 (3) any raceway, racing facility, or other public event sanctioned by the appropriate
16.34 governmental authority.

17.1 EFFECTIVE DATE. This section is effective August 1, 2006, for violations
17.2 committed on or after that date.

17.3 Sec. 19. Minnesota Statutes 2004, section 169.471, subdivision 2, is amended to read:

17.4 Subd. 2. **Use of headphones in vehicle.** (a) No person, while operating a
17.5 motor vehicle, shall wear headphones or earphones ~~which~~ that are used in both ears
17.6 simultaneously for purposes of receiving or listening to broadcasts or reproductions from
17.7 radios, tape decks, or other sound-producing or transmitting devices. ~~This section shall~~
17.8 ~~not prohibit the use, however, of~~

17.9 (b) Paragraph (a) does not prohibit:

17.10 (1) the use of a hearing aid devices ~~device~~ by persons in need thereof a person
17.11 who needs the device; or

17.12 (2) the use of a communication headset by a firefighter while operating a fire
17.13 department emergency vehicle in response to an emergency.

17.14 Sec. 20. Minnesota Statutes 2004, section 169.685, subdivision 5, is amended to read:

17.15 Subd. 5. **Violation; petty misdemeanor.** (a) Every motor vehicle operator, when
17.16 transporting a child under the age of ~~four~~ nine and weighing less than 80 pounds on the
17.17 streets and highways of this state in a motor vehicle equipped with factory-installed seat
17.18 belts, shall equip and install for use in the motor vehicle, according to the manufacturer's
17.19 instructions, a child passenger restraint system meeting federal motor vehicle safety
17.20 standards.

17.21 (b) No motor vehicle operator who is operating a motor vehicle on the streets and
17.22 highways of this state may transport a child under the age of ~~four~~ nine and weighing less
17.23 than 80 pounds in a seat of a motor vehicle equipped with a factory-installed seat belt,
17.24 unless the child is properly fastened in the child passenger restraint system. The driver of
17.25 a vehicle shall additionally restrain children under the age of nine as follows:

17.26 (1) a child less than one year of age weighing less than 20 pounds must be properly
17.27 restrained in a rear-facing child restraint system;

17.28 (2) a child under the age of nine and weighing 80 pounds or more must be restrained
17.29 in a properly adjusted seat belt system;

17.30 (3) a child under the age of nine must sit in the back seat unless the vehicle has no
17.31 forward-facing back seat, all seating positions in the back are being used by children under
17.32 the age of nine, or the child restraint cannot be installed properly in the back seat; and

33 (4) a child under the age of nine and weighing 40 pounds or more may wear a
17.34 lap-only seat belt in the rear seat if there are no shoulder belts in the back seat or if all

18.1 of the shoulder belts in the back seat are being used by children weighing 40 pounds
18.2 or more and under the age of 16.

18.3 (c) An operator of a pickup truck or sports utility vehicle who transports a child
18.4 under the age of nine shall transport the child within the vehicle's passenger compartment.

18.5 (d) Any motor vehicle operator who violates this subdivision is guilty of a petty
18.6 misdemeanor and may be sentenced to pay a fine of not more than \$50. The fine for
18.7 the first violation may be waived or the amount reduced if the motor vehicle operator
18.8 produces evidence that within 14 days after the date of the violation a child passenger
18.9 restraint system meeting federal motor vehicle safety standards was purchased or obtained
18.10 for the exclusive use of the operator.

18.11 ~~(e)~~ (e) The fines collected for violations of this subdivision must be deposited in
18.12 the state treasury and credited to a special account to be known as the Minnesota child
18.13 passenger restraint and education account.

18.14 When issuing a citation for violation of this section, an officer shall provide to
18.15 the vehicle operator written information identifying a source of no-cost child restraint
18.16 equipment for individuals in financial need, if the vehicle does not contain child-restraint
18.17 equipment.

18.18 Sec. 21. Minnesota Statutes 2004, section 169.686, subdivision 1, is amended to read:

18.19 Subdivision 1. **Seat belt requirement.** (a) A properly adjusted and fastened seat
18.20 belt, including both the shoulder and lap belt when the vehicle is so equipped, shall be
18.21 worn by:

18.22 ~~(1) the driver and passengers of a passenger vehicle or commercial motor vehicle;~~

18.23 ~~(2) a passenger riding in the front seat of a passenger vehicle or commercial motor~~
18.24 ~~vehicle; and~~

18.25 ~~(3) a passenger riding in any seat of a passenger vehicle who is older than three~~
18.26 ~~but younger than 11 years of age.~~

18.27 (b) A person who is 15 years of age or older and who violates paragraph (a), ~~clause~~
18.28 ~~(1) or (2)~~; is subject to a fine of \$25. The driver of the ~~passenger vehicle or commercial~~
18.29 ~~motor vehicle~~ in which the violation occurred is subject to a \$25 fine for a violation of
18.30 paragraph (a), ~~clause (2) or (3)~~; by a child of the driver passenger under the age of 15
18.31 ~~or any child under the age of 11. A peace officer may not issue a citation for a violation~~
18.32 ~~of this section unless the officer lawfully stopped or detained the driver of the motor~~
33 ~~vehicle for a moving violation other than a violation involving motor vehicle equipment.~~

18.34 The Department of Public Safety shall not record a violation of this subdivision on a
18.35 person's driving record.

19.1 Sec. 22. Minnesota Statutes 2005 Supplement, section 169.81, subdivision 3c, is
 19.2 amended to read:

19.3 Subd. 3c. **Recreational vehicle combination.** Notwithstanding subdivision 3, a
 19.4 recreational vehicle combination may be operated without a permit if:

19.5 (1) the combination does not consist of more than three vehicles, and the towing
 19.6 rating of the pickup truck is equal to or greater than the total weight of all vehicles
 19.7 being towed;

19.8 (2) the combination does not exceed 70 feet in length;

19.9 ~~(3) the middle vehicle in the combination does not exceed 28 feet in length;~~

19.10 ~~(4)~~ (3) the operator of the combination is at least 18 years of age;

19.11 ~~(5)~~ (4) the trailer carrying a watercraft, motorcycle, motorized bicycle, off-highway
 19.12 motorcycle, snowmobile, all-terrain vehicle, motorized golf cart, or equestrian equipment
 19.13 or supplies meets all requirements of law;

19.14 ~~(6)~~ (5) the trailers in the combination are connected to the pickup truck and each
 19.15 other in conformity with section 169.82; and

19.16 ~~(7)~~ (6) the combination is not operated within the seven-county metropolitan area,
 19.17 as defined in section 473.121, subdivision 2, during the hours of 6:00 a.m. to 9:00 a.m.
 19.18 and 4:00 p.m. to 7:00 p.m. on Mondays through Fridays.

19.19 Sec. 23. Minnesota Statutes 2004, section 169.824, as amended by Laws 2005, First
 19.20 Special Session chapter 1, article 4, section 36, is amended to read:

19.21 **169.824 GROSS WEIGHT SCHEDULE.**

19.22 Subdivision 1. **Table of axle weight limits.** (a) No vehicle or combination of
 19.23 vehicles equipped with pneumatic tires shall be operated upon the highways of this state
 19.24 where the total gross weight on any group of two or more consecutive axles of any vehicle
 19.25 or combination of vehicles exceeds that given in the following table for the distance
 19.26 between the centers of the first and last axles of any group of two or more consecutive
 19.27 axles under consideration; unless otherwise noted, the distance between axles being
 19.28 measured longitudinally to the nearest even foot, and when the measurement is a fraction
 19.29 of exactly one-half foot the next largest whole number in feet shall be used, except that
 19.30 when the distance between axles is more than three feet four inches and less than three
 19.31 feet six inches the distance of four feet shall be used:

19.32	Maximum gross weight in pounds on a group of		
19.33	2	3	4

	Distances in feet between centers of foremost and rearmost axles of a group	consecutive axles of a 2-axle vehicle or of any vehicle or combination of vehicles having a total of 2 or more axles	consecutive axles of a 3-axle vehicle or of any vehicle or combination of vehicles having a total of 3 or more axles	consecutive axles of a 4-axle vehicle or any combination of vehicles having a total of 4 or more axles
19.34				
19.35				
19.36				
19.37				
19.38				
19.39				
19.40				
20.1	4	34,000		
20.2	5	34,000		
20.3	6	34,000		
20.4	7	34,000	37,000	
20.5	8	34,000	38,500	
20.6	8 plus	34,000	42,000	
20.7		(38,000)		
20.8	9	35,000	43,000	
20.9		(39,000)		
20.10	10	36,000	43,500	49,000
20.11		(40,000)		
20.12	11	36,000	44,500	49,500
20.13	12		45,000	50,000
20.14	13		46,000	51,000
20.15	14		46,500	51,500
20.16	15		47,500	52,000
20.17	16		48,000	53,000
20.18	17		49,000	53,500
20.19	18		49,500	54,000
20.20	19		50,500	55,000
20.21	20		51,000	55,500
20.22	21		52,000	56,000
20.23	22		52,500	57,000
20.24	23		53,500	57,500
20.25	24		54,000	58,000
20.26	25		(55,000)	59,000
20.27	26		(55,500)	59,500
20.28	27		(56,500)	60,000
20.29	28		(57,000)	61,000
20.30	29		(58,000)	61,500
20.31	30		(58,500)	62,000
20.32	31		(59,500)	63,000
20.33	32		(60,000)	63,500
20.34	33			64,000
20.35	34			65,000
20.36	35			65,500
20.37	36			66,000
20.38	37			67,000
20.39	38			67,500
20.40	39			68,000

20.41	40	69,000
20.42	41	69,500
20.43	42	70,000
20.44	43	71,000
20.45	44	71,500
21.1	45	72,000
21.2	46	72,500
21.3	47	(73,500)
21.4	48	(74,000)
21.5	49	(74,500)
21.6	50	(75,500)
21.7	51	(76,000)

21.8 The maximum gross weight on a group of three consecutive axles where the distance
 21.9 between centers of foremost and rearmost axles is listed as seven feet or eight feet applies
 21.10 only to vehicles manufactured before August 1, 1991.

21.11 "8 plus" refers to any distance greater than eight feet but less than nine feet.

		Maximum gross weight in pounds on a group of		
		5	6	7
21.14	Distances in feet	consecutive axles	consecutive axles	consecutive axles
21.15	between centers	of a 5-axle vehicle	of a combination of	of a combination of
21.16	of foremost and	or any combination	vehicles having a	vehicles having a
21.17	rearmost axles of a	of vehicles having	total of 6 or more	total of 7 or more
21.18	group	a total of 5 or more	axles	axles
21.19		axles		
21.20	14	57,000		
21.21	15	57,500		
21.22	16	58,000		
21.23	17	59,000		
21.24	18	59,500		
21.25	19	60,000		
21.26	20	60,500	66,000	72,000
21.27	21	61,500	67,000	72,500
21.28	22	62,000	67,500	73,000
21.29	23	62,500	68,000	73,500
21.30	24	63,000	68,500	74,000
21.31	25	64,000	69,000	75,000
21.32	26	64,500	70,000	75,500
21.33	27	65,000	70,500	76,000
21.34	28	65,500	71,000	76,500
21.35	29	66,500	71,500	77,000
21.36	30	67,000	72,000	77,500
21.37	31	67,500	73,000	78,500
21.38	32	68,000	73,500	79,000
21.39	33	69,000	74,000	79,500
21.40	34	69,500	74,500	80,000
21.41	35	70,000	75,000	

21.42	36	70,500	76,000
21.43	37	71,500	76,500
21.44	38	72,000	77,000
21.45	39	72,500	77,500
21.46	40	73,000	78,000
22.1	41	(74,000)	79,000
22.2	42	(74,500)	79,500
22.3	43	(75,000)	80,000
22.4	44	(75,500)	
22.5	45	(76,500)	
22.6	46	(77,000)	
22.7	47	(77,500)	
22.8	48	(78,000)	
22.9	49	(79,000)	
22.10	50	(79,500)	
22.11	51	(80,000)	

22.12 The gross weights shown in parentheses in this table are permitted only on state trunk
 22.13 highways and routes designated under section 169.832, subdivision 11, and on routes
 22.14 designated as having maximum weight limit of nine tons per axle.

22.15 (b) Notwithstanding any lesser weight in pounds shown in this table but subject to
 22.16 the restrictions on gross vehicle weights in subdivision 2, paragraph (a), two consecutive
 22.17 sets of tandem axles may carry a gross load of 34,000 pounds each and a combined gross
 22.18 load of 68,000 pounds provided the overall distance between the first and last axles of
 22.19 the consecutive sets of tandem axles is 36 feet or more.

22.20 Subd. 2. **Gross vehicle weight of all axles.** (a) Notwithstanding the provisions
 22.21 of section 169.85, the gross vehicle weight of all axles of a vehicle or combination of
 22.22 vehicles ~~shall~~ must not exceed:

22.23 (1) 80,000 pounds for any vehicle or combination of vehicles on all state trunk
 22.24 highways as defined in section 160.02, subdivision 29, and for all routes designated ~~under~~
 22.25 ~~section 169.832, subdivision 11~~ as having a maximum weight limit of nine tons per axle;

22.26 (2) 88,000 pounds for any vehicle or combination of vehicles with six or more
 22.27 axles while exclusively engaged in hauling livestock on all state trunk highways other
 22.28 than interstate highways, if the vehicle has a permit under section 169.86, subdivision
 22.29 5, paragraph (k); or

22.30 (3) 73,280 pounds for any vehicle or combination of vehicles with five axles or less
 22.31 on all routes, other than state trunk highways and routes that are designated under section
 22.32 169.832, subdivision 11, ~~except that a vehicle needing reasonable access to a terminal or~~
 22.33 ~~facilities for food, fuel, repairs, and rest, located within three miles of a ten-ton route, may~~
 22.34 ~~not exceed 80,000 pounds. "Terminal" means any location where freight either originates,~~

22.35 ~~terminates, or is handled in the transportation process, or where commercial motor carriers~~
 22.36 ~~maintain operating facilities; and on routes designated as having a maximum weight~~
 22.37 ~~limit of nine tons per axle.~~

23.1 ~~(4) 80,000 pounds for any vehicle or combination of vehicles with six or more axles~~
 23.2 ~~on all routes, other than state trunk highways and routes that are designated under section~~
 23.3 ~~169.832, subdivision 11.~~

23.4 ~~(b) The maximum weights specified in this section for five consecutive axles shall~~
 23.5 ~~not apply to a four-axle ready-mix concrete truck which was equipped with a fifth axle~~
 23.6 ~~prior to June 1, 1981. The maximum gross weight on four or fewer consecutive axles of~~
 23.7 ~~vehicles excepted by this clause shall not exceed any maximum weight specified for four~~
 23.8 ~~or fewer consecutive axles in this section.~~

23.9 Sec. 24. Minnesota Statutes 2004, section 169.829, subdivision 2, is amended to read:

23.10 Subd. 2. **Tow truck.** Sections 169.822 to 169.828 do not apply to a tow truck or
 23.11 towing vehicle when towing a disabled or damaged vehicle damaged in such manner that
 23.12 the towed vehicle cannot be towed from the rear and, when the movement is temporary
 23.13 urgent, and when the movement is for the purpose of taking removing the disabled vehicle
 23.14 from the roadway to a place of safekeeping or to a place of repair.

23.15 Sec. 25. Minnesota Statutes 2004, section 169.86, is amended by adding a subdivision
 23.16 to read:

23.17 Subd. 8. **Tow truck.** A tow truck or towing vehicle, when towing a disabled or
 23.18 damaged vehicle to a place of repair or to a place of safekeeping, may exceed the length
 23.19 and weight limitations of this chapter, subject to a \$300 annual permit fee and such
 23.20 conditions as the commissioner may prescribe.

23.21 Sec. 26. Minnesota Statutes 2004, section 169.89, is amended by adding a subdivision
 23.22 to read:

23.23 Subd. 6. **Violation committed while operating mobile phone.** (a) A person
 23.24 convicted of a moving violation, which does not include a parking violation, a vehicle
 23.25 equipment violation, or a warning citation, who, during the commission of the violation,
 23.26 was communicating over a cellular or wireless telephone, is assessed an additional
 23.27 surcharge equal to the amount of the fine imposed for the moving violation, but not less
 23.28 than \$25.

23.29 (b) It is an affirmative defense against a charge of violating paragraph (a) that the
 23.30 mobile telephone was used for the purpose of contacting the following in response to
 23.31 an emergency:

- 23.32 (1) a first responder by use of a 911 or other emergency telephone number;
 23.33 (2) a hospital, clinic, or doctor's office;

- 23.34 (3) an ambulance service provider;
 23.35 (4) a fire department or law enforcement agency; or
 23.36 (5) a first aid squad.

24.1 Sec. 27. Minnesota Statutes 2004, section 171.01, subdivision 29, is amended to read:

24.2 Subd. 29. **Conviction.** The term "conviction" means a final conviction either after
 24.3 trial or upon a plea of guilty or nolo contendere accepted by the court. Also, a forfeiture
 24.4 of cash or collateral deposited to guarantee a defendant's appearance in court, which
 24.5 forfeiture has not been vacated; the failure to comply with a written notice to appear in
 24.6 court; ~~or~~ a breach of a condition of release without bail; or the payment of a fine or court
 24.7 cost, is equivalent to a conviction.

24.8 Sec. 28. Minnesota Statutes 2005 Supplement, section 171.05, subdivision 2b, is
 24.9 amended to read:

24.10 Subd. 2b. **Instruction permit use by person under age 18.** (a) This subdivision
 24.11 applies to persons who have applied for and received an instruction permit under
 24.12 subdivision 2.

24.13 (b) The permit holder may, with the permit in possession, operate a motor vehicle,
 24.14 but must be accompanied by and be under the supervision of a certified driver education
 24.15 instructor, the permit holder's parent or guardian, or another licensed driver age 21 or
 24.16 older. The supervisor must occupy the seat beside the permit holder.

24.17 (c) The permit holder may operate a motor vehicle only when every occupant under
 24.18 the age of ~~18~~ 15 has a seat belt or child passenger restraint system properly fastened
 24.19 according to sections 169.685 and 169.686. A person who violates this paragraph is
 24.20 subject to a fine of \$25. ~~A peace officer may not issue a citation for a violation of this~~
 24.21 ~~paragraph unless the officer lawfully stopped or detained the driver of the motor vehicle~~
 24.22 ~~for a moving violation as defined in section 171.04, subdivision 1~~ A passenger who is at
 24.23 least 15 years of age is subject to the requirements and penalty of section 169.686. The
 24.24 commissioner shall not record a violation of this paragraph on a person's driving record.

24.25 (d) The permit holder may not operate a vehicle while communicating over, or
 24.26 otherwise operating, a cellular or wireless telephone, whether handheld or hands free,
 24.27 when the vehicle is in motion. The permit holder may assert as an affirmative defense
 24.28 that the violation was made for the sole purpose of obtaining emergency assistance to
 24.29 prevent a crime about to be committed, or in the reasonable belief that a person's life
 30 or safety was in danger.

4.31 (e) The permit holder must maintain a driving record free of convictions for moving
 24.32 violations, as defined in section 171.04, subdivision 1, and free of convictions for violation
 24.33 of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53. If the permit

24.34 holder drives a motor vehicle in violation of the law, the commissioner shall suspend,
24.35 cancel, or revoke the permit in accordance with the statutory section violated.

25.1 Sec. 29. Minnesota Statutes 2005 Supplement, section 171.055, subdivision 2, is
25.2 amended to read:

25.3 Subd. 2. **Use of provisional license.** (a) A provisional license holder may operate a
25.4 motor vehicle only when every occupant under the age of ~~18~~ 15 has a seat belt or child
25.5 passenger restraint system properly fastened according to sections 169.685 and 169.686.
25.6 A person who violates this paragraph is subject to a fine of \$25. ~~A peace officer may not~~
25.7 ~~issue a citation for a violation of this paragraph unless the officer lawfully stopped or~~
25.8 ~~detained the driver of the motor vehicle for a moving violation as defined in section 171.04~~
25.9 A passenger who is at least 15 years of age is subject to the requirements and penalty of
25.10 section 169.686. The commissioner shall not record a violation of this paragraph on a
25.11 person's driving record.

25.12 (b) A provisional license holder may not operate a vehicle while communicating
25.13 over, or otherwise operating, a cellular or wireless telephone, whether handheld or
25.14 hands free, when the vehicle is in motion. The provisional license holder may assert
25.15 as an affirmative defense that the violation was made for the sole purpose of obtaining
25.16 emergency assistance to prevent a crime about to be committed, or in the reasonable belief
25.17 that a person's life or safety was in danger.

25.18 (c) If the holder of a provisional license during the period of provisional licensing
25.19 incurs (1) a conviction for a violation of section 169A.20, 169A.33, 169A.35, or sections
25.20 169A.50 to 169A.53, (2) a conviction for a crash-related moving violation as defined in
25.21 section 171.04, or (3) more than one conviction for a moving violation that is not crash
25.22 related, the person may not be issued a driver's license until 12 consecutive months have
25.23 expired since the date of the conviction or until the person reaches the age of 18 years,
25.24 whichever occurs first.

25.25 Sec. 30. Minnesota Statutes 2005 Supplement, section 171.07, subdivision 1, is
25.26 amended to read:

25.27 Subdivision 1. **License; contents.** (a) Upon the payment of the required fee, the
25.28 department shall issue to every qualifying applicant a license designating the type or class
25.29 of vehicles the applicant is authorized to drive as applied for. This license must bear a
25.30 distinguishing number assigned to the licensee; the licensee's full name, date of birth,
25.31 and residence address; the license class, endorsements, and restrictions imposed, if any;
25.32 a description of the licensee in a manner as the commissioner deems necessary; and the
25.33 usual signature of the licensee. No license is valid unless it bears the usual signature of

25.34 the licensee. Every license must bear a colored photograph or an electronically produced
25.35 image of the licensee.

25.36 (b) If the United States Postal Service will not deliver mail to the applicant's
25.37 residence address as listed on the license, then the applicant shall provide verification from
26.1 the United States Postal Service that mail will not be delivered to the applicant's residence
26.2 address and that mail will be delivered to a specified alternate mailing address. When an
26.3 applicant provides an alternate mailing address under this subdivision, the commissioner
26.4 shall use the alternate mailing address in lieu of the applicant's residence address for
26.5 all notices and mailings to the applicant.

26.6 (c) Every license issued to an applicant under the age of 21 must be of a
26.7 distinguishing color and plainly marked "Under-21."

26.8 (d) The department shall use processes in issuing a license that prohibit, as nearly as
26.9 possible, the ability to alter or reproduce a license, or prohibit the ability to superimpose a
26.10 photograph or electronically produced image on a license, without ready detection.

26.11 (e) A license issued to an applicant age 65 or over must be plainly marked "senior" if
26.12 requested by the applicant.

26.13 Sec. 31. Minnesota Statutes 2004, section 171.0701, is amended to read:

26.14 **171.0701 DRIVER EDUCATION; ORGAN AND TISSUE DONATION.**

26.15 The commissioner shall adopt rules requiring a minimum of 30 minutes of
26.16 instruction relating to organ and tissue donations and the provisions of section 171.07,
26.17 subdivision 5, for persons enrolled in driver education programs offered at public schools,
26.18 private schools, and commercial driver training schools.

26.19 Sec. 32. Minnesota Statutes 2004, section 171.14, is amended to read:

26.20 **171.14 CANCELLATION.**

26.21 (a) The commissioner shall have authority to may cancel any driver's license upon
26.22 determination that (1) the licensee was not entitled to the issuance thereof hereunder, or
26.23 that of the license, (2) the licensee failed to give the required or correct information in
26.24 the application, or and committed any fraud or deceit in making such the application.
26.25 The commissioner may also cancel the driver's license of any, or (3) the person who,
26.26 at the time of the cancellation, would not have been entitled to receive a license under
26.27 the provisions of section 171.04.

26.28 (b) The commissioner shall cancel the driver's license of a person described in
26.29 paragraph (a), clause (2), for 60 days or until the required or correct information has
6.30 been provided, whichever is longer.

26.31 Sec. 33. Minnesota Statutes 2005 Supplement, section 171.18, subdivision 1, is
26.32 amended to read:

26.33 Subdivision 1. **Offenses.** The commissioner may suspend the license of a driver
26.34 without preliminary hearing upon a showing by department records or other sufficient
5.35 evidence that the licensee:

27.1 (1) has committed an offense for which mandatory revocation of license is required
27.2 upon conviction;

27.3 (2) has been convicted by a court for violating a provision of chapter 169 or
27.4 an ordinance regulating traffic, other than a conviction for a petty misdemeanor, and
27.5 department records show that the violation contributed in causing an accident resulting in
27.6 the death or personal injury of another, or serious property damage;

27.7 (3) is an habitually reckless or negligent driver of a motor vehicle;

27.8 (4) is an habitual violator of the traffic laws;

27.9 (5) is incompetent to drive a motor vehicle as determined in a judicial proceeding;

27.10 (6) has permitted an unlawful or fraudulent use of the license;

27.11 (7) has committed an offense in another state that, if committed in this state, would
27.12 be grounds for suspension;

27.13 (8) has committed a violation of section 169.444, subdivision 2, paragraph (a),
27.14 within five years of a prior conviction under that section;

27.15 (9) has committed a violation of section 171.22, except that the commissioner may
27.16 not suspend a person's driver's license based solely on the fact that the person possessed a
27.17 fictitious or fraudulently altered Minnesota identification card;

27.18 (10) has failed to appear in court as provided in section 169.92, subdivision 4;

27.19 (11) has failed to report a medical condition that, if reported, would have resulted in
27.20 cancellation of driving privileges;

27.21 (12) has been found to have committed an offense under section 169A.33; or

27.22 (13) has paid or attempted to pay a fee required under this chapter for a license or
27.23 permit by means of a dishonored check issued to the state or a driver's license agent,
27.24 which must be continued until the registrar determines or is informed by the agent that the
27.25 dishonored check has been paid in full; or

27.26 (14) as owner of a vehicle whose taxes or fees required under chapter 168, 168A, or
27.27 297B were due, paid or attempted to pay, or had another person pay or attempt to pay, the
27.28 vehicle taxes or fees required under chapter 168, 168A, or 297B by means of a dishonored
27.29 personal check issued to the state or a deputy registrar, which must be continued until the
27.30 registrar determines or is informed by the deputy registrar that the dishonored check
27.31 has been paid in full.

27.32 However, an action taken by the commissioner under clause (2) or (5) must conform to
27.33 the recommendation of the court when made in connection with the prosecution of the
27.34 licensee.

27.35 Sec. 34. Minnesota Statutes 2004, section 173.08, is amended by adding a subdivision
27.36 to read:

28.1 Subd. 3. Advertising devices adjacent to roadway. (a) Except as otherwise
28.2 provided in this chapter, no advertising device may be erected or maintained within any
28.3 area adjacent to a road, as defined in section 160.02, except an advertising device that:

28.4 (1) does not exceed the size of 432 square inches, including border and trim, but
28.5 excluding base and supports;

28.6 (2) displays the name and telephone number of its owner;

28.7 (3) is located at a minimum distance of 20 feet from the edge of the road; and

28.8 (4) is erected and maintained for a maximum duration of six weeks in a calendar year.

28.9 (b) The owner of the advertising device, before erecting the device, shall obtain the
28.10 consent of the owner and lessee of the land on which the sign is erected and the owner and
28.11 lessee of adjacent land.

28.12 Sec. 35. Minnesota Statutes 2004, section 360.013, subdivision 39, is amended to read:

28.13 Subd. 39. Airport. "Airport" means any area of land or water, except a restricted
28.14 landing area, which is designed for the landing and takeoff of aircraft, whether or not
28.15 facilities are provided for the shelter, surfacing, or repair of aircraft, or for receiving or
28.16 discharging passengers or cargo, and all appurtenant areas used or suitable for airport
28.17 buildings or other airport facilities, including facilities described in section 116R.02,
28.18 subdivision 6, and all appurtenant rights-of-way, whether heretofore or hereafter
28.19 established. The operation and maintenance of airports is an essential public service.

28.20 Sec. 36. Minnesota Statutes 2004, section 360.017, subdivision 1, is amended to read:

28.21 Subdivision 1. Creation; authorized disbursements. (a) There is hereby created
28.22 a fund to be known as the state airports fund. The fund shall consist of all money
28.23 appropriated to it, or directed to be paid into it, by the legislature.

28.24 (b) The state airports fund shall be paid out on authorization of the commissioner
28.25 and shall be used:

28.26 (1) to acquire, construct, improve, maintain, and operate airports and other air
28.27 navigation facilities;

28 (2) to assist municipalities in the acquisition, construction, improvement, and
28.29 maintenance of airports and other air navigation facilities;

28.30 (3) to assist municipalities to initiate, enhance, and market scheduled air service at
 28.31 their airports;

28.32 (4) to promote interest and safety in aeronautics through education and information;
 28.33 and

29.1 (5) to pay the salaries and expenses of the Department of Transportation related to
 29.2 aeronautic planning, administration, and operation. All allotments of money from the state
 29.3 airports fund for salaries and expenses shall be approved by the commissioner of finance.
 29.4 A municipality that adopts a comprehensive plan that the commissioner finds is
 29.5 incompatible with the state aviation plan is not eligible for assistance from the state
 29.6 airports fund.

29.7 Sec. 37. Minnesota Statutes 2004, section 360.065, is amended by adding a subdivision
 29.8 to read:

29.9 Subd. 3. Disclosure of airport zoning regulations. Before accepting consideration
 29.10 or signing an agreement to sell or transfer real property that is located in safety zone A,
 29.11 B, or C under zoning regulations adopted by the governing body, the seller or transferor,
 29.12 whether executing the agreement in the seller or transferor's own right, or as executor,
 29.13 administrator, assignee, trustee, or otherwise by authority of law, must disclose in writing
 29.14 to the buyer or transferee the existence of airport zoning regulations that affect the real
 29.15 property.

29.16 Sec. 38. Minnesota Statutes 2004, section 473.386, subdivision 3, is amended to read:

29.17 Subd. 3. **Duties of council.** In implementing the special transportation service, the
 29.18 council shall:

29.19 (a) encourage participation in the service by public, private, and private nonprofit
 29.20 providers of special transportation currently receiving capital or operating assistance
 29.21 from a public agency;

29.22 (b) contract with public, private, and private nonprofit providers that have
 29.23 demonstrated their ability to effectively provide service at a reasonable cost;

29.24 (c) encourage individuals using special transportation to use the type of service
 29.25 most appropriate to their particular needs;

29.26 (d) ensure that all persons providing special transportation service receive equitable
 29.27 treatment in the allocation of the ridership;

29.28 (e) encourage shared rides to the greatest extent practicable;

29.29 (f) encourage public agencies that provide transportation to eligible individuals as a
 29.30 component of human services and educational programs to coordinate with this service
 29.31 and to allow reimbursement for transportation provided through the service at rates that
 29.32 reflect the public cost of providing that transportation;

29.33 (g) establish criteria to be used in determining individual eligibility for special
29.34 transportation services;

29.35 (h) consult with the Transportation Accessibility Advisory Committee in a timely
29.36 manner before changes are made in the provision of special transportation services,
30.1 including, but not limited to, changes in policies affecting the matters subject to hearing
30.2 under subdivision 2;

30.3 (i) provide for effective administration and enforcement of council policies and
30.4 standards; ~~and~~

30.5 (j) annually evaluate providers of special transportation service to ensure compliance
30.6 with the standards established for the program; and

30.7 (k) ensure that, taken as a whole including contracts with public, private, and private
30.8 nonprofit providers, the geographic coverage area of the special transportation service is
30.9 continuous within the boundaries of the transit taxing district, as defined as of March 1,
30.10 2006, in section 473.446, subdivision 2.

30.11 Sec. 39. Laws 2005, First Special Session chapter 6, article 3, section 109, is amended
30.12 to read:

30.13 Sec. 109. **EFFECTIVE DATE; EXPIRATION.**

30.14 Sections 91 to 98 are effective the day following final enactment and do not expire
30.15 ~~on June 10, 2006.~~

30.16 Sec. 40. **CHILD PASSENGER RESTRAINT LAW AWARENESS CAMPAIGN.**

30.17 The commissioner of public safety shall conduct a child passenger restraint law
30.18 awareness campaign by developing and distributing education materials, making public
30.19 service announcements through mass media throughout the state, and implementing other
30.20 education and awareness activities to educate the public about state laws concerning
30.21 child restraint in vehicles and to inform individuals in financial need how to obtain child
30.22 restraint systems at no cost.

30.23 Sec. 41. **SPECIFIC SERVICE SIGN.**

30.24 Notwithstanding any other law or administrative rule or order, the commissioner of
30.25 transportation, after being assured of adequate funding from nonstate sources, shall erect a
30.26 specific service sign on the east side of Marked Trunk Highway 52, near its intersection
30.27 with 37th Street NW in Olmsted County. The sign must display the name or business
30.28 panel, or both, of a retail establishment on the east side of Marked Trunk Highway 52
30.29 that began operation before construction of the noise wall on the east side of Marked
30.30 Trunk Highway 52, and the premises of which is blocked by the noise wall from view
30.31 from Marked Trunk Highway 52.

30.32 **Sec. 42. STUDY OF TRANSPORTATION LONG-RANGE SOLUTIONS.**

30.33 (a) The commissioner of transportation shall conduct a study to evaluate the current
30.34 and long-range needs of the state's transportation system, and investigate possible
30.35 strategies to meet these needs.

31.1 (b) The study must include, but is not limited to:

31.2 (1) evaluation of the current needs of the state's highway systems and bridges;

31.3 (2) analysis and quantification of the needs for the next 20 years of the state's
31.4 highway systems and bridges;

31.5 (3) comparison of estimates of revenues raised by current transportation funding
31.6 sources, with long-term needs of the state's transportation system;

31.7 (4) identification of options for maintenance and improvement of the state's
31.8 transportation system with specific reference to factors such as changes in vehicle fuel
31.9 economy, availability of alternative modes of transportation, and the nation's attempts to
31.10 decrease dependence on foreign oil;

31.11 (5) analysis of alternative pricing options utilized in other states, and their potential
31.12 for use, public acceptance, alleviation of congestion, and revenue generation in this
31.13 state; and

31.14 (6) identification of options for road pricing or other alternative financing
31.15 mechanisms, and estimates of implementation costs, user costs, and revenue.

31.16 (c) The commissioner shall report the results of the study to the legislature no later
31.17 than January 12, 2007.

31.18 **Sec. 43. REPORT ON GREATER MINNESOTA TRANSPORTATION NEEDS.**

31.19 The commissioner of transportation shall study public transportation needs in
31.20 greater Minnesota, and shall, no later than February 15, 2007, provide a written report
31.21 to the transportation committees of the senate and the house of representatives. The
31.22 commissioner shall comply in all respects with Minnesota Statutes, sections 3.195
31.23 and 3.197. The report must include an update of the 2001 greater Minnesota public
31.24 transportation plan, and a statement of the capital and operating costs needed to meet
31.25 greater Minnesota public transportation needs.

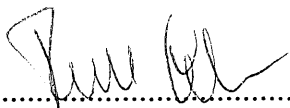
31.26 **Sec. 44. RULE CHANGE.**

31.27 Pursuant to Minnesota Statutes, section 14.388, the commissioner shall amend
31.28 Minnesota Rules, part 7411.0515, subpart 2, to provide that driver education programs
31.29 offered at public schools, private schools, and commercial driver training schools must
31.30 include a minimum of 30 minutes of instruction relating to organ and tissue donations and
31.31 the provisions of Minnesota Statutes, section 171.07, subdivision 5."

31.32 Amend the title accordingly

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

32.2
32.3


.....
(Committee Chair)

32.4
32.5

April 25, 2006
(Date of Committee recommendation)

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

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Senate

State of Minnesota

S.F. No. 2814 - as amended by Division, Reform of the Legislative Commission on Minnesota Resources

Author: Senator Dallas Sams

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Date: March 24, 2006

This bill contains recommendations from a legislatively mandated advisory task force that met during the 2005-06 interim to recommend changes in the structure and organization of the Legislative Commission on Minnesota Resources (LCMR). The principal changes include the addition of nonlegislative citizens to the commission and clarifying the use and importance of the strategic plan in making recommendations for appropriations from the Environment and Natural Resources Trust Fund (the "trust fund"). The new commission sunsets on June 30, 2016.

Section 1 [PUBLIC OFFICIAL.] amends the definition of public official to include the citizen members of the Legislative-Citizen Commission on Minnesota Resources created in this bill. This will make the citizen members of the commission subject to the requirements for public officials, such as investment disclosure.

Section 2 [COMMISSION.] redefines "commission" in Minnesota Statutes, chapter 116P, to mean the Legislative-Citizen Commission on Minnesota Resources. This name reflects the new membership of the commission.

Section 3 [TRUST FUND.] specifies that appropriations from the trust fund must be made in a law passed by the Legislature and signed by the Governor, and that amounts appropriated must be consistent with constitutional requirements and requirements of the strategic plan adopted by the commission.

Section 4 [AUDITS REQUIRED.] requires that the Legislative Auditor audit trust fund expenditures to ensure that they are consistent with the purposes for which the money was appropriated.

Section 5 [LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES.]

Subdivision 1 [MEMBERSHIP.] changes the membership of the new Legislative and Citizen Commission on Minnesota Resources by reducing it from 20 to 17 members, and reducing the number of legislative members from 20 to ten. The legislative membership includes chairs of the House and Senate Environment and Natural Resources Finance Committees or their designees; four members of the Senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration; and four members of the House appointed by the Speaker. At least two members from each body of the Legislature must be from the minority caucus in that body. Requires seven citizens to serve on the commission, including five appointed by the Governor and one each appointed by the Senate and the House. Establishes the qualifications for citizens who serve on the commission, including experience and expertise in relevant conservation and natural resource areas, and the ability to work in a collaborative environment. Authorizes the membership of the new commission to develop procedures to elect their chair, which must rotate between legislative and citizen members. This subdivision also establishes the initial terms for new citizen members of the commission and clarifies that citizen members are entitled to per diem and reimbursement as provided in Minnesota Statutes, section 15.059, subdivision 3. The governor's appointees must be confirmed by the Senate.

Subdivision 1a [CITIZEN SELECTION COMMITTEE.] requires the Governor to appoint a trust fund citizen selection committee consisting of five members who must identify citizen candidates for membership on the commission. The Governor is not required to make appointments from the list provided by this committee.

Subdivision 2 [DUTIES.] requires the new commission to recommend an annual bill containing appropriations from the trust fund. Specifies that the commission approval for the bill requires an affirmative vote of 12 members of the commission. This subdivision specifies that the new commission must follow certain operating procedures, including the participation of all members in all meetings related to funding decision recommendations and funding components for recommended projects.

Subdivision 3 [SUNSET.] sunsets the new commission on June 30, 2016.

Section 6 [INFORMATION GATHERING.] allows the commission to make use of a variety of methods to gather information from the public to establish priorities for funding.

Section 7 [STRATEGIC PLAN.] changes the use of the strategic plan in the funding process. Requires clear short- and long-term goals for expenditures and measurable outcomes. Requires the

commission to consider long-term strategic plans of state agencies with environmental programs during the developmental review of the plan.

Section 8 [LEGISLATIVE RECOMMENDATIONS.] specifically authorizes the new commission to recommend regional block grants to existing regional organizations with strong citizen involvement. Also allows the commission to recommend an annual emerging issues account for issues that come up unexpectedly, but still fit within the strategic plan for approval by the Governor after initiation and recommendation by the commission.

Section 9 [PUBLIC MEETINGS.] requires the commission to attempt to meet in various regions of the state during the biennium.

Section 10 [PEER REVIEW.] specifies that research proposals must include a focus that is directly related to the constitutional mandate for the trust fund and to the strategic plan adopted by the commission.

Section 11 [ADMINISTRATIVE AUTHORITY.] makes a technical change to delete a reference to the former citizens' advisory committee.

Section 12 [CONFLICT OF INTEREST.] makes technical changes to reflect the creation of the new technical advisory committees in section 13 of the bill.

Section 13 [TECHNICAL ADVISORY COMMITTEES.] authorizes the commission to use public and private expertise by appointing technical advisory committees as necessary to review funding proposals and evaluate project outcomes.

Section 14 [AVAILABILITY OF FUNDS.] makes a technical change to reflect the elimination of the former budget plan and to include the new requirement for a legislative bill to provide funding recommendations from the commission.

Section 15 [CONTINUITY.] specifies that the existing Legislative Commission on Minnesota Resources must continue to operate until the full membership of the new commission has been appointed, but in no event will the existing commission continue to function beyond August 15, 2006. Also specifies that existing staff will provide the same services to the new commission.

Section 16 [TRANSITION PROVISION FOR LEGISLATIVE MEMBERS.] Provides for initial legislative appointments to the new commission serving until January 2, 2007, or until their successors are appointed.

Section 17 [APPROPRIATION.] provides \$100,000 in fiscal year 2006 and \$450,000 in fiscal year 2007 to the new commission. This section also specifies that the fiscal year 2006 administrative budget for the existing commission is also for the successor commission.

Section 18 [APPROPRIATION; MINNESOTA RESOURCES.] appropriates almost \$3.5 million from the environment and natural resources trust fund for 2005 trust fund projects that were vetoed by the Governor.

Section 19 [REVISOR'S INSTRUCTION.] requires the Revisor to change the name of the existing Legislative Commission on Minnesota Resources to the new Legislative and Citizen Commission on Minnesota Resources.

Section 20 [REPEALERS.] repeals the existing statutes for the citizens' advisory committee to the LCMR and the June 30, 2006, sunset for the LCMR that was enacted in the 2005 session.

Section 21 [EFFECTIVE DATE.] makes the citizen selection committee appointment and interview process effective the day following enactment and the remainder of the bill effective June 1, 2006.

GK:dv

Fiscal Note – 2005-06 Session

Bill #: S2814-2E **Complete Date:** 04/19/06

Chief Author: SAMS, DALLAS

Title: LCMR RENAMED AND MODIFIED

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Legislature

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
Environment & Natural Resource Fund			615	615	615
Less Agency Can Absorb					
Environment & Natural Resource Fund			65		
Net Expenditures					
Environment & Natural Resource Fund			550	615	615
Revenues					
-- No Impact --					
Net Cost <Savings>					
Environment & Natural Resource Fund			550	615	615
Total Cost <Savings> to the State			550	615	615

	FY05	FY06	FY07	FY08	FY09 .
Full Time Equivalents					
Environment & Natural Resource Fund			1.00	1.00	1.00
Total FTE			1.00	1.00	1.00

Bill Description

Senate File 2814-2E changes the makeup and the responsibilities of the new Legislative-Citizen Commission on Minnesota Resources. Following is a brief summary of the changes proposed:

- 1) Membership. The commission membership is reduced from 20 legislators to 10 legislators and 7 citizens.
- 2) Citizen selection committee. A new citizen selection committee is created to identify, interview and recommend a pool of candidates to be considered for citizen membership to the Legislative and Citizen Commission on Minnesota Resources (LCCMR).
- 3) Duties. The commission's duties are modified. Most notable are the requirement to recommend an annual legislative bill, in place of a biennial bill, for Trust Fund appropriations and to recommend adequate funding for citizen outreach and communications for trust fund strategic planning.
- 4) Sunset. The bill provides that the commission will sunset on June 30, 2016, unless extended by the legislature.
- 5) Strategic plan. The bill proposes a strategic plan that must have stated short-term and long-term goals and strategies for trust fund expenditures, must provide measurable outcomes for expenditures, and must determine areas of emphasis for funding.
- 6) Technical advisory committees. The bill requires the commission to make use of technical advisory committees to review funding proposals and to evaluate project outcomes.
- 7) Repealer. The bill repeals the Citizen Advisory Committee as found in Minn.Stat. § 116P.06.

Assumptions

The bill does not propose changing the limit on the commission's administrative expenses. Pursuant to Minn.Stat. § 116P.09, subd. 5, commission administration of the trust fund may not exceed four percent of the amount available for appropriation of the trust fund for the biennium. For FY 06-07, the cap would equal approximately \$750,000 per year.

The estimated annual cost to staff and support the new LCCMR is approximately \$615,000 per year. The current LCMR budget is \$450,000. New additions to the budget include technical advisory committee meetings, member expenses, additional staffing, increased communication and outreach, increased planning and evaluation, and other activities.

The cost savings of the reduced membership (from 20 to 17) and the repealing of the citizen advisory committee are not expected to entirely offset the costs associated with a new citizen selection committee to be appointed by the Governor and the technical advisory committees (TAC) that will need to be established by the commission.

A budget for expenses for the TAC members is estimated to be approximately \$58,000. This is based on 7 committees, with 8 members meeting 7 times or about \$1,200 per meeting. Through prudent use of the remaining FY 06 budget and continued careful management of previously budgeted activities for FY 07, staff anticipates paying for this expenditure for FY 07 through reallocation of the FY 06 and FY 07 budgets.

The budget for LCCMR member per diem and travel is estimated to be \$50,000. This is an increase from the previous LCMR budget for these expenditures by approximately \$15,000 because the bill encourages full participation at all meetings and activities and expenses are rising. The previous budget estimated 65-70% attendance rate.

It is estimated that 5 FTE are needed to staff the new LCCMR. The current LCMR is staffed at 4 FTE. Previously (until spring 2003) the LCMR staff was comprised of 5 FTE. Through attrition, one position was left open due to budget constraints.

It is estimated that for FY 07, an additional \$100,000 will be needed for administration of the Trust Fund by the new LCCMR due to the increased level of activity for:

1. Communications and citizen outreach (these activities would be accomplished through professional-technical service contracts and/or the additional staff person);
2. Strategic planning;
3. Change in funding cycle - increased from biennial to annual;
4. Increased project evaluation.

For citizen outreach and communications, the LCCMR will need an additional staff person to coordinate this directive. This would involve:

1. More frequent, more extensive and more professional communication to engage citizens in planning for the Trust Fund;
2. More frequent and more targeted reporting on accomplishments and evaluation of project results;
3. Contracting with a qualified vendor to create a communications plan, an extensive job design and to assist in the hiring process.

To address the third item above, staff plans to issue an RFP and select a qualified contractor to develop and begin implementation of a communication plan and design the job that would eventually be filled. The goal would be to issue the RFP and develop the communication plan and job design by the end of 2006. A rough estimate of the cost of this work is \$50,000.

Assuming the contract work is completed, staff would anticipate hiring someone in early 2007. This note estimates a qualified candidate would command a salary in the \$60 - \$70K range per annum plus 22% fringe. The expenses for this activity would be roughly \$50,000 for FY 07.

It is anticipated that additional fiscal administration will be needed to pay citizen selection committee members and citizen technical advisory committee members for expenses. It is also assumed that additional work may be needed to track expenditures of each of these groups. These costs will be absorbed by LCC Fiscal Services. A fee of up to \$5,000 covering indirect costs charged by the Executive Branch reflecting legislative use of state accounting systems may be charged. These fees are not budgeted and would need to be absorbed by the LCCMR.

Section 4 of the bill requires the Legislative Auditor to audit trust fund expenditures to ensure money is spent for the purposes for which the money was appropriated. Because of lack of resources, the Legislative Auditor has not completed an audit of trust fund expenditures since October, 2000, covering 1997 trust fund appropriations. The commission may need to pay the Legislative Auditor's Office for those services. That work is not budgeted and would need to be absorbed by the LCCMR to the extent possible.

Section 16 of the bill appropriates \$450,000 from the Trust Fund to the Commission for administration. It is anticipated that an additional \$165,000 will be needed to support the work being proposed in this bill, of which \$65,000 will be absorbed in FY 07 through reallocations (see fourth paragraph under assumptions).

Expenditure and/or Revenue Formula

The commission's administrative expenses are likely to increase (see paragraph above); however, they are expected to stay within the statutory four percent cap of the amount available for appropriation of the trust fund for the biennium.

An appropriation of \$550,000 is required for FY 07 in addition to a reallocation of unspent FY 06 funds expected to approximate \$65,000.

Long-Term Fiscal Considerations

N/A

Local Government Costs

N/A

References/Sources

John Velin, Director, LCMR
Susan Thornton, Assistant Director, LCMR

FN Coord Signature: CHAD THUET

Date: 04/19/06 Phone: 296-1121

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: MARSHA BATTLES-JENKS

Date: 04/19/06 Phone: 296-8510

1.1 A bill for an act
1.2 relating to natural resources; modifying and renaming the Legislative
1.3 Commission on Minnesota Resources; adding citizens and making structural
1.4 changes; appropriating money; amending Minnesota Statutes 2004, sections
1.5 116P.02, subdivision 4; 116P.03; 116P.04, subdivision 5; 116P.05, as amended;
1.6 116P.07; 116P.08, subdivisions 3, 4, 5, 6; 116P.09, subdivisions 1, 6, by adding
1.7 a subdivision; 116P.11; Minnesota Statutes 2005 Supplement, section 10A.01,
1.8 subdivision 35; repealing Minnesota Statutes 2004, sections 116P.02, subdivision
1.9 2; 116P.06; Laws 2005, First Special Session chapter 1, article 2, section 156,
1.10 subdivision 2.

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

1.12 Section 1. Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35,
1.13 is amended to read:

1.14 Subd. 35. **Public official.** "Public official" means any:

1.15 (1) member of the legislature;

1.16 (2) individual employed by the legislature as secretary of the senate, legislative
1.17 auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or
1.18 attorney in the Office of Senate Counsel and Research or House Research;

1.19 (3) constitutional officer in the executive branch and the officer's chief administrative
1.20 deputy;

1.21 (4) solicitor general or deputy, assistant, or special assistant attorney general;

1.22 (5) commissioner, deputy commissioner, or assistant commissioner of any state
1.23 department or agency as listed in section 15.01 or 15.06, or the state chief information
1.24 officer;

1.25 (6) member, chief administrative officer, or deputy chief administrative officer of a
1.26 state board or commission that has either the power to adopt, amend, or repeal rules under
1.27 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

- 2.1 (7) individual employed in the executive branch who is authorized to adopt, amend,
 2.2 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- 2.3 (8) executive director of the State Board of Investment;
- 2.4 (9) deputy of any official listed in clauses (7) and (8);
- 2.5 (10) judge of the Workers' Compensation Court of Appeals;
- 2.6 (11) administrative law judge or compensation judge in the State Office of
 2.7 Administrative Hearings or referee in the Department of Employment and Economic
 2.8 Development;
- 2.9 (12) member, regional administrator, division director, general counsel, or operations
 2.10 manager of the Metropolitan Council;
- 2.11 (13) member or chief administrator of a metropolitan agency;
- 2.12 (14) director of the Division of Alcohol and Gambling Enforcement in the
 2.13 Department of Public Safety;
- 2.14 (15) member or executive director of the Higher Education Facilities Authority;
- 2.15 (16) member of the board of directors or president of Minnesota Technology, Inc.; ~~or~~
- 2.16 (17) member of the board of directors or executive director of the Minnesota State
 2.17 High School League; or
- 2.18 (18) a citizen member of the Legislative-Citizen Commission on Minnesota
 2.19 Resources.

2.20 Sec. 2. Minnesota Statutes 2004, section 116P.02, subdivision 4, is amended to read:

2.21 Subd. 4. **Commission.** "Commission" means the ~~Legislative~~ Legislative-Citizen
 2.22 Commission on Minnesota Resources.

2.23 Sec. 3. Minnesota Statutes 2004, section 116P.03, is amended to read:

2.24 **116P.03 TRUST FUND NOT TO SUPPLANT EXISTING FUNDING;**
 2.25 **APPROPRIATIONS.**

2.26 (a) The trust fund may not be used as a substitute for traditional sources of funding
 2.27 environmental and natural resources activities, but the trust fund shall supplement the
 2.28 traditional sources, including those sources used to support the criteria in section 116P.08,
 2.29 subdivision 1. The trust fund must be used primarily to support activities whose benefits
 2.30 become available only over an extended period of time.

2.31 (b) The commission must determine the amount of the state budget spent from
 2.32 traditional sources to fund environmental and natural resources activities before and after
 2.33 the trust fund is established and include a comparison of the amount in the report under
 2.34 section 116P.09, subdivision 7.

3.1 (c) For the fiscal year beginning July 1, 2007, and each year thereafter, the amount of
 3.2 the environment and natural resources trust fund that is available for appropriation under
 3.3 the terms of the Minnesota Constitution, article XI, section 14, shall be appropriated by a
 3.4 law passed by the legislature and signed by the governor.

3.5 (d) The amount appropriated from the environment and natural resources trust fund
 3.6 may be spent only for the public purpose of protection, conservation, preservation, and
 3.7 enhancement of the state's air, water, land, fish, wildlife, and other natural resources.
 3.8 Recommendations made by the commission under this chapter must be consistent with
 3.9 the Minnesota Constitution, article XI, section 14; chapter 116P; and the strategic plan
 3.10 adopted under section 116P.08, subdivision 3, and must demonstrate a direct benefit to the
 3.11 state's environment and natural resources.

3.12 Sec. 4. Minnesota Statutes 2004, section 116P.04, subdivision 5, is amended to read:
 3.13

3.14 Subd. 5. **Audits required.** The legislative auditor shall audit trust fund expenditures
 3.15 to ensure that the money is spent for the purposes ~~provided in the commission's budget~~
~~plan~~ for which the money was appropriated.

3.16 Sec. 5. Minnesota Statutes 2004, section 116P.05, as amended by Laws 2005, First
 3.17 Special Session chapter 1, article 2, section 135, is amended to read:

3.18 **116P.05 ~~LEGISLATIVE~~ LEGISLATIVE-CITIZEN COMMISSION ON**
 3.19 **MINNESOTA RESOURCES.**

3.20 Subdivision 1. **Membership.** (a) A ~~Legislative~~ Legislative-Citizen Commission on
 3.21 Minnesota Resources of ~~20~~ 17 members is created in the legislative branch, consisting
 3.22 ~~of the chairs of the house and senate committees on environment and natural resources~~
 3.23 ~~or designees appointed for the terms of the chairs~~; the chairs of the house and senate
 3.24 committees on environment and natural resources finance or designees appointed for
 3.25 the terms of the chairs, ~~the chairs of the house Ways and Means and Senate Finance~~
 3.26 ~~Committees or designees appointed for the terms of the chairs~~, ~~seven~~ four members of
 3.27 the senate appointed by the Subcommittee on Committees of the Committee on Rules
 3.28 and Administration, and ~~seven~~ four members of the house appointed by the speaker.
 3.29 Legislative members must have knowledge and expertise in the state's environment and
 3.30 natural resource issues across the various regions of the state.

3.31 At least ~~three~~ two members from the senate and ~~three~~ two members from the house
 3.32 must be from the minority caucus. Members are entitled to reimbursement for per diem
 3.33 expenses plus travel expenses incurred in the services of the commission.

4.1 Seven citizens are members of the commission, five appointed by the governor, one
4.2 appointed by the Senate Subcommittee on Committees of the Committee on Rules and
4.3 Administration, and one appointed by the speaker of the house. The citizen members
4.4 are selected and recommended to the appointing authorities according to subdivision
4.5 1a and must:

4.6 (1) have experience or expertise in the science, policy, or practice of the protection,
4.7 conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife,
4.8 and other natural resources;

4.9 (2) have strong knowledge in the state's environment and natural resource issues
4.10 around the state; and

4.11 (3) have demonstrated ability to work in a collaborative environment.

4.12 (b) Members shall ~~appoint~~ develop procedures to elect a chair ~~who~~ that rotates
4.13 between legislative and citizen members. The chair shall preside and convene meetings as
4.14 often as necessary to conduct duties prescribed by this chapter.

4.15 (c) Appointed legislative members shall serve on the commission ~~until their~~
4.16 successors are appointed for two-year terms, beginning in January of each odd-numbered
4.17 year and continuing through the end of December of the next even-numbered year. Citizen
4.18 and legislative members continue to serve until their successors are appointed.

4.19 (d) A citizen member may be removed by an appointing authority for cause.
4.20 Vacancies occurring on the commission shall not affect the authority of the remaining
4.21 members of the commission to carry out their duties, and vacancies shall be filled for the
4.22 remainder of the term in the same manner under paragraph (a).

4.23 (e) Citizen members shall be initially appointed according to the following schedule
4.24 of terms:

4.25 (1) two members appointed by the governor for a term ending the first Monday in
4.26 January 2010;

4.27 (2) one member appointed by the senate Subcommittee on Committees of the
4.28 Committee on Rules and Administration for a term ending the first Monday in January
4.29 2010 and one member appointed by the speaker of the house for a term ending the first
4.30 Monday in January 2010;

4.31 (3) two members appointed by the governor for a term ending the first Monday in
4.32 January 2009; and

4.33 (4) one member appointed by the governor for a term ending the first Monday in
4.34 January 2008.

4.35 (f) Citizen members are entitled to per diem and reimbursement for expenses
4.36 incurred in the services of the commission, as provided in section 15.059, subdivision 3.

5.1 Subd. 1a. Citizen selection committee. The governor shall appoint a trust fund
5.2 citizen selection committee of five to eight members who come from different regions
of the state and who have knowledge and experience of state environment and natural
5.4 resource issues.

5.5 The duties of the trust fund citizen selection committee shall be to:

5.6 (1) identify citizen candidates to be members of the commission as part of the open
5.7 appointments process under section 15.0597;

5.8 (2) request and review citizen candidate applications to be members of the
5.9 commission; and

5.10 (3) interview the citizen candidates and recommend an adequate pool of candidates
5.11 to be selected for commission membership by the governor, the senate, and the house
5.12 of representatives.

5.13 Members are entitled to travel expenses incurred to fulfill their duties under this
5.14 subdivision as provided in section 15.059, subdivision 6.

5.15 Subd. 2. Duties. (a) The commission shall recommend ~~a budget plan~~ an annual
5.16 legislative bill for ~~expenditures~~ appropriations from the environment and natural resources
5.17 trust fund and shall adopt a strategic plan as provided in section 116P.08. Approval of
5.18 the recommended legislative bill requires an affirmative vote of at least 12 members
5.19 of the commission.

5.20 (b) The commission shall recommend expenditures to the legislature from the state
5.21 land and water conservation account in the natural resources fund.

5.22 (c) It is a condition of acceptance of the appropriations made from the Minnesota
5.23 environment and natural resources trust fund, and oil overcharge money under section
5.24 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a
5.25 work program and semiannual progress reports in the form determined by the ~~Legislative~~
5.26 Legislative-Citizen Commission on Minnesota Resources, and comply with applicable
5.27 reporting requirements under section 116P.16. None of the money provided may be spent
5.28 unless the commission has approved the pertinent work program.

5.29 (d) The peer review panel created under section 116P.08 must also review, comment,
5.30 and report to the commission on research proposals applying for an appropriation from the
5.31 oil overcharge money under section 4.071, subdivision 2.

5.32 (e) The commission may adopt operating procedures to fulfill its duties under
5.33 chapter 116P.

(f) As part of the operating procedures, the commission shall:

5.35 (1) ensure that members' expectations are to participate in all meetings related to
5.36 funding decision recommendations;

6.1 (2) recommend adequate funding for increased citizen outreach and communications
6.2 for trust fund expenditure planning;

6.3 (3) allow administrative expenses as part of individual project expenditures based
6.4 on need;

6.5 (4) provide for project outcome evaluation;

6.6 (5) keep the grant application, administration, and review process as simple as
6.7 possible; and

6.8 (6) define and emphasize the leveraging of additional sources of money that project
6.9 proposers should consider when making trust fund proposals.

6.10 Subd. 3. Sunset. This section expires June 30, 2016, unless extended by the
6.11 legislature.

6.12 Sec. 6. Minnesota Statutes 2004, section 116P.07, is amended to read:

6.13 **116P.07 INFORMATION GATHERING.**

6.14 The commission may convene public forums or employ other methods to gather
6.15 information for establishing priorities for funding.

6.16 Sec. 7. Minnesota Statutes 2004, section 116P.08, subdivision 3, is amended to read:

6.17 Subd. 3. **Strategic plan required.** (a) The commission shall adopt a strategic
6.18 plan for making expenditures from the trust fund, including identifying the priority
6.19 areas for funding for the next six years. The strategic plan must be ~~updated~~ reviewed
6.20 every two years. ~~The plan is advisory only. The commission shall submit the plan, as a~~
6.21 ~~recommendation, to the house of representatives Ways and Means and senate Finance~~
6.22 ~~Committees by January 1 of each odd-numbered year.~~ The strategic plan must have clearly
6.23 stated short- and long-term goals and strategies for trust fund expenditures, must provide
6.24 measurable outcomes for expenditures, and must determine areas of emphasis for funding.

6.25 (b) The commission ~~may accept or modify the draft of the strategic plan submitted~~
6.26 ~~to it by the advisory committee before voting on the plan's adoption~~ shall consider the
6.27 long-term strategic plans of agencies with environment and natural resource programs
6.28 and responsibilities and plans of conservation and environmental organizations during the
6.29 development and review of the strategic plan.

6.30 Sec. 8. Minnesota Statutes 2004, section 116P.08, subdivision 4, is amended to read:

6.31 Subd. 4. ~~Budget plan~~ **Legislative recommendations.** (a) Funding may be provided
6.32 only for those projects that meet the categories established in subdivision 1.

7.1 (b) ~~Projects submitted to the commission for funding may be referred to the advisory~~
7.2 ~~committee for recommendation.~~

(c) ~~The commission must adopt a budget plan~~ recommend an annual legislative bill
7.4 to make expenditures appropriations from the trust fund for the purposes provided in
7.5 subdivision 1. The budget plan recommendations must be submitted to the governor for
7.6 inclusion in the biennial budget and supplemental budget submitted to the legislature.

(c) The commission may recommend regional block grants for a portion of trust
7.8 fund expenditures to partner with existing regional organizations that have strong citizen
7.9 involvement, to address unique local needs and capacity, and to leverage all available
7.10 funding sources for projects.

(d) The commission may recommend the establishment of an annual emerging
7.12 issues account in its annual legislative bill for funding emerging issues, which come up
7.13 unexpectedly, but which still adhere to the commission's strategic plan, to be approved by
7.14 the governor after initiation and recommendation by the commission.

~~(d)~~ (e) Money in the trust fund may not be spent except under an appropriation
7.16 by law.

7.17 Sec. 9. Minnesota Statutes 2004, section 116P.08, subdivision 5, is amended to read:

7.18 Subd. 5. **Public meetings.** ~~All~~ Technical advisory committee and commission
7.19 meetings must be open to the public. The commission shall attempt to meet ~~at least once~~
7.20 ~~in each of the state's congressional districts~~ throughout various regions of the state during
7.21 each biennium.

Sec. 10. Minnesota Statutes 2004, section 116P.08, subdivision 6, is amended to read:

7.23 Subd. 6. **Peer review.** (a) Research proposals must include a stated purpose directly
7.24 connected to the trust fund's constitutional mandate, chapter 116P, and the adopted
7.25 strategic plan under subdivision 3, a timeline, potential outcomes, and an explanation of
7.26 the need for the research. All research proposals must be reviewed by a peer review
7.27 panel before receiving an appropriation.

7.28 (b) In conducting research proposal reviews, the peer review panel shall:

7.29 (1) comment on the methodology proposed and whether it can be expected to yield
7.30 appropriate and useful information and data;

7.31 (2) comment on the need for the research and about similar existing information
available, if any; and

7.32 (3) report to the commission ~~and advisory committee~~ on clauses (1) and (2).

8.1 (c) The peer review panel also must review completed research proposals that have
8.2 received an appropriation and comment and report upon whether the project reached
8.3 the intended goals.

8.4 Sec. 11. Minnesota Statutes 2004, section 116P.09, subdivision 1, is amended to read:

8.5 Subdivision 1. **Administrative authority.** The commission may appoint legal
8.6 and other personnel and consultants necessary to carry out functions and duties of the
8.7 commission. Permanent employees shall be in the unclassified service. In addition,
8.8 the commission may request staff assistance and data from any other agency of state
8.9 government as needed for the execution of the responsibilities of the commission ~~and~~
8.10 ~~advisory committee~~ and an agency must promptly furnish it.

8.11 Sec. 12. Minnesota Statutes 2004, section 116P.09, subdivision 6, is amended to read:

8.12 Subd. 6. **Conflict of interest.** A commission member, a technical advisory
8.13 committee member, a peer review panelist, or an employee of the commission may not
8.14 participate in or vote on a decision of the commission, advisory committee, or peer
8.15 review panel relating to an organization in which the member, panelist, or employee has
8.16 either a direct or indirect personal financial interest. While serving on the legislative
8.17 commission, technical advisory committee, or peer review panel, or being an employee of
8.18 the commission, a person shall avoid any potential conflict of interest.

8.19 Sec. 13. Minnesota Statutes 2004, section 116P.09, is amended by adding a subdivision
8.20 to read:

8.21 Subd. 8. **Technical advisory committees.** The commission shall make use of
8.22 available public and private expertise on environment and natural resource issues by
8.23 appointing necessary technical advisory committees to review funding proposals and
8.24 evaluate project outcomes. Compensation for technical advisory committee members is
8.25 governed by section 15.059, subdivision 6.

8.26 Sec. 14. Minnesota Statutes 2004, section 116P.11, is amended to read:

8.27 **116P.11 AVAILABILITY OF FUNDS FOR DISBURSEMENT.**

8.28 (a) The amount ~~biennially~~ annually available from the trust fund for the ~~budget plan~~
8.29 legislative bill developed by the commission is as defined in the Minnesota Constitution,
8.30 article XI, section 14.

8.31 (b) Any appropriated funds not encumbered in the biennium in which they are
8.32 appropriated cancel and must be credited to the principal of the trust fund.

9.1 **Sec. 15. CONTINUITY.**

9.2 (a) The Legislative Commission on Minnesota Resources shall continue to operate
9.3 until the full membership of the Legislative-Citizen Commission on Minnesota Resources
9.4 is appointed under section 5, but no later than August 15, 2006.

9.5 (b) The staff of the Legislative Commission on Minnesota Resources shall provide
9.6 administrative and professional services to the Legislative-Citizen Commission on
9.7 Minnesota Resources, as provided in Minnesota Statutes, section 15.039, subdivision 7.

9.8 **Sec. 16. TRANSITION PROVISIONS FOR LEGISLATIVE MEMBERS.**

9.9 Legislative members initially appointed to the Legislative-Citizen Commission on
9.10 Minnesota Resources serve through January 2, 2007, or for those who are still legislators
9.11 in January 2007, until their successors are appointed.

9.12 **Sec. 17. APPROPRIATION.**

9.13 (a) \$450,000 in fiscal year 2007 is appropriated from the environment and natural
9.14 resources trust fund to the Legislative-Citizen Commission on Minnesota Resources for
9.15 administration, as provided in Minnesota Statutes, section 116P.09, subdivision 5.

9.16 (b) The fiscal year 2006 administrative budget under Laws 2005, First Special
9.17 Session chapter 1, article 2, section 11, subdivision 3, is for the Legislative Commission
9.18 on Minnesota Resources or its successor commission, as provided in Minnesota Statutes,
9.19 section 15.039, subdivision 6.

9.20 **Sec. 18. REVISOR'S INSTRUCTION.**

9.21 The revisor of statutes shall change the term "Legislative Commission on Minnesota
9.22 Resources" to "Legislative-Citizen Commission on Minnesota Resources" wherever it
9.23 appears in Minnesota Statutes and Minnesota Rules.

9.24 **Sec. 19. REPEALER.**

9.25 Minnesota Statutes 2004, sections 116P.02, subdivision 2; and 116P.06; and Laws
9.26 2005, First Special Session chapter 1, article 2, section 156, subdivision 2, are repealed.

9.27 **Sec. 20. EFFECTIVE DATE.**

9.28 Sections 1 to 4; 5, subdivisions 1, 2, and 3; and 6 to 19, are effective June 1, 2006.
Section 5, subdivision 1a, is effective the day following final enactment.

APPENDIX
Repealed Minnesota Statutes: s2814-2

116P.02 DEFINITIONS.

Subd. 2. **Advisory committee.** "Advisory committee" means the advisory committee created in section 116P.06.

116P.06 ADVISORY COMMITTEE.

Subdivision 1. **Membership.** (a) An advisory committee of 11 citizen members shall be appointed by the governor to advise the Legislative Commission on Minnesota Resources on project proposals to receive funding from the trust fund and the development of budget and strategic plans. The governor shall appoint at least one member from each congressional district. The members shall elect the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575. Notwithstanding section 15.059, subdivision 5, or other law to the contrary, the advisory committee does not expire.

Subd. 2. **Duties.** (a) The advisory committee shall:

(1) prepare and submit to the commission a draft strategic plan to guide expenditures from the trust fund;

(2) review the reinvest in Minnesota program during development of the draft strategic plan;

(3) gather public input during development of the draft strategic plan;

(4) advise the commission on project proposals to receive funding from the trust fund; and

(5) advise the commission on development of the budget plan.

(b) The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether the projects:

(1) meet the standards and funding categories set forth in sections 116P.01 to 116P.12;

(2) duplicate existing federal, state, or local projects being conducted within the state; and

(3) are consistent with the most recent strategic plan adopted by the commission.

1.1 To: Senator Cohen, Chair

1.2 Committee on Finance

1.3 Senator Sams,

1.4 Chair of the Environment, Agriculture and Economic Development Budget
1.5 Division, to which was referred

1.6 **S.F. No. 2814:** A bill for an act relating to natural resources; modifying and
1.7 renaming the Legislative Commission on Minnesota Resources; adding citizens and
1.8 making structural changes; appropriating money; amending Minnesota Statutes 2004,
1.9 sections 116P.02, subdivision 4; 116P.03; 116P.04, subdivision 5; 116P.05, as amended;
1.10 116P.07; 116P.08, subdivisions 3, 4, 5, 6; 116P.09, subdivisions 1, 6, by adding a
1.11 subdivision; 116P.11; Minnesota Statutes 2005 Supplement, section 10A.01, subdivision
1.12 35; repealing Minnesota Statutes 2004, sections 116P.02, subdivision 2; 116P.06; Laws
1.13 2005, First Special Session chapter 1, article 2, section 156, subdivision 2.

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

1.15 Page 3, delete lines 29 and 30

1.16 Page 4, after line 36, insert:

1.17 "(g) The governor's appointees must be confirmed with the advice and consent
1.18 of the senate."

1.19 Page 5, line 2, delete "to eight"

1.20 Page 7, line 24, delete "chapter 116P" and insert "this chapter"

1.21 Page 9, line 13, delete "\$450,000 in fiscal year 2007 is" and insert "\$100,000 in
1.22 fiscal year 2006 and \$450,000 in fiscal year 2007 are"

1.23 Page 9, line 15, after the period, insert "The appropriation in fiscal year 2006 is
1.24 available for the second year of the biennium."

1.25 Page 9, line 16, after "under" and insert "this section and"

1.26 Page 9, after line 19, insert:

1.27 "(c) Administrative expenses saved through the elimination of the citizens advisory
1.28 committee may be used for administration of the Legislative Commission on Minnesota
1.29 Resources or its successor commission."

1.30 Page 9, before line 20, insert:

1.31 "Sec. 18. APPROPRIATIONS; MINNESOTA RESOURCES.

1.32 Subdivision 1. General. Unless otherwise specified, the amounts appropriated
1.33 under this section are from the environment and natural resources trust fund and added
1.34 to the appropriations in Laws 2005, First Special Session chapter 1, article 2, section 11.
1.35 Unless otherwise provided, the amounts appropriated in this section are available until
1.36 June 30, 2008, when projects must be completed and final products delivered.

1.37 Subd. 2. Environmental problem-solving model for Twin Cities schools. \$38,000
1.38 in fiscal year 2006 and \$37,000 in fiscal year 2007 are appropriated to the commissioner
1.39 of natural resources for an agreement with Eco Education to train high school students and
1.40 teachers on environmental problem solving.

2.1 Subd. 3. Enhancing civic understanding of groundwater. \$75,000 in fiscal
2.2 year 2006 and \$75,000 in fiscal year 2007 are appropriated to the Science Museum
2.3 of Minnesota to create groundwater exhibits and a statewide traveling groundwater
2.4 classroom program. This appropriation is available until June 30, 2009, at which time
2.5 the project must be completed and final products delivered, unless an earlier date is
2.6 specified in the work program.

2.7 Subd. 4. Phillips biomass community energy system. \$450,000 in fiscal year 2006
2.8 and \$450,000 in fiscal year 2007 are appropriated to the commissioner of commerce for
2.9 an agreement with Phillips Community Energy Cooperative to assist in the distribution
2.10 system equipment and construction costs for a biomass district energy system. This
2.11 appropriation is contingent on all appropriate permits being obtained and a signed
2.12 commitment of financing for the biomass electrical generating facility being in place.

2.13 Subd. 5. Laurentian Energy Authority biomass project. \$233,000 in fiscal year
2.14 2006 and \$233,000 in fiscal year 2007 are appropriated to the commissioner of commerce
2.15 for an agreement with Virginia Public Utility to lease land and plant approximately 1,000
2.16 acres of trees to support a proposed conversion to a biomass power plant.

2.17 Subd. 6. Planning for economic development via energy independence.
2.18 \$120,000 in fiscal year 2006 and \$120,000 in fiscal year 2007 are appropriated to the
2.19 commissioner of commerce for an agreement with the University of Minnesota-Duluth
2.20 to evaluate the socioeconomic benefits of statewide and community renewable energy
2.21 production and distribution by analyzing system installation, technical capabilities,
2.22 cost-competitiveness, economic impacts, and policy incentives.

2.23 Subd. 7. Land cover mapping for natural resource protection. \$125,000 in
2.24 fiscal year 2006 and \$125,000 in fiscal year 2007 are appropriated to the commissioner
2.25 of natural resources for an agreement with Hennepin County to develop geographic
2.26 information system tools for prioritizing natural areas for protection and restoration and to
2.27 update and complete land cover classification mapping.

2.28 Subd. 8. Upgrades to Blue Heron research vessel. \$133,000 in fiscal year
2.29 2006 and \$134,000 in fiscal year 2007 are appropriated to the Board of Regents of the
2.30 University of Minnesota for the Large Lakes Observatory to upgrade and overhaul the
2.31 Blue Heron research vessel. \$28,000 in fiscal year 2007 from the Great Lake protection
2.32 account under Minnesota Statutes, section 116Q.02, is appropriated to the Board of
2.33 Regents for the same purpose.

2.34 Subd. 9. Green roof cost share and monitoring. \$175,000 in fiscal year 2006 and
2.35 \$175,000 in fiscal year 2007 are appropriated to the Board of Water and Soil Resources
2.36 for an agreement with Ramsey Conservation District to install green, vegetated roofs on

3.1 four commercial or industrial buildings in Roseville and Falcon Heights and to monitor
 3.2 their effectiveness for storm water management, flood reduction, water quality, and energy
 3.3 efficiency. The cost of the installations must be matched by at least 50 percent nonstate
 3.4 money.

3.5 Subd. 10. Climate change impacts on Minnesota's aquatic resources. \$125,000
 3.6 in fiscal year 2006 and \$125,000 in fiscal year 2007 are appropriated to the Board of
 3.7 Regents of the University of Minnesota for the Natural Resources Institute to quantify
 3.8 climate, hydrologic, and ecological variability and trends and identify indicators of future
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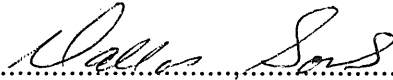
3.12 Subd. 11. Land exchange revolving fund for Aitkin, Cass, and Crow Wing
 3.13 counties. \$250,000 in fiscal year 2006 and \$250,000 in fiscal year 2007 are appropriated
 3.14 to the commissioner of natural resources for an agreement with Aitkin County for a
 3.15 six-year revolving loan fund to improve public and private land ownership patterns,
 3.16 increase management efficiency, and protect critical habitat in Aitkin, Cass, and Crow
 3.17 Wing Counties. By June 30, 2011, Aitkin County shall repay the \$500,000 to the
 3.18 commissioner of finance for deposit in the environment and natural resources trust fund."

3.19 Page 9, line 28, delete "19" and insert "20"

3.20 Renumber the sections in sequence

3.21 Amend the title accordingly

3.22 And when so amended that the bill be recommended to pass and be referred to
 3.23 the full committee.

3.24 
 3.25 (Division Chair)

3.26 March 28, 2006 3/30/06
 3.27 (Date of Division action)

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

1.2 **S.F. No. 2814:** A bill for an act relating to natural resources; modifying and
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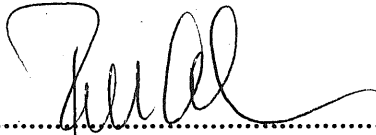
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3.15 Page 9, line 28, delete "19" and insert "20"

3.16 Renumber the sections in sequence

3.17 Amend the title accordingly

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

3.19 
3.20 (Committee Chair)

3.21 April 25, 2006
3.22 (Date of Committee recommendation)

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

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
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DIRECTOR

Senate

State of Minnesota

S.F. No. 2852 - Forestry Lands and Minerals Policy Bill

Author: Senator Tom Saxhaug

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

Date: April 20, 2006

OVERVIEW

S.F. No. 2852 is an agency bill from the Department of Natural Resources (DNR) designed to allow the DNR to streamline administrative procedures in various service areas. The bill has been referred to the State and Local Government Operations Committee because section 4 of the bill would allow the Commissioner of Natural Resources to establish fees for certain recreational uses of state forest lands. The bill exempts those fees from the rulemaking provisions of Chapter 14.

SECTIONS

Section 1. AUTHORITY. allows the DNR to reimburse appraisal costs to donors of land or interests in land.

Section 2. ACQUISITION OF LAND FOR FACILITIES. allows the DNR Commissioner to acquire land or interests in land outside of the boundaries of state parks if the interests in land are needed for management of the parks.

Section 3. EMPLOYMENT OF COMPETENT FORESTERS. clarifies that the forest management services provided to private landowners under Minnesota Statutes, section 88.79, include tree-planting equipment and written stewardship and forest management plans.

Section 4. USES OF STATE FOREST LANDS; FEES. authorizes the Commissioner of Natural Resources, by written order, to establish fees for the use of state forest lands, including various recreational uses. This authority is exempt from the rulemaking provisions of Chapter 14, and from other provisions that would ordinarily apply to exempt rules. Proceeds from fees collected under this authority must be deposited in the Natural Resources Fund.

Sections 5 to 9. TIMBER SALES. make changes to the state's timber sales program designed to improve effectiveness and efficiency.

Section 10. EXPLORATORY BORING. names additional minerals covered by the exploratory borings law, which require appropriate abandonment of exploration drill holes to protect groundwater.

Section 11. REPEALER. repeals certain outdated elements of the statewide forest resource planning requirements.

TSB:rdr

Fiscal Note – 2005-06 Session

Bill #: S2852;3E **Complete Date:** 04/12/06

Chief Author: SAXHAUG, TOM

Title: DNR STATE LANDS BILL

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings	X	
Tax Revenue		X

Agency Name: Natural Resources Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
Land Aquisition Fund			45	45	45
Less Agency Can Absorb					
Land Aquisition Fund			45	45	45
Net Expenditures					
Land Aquisition Fund			0	0	0
Revenues					
New Fund		15	15	15	15
General Fund			11	7	
Forest Management Investment Fund			730	487	
Misc Special Revenue Fund		15	229	164	35
Permanent School Fund			205	137	
Net Cost <Savings>					
New Fund		(15)	(15)	(15)	(15)
General Fund			(11)	(7)	
Land Aquisition Fund			0	0	0
Forest Management Investment Fund			(730)	(487)	
Misc Special Revenue Fund		(15)	(229)	(164)	(35)
Permanent School Fund			(205)	(137)	
Total Cost <Savings> to the State		(30)	(1,190)	(810)	(50)

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

Section 1 of this bill gives the commissioner of natural resources discretionary authority to compensate the donor of land for the cost of conducting an appraisal of the land's value. The compensation could be up to \$5000 for a complete donation or up to \$1500 for a partial donation. The appraisal would be conducted by a certified appraiser familiar with the federal IRS guidelines pertaining to the donation of real estate.

Section 2, allows the DNR to purchase interests in lands outside the boundaries of a state park when such land is needed for facilities necessary for park operation (such as easements for roads, public water lines, and power lines). Costs are not able to be determined at this time.

Section 3, directs that the proceeds from the future sale of stockpiled material will be directed back to the dedicated accounts from which the purchase of the stockpiled material originated. The DNR is in the process of purchasing stockpiled rock and lean ore from the City of Virginia, MN. located on land within the Iron Range Off-highway Vehicle Recreation Area. The anticipated cost of the stockpiled material is \$330,000. Money for the purchase will come from dedicated accounts within the Natural Resources Fund and is already appropriated for this purpose. At a future date the stockpiled material is expected to be sold to a mining company located in the vicinity of the stockpile. The price of that sale will be negotiated at the time of the sale.

Section 4, clarifies that tree-planting activities and written stewardship/forest management plans are necessary services to promote maximum sustained use of private forest lands and the fees collected by the DNR for these services are deposited in the Special Revenue Fund as directed in Minn. Stat. Chapter 88.79, subd. 2.

Section 5, allow fees to be collected from permits and performance bonds required to hold special events on state forest lands. These fees are used to pay for the costs of developing, operating, and maintaining facilities necessary for special events and to prevent or mitigate resource impacts of those events, especially to forest roads.

Section 6, amends Minn. Stat. Chapter 90.14 to improve the effectiveness and efficiency of the state's timber sales program by reducing the state's exposure to financial risks from permit default by requiring a larger initial deposit (or bid guarantee).

Section 11, adds to the definition of the types of exploration drilling for which abandonment of drill holes is required to protect ground water. No additional costs will be incurred by the DNR, since inspection of drill sites is already occurring as part of an existing inspection program.

Section 12, approves the consumptive use of water from a basin located in Itasca County to exceed 2,000,000 gallons per day average, provided the commissioner of natural resources determines that water remaining in the basin will be adequate to meet the basin's needs. There is no fiscal impact associated with this section.

Assumptions

Section 1: The DNR has averaged about 28 donations per year over the last few years. In the past only a few donors have requested assistance in determining the value of their donations. For the purposes of this Fiscal Note it is assumed that half the donors (14) will ask for compensation.

Section 4: The fees collected for tree-planting activities and written stewardship/forest management plans will annually bring in approximately \$35,000 to the Special Revenue Fund (\$15,000 for tree-planting equipment rental, \$20,000 for written stewardship/forest management plans).

Section 5: The fees collected for special event permits will annually bring in approximately \$15,000 to a forest land-use account in the Natural Resources Fund. Estimate \$5,000 for permits and \$10,000 for performance bonds.

Section 6: Implementation of the proposed Bid Guarantee Payment will result in a one-time shift forward of revenues from future years to the present by requiring an increased initial deposit on timber sales. Implementation will be phased in over two fiscal years—60% in the first year (FY07) and 40% in the second year (FY08). The implementation period in FY07 will allow for computer system changes and Attorney General's Office approval of permit terms and conditions. The shifted revenues will be split approximately as follows: 1% to the General Fund, 64% to the Forest Management Investment Account (FMIA) in the Natural Resources Fund, 17% to the Special Revenue Fund, and 18% to the Permanent School Trust Fund.

Expenditure and/or Revenue Formula

Section 1: The average maximum cost of an appraisal for the two types of donations is equal to $(\$5,000 + \$1,500) / 2 = \$3,250$ per appraisal. The maximum cost of the 14 appraisals per year at \$3,250 per appraisal would cost \$45,500 (rounded to \$45,000 per year). The cost of providing this compensation will be absorbed by the DNR as part of the normal costs associated with land acquisition.

Section 4: The \$15,000 for tree-planting equipment rental is an estimate based on previous years' rental revenues. Depositing these revenues in the Special Revenue Fund will begin in FY06. The \$20,000 for writing stewardship/forest management plans is based on \$200/plan x 100 plans. Depositing these revenues in the Special Revenue Fund will begin in FY07.

Section 5: The estimated \$5,000 collected annually for special event permits is based on a total of 45 permits issued each year. The cost of a special event permit will be established using a fee schedule (some permits will cost \$20, while others could be \$200). This fee schedule will take into account what the event is (dog sled race, road rally, etc.), how many participants there will be, how much state forest land will be affected (is the event held in one spot or a race that goes for miles?), what possible impact to the forest land will it have, etc. The estimated \$10,000 collected annually in performance bonds is based on total collected for two to three events each year. A performance bond is collected for large events such as a road rally where the forest roads used for the event need repair and maintenance when the event is finished. A performance bond from \$2,500 to \$5,000 can be requested. Depositing these revenues in a forest land-use account in the Natural Resources Fund will begin in FY06.

Section 6:

- Based on FY05 data, there are approximately 800,000 cords of wood sold per year at \$41 per cord = \$32,800,000 per year
- \$32,800,000 annual income x 0.70 (30% of sales are 100% surety bonded and not included in this process) = \$22,960,000
- \$22,960,000 x 0.15 (full down payment plus bid guarantee) = \$3,444,000
- \$3,444,000 - \$1,543,000 (15% of appraised value existing down payment) = \$1,901,000 estimated bid guarantee payment
- \$1,901,000 x 0.60 = \$1,140,600 deposited revenue in FY07 (1% to the General Fund = \$11,406; 64% to the FMIA = \$729,984; 17% to the Special Revenue Fund = \$193,902; 18% to the Permanent School Trust Fund = \$205,308)
- \$1,901,000 x 0.40 = \$760,400 deposited revenue in FY08 (1% to the General Fund = \$7,604; 64% to the FMIA = \$486,656; 17% to the Special Revenue Fund = \$129,268; 18% to the Permanent School Trust Fund = \$136,872)

Long-Term Fiscal Considerations

Section 1: the cost associated with compensating a land donor for the cost of conducting an appraisal is minimal. Since some landowners will view this as an incentive to donate their lands the overall impact is likely to be that the value of lands donated because of this incentive will exceed the value of similar lands that might otherwise be purchased in order to protect a similar amount of natural resources.

Section 3: Revenue from the sale of stockpiled materials at the Iron Range Off-Highway Vehicle Recreation Area will not be realized until sometime in the future, when negotiated with iron mining companies.

Section 4: Amending Minn. Stat. Chapter 88.79, Subd. 1 to include tree-planting activities and written stewardship/forest management plans as approved services to private landowners is a fiscal "housekeeping" item that clarifies language to make it easier to understand where the fees collected for such services are to be deposited.

Section 5: Allowing the commissioner of Natural Resources to charge fees for the use of state forest lands for special events and have those fees deposited in a forest land-use account in the Natural Resources Fund enables the resource impacts caused by those events to be prevented or mitigated, and recoups the expenses incurred when developing, operating, and maintaining facilities used for special events.

Section 6: None. There is a one-time shift forward of future revenues that encompasses two fiscal years.

Local Government Costs

None

References and Sources

Section 1: Historical data collected by DNR related to land transaction and appraisal costs.

Section 5: Included in the Governor's 2007 Supplemental Budget at \$45,000. Further study showed that this amount was too high, so the anticipated annual revenue collected for special event permits on state forest lands was adjusted down to \$15,000 for this fiscal note.

Section 6: Included in the Governor's 2007 Supplemental Budget but adjusted down to 15% Bid Guarantee Payment in the House and Senate. Source of information: DNR Forestry Division Timber Sale Records.

Paul Pojar, Lands and Minerals 259-5413

Agency Contact Name: Meg Hanisch, Forestry 259-5265
FN Coord Signature: BRUCE NASLUND
Date: 04/12/06 Phone: 259-5551

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: MARSHA BATTLES-JENKS
Date: 04/12/06 Phone: 296-8510

1.1 A bill for an act
1.2 relating to natural resources; providing for land donor appraisal reimbursement;
1.3 providing for acquisition of land for certain facilities; modifying certain
1.4 definitions; modifying forest services provided to private owners; granting
1.5 authority to establish state forest user fees; modifying the State Timber Act;
1.6 eliminating the requirement for a comprehensive forest resource management
1.7 plan; amending Minnesota Statutes 2004, sections 84.085, subdivision 1;
1.8 88.79, subdivision 1; 90.14; 90.151, subdivisions 1, 6, by adding a subdivision;
1.9 103I.005, subdivision 9; proposing coding for new law in Minnesota Statutes,
1.10 chapters 85; 89; 90; repealing Minnesota Statutes 2004, section 89.011,
1.11 subdivisions 1, 2, 3, 6.

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

1.13 Section 1. Minnesota Statutes 2004, section 84.085, subdivision 1, is amended to read:

1.14 Subdivision 1. **Authority.** (a) The commissioner of natural resources may accept for
1.15 and on behalf of the state any gift, bequest, devise, or grants of lands or interest in lands or
1.16 personal property of any kind or of money tendered to the state for any purpose pertaining
1.17 to the activities of the department or any of its divisions. Any money so received is hereby
1.18 appropriated and dedicated for the purpose for which it is granted. Lands and interests in
1.19 lands so received may be sold or exchanged as provided in chapter 94.

1.20 (b) When the commissioner of natural resources accepts lands or interests in land,
1.21 the commissioner may reimburse the donor for costs incurred to obtain an appraisal needed
1.22 for tax reporting purposes. If the state pays the donor for a portion of the value of the
1.23 lands or interests in lands that are donated, the reimbursement for appraisal costs shall not
1.24 exceed \$1,500. If the donor receives no payment from the state for the lands or interests in
lands that are donated, the reimbursement for appraisal costs shall not exceed \$5,000.

1.26 ~~(b)~~ (c) The commissioner of natural resources, on behalf of the state, may accept and
1.27 use grants of money or property from the United States or other grantors for conservation

2.1 purposes not inconsistent with the laws of this state. Any money or property so received
2.2 is hereby appropriated and dedicated for the purposes for which it is granted, and shall
2.3 be expended or used solely for such purposes in accordance with the federal laws and
2.4 regulations pertaining thereto, subject to applicable state laws and rules as to manner
2.5 of expenditure or use providing that the commissioner may make subgrants of any
2.6 money received to other agencies, units of local government, private individuals, private
2.7 organizations, and private nonprofit corporations. Appropriate funds and accounts shall be
2.8 maintained by the commissioner of finance to secure compliance with this section.

2.9 ~~(e)~~ (d) The commissioner may accept for and on behalf of the permanent school fund
2.10 a donation of lands, interest in lands, or improvements on lands. A donation so received
2.11 shall become state property, be classified as school trust land as defined in section 92.025,
2.12 and be managed consistent with section 127A.31.

2.13 **Sec. 2. [85.0145] ACQUISITION OF LAND FOR FACILITIES.**

2.14 The commissioner of natural resources may acquire interests in land by gift,
2.15 purchase, or lease for facilities outside the boundaries of state parks, state recreation areas,
2.16 or state waysides that are needed for the management of state parks, state recreation areas,
2.17 or state waysides established under sections 85.012 and 85.013.

2.18 **Sec. 3. Minnesota Statutes 2004, section 88.79, subdivision 1, is amended to read:**

2.19 **Subdivision 1. Employment of competent foresters; service to private owners.**

2.20 The commissioner of natural resources may employ competent foresters to furnish owners
2.21 of forest lands within the state of Minnesota ~~owning respectively not exceeding~~ who own
2.22 not more than 1,000 acres of such forest land, forest management services consisting of:

2.23 (1) advice in management and protection of timber, including written stewardship
2.24 and forest management plans;

2.25 (2) selection and marking of timber to be cut;

2.26 (3) measurement of products;

2.27 (4) aid in marketing harvested products;

2.28 (5) provision of tree-planting equipment; and

2.29 (6) such other services as the commissioner of natural resources deems necessary or
2.30 advisable to promote maximum sustained yield of timber upon such forest lands.

2.31 **Sec. 4. [89.22] USES OF STATE FOREST LANDS; FEES.**

2.32 **Subdivision 1. Establishing fees. Notwithstanding section 16A.1283, the**
2.33 **commissioner may, by written order published in the State Register, establish fees**

3.1 providing for the use of state forest lands, including: motorcycle, snowmobile, and sports
3.2 car rallies, races, or enduros; orienteering trials; group campouts that do not occur at
3.3 designated group camps; dog sled races; dog trials; large horse trail rides; and commercial
3.4 uses. The fees are not subject to the rulemaking provisions of chapter 14 and section
3.5 14.386 does not apply.

3.6 Subd. 2. Receipts to natural resources fund. Fees collected under subdivision 1
3.7 shall be credited to a forest land use account in the natural resources fund.

3.8 Sec. 5. Minnesota Statutes 2004, section 90.14, is amended to read:

3.9 **90.14 AUCTION SALE PROCEDURE.**

3.10 (a) All state timber shall be offered and sold by the same unit of measurement as it
3.11 was appraised. ~~The sale shall be made to the person who (1) bids the highest price for all~~
3.12 ~~the several kinds of timber as advertised, or (2) if unsold at public auction, to the person~~
3.13 ~~who purchases at any subsequent sale authorized under section 90.101, subdivision 1. No~~
3.14 tract shall be sold to any person other than the purchaser in whose name the bid was made.

3.15 The commissioner may refuse to approve any and all bids received and cancel a sale of
3.16 state timber for good and sufficient reasons.

3.17 (b) The purchaser at any sale of timber shall, immediately upon the approval of the
3.18 bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under
3.19 section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent
3.20 of the appraised value. In case any purchaser fails to make such payment, the purchaser
3.21 shall be liable therefor to the state in a civil action, and the commissioner may reoffer the
3.22 timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor
had been made.

3.24 (c) In lieu of the scaling of state timber required by this chapter, a purchaser of
3.25 state timber may, at the time of payment by the purchaser to the commissioner of 15
3.26 percent of the appraised value, elect in writing on a form prescribed by the attorney
3.27 general to purchase a permit based solely on the appraiser's estimate of the volume of
3.28 timber described in the permit, provided that the commissioner has expressly designated
3.29 the availability of such option for that tract on the list of tracts available for sale as
3.30 required under section 90.101. A purchaser who elects in writing on a form prescribed
3.31 by the attorney general to purchase a permit based solely on the appraiser's estimate of
3.32 the volume of timber described on the permit does not have recourse to the provisions
of section 90.281.

3.34 (d) In the case of a public auction sale conducted by a sealed bid process, tracts shall
3.35 be awarded to the high bidder, who shall pay to the commissioner a down payment of 15

4.1 percent of the appraised value within ten business days of receiving a written award notice.
4.2 If a purchaser fails to make the down payment, the purchaser is liable for the payment to
4.3 the state and the commissioner may offer the timber for sale to the next highest bidder
4.4 as though no higher bid had been made.

4.5 (e) Except as otherwise provided by law, at the time the purchaser signs a permit
4.6 issued under section 90.151, the purchaser shall make a bid guarantee payment to the
4.7 commissioner in an amount equal to 15 percent of the total purchase price of the permit
4.8 less the down payment amount required by paragraph (b). If the bid guarantee payment is
4.9 not submitted with the signed permit, no harvesting may occur, the permit cancels, and the
4.10 down payment for timber forfeits to the state. The bid guarantee payment forfeits to the
4.11 state if the purchaser and successors in interest fail to execute an effective permit.

4.12 **Sec. 6. [90.145] PURCHASER QUALIFICATIONS AND REGISTRATION.**

4.13 **Subdivision 1. Purchaser qualifications.** (a) In addition to any other requirements
4.14 imposed by this chapter, the purchaser of a state timber permit issued under section 90.151
4.15 must meet the requirements in paragraphs (b) to (d).

4.16 (b) The purchaser and the purchaser's agents, employees, subcontractors, and
4.17 assigns must comply with general industry safety standards for logging adopted by the
4.18 commissioner of labor and industry under chapter 182. The commissioner of natural
4.19 resources shall require a purchaser to provide proof of compliance with the general
4.20 industry safety standards before the start of harvesting operations on any permit.

4.21 (c) The purchaser and the purchaser's agents, subcontractors, and assigns must
4.22 comply with the mandatory insurance requirements of chapter 176. The commissioner
4.23 shall require a purchaser to provide a copy of the proof of insurance required by section
4.24 176.130 before the start of harvesting operations on any permit.

4.25 (d) Before the start of harvesting operations on any permit, the purchaser must
4.26 certify that a foreperson or other designated employee who has a current certificate of
4.27 completion from the Minnesota logger education program (MLEP), the Wisconsin Forest
4.28 Industry Safety and Training Alliance (FISTA), or any similar program acceptable to the
4.29 commissioner, is supervising active logging operations.

4.30 **Subd. 2. Purchaser preregistration.** To facilitate the sale of permits issued under
4.31 section 90.151, the commissioner may establish a purchaser preregistration system.
4.32 Any system implemented by the commissioner shall be limited in scope to only that
4.33 information that is required for the efficient administration of the purchaser qualification
4.34 provisions of this chapter and shall conform with the requirements of chapter 13.

5.1 Sec. 7. Minnesota Statutes 2004, section 90.151, subdivision 1, is amended to read:

5.2 Subdivision 1. **Issuance; expiration.** (a) Following receipt of the down payment
5.3 for state timber required under section 90.14 or 90.191, the commissioner shall issue a
5.4 numbered permit to the purchaser, in a form approved by the attorney general, by the
5.5 terms of which the purchaser shall be authorized to enter upon the land, and to cut and
5.6 remove the timber therein described as designated for cutting in the report of the state
5.7 appraiser, according to the provisions of this chapter. The permit shall be correctly dated
5.8 and executed by the commissioner and signed by the purchaser. If a permit is not signed
5.9 by the purchaser within 60 days from the date of purchase, the permit cancels and the
5.10 down payment for timber required under section 90.14 forfeits to the state.

5.11 (b) The permit shall expire no later than five years after the date of sale as the
5.12 commissioner shall specify or as specified under section 90.191, and the timber shall
5.13 be cut within the time specified therein. All cut timber, equipment, and buildings not
5.14 removed from the land within 90 days after expiration of the permit shall become the
5.15 property of the state.

5.16 (c) The commissioner may grant an additional period of time not to exceed 120 days
5.17 for the removal of cut timber, equipment, and buildings upon receipt of such request by
5.18 the permit holder for good and sufficient reasons. The commissioner may grant a second
5.19 period of time not to exceed 120 days for the removal of cut timber, equipment, and
5.20 buildings upon receipt of a request by the permit holder for hardship reasons only.

5.21 ~~(d) No permit shall be issued to any person other than the purchaser in whose name~~
5.22 ~~the bid was made.~~

5.23 Sec. 8. Minnesota Statutes 2004, section 90.151, subdivision 6, is amended to read:

5.24 Subd. 6. **Notice and approval required.** The permit shall provide that the permit
5.25 holder shall not start cutting any state timber nor clear building sites nor logging roads until
5.26 the commissioner has been notified and has given prior approval to such cutting operations.
5.27 Approval shall not be granted until the permit holder has completed a presale conference
5.28 with the state appraiser designated to supervise the cutting. The permit holder shall also
5.29 give prior notice whenever permit operations are to be temporarily halted, whenever
5.30 permit operations are to be resumed, and when permit operations are to be completed.

5.31 Sec. 9. Minnesota Statutes 2004, section 90.151, is amended by adding a subdivision
5.32 to read:

5.33 Subd. 15. **Liquidated damages.** The permit may include a schedule of liquidated
5.34 damage charges for breach of permit terms by the permit holder. The damage charges shall

6.1 be limited to amounts that are reasonable based on the anticipated or actual harm caused
6.2 by the breach, the difficulties of proof of loss, and the inconvenience or nonfeasibility of
6.3 otherwise obtaining an adequate remedy.

6.4 Sec. 10. Minnesota Statutes 2004, section 103I.005, subdivision 9, is amended to read:

6.5 Subd. 9. **Exploratory boring.** "Exploratory boring" means a surface drilling done
6.6 to explore or prospect for oil, natural gas, apatite, diamonds, graphite, gemstones, kaolin
6.7 clay, and or metallic minerals, including iron, copper, zinc, lead, gold, silver, titanium,
6.8 vanadium, nickel, cadmium, molybdenum, chromium, manganese, cobalt, zirconium,
6.9 beryllium, thorium, uranium, aluminum, platinum, palladium, radium, tantalum, tin, and
6.10 niobium, and a drilling or boring for petroleum.

6.11 Sec. 11. **REPEALER.**

6.12 Minnesota Statutes 2004, section 89.011, subdivisions 1, 2, 3, and 6, are repealed.

89.011 FOREST RESOURCE MANAGEMENT PLAN.

Subdivision 1. **Preparation.** By July 1, 1983, the commissioner shall prepare a comprehensive forest resource management plan designed to implement the policies stated in section 89.002. The plan shall include an assessment and program elements as provided in subdivisions 2 and 3 and any other issues which the commissioner determines should be included in the plan.

Subd. 2. **Forest assessment.** The assessment shall be updated at least once every ten years and shall include but not be limited to the following:

- (a) The present and projected use and supply of and demand for forest resources in the state;
- (b) The development of a forest resources database, compatible with the database of the Minnesota Land Management Information Center, capable of continuous updating and usable as a tool in effectively managing forest resources, utilizing existing databases as much as practicable;
- (c) The current and anticipated reforestation needs for forest land, including the amount of backlog areas, current and anticipated allowable harvests, identifying poorly stocked forest land, and delineating those areas needing reforestation which are prime forest lands or otherwise likely to produce optimum public benefits from reforestation; and
- (d) An inventory and map of all existing state forest roads and classification by use, standard and condition.

Subd. 3. **Program elements.** The program shall be updated every four years and shall describe specific actions to address the assessment and to implement the forest resources management policy of section 89.002, including but not limited to:

- (a) Improvement of silvicultural practices and improved methods for harvesting and utilizing timber and timber residues;
- (b) Measures to improve reforestation practices;
- (c) Measures to enhance recreational opportunities and fish and wildlife habitat;
- (d) The identification of "prime forest land" according to criteria developed by the commissioner;
- (e) Priorities for construction and improvement of forest roads to achieve the state forest road policy, including the development of alternative methods for financing forest road construction, improvement and maintenance, and for imposing a reasonable share of the costs of the forest road system on those who directly benefit from the availability and use of the system;
- (f) A description of how the multiple use and sustained yield management policy will apply to decisions about other public and private uses of forest lands and resources, including:
 - (1) extractive uses;
 - (2) utility corridors;
 - (3) industrial, commercial, agricultural and institutional uses;
 - (4) residential and seasonal use; and
- (g) An estimate of the expenditures necessary to implement the elements of the program, along with the sources and amounts of revenue available or necessary to finance the estimated expenditures.

Subd. 6. **Staff assistance.** In preparing the forest resources management plan the commissioner is authorized to utilize existing professional staffs of state agencies when the expertise of the staff of a state agency is necessary to fully prepare the plan.

1.1 To: Senator Cohen, Chair

1.2 Committee on Finance

1.3 Senator Sams,

1.4 Chair of the Environment, Agriculture and Economic Development Budget
1.5 Division, to which was referred

1.6 **S.F. No. 2852:** A bill for an act relating to natural resources; providing for land
1.7 donor appraisal reimbursement; providing for acquisition of land for certain facilities;
1.8 modifying certain definitions; modifying forest services provided to private owners;
1.9 granting authority to establish state forest user fees; modifying the State Timber Act;
1.10 eliminating the requirement for a comprehensive forest resource management plan;
1.11 amending Minnesota Statutes 2004, sections 84.085, subdivision 1; 88.79, subdivision
1.12 1; 90.14; 90.151, subdivisions 1, 6, by adding a subdivision; 103I.005, subdivision
1.13 9; proposing coding for new law in Minnesota Statutes, chapters 85; 89; 90; repealing
1.14 Minnesota Statutes 2004, section 89.011, subdivisions 1, 2, 3, 6.

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

1.16 Page 2, after line 17, insert:

1.17 "Sec. 3. Minnesota Statutes 2004, section 85.052, subdivision 4, is amended to read:

8 Subd. 4. **Deposit of fees.** (a) Fees paid for providing contracted products and
1.19 services within a state park, state recreation area, or wayside, and for special state park
1.20 uses under this section shall be deposited in the natural resources fund and credited to a
1.21 state parks account.

1.22 (b) Except as provided in paragraph (c), gross receipts derived from sales, rentals,
1.23 or leases of natural resources within state parks, recreation areas, and waysides, other
1.24 than those on trust fund lands, must be deposited in the state treasury and credited to the
1.25 general fund.

1.26 (c) The gross receipts from the sale of stockpile materials, aggregate, or other
1.27 earthen materials from the Iron Range Off-Highway Vehicle Recreation Area shall be
1.28 deposited in the dedicated accounts in the natural resources fund from which the purchase
1.29 of the materials was made."

1.30 Page 6, after line 10, insert:

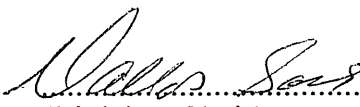
1.31 "Sec. 12. **CONSUMPTIVE USE OF WATER.**

1.32 Pursuant to Minnesota Statutes, section 103G.265, subdivision 3, the legislature
1.33 approves the consumptive use of water under a permit of more than 2,000,000 gallons per
1.34 day average in a 30-day period in Itasca County, in connection with an innovative energy
1.35 project facility, subject to the commissioner of natural resources making a determination
1.36 that the water remaining in the basin of origin will be adequate to meet the basin's need for
1.37 water and approval by the commissioner of natural resources of all applicable permits."

1.38 Renumber the sections in sequence

1.39 Amend the title accordingly

2.1 And when so amended that the bill be recommended to pass and be referred to
2.2 the full committee.

2.3 .....
2.4 (Division Chair)

2.5 April 6, 2006 *4/10/06*
2.6 (Date of Division recommendation)

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

1.2 S.F. No. 2852: A bill for an act relating to natural resources; providing for land
1.3 donor appraisal reimbursement; providing for acquisition of land for certain facilities;
1.4 modifying certain definitions; modifying forest services provided to private owners;
1.5 granting authority to establish state forest user fees; modifying the State Timber Act;
1.6 eliminating the requirement for a comprehensive forest resource management plan;
1.7 amending Minnesota Statutes 2004, sections 84.085, subdivision 1; 88.79, subdivision
1.8 1; 90.14; 90.151, subdivisions 1, 6, by adding a subdivision; 103I.005, subdivision
1.9 9; proposing coding for new law in Minnesota Statutes, chapters 85; 89; 90; repealing
1.10 Minnesota Statutes 2004, section 89.011, subdivisions 1, 2, 3, 6.

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

1.12 Page 2, after line 17, insert:

1.13 "Sec. 3. Minnesota Statutes 2004, section 85.052, subdivision 4, is amended to read:

1.14 Subd. 4. **Deposit of fees.** (a) Fees paid for providing contracted products and
1.15 services within a state park, state recreation area, or wayside, and for special state park
1.16 uses under this section shall be deposited in the natural resources fund and credited to a
1.17 state parks account.

1.18 (b) Except as provided in paragraph (c), gross receipts derived from sales, rentals,
1.19 or leases of natural resources within state parks, recreation areas, and waysides, other
1.20 than those on trust fund lands, must be deposited in the state treasury and credited to the
1.21 general fund.

1.22 (c) The gross receipts from the sale of stockpile materials, aggregate, or other
1.23 earthen materials from the Iron Range Off-Highway Vehicle Recreation Area shall be
1.24 deposited in the dedicated accounts in the natural resources fund from which the purchase
1.25 of the materials was made."

1.26 Page 6, after line 10, insert:

1.27 "Sec. 12. **CONSUMPTIVE USE OF WATER.**

1.28 Pursuant to Minnesota Statutes, section 103G.265, subdivision 3, the legislature
1.29 approves the consumptive use of water under a permit of more than 2,000,000 gallons per
1.30 day average in a 30-day period in Itasca County, in connection with an innovative energy
1.31 project facility, subject to the commissioner of natural resources making a determination
1.32 that the water remaining in the basin of origin will be adequate to meet the basin's need for
1.33 water and approval by the commissioner of natural resources of all applicable permits."

1.34 Renumber the sections in sequence

1.35 Amend the title accordingly

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

.....
(Committee Chair)

April 25, 2006
(Date of Committee recommendation)

SF3631 - 2006 Claims Bill -- As Introduced

(All Claims funded through Department of Corrections)

1 DOC Expenses	\$4,488.70
2 Edsill	\$4,158.98
3 Greenwood	\$1,863.75
4 Gregory	\$3,187.50
5 Larson	\$6,280.00
6 Lopez	\$1,875.00
7 Martin	\$1,085.19
8 Robinson	\$4,050.00
9 Snyder	\$2,024.68
10 Thuney	\$695.06
11 Tyson	\$1,584.63
12 Vassar	\$3,750.00
13 Vernon	\$1,875.00
14 Volker	\$3,000.00
15 Windish	\$23,790.73
Total Claims Appropriated	\$63,709.22

Senators Skoglund, Chaudhary and Reiter introduced—
S.F. No. 3631: Referred to the Committee on Finance.

A bill for an act
relating to claims against the state; providing for settlement of various claims;
appropriating money.

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

Section 1. DEPARTMENT OF CORRECTIONS.

The following amounts are appropriated from the general fund to the commissioner of corrections, to be available until June 30, 2007, as full and final payment under Minnesota Statutes, sections 3.738 and 3.739, of claims against the state for injuries suffered by and medical services provided to persons injured while performing community service or sentence-to-service work for correctional purposes or while incarcerated in a correctional facility:

(1) for medical expenses already paid by the Department of Corrections, \$4,488.70;

(2) for payment of medical costs related to the injury suffered by Samuel Edsill while performing sentence-to-service work in Scott County, \$4,158.98;

(3) for payment to Richard Greenwood for permanent injuries suffered while performing work at MCF-Rush City, \$1,863.75;

(4) for payment to Donna Gregory for permanent injuries suffered while performing sentence-to-service work in Martin County, \$3,187.50;

(5) for payment to Brenden Larson for permanent injuries suffered while performing sentence-to-service work in Dakota County, \$6,280;

(6) for payment to Alejandro Lopez for permanent injuries suffered while performing work at MCF-Faribault, \$1,875;

(7) for payment of medical costs related to the injury suffered by Luciano Martin while performing sentence-to-service work in Waseca County, \$1,085.19;

- 2.1 (8) for payment to Kenneth Robinson for permanent injuries suffered while
2.2 performing work at MCF-Stillwater, \$4,050;
- 2.3 (9) for payment of medical costs related to the injury suffered by Gerald Snyder
2.4 while performing sentence-to-service work in Yellow Medicine County, \$2,024.68;
- 2.5 (10) for payment of medical costs related to the injury suffered by Ryan Thuney
2.6 while performing sentence-to-service work in Kandiyohi County, \$695.06;
- 2.7 (11) for payment of medical costs related to the injury suffered by Jeremy Tyson
2.8 while performing sentence-to-service work in Douglas County, \$1,584.63;
- 2.9 (12) for payment to Elliot Vassar for permanent injuries suffered while performing
2.10 sentence-to-service work in Washington County, \$3,750;
- 2.11 (13) for payment to Shawn Vernon for permanent injuries suffered while performing
2.12 work at MCF-Faribault, \$1,875;
- 2.13 (14) for payment to Merlin Volker for permanent injuries suffered while performing
2.14 community service work in Itasca County, \$3,000; and
- 2.15 (15) for the following payments related to injuries suffered by Jostiene Windish
2.16 while performing work at MCF-Shakopee:
- 2.17 (i) payments to Ms. Windish for her permanent injuries, \$4,500; for lost wages
2.18 while recovering from required surgery, \$5,002; and for costs of obtaining required
2.19 medical records, \$289.34;
- 2.20 (ii) payments to medical providers, \$13,649.39; and
- 2.21 (iii) reimbursement of Department of Corrections costs of obtaining required
2.22 medical records, \$350.

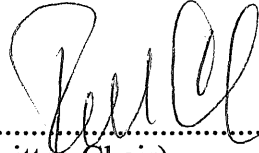
2.23 **Sec. 2. EFFECTIVE DATE.**

2.24 Section 1 is effective the day following final enactment.

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

1.2 **S.F. No. 3631: A bill for an act relating to claims against the state; providing for**
1.3 **settlement of various claims; appropriating money.**

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



.....
(Committee Chair)

1.8 April 25, 2006
1.9 (Date of Committee recommendation)

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and Fiscal Analysis**

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Senate

State of Minnesota

S.F. No. 2489 - Omnibus State Government Budget Division Policy Provisions (SS2489DIV-1)

Author: Senator Sheila Kiscaden

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

Date: April 19, 2006

S.F. No. 2489, as amended by the State Government Budget Division, contains provisions referred to the budget division that are not contingent upon an appropriation.

Section 1. LEGISLATIVE OFFICE OF HUMAN RESOURCES. requires the Legislative Coordinating Commission (LCC) to establish an Office of Human Resources to provide joint services to the Senate and the House of Representatives. This requirement becomes effective 30 days after the LCC submits the plan for the office required by section 45.

Section 2. COUNCIL ON BLACK MINNESOTANS; POWERS. provides further direction and specificity for the Commissioner of Administration to perform administrative services for the council, including, but not limited to, payroll, purchasing, budgeting, and computer support functions.

Section 3. PROHIBITIONS. amends a statute enacted in 2005 that prohibits Web sites operated by public entities from containing links to other Web sites maintained by political parties or political entities to allow public libraries and school districts to provide such links if they are provided for nonpartisan and educational purposes.

Section 4. DETAILED BUDGET. provides specific direction to the Department of Finance to list the current and projected number of full-time equivalent positions within each agency program in budget documents supplied to the legislature.

Sections 5, 6, 8, 20, 21, and 24. GRANT ADMINISTRATION. transfer the statutory requirements for grant management from Minnesota Statutes, chapter 16C, which provides authority for the

Department of Administration, to chapter 16A, which is administered by the Department of Finance. The responsibilities to develop policies and practices regarding grant administration are recodified within chapter 16A and stricken from portions of chapter 16C. This is an agency proposal.

Section 7. FORD BUILDING. requires the Commissioner of Administration to permanently maintain and stabilize the Ford Building at 117 University Ave. in St. Paul.

Sections 9 to 19 and 22, 23, and 25 to 27. STATE PROCUREMENT CHANGES. These sections are taken from S.F. No. 3587 and are part of Department of Administration proposals from the drive to excellence to change procurement law.

Section 9. BEST AND FINAL OFFER. provides a new definition for “best and final offer” to allow the state to request responders to improve their response.

Section 10. BEST VALUE. allows the commissioner to use strategic sourcing tools to achieve “best value,” including product standardization and mandatory-use enterprise contracts.

Section 11. ENTERPRISE PROCUREMENT. defines “enterprise procurement” as a process used by the Commissioner of Administration to achieve economies of scale when contracting for goods and services.

Section 12. REQUEST FOR PROPOSAL OR RFP. amends the definition for RFP to clarify that responses to an RFP may be further negotiated to achieve the best value for the state.

Section 13. RESPONSE. adds to the definition of “response” to include best and final offers as responses.

Section 14. STRATEGIC SOURCING. defines “strategic sourcing” by listing a variety of methods that may be used to achieve strategic sourcing, including product standardization and contract consolidation.

Section 15. ACQUISITION AUTHORITY. allows the use of contract consolidation, product standardization, and other methods for state acquisition of goods and services. Requires that the commissioner engage in enterprise procurement to the extent practicable. Specifies that if criteria other than price are used, price must remain a significant percentage of the criteria, unless otherwise approved by the commissioner.

Section 16. CONTRACTING AUTHORITY. authorizes the Commissioner of Administration to require staff from other agencies to participate in developing enterprise procurements.

Section 17. POLICY AND PROCEDURES. requires the Commissioner of Administration to develop policies and procedures to ensure optimal use of strategic sourcing techniques.

Section 18. CENTRAL STORES. allows the commissioner of Administration to require any other state agency to use central stores if it is consistent with best value.

Section 19. DELEGATION OF DUTIES. allows the Commissioner of Administration to require another agency to accept delegated responsibility for procurement if the goods and services being acquired are for the exclusive use of that agency.

Section 22. AGENCY COOPERATION. amends existing law that requires agency cooperation to include agency cooperation in the development and implementation of strategic sourcing.

Section 23. CREATION AND VALIDITY OF CONTRACTS. provides an exception from the requirement in existing law that requires a specific encumbrance on the accounting system before the related contract is valid and binding on the state. The exception applies only when the Commissioners of Finance and Administration have approved it as a policy for a routine, low-dollar procurement.

Section 25. ENTERPRISE PROCUREMENT PROCESS. requires the Commissioner of Administration to use enterprise procurement for professional or technical contracts for use by multiple state agencies to the fullest extent practicable. Where the commissioner uses this authority, states that Minnesota Statutes, section 15.061, does not apply. Section 15.061 authorizes agency heads to separately contract for professional and technical services, with the approval of the Commissioner of Administration, and exempts those contracts from the bidding requirements in Chapter 16C.

Section 26. DUTIES OF CONTRACTING AGENCY. adds a new requirement for professional or technical services contracts that requires the agency to explain why the procurement is being done unilaterally by the agency and not as an enterprise procurement.

Section 27. PROCEDURE FOR SERVICE CONTRACTS. creates a threshold of \$5,000 before certain statutory requirements for service contracts apply.

Section 28. REVERSE AUCTION. expands the use of the reverse auction process to include all types of services except engineering design services or building and construction contracts. Current law allows the use of reverse auctions only for the acquisition of goods or computer services.

Section 29. INFORMATION AND TELECOMMUNICATIONS ACCOUNT. establishes an information and telecommunications technology systems and services account in the special revenue fund and appropriates receipts in the account to the Office of Enterprise Technology (OET) to defray costs of personnel and technology for activities that create government efficiencies. Authorizes the OET to bill state agencies for purchases of information and telecommunications technology systems and services. Credits these charges to the account established in this section.

Section 30. ADDITIONAL UNCLASSIFIED POSITIONS. authorizes the Office of Enterprise Technology to designate additional unclassified positions. This authority was omitted in the when the Office of Enterprise Technology was created in the 2005 session.

Section 31. EXCEPTIONS. allows the Commissioner of Employee Relations to establish special salary rates and plans of compensation for doctors of dental surgery that are exempt from general salary limits in state law. Existing law provides the same exemption for payment of doctors of medicine.

Section 32. CENTER FOR HEALTH CARE PURCHASING IMPROVEMENT.

Subdivision 1 requires the Commissioner of Employee Relations to establish and administer the Center of Health Care Purchasing Improvement as an administrative unit in the Department of Employee Relations.

Subdivision 2 authorizes the commissioner to appoint a director and up to three additional senior-level staff and other staff as needed. All staff are unclassified. Authorizes the director, with the authorization of the Commissioner of Employee Relations and in consultation or interagency agreement with the appropriate commissioners, to:

- (1) initiate projects for the development of plan designs for state health purchasing;
- (2) require reports or surveys to evaluate the performance of current health care purchasing strategies;
- (3) calculate fiscal impacts of health care purchasing strategies;
- (4) conduct policy audits of state programs to measure conformity to state law or other purchasing initiatives or objectives;
- (5) support the Administrative Uniformity Committee and other groups to advance agreement of health care administrative process streamlining;
- (6) consult with the Health Economics Unit at the Department of Health regarding reports and assessment of the health care marketplace;
- (7) consult with the Departments of Health and Commerce regarding health care regulatory issues and legislative initiatives;
- (8) work with the Department of Human Services staff and Centers for Medicare and Medicaid Services to address federal requirements and conformity issues for health care purchasing;
- (9) assist Minnesota Comprehensive Health Association in health care purchasing strategies;

(10) convene medical directors of agencies engaged in health care purchasing for advice, collaboration, and exploring synergies;

(11) contact and participate with other relevant task forces, studies, and efforts; and

(12) assist in seeking external funding and administer grants.

Subdivision 3 requires the commissioner to annually report to the Legislature and the Governor on the operations, activities, and impacts of the Center. Requires the report to be posted on the Department's Web site and made available to the public.

Section 33. POSTRETIREMENT EMPLOYMENT; LEGISLATIVE EMPLOYEES. includes legislative employees within laws enacted last year that enable certain limited postretirement employment for the state.

Section 34. SICK LEAVE BENEFITS; USE TO CARE FOR CERTAIN RELATIVES. existing law allows employees to use any personal sick-leave benefits provided by their employer for absences due to illness or injury to the employee's child. This amendment extends the allowance for use of sick leave to illness or injury to a spouse, sibling, parent, grandparent, stepparent, or any dependents who receive regular care from the employee. For purposes of this section, existing law defines "employer" to mean a entity employing 21 or more employees at at least one site.

Section 35 to 38. LEAVE FOR IMMEDIATE FAMILY MEMBERS OF MILITARY PERSONNEL INJURED OR KILLED IN ACTIVE SERVICE. Section 35 requires an employer to grant unpaid leave to an employee whose parent, child, or spouse has been killed or injured while on active service with the United States Armed Services. The leave must be used to attend to the injured soldier or for the time necessary to attend services for a deceased soldier. "Employee" is defined to include independent contractors. "Employer" is defined to include a public or private employer having one or more employees. Section 36 requires an employment leave for a grandparent, parent, legal guardian, grandchild, child, spouse, finance, or financee to attend ceremonies to send off or welcome home a soldier mobilized for a war or a national emergency. The leave need not be granted if it would unduly disrupt an employer's operations. The leave is for the time necessary to attend the ceremony. Sections 37 and 38 provide cross-references to sections 35 and 36 in another section of the statutes pertaining to the Minnesota National Guard.

Section 39. HIGHER EDUCATION FAIRNESS. Subdivision 2 requires Minnesota State Colleges and Universities to award credits to veterans for courses taken as part of military training if the courses meet relevant standards for awarding those credits. Subdivision 3 requires state colleges or universities to treat veterans as Minnesota residents if they were residents when they entered the military and begin attending the institution within two years of completing services. Subdivision 4 prohibits state colleges or universities from assessing late fees or charges for outstanding tuition charges that arise from delayed federal payments.

Section 40. DISCLOSURE TO DEPARTMENT OF FINANCE. allows the Commissioner of Revenue to disclose tax return information to the Commissioner of Finance as necessary to prepare revenue forecasts required under chapter 16A.

Section 41. PLAN FOR COLOCATION OF CERTAIN MINORITY AFFAIRS COUNCILS. requires the division of management analysis in the Department of Administration to prepare a plan for collocating the Council on Black Minnesotans, the Chicano/Latino Affairs Council, and the Council on Asian-Pacific Minnesotans. Authorizes the Commissioner of Administration to terminate current lease arrangements beginning 30 days after the report is submitted and to relocate the councils to a location recommended in the report.

Section 42. COUNCIL ON AFFAIRS OF CHICANO/LATINO PEOPLE; APPOINTMENT OF CHAIR. requires the governor to appoint an additional member to the Council on Affairs of Chicano/Latino People beginning July 1, 2006, who will serve as the chair for the council. This provision expires on July 1, 2009, or when the Office of the Legislative Auditor issues a financial audit of the council without unresolved audit findings, whichever is sooner.

Section 43. COUNCIL ON BLACK MINNESOTANS; APPOINTMENT OF CHAIR. requires the governor to appoint an additional member to the Council on Black Minnesotans beginning July 1, 2006, who will serve as the chair for the council. This provision expires on July 1, 2009, or when the Office of the Legislative Auditor issues a financial audit of the council without unresolved audit findings, whichever is sooner.

Section 44. COUNCIL ON ASIAN-PACIFIC MINNESOTANS. requires the governor to appoint an additional member to the Council on Asian-Pacific Minnesotans beginning July 1, 2006, who will serve as the chair for the council. This provision expires on July 1, 2009, or when the Office of the Legislative Auditor issues a financial audit of the council without unresolved audit findings, whichever is sooner.

Section 45. LCC PLAN FOR HUMAN RESOURCES OFFICE. requires the LCC to submit a plan for a joint Human Resources Office for the House and Senate to the chairs of relevant legislative committees by January 15, 2007. After submission of the report, section 1 of this bill will require the creation of the office.

Section 46. REPORT ON STATE PROCUREMENT CHANGES. requires the Commissioner of Administration to provide a report to the legislature regarding changes made to state procurement practices in this bill and the use of strategic sourcing techniques.

Section 47. RULEMAKING REQUIRED. for state agencies required to adopt rules by a law enacted during or since the 2003 legislative session, extends the time available to adopt the rules to January 1, 2007, instead of the 18-month time limit provided in Minnesota Statutes, section 14.125.

Section 48. REVISOR INSTRUCTION. instructs the Revisor of Statutes to amend a headnote to conform with the military family leave provisions contained in this bill.

Senator Kiscaden introduced-

S.F. No. 2489: Referred to the Committee on Finance.

1.1 A bill for an act
 1.2 relating to state government; requiring state agencies to include the number of
 1.3 full-time equivalent positions for each agency program for the detailed budget;
 1.4 amending Minnesota Statutes 2004, section 16A.11, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2004, section 16A.11, subdivision 3, is amended to read:

1.7 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget
 1.8 estimates both of expenditures and revenues, must contain any statements on the financial
 1.9 plan which the governor believes desirable or which may be required by the legislature.
 1.10 The detailed estimates shall include the governor's budget arranged in tabular form.

1.11 (b) Tables listing expenditures for the next biennium must show the appropriation
 1.12 base for each year. The appropriation base is the amount appropriated for the second
 1.13 year of the current biennium. The tables must separately show any adjustments to the
 1.14 base required by current law or policies of the commissioner of finance. For forecasted
 1.15 programs, the tables must also show the amount of the forecast adjustments, based on the
 1.16 most recent forecast prepared by the commissioner of finance under section 16A.103. For
 1.17 all programs, the tables must show the amount of appropriation changes recommended
 1.18 by the governor, after adjustments to the base and forecast adjustments, and the total
 1.19 recommendation of the governor for that year.

1.20 (c) The detailed estimates must include a separate line listing the total cost of
 1.21 professional and technical service contracts for the prior biennium and the projected
 1.22 costs of those contracts for the current and upcoming biennium. They must also include
 1.23 ~~a summary of the personnel employed by the agency, reflected as the number of full-time~~
 1.24 equivalent positions in each agency program for the current biennium and the projected

2.1 number of full-time equivalent positions in each agency program for the upcoming
2.2 biennium.

2.3 (d) The detailed estimates for internal service funds must include the number of
2.4 full-time equivalents by program; detail on any loans from the general fund, including
2.5 dollar amounts by program; proposed investments in technology or equipment of \$100,000
2.6 or more; an explanation of any operating losses or increases in retained earnings; and a
2.7 history of the rates that have been charged, with an explanation of any rate changes and
2.8 the impact of the rate changes on affected agencies.

1.1 Senator moves to amend the Division Report of the Committee on
1.2 Finance (SS2489DIV-1) to S.F. No. 2489 as follows:

1.3 Page 16, after line 15, insert:

1.4 "Sec. 34. Minnesota Statutes 2004, section 145.925, is amended by adding a
1.5 subdivision to read:

1.6 Subd. 10. **Definition of governmental unit.** For purposes of section 471.59,
1.7 subdivision 1, nonprofit community health clinics providing family planning services as
1.8 defined in this section shall be included in the definition of "governmental unit."

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

1.10 Renumber the sections in sequence and correct the internal references

1.11 Amend the title accordingly

1.1 Senator moves to amend the Division Report of the Committee on
1.2 Finance (SS2489DIV-1) to S.F. No. 2489 as follows:

1.3 Page 2, after line 3, insert:

1.4 "Sec. 3. **[10.49] EMPLOYEE RECOGNITION; GIFT CERTIFICATES.**

1.5 A state employer that has an employee recognition program that awards gifts to its
1.6 employees based on years of service must allow the employees the option of choosing
1.7 a gift certificate of equivalent value from the Minnesota Historical Society for use in
1.8 a historical society store or the online store. For the purposes of this section, "state
1.9 employer" means any state department, office, board, commission, authority, legislative
1.10 office, judicial office, and the Metropolitan Council."

1.11 Renumber the sections in sequence and correct the internal references

1.12 Amend the title accordingly

1.1 Senator moves to amend the Division Report of the Committee on
1.2 Finance (SS2489DIV-1) to S.F. No. 2489 as follows:

1.3 Page 5, line 6, delete "shall be" and insert "is"

1.4 Page 5, line 10, delete "shall be" and insert "is" and delete "cots" and insert "costs"

1.5 Page 5, line 23, delete "shall be construed to apply" and insert "applies"

1.6 Page 6, line 2, delete "shall be" and insert "may"

1.7 Page 6, line 21, delete "spend" and insert "spending"

1.8 Page 6, line 34, after the first comma, insert "the commissioner may employ"

1.9 Page 7, line 2, delete "shall be"

1.10 Page 7, line 3, delete everything before the period

1.11 Page 7, delete line 7 and insert "factors. For all systems integration projects that
1.12 exceed \$500,000 in cost:

1.13 (1) contract awards"

1.14 Page 7, line 8, delete "shall" and insert "must"

1.15 Page 7, line 9, delete ". Evaluation" and insert "; and"

1.16 Page 7, delete line 10

1.17 Page 7, delete line 11 and insert:

1.18 "(2) the evaluation criteria for the selection of a contractor must be objective and
1.19 not limited to cost alone.

1.20 Unless it"

1.21 Page 8, line 6, delete "is authorized to" and insert "may"

1.22 Page 9, line 19, after "liability" insert a comma

1.23 Page 10, line 32, delete "is authorized to" and insert "may"

1.24 Page 13, line 9, delete "for the purposes of defraying" and insert "to defray"

1.25 Page 13, line 15, delete "deposited in" and insert "credited to"

1.26 Page 14, line 35, delete "shall" and insert "must"

1.27 Page 17, line 14, delete "shall" and insert "must"

1.28 Page 18, line 17, delete "shall" and insert "must"

1.29 Page 19, line 15, delete the second "Minnesota" and insert "this state"

- 2.1 Page 19, lines 20, 21, and 22, delete "Minnesota resident" and insert "resident of
- 2.2 this state"
- 2.3 Page 20, line 1, delete "Department of Finance" and insert "commissioner of finance"

1.1 Senator moves to amend the Division Report of the Committee on
1.2 Finance (SS2489DIV-1) to S.F. No. 2489 as follows:

1.3 Page 21, after line 23, insert:

1.4 "Sec. 47. VICTORY MEMORIAL DRIVE TASK FORCE .

1.5 Subdivision 1. Task force established. An implementation and steering task
1.6 force is established to develop strategies around the master plan for restoration of
1.7 Victory Memorial Drive Historic District, as designated in Minnesota Statutes, section
1.8 138.73, subdivision 26, including, but not limited to, efforts to secure National Register
1.9 designation and other efforts to provide funding to preserve and restore the district's
1.10 significant historical components and natural features.

1.11 Subd. 2. Membership. The implementation and steering task force shall consist
1.12 of 13 members including:

- 1.13 (1) the director of the Minnesota Historical Society or a designee;
- 1.14 (2) the Minneapolis City Council member representing the area;
- 1.15 (3) the Robbinsdale City Council member representing the area;
- 1.16 (4) the chair of the Hennepin County Board of Commissioners or the chair's
1.17 designee;
- 1.18 (5) the president of the Minneapolis Park and Recreation Board or the president's
1.19 designee;
- 1.20 (6) two members from the house of representatives representing the area;
- 1.21 (7) two members of the senate representing the area;
- 1.22 (8) two citizen representatives appointed by the chair; and
- 1.23 (9) two representatives from local veterans organizations appointed by the chair.

1.24 Subd. 3. Report. The implementation and steering task force shall report its actions
1.25 to the appropriate policy committees of the legislature once each biennium.

1.26 Subd. 4. Staff support. The State Historic Preservation Office of the Minnesota
1.27 Historical Society; the Minneapolis Heritage Preservation Commission; the Minneapolis
1.28 Department of Public Works; the Minneapolis Department of Grants and Planning; the
1.29 Minneapolis Park Board; and the city of Robbinsdale shall provide staff support to the
1.30 Victory Memorial Drive Implementation and Steering Task Force.

1.31 Subd. 5. Compensation. Task force members may be compensated for expenses
1.32 according to section 15.0575, subdivision 3.

1.33 Subd. 6. Sunset. The implementation and steering task force expires on December
1.34 31, 2009.

1.35 "

- 2.1 Renumber the sections in sequence and correct the internal references
- 2.2 Amend the title accordingly

1.1 Senator moves to amend the Division Report of the Committee on
1.2 Finance (SS2489DIV-1) to S.F. No. 2489 as follows:

1.3 Page 22, delete section 48 and insert:

1.4 "Sec. 48. REVISOR'S INSTRUCTION.

1.5 (a) The revisor of statutes shall insert a first grade headnote after Minnesota Statutes,
1.6 section 181.946, that reads "LEAVE FOR FAMILIES OF MOBILIZED MILITARY
1.7 MEMBERS."

1.8 (b) The Revisor of Statutes shall replace references in Minnesota Statutes to sections
1.9 116R.01 to 116R.16 with references to sections 116R.01 to 116R.15 and make similar
1.10 changes to reflect the repeal of section 116R.16.

1.11 Sec. 49. REPEALER.

1.12 Minnesota Statutes 2004, sections 116R.02, subdivision 7; and 116R.16, are
1.13 repealed."

- 1.1 Senator moves to amend the Division Report of the Committee on
- 1.2 Finance (SS2489DIV-1) to S.F. No. 2489 as follows:
- 1.3 Page 1, delete section 1
- 1.4 Page 20, delete section 42
- 1.5 Page 21, delete section 44
- 1.6 Page 21, delete section 45
- 1.7 Renumber the sections in sequence and correct the internal references
- 1.8 Amend the title accordingly

1.1 Senator moves to amend the Division Report of the Committee on
1.2 Finance (SS2489DIV-1) to S.F. No. 2489 as follows:

1.3 Page 22, after line 1, insert:

1.4 "Sec. 48. **DESIGNER SELECTION BOARD REPORT.**

1.5 By January 15, 2007, the commissioner of administration shall consult with
1.6 organizations listed in Minnesota Statutes, section 16B.33, subdivision 2, and report to the
1.7 legislature on the advantages and disadvantages of alternative procedures under which the
1.8 state could select a designer for state building projects. "

1.9 Renumber the sections in sequence and correct the internal references

1.10 Amend the title accordingly

1.1 Senator moves to amend the Division Report of the Committee on
1.2 Finance (SS2489DIV-1) to S.F. No. 2489 as follows:

1.3 Page 16, after line 8, insert:

1.4 "Sec. 33. Minnesota Statutes 2004, section 43A.316, subdivision 3, is amended to
1.5 read:

1.6 Subd. 3. **Public ~~employee insurance~~ buyers group program.** The commissioner
1.7 shall be the administrator of the public ~~employee insurance~~ buyers group program and
1.8 may determine its funding arrangements. The commissioner shall model the program
1.9 after the plan established in section 43A.18, subdivision 2, but may modify that plan,
1.10 in consultation with the Labor-Management Committee. The commissioner, or the
1.11 commissioner's designated representatives, shall be consulted in discussions or studies
1.12 by state agencies related to improving statewide health care quality, outcomes, and costs.
1.13 The commissioner may develop and administer separately rated programs within the
1.14 public buyers group program, including a separately rated and administered program for
1.15 employees of public school districts. Separate programs within the public buyers group
1.16 program may be pilot or demonstration programs, or permanent programs.

1.17 "

1.18 Renumber the sections in sequence and correct the internal references

1.19 Amend the title accordingly

1.1 Senator moves to amend the Division Report of the Committee on
1.2 Finance (SS2489DIV-1) to S.F. No. 2489 as follows:

1.3 Page 20, after line 4, insert:

1.4 "Sec. 41. **OFFICE OF ADMINISTRATIVE HEARINGS RELOCATION.**

1.5 If the commissioner of administration renovates the Stassen Building to
1.6 accommodate the relocation of the Office of Administrative Hearings, the requirements of
1.7 Minnesota Statutes, section 16B.33, subdivision 3, are waived."

1.8 Renumber the sections in sequence and correct the internal references

1.9 Amend the title accordingly

1.1 Senator moves to amend the Division Report of the Committee on
1.2 Finance (SS2489DIV-1) to S.F. No. 2489 as follows:

1.3 Page 20, after line 4, insert:

1.4 "Sec. 41. **[353.95] ACCOUNTS FOR POSTEMPLOYMENT BENEFITS**
1.5 **DEMONSTRATION.**

1.6 Subdivision 1. Establishment. The Public Employees Retirement Association must
1.7 establish a fund that the city of Duluth may use to hold money to pay for postemployment
1.8 benefits owed to officers and employees after termination of service. The fund must
1.9 provide that the account is irrevocable, and that money may be withdrawn only as
1.10 permitted in this section. All money in the fund is appropriated to the Public Employees
1.11 Retirement Association for purposes of this section.

1.12 Subd. 2. Account maintenance and investment. The city may establish an account
13 in the fund created in this section. The Public Employees Retirement Association shall
1.14 maintain a separate account for the city. The Public Employees Retirement Association
1.15 may charge the city fees for reasonable administrative costs, and the amount of those fees
1.16 is appropriated to the association from the account. The Public Employees Retirement
1.17 Association may establish other terms and conditions for participation in the fund.

1.18 Subd. 3. Status of irrevocable fund. (a) All money in the irrevocable fund created
1.19 in this section is held in trust for the exclusive benefit of former officers and employees of
1.20 the city, and is not subject to claims by creditors of the state, the city, or the current and
1.21 former officers and employees of the city.

1.22 (b) The irrevocable fund created in this section shall be deemed an arrangement
23 equivalent to a trust for all legal purposes.

1.24 "

1.25 Renumber the sections in sequence and correct the internal references

1.26 Amend the title accordingly

1.1 To: Senator Cohen, Chair

1.2 Committee on Finance

1.3 Senator Kiscaden,

1.4 Chair of the State Government Budget Division, to which was referred

1.5 **S.F. No. 2489:** A bill for an act relating to state government; requiring state agencies
1.6 to include the number of full-time equivalent positions for each agency program for the
1.7 detailed budget; amending Minnesota Statutes 2004, section 16A.11, subdivision 3.

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

1.9 Delete everything after the enacting clause and insert:

1.10 "Section 1. [3.3045] LEGISLATIVE OFFICE OF HUMAN RESOURCES.

1.11 The Legislative Coordinating Commission shall establish under its jurisdiction

1.12 and control an office of human resources to provide human resources services for the

1.13 senate and house of representatives. For the purposes of this section, "human resources

1.14 services" includes, but is not limited to, assistance with recruitment, supervision, training,

1.15 and retention of personnel, and the preparation and coordination of benefit plans. The

1.16 commission may appoint, set salaries for, and delegate authority to the personnel it

1.17 deems necessary to perform the functions of the office. Nothing in this section shall be

1.18 construed to limit the power of each body of the legislature to appoint and remove its

1.19 own employees under section 3.07.

1.20 **EFFECTIVE DATE.** This section is effective 30 days after the Legislative

1.21 Coordinating Commission submits the plan required in section 45.

1.22 Sec. 2. Minnesota Statutes 2004, section 3.9225, subdivision 5, is amended to read:

1.23 Subd. 5. **Powers.** The council may contract in its own name, but no money shall be

4 accepted or received as a loan nor indebtedness incurred except as otherwise provided

1.25 by law. Contracts shall be approved by a majority of the members of the council and

1.26 executed by the chair and the executive director. The council may apply for, receive, and

1.27 expend in its own name grants and gifts of money consistent with the power and duties

1.28 specified in subdivisions 1 to 7.

1.29 The council shall appoint an executive director who is experienced in administrative

1.30 activities and familiar with the problems and needs of Black people. The council may

1.31 delegate to the executive director powers and duties under subdivisions 1 to 7 which do

1.32 not require council approval. The executive director serves in the unclassified service and

1.33 may be removed at any time by the council. The executive director shall recommend

to the council, and the council may appoint the appropriate staff necessary to carry

1.35 out its duties. Staff members serve in the unclassified service. The commissioner of

1.36 administration shall ~~provide the council with~~ perform necessary administrative services

2.1 for the council, including, but not limited to, payroll, purchasing, budgeting, and computer
2.2 support functions.

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

2.4 Sec. 3. Minnesota Statutes 2005 Supplement, section 10.60, subdivision 3, is amended
2.5 to read:

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

2.12 (b) A Web site may not contain a link to a Weblog or site maintained by a candidate,
2.13 a political committee, a political party or party unit, a principal campaign committee, or a
2.14 state committee. Terms used in this paragraph have the meanings given them in chapter
2.15 10A, except that "candidate" also includes a candidate for an elected office of a political
2.16 subdivision. This paragraph does not apply to a Web site maintained by a public library or
2.17 by a school district if the link is provided only for nonpartisan and educational purposes.

2.18 **EFFECTIVE DATE.** This section is effective July 1, 2006.

2.19 Sec. 4. Minnesota Statutes 2004, section 16A.11, subdivision 3, is amended to read:

2.20 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget
2.21 estimates both of expenditures and revenues, must contain any statements on the financial
2.22 plan which the governor believes desirable or which may be required by the legislature.
2.23 The detailed estimates shall include the governor's budget arranged in tabular form.

2.24 (b) Tables listing expenditures for the next biennium must show the appropriation
2.25 base for each year. The appropriation base is the amount appropriated for the second
2.26 year of the current biennium. The tables must separately show any adjustments to the
2.27 base required by current law or policies of the commissioner of finance. For forecasted
2.28 programs, the tables must also show the amount of the forecast adjustments, based on the
2.29 most recent forecast prepared by the commissioner of finance under section 16A.103. For
2.30 all programs, the tables must show the amount of appropriation changes recommended
2.31 by the governor, after adjustments to the base and forecast adjustments, and the total
2.32 recommendation of the governor for that year.

2.33 (c) The detailed estimates must include a separate line listing the total cost of
2.34 professional and technical service contracts for the prior biennium and the projected

3.1 costs of those contracts for the current and upcoming biennium. They must also include
3.2 ~~a summary of the personnel employed by the agency, reflected as~~ the number of full-time
3.3 equivalent positions in each agency program for the current biennium and the projected
3.4 number of full-time equivalent positions in each agency program for the upcoming
3.5 biennium.

3.6 (d) The detailed estimates for internal service funds must include the number of
3.7 full-time equivalents by program; detail on any loans from the general fund, including
3.8 dollar amounts by program; proposed investments in technology or equipment of \$100,000
3.9 or more; an explanation of any operating losses or increases in retained earnings; and a
3.10 history of the rates that have been charged, with an explanation of any rate changes and
3.11 the impact of the rate changes on affected agencies.

3.12 Sec. 5. Minnesota Statutes 2004, section 16A.86, is amended by adding a subdivision
3.13 to read:

3.14 Subd. 5. Grant administration. The commissioner may administer capital grants if
3.15 requested by another executive agency. The commissioner will work in collaboration with
3.16 the agency that made the request to ensure that program needs of the grant are addressed.

3.17 Sec. 6. [16A.89] GRANTS MANAGEMENT.

3.18 Subdivision 1. Grant. (a) A grant is a written instrument or electronic document
3.19 defining a legal relationship between a sponsor and a recipient when the principal purpose
3.20 of the relationship is to transfer cash or a thing of value to the recipient to support a public
3.21 purpose authorized by law instead of acquiring property or services, by professional or
3.22 technical contract, purchase, lease, or barter, for the direct benefit or use of the sponsor.

3.23 (b) This section does not apply to capital project grants to political subdivisions, as
3.24 defined by section 16A.86.

3.25 Subd. 2. Ethical practices and conflict of interest. An employee of the executive
3.26 branch involved directly or indirectly in a grant process, at any level, is subject to the
3.27 code of ethics in section 43A.38.

3.28 Subd. 3. Conflict of interest policy development. (a) The commissioner must
3.29 develop a code of ethics and policies regarding conflicts of interest that are designed to
3.30 prevent conflicts of interest for employees involved in the award and administration of
3.31 grants. The policies must apply to employees who are directly or indirectly involved in
3.32 developing requests for proposals, evaluating proposals, awarding grants, drafting and
3.33 entering into grant agreements, amending or revising grants, evaluating performance
3.34 under these grants, and authorizing payments under the grant.

3.35 (b) The policies must include:

4.1 (1) a process for making employees aware of policy and laws relating to conflict of
4.2 interest, and training for employees on how to avoid and address potential conflicts;

4.3 (2) a process under which an employee who has a conflict of interest or a potential
4.4 conflict of interest must disclose the matter; and

4.5 (3) a process under which work on the grant may be assigned to another employee if
4.6 possible.

4.7 Subd. 4. Reporting of violations. A state employee who discovers evidence
4.8 of a violation of laws or rules governing grants is encouraged to report the violation
4.9 or suspected violation to the employee's supervisor, the commissioner, the director,
4.10 or the legislative auditor. The legislative auditor shall report to the Legislative Audit
4.11 Commission if there are multiple complaints about the same agency. The auditor's report
4.12 to the Legislative Audit Commission under this section must disclose only the number and
4.13 type of violations alleged. An employee making a good-faith report under this section is
4.14 covered by section 181.932.

4.15 Subd. 5. Creation and validity of grant agreements. (a) A grant agreement is not
4.16 fully executed and the state is not bound by the grant unless:

4.17 (1) the grant has been executed by the head of the agency or a delegate who is
4.18 a party to the grant; and

4.19 (2) the accounting system shows an encumbrance for the amount of the grant.

4.20 (b) The combined grant agreement and amendments must not exceed five years
4.21 without specific, written approval by the commissioner according to established policy,
4.22 procedures, and standards, or unless the commissioner determines that a longer duration is
4.23 in the best interest of the state.

4.24 (c) A fully executed copy of every grant agreement, amendments to the grant, and
4.25 other required records relating to the grant must be kept on file at the granting agency for a
4.26 period of time equal to that required for grantees in subdivision 7, paragraph (a).

4.27 (d) The attorney general may periodically review and evaluate a sample of state
4.28 agency grants to ensure compliance with applicable laws.

4.29 Subd. 6. Grant administration. A granting agency shall diligently administer
4.30 and monitor any grant it has entered into.

4.31 Subd. 7. Audit. (a) A grant agreement made by an executive agency or any unit of
4.32 local government must include, expressed or implied, an audit clause that provides that
4.33 the books, records, documents, and accounting procedures and practices of the grantee or
4.34 other party that are relevant to the grant or transaction are subject to examination by the
4.35 granting agency and either the legislative auditor or the state auditor, as appropriate, for a

5.1 minimum of four years from the grant agreement end date or receipt and approval of all
5.2 final reports, whichever is later.

5.3 (b) If the granting agency is a local unit of government, and the governing body of
5.4 the local unit of government requests that the state auditor examine the books, records,
5.5 documents, and accounting procedures and practices of the grantee or other party
5.6 according to this subdivision, the granting agency shall be liable for the cost of the
5.7 examination. If the granting agency is a local unit of government, and the grantee or other
5.8 party requests that the state auditor examine all books, records, documents, and accounting
5.9 procedures and practices related to the grant, the grantee or other party that requested the
5.10 examination shall be liable for the costs of the examination.

5.11 Subd. 8. Authority of attorney general. The attorney general may pursue
5.12 remedies available by law to avoid the obligation of an agency to pay under a grant or to
5.13 recover payments made if activities under the grant are so unsatisfactory, incomplete, or
5.14 inconsistent that payment would involve unjust enrichment. The contrary opinion of the
5.15 granting agency does not affect the power of the attorney general under this subdivision.

5.16 Subd. 9. Grants with Indian tribes and bands. Notwithstanding any other law, an
5.17 agency may not require an Indian tribe or band to deny its sovereignty as a requirement or
5.18 condition of a grant with an agency.

5.19 **Sec. 7. [16B.277] FORD BUILDING.**

5.20 The commissioner of administration must maintain and stabilize the Ford Building
5.21 at 117 University Avenue in St. Paul.

5.22 **Sec. 8. [16C.011] APPLICABILITY.**

5.23 Nothing in this chapter shall be construed to apply to grants under section 16A.86.

5.24 **Sec. 9. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision**
5.25 **to read:**

5.26 Subd. 3a. Best and final offer. "Best and final offer" means an optional step in
5.27 the solicitation process in which responders are requested to improve their response by
5.28 methods including, but not limited to, the reduction of cost, clarification or modification of
5.29 the response, or the provision of additional information.

5.30 **Sec. 10. Minnesota Statutes 2004, section 16C.02, subdivision 4, is amended to read:**

5.31 Subd. 4. Best value. "Best value" describes a result intended in the acquisition of all
5.32 goods and services. Price must be one of the evaluation criteria when acquiring goods
5.33 and services. Other evaluation criteria may include, but are not limited to, environmental
5.34 considerations, quality, and vendor performance. In achieving "best value" strategic

6.1 sourcing tools, including, but not limited to, best and final offers, negotiations, contract
6.2 consolidation, product standardization, and mandatory-use enterprise contracts shall be
6.3 used at the commissioner's discretion.

6.4 Sec. 11. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision
6.5 to read:

6.6 Subd. 6a. Enterprise procurement. "Enterprise procurement" means the process
6.7 undertaken by the commissioner to leverage economies of scale of multiple end users to
6.8 achieve cost savings and other favorable terms in contracts for goods and services.

6.9 Sec. 12. Minnesota Statutes 2004, section 16C.02, subdivision 12, is amended to read:

6.10 Subd. 12. **Request for proposal or RFP.** "Request for proposal" or "RFP" means a
6.11 solicitation in which it is not advantageous to set forth all the actual, detailed requirements
6.12 at the time of solicitation and responses are ~~subject to negotiation~~ negotiated to achieve
6.13 best value for the state.

6.14 Sec. 13. Minnesota Statutes 2004, section 16C.02, subdivision 14, is amended to read:

6.15 Subd. 14. **Response.** "Response" means the offer received from a vendor in
6.16 response to a solicitation. A response includes submissions commonly referred to as
6.17 "offers," "best and final offers," "bids," "quotes," or "proposals."

6.18 Sec. 14. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision
6.19 to read:

6.20 Subd. 20. Strategic sourcing. "Strategic sourcing" means methods used to analyze
6.21 and reduce spending on goods and services including, but not limited to, spend analysis,
6.22 product standardization, contract consolidation, multiple jurisdiction purchasing alliances,
6.23 reverse auctions, lifecycle costing, and other techniques.

6.24 Sec. 15. Minnesota Statutes 2004, section 16C.03, subdivision 3, is amended to read:

6.25 Subd. 3. **Acquisition authority.** The commissioner shall acquire all goods, services,
6.26 and utilities needed by agencies. The commissioner shall acquire goods, services, and
6.27 utilities by requests for bids, requests for proposals, reverse auctions as provided in
6.28 section 16C.10, subdivision 7, or other methods provided by law, unless a section of law
6.29 requires a particular method of acquisition to be used. The commissioner shall make all
6.30 decisions regarding acquisition activities. The determination of the acquisition method
6.31 and all decisions involved in the acquisition process, unless otherwise provided for by
6.32 law, shall be based on best value which includes an evaluation of price and may include
6.33 other considerations including, but not limited to, environmental considerations, quality,
6.34 and vendor performance. In achieving best value, methods including best and final offers,

7.1 negotiations, contract consolidation, product standardization, mandatory-use contracts,
7.2 total cost of ownership assessments, and other strategic sourcing techniques shall be
7.3 employed at the commissioner's discretion. The commissioner shall engage in enterprise
7.4 procurements to the extent practicable. A best value determination must be based on the
7.5 evaluation criteria detailed in the solicitation document. If criteria other than price are
7.6 used, the solicitation document must state the relative importance of price and other
7.7 factors. Contract awards for all systems integration projects that exceed \$500,000 in cost
7.8 shall be based on the proposal that provides best value to the state's requirements, as
7.9 determined by the evaluation criteria contained in the solicitation document. Evaluation
7.10 criteria for the acquisition of such information technology services shall provide for
7.11 the selection of a contractor on an objective basis not limited to cost alone. Unless it
7.12 is determined by the commissioner that an alternative solicitation method provided by
7.13 law should be used to determine best value, a request for bid must be used to solicit
4 formal responses for all building and construction contracts. Any or all responses may
7.15 be rejected. When using the request for bid process, the bid must be awarded to the
7.16 lowest responsive and responsible bidder, taking into consideration conformity with
7.17 the specifications, terms of delivery, the purpose for which the contract or purchase is
7.18 intended, the status and capability of the vendor, and other considerations imposed in the
7.19 request for bids. The commissioner may decide which is the lowest responsible bidder
7.20 for all purchases and may use the principles of life-cycle costing, where appropriate, in
7.21 determining the lowest overall bid. The duties set forth in this subdivision are subject to
7.22 delegation pursuant to this section.

7.23 Sec. 16. Minnesota Statutes 2004, section 16C.03, subdivision 4, is amended to read:

7.24 Subd. 4. **Contracting authority.** The commissioner shall conduct all contracting by,
7.25 for, and between agencies and perform all contract management and review functions for
7.26 contracts, except those functions specifically delegated to be performed by the contracting
7.27 agency, the attorney general, or otherwise provided for by law. The commissioner must
7.28 involve agency staff and agency staff must participate in the development of enterprise
7.29 procurements including the development of product standards, specifications, and other
7.30 requirements.

7.31 Sec. 17. Minnesota Statutes 2004, section 16C.03, subdivision 8, is amended to read:

7.32 Subd. 8. **Policy and procedures.** The commissioner is authorized to issue policies,
7.33 procedures, and standards applicable to all acquisition activities by and for agencies.
7.34 Consistent with the authority specified in this chapter, the commissioner shall develop

8.1 and implement policies, procedures, and standards ensuring the optimal use of strategic
8.2 sourcing techniques.

8.3 Sec. 18. Minnesota Statutes 2004, section 16C.03, subdivision 13, is amended to read:

8.4 Subd. 13. **Central stores.** The commissioner is authorized to provide agencies with
8.5 supplies and equipment and operate all central stores and supply rooms serving more
8.6 than one agency. The commissioner is authorized to require agency use of this service
8.7 if consistent with "best value."

8.8 Sec. 19. Minnesota Statutes 2004, section 16C.03, subdivision 16, is amended to read:

8.9 Subd. 16. **Delegation of duties.** The commissioner may delegate duties imposed by
8.10 this chapter to the head of an agency and to any subordinate of the agency head. Delegated
8.11 duties shall be exercised in the name of the commissioner and under the commissioner's
8.12 direct supervision and control. A delegation of duties may include, but is not limited to,
8.13 allowing individuals within agencies to acquire goods, services, and utilities within dollar
8.14 limitations and for designated types of acquisitions. Delegation of contract management
8.15 and review functions must be filed with the secretary of state and may not, except with
8.16 respect to delegations within the Department of Administration, exceed two years in
8.17 duration. The commissioner may withdraw any delegation at the commissioner's sole
8.18 discretion. The commissioner may require an agency head or subordinate to accept
8.19 delegated responsibility to procure goods or services intended for the exclusive use of the
8.20 agency receiving the delegation.

8.21 Sec. 20. Minnesota Statutes 2004, section 16C.04, subdivision 1, is amended to read:

8.22 Subdivision 1. **Duty.** An employee of the executive branch involved directly or
8.23 indirectly in the acquisition ~~or grants~~ process, at any level, is subject to the code of ethics
8.24 in section 43A.38.

8.25 Sec. 21. Minnesota Statutes 2004, section 16C.04, subdivision 2, is amended to read:

8.26 Subd. 2. **Conflict of interest policy development.** (a) The commissioner must
8.27 develop policies regarding code of ethics and conflict of interest designed to prevent
8.28 conflicts of interest for employees involved in the acquisition of goods, services, and
8.29 utilities ~~or the award and administration of grant contracts~~. The policies must apply to
8.30 employees who are directly or indirectly involved in the acquisition of goods, services,
8.31 and utilities, developing requests for proposals, evaluating bids or proposals, awarding
8.32 the contract, selecting the final vendor, drafting and entering into contracts, evaluating
8.33 performance under these contracts, and authorizing payments under the contract.

9.1 (b) The policies must contain a process for making employees aware of policy and
9.2 laws relating to conflict of interest, and for training employees on how to avoid and deal
with potential conflicts.

9.4 (c) The policies must contain a process under which an employee who has a conflict
9.5 of interest or a potential conflict of interest must disclose the matter, and a process under
9.6 which work on the contract may be assigned to another employee if possible.

9.7 Sec. 22. Minnesota Statutes 2004, section 16C.05, subdivision 1, is amended to read:

9.8 Subdivision 1. **Agency cooperation.** Agencies shall fully cooperate with the
9.9 commissioner in the management and review of state contracts and in the development
9.10 and implementation of strategic sourcing techniques.

9.11 Sec. 23. Minnesota Statutes 2004, section 16C.05, subdivision 2, is amended to read:

9.12 Subd. 2. **Creation and validity of contracts.** (a) A contract is not valid and the state
3 is not bound by it and no agency, without the prior written approval of the commissioner
9.14 granted pursuant to subdivision 2a, may authorize work to begin on it unless:

9.15 (1) it has first been executed by the head of the agency or a delegate who is a party
9.16 to the contract;

9.17 (2) it has been approved by the commissioner; and

9.18 (3) the accounting system shows an encumbrance for the amount of the contract
9.19 liability except as allowed by policy approved by the commissioner and the commissioner
9.20 of finance for routine, low-dollar procurements.

9.21 (b) The combined contract and amendments must not exceed five years without
9.22 specific, written approval by the commissioner according to established policy, procedures,
9.23 and standards, or unless otherwise provided for by law. The term of the original contract
9.24 must not exceed two years unless the commissioner determines that a longer duration is
9.25 in the best interest of the state.

9.26 (c) ~~Grants~~, Interagency agreements, purchase orders, work orders, and annual plans
9.27 need not, in the discretion of the commissioner and attorney general, require the signature
9.28 of the commissioner and/or the attorney general. A signature is not required for work
9.29 orders and amendments to work orders related to Department of Transportation contracts.
9.30 Bond purchase agreements by the Minnesota Public Facilities Authority do not require
9.31 the approval of the commissioner.

9.32 (d) Amendments to contracts must entail tasks that are substantially similar to
those in the original contract or involve tasks that are so closely related to the original
9.34 contract that it would be impracticable for a different contractor to perform the work. The
9.35 commissioner or an agency official to whom the commissioner has delegated contracting

10.1 authority under section 16C.03, subdivision 16, must determine that an amendment would
10.2 serve the interest of the state better than a new contract and would cost no more.

10.3 (e) A fully executed copy of every contract, amendments to the contract, and
10.4 performance evaluations relating to the contract must be kept on file at the contracting
10.5 agency for a time equal to that specified for contract vendors and other parties in
10.6 subdivision 5.

10.7 (f) The attorney general must periodically review and evaluate a sample of state
10.8 agency contracts to ensure compliance with laws.

10.9 Sec. 24. Minnesota Statutes 2004, section 16C.05, subdivision 5, is amended to read:

10.10 Subd. 5. **Subject to audit.** A contract or any pass-through disbursement of public
10.11 funds to a vendor of goods or services ~~or a grantee~~ made by or under the supervision of
10.12 the commissioner or any county or unit of local government must include, expressed or
10.13 implied, an audit clause that provides that the books, records, documents, and accounting
10.14 procedures and practices of the vendor or other party, that are relevant to the contract
10.15 or transaction, are subject to examination by the contracting agency and either the
10.16 legislative auditor or the state auditor, as appropriate, for a minimum of six years. If the
10.17 contracting agency is a local unit of government, and the governing body of the local unit
10.18 of government requests that the state auditor examine the books, records, documents,
10.19 and accounting procedures and practices of the vendor or other party pursuant to this
10.20 subdivision, the contracting agency shall be liable for the cost of the examination. If the
10.21 contracting agency is a local unit of government, and the ~~grantee~~, vendor, or other party
10.22 requests that the state auditor examine all books, records, documents, and accounting
10.23 procedures and practices related to the contract, the grantee, vendor, or other party that
10.24 requested the examination shall be liable for the cost of the examination. An agency
10.25 contract made for purchase, lease, or license of software and data from the state is not
10.26 required to contain this audit clause.

10.27 Sec. 25. Minnesota Statutes 2004, section 16C.08, is amended by adding a subdivision
10.28 to read:

10.29 Subd. 1a. Enterprise procurement process. Notwithstanding section 15.061 or
10.30 any other law, the commissioner shall, to the fullest extent practicable, conduct enterprise
10.31 procurements that result in the establishment of professional or technical contracts for
10.32 use by multiple state agencies. The commissioner is authorized to mandate use of any
10.33 contract entered into as a result of an enterprise procurement process. Agencies shall fully
10.34 cooperate in the development and use of contracts entered into under this section.

10.35 Sec. 26. Minnesota Statutes 2004, section 16C.08, subdivision 2, is amended to read:

11.1 Subd. 2. **Duties of contracting agency.** (a) Before an agency may seek approval of
11.2 a professional or technical services contract valued in excess of \$5,000, it must provide
3 the following:

11.4 (1) a description of how the proposed contract or amendment is necessary and
11.5 reasonable to advance the statutory mission of the agency;

11.6 (2) a description of the agency's plan to notify firms or individuals who may be
11.7 available to perform the services called for in the solicitation; ~~and~~

11.8 (3) a description of the performance measures or other tools that will be used to
11.9 monitor and evaluate contract performance; and

11.10 (4) an explanation detailing, if applicable, why this procurement is being pursued
11.11 unilaterally by the agency and not as an enterprise procurement.

11.12 (b) In addition to paragraph (a), the agency must certify that:

11.13 (1) no current state employee is able and available to perform the services called
14 for by the contract;

11.15 (2) the normal competitive bidding mechanisms will not provide for adequate
11.16 performance of the services;

11.17 (3) reasonable efforts will be made to publicize the availability of the contract to
11.18 the public;

11.19 (4) the agency will develop and implement a written plan providing for the
11.20 assignment of specific agency personnel to manage the contract, including a monitoring
11.21 and liaison function, the periodic review of interim reports or other indications of past
11.22 performance, and the ultimate utilization of the final product of the services;

11.23 (5) the agency will not allow the contractor to begin work before the contract is fully
24 executed unless an exception under section 16C.05, subdivision 2a, has been granted by
11.25 the commissioner and funds are fully encumbered;

11.26 (6) the contract will not establish an employment relationship between the state or
11.27 the agency and any persons performing under the contract; and

11.28 (7) in the event the results of the contract work will be carried out or continued by
11.29 state employees upon completion of the contract, the contractor is required to include
11.30 state employees in development and training, to the extent necessary to ensure that after
11.31 completion of the contract, state employees can perform any ongoing work related to
11.32 the same function.

11.33 (c) A contract establishes an employment relationship for purposes of paragraph (b),
4 clause (6), if, under federal laws governing the distinction between an employee and an
11.35 independent contractor, a person would be considered an employee.

11.36 Sec. 27. Minnesota Statutes 2005 Supplement, section 16C.09, is amended to read:

12.1 **16C.09 PROCEDURE FOR SERVICE CONTRACTS.**

12.2 (a) Before entering into or approving a service contract valued in excess of \$5,000,
12.3 the commissioner must determine, at least, that:

12.4 (1) no current state employee is able and available to perform the services called
12.5 for by the contract;

12.6 (2) the work to be performed under the contract is necessary to the agency's
12.7 achievement of its statutory responsibilities and there is statutory authority to enter into
12.8 the contract;

12.9 (3) the contract will not establish an employment relationship between the state or
12.10 the agency and any persons performing under the contract;

12.11 (4) the contractor and agents are not employees of the state;

12.12 (5) the contracting agency has specified a satisfactory method of evaluating and
12.13 using the results of the work to be performed; and

12.14 (6) the combined contract and amendments will not exceed five years without
12.15 specific, written approval by the commissioner according to established policy, procedures,
12.16 and standards, or unless otherwise provided for by law. The term of the original contract
12.17 must not exceed two years, unless the commissioner determines that a longer duration is
12.18 in the best interest of the state.

12.19 (b) For purposes of paragraph (a), clause (1), employees are available if qualified
12.20 and:

12.21 (1) are already doing the work in question; or

12.22 (2) are on layoff status in classes that can do the work in question.

12.23 An employee is not available if the employee is doing other work, is retired, or has
12.24 decided not to do the work in question.

12.25 (c) This section does not apply to an agency's use of inmates pursuant to sections
12.26 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

12.27 (1) community service; or

12.28 (2) conservation or maintenance services on lands under the jurisdiction and control
12.29 of the state.

12.30 Sec. 28. Minnesota Statutes 2005 Supplement, section 16C.10, subdivision 7, is
12.31 amended to read:

12.32 **Subd. 7. Reverse auction.** (a) For the purpose of this subdivision, "reverse auction"
12.33 means a purchasing process in which vendors compete to provide goods or ~~computer~~
12.34 services at the lowest selling price in an open and interactive environment. Reverse
12.35 auctions may not be utilized to procure architectural or engineering design services or to
12.36 establish building and construction contracts under sections 16C.26 to 16C.29.

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

13.4 Sec. 29. [16E.21] INFORMATION AND TELECOMMUNICATIONS
 13.5 ACCOUNT.

13.6 Subdivision 1. Account established; appropriation. The information and
 13.7 telecommunications technology systems and services account is created in the special
 13.8 revenue fund. Funds deposited in the account are appropriated to the Office of Enterprise
 13.9 Technology for the purposes of defraying the costs of personnel and technology for
 13.10 activities that create government efficiencies in accordance with this chapter.

13.11 Subd. 2. Charges. Upon agreement of the participating agency, a charge may
 13.12 be collected by the Office of Enterprise Technology for purchases of information and
 13.13 telecommunications technology systems and services by state agencies and other
 13.14 governmental entities through state contracts for purposes described in subdivision
 13.15 1. Charges collected under this section must be deposited in the information and
 13.16 telecommunications technology systems and services account.

13.17 Sec. 30. Minnesota Statutes 2004, section 43A.08, subdivision 1a, is amended to read:

13.18 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the
 13.19 following agencies may designate additional unclassified positions according to this
 13.20 subdivision: the Departments of Administration; Agriculture; Commerce; Corrections;
 13.21 Education; Employee Relations; Employment and Economic Development; Finance;
 13.22 Health; Human Rights; Labor and Industry; Natural Resources; Public Safety; Human
 23 Services; Revenue; Transportation; and Veterans Affairs; the Housing Finance and
 13.24 Pollution Control Agencies; the State Lottery; the state Board of Investment; the Office of
 13.25 Enterprise Technology; the Office of Administrative Hearings; the Office of Environmental
 13.26 Assistance; the Offices of the Attorney General, Secretary of State, and State Auditor;
 13.27 the Minnesota State Colleges and Universities; the Higher Education Services Office; the
 13.28 Perpich Center for Arts Education; and the Minnesota Zoological Board.

13.29 A position designated by an appointing authority according to this subdivision must
 13.30 meet the following standards and criteria:

13.31 (1) the designation of the position would not be contrary to other law relating
 13.32 specifically to that agency;

3 (2) the person occupying the position would report directly to the agency head or
 13.34 deputy agency head and would be designated as part of the agency head's management
 13.35 team;

14.1 (3) the duties of the position would involve significant discretion and substantial
14.2 involvement in the development, interpretation, and implementation of agency policy;

14.3 (4) the duties of the position would not require primarily personnel, accounting, or
14.4 other technical expertise where continuity in the position would be important;

14.5 (5) there would be a need for the person occupying the position to be accountable to,
14.6 loyal to, and compatible with, the governor and the agency head, the employing statutory
14.7 board or commission, or the employing constitutional officer;

14.8 (6) the position would be at the level of division or bureau director or assistant
14.9 to the agency head; and

14.10 (7) the commissioner has approved the designation as being consistent with the
14.11 standards and criteria in this subdivision.

14.12 Sec. 31. Minnesota Statutes 2004, section 43A.17, subdivision 4, is amended to read:

14.13 Subd. 4. **Exceptions.** (a) The commissioner may without regard to subdivision 1
14.14 establish special salary rates and plans of compensation designed to attract and retain
14.15 exceptionally qualified doctors of medicine and doctors of dental surgery. These rates
14.16 and plans shall be included in the commissioner's plan. In establishing salary rates and
14.17 eligibility for nomination for payment at special rates, the commissioner shall consider the
14.18 standards of eligibility established by national medical specialty boards where appropriate.
14.19 The incumbents assigned to these special ranges shall be excluded from the collective
14.20 bargaining process.

14.21 (b) The commissioner may without regard to subdivision 1, but subject to collective
14.22 bargaining agreements or compensation plans, establish special salary rates designed to
14.23 attract and retain exceptionally qualified employees in the following positions:

14.24 (1) information systems staff;

14.25 (2) actuaries in the Departments of Health, Human Services, and Commerce; and

14.26 (3) epidemiologists in the Department of Health.

14.27 Sec. 32. **[43A.312] CENTER FOR HEALTH CARE PURCHASING**
14.28 **IMPROVEMENT.**

14.29 **Subdivision 1. Establishment; administration.** The commissioner shall establish
14.30 **and administer the Center for Health Care Purchasing Improvement as an administrative**
14.31 **unit within the Department of Employee Relations. The Center for Health Care Purchasing**
14.32 **Improvement shall support the state in its efforts to be a more prudent and efficient**
14.33 **purchaser of quality health care services. The center shall aid the state in developing and**
14.34 **using more common strategies and approaches for health care performance measurement**
14.35 **and health care purchasing. The common strategies and approaches shall promote greater**

15.1 transparency of health care costs and quality, and greater accountability for health
15.2 care results and improvement. The center shall also identify barriers to more efficient,
15.3 effective, quality health care and options for overcoming the barriers.

15.4 Subd. 2. Staffing; duties; scope. (a) The commissioner may appoint a director, and
15.5 up to three additional senior-level staff or codirectors, and other staff as needed who are
15.6 under the direction of the commissioner. The staff of the center are in the unclassified
15.7 service.

15.8 (b) With the authorization of the commissioner of employee relations, and in
15.9 consultation or interagency agreement with the appropriate commissioners of state
15.10 agencies, the director, or codirectors, may:

15.11 (1) initiate projects to develop plan designs for state health care purchasing;

15.12 (2) require reports or surveys to evaluate the performance of current health care
15.13 purchasing strategies;

14 (3) calculate fiscal impacts, including net savings and return on investment, of health
15.15 care purchasing strategies and initiatives;

15.16 (4) conduct policy audits of state programs to measure conformity to state statute or
15.17 other purchasing initiatives or objectives;

15.18 (5) support the Administrative Uniformity Committee under section 62J.50 and
15.19 other relevant groups or activities to advance agreement on health care administrative
15.20 process streamlining;

15.21 (6) consult with the Health Economics Unit of the Department of Health regarding
15.22 reports and assessments of the health care marketplace;

15.23 (7) consult with the Departments of Health and Commerce regarding health care
15.24 regulatory issues and legislative initiatives;

15.25 (8) work with appropriate Department of Human Services staff and the Centers for
15.26 Medicare and Medicaid Services to address federal requirements and conformity issues
15.27 for health care purchasing;

15.28 (9) assist the Minnesota Comprehensive Health Association in health care
15.29 purchasing strategies;

15.30 (10) convene medical directors of agencies engaged in health care purchasing for
15.31 advice, collaboration, and exploring possible synergies;

15.32 (11) contact and participate with other relevant health care task forces, study
15.33 activities, and similar efforts with regard to health care performance measurement and
34 performance-based purchasing; and

15.35 (12) assist in seeking external funding through appropriate grants or other funding
15.36 opportunities and may administer grants and externally funded projects.

16.1 Subd. 3. Report. The commissioner must report annually to the legislature and the
16.2 governor on the operations, activities, and impacts of the center. The report must be
16.3 posted on the Department of Employee Relations Web site and must be available to the
16.4 public. The report must include a description of the state's efforts to develop and use more
16.5 common strategies for health care performance measurement and health care purchasing.
16.6 The report must also include an assessment of the impacts of these efforts, especially in
16.7 promoting greater transparency of health care costs and quality, and greater accountability
16.8 for health care results and improvement.

16.9 Sec. 33. Minnesota Statutes 2005 Supplement, section 43A.346, subdivision 1, is
16.10 amended to read:

16.11 Subdivision 1. **Definition.** For purposes of this section, "state employee" means a
16.12 person currently occupying a civil service position in the executive or legislative branch of
16.13 state government, the Minnesota State Retirement System, or the Office of the Legislative
16.14 Auditor, or a person employed by the Metropolitan Council.

16.15 **EFFECTIVE DATE.** This section is effective July 1, 2006.

16.16 Sec. 34. Minnesota Statutes 2004, section 181.9413, is amended to read:

16.17 **181.9413 SICK OR INJURED CHILD CARE LEAVE BENEFITS; USE TO**
16.18 **CARE FOR CERTAIN RELATIVES.**

16.19 (a) An employee may use personal sick leave benefits provided by the employer
16.20 for absences due to an illness of or injury to the employee's child, spouse, sibling,
16.21 parent, grandparent, or stepparent, and any dependents who receive regular care from the
16.22 employee for such reasonable periods as the employee's attendance ~~with the child~~ may be
16.23 necessary, on the same terms upon which the employee is able to use sick leave benefits
16.24 for the employee's own illness or injury. This section applies only to personal sick leave
16.25 benefits payable to the employee from the employer's general assets.

16.26 (b) For purposes of this section, "personal sick leave benefits" means time accrued
16.27 and available to an employee to be used as a result of absence from work due to personal
16.28 illness or injury, but does not include short-term or long-term disability or other salary
16.29 continuation benefits.

16.30 **EFFECTIVE DATE.** This section is effective August 1, 2006, and applies to sick
16.31 leave used on or after that date.

16.32 Sec. 35. **[181.947] LEAVE FOR IMMEDIATE FAMILY MEMBERS OF**
16.33 **MILITARY PERSONNEL INJURED OR KILLED IN ACTIVE SERVICE.**

17.1 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this
17.2 section.

3 (b) "Active service" has the meaning given in section 190.05, subdivisions 5b and 5c.

17.4 (c) "Employee" means a person who performs services for compensation, in
17.5 whatever form, for an employer.

17.6 (d) "Employer" means a person or entity located or doing business in this state
17.7 and having one or more employees, and includes the state and all political or other
17.8 governmental subdivisions of the state.

17.9 (e) "Immediate family member" means a person's grandparent, parent, legal
17.10 guardian, sibling, child, grandchild, spouse, fiance, or fiancée.

17.11 Subd. 2. Unpaid leave required. An employer must grant a leave of absence
17.12 without pay to an employee whose immediate family member, as a member of the United
17.13 States armed forces, has been injured or killed while engaged in active service. The
14 length of the leave shall be determined by the employee, but may not exceed five working
17.15 days, unless agreed to by the employer. The purpose of the leave is to attend to an
17.16 injured immediate family member or to attend services for and attend to the affairs of an
17.17 immediate family member who has been killed.

17.18 Subd. 3. Notice. An employee must give as much notice to the employee's employer
17.19 as practicable of the employee's intent to exercise the leave guaranteed by this section.

17.20 Subd. 4. Relationship to other leave. The length of leave provided under this
17.21 section may be reduced by any period of paid leave provided by the employer. Nothing
17.22 in this section prevents an employer from providing leave benefits in addition to those
17.23 provided in this section or otherwise affects an employee's rights with respect to other
24 employment benefits.

17.25 Subd. 5. Posting of law. The Department of Labor and Industry shall develop,
17.26 with the assistance of interested business and veterans' organizations, an educational
17.27 poster stating employees' rights under this section. The department shall make the poster
17.28 available, upon request, to employers for posting on the employer's premises.

17.29 Subd. 6. Individual remedies. In addition to any other remedies provided by law, a
17.30 person injured by a violation of this section may bring a civil action to recover any and all
17.31 damages recoverable at law, together with costs and disbursements, including reasonable
17.32 attorney fees, and may receive injunctive and other equitable relief as determined by a
17.33 court.

.34 EFFECTIVE DATE. This section is effective the day following final enactment
17.35 and applies to the immediate family members of military personnel injured or killed on or

18.1 after that date, as well as to the immediate family members of military personnel, who, on
18.2 the effective date, are recovering from injuries that occurred before that date.

18.3 **Sec. 36. [181.948] LEAVE TO ATTEND MILITARY CEREMONIES.**

18.4 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms
18.5 have the meaning given to them in this subdivision.

18.6 (b) "Employee" means a person who performs services for compensation, in
18.7 whatever form, for an employer.

18.8 (c) "Employer" means a person or entity located or doing business in this state
18.9 and having one or more employees, and includes the state and all political or other
18.10 governmental subdivisions of the state.

18.11 (d) "Immediate family member" means a person's grandparent, parent, legal
18.12 guardian, sibling, child, grandchild, spouse, fiance, or fiancée.

18.13 **Subd. 2. Unpaid leave required.** An employer shall grant a leave of absence
18.14 without pay to an employee for the actual time necessary for an employee to attend a
18.15 send-off or homecoming ceremony for an immediate family member who, as a member of
18.16 the United States armed forces, has been mobilized for active service in support of a war or
18.17 other national emergency. The leave required by this subdivision shall not exceed one day.

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

18.19 Sec. 37. Minnesota Statutes 2005 Supplement, section 192.502, is amended by adding
18.20 a subdivision to read:

18.21 **Subd. 3. Unpaid leave to attend military ceremonies.** Employees are entitled
18.22 to unpaid leave, as provided in section 181.948, to attend the send-off or homecoming
18.23 ceremony of an immediate family member who, as a member of the United States
18.24 armed forces, has been mobilized for active service in support of a war or other national
18.25 emergency.

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

18.27 Sec. 38. Minnesota Statutes 2005 Supplement, section 192.502, is amended by adding
18.28 a subdivision to read:

18.29 **Subd. 4. Unpaid leave for families of injured or deceased military members.**
18.30 Employees are entitled to unpaid leave, as provided in section 181.947, when an
18.31 immediate family member, as a member of the United States armed forces, has been
18.32 injured or killed while engaged in active service.

19.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
19.2 and applies to the immediate family members of military personnel injured or killed on or
3 after that date, as well as to the immediate family members of military personnel, who, on
19.4 the effective date, are recovering from injuries that occurred before that date.

19.5 **Sec. 39. [197.775] HIGHER EDUCATION FAIRNESS.**

19.6 **Subdivision 1. Definitions.** (a) The definitions in this subdivision apply to this
19.7 section.

19.8 (b) "Commissioner" means the commissioner of veterans affairs.

19.9 (c) "State college or university" means a unit of the University of Minnesota or
19.10 Minnesota State Colleges and Universities.

19.11 **Subd. 2. Recognition of courses.** (a) Minnesota State Colleges and Universities
19.12 must recognize courses and award educational credits for courses that were part of a
.13 veteran's military training or service if the courses meet the standards of the American
19.14 Council on Education or equivalent standards for awarding academic credits.

19.15 (b) The University of Minnesota and private colleges and universities in Minnesota
19.16 are encouraged to recognize courses and award educational credits for courses that were
19.17 part of a veteran's military training or service if the courses meet the standards of the
19.18 American Council on Education or equivalent standards for awarding academic credits.

19.19 **Subd. 3. Tuition status.** A state college or university must treat a veteran as a
19.20 Minnesota resident for purposes of determining the veteran's undergraduate tuition rate,
19.21 and must treat a veteran as a Minnesota resident for purposes of determining the veteran's
19.22 graduate school tuition rate if the veteran was a Minnesota resident on entering military
19.23 service and starts attending the state college or university graduate program within two
19.24 years of completing military service.

19.25 **Subd. 4. Delayed payment of tuition.** A state college or university may not assess
19.26 late fees or other late charges for veterans who are eligible and have applied for federal
19.27 educational assistance but have not yet received it, nor may it prevent these students from
19.28 registering for a subsequent term because of outstanding tuition charges that arise from
19.29 delayed federal payments. The state college or university may request without delay
19.30 the amount of tuition above expected federal educational assistance and may require
19.31 payment of the full amount of tuition owed by the veteran within 30 days of receipt of the
19.32 expected federal educational assistance.

3 **Sec. 40.** Minnesota Statutes 2004, section 270B.14, is amended by adding a
19.34 subdivision to read:

20.1 Subd. 19. Disclosure to Department of Finance. The commissioner may disclose
20.2 to the commissioner of finance returns or return information necessary in order to prepare
20.3 a revenue forecast under section 16A.103.

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

20.5 **Sec. 41. PLAN FOR COLOCATION OF CERTAIN MINORITY AFFAIRS**
20.6 **COUNCILS.**

20.7 The Division of Management Analysis in the Department of Administration must
20.8 review the current organization and administrative functions of the Council on Black
20.9 Minnesotans, the Council on Affairs of Chicano/Latino People, and the Council on
20.10 Asian-Pacific Minnesotans, and prepare a plan for colocating the councils. The plan
20.11 must include a detailed proposal for combining administrative support functions for the
20.12 councils, a proposed location and timetable, and a cost estimate, including a description of
20.13 potential savings and benefits to the councils. The division must provide a copy of the
20.14 plan to the commissioner of administration, the executive directors of the councils, and the
20.15 chairs of the legislative committees with jurisdiction over the councils by November 15,
20.16 2006. Beginning 30 days after submission of the report, the commissioner may terminate
20.17 current lease arrangements for the councils as necessary and relocate the councils to a
20.18 location recommended in the report.

20.19 **Sec. 42. COUNCIL ON AFFAIRS OF CHICANO/LATINO PEOPLE;**
20.20 **APPOINTMENT OF CHAIR.**

20.21 Notwithstanding Minnesota Statutes, section 3.9223, subdivision 1, the term of the
20.22 current chair of the Council on Affairs of Chicano/Latino People ends July 1, 2006. The
20.23 governor must appoint an additional voting member who shall serve as a new chair for the
20.24 council by that date for a one-year term and each January 1 thereafter. This section expires
20.25 on July 1, 2009, or when the Office of the Legislative Auditor issues a financial audit of
20.26 the council without any unresolved audit findings, if the audit is issued before July 1, 2009.

20.27 **Sec. 43. COUNCIL ON BLACK MINNESOTANS; APPOINTMENT OF CHAIR.**

20.28 Notwithstanding Minnesota Statutes, section 3.9225, subdivision 1, the term of the
20.29 current chair of the Council on Black Minnesotans ends July 1, 2006. The governor must
20.30 appoint an additional voting member who shall serve as a new chair for the council by that
20.31 date for a one-year term and each January 1 thereafter. This section expires on July 1,
20.32 2009, or when the Office of the Legislative Auditor issues a financial audit of the council
20.33 without any unresolved audit findings, if the audit is issued before July 1, 2009.

21.1 Sec. 44. COUNCIL ON ASIAN-PACIFIC MINNESOTANS; APPOINTMENT
21.2 OF CHAIR.

21.3 Notwithstanding Minnesota Statutes, section 3.9226, subdivision 1, the term of
21.4 the current chair of the Council on Asian-Pacific Minnesotans ends July 1, 2006. The
21.5 governor must appoint an additional voting member who shall serve as a new chair for the
21.6 council by that date for a one-year term and each January 1 thereafter. This section expires
21.7 on July 1, 2009, or when the Office of the Legislative Auditor issues a financial audit of
21.8 the council without any unresolved audit findings, if the audit is issued before July 1, 2009.

21.9 Sec. 45. LEGISLATIVE COORDINATING COMMISSION; PLAN FOR
21.10 HUMAN RESOURCES OFFICE.

21.11 By January 15, 2007, the Legislative Coordinating Commission shall submit a
21.12 plan for the human resources office required by Minnesota Statutes, section 3.3045, to
21.13 the chairs of the legislative committees with jurisdiction over legislative employees. At
21.14 a minimum, the plan must specify the number of employees required to perform the
21.15 functions of the office, their qualifications, the location, and budget required for the office.
21.16 The plan must recommend a source of funding for the office from existing appropriations
21.17 for the legislature.

21.18 Sec. 46. REPORT ON STATE PROCUREMENT CHANGES.

21.19 By January 15, 2008, the commissioner of administration must report to the chairs of
21.20 the legislative committees with jurisdiction over state procurement regarding the impact
21.21 on Minnesota businesses of the changes made to Minnesota Statutes, chapter 16C, during
21.22 the 2006 legislative session and the use of strategic sourcing techniques, including an
21.23 analysis of the size of contracts and type of contract award recipients.

21.24 Sec. 47. RULEMAKING REQUIRED.

21.25 (a) This section applies to a state agency, as defined in Minnesota Statutes, section
21.26 14.02:

21.27 (1) that was required to adopt rules by a law enacted during or since the 2003
21.28 legislative session; and

21.29 (2) that did not publish a notice of intent to adopt rules or a notice of hearing within
21.30 the time limit prescribed by Minnesota Statutes, section 14.125.

21.31 (b) Notwithstanding the time limit in Minnesota Statutes, section 14.125, an agency
21.32 subject to this section must adopt the rules it was mandated to adopt. The agency must
21.33 publish a notice of intent to adopt rules or a notice of hearing for rules subject to this
21.34 section before January 1, 2007.


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


22.2 Sec. 48. REVISOR'S INSTRUCTION.

22.3 The revisor of statutes shall insert a first grade headnote after Minnesota Statutes,
22.4 section 181.946, that reads "LEAVE FOR FAMILIES OF MOBILIZED MILITARY
22.5 MEMBERS."

22.6 Amend the title accordingly

22.7 And when so amended that the bill be recommended to pass and be referred to
22.8 the full committee.

22.9 
22.10 (Division Chair)

22.11 April 10, 2006 
22.12 (Date of Division recommendation)

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

1.2 **S.F. No. 2489:** A bill for an act relating to state government; requiring state agencies
1.3 to include the number of full-time equivalent positions for each agency program for the
1.4 detailed budget; amending Minnesota Statutes 2004, section 16A.11, subdivision 3.

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

1.6 Delete everything after the enacting clause and insert:

1.7 "Section. 1. Minnesota Statutes 2004, section 3.9225, subdivision 5, is amended to
1.8 read:

1.9 Subd. 5. **Powers.** The council may contract in its own name, but no money shall be
1.10 accepted or received as a loan nor indebtedness incurred except as otherwise provided
1.11 by law. Contracts shall be approved by a majority of the members of the council and
1.12 executed by the chair and the executive director. The council may apply for, receive, and
1.13 expend in its own name grants and gifts of money consistent with the power and duties
1.14 specified in subdivisions 1 to 7.

1.15 The council shall appoint an executive director who is experienced in administrative
1.16 activities and familiar with the problems and needs of Black people. The council may
1.17 delegate to the executive director powers and duties under subdivisions 1 to 7 which do
1.18 not require council approval. The executive director serves in the unclassified service and
1.19 may be removed at any time by the council. The executive director shall recommend
1.20 to the council, and the council may appoint the appropriate staff necessary to carry
1.21 out its duties. Staff members serve in the unclassified service. The commissioner of
1.22 administration shall ~~provide the council with~~ perform necessary administrative services
1.23 for the council, including, but not limited to, payroll, purchasing, budgeting, and computer
1.24 support functions.

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

1.26 **Sec. 2. [10.49] EMPLOYEE RECOGNITION; GIFT CERTIFICATES.**

1.27 A state employer that has an employee recognition program that awards gifts to its
1.28 employees based on years of service must allow the employees the option of choosing
1.29 a gift certificate of equivalent value from the Minnesota Historical Society for use in
1.30 a historical society store or the online store. For the purposes of this section, "state
1.31 employer" means any state department, office, board, commission, authority, legislative
1.32 office, judicial office, and the Metropolitan Council.

33 **Sec. 3.** Minnesota Statutes 2005 Supplement, section 10.60, subdivision 3, is amended
1.34 to read:

1.35 Subd. 3. **Prohibitions.** (a) A Web site or publication must not include pictures
1.36 or other materials that tend to attribute the Web site or publication to an individual or

2.1 group of individuals instead of to a public office, state agency, or political subdivision.
2.2 A publication must not include the words "with the compliments of" or contain letters
2.3 of personal greeting that promote an elected or appointed official of a state agency or
2.4 political subdivision.

2.5 (b) A Web site may not contain a link to a Weblog or site maintained by a candidate,
2.6 a political committee, a political party or party unit, a principal campaign committee, or a
2.7 state committee. Terms used in this paragraph have the meanings given them in chapter
2.8 10A, except that "candidate" also includes a candidate for an elected office of a political
2.9 subdivision. This paragraph does not apply to a Web site maintained by a public library or
2.10 by a school district if the link is provided only for nonpartisan and educational purposes.

2.11 **EFFECTIVE DATE.** This section is effective July 1, 2006.

2.12 Sec. 4. Minnesota Statutes 2004, section 16A.11, subdivision 3, is amended to read:

2.13 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget
2.14 estimates both of expenditures and revenues, must contain any statements on the financial
2.15 plan which the governor believes desirable or which may be required by the legislature.
2.16 The detailed estimates shall include the governor's budget arranged in tabular form.

2.17 (b) Tables listing expenditures for the next biennium must show the appropriation
2.18 base for each year. The appropriation base is the amount appropriated for the second
2.19 year of the current biennium. The tables must separately show any adjustments to the
2.20 base required by current law or policies of the commissioner of finance. For forecasted
2.21 programs, the tables must also show the amount of the forecast adjustments, based on the
2.22 most recent forecast prepared by the commissioner of finance under section 16A.103. For
2.23 all programs, the tables must show the amount of appropriation changes recommended
2.24 by the governor, after adjustments to the base and forecast adjustments, and the total
2.25 recommendation of the governor for that year.

2.26 (c) The detailed estimates must include a separate line listing the total cost of
2.27 professional and technical service contracts for the prior biennium and the projected
2.28 costs of those contracts for the current and upcoming biennium. They must also include
2.29 ~~a summary of the personnel employed by the agency, reflected as~~ the number of full-time
2.30 equivalent positions in each agency program for the current biennium and the projected
2.31 number of full-time equivalent positions in each agency program for the upcoming
2.32 biennium.

3 (d) The detailed estimates for internal service funds must include the number of
2.34 full-time equivalents by program; detail on any loans from the general fund, including
2.35 dollar amounts by program; proposed investments in technology or equipment of \$100,000

3.1 or more; an explanation of any operating losses or increases in retained earnings; and a
3.2 history of the rates that have been charged, with an explanation of any rate changes and
3 the impact of the rate changes on affected agencies.

3.4 Sec. 5. Minnesota Statutes 2004, section 16A.86, is amended by adding a subdivision
3.5 to read:

3.6 Subd. 5. Grant administration. The commissioner may administer capital grants if
3.7 requested by another executive agency. The commissioner will work in collaboration with
3.8 the agency that made the request to ensure that program needs of the grant are addressed.

3.9 Sec. 6. [16A.89] GRANTS MANAGEMENT.

3.10 Subdivision 1. Grant. (a) A grant is a written instrument or electronic document
3.11 defining a legal relationship between a sponsor and a recipient when the principal purpose
3.12 of the relationship is to transfer cash or a thing of value to the recipient to support a public
3.13 purpose authorized by law instead of acquiring property or services, by professional or
3.14 technical contract, purchase, lease, or barter, for the direct benefit or use of the sponsor.

3.15 (b) This section does not apply to capital project grants to political subdivisions, as
3.16 defined by section 16A.86.

3.17 Subd. 2. Ethical practices and conflict of interest. An employee of the executive
3.18 branch involved directly or indirectly in a grant process, at any level, is subject to the
3.19 code of ethics in section 43A.38.

3.20 Subd. 3. Conflict of interest policy development. (a) The commissioner must
3.21 develop a code of ethics and policies regarding conflicts of interest that are designed to
3.22 prevent conflicts of interest for employees involved in the award and administration of
3.23 grants. The policies must apply to employees who are directly or indirectly involved in
3.24 developing requests for proposals, evaluating proposals, awarding grants, drafting and
3.25 entering into grant agreements, amending or revising grants, evaluating performance
3.26 under these grants, and authorizing payments under the grant.

3.27 (b) The policies must include:

3.28 (1) a process for making employees aware of policy and laws relating to conflict of
3.29 interest, and training for employees on how to avoid and address potential conflicts;

3.30 (2) a process under which an employee who has a conflict of interest or a potential
3.31 conflict of interest must disclose the matter; and

3.32 (3) a process under which work on the grant may be assigned to another employee if
3 possible.

3.34 Subd. 4. Reporting of violations. A state employee who discovers evidence
3.35 of a violation of laws or rules governing grants is encouraged to report the violation

4.1 or suspected violation to the employee's supervisor, the commissioner, the director,
4.2 or the legislative auditor. The legislative auditor shall report to the Legislative Audit
3 Commission if there are multiple complaints about the same agency. The auditor's report
4.4 to the Legislative Audit Commission under this section must disclose only the number and
4.5 type of violations alleged. An employee making a good-faith report under this section is
4.6 covered by section 181.932.

4.7 Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement is not
4.8 fully executed and the state is not bound by the grant unless:

4.9 (1) the grant has been executed by the head of the agency or a delegate who is
4.10 a party to the grant; and

4.11 (2) the accounting system shows an encumbrance for the amount of the grant.

4.12 (b) The combined grant agreement and amendments must not exceed five years
4.13 without specific, written approval by the commissioner according to established policy,
14 procedures, and standards, or unless the commissioner determines that a longer duration is
4.15 in the best interest of the state.

4.16 (c) A fully executed copy of every grant agreement, amendments to the grant, and
4.17 other required records relating to the grant must be kept on file at the granting agency for a
4.18 period of time equal to that required for grantees in subdivision 7, paragraph (a).

4.19 (d) The attorney general may periodically review and evaluate a sample of state
4.20 agency grants to ensure compliance with applicable laws.

4.21 Subd. 6. **Grant administration.** A granting agency shall diligently administer
4.22 and monitor any grant it has entered into.

4.23 Subd. 7. **Audit.** (a) A grant agreement made by an executive agency or any unit of
24 local government must include, expressed or implied, an audit clause that provides that
4.25 the books, records, documents, and accounting procedures and practices of the grantee or
4.26 other party that are relevant to the grant or transaction are subject to examination by the
4.27 granting agency and either the legislative auditor or the state auditor, as appropriate, for a
4.28 minimum of four years from the grant agreement end date or receipt and approval of all
4.29 final reports, whichever is later.

4.30 (b) If the granting agency is a local unit of government, and the governing body of
4.31 the local unit of government requests that the state auditor examine the books, records,
4.32 documents, and accounting procedures and practices of the grantee or other party
4.33 according to this subdivision, the granting agency is liable for the cost of the examination.
4 If the granting agency is a local unit of government, and the grantee or other party requests
4.35 that the state auditor examine all books, records, documents, and accounting procedures

5.1 and practices related to the grant, the grantee or other party that requested the examination
5.2 is liable for the costs of the examination.

3 Subd. 8. Authority of attorney general. The attorney general may pursue
5.4 remedies available by law to avoid the obligation of an agency to pay under a grant or to
5.5 recover payments made if activities under the grant are so unsatisfactory, incomplete, or
5.6 inconsistent that payment would involve unjust enrichment. The contrary opinion of the
5.7 granting agency does not affect the power of the attorney general under this subdivision.

5.8 Subd. 9. Grants with Indian tribes and bands. Notwithstanding any other law, an
5.9 agency may not require an Indian tribe or band to deny its sovereignty as a requirement or
5.10 condition of a grant with an agency.

5.11 Sec. 7. [16B.277] FORD BUILDING.

5.12 The commissioner of administration must maintain and stabilize the Ford Building
5.13 at 117 University Avenue in St. Paul.

5.14 Sec. 8. [16C.011] APPLICABILITY.

5.15 Nothing in this chapter applies to grants under section 16A.86.

5.16 Sec. 9. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision
5.17 to read:

5.18 Subd. 3a. Best and final offer. "Best and final offer" means an optional step in
5.19 the solicitation process in which responders are requested to improve their response by
5.20 methods including, but not limited to, the reduction of cost, clarification or modification of
5.21 the response, or the provision of additional information.

22 Sec. 10. Minnesota Statutes 2004, section 16C.02, subdivision 4, is amended to read:

5.23 Subd. 4. Best value. "Best value" describes a result intended in the acquisition of all
5.24 goods and services. Price must be one of the evaluation criteria when acquiring goods
5.25 and services. Other evaluation criteria may include, but are not limited to, environmental
5.26 considerations, quality, and vendor performance. In achieving "best value" strategic
5.27 sourcing tools, including, but not limited to, best and final offers, negotiations, contract
5.28 consolidation, product standardization, and mandatory-use enterprise contracts may be
5.29 used at the commissioner's discretion.

5.30 Sec. 11. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision
5.31 to read:

5.32 Subd. 6a. Enterprise procurement. "Enterprise procurement" means the process
5.33 undertaken by the commissioner to leverage economies of scale of multiple end users to
5.34 achieve cost savings and other favorable terms in contracts for goods and services.

6.1 Sec. 12. Minnesota Statutes 2004, section 16C.02, subdivision 12, is amended to read:

6.2 Subd. 12. **Request for proposal or RFP.** "Request for proposal" or "RFP" means a
6.3 solicitation in which it is not advantageous to set forth all the actual, detailed requirements
6.4 at the time of solicitation and responses are ~~subject to negotiation~~ negotiated to achieve
6.5 best value for the state.

6.6 Sec. 13. Minnesota Statutes 2004, section 16C.02, subdivision 14, is amended to read:

6.7 Subd. 14. **Response.** "Response" means the offer received from a vendor in
6.8 response to a solicitation. A response includes submissions commonly referred to as
6.9 "offers," "best and final offers," "bids," "quotes," or "proposals."

6.10 Sec. 14. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision
6.11 to read:

6.12 Subd. 20. **Strategic sourcing.** "Strategic sourcing" means methods used to analyze
6.13 and reduce spending on goods and services including, but not limited to, spending
6.14 analysis, product standardization, contract consolidation, multiple jurisdiction purchasing
6.15 alliances, reverse auctions, lifecycle costing, and other techniques.

6.16 Sec. 15. Minnesota Statutes 2004, section 16C.03, subdivision 3, is amended to read:

6.17 Subd. 3. **Acquisition authority.** The commissioner shall acquire all goods, services,
6.18 and utilities needed by agencies. The commissioner shall acquire goods, services, and
6.19 utilities by requests for bids, requests for proposals, reverse auctions as provided in
6.20 section 16C.10, subdivision 7, or other methods provided by law, unless a section of
6.21 law requires a particular method of acquisition to be used. The commissioner shall
6.22 make all decisions regarding acquisition activities. The determination of the acquisition
6.23 method and all decisions involved in the acquisition process, unless otherwise provided
6.24 for by law, shall be based on best value which includes an evaluation of price and may
6.25 include other considerations including, but not limited to, environmental considerations,
6.26 quality, and vendor performance. In achieving best value, the commissioner may employ
6.27 methods including best and final offers, negotiations, contract consolidation, product
6.28 standardization, mandatory-use contracts, total cost of ownership assessments, and other
6.29 strategic sourcing techniques. The commissioner shall engage in enterprise procurements
6.30 to the extent practicable. A best value determination must be based on the evaluation
6.31 criteria detailed in the solicitation document. If criteria other than price are used, the
6.32 solicitation document must state the relative importance of price and other factors. For all
6.33 systems integration projects that exceed \$500,000 in cost:

7.1 (1) contract awards must be based on the proposal that provides best value to the
7.2 state's requirements, as determined by the evaluation criteria contained in the solicitation
3 document; and

7.4 (2) the evaluation criteria for the selection of a contractor must be objective and
7.5 not limited to cost alone.

7.6 Unless it is determined by the commissioner that an alternative solicitation method
7.7 provided by law should be used to determine best value, a request for bid must be used to
7.8 solicit formal responses for all building and construction contracts. Any or all responses
7.9 may be rejected. When using the request for bid process, the bid must be awarded to
7.10 the lowest responsive and responsible bidder, taking into consideration conformity with
7.11 the specifications, terms of delivery, the purpose for which the contract or purchase is
7.12 intended, the status and capability of the vendor, and other considerations imposed in the
7.13 request for bids. The commissioner may decide which is the lowest responsible bidder
14 for all purchases and may use the principles of life-cycle costing, where appropriate, in
7.15 determining the lowest overall bid. The duties set forth in this subdivision are subject to
7.16 delegation pursuant to this section.

7.17 Sec. 16. Minnesota Statutes 2004, section 16C.03, subdivision 4, is amended to read:

7.18 **Subd. 4. Contracting authority.** The commissioner shall conduct all contracting by,
7.19 for, and between agencies and perform all contract management and review functions for
7.20 contracts, except those functions specifically delegated to be performed by the contracting
7.21 agency, the attorney general, or otherwise provided for by law. The commissioner must
7.22 involve agency staff and agency staff must participate in the development of enterprise
7.23 procurements including the development of product standards, specifications, and other
7.24 requirements.

7.25 Sec. 17. Minnesota Statutes 2004, section 16C.03, subdivision 8, is amended to read:

7.26 **Subd. 8. Policy and procedures.** The commissioner is authorized to issue policies,
7.27 procedures, and standards applicable to all acquisition activities by and for agencies.
7.28 Consistent with the authority specified in this chapter, the commissioner shall develop
7.29 and implement policies, procedures, and standards ensuring the optimal use of strategic
7.30 sourcing techniques.

7.31 Sec. 18. Minnesota Statutes 2004, section 16C.03, subdivision 13, is amended to read:

7.32 **Subd. 13. Central stores.** The commissioner is authorized to provide agencies with
7.33 supplies and equipment and operate all central stores and supply rooms serving more
7.34 than one agency. The commissioner may require agency use of this service if consistent
7.35 with "best value."

8.1 Sec. 19. Minnesota Statutes 2004, section 16C.03, subdivision 16, is amended to read:

8.2 Subd. 16. **Delegation of duties.** The commissioner may delegate duties imposed by
8.3 this chapter to the head of an agency and to any subordinate of the agency head. Delegated
8.4 duties shall be exercised in the name of the commissioner and under the commissioner's
8.5 direct supervision and control. A delegation of duties may include, but is not limited to,
8.6 allowing individuals within agencies to acquire goods, services, and utilities within dollar
8.7 limitations and for designated types of acquisitions. Delegation of contract management
8.8 and review functions must be filed with the secretary of state and may not, except with
8.9 respect to delegations within the Department of Administration, exceed two years in
8.10 duration. The commissioner may withdraw any delegation at the commissioner's sole
8.11 discretion. The commissioner may require an agency head or subordinate to accept
8.12 delegated responsibility to procure goods or services intended for the exclusive use of the
8.13 agency receiving the delegation.

8.14 Sec. 20. Minnesota Statutes 2004, section 16C.04, subdivision 1, is amended to read:

8.15 Subdivision 1. **Duty.** An employee of the executive branch involved directly or
8.16 indirectly in the acquisition ~~or grants~~ process, at any level, is subject to the code of ethics
8.17 in section 43A.38.

8.18 Sec. 21. Minnesota Statutes 2004, section 16C.04, subdivision 2, is amended to read:

8.19 Subd. 2. **Conflict of interest policy development.** (a) The commissioner must
8.20 develop policies regarding code of ethics and conflict of interest designed to prevent
8.21 conflicts of interest for employees involved in the acquisition of goods, services, and
8.22 utilities ~~or the award and administration of grant contracts~~. The policies must apply to
8.23 employees who are directly or indirectly involved in the acquisition of goods, services,
8.24 and utilities, developing requests for proposals, evaluating bids or proposals, awarding
8.25 the contract, selecting the final vendor, drafting and entering into contracts, evaluating
8.26 performance under these contracts, and authorizing payments under the contract.

8.27 (b) The policies must contain a process for making employees aware of policy and
8.28 laws relating to conflict of interest, and for training employees on how to avoid and deal
8.29 with potential conflicts.

8.30 (c) The policies must contain a process under which an employee who has a conflict
8.31 of interest or a potential conflict of interest must disclose the matter, and a process under
8.32 which work on the contract may be assigned to another employee if possible.

8.33 Sec. 22. Minnesota Statutes 2004, section 16C.05, subdivision 1, is amended to read:

9.1 Subdivision 1. **Agency cooperation.** Agencies shall fully cooperate with the
9.2 commissioner in the management and review of state contracts and in the development
3 and implementation of strategic sourcing techniques.

9.4 Sec. 23. Minnesota Statutes 2004, section 16C.05, subdivision 2, is amended to read:

9.5 Subd. 2. **Creation and validity of contracts.** (a) A contract is not valid and the state
9.6 is not bound by it and no agency, without the prior written approval of the commissioner
9.7 granted pursuant to subdivision 2a, may authorize work to begin on it unless:

9.8 (1) it has first been executed by the head of the agency or a delegate who is a party
9.9 to the contract;

9.10 (2) it has been approved by the commissioner; and

9.11 (3) the accounting system shows an encumbrance for the amount of the contract
9.12 liability, except as allowed by policy approved by the commissioner and the commissioner
9.13 of finance for routine, low-dollar procurements.

9.14 (b) The combined contract and amendments must not exceed five years without
9.15 specific, written approval by the commissioner according to established policy, procedures,
9.16 and standards, or unless otherwise provided for by law. The term of the original contract
9.17 must not exceed two years unless the commissioner determines that a longer duration is
9.18 in the best interest of the state.

9.19 (c) ~~Grants~~, Interagency agreements, purchase orders, work orders, and annual plans
9.20 need not, in the discretion of the commissioner and attorney general, require the signature
9.21 of the commissioner and/or the attorney general. A signature is not required for work
9.22 orders and amendments to work orders related to Department of Transportation contracts.
9.23 Bond purchase agreements by the Minnesota Public Facilities Authority do not require
9.24 the approval of the commissioner.

9.25 (d) Amendments to contracts must entail tasks that are substantially similar to
9.26 those in the original contract or involve tasks that are so closely related to the original
9.27 contract that it would be impracticable for a different contractor to perform the work. The
9.28 commissioner or an agency official to whom the commissioner has delegated contracting
9.29 authority under section 16C.03, subdivision 16, must determine that an amendment would
9.30 serve the interest of the state better than a new contract and would cost no more.

9.31 (e) A fully executed copy of every contract, amendments to the contract, and
9.32 performance evaluations relating to the contract must be kept on file at the contracting
9.33 agency for a time equal to that specified for contract vendors and other parties in
9.34 subdivision 5.

9.35 (f) The attorney general must periodically review and evaluate a sample of state
9.36 agency contracts to ensure compliance with laws.

10.1 Sec. 24. Minnesota Statutes 2004, section 16C.05, subdivision 5, is amended to read:

10.2 Subd. 5. **Subject to audit.** A contract or any pass-through disbursement of public
10.3 funds to a vendor of goods or services ~~or a grantee~~ made by or under the supervision of
10.4 the commissioner or any county or unit of local government must include, expressed or
10.5 implied, an audit clause that provides that the books, records, documents, and accounting
10.6 procedures and practices of the vendor or other party, that are relevant to the contract
10.7 or transaction, are subject to examination by the contracting agency and either the
10.8 legislative auditor or the state auditor, as appropriate, for a minimum of six years. If the
10.9 contracting agency is a local unit of government, and the governing body of the local unit
10.10 of government requests that the state auditor examine the books, records, documents,
10.11 and accounting procedures and practices of the vendor or other party pursuant to this
10.12 subdivision, the contracting agency shall be liable for the cost of the examination. If the
10.13 contracting agency is a local unit of government, and the ~~grantee~~, vendor, or other party
10.14 requests that the state auditor examine all books, records, documents, and accounting
10.15 procedures and practices related to the contract, the grantee, vendor, or other party that
10.16 requested the examination shall be liable for the cost of the examination. An agency
10.17 contract made for purchase, lease, or license of software and data from the state is not
10.18 required to contain this audit clause.

10.19 Sec. 25. Minnesota Statutes 2004, section 16C.08, is amended by adding a subdivision
10.20 to read:

10.21 Subd. 1a. **Enterprise procurement process.** Notwithstanding section 15.061 or
10.22 any other law, the commissioner shall, to the fullest extent practicable, conduct enterprise
10.23 procurements that result in the establishment of professional or technical contracts for use
10.24 by multiple state agencies. The commissioner may mandate use of any contract entered
10.25 into as a result of an enterprise procurement process. Agencies shall fully cooperate in the
10.26 development and use of contracts entered into under this section.

10.27 Sec. 26. Minnesota Statutes 2004, section 16C.08, subdivision 2, is amended to read:

10.28 Subd. 2. **Duties of contracting agency.** (a) Before an agency may seek approval of
10.29 a professional or technical services contract valued in excess of \$5,000, it must provide
10.30 the following:

10.31 (1) a description of how the proposed contract or amendment is necessary and
10.32 reasonable to advance the statutory mission of the agency;

33 (2) a description of the agency's plan to notify firms or individuals who may be
10.34 available to perform the services called for in the solicitation; ~~and~~

11.1 (3) a description of the performance measures or other tools that will be used to
 11.2 monitor and evaluate contract performance; and

11.3 (4) an explanation detailing, if applicable, why this procurement is being pursued
 11.4 unilaterally by the agency and not as an enterprise procurement.

11.5 (b) In addition to paragraph (a), the agency must certify that:

11.6 (1) no current state employee is able and available to perform the services called
 11.7 for by the contract;

11.8 (2) the normal competitive bidding mechanisms will not provide for adequate
 11.9 performance of the services;

11.10 (3) reasonable efforts will be made to publicize the availability of the contract to
 11.11 the public;

11.12 (4) the agency will develop and implement a written plan providing for the
 11.13 assignment of specific agency personnel to manage the contract, including a monitoring
 11.14 and liaison function, the periodic review of interim reports or other indications of past
 11.15 performance, and the ultimate utilization of the final product of the services;

11.16 (5) the agency will not allow the contractor to begin work before the contract is fully
 11.17 executed unless an exception under section 16C.05, subdivision 2a, has been granted by
 11.18 the commissioner and funds are fully encumbered;

11.19 (6) the contract will not establish an employment relationship between the state or
 11.20 the agency and any persons performing under the contract; and

11.21 (7) in the event the results of the contract work will be carried out or continued by
 11.22 state employees upon completion of the contract, the contractor is required to include
 11.23 state employees in development and training, to the extent necessary to ensure that after
 11.24 completion of the contract, state employees can perform any ongoing work related to
 11.25 the same function.

11.26 (c) A contract establishes an employment relationship for purposes of paragraph (b),
 11.27 clause (6), if, under federal laws governing the distinction between an employee and an
 11.28 independent contractor, a person would be considered an employee.

11.29 Sec. 27. Minnesota Statutes 2005 Supplement, section 16C.09, is amended to read:

11.30 **16C.09 PROCEDURE FOR SERVICE CONTRACTS.**

11.31 (a) Before entering into or approving a service contract valued in excess of \$5,000,
 11.32 the commissioner must determine, at least, that:

11.33 (1) no current state employee is able and available to perform the services called
 11.34 for by the contract;

12.1 (2) the work to be performed under the contract is necessary to the agency's
12.2 achievement of its statutory responsibilities and there is statutory authority to enter into
12.3 the contract;

12.4 (3) the contract will not establish an employment relationship between the state or
12.5 the agency and any persons performing under the contract;

12.6 (4) the contractor and agents are not employees of the state;

12.7 (5) the contracting agency has specified a satisfactory method of evaluating and
12.8 using the results of the work to be performed; and

12.9 (6) the combined contract and amendments will not exceed five years without
12.10 specific, written approval by the commissioner according to established policy, procedures,
12.11 and standards, or unless otherwise provided for by law. The term of the original contract
12.12 must not exceed two years, unless the commissioner determines that a longer duration is
12.13 in the best interest of the state.

12.14 (b) For purposes of paragraph (a), clause (1), employees are available if qualified
12.15 and:

12.16 (1) are already doing the work in question; or

12.17 (2) are on layoff status in classes that can do the work in question.

12.18 An employee is not available if the employee is doing other work, is retired, or has decided
12.19 not to do the work in question.

12.20 (c) This section does not apply to an agency's use of inmates pursuant to sections
12.21 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

12.22 (1) community service; or

12.23 (2) conservation or maintenance services on lands under the jurisdiction and control
12.24 of the state.

12.25 Sec. 28. Minnesota Statutes 2005 Supplement, section 16C.10, subdivision 7, is
12.26 amended to read:

12.27 Subd. 7. **Reverse auction.** (a) For the purpose of this subdivision, "reverse auction"
12.28 means a purchasing process in which vendors compete to provide goods or ~~computer~~
12.29 services at the lowest selling price in an open and interactive environment. Reverse
12.30 auctions may not be utilized to procure architectural or engineering design services or to
12.31 establish building and construction contracts under sections 16C.26 to 16C.29.

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

13.1 Sec. 29. [16E.21] INFORMATION AND TELECOMMUNICATIONS

13.2 ACCOUNT.

13.3 Subdivision 1. Account established; appropriation. The information and
13.4 telecommunications technology systems and services account is created in the special
13.5 revenue fund. Funds deposited in the account are appropriated to the Office of Enterprise
13.6 Technology to defray the costs of personnel and technology for activities that create
13.7 government efficiencies in accordance with this chapter.

13.8 Subd. 2. Charges. Upon agreement of the participating agency, a charge may
13.9 be collected by the Office of Enterprise Technology for purchases of information and
13.10 telecommunications technology systems and services by state agencies and other
13.11 governmental entities through state contracts for purposes described in subdivision
13.12 1. Charges collected under this section must be credited to the information and
13.13 telecommunications technology systems and services account.

13.14 Sec. 30. Minnesota Statutes 2004, section 43A.08, subdivision 1a, is amended to read:

13.15 Subd. 1a. Additional unclassified positions. Appointing authorities for the
13.16 following agencies may designate additional unclassified positions according to this
13.17 subdivision: the Departments of Administration; Agriculture; Commerce; Corrections;
13.18 Education; Employee Relations; Employment and Economic Development; Finance;
13.19 Health; Human Rights; Labor and Industry; Natural Resources; Public Safety; Human
13.20 Services; Revenue; Transportation; and Veterans Affairs; the Housing Finance and
13.21 Pollution Control Agencies; the State Lottery; the state Board of Investment; the Office of
13.22 Enterprise Technology; the Office of Administrative Hearings; the Office of Environmental
13.23 Assistance; the Offices of the Attorney General, Secretary of State, and State Auditor;
13.24 the Minnesota State Colleges and Universities; the Higher Education Services Office; the
13.25 Perpich Center for Arts Education; and the Minnesota Zoological Board.

13.26 A position designated by an appointing authority according to this subdivision must
13.27 meet the following standards and criteria:

13.28 (1) the designation of the position would not be contrary to other law relating
13.29 specifically to that agency;

13.30 (2) the person occupying the position would report directly to the agency head or
13.31 deputy agency head and would be designated as part of the agency head's management
13.32 team;

13.33 (3) the duties of the position would involve significant discretion and substantial
13.34 involvement in the development, interpretation, and implementation of agency policy;

13.35 (4) the duties of the position would not require primarily personnel, accounting, or
13.36 other technical expertise where continuity in the position would be important;

14.1 (5) there would be a need for the person occupying the position to be accountable to,
 14.2 loyal to, and compatible with, the governor and the agency head, the employing statutory
 3 board or commission, or the employing constitutional officer;

14.4 (6) the position would be at the level of division or bureau director or assistant
 14.5 to the agency head; and

14.6 (7) the commissioner has approved the designation as being consistent with the
 14.7 standards and criteria in this subdivision.

14.8 Sec. 31. Minnesota Statutes 2004, section 43A.17, subdivision 4, is amended to read:

14.9 Subd. 4. **Exceptions.** (a) The commissioner may without regard to subdivision 1
 14.10 establish special salary rates and plans of compensation designed to attract and retain
 14.11 exceptionally qualified doctors of medicine and doctors of dental surgery. These rates
 14.12 and plans shall be included in the commissioner's plan. In establishing salary rates and
 14.13 eligibility for nomination for payment at special rates, the commissioner shall consider the
 14.14 standards of eligibility established by national medical specialty boards where appropriate.
 14.15 The incumbents assigned to these special ranges shall be excluded from the collective
 14.16 bargaining process.

14.17 (b) The commissioner may without regard to subdivision 1, but subject to collective
 14.18 bargaining agreements or compensation plans, establish special salary rates designed to
 14.19 attract and retain exceptionally qualified employees in the following positions:

14.20 (1) information systems staff;

14.21 (2) actuaries in the Departments of Health, Human Services, and Commerce; and

14.22 (3) epidemiologists in the Department of Health.

23 Sec. 32. **[43A.312] CENTER FOR HEALTH CARE PURCHASING**
 14.24 **IMPROVEMENT.**

14.25 Subdivision 1. Establishment; administration. The commissioner shall establish
 14.26 and administer the Center for Health Care Purchasing Improvement as an administrative
 14.27 unit within the Department of Employee Relations. The Center for Health Care Purchasing
 14.28 Improvement shall support the state in its efforts to be a more prudent and efficient
 14.29 purchaser of quality health care services. The center shall aid the state in developing and
 14.30 using more common strategies and approaches for health care performance measurement
 14.31 and health care purchasing. The common strategies and approaches must promote greater
 14.32 transparency of health care costs and quality, and greater accountability for health
 3 care results and improvement. The center shall also identify barriers to more efficient,
 4.34 effective, quality health care and options for overcoming the barriers.

15.1 Subd. 2. Staffing; duties; scope. (a) The commissioner may appoint a director, and
15.2 up to three additional senior-level staff or codirectors, and other staff as needed who are
15.3 under the direction of the commissioner. The staff of the center are in the unclassified
15.4 service.

15.5 (b) With the authorization of the commissioner of employee relations, and in
15.6 consultation or interagency agreement with the appropriate commissioners of state
15.7 agencies, the director, or codirectors, may:

15.8 (1) initiate projects to develop plan designs for state health care purchasing;

15.9 (2) require reports or surveys to evaluate the performance of current health care
15.10 purchasing strategies;

15.11 (3) calculate fiscal impacts, including net savings and return on investment, of health
15.12 care purchasing strategies and initiatives;

15.13 (4) conduct policy audits of state programs to measure conformity to state statute or
15.14 other purchasing initiatives or objectives;

15.15 (5) support the Administrative Uniformity Committee under section 62J.50 and
15.16 other relevant groups or activities to advance agreement on health care administrative
15.17 process streamlining;

15.18 (6) consult with the Health Economics Unit of the Department of Health regarding
15.19 reports and assessments of the health care marketplace;

15.20 (7) consult with the Departments of Health and Commerce regarding health care
15.21 regulatory issues and legislative initiatives;

15.22 (8) work with appropriate Department of Human Services staff and the Centers for
15.23 Medicare and Medicaid Services to address federal requirements and conformity issues
15.24 for health care purchasing;

15.25 (9) assist the Minnesota Comprehensive Health Association in health care
15.26 purchasing strategies;

15.27 (10) convene medical directors of agencies engaged in health care purchasing for
15.28 advice, collaboration, and exploring possible synergies;

15.29 (11) contact and participate with other relevant health care task forces, study
15.30 activities, and similar efforts with regard to health care performance measurement and
15.31 performance-based purchasing; and

15.32 (12) assist in seeking external funding through appropriate grants or other funding
15.33 opportunities and may administer grants and externally funded projects.

15.34 Subd. 3. Report. The commissioner must report annually to the legislature and the
15.35 governor on the operations, activities, and impacts of the center. The report must be
15.36 posted on the Department of Employee Relations Web site and must be available to the

17.1 (a) An employee may use personal sick leave benefits provided by the employer
17.2 for absences due to an illness of or injury to the employee's child, spouse, sibling,
17.3 parent, grandparent, or stepparent, and any dependents who receive regular care from the
17.4 employee for such reasonable periods as the employee's attendance ~~with the child~~ may be
17.5 necessary, on the same terms upon which the employee is able to use sick leave benefits
17.6 for the employee's own illness or injury. This section applies only to personal sick leave
17.7 benefits payable to the employee from the employer's general assets.

17.8 (b) For purposes of this section, "personal sick leave benefits" means time accrued
17.9 and available to an employee to be used as a result of absence from work due to personal
17.10 illness or injury, but does not include short-term or long-term disability or other salary
17.11 continuation benefits.

17.12 EFFECTIVE DATE. This section is effective August 1, 2006, and applies to sick
17.13 leave used on or after that date.

17.14 Sec. 37. [181.947] LEAVE FOR IMMEDIATE FAMILY MEMBERS OF
17.15 MILITARY PERSONNEL INJURED OR KILLED IN ACTIVE SERVICE.

17.16 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this
17.17 section.

17.18 (b) "Active service" has the meaning given in section 190.05, subdivisions 5b and 5c.

17.19 (c) "Employee" means a person who performs services for compensation, in
17.20 whatever form, for an employer.

17.21 (d) "Employer" means a person or entity located or doing business in this state
17.22 and having one or more employees, and includes the state and all political or other
17.23 governmental subdivisions of the state.

17.24 (e) "Immediate family member" means a person's grandparent, parent, legal
17.25 guardian, sibling, child, grandchild, spouse, fiance, or fiancée.

17.26 Subd. 2. Unpaid leave required. An employer must grant a leave of absence
17.27 without pay to an employee whose immediate family member, as a member of the
17.28 United States armed forces, has been injured or killed while engaged in active service.
17.29 The length of the leave must be determined by the employee, but may not exceed five
17.30 working days, unless agreed to by the employer. The purpose of the leave is to attend to
17.31 an injured immediate family member or to attend services for and attend to the affairs of
17.32 an immediate family member who has been killed.

33 Subd. 3. Notice. An employee must give as much notice to the employee's employer
17.34 as practicable of the employee's intent to exercise the leave guaranteed by this section.

18.1 Subd. 4. Relationship to other leave. The length of leave provided under this
18.2 section may be reduced by any period of paid leave provided by the employer. Nothing
18.3 in this section prevents an employer from providing leave benefits in addition to those
18.4 provided in this section or otherwise affects an employee's rights with respect to other
18.5 employment benefits.

18.6 Subd. 5. Posting of law. The Department of Labor and Industry shall develop,
18.7 with the assistance of interested business and veterans' organizations, an educational
18.8 poster stating employees' rights under this section. The department shall make the poster
18.9 available, upon request, to employers for posting on the employer's premises.

18.10 Subd. 6. Individual remedies. In addition to any other remedies provided by law, a
18.11 person injured by a violation of this section may bring a civil action to recover any and all
18.12 damages recoverable at law, together with costs and disbursements, including reasonable
18.13 attorney fees, and may receive injunctive and other equitable relief as determined by a
18.14 court.

18.15 EFFECTIVE DATE. This section is effective the day following final enactment
18.16 and applies to the immediate family members of military personnel injured or killed on or
18.17 after that date, as well as to the immediate family members of military personnel, who, on
18.18 the effective date, are recovering from injuries that occurred before that date.

18.19 **Sec. 38. [181.948] LEAVE TO ATTEND MILITARY CEREMONIES.**

18.20 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms
18.21 have the meaning given to them in this subdivision.

18.22 (b) "Employee" means a person who performs services for compensation, in
18.23 whatever form, for an employer.

18.24 (c) "Employer" means a person or entity located or doing business in this state
18.25 and having one or more employees, and includes the state and all political or other
18.26 governmental subdivisions of the state.

18.27 (d) "Immediate family member" means a person's grandparent, parent, legal
18.28 guardian, sibling, child, grandchild, spouse, fiance, or fiancée.

18.29 Subd. 2. Unpaid leave required. An employer shall grant a leave of absence
18.30 without pay to an employee for the actual time necessary for an employee to attend a
18.31 send-off or homecoming ceremony for an immediate family member who, as a member of
18.32 the United States armed forces, has been mobilized for active service in support of a war or
18.33 other national emergency. The leave required by this subdivision must not exceed one day.

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

19.1 Sec. 39. Minnesota Statutes 2005 Supplement, section 192.502, is amended by adding
19.2 a subdivision to read:

19.3 Subd. 3. Unpaid leave to attend military ceremonies. Employees are entitled
19.4 to unpaid leave, as provided in section 181.948, to attend the send-off or homecoming
19.5 ceremony of an immediate family member who, as a member of the United States
19.6 armed forces, has been mobilized for active service in support of a war or other national
19.7 emergency.

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

19.9 Sec. 40. Minnesota Statutes 2005 Supplement, section 192.502, is amended by adding
19.10 a subdivision to read:

19.11 Subd. 4. Unpaid leave for families of injured or deceased military members.
19.12 Employees are entitled to unpaid leave, as provided in section 181.947, when an
19.13 immediate family member, as a member of the United States armed forces, has been
19.14 injured or killed while engaged in active service.

19.15 EFFECTIVE DATE. This section is effective the day following final enactment
19.16 and applies to the immediate family members of military personnel injured or killed on or
19.17 after that date, as well as to the immediate family members of military personnel, who, on
19.18 the effective date, are recovering from injuries that occurred before that date.

19.19 Sec. 41. [197.775] HIGHER EDUCATION FAIRNESS.

19.20 Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this
19.21 section.

19.22 (b) "Commissioner" means the commissioner of veterans affairs.

19.23 (c) "State college or university" means a unit of the University of Minnesota or
19.24 Minnesota State Colleges and Universities.

19.25 Subd. 2. Recognition of courses. (a) Minnesota State Colleges and Universities
19.26 must recognize courses and award educational credits for courses that were part of a
19.27 veteran's military training or service if the courses meet the standards of the American
19.28 Council on Education or equivalent standards for awarding academic credits.

19.29 (b) The University of Minnesota and private colleges and universities in this state
19.30 are encouraged to recognize courses and award educational credits for courses that were
19.31 part of a veteran's military training or service if the courses meet the standards of the
19.32 American Council on Education or equivalent standards for awarding academic credits.

19.33 Subd. 3. Tuition status. A state college or university must treat a veteran as a
19.34 resident of this state for purposes of determining the veteran's undergraduate tuition rate,

21.1 the city, and is not subject to claims by creditors of the state, the city, or the current and
21.2 former officers and employees of the city.

21.3 (b) The irrevocable fund created in this section shall be deemed an arrangement
21.4 equivalent to a trust for all legal purposes.

21.5 **Sec. 44. OFFICE OF ADMINISTRATIVE HEARINGS RELOCATION.**

21.6 If the commissioner of administration renovates the Stassen Building to
21.7 accommodate the relocation of the Office of Administrative Hearings, the requirements of
21.8 Minnesota Statutes, section 16B.33, subdivision 3, are waived.

21.9 **Sec. 45. PLAN FOR COLOCATION OF CERTAIN MINORITY AFFAIRS**
21.10 **COUNCILS.**

21.11 The Division of Management Analysis in the Department of Administration must
21.12 review the current organization and administrative functions of the Council on Black
21.13 Minnesotans, the Council on Affairs of Chicano/Latino People, and the Council on
21.14 Asian-Pacific Minnesotans, and prepare a plan for colocating the councils. The plan
21.15 must include a detailed proposal for combining administrative support functions for the
21.16 councils, a proposed location and timetable, and a cost estimate, including a description of
21.17 potential savings and benefits to the councils. The division must provide a copy of the
21.18 plan to the commissioner of administration, the executive directors of the councils, and the
21.19 chairs of the legislative committees with jurisdiction over the councils by November 15,
21.20 2006. Beginning 30 days after submission of the report, the commissioner may terminate
21.21 current lease arrangements for the councils as necessary and relocate the councils to a
21.22 location recommended in the report.

21.23 **Sec. 46. COUNCIL ON BLACK MINNESOTANS; APPOINTMENT OF CHAIR.**

21.24 Notwithstanding Minnesota Statutes, section 3.9225, subdivision 1, the term of the
21.25 current chair of the Council on Black Minnesotans ends July 1, 2006. The governor must
21.26 appoint an additional voting member who shall serve as a new chair for the council by that
21.27 date for a one-year term and each January 1 thereafter. This section expires on July 1,
21.28 2009, or when the Office of the Legislative Auditor issues a financial audit of the council
21.29 without any unresolved audit findings, if the audit is issued before July 1, 2009.

21.30 **Sec. 47. REPORT ON STATE PROCUREMENT CHANGES.**

21.31 By January 15, 2008, the commissioner of administration must report to the chairs of
21.32 the legislative committees with jurisdiction over state procurement regarding the impact
21.33 on Minnesota businesses of the changes made to Minnesota Statutes, chapter 16C, during

22.1 the 2006 legislative session and the use of strategic sourcing techniques, including an
 22.2 analysis of the size of contracts and type of contract award recipients.

22.3 **Sec. 48. VICTORY MEMORIAL DRIVE TASK FORCE.**

22.4 **Subdivision 1. Task force established.** An implementation and steering task
 22.5 force is established to develop strategies around the master plan for restoration of
 22.6 Victory Memorial Drive Historic District, as designated in Minnesota Statutes, section
 22.7 138.73, subdivision 26, including, but not limited to, efforts to secure National Register
 22.8 designation and other efforts to provide funding to preserve and restore the district's
 22.9 significant historical components and natural features.

22.10 **Subd. 2. Membership.** The implementation and steering task force shall consist
 22.11 of 13 members including:

22.12 (1) the director of the Minnesota Historical Society or a designee;

22.13 (2) the Minneapolis City Council member representing the area;

22.14 (3) the Robbinsdale City Council member representing the area;

22.15 (4) the chair of the Hennepin County Board of Commissioners or the chair's
 22.16 designee;

22.17 (5) the president of the Minneapolis Park and Recreation Board or the president's
 22.18 designee;

22.19 (6) two members from the house of representatives representing the area;

22.20 (7) two members of the senate representing the area;

22.21 (8) two citizen representatives appointed by the chair; and

22.22 (9) two representatives from local veterans organizations appointed by the chair.

22.23 **Subd. 3. Report.** The implementation and steering task force shall report its actions
 22.24 to the appropriate policy committees of the legislature once each biennium.

22.25 **Subd. 4. Staff support.** The State Historic Preservation Office of the Minnesota
 22.26 Historical Society; the Minneapolis Heritage Preservation Commission; the Minneapolis
 22.27 Department of Public Works; the Minneapolis Department of Grants and Planning; the
 22.28 Minneapolis Park Board; and the city of Robbinsdale shall provide staff support to the
 22.29 Victory Memorial Drive Implementation and Steering Task Force.

22.30 **Subd. 5. Compensation.** Task force members may be compensated for expenses
 22.31 according to Minnesota Statutes, section 15.0575, subdivision 3.

22.32 **Subd. 6. Sunset.** The implementation and steering task force expires on December
 22.33 31, 2009.

22.34 **Sec. 49. RULEMAKING REQUIRED.**

23.1 (a) This section applies to a state agency, as defined in Minnesota Statutes, section
23.2 14.02:

23.3 (1) that was required to adopt rules by a law enacted during or since the 2003
23.4 legislative session; and

23.5 (2) that did not publish a notice of intent to adopt rules or a notice of hearing within
23.6 the time limit prescribed by Minnesota Statutes, section 14.125.

23.7 (b) Notwithstanding the time limit in Minnesota Statutes, section 14.125, an agency
23.8 subject to this section must adopt the rules it was mandated to adopt. The agency must
23.9 publish a notice of intent to adopt rules or a notice of hearing for rules subject to this
23.10 section before January 1, 2007.

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

23.12 **Sec. 50. DESIGNER SELECTION BOARD REPORT.**

23.13 By January 15, 2007, the commissioner of administration shall consult with
23.14 organizations listed in Minnesota Statutes, section 16B.33, subdivision 2, and report to the
23.15 legislature on the advantages and disadvantages of alternative procedures under which
23.16 the state could select a designer for state building projects.

23.17 **Sec. 51. REVISOR'S INSTRUCTION.**

23.18 (a) The revisor of statutes shall insert a first grade headnote after Minnesota Statutes,
23.19 section 181.946, that reads "LEAVE FOR FAMILIES OF MOBILIZED MILITARY
23.20 MEMBERS."

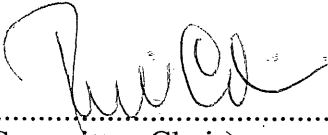
23.21 (b) The Revisor of Statutes shall replace references in Minnesota Statutes to sections
23.22 116R.01 to 116R.16 with references to sections 116R.01 to 116R.15 and make similar
23.23 changes to reflect the repeal of section 116R.16.

23.24 **Sec. 52. REPEALER.**

23.25 Minnesota Statutes 2004, sections 116R.02, subdivision 7; and 116R.16, are
23.26 repealed."

23.27 Amend the title accordingly

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

23.29 
23.30
(Committee Chair)

23.31 April 25, 2006
23.32 (Date of Committee recommendation)

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

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Senate

State of Minnesota

S.F. No. 3132 - Omnibus Data Practices Bill (first engrossment)

Author: Senator Wes Skoglund

Prepared by: Kathleen Pontius, Senate Counsel (651/296-4394) *K.P.*

Date: April 11, 2006

Article 1 - General Data Practices Provisions

Section 1 clarifies the statute dealing with the issuance of data practices opinions by the Commissioner of Administration to provide that if the Commissioner determines that an opinion will not be issued, notice must be given to the requestor of this decision within five business days of the receipt of the request.

Section 2 amends the educational data statute to authorize schools to disclose bullying behavior by a student to the juvenile justice system, subject to general requirements under current law regarding these disclosures.

Section 3 provides that data maintained by the Department of Health or community public water systems that identify the address of a site that is tested for lead and copper and the name, address, and telephone number of residential homeowners in the site, are private data or nonpublic data.

Section 4 classifies name and index service data maintained by the Bureau of Criminal Apprehension as private data, except that if the data link private or public data to confidential data, the data become confidential data.

Section 5 amends the statute governing data on applicants for student financial aid programs administered by the Office of Higher Education to make names and addresses of program recipients or participants private data.

Section 6 strikes a requirement that the Commissioner of Administration administer a records management program but retains the requirements that state agencies and local governments have programs in place.

Section 7 eliminates a requirement that the Commissioner of Administration, with the assistance the director of the Minnesota Historical Society, establish and maintain a program for the selection and preservation of public records considered essential to the operation of government and to the protection of the rights and interests of persons. Local government requirements with respect to preserving necessary documents essential to the continuity of government in the event of a disaster or emergency would continue.

Section 8 amends the medical records statute to authorize the release of records necessary for family and caretaker involvement in mental health care under certain circumstances. A provider would be authorized to disclose information about a patient to a family member or other person who requests the information if:

- (1) the request is in writing;
- (2) the person lives with, provides care for, or is directly involved in monitoring the patient's treatment;
- (3) the involvement is verified by the provider, the attending physician, or someone other than the person requesting the information;
- (4) before the disclosure, the patient is informed in writing of the request, the name of the requestor, the reason, and the information being requested;
- (5) the patient agrees to disclosure, does not object, or is unable to consent or object; and
- (6) the disclosure is necessary to assist in the provision of care or monitoring of the patient.

The information that may be disclosed is limited to diagnosis, admission to or discharge from treatment, name and dosage of medication, side effects, consequences of failure to take medication, and a summary of the discharge plan. If the provider reasonably determines that providing information would be detrimental to the health of the patient or is likely to cause the patient to inflict self harm or harm to another, the provider must not disclose the information. This subdivision would not apply to disclosures for a medical emergency or to family members as authorized or required under other provisions of the medical records statute.

Section 9 clarifies that invalidation of a tribal identification card is not a condition of receiving a driver's license.

Section 10 provides that a Minnesota tribal identification card is an acceptable form of identification in any case where a Minnesota identification card is acceptable. A tribal card would also be a primary document for purposes of rules governing documentation for issuance of a driver's license or Minnesota identification card. Required security features of acceptable identification cards are specified.

Section 11 amends a provision that authorizes the Commissioner of Revenue to share certain tax data with other government entities to add the Bureau of Alcohol, Tobacco, Firearms, and Explosives in the Department of Justice. This reflects a change in the jurisdiction over these investigations under federal law. An immediate effective date is included.

Sections 13 and 14 amend the law enacted last session restricting the use of Social Security numbers. Using a Social Security number as part of an account number and selling Social Security numbers are added to the list of prohibited acts. Access to Social Security numbers by employees must be restricted. Additional permissive uses of Social Security numbers are specified.

Section 15 provides that parole and probation authorities must be given access to records or data concerning an applicant or permit holder for a permit to carry a pistol.

Section 16 amends the data sharing provisions in the Vulnerable Adult Maltreatment Reporting Act to provide for the reporting of suspicious deaths to the local medical examiner, in addition to law enforcement and the ombudsman established under **section 245.92**.

Section 17 repeals a provision in the Social Security number law that authorized a continuation of prior use of Social Security numbers under specified circumstances.

Article 2 - Motor Vehicle and Driver's License Records

Section 1 updates a cross-reference section in the Data Practices Act to conform to the new provisions in this article governing access to personal information in motor vehicle and driver's license records.

Section 2 to 10 combine separate provisions currently in **chapters 168 and 171** that relate to motor vehicle and driver's license records into one chapter of law and make substantive changes in the law governing access to this information.

Section 2 contains the general language dealing with the use of personal information in motor vehicle and driver's license records. To a large extent, this codifies current law in **sections 168.346, subdivision 1, and 171.12, subdivision 7**. The most significant substantive change with respect to access to personal information is a limitation on the permissible uses for which access is allowed. In particular, data could be used for government, law enforcement, or public safety functions; recalls, automobile market surveys, and prevention of theft; verification of information submitted to a business; research activities; insurance anti-fraud activities and claims investigation; towing and impound notices; and commercial license verification. Access would no longer be allowed for use in connection with civil, criminal, administrative, or arbitration proceedings; private investigators; operation of private toll transportation facilities; and bulk distribution for surveys, marketing, or solicitations (which is authorized under current law only with express consent).

Section 3 governs disclosure of personal information when the use is related to public safety, based on current law in **section 171.12, subdivision 7a**.

Section 4 adds new provisions governing the type of record access authorized by the law. The Commissioner of Public Safety may disclose personal information only on an individual record basis, but subject to a number of specified exceptions. In particular, bulk distribution would be authorized for government, law enforcement, or public safety functions; recalls, automobile market surveys, and prevention of theft; insurance anti-fraud activities and claims investigation; and certain research activities.

Section 5 establishes new requirements for requesting access to and disclosure of personal information in motor vehicle and driver's license records. Some of these incorporate requirements under federal law and current practice of the Department of Public Safety.

Subdivision 1 provides that a person who requests disclosure of personal information must identify the data elements requested and the reason each element is needed. The Commissioner may disclose only data needed to accomplish the use for which the request is made. A person who receives personal information must cooperate in good faith with all compliance activities.

Subdivision 2 contains specific disclosure requirements applicable to the release of personal information, which must be reflected in the contract between the permissible user and the Commissioner.

Subdivision 3 contains the conditions for resale or redisclosure of personal information. A permissible user or subsequent permissible user who receives personal information may resell or redisclose the information only under certain circumstances, which must be reflected in a contract between the permissible user and the subsequent user.

A delayed effective date of January 1, 2007, is included for **subdivision 2, paragraph (a), clause (2)**, which contains new requirements relating to encrypting and uniquely identifying data in order to prevent unauthorized access and track the source of unauthorized releases.

Section 6 contains remedies and penalties. **Section 8.31**, which is the general consumer protection enforcement law that includes public remedies by the Attorney General and private remedies, would apply to a user of personal information or subsequent user who violates the law or the terms of a user contract. The remedy and penalty provisions under the Data Practices Act would apply to a violation of the law by a government entity or employee.

Section 7 contains a statement that this chapter does not affect the use of organ donation information in driver's licenserecords or access to personal information by organ procurement organizations in connection with authorized activities, consistent with federal law.

Section 8 contains a provision under which an individual who is the subject of personal information may request that the individual's residence address or name and address be classified as private data. This is based on current law in **section 168.346**, which is applicable to motor vehicle registration data.

Section 9 authorizes the Commissioner of Public Safety to refuse to disclose personal information if the Commissioner has reason to believe that the person requesting the information is likely to use it for an illegal or improper purpose or is otherwise not going to comply with the law. This is an expanded version of current law in **section 171.12, subdivision 7a**, which is limited to disclosures for public safety purposes.

Section 10 contains language clarifying the relationship of these provisions to the Data Practices Act.

Section 11 repeals current laws that are replaced by the new provisions in this article relating to motor vehicle and driver's license records.

KP:cs

Consolidated Fiscal Note – 2005-06 Session

Bill #: S3132-1E **Complete Date:** 04/21/06

Chief Author: SKOGLUND, WESLEY

Title: AMENDING DATA PRACTICES PROV

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings	X	
Tax Revenue		X

Agencies: Public Safety Dept (04/21/06)
Office of Higher Education (04/17/06)

Administration Dept (04/17/06)
Health Dept (04/19/06)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Net Expenditures					
General Fund		22	749	563	378
Public Safety Dept		22	749	563	378
Revenues					
General Fund			(963)	(963)	
Public Safety Dept			(963)	(963)	
Misc Special Revenue Fund			(696)	(696)	
Public Safety Dept			(696)	(696)	
Net Cost <Savings>					
General Fund		22	1,712	1,526	378
Public Safety Dept		22	1,712	1,526	378
Misc Special Revenue Fund			696	696	
Public Safety Dept			696	696	
Total Cost <Savings> to the State		22	2,408	2,222	378

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
General Fund		0.14	0.00	2.50	2.50
Public Safety Dept		0.14	0.00	2.50	2.50
Total FTE		0.14	0.00	2.50	2.50

Consolidated EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER

Date: 04/21/06 Phone: 215-0594

Fiscal Note – 2005-06 Session

Bill #: S3132-1E Complete Date: 04/21/06

Chief Author: SKOGLUND, WESLEY

Title: AMENDING DATA PRACTICES PROV

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings	X	
Tax Revenue		X

Agency Name: Public Safety Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		22	749	563	378
Less Agency Can Absorb					
– No Impact –					
Net Expenditures					
General Fund		22	749	563	378
Revenues					
General Fund			(963)	(963)	
Misc Special Revenue Fund			(696)	(696)	
Net Cost <Savings>					
General Fund		22	1,712	1,526	378
Misc Special Revenue Fund			696	696	
Total Cost <Savings> to the State		22	2,408	2,222	378

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
General Fund		0.14	0.00	2.50	2.50
Total FTE		0.14	0.00	2.50	2.50

Bill Description

A bill relating to data practices; disclosure and use of motor vehicle records and driver's license data.

Assumptions

Assumes DVS would be unable to comply with the requirements by January 1, 2007 and would be unable to sell electronic and bulk records or paper records to third parties until the requirements are met.
Assume a preliminary assessment and requirements definition would be completed to clearly define the scope and approach for implementing the requirements of this bill.
Assume a preliminary assessment would take six (6) months to complete.
Assumes an application would need to be developed to select individual fields for distribution for specific approved users.
Assumes encryption will need to be implemented for transferring data to approved users.
Assumes business agreements with approved users will need to be rewritten, implemented and monitored.
Assumes the design and implementation of an automated tracking process.
Assumes a random audit process will need to be designed and implemented.
Assumes an evaluation and purchase of encryption software.
Assumes a unique identification for all data provided to each permissible user.
Assumes DVS would manage customer de-encryption keys.
Assumes website monitoring will need a logging system designed and developed.
Assumes an independent audit to monitor the security of the system annually.
Assumes the purchase of additional hardware (two servers) and software.
Assumes there will be on-going cost.
Assumes implementation would take approximately one (1) year (after completion of preliminary assessment).
Assumes OTSS would have to use 0.14 FTE in FY06 for preparation at a cost of \$10,000 and administrative cost of \$12,000.

Expenditure and/or Revenue Formula

Item	Task	Cost
1	A preliminary assessment Requirements definition must be completed to clearly define the scope and approach for implementing the requirements of the bill	\$375,000
2	Systems Analysis Identify other data feeds on the DVS SQL servers. (71 databases, containing 2,595 tables, all together comprising 15,109 columns)	\$53,000
3	Mainframe or SQL Solution for taking mainframe files	\$125,000
4	Existing SQL Feeds	\$120,000
5	DL Data and Vehicle information via the website	\$53,000
6	User Control / Tracking System	\$119,000

	TOTAL	\$845,000	

One time cost: Preliminary assessment \$375,000 and one half of implementation expenses \$235,000 in FY07; one half on implementation expenses \$235,000 in FY08.

Additional hardware/software: FY07 \$65,000.

On-going (technology) annual cost: \$74,000 in FY07 and \$148,000 each fiscal year thereafter.

1.5 FTE ITS3 (step 7) functional and technical testing; on-going application and encryption support: \$116,332 beginning in FY08.

One FTE State Program Adm Sr: \$63,976 beginning in FY08.

Annual independent audit of electronic access to driver and vehicle data cost of \$50,000 per year beginning in FY09.

OTSS preparation cost in FY06 of 0.14 FTE at \$10,000 and administrative cost of \$12,000.

Revenue:

DVS anticipates a loss in special revenue receipts from the sale of records from January 1, 2007 until completion (one year) of implementation of approximately \$20,000 per month (Vehicle Services Operating Account) from motor vehicle records and \$96,000 (Driver Services Operating Account) per month of driver license records (based on current year receipts). There would also be a loss in general fund revenue of approximately \$17,000 per month from motor vehicle records and \$121,000 per month from driver license records (based on current year receipts). Also, there would be a loss to the general fund for record surcharge of approximately \$22,500 per month (based on current receipts).

Long-Term Fiscal Considerations

On going costs would continue. With the loss of revenues from fees, DVS may have to reduce staff.

Local Government Costs

Records would not be available until system is implemented.

References/Sources

Agency Contact Name: Pat McCormack 296-2097, Tom Nash 284-4322
 FN Coord Signature: FRANK AHRENS
 Date: 04/20/06 Phone: 296-9484

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER
 Date: 04/21/06 Phone: 215-0594

Fiscal Note – 2005-06 Session

Bill #: S3132-1E Complete Date: 04/17/06

Chief Author: SKOGLUND, WESLEY

Title: AMENDING DATA PRACTICES PROV

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Office of Higher Education

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

Section 5 of Senate File 3132-1E redefines as private data the names and addresses of recipients of financial aid from the Office of Higher Education.

Assumptions

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

The change in the definition of certain information for data privacy will not have any fiscal impact.

Local Government Costs

References/Sources

FN Coord Signature: MARK MISUKANIS

Date: 04/17/06 Phone: 642-0518

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN

Date: 04/17/06 Phone: 296-7316

Fiscal Note – 2005-06 Session

Bill #: S3132-1E **Complete Date:** 04/19/06

Chief Author: SKOGLUND, WESLEY

Title: AMENDING DATA PRACTICES PROV

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Health Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

This bill version has no fiscal effect on our agency.

FN Coord Signature: MARGARET KELLY
Date: 04/13/06 Phone: 201-5812

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: CRAIG WIEBER
Date: 04/19/06 Phone: 282-5065

Fiscal Note – 2005-06 Session

Bill #: S3132-1E Complete Date: 04/17/06

Chief Author: SKOGLUND, WESLEY

Title: AMENDING DATA PRACTICES PROV

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Administration Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalent					
-- No Impact --					
Total FTE					

Bill Description

This is a bill relating to data practices, regulating the disclosure of certain data, classifying certain data, regulating tribal identification cards, authorizing the exchange of certain information, requiring the deletion or the correction of certain data, providing civil remedies, etc.

Assumptions

N/A

Expenditure and/or Revenue Formula

No fiscal impact to the Department of Administration.

Long-Term Fiscal Considerations

N/A

Local Government Costs

References/Sources

Laurie Beyer-Kropuenske
Information Policy Analysis division
(651) 201-2501

Agency Contact Name: Laurie Beyer-Kropuenske (651) 201-2501
FN Coord Signature: JULIE POSER
Date: 04/13/06 Phone: 201-2531

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: PEGGY LEXAU
Date: 04/17/06 Phone: 296-6237

A bill for an act

relating to data practices; regulating the disclosure of certain data; classifying certain data; regulating tribal identification cards; authorizing the exchange of certain information; requiring the deletion or the correction of certain data; providing civil remedies; amending Minnesota Statutes 2004, sections 13.072, subdivision 1; 13.32, by adding a subdivision; 13.3805, by adding a subdivision; 13.87, by adding a subdivision; 136A.162; 138.17, subdivisions 7, 8; 144.335, by adding a subdivision; 624.714, by adding a subdivision; 626.557, subdivision 9a; Minnesota Statutes 2005 Supplement, sections 13.6905, subdivision 3; 171.02, subdivision 1; 270C.03, subdivision 1; 299C.40, subdivision 1; 325E.59, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapter 171; proposing coding for new law as Minnesota Statutes, chapter 170A; repealing Minnesota Statutes 2004, section 13.6905, subdivision 10; Minnesota Statutes 2005 Supplement, sections 168.346; 171.12, subdivisions 7, 7a; 325E.59, subdivision 2.

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

ARTICLE 1

GENERAL DATA PRACTICES PROVISIONS

Section 1. Minnesota Statutes 2004, section 13.072, subdivision 1, is amended to read:

Subdivision 1. Opinion; when required. (a) Upon request of a government entity, the commissioner may give a written opinion on any question relating to public access to government data, rights of subjects of data, or classification of data under this chapter or other Minnesota statutes governing government data practices. Upon request of any person who disagrees with a determination regarding data practices made by a government entity, the commissioner may give a written opinion regarding the person's rights as a subject of government data or right to have access to government data.

(b) Upon request of a body subject to chapter 13D, the commissioner may give a written opinion on any question relating to the body's duties under chapter 13D. Upon

2.1 request of a person who disagrees with the manner in which members of a governing body
2.2 perform their duties under chapter 13D, the commissioner may give a written opinion
2.3 on compliance with chapter 13D. A governing body or person requesting an opinion
2.4 under this paragraph must pay the commissioner a fee of \$200. Money received by the
2.5 commissioner under this paragraph is appropriated to the commissioner for the purposes
2.6 of this section.

2.7 (c) If the commissioner determines that no opinion will be issued, the commissioner
2.8 shall give the government entity or body subject to chapter 13D or person requesting
2.9 the opinion notice of the decision not to issue the opinion within five business days of
2.10 receipt of the request. If this notice is not given, the commissioner shall issue an opinion
2.11 within 20 days of receipt of the request.

2.12 (d) For good cause and upon written notice to the person requesting the opinion,
2.13 the commissioner may extend this deadline for one additional 30-day period. The notice
2.14 must state the reason for extending the deadline. The government entity or the members
2.15 of a body subject to chapter 13D must be provided a reasonable opportunity to explain the
2.16 reasons for its decision regarding the data or how they perform their duties under chapter
2.17 13D. The commissioner or the government entity or body subject to chapter 13D may
2.18 choose to give notice to the subject of the data concerning the dispute regarding the data
2.19 or compliance with chapter 13D.

2.20 (e) This section does not apply to a determination made by the commissioner of
2.21 health under section 13.3805, subdivision 1, paragraph (b), or 144.6581.

2.22 (f) A written opinion issued by the attorney general shall take precedence over an
2.23 opinion issued by the commissioner under this section.

2.24 Sec. 2. Minnesota Statutes 2004, section 13.32, is amended by adding a subdivision to
2.25 read:

2.26 Subd. 8a. Access by juvenile justice system; bullying behavior. (a) For purposes
2.27 of this subdivision, "bullying behavior" means any written or verbal expression or physical
2.28 act or gesture by a student that is intended to cause or is perceived as causing distress to
2.29 one or more students and that substantially interferes with another student's educational
2.30 benefits, opportunities, or performance. Bullying includes, but is not limited to, conduct
2.31 by a student against another student that a reasonable person under the circumstances
2.32 knows or should know has the effect of harming a student, damaging a student's property,
2.33 placing a student in reasonable fear of harm to the student's person or property, or creating
2.34 a hostile educational environment for a student.

3.1 (b) Education data relating to bullying behavior by a student may be disclosed
 3.2 under subdivision 3, clause (i).

3.3 Sec. 3. Minnesota Statutes 2004, section 13.3805, is amended by adding a subdivision
 3.4 to read:

3.5 Subd. 4. Drinking water testing data. Data maintained by the Department
 3.6 of Health or community public water systems that identify the address of the testing
 3.7 site and the name, address, and telephone number of residential homeowners of each
 3.8 specific site that is tested for lead and copper as required by the federal Safe Drinking
 3.9 Water Act, the United States Environmental Protection Agency's lead and copper rule,
 3.10 and the department's drinking water protection program are private data on individuals
 3.11 or nonpublic data.

3.12 Sec. 4. Minnesota Statutes 2004, section 13.87, is amended by adding a subdivision to
 3.13 read:

3.14 Subd. 4. Name and index service data. (a) For purposes of this section, "name
 3.15 and event index service data" means data of the Bureau of Criminal Apprehension that
 3.16 link data on an individual that are stored in one or more databases maintained by criminal
 3.17 justice agencies, as defined in section 299C.46, subdivision 2, or the judiciary.

3.18 (b) Name and event index service data are private data on individuals, provided
 3.19 that if the data link private or public data on an individual to confidential data on that
 3.20 individual, the data are confidential data on that individual. The data become private data
 3.21 if the data no longer link private or public data to confidential data. The classification of
 3.22 data in the name and event index service does not change the classification of the data in
 3.23 the databases linked by the service.

3.24 Sec. 5. Minnesota Statutes 2004, section 136A.162, is amended to read:

3.25 **136A.162 CLASSIFICATION OF DATA.**

3.26 ~~All~~ (a) Except as provided in paragraphs (b) and (c), data on applicants for financial
 3.27 assistance collected and used by the Higher Education Services Office for student
 3.28 financial aid programs administered by that office ~~shall be classified as~~ are private data
 3.29 on individuals ~~under~~ as defined in section 13.02, subdivision 12. ~~Exceptions to this~~
 3.30 ~~classification are that:~~

3.31 ~~(a) the names and addresses of program recipients or participants are public data;~~

4.1 (b) Data on applicants may be disclosed to the commissioner of human services
4.2 to the extent necessary to determine eligibility under section 136A.121, subdivision 2,
4.3 clause (5); ~~and.~~

4.4 (c) The following data collected in the Minnesota supplemental loan program under
4.5 section 136A.1701 may be disclosed to a consumer credit reporting agency only if the
4.6 borrower and the cosigner give informed consent, according to section 13.05, subdivision
4.7 4, at the time of application for a loan:

- 4.8 (1) the lender-assigned borrower identification number;
- 4.9 (2) the name and address of borrower;
- 4.10 (3) the name and address of cosigner;
- 4.11 (4) the date the account is opened;
- 4.12 (5) the outstanding account balance;
- 4.13 (6) the dollar amount past due;
- 4.14 (7) the number of payments past due;
- 4.15 (8) the number of late payments in previous 12 months;
- 4.16 (9) the type of account;
- 4.17 (10) the responsibility for the account; and
- 4.18 (11) the status or remarks code.

4.19 Sec. 6. Minnesota Statutes 2004, section 138.17, subdivision 7, is amended to read:

4.20 Subd. 7. **Records management program.** ~~A records management program for the~~
4.21 ~~application of efficient and economical management methods to the creation, utilization,~~
4.22 ~~maintenance, retention, preservation, and disposal of official records shall be administered~~
4.23 ~~by the commissioner of administration with assistance from the director of the historical~~
4.24 ~~society. The State Records Center which stores and services state records not in state~~
4.25 ~~archives shall be administered by the commissioner of administration. The commissioner~~
4.26 ~~of administration is empowered to (1) establish standards, procedures, and techniques for~~
4.27 ~~effective management of government records, (2) make continuing surveys of paper work~~
4.28 ~~operations, and (3) recommend improvements in current records management practices~~
4.29 ~~including the use of space, equipment, and supplies employed in creating, maintaining,~~
4.30 ~~preserving and disposing of government records. It shall be the duty of the head of each~~
4.31 ~~state agency and the governing body of each county, municipality, and other subdivision~~
4.32 ~~of government to cooperate with the commissioner in conducting surveys and to establish~~
4.33 ~~and maintain an active, continuing program for the economical and efficient management~~
4.34 ~~of the records of each agency, county, municipality, or other subdivision of government.~~
4.35 ~~When requested by the commissioner, Public officials shall assist in the preparation of~~

5.1 prepare an inclusive inventory of records in their custody, to which shall be attached
5.2 a schedule, approved by the head of the governmental unit or agency having custody
of the records ~~and the commissioner~~, establishing a time period for the retention or
5.4 disposal of each series of records. When the schedule is unanimously approved by the
5.5 records disposition panel, the head of the governmental unit or agency having custody
5.6 of the records may dispose of the type of records listed in the schedule at a time and in
5.7 a manner prescribed in the schedule for particular records which were created after the
5.8 approval. A list of records disposed of pursuant to this subdivision shall be maintained by
5.9 the governmental unit or agency.

5.10 Sec. 7. Minnesota Statutes 2004, section 138.17, subdivision 8, is amended to read:

5.11 Subd. 8. **Emergency records preservation.** ~~In light of the danger of nuclear or~~
5.12 ~~natural disaster, the commissioner of administration, with the assistance of the director~~
of the historical society, ~~shall establish and maintain a program for the selection and~~
5.14 ~~preservation of public records considered essential to the operation of government and to~~
5.15 ~~the protection of the rights and interests of persons, and shall make or cause to be made~~
5.16 ~~preservation duplicates or designate as preservation duplicates existing copies of such~~
5.17 ~~essential public records. Preservation duplicates shall be durable, accurate, complete, and~~
5.18 ~~clear, and such duplicates reproduced by photographic or other process which accurately~~
5.19 ~~reproduces and forms a durable medium for so reproducing the original shall have the~~
5.20 ~~same force and effect for all purposes as the original record whether the original record is~~
5.21 ~~in existence or not. A transcript, exemplification, or certified copy of such preservation~~
5.22 ~~duplicate shall be deemed for all purposes to be a transcript, exemplification, or certified~~
3 ~~copy of the original record. Such preservation duplicates shall be preserved in the place~~
5.24 ~~and manner of safekeeping prescribed by the commissioner.~~

5.25 Every county, municipality, or other subdivision of government may institute
5.26 a program for the preservation of necessary documents essential to the continuity of
5.27 government in the event of a disaster or emergency. ~~Such a program shall first be~~
5.28 ~~submitted to the commissioner for approval or disapproval and no such program shall be~~
5.29 ~~instituted until such approval is obtained.~~

5.30 Sec. 8. Minnesota Statutes 2004, section 144.335, is amended by adding a subdivision
5.31 to read:

5.32 Subd. 3d. Release of records for family and caretaker involvement in mental
33 health care. (a) Notwithstanding subdivision 3a, a provider providing mental health care

6.1 and treatment may disclose health record information described in paragraph (b) about a
6.2 patient to a family member of the patient or other person who requests the information if:

6.3 (1) the request for information is in writing;

6.4 (2) the family member or other person lives with, provides care for, or is directly
6.5 involved in monitoring the treatment of the patient;

6.6 (3) the involvement under clause (2) is verified by the patient's mental health care
6.7 provider, the patient's attending physician, or a person other than the person requesting
6.8 the information;

6.9 (4) before the disclosure, the patient is informed in writing of the request, the name
6.10 of the person requesting the information, the reason for the request, and the specific
6.11 information being requested;

6.12 (5) the patient agrees to the disclosure, does not object to the disclosure, or is unable
6.13 to consent or object; and

6.14 (6) the disclosure is necessary to assist in the provision of care or monitoring of the
6.15 patient's treatment.

6.16 (b) The information disclosed under this subdivision is limited to diagnosis,
6.17 admission to or discharge from treatment, the name and dosage of the medications
6.18 prescribed, side effects of the medication, consequences of failure of the patient to take the
6.19 prescribed medication, and a summary of the discharge plan.

6.20 (c) If a provider reasonably determines that providing information under this
6.21 subdivision would be detrimental to the physical or mental health of the patient or is
6.22 likely to cause the patient to inflict self harm or to harm another, the provider must not
6.23 disclose the information.

6.24 (d) This subdivision does not apply to disclosures for a medical emergency or to
6.25 family members as authorized or required under subdivision 3a, paragraph (b), clause
6.26 (1), or paragraph (f).

6.27 Sec. 9. Minnesota Statutes 2005 Supplement, section 171.02, subdivision 1, is
6.28 amended to read:

6.29 Subdivision 1. **License required.** Except when expressly exempted, a person
6.30 shall not drive a motor vehicle upon a street or highway in this state unless the person
6.31 has a license valid under this chapter for the type or class of vehicle being driven. The
6.32 department shall not issue a driver's license to a person unless and until the person's license
6.33 from any jurisdiction has been invalidated. The department shall provide to the issuing
6.34 department of any jurisdiction, information that the licensee is now licensed in Minnesota.
6.35 A person is not permitted to have more than one valid driver's license at any time. The

7.1 department shall not issue to a person to whom a current Minnesota identification card has
7.2 been issued a driver's license, other than a limited license, unless the person's Minnesota
7.3 identification card has been invalidated. This subdivision does not require invalidation of
7.4 a tribal identification card as a condition of receiving a driver's license.

7.5 Sec. 10. [171.072] TRIBAL IDENTIFICATION CARD.

7.6 (a) If a Minnesota identification card is deemed an acceptable form of identification
7.7 in Minnesota Statutes or Rules, a tribal identification card is also an acceptable form
7.8 of identification. A tribal identification card is a primary document for purposes of
7.9 Minnesota Rules, part 7410.0400, and successor rules.

7.10 (b) For purposes of this subdivision, "tribal identification card" means an unexpired
7.11 identification card issued by a Minnesota tribal government of a tribe recognized by the
7.12 Bureau of Indian Affairs, United States Department of the Interior, that contains the legal
3 name, date of birth, signature, and picture of the enrolled tribal member.

7.14 (c) The tribal identification card must contain security features that make it as
7.15 impervious to alteration as is reasonably practicable in its design and quality of material
7.16 and technology. The security features must use materials that are not readily available to
7.17 the general public. The tribal identification card must not be susceptible to reproduction
7.18 by photocopying or simulation and must be highly resistant to data or photograph
7.19 substitution and other tampering. The requirements of this section do not apply to tribal
7.20 identification cards used to prove an individual's residence for purposes of section
7.21 201.061, subdivision 3.

22 Sec. 11. Minnesota Statutes 2005 Supplement, section 270C.03, subdivision 1, is
7.23 amended to read:

7.24 Subdivision 1. **Powers and duties.** The commissioner shall have and exercise
7.25 the following powers and duties:

7.26 (1) administer and enforce the assessment and collection of taxes;

7.27 (2) make determinations, corrections, and assessments with respect to taxes,
7.28 including interest, additions to taxes, and assessable penalties;

7.29 (3) use statistical or other sampling techniques consistent with generally accepted
7.30 auditing standards in examining returns or records and making assessments;

7.31 (4) investigate the tax laws of other states and countries, and formulate and submit
2 to the legislature such legislation as the commissioner may deem expedient to prevent
33 evasions of state revenue laws and to secure just and equal taxation and improvement in
7.34 the system of state revenue laws;

8.1 (5) consult and confer with the governor upon the subject of taxation, the
8.2 administration of the laws in regard thereto, and the progress of the work of the
8.3 department, and furnish the governor, from time to time, such assistance and information
8.4 as the governor may require relating to tax matters;

8.5 (6) execute and administer any agreement with the secretary of the treasury or the
8.6 Bureau of Alcohol, Tobacco, Firearms, and Explosives in the Department of Justice of the
8.7 United States or a representative of another state regarding the exchange of information
8.8 and administration of the state revenue laws;

8.9 (7) require town, city, county, and other public officers to report information as to the
8.10 collection of taxes received from licenses and other sources, and such other information
8.11 as may be needful in the work of the commissioner, in such form as the commissioner
8.12 may prescribe;

8.13 (8) authorize the use of unmarked motor vehicles to conduct seizures or criminal
8.14 investigations pursuant to the commissioner's authority; and

8.15 (9) exercise other powers and authority and perform other duties required of or
8.16 imposed upon the commissioner by law.

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

8.18 Sec. 12. Minnesota Statutes 2005 Supplement, section 299C.40, subdivision 1, is
8.19 amended to read:

8.20 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
8.21 section.

8.22 (b) "CIBRS" means the Comprehensive Incident-Based Reporting System, located
8.23 in the Department of Public Safety and managed by the Bureau of Criminal Apprehension,
8.24 Criminal Justice Information Systems Section. A reference in this section to "CIBRS"
8.25 includes the Bureau of Criminal Apprehension.

8.26 (c) "Law enforcement agency" means a Minnesota municipal police department,
8.27 the Metropolitan Transit Police, the Metropolitan Airports Police, the University of
8.28 Minnesota Police Department, the Department of Corrections' Fugitive Apprehension
8.29 Unit, a Minnesota county sheriff's department, the Bureau of Criminal Apprehension, or
8.30 the Minnesota State Patrol.

8.31 Sec. 13. Minnesota Statutes 2005 Supplement, section 325E.59, subdivision 1, is
8.32 amended to read:

8.33 Subdivision 1. **Generally.** (a) A person or entity, not including a government entity,
8.34 may not do any of the following:

9.1 (1) publicly post or publicly display in any manner an individual's Social Security
 9.2 number. "Publicly post" or "publicly display" means to intentionally communicate or
 otherwise make available to the general public;

9.4 (2) print an individual's Social Security number on any card required for the
 9.5 individual to access products or services provided by the person or entity;

9.6 (3) require an individual to transmit the individual's Social Security number over the
 9.7 Internet, unless the connection is secure or the Social Security number is encrypted;

9.8 (4) require an individual to use the individual's Social Security number to access an
 9.9 Internet Web site, unless a password or unique personal identification number or other
 9.10 authentication device is also required to access the Internet Web site; ~~or~~

9.11 (5) print a number that the person or entity knows to be an individual's Social
 9.12 Security number on any materials that are mailed to the individual, unless state or federal
 9.13 law requires the Social Security number to be on the document to be mailed. If, in
 4 connection with a transaction involving or otherwise relating to an individual, a person
 9.15 or entity receives a number from a third party, that person or entity is under no duty to
 9.16 inquire or otherwise determine whether the number is or includes that individual's Social
 9.17 Security number and may print that number on materials mailed to the individual, unless
 9.18 the person or entity receiving the number has actual knowledge that the number is or
 9.19 includes the individual's Social Security number;

9.20 (6) assign or use a number as an account identifier that is identical to or incorporates
 9.21 an individual's complete Social Security number; or

9.22 (7) sell Social Security numbers obtained from individuals in the course of business.

9.23 Notwithstanding clauses (1) to (5), Social Security numbers may be included in
 24 applications and forms sent by mail, including documents sent as part of an application or
 9.25 enrollment process, or to establish, amend, or terminate an account, contract, or policy,
 9.26 or to confirm the accuracy of the Social Security number. Nothing in this paragraph
 9.27 authorizes inclusion of a Social Security number on the outside of a mailing or in the bulk
 9.28 mailing of a credit card solicitation offer.

9.29 (b) A person or entity, not including a government entity, must restrict access to
 9.30 individual Social Security numbers it holds so that only employees who require the
 9.31 numbers in order to perform their job duties have access to the numbers.

9.32 ~~Except as provided in subdivision 2,~~ (c) This section applies only to the use of Social
 9.33 Security numbers on or after July 1, 2007.

34 Sec. 14. Minnesota Statutes 2005 Supplement, section 325E.59, subdivision 3, is
 9.35 amended to read:

- 10.1 Subd. 3. **Coordination with other law.** This section does not prevent:
- 10.2 (1) the collection, use, or release of a Social Security number as required by state or
- 10.3 federal law ~~or~~;
- 10.4 (2) the use of a Social Security number for internal verification or administrative
- 10.5 purposes;
- 10.6 (3) the use of a Social Security number to access a credit report for purposes allowed
- 10.7 by the federal Fair Credit Reporting Act, United States Code, title 15, section 1681a, if
- 10.8 a Social Security number is required in order to access the credit report or the use of a
- 10.9 Social Security number in reporting information to a consumer reporting agency; or
- 10.10 (4) the use of a Social Security number to access or report information to a person
- 10.11 who maintains a database of information used in connection with the prevention or
- 10.12 detection of fraud.

10.13 Sec. 15. Minnesota Statutes 2004, section 624.714, is amended by adding a subdivision

10.14 to read:

10.15 Subd. 14a. Parole and probation authority access to records. Parole and

10.16 probation authorities must be given access to records or data collected, made, or held

10.17 under this section concerning any applicant or permit holder who is a defendant, parolee,

10.18 or probationer of a district court.

10.19 Sec. 16. Minnesota Statutes 2004, section 626.557, subdivision 9a, is amended to read:

10.20 Subd. 9a. **Evaluation and referral of reports made to a common entry**

10.21 **point unit.** The common entry point must screen the reports of alleged or suspected

10.22 maltreatment for immediate risk and make all necessary referrals as follows:

10.23 (1) if the common entry point determines that there is an immediate need for

10.24 adult protective services, the common entry point agency shall immediately notify the

10.25 appropriate county agency;

10.26 (2) if the report contains suspected criminal activity against a vulnerable adult, the

10.27 common entry point shall immediately notify the appropriate law enforcement agency;

10.28 (3) if the report references alleged or suspected maltreatment and there is no

10.29 immediate need for adult protective services, the common entry point shall notify the

10.30 appropriate lead agency as soon as possible, but in any event no longer than two working

10.31 days;

10.32 (4) if the report does not reference alleged or suspected maltreatment, the common

10.33 entry point may determine whether the information will be referred; and

11.1 (5) if the report contains information about a suspicious death, the common entry
11.2 point shall immediately notify the appropriate law enforcement agencies, the local medical
11.3 examiner, and the ombudsman established under section 245.92. Law enforcement
11.4 agencies shall coordinate with the local medical examiner and the ombudsman as provided
11.5 by law.

11.6 Sec. 17. **REPEALER.**

11.7 Minnesota Statutes 2005 Supplement, section 325E.59, subdivision 2, is repealed.

11.8 **ARTICLE 2**

11.9 **MOTOR VEHICLE AND DRIVER'S LICENSE RECORDS**

11.10 Section 1. Minnesota Statutes 2005 Supplement, section 13.6905, subdivision 3,
11.11 is amended to read:

11.12 Subd. 3. **Motor vehicle registration and driver's license data.** ~~Various data on~~
11.13 Disclosure and use of motor vehicle registrations are classified under sections 168.327,
11.14 subdivision 3, and 168.346 registration and driver's license data is governed by chapter
11.15 170A.

11.16 Sec. 2. **[170A.01] PERSONAL INFORMATION IN MOTOR VEHICLE AND**
11.17 **DRIVER'S LICENSE RECORDS.**

11.18 Subdivision 1. **Definitions.** The definitions in United States Code, title 18, section
11.19 2725, and chapters 168 and 171, apply to this chapter.

11.20 Subd. 2. **Application.** This chapter applies to:

11.21 (1) personal information on an owner provided to register a motor vehicle under
11.22 chapter 168; and

11.23 (2) personal information provided to obtain a driver's license or Minnesota
11.24 identification card under chapter 171.

11.25 Subd. 3. **Federal compliance; permissible disclosures under state law.** Except
11.26 as otherwise provided in this section, personal information must be treated as provided
11.27 in United States Code, title 18, section 2721. The commissioner shall disclose personal
11.28 information as required by section 2721, paragraph (b), and for the uses permitted by
11.29 paragraph (b), clauses (1) to (3), (5) to (7), (9), and (14), subject to the restrictions on
11.30 the disclosure of highly restricted personal information. The commissioner must not
11.31 disclose personal information for other uses except as required by law or with the consent
11.32 of the subject.

12.1 Subd. 4. Consent. The subject of personal information may expressly consent
12.2 in writing to the disclosure of the individual's personal information not authorized by
12.3 United States Code, title 18, section 2721, or this chapter, to a person who makes a written
12.4 request for the personal information. If the subject of the information is an individual and
12.5 so authorizes disclosure, the commissioner shall implement the request. The consent
12.6 must be on a document separate from the application for a motor vehicle registration,
12.7 driver's license, or Minnesota identification card. The commissioner must not condition
12.8 the issuance of a registration, license, or card upon a consent or give any preference to an
12.9 individual who grants consent.

12.10 **Sec. 3. [170A.02] PUBLIC SAFETY DISCLOSURES.**

12.11 The commissioner shall disclose personal information when the use is related to the
12.12 operation or use of a motor vehicle or public safety, as authorized under United States
12.13 Code, section 2721(b)(14). The use of personal information is related to public safety if it
12.14 concerns the physical safety or security of drivers, vehicles, pedestrians, or property.

12.15 **Sec. 4. [170A.03] TYPE OF RECORD ACCESS AUTHORIZED.**

12.16 Subdivision 1. Access limited to individual records. Except as provided in
12.17 subdivision 2, the commissioner may disclose personal information only on an individual
12.18 record basis in response to a permissible user's identification of the name of the individual
12.19 subject of the data to whom the permissible use relates or, in the case of a disclosure for
12.20 purposes of notifying an owner of a towed or impounded vehicle, the vehicle identification
12.21 number or license plate number.

12.22 Subd. 2. Exception to individual record requirement for certain uses. The
12.23 commissioner may disclose personal information in a manner other than an individual
12.24 record basis only for a permissible use under United States Code, title 18, section
12.25 2721(b)(1), (2), (5), (6), or (14).

12.26 **Sec. 5. [170A.04] REQUEST AND DISCLOSURE REQUIREMENTS AND**
12.27 **CONDITIONS.**

12.28 Subdivision 1. Requirements for request; cooperation. A person who requests
12.29 disclosure of personal information under section 170A.01 must identify the data elements
12.30 requested and the reason each element is needed. The commissioner shall disclose only
12.31 those data elements needed to accomplish the use for which the request is made. A person
12.32 who receives personal information from the commissioner or from a permissible user
12.33 under subdivision 3 must cooperate in good faith with all compliance activities.

13.1 Subd. 2. Disclosure conditions. (a) Personal information may be disclosed
13.2 only under the following conditions, which must be reflected in a contract between the
3 permissible user and the commissioner:

13.4 (1) the commissioner may periodically conduct an audit to assess compliance by the
13.5 permissible user with this section;

13.6 (2) the commissioner shall encrypt data that are released electronically and uniquely
13.7 identify all data provided to each permissible user in order to prevent unauthorized access
13.8 and track the source of unauthorized releases of the data; this encryption and unique
13.9 identifier must not be removed, altered, or otherwise compromised by the permissible user
13.10 or any subsequent user;

13.11 (3) the permissible user shall submit a signed, dated certification to the commissioner
13.12 as provided in paragraph (b);

13.13 (4) the commissioner shall disclose only the data elements that are necessary to
13.14 accomplish the application certified by the permissible user;

13.15 (5) the permissible user may use the data only for the use and applications for which
13.16 the data are obtained and certified;

13.17 (6) the permissible user shall permit access to the data only by persons for whom
13.18 access is necessary to perform or support the application certified by the permissible user;

13.19 (7) the permissible user shall establish comprehensive administrative, technical, and
13.20 administrative safeguards to insure the security and confidentiality of the data, to protect
13.21 against any anticipated threats or hazards to the security and integrity of the data, and to
13.22 protect against unauthorized access to or use of the data; and

13.23 (8) the permissible user must not resell or redisclose any data obtained under this
3.24 section to any subsequent user, except as provided in subdivision 3.

13.25 (b) The certification required under paragraph (a) must state:

13.26 (1) each statutory use under which the user requests the data;

13.27 (2) each specific application of the data by the user consistent with the statutory use;

13.28 (3) each data element necessary to accomplish that application; and

13.29 (4) the reason the data element is necessary to accomplish the application.

13.30 The certification must be made by the permissible user under penalty of perjury and
13.31 upon direct knowledge of the truth of the matters certified. If any part of the certification is
13.32 no longer accurate or has changed, the permissible user must file an amended certification
13.33 before obtaining further access to data under the contract. A permissible user who obtains
3.34 access to data under the terms of an existing contract is deemed to have affirmed the
13.35 existing certification.

14.1 Subd. 3. Conditions for resale or redisclosure. A permissible user or subsequent
14.2 permissible user who receives personal information under this section may resell or
14.3 redisclose the information only under the following conditions, which must be reflected in
14.4 a contract between the permissible user and the subsequent permissible user:

14.5 (1) the permissible user shall obtain from the subsequent user a certification meeting
14.6 the requirements of subdivision 2, paragraph (a), clause (3), and paragraph (b);

14.7 (2) the permissible user shall independently determine and verify the business
14.8 identity of any subsequent user that is not an individual and that each user has, and is
14.9 legitimately engaged in, the uses and applications it certified, including, as appropriate,
14.10 through a site visit;

14.11 (3) the permissible user may redisclose or resell only the data elements that are
14.12 necessary to accomplish the application certified by the subsequent user;

14.13 (4) the subsequent user may use the data only for the use and applications for which
14.14 the data are obtained and certified;

14.15 (5) the permissible user shall require that the subsequent user use the data for
14.16 the same statutory use under which the permissible user received the data from the
14.17 commissioner, and for no other permissible use or application inconsistent with this use;

14.18 (6) the commissioner or the permissible user may only resell or redisclose data
14.19 with an encryption and unique identifier in the data placed by the commissioner under
14.20 subdivision 2, paragraph (a), clause (2), and shall prohibit the subsequent user from
14.21 removing, altering, or otherwise compromising an encryption and identifier;

14.22 (7) the permissible user shall verify that the subsequent user has established
14.23 administrative, technical, and administrative safeguards at least as secure as the
14.24 permissible user's comprehensive security safeguards;

14.25 (8) the commissioner or the permissible user may periodically audit the subsequent
14.26 user's compliance with its certification and this section; and

14.27 (9) the permissible user shall inform the subsequent user that section 170A.05
14.28 imposes private and public penalties and remedies for a violation of this chapter or a
14.29 user contract.

14.30 EFFECTIVE DATE. Subdivision 2, paragraph (a), clause (2), is effective January
14.31 1, 2007.

14.32 Sec. 6. [170A.05] REMEDIES AND PENALTIES.

14.33 The remedies and penalties in section 8.31 apply to a user of personal information
14.34 or a subsequent user who violates this chapter or the terms of a user contract. Sections

15.1 13.08 and 13.09 apply to a violation of this chapter by a government entity or employee
15.2 of a government entity.

15.3 **Sec. 7. [170A.06] ORGAN PROCUREMENT ORGANIZATIONS.**

15.4 This chapter does not affect the use of organ donation information on an individual's
15.5 driver's license or Minnesota identification card or affect access to personal information
15.6 by a federally certified or designated nonprofit organ procurement organization in
15.7 connection with its authorized activities.

15.8 **Sec. 8. [170A.07] PRIVACY CLASSIFICATION FOR PERSONAL SAFETY.**

15.9 An individual who is the subject of personal information may request, in writing,
15.10 that the individual's residence address or name and residence address be classified as
15.11 private data on individuals, as defined in section 13.02, subdivision 12. The commissioner
15.12 shall grant the classification on receipt of a signed statement by the individual that the
15.13 classification is required for the safety of the individual or the individual's family, if the
15.14 statement also provides a valid, existing address where the individual consents to receive
15.15 service of process. The commissioner shall use the service of process mailing address
15.16 in place of the individual's residence address in all documents and notices pertaining
15.17 to the motor vehicle or driver's license or Minnesota identification card, as applicable.
15.18 The residence address or name and residence address and any information provided in
15.19 the classification request, other than the individual's service for process mailing address,
15.20 are private data on individuals but may be provided to requesting law enforcement
15.21 agencies, probation and parole agencies, and public authorities, as defined in section
15.22 518.54, subdivision 9.

15.23 **Sec. 9. [170A.08] REFUSAL TO DISCLOSE INFORMATION UNDER**
15.24 **CERTAIN CIRCUMSTANCES.**

15.25 The commissioner may refuse to disclose personal information under this chapter if
15.26 the commissioner has reason to believe that the person requesting the personal information
15.27 is likely to use the information for an illegal or improper purpose or is otherwise not
15.28 going to comply with this chapter.

15.29 **Sec. 10. [170A.09] RELATIONSHIP TO DATA PRACTICES ACT.**

30 Chapter 13 applies to this chapter except to the extent provisions of this chapter are
5.31 inconsistent with chapter 13. The disclosures authorized under this chapter are subject to
15.32 restrictions on access to data under section 13.69 and other applicable law.

16.1 Sec. 11. REPEALER.

16.2 Minnesota Statutes 2004, section 13.6905, subdivision 10, and Minnesota Statutes
16.3 2005 Supplement, sections 168.346; and 171.12, subdivisions 7 and 7a, are repealed.

APPENDIX
Repealed Minnesota Statutes: S3132-1

13.6905 PUBLIC SAFETY DATA CODED ELSEWHERE.

Subd. 10. **Driver's license address.** The residence address of certain individuals provided to the commissioner of public safety in drivers' license applications is classified under section 171.12, subdivision 7.

168.346 PRIVACY OF PERSONAL INFORMATION.

Subdivision 1. **Vehicle registration data; federal compliance.** (a) Data on an individual provided to register a vehicle shall be treated as provided by United States Code, title 18, section 2721, as in effect on May 23, 2005, and shall be disclosed as required or permitted by that section.

(b) The registered owner of a vehicle who is an individual may consent in writing to the commissioner to disclose the individual's personal information exempted by United States Code, title 18, section 2721, to any person who makes a written request for the personal information. If the registered owner is an individual and so authorizes disclosure, the commissioner shall implement the request.

(c) If authorized by the registered owner as indicated in paragraph (b), the registered owner's personal information may be used, rented, or sold solely for bulk distribution by organizations for business purposes including surveys, marketing, or solicitation.

Subd. 2. **Personal information disclosure for public safety.** The commissioner shall disclose personal information when the use is related to the operation or use of a vehicle or to public safety. The use of personal information is related to public safety if it concerns the physical safety or security of drivers, vehicles, pedestrians, or property. The commissioner may refuse to disclose data under this subdivision when the commissioner concludes that the requester is likely to use the data for illegal, improper, or noninvestigative purposes.

Subd. 3. **Privacy classification for personal safety.** The registered owner of a vehicle who is an individual may request, in writing, that the registered owner's residence address or name and residence address be classified as "private data on individuals," as defined in section 13.02, subdivision 12. The commissioner shall grant the classification on receipt of a signed statement by the registered owner that the classification is required for the safety of the registered owner or the registered owner's family, if the statement also provides a valid, existing address where the registered owner consents to receive service of process. The commissioner shall use the service of process mailing address in place of the registered owner's residence address in all documents and notices pertaining to the vehicle. The residence address or name and residence address and any information provided in the classification request, other than the individual's service for process mailing address, are private data on individuals but may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518.54, subdivision 9.

171.12 DRIVING RECORD; FILING; PRIVATE DATA; SURCHARGE.

Subd. 7. **Privacy of data.** (a) Data on individuals provided to obtain a driver's license or Minnesota identification card shall be treated as provided by United States Code, title 18, section 2721, as in effect on May 23, 2005, and shall be disclosed as required or permitted by that section.

(b) An applicant for a driver's license or a Minnesota identification card may consent, in writing, to the commissioner to disclose the applicant's personal information exempted by United States Code, title 18, section 2721, to any person who makes a request for the personal information. If the applicant so authorizes disclosures, the commissioner shall implement the request and the information may be used.

(c) If authorized by an applicant for a driver's license or a Minnesota identification card, as indicated in paragraph (b), the applicant's personal information may be used, rented, or sold solely for bulk distribution by organizations for business purposes, including surveys, marketing, or solicitation.

(d) An applicant for a driver's license, instruction permit, or Minnesota identification card may request that the applicant's residence address be classified as "private data on individuals," as defined in section 13.02, subdivision 12. The commissioner shall grant the classification on receipt of a signed statement by the individual that the classification is required for the safety of the applicant or the applicant's family, if the statement also provides a valid, existing address where the applicant consents to receive service of process. The commissioner shall use the service for process mailing address in place of the residence address in all documents and notices pertaining to the driver's license, instruction permit, or Minnesota identification card. The residence address and any information provided in the classification request, other than the mailing address, are

APPENDIX

Repealed Minnesota Statutes: S3132-1

private data on individuals and may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518.54, subdivision 9.

Subd. 7a. **Disclosure of personal information.** The commissioner shall disclose personal information where the use is related to the operation of a motor vehicle or to public safety. The use of personal information is related to public safety if it concerns the physical safety or security of drivers, vehicles, pedestrians, or property. The commissioner may refuse to disclose data under this subdivision when the commissioner concludes that the requester is likely to use the data for illegal, improper, or noninvestigative purposes.

325E.59 USE OF SOCIAL SECURITY NUMBERS.

Subd. 2. **Continuation of prior use.** A person or entity, not including a government entity, that has used, prior to July 1, 2007, an individual's Social Security number in a manner inconsistent with subdivision 1, may continue using that individual's Social Security number in that manner on or after July 1, 2007, if all the following conditions are met:

- (1) the use of the Social Security number is continuous. If the use is stopped for any reason, subdivision 1 applies;
- (2) the individual is provided an annual disclosure, commencing in 2007, that informs the individual that the individual has the right to stop the use of the individual's Social Security number in a manner prohibited by subdivision 1;
- (3) a written request by an individual to stop the use of the individual's Social Security number in a manner prohibited by subdivision 1 must be implemented within 30 days of the receipt of the request. A fee may not be charged for implementing the request; and
- (4) a person or entity, not including a government entity, shall not deny services to an individual because the individual makes a written request pursuant to this subdivision.