A bill for an act

relating to public safety; reorganizing the Minnesota Financial Crimes Oversight Council and Task Force; transferring responsibility over the oversight council and task force from the commissioner of public safety to the attorney general; providing the oversight council with more autonomy, including more control over appropriated money; striking the requirement that the oversight council seek a nonstate match to state-appropriated funds; expanding the oversight council's and task force's jurisdiction to include organized retail crime; expanding the authority of the oversight council over the task force commander; adding legislators to the oversight council; requiring a $1 surcharge on each driver's license and Minnesota identification card issued and statutorily appropriating this money for the oversight council and task force; requiring an annual report; amending Minnesota Statutes 2006, sections 171.06, subdivision 2; 299A.681; Laws 2005, chapter 136, article 1, section 9, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 8.

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

Section 1. **[8.41] MINNESOTA FINANCIAL CRIMES ACCOUNT; OPEN APPROPRIATION.**

The Minnesota financial crimes account is created in the state treasury. The account consists of money deposited into it by the commissioner of finance from the surcharge on drivers' licenses and Minnesota identification cards in section 171.06, subdivision 2, paragraph (d). Money in the account is appropriated to the attorney general to be used for the Minnesota Financial Crimes Oversight Council and Task Force as provided in section 299A.681.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 2. Minnesota Statutes 2006, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver's License	D-$21.50	C-$25.50	B-$32.50	A-$40.50
Classified Under -21 D.L.	D-$21.50	C-$25.50	B-$32.50	A-$20.50
Instruction Permit				$9.50
Provisional License				$12.50
Duplicate License or duplicate identification card				$11.00
Minnesota identification card or Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				$15.50

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a $3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional $4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

<u>(d) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect a $1 surcharge on each instruction permit, provisional license, driver's license, and Minnesota identification card issued under this section. This surcharge applies to both new items and renewals. The commissioner shall forward surcharges collected under this paragraph to the commissioner of finance who shall deposit them into the Minnesota financial crimes account under section 8.41.</u>

<u>**EFFECTIVE DATE.** This section is effective July 1, 2007.</u>

Sec. 3. Minnesota Statutes 2006, section 299A.681, is amended to read:

299A.681 FINANCIAL CRIMES OVERSIGHT COUNCIL AND TASK FORCE.

Subdivision 1. **Oversight council.** The Minnesota Financial Crimes Oversight Council shall provide guidance related to the investigation and prosecution of identity theft ~~and~~, financial crime, and organized retail crime.

Subd. 2. **Membership.** The oversight council consists of the following individuals, or their designees:

(1) the commissioner of public safety;

(2) the attorney general;

(3) two chiefs of police, selected by the Minnesota Chiefs of Police Association from police departments that participate in the Minnesota Financial Crimes Task Force;

(4) two sheriffs, selected by the Minnesota Sheriffs Association from sheriff departments that participate in the task force;

(5) the United States attorney for the district of Minnesota;

(6) a county attorney, selected by the Minnesota County Attorneys Association;

(7) a representative from the United States Postal Inspector's Office, selected by the oversight council;

(8) a representative from a not-for-profit retail merchants industry, selected by the oversight council;

(9) a representative from a not-for-profit banking and credit union industry, selected by the oversight council;

(10) a representative from a not-for-profit association representing senior citizens, selected by the oversight council;

(11) the statewide commander of the task force;

(12) a representative from the Board of Public Defense, selected by the board; ~~and~~

(13) ~~two additional members selected by the oversight council.~~ a senator, chosen by the Subcommittee on Committees of the senate Committee on Rules and Administration; and

(14) a representative, chosen by the speaker of the house of representatives.

The oversight council may adopt procedures to govern its conduct and shall select a chair from among its members. Members of the oversight council, including legislative members, may vote on all matters before the council.

Subd. 3. **Duties.** The oversight council shall develop an overall strategy to ameliorate the harm caused to the public by identity theft ~~and~~, financial crime, and organized retail crime within Minnesota. The strategy may include the development of protocols and procedures to investigate ~~financial~~ these crimes and a structure for best addressing ~~these issues~~ them in a multijurisdictional manner. Additionally, the oversight council shall:

(1) establish a multijurisdictional statewide Minnesota Financial Crimes Task Force to investigate ~~major financial~~ these crimes;

(2) select a statewide commander of the task force who serves at the pleasure of the oversight council;

(3) ~~assist the Department of Public Safety in developing an objective grant review application process that is free from conflicts of interest~~ develop an objective grant review application process that is free from conflicts of interest and make all final recommendations on grants to participating law enforcement agencies;

~~(4) make funding recommendations to the commissioner of public safety on grants to support efforts to combat identity theft and financial crime;~~

~~(5)~~ (4) assist law enforcement agencies and victims in developing a process to collect and share information to improve the investigation and prosecution of identity theft ~~and~~, financial crime, and organized retail crime;

~~(6)~~ (5) develop and approve an operational budget for the office of the statewide commander and the oversight council; ~~and~~

~~(7)~~ (6) enter into any contracts necessary to establish and maintain a relationship with state agencies, contracted services, retailers, financial institutions, and other businesses to deal effectively with identity theft ~~and~~, financial crime~~.~~, and organized retail crime; and

(7) select a fiscal agent or a state or county agency to reimburse law enforcement agencies participating in the task force, to pay ongoing operational expenses, to pay contractors for services provided, to process financial donations made to the task force, and to report on accounting of the task force budget and expenditures.

The task force described in clause (1) may consist of members from local law enforcement agencies, federal law enforcement agencies, state and federal prosecutors' offices, the Board of Public Defense, and representatives from elderly victims, retail, financial institutions, and not-for-profit organizations. The task force shall focus on organized criminal activity involving identity theft, financial crime, and organized retail crime and assist Minnesota law enforcement agencies in conducting criminal investigations, apprehending offenders, and bringing formal criminal complaints to prosecutors.

Subd. 4. **Statewide commander.** (a) ~~The Minnesota Financial Crimes Task Force commander under Minnesota Statutes 2004, section 299A.68, shall oversee the transition of that task force into the task force described in subdivision 3 and remain in place as its commander until July 1, 2008. On that date, the commissioner of public safety shall appoint as statewide commander the individual selected by the oversight council under subdivision 3.~~ The oversight council shall select a person to be the statewide commander of the task force serving at the pleasure of the council. In August of each odd-numbered year, the oversight council shall either choose to retain the current commander or select another commander. A majority vote of all oversight council members eligible to vote is required for these decisions.

(b) The oversight council may offer a replaced commander an investigational position on the task force if the task force's operational budget has sufficient money to cover this or the entity that employs the person agrees to cover the costs associated with this.

(c) All provisions of subdivision 5 apply to the commander. However, the oversight council shall negotiate an agreement with the entity that employs the commander to transfer the commander to the task force for a set period of time. During that period, the entity may not recall the commander from the task force.

~~(b)~~ (d) The commander shall:

(1) coordinate and monitor all multijurisdictional identity theft ~~and~~, financial crime, and organized retail crime enforcement activities;

(2) facilitate local efforts and ensure statewide coordination with efforts to combat identity theft ~~and~~, financial crime, and organized retail crime;

(3) facilitate training for law enforcement and other personnel;

(4) monitor compliance with investigative protocols;

(5) implement an outcome evaluation and data quality control process;

(6) be responsible for the selection and for cause removal of assigned task force investigators who are designated participants under a memorandum of understanding or who receive grant funding;

(7) provide supervision of assigned task force investigators;

(8) submit a task force operational budget to the oversight council for approval; and

(9) submit quarterly task force activity reports to the oversight council.

Subd. 5. **Participating officers; employment status.** All law enforcement officers selected to participate in the task force must be licensed peace officers as defined in section 626.84, subdivision 1, or qualified federal law enforcement officers as defined in section 626.8453. Participating officers remain employees of the same entity that employed them before joining any multijurisdictional entity established under this section. Participating officers are not employees of the state.

Subd. 6. **Jurisdiction and powers.** Law enforcement officers participating in any multijurisdictional entity established under this section have statewide jurisdiction to conduct criminal investigations and have the same powers of arrest as those possessed by a sheriff. The task force shall retain from its predecessor the assigned originating reporting number for case reporting purposes.

Subd. 7. **Grants authorized.** The ~~commissioner of public safety~~ attorney general, upon ~~recommendation~~ request of the oversight council, shall make ~~grants to~~ appropriated state money available within 30 days to the fiscal agent selected by the council. The council shall use this money to provide funding for task force operations and for state and local units of government participating in the task force to combat identity theft ~~and~~, financial crime, and organized retail crime. The commander, as funding permits, ~~may~~ shall prepare a budget to establish ~~four~~ up to six regional districts ~~and funding grant allocations programs outside the counties of Hennepin, Ramsey, Anoka, Washington, and Dakota~~, an organized retail crime unit, and a victim assistance program. The commander's budget must be reviewed and approved by the oversight council ~~and recommended to the commissioner to support these efforts~~. Without exception, the attorney general shall release the oversight council's approved funding request within 30 days of the request. The fiscal agent may be reimbursed for administrative costs, including personnel, of up to 2.5 percent of the state money administered.

Subd. 7a. **Attorney general's concerns.** The attorney general shall raise any concerns regarding the oversight council's funding decisions during the oversight council's budget deliberations before final decisions are made.

Subd. 8. **Victims assistance program; rewards.** (a) The oversight council may establish a victims' assistance program to assist victims of economic crimes and provide prevention and awareness programs. The oversight council may retain the services of not-for-profit organizations to assist in the development and delivery systems in aiding victims of financial crime. The program may not provide any financial assistance to victims, but may assist victims in obtaining police assistance and advise victims in how to protect personal accounts and identities. Services may include a victim toll-free telephone number, fax number, Web site, Monday through Friday telephone service, e-mail response, and interfaces to other helpful Web sites. Victims' information compiled are governed under chapter 13. This program may be funded by state appropriations specifically made for this purpose or through nongovernmental contributions or federal grants directed for this purpose by the oversight council. The oversight council may retain an outside entity to assist in the development of delivery systems to aid victims of financial crimes. The oversight council is not obligated to conduct activities under this paragraph unless it has sufficient funding to do so.

(b) The oversight council may post or communicate through public service announcements in newspapers, radio, television, cable access, billboards, Internet, Web sites, and other normal advertising channels, a financial reward of up to $2,000 for tips leading to the apprehension and successful prosecution of individuals committing economic crime. All rewards must meet the oversight council's standards. The release of funds must be made to an individual whose information leads to the apprehension and prosecution of offenders committing economic or financial crimes against citizens or businesses in Minnesota. All rewards paid to an individual must be reported to the Department of Revenue along with the individual's Social Security number.

Subd. 9. **Oversight council and task force are permanent.** Notwithstanding section 15.059, this section does not expire.

Subd. 10. **Funding.** (a) The oversight council may accept lawful grants and in-kind contributions from any federal, state, or local source or legal business or individual not funded by this section for general operation support, including personnel costs. These grants or in-kind contributions are to be used for the public good for investigations and programs that benefit all businesses and victims and are not to be directed toward the case of a particular victim or business. A grant or in-kind contribution may not be accepted if specific services are expected in return. The oversight council's fiscal agent shall handle all funds approved by the oversight council, including in-kind contributions.

(b) Grants, contributions, and appropriations are subject to state, or if appropriate, county audits.

Subd. 11. **Forfeiture.** Property seized by the task force is subject to forfeiture pursuant to sections 609.531, 609.5312, 609.5313, and 609.5315 if ownership cannot be established. The council shall receive the proceeds from the sale of all property properly seized and forfeited.

Subd. 12. **Transfer equipment from current task force.** All equipment possessed by the task force described in Minnesota Statutes 2004, section 299A.68, is transferred to the oversight council for use by the task force described in this section.

Subd. 13. **Organized retail crime.** (a) As used in this section, "organized retail crime" occurs when an individual or group of organized individuals commit repetitive merchandise thefts, at a felony level exceeding $2,500 in the aggregate within a six-month period, from retailers.

(b) Antiorganized retail crime activities under this section may be funded by state appropriations specifically made for these purposes or through nongovernmental contributions or federal grants directed for these purposes by the oversight council. The oversight council is not obligated to conduct these activities unless it has sufficient funding to do so. The oversight council may retain an outside entity to assist in conducting these activities. Any dedicated law enforcement investigators for these activities remain under the direct command of the task force commander.

Subd. 14. **Required report.** By February 1 of each year, the oversight council shall report to the chairs and the ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on the activities of the council and task force. At a minimum, this annual report must include:

(1) a description of the oversight council's and task force's goals for the previous year and for the coming year;

(2) a description of the outcomes the oversight council and task force achieved or did not achieve during the preceding year and a description of the outcomes they will seek to achieve during the coming year;

(3) any legislative recommendations the oversight council or task force has including, where necessary, a description of the specific legislation needed to implement the recommendations;

(4) a detailed accounting of how appropriated money, grants, and in-kind contributions were spent; and

(5) a detailed accounting of the grants awarded under this section.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 4. Laws 2005, chapter 136, article 1, section 9, subdivision 6, is amended to read:

Subd. 6. **Office of Justice Programs**	34,440,000	34,035,000

Gang And Narcotics Strike Forces. $2,374,000 each year is for grants to the combined operations of the Criminal Gang Strike Force and Narcotics Task Forces.

Crime Victim Assistance Grants Increase. $1,270,000 each year is to increase funding for crime victim assistance grants for abused children, sexual assault victims, battered women, and general crime victims.

Battered Women's Shelter Grants. $400,000 each year is to increase funding for battered women's shelters under Minnesota Statutes, section 611A.32, and for safe houses.

Methamphetamine Treatment Grants. $750,000 Each Year Is For Grants to counties for methamphetamine treatment programs. Priority should be given to those counties that demonstrate a treatment approach that incorporates best practices as defined by the Minnesota Department of Human Services. This is a onetime appropriation.

Financial Crimes Task Force. $750,000 each year is for the Financial Crimes Task Force. ~~A cash or in-kind match totalling a minimum of $250,000 is required. Before the funds may be allocated, a financial work plan must be submitted to the commissioner of public safety.~~

Human Trafficking; Assessment, Policy Development, And Implementation. $50,000 each year is to conduct the study and assessment of human trafficking under new Minnesota Statutes, sections 299A.78 and 299A.785.

Youth Intervention Programs. $1,452,000 each year is for youth intervention programs currently under Minnesota Statutes, section 116L.30, but to be transferred to Minnesota Statutes, section 299A.73.

Homelessness Pilot Projects. $400,000 the first year is for the homelessness pilot projects described in article 8, section 27. This is a onetime appropriation.

Administration Costs. Up to 2.5 percent of the grant funds appropriated in this subdivision may be used to administer the grant programs.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 5. **TRANSFER.**

The powers and duties of the Department of Public Safety with respect to the Minnesota Financial Crimes Oversight Council and Task Force under Minnesota Statutes, section 299A.681, are transferred to the attorney general under Minnesota Statutes, section 15.039.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 6. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 299A.681, as Minnesota Statutes, section 8.40, and make all necessary changes in statutory cross-references in the next edition of Minnesota Statutes and Minnesota Rules.

EFFECTIVE DATE. This section is effective July 1, 2007.