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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **2649**

05/08/2017 Authored by O'Driscoll  
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act  
1.2 relating to state government; modifying membership for PERA and MSRS Boards;  
1.3 amending Minnesota Statutes 2016, sections 352.03, subdivision 1; 353.03,  
1.4 subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2016, section 352.03, subdivision 1, is amended to read:

1.7 Subdivision 1. **Membership of board; election; term.** (a) The policy-making function  
1.8 of the system is vested in a board of 11 members known as the board of directors. This  
1.9 board shall consist of:

1.10 (1) ~~three~~ two members appointed by the governor, ~~one of whom must be a constitutional~~  
1.11 ~~officer or appointed state official and two of whom~~ who must be public members  
1.12 knowledgeable in pension matters;

1.13 (2) four state employees elected by active members and former members eligible for a  
1.14 deferred annuity from the general state employees retirement plan, excluding employees  
1.15 and deferred annuitants for whom a board member is designated;

1.16 (3) one employee of the Metropolitan Council's transit operations or its successor agency  
1.17 designated by the executive committee of the labor organization that is the exclusive  
1.18 bargaining agent representing employees of the transit division;

1.19 (4) one employee who is a member of the State Patrol retirement plan elected by active  
1.20 members and former members eligible for a deferred annuity from that plan;

2.1 (5) one employee who is a member of the correctional state employees retirement plan  
 2.2 established under this chapter elected by active members and former members eligible for  
 2.3 a deferred annuity from that plan; ~~and~~

2.4 (6) one retired employee of a plan included in the system, elected by disabled and retired  
 2.5 employees of the plans administered by the system at a time and in a manner determined  
 2.6 by the board; and

2.7 (7) the commissioner of management and budget.

2.8 (b) The terms of the four elected state employees under paragraph (a), clause (2), must  
 2.9 be staggered, with two of the state employee board positions elected each biennium, whose  
 2.10 terms of office begin on the first Monday in May after their election. Elected members and  
 2.11 the appointed member of the Metropolitan Council's transit operations hold office for a term  
 2.12 of four years and until their successors are elected or appointed, and have qualified.

2.13 (c) An employee or former employee of the system is not eligible for membership on  
 2.14 the board of directors. A state employee on leave of absence is not eligible for election or  
 2.15 reelection to membership on the board of directors.

2.16 (d) The term of any board member who is on leave for more than six months  
 2.17 automatically ends on expiration of the term of office.

2.18 Sec. 2. Minnesota Statutes 2016, section 353.03, subdivision 1, is amended to read:

2.19 Subdivision 1. **Management; composition; election.** (a) The management of the Public  
 2.20 Employees Retirement Association is vested in an 11-member board of trustees consisting  
 2.21 of ten members and the ~~state auditor~~ commissioner of management and budget. The ~~state~~  
 2.22 ~~auditor~~ commissioner of management and budget may designate ~~a deputy auditor~~ an assistant  
 2.23 commissioner with expertise in pension matters as the ~~auditor's~~ commissioner's representative  
 2.24 on the board. The governor shall appoint five trustees to four-year terms, one of whom shall  
 2.25 be designated to represent school boards, one to represent cities, one to represent counties,  
 2.26 one who is a retired annuitant, and one who is a public member knowledgeable in pension  
 2.27 matters. The membership of the association, including recipients of retirement annuities  
 2.28 and disability and survivor benefits, shall elect five trustees for terms of four years, one of  
 2.29 whom must be a member of the police and fire fund and one of whom must be a former  
 2.30 member who met the definition of public employee under section 353.01, subdivisions 2  
 2.31 and 2a, for at least five years prior to terminating membership and who is receiving a  
 2.32 retirement annuity or a member who receives a disability benefit. Terms expire on January  
 2.33 31 of the fourth year, and positions are vacant until newly elected members are seated.

3.1 Except as provided in this subdivision, trustees elected by the membership of the association  
3.2 must be public employees and members of the association.

3.3 (b) For seven days beginning October 1 of each year preceding a year in which an election  
3.4 is held, the association shall accept filings of candidates for the board of trustees. A candidate  
3.5 shall submit at the time of filing a nominating petition signed by 25 or more members of  
3.6 the association. No name may be withdrawn from nomination by the nominee after October  
3.7 15. At the request of a candidate for an elected position on the board of trustees, the board  
3.8 shall provide a statement of up to 300 words prepared by the candidate to all persons eligible  
3.9 to vote in the election of the candidate. The board may adopt policies and procedures to  
3.10 govern the form and length of these statements and the timing and deadlines for submitting  
3.11 materials to be distributed to the eligible voters.

3.12 (c) By January 10 of each year in which elections are to be held, the board shall distribute  
3.13 to the eligible voters the instructions and materials necessary to vote for the candidates  
3.14 seeking terms on the board of trustees. Eligible voters are the members, retirees, and other  
3.15 benefit recipients. No voter may vote for more than one candidate for each board position  
3.16 to be filled. A vote for more than one person for any position is void. No special marking  
3.17 may be used to indicate incumbents. Votes cast by using paper ballots mailed to the  
3.18 association must be postmarked no later than January 31. Votes cast by using telephone or  
3.19 other electronic means authorized under the board's procedures must be entered by the end  
3.20 of the day on January 31. The design of the voting response media must ensure that each  
3.21 voter's vote is secret.

3.22 (d) A candidate who receives contributions, who makes expenditures in excess of \$100,  
3.23 or who has given implicit or explicit consent for any other person to receive contributions  
3.24 or make expenditures in excess of \$100 for the purpose of bringing about the candidate's  
3.25 election shall file a report with the campaign finance and public disclosure board disclosing  
3.26 the source and amount of all contributions to the candidate's campaign. The campaign  
3.27 finance and public disclosure board shall prescribe forms governing these disclosures.  
3.28 Expenditures and contributions have the meaning defined in section 10A.01. These terms  
3.29 do not include any distribution made by the association board on behalf of the candidate.  
3.30 A candidate shall file a report within 30 days from the day that the results of the election  
3.31 are announced. The Campaign Finance and Public Disclosure Board shall maintain these  
3.32 reports and make them available for public inspection in the same manner as the board  
3.33 maintains and makes available other reports filed with it.

4.1 (e) The secretary of state shall review and comment on the procedures defined by the  
4.2 board of trustees for conducting the elections specified in this subdivision, including board  
4.3 policies adopted under paragraph (b).

4.4 (f) The board of trustees and the executive director shall undertake their activities  
4.5 consistent with chapter 356A.