

Section 1. Minnesota Statutes 1990, section 518.156, subdivision 1, is amended to read:

Subdivision 1. In a court of this state which has jurisdiction to decide child custody matters, a child custody proceeding is commenced:

(a) by a parent

(1) by filing a petition for dissolution or legal separation; or

(2) where a decree of dissolution or legal separation has been entered or where none is sought, by filing a petition or motion seeking custody or visitation of the child in the county where the child is permanently resident or where the child is found or where an earlier order for custody of the child has been entered; or

(b) by a person other than a parent, where a decree of dissolution or legal separation has been entered or where none is sought by filing a petition or motion seeking custody or visitation of the child in the county where the child is permanently resident or where the child is found or where an earlier order for custody of the child has been entered. A person seeking visitation pursuant to this paragraph must qualify under one of the provisions of section 257.022.

Sec. 2. EFFECTIVE DATE; APPLICATION.

Section 1 is effective August 1, 1992, for visitation petitions or motions pending or filed on or after that date.

Presented to the governor April 17, 1992

Signed by the governor April 24, 1992, 4:08 p.m.

CHAPTER 530—H.F.No. 1960

An act relating to retirement; changing the formula governing calculation of postretirement adjustments for certain public pension plans; requiring certain investment performance and postretirement adjustment reporting; providing state reimbursement for supplemental retirement benefits paid to volunteer firefighters; appropriating money; amending Minnesota Statutes 1990, section 11A.18, subdivision 9.

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

Section 1. Minnesota Statutes 1990, section 11A.18, subdivision 9, is amended to read:

Subd. 9. **CALCULATION OF POSTRETIREMENT ADJUSTMENT.** (a) Annually, following June 30, the state board shall use the procedures in para-

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graphs (b), (c), and (d) to determine whether a postretirement adjustment is payable and shall to determine the amount of any postretirement adjustment that is payable.

~~(1) The state board shall determine whether a postretirement adjustment is payable using the following procedure:~~

(b) If the Consumer Price Index for urban wage earners and clerical workers all items index published by the Bureau of Labor Statistics of the United States Department of Labor increases from June 30 of the preceding year to June 30 of the current year, the state board shall certify the percentage increase. The amount certified may not exceed the lesser of the difference between the preretirement interest assumption and postretirement interest assumption in section 356.215, subdivision 4d, paragraph (a), or 3.5 percent.

(c) In addition to any percentage increase certified under paragraph (b), the board shall use the following procedures to determine if a postretirement adjustment is payable under this paragraph:

~~(a) (1) The state board shall determine the amount of dividends, interest, accruals and realized capital gains or losses applicable to the most recent fiscal year ending market value of the fund on June 30 of that year;~~

~~(b) (2) The amount of reserves required for the annuity or benefit payable to an annuitant and benefit recipient of the participating public pension plans or funds shall be determined by the commission-retained actuary as of the current June 30. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least 12 full months as of the current June 30 is eligible to receive a full postretirement adjustment. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least one full month, but less than 12 full months as of the current June 30, is eligible to receive a partial postretirement adjustment. Each fund shall report separately the amount of the reserves for those annuitants and benefit recipients who are eligible to receive a full postretirement benefit adjustment. This amount is known as "eligible reserves." Each fund shall also report separately the amount of the reserves for those annuitants and benefit recipients who are not eligible to receive a postretirement adjustment. This amount is known as "noneligible reserves." For an annuitant or benefit recipient who is eligible to receive a partial postretirement adjustment, each fund shall report separately as additional "eligible reserves" an amount that bears the same ratio to the total reserves required for the annuitant or benefit recipient as the number of full months of annuity or benefit receipt as of the current June 30 bears to 12 full months. The remainder of the annuitant's or benefit recipient's reserves shall be separately reported as additional "noneligible reserves." The amount of "eligible" and "noneligible" required reserves shall be certified to the board by the commission-retained actuary as soon as is practical following the current June 30;~~

~~(e) (3) The state board shall determine the amount of investment income required to equal five percent of the total amount of the required reserves as of~~

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the preceding June 30 adjusted by five percent of each transfer in or transfer out multiplied by the fraction of a year from the date of transfer to the current June 30. This amount of required investment income shall be subtracted from the actual amount of investment income determined according to clause (1)(a); to determine the amount of excess investment income. If this amount is positive, then a postretirement adjustment may be paid: percentage increase certified under paragraph (b) multiplied by the eligible required reserves, as adjusted for mortality gains and losses under subdivision 11, determined under clause (2);

(4) The state board shall add the amount of eligible and ineligible required reserves determined under clause (2) to the amount determined under clause (3);

(5) The state board shall subtract the amount determined under clause (4) from the market value of the fund determined under clause (1);

(6) The state board shall adjust the amount determined under clause (5) by the cumulative current balance determined pursuant to clause (8) and any negative balance carried forward under clause (9);

(7) A positive amount resulting from the calculations in clauses (1) to (6) is the excess market value. A negative amount is the negative balance;

(8) The state board shall allocate one-fifth of the excess market value or one-fifth of the negative balance to each of five consecutive years, beginning with the fiscal year ending the current June 30; and

(9) To calculate the postretirement adjustment under this paragraph based on investment performance for a fiscal year, the state board shall add together all excess market value allocated to that year and subtract from the sum all negative balances allocated to that year. If this calculation results in a negative number, the entire negative balance must be carried forward and allocated to the next year. If the resulting amount is positive, a postretirement adjustment is payable under this paragraph. The board shall express a positive amount as a percentage of the total eligible required reserves certified to the board under clause (2).

~~(2)~~ (d) The state board shall determine the amount of any postretirement adjustment which is payable using the following procedure:

(a) The state board shall determine the amount of excess investment income by the method indicated in clause (1);

~~(b)~~ (1) The total "eligible" required reserves as of the first of January next following the end of the fiscal year for the annuitants and benefit recipients eligible to receive a full or partial postretirement adjustment as determined by clause (1)~~(b)~~ (2) shall be certified to the state board by the commission-retained actuary. The total "eligible" required reserves shall be determined by the commission-retained actuary on the assumption that all annuitants and benefit recipients eligible to receive a full or partial postretirement adjustment will be alive on the January 1 in question; and

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(e) If the state board determines that the book value of the assets of the fund is less than an amount equal to the total amount of the current June 30 required reserves, with the book value and required reserves to be determined after the adjustments provided for in subdivision 11, then the state board shall allocate five percent of the excess investment income as an asset of the fund. The excess investment income allocated as an asset of the fund shall not exceed the difference between book value and required reserves. The remaining amount shall be termed available for distribution. The book value of assets on any given date shall be the net assets at cost less the excess investment income determined pursuant to clause (1)(e);

(d) The resulting total amount available for distribution shall be increased by 2-1/2 percent, and the result shall be stated as a percentage of the total amount of the required reserves pursuant to clause (2)(b), and if the percentage is equal to or greater than one percent,

(2) The state board shall add the percentage certified under paragraph (b) to any positive percentage calculated under paragraph (c). The board shall not subtract from the percentage certified under paragraph (b) any negative amount calculated under paragraph (c). The amount sum of these percentages shall be carried to five decimal places and shall be certified to each participating public pension fund or plan as the full postretirement adjustment amount percentage. If the percentage is less than one percent, no postretirement adjustment shall be payable in that year and the amount otherwise available for distribution shall be credited to a separate reserve established for this purpose. The reserve shall be invested in the same manner as all other assets of the fund and shall be credited with any investment income as specified in clause (1)(a). Amounts credited to the reserve shall be utilized in determining a postretirement adjustment in the subsequent year. The amount of any full postretirement adjustment certified by the state board as payable to the participating public pension plans or funds shall be carried to five decimal places and stated as a percentage.

(e) A retirement annuity payable in the event of retirement before becoming eligible for social security benefits as provided in section 352.116, subdivision 3; 353.29, subdivision 6; or 354.35 must be treated as the sum of a period certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period certain retirement annuity plus the life retirement annuity shall be the annuity amount payable until age 62 or 65, whichever applies. A postretirement adjustment granted on the period certain retirement annuity must terminate when the period certain retirement annuity terminates.

Sec. 2. TRANSITION ADJUSTMENT.

(a) In certifying postretirement adjustment percentages under Minnesota Statutes, section 11A.18, subdivision 9, paragraph (b), the state board of investment shall add to the increase in the Consumer Price Index the percentage amounts listed below only for the years indicated.

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<u>Date adjustment payable</u>	<u>Percentage amount added</u>
<u>January 1, 1994</u>	<u>1.00 percent</u>
<u>January 1, 1995</u>	<u>.75 percent</u>
<u>January 1, 1996</u>	<u>.50 percent</u>
<u>January 1, 1997</u>	<u>.25 percent</u>

The percentage amounts added under this section are not subject to the limits in Minnesota Statutes, section 11A.18, subdivision 9, paragraph (b). The percentage amounts added under this section must be included in the percentage increase used under Minnesota Statutes, section 11A.18, subdivision 9, paragraph (c), clause (3), to determine the amount of excess market value or negative balance.

(b) The state board of investment shall not add the transition adjustment to the Consumer Price Index based adjustment if the investment return based adjustment without the transition adjustment factored in is equal to or greater than the transition adjustment.

(c) If a transition adjustment is added to the Consumer Price Index based adjustment, an investment return based adjustment may not be paid.

(d) The transition adjustment is paragraph (a). The Consumer Price Index based adjustment is the adjustment under section 11A.18, subdivision 9, paragraph (b). The investment return based adjustment is the adjustment under section 11A.18, subdivision 9, paragraph (c).

Sec. 3. [11A.041] REPORT ON POSTRETIREMENT INVESTMENT FUND INVESTMENT PERFORMANCE AND ADJUSTMENT CALCULATION.

The state board of investment shall annually report to the legislative commission on pensions and retirement, the house of representatives governmental operations committee, and the senate governmental operations committee on the investment performance investment activities, and postretirement adjustment calculations of the Minnesota postretirement investment fund established under Minnesota Statutes, section 11A.18. The annual report must be filed before January 1. The contents of the report must include the reporting requirements specified by the legislative commission on pensions and retirement as part of the standards adopted by the commission under Minnesota Statutes, section 3.85, subdivision 10. The report also may include any additional information that the state board of investment determines is appropriate.

Sec. 4. APPROPRIATION.

\$395,000 is appropriated to the commissioner of revenue for state reimbursement of supplemental retirement benefits paid to volunteer firefighters under Minnesota Statutes, section 424A.10. The reimbursement for 1992 must be paid from the same sources as the 1990 and 1991 reimbursements were paid.

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Sec. 5. EFFECTIVE DATE.

Sections 1 and 2 are effective July 1, 1992, and first apply to calculations for postretirement adjustments payable January 1, 1994, based on excess market value as of June 30, 1993, and increases in the Consumer Price Index between June 30, 1992, and June 30, 1993. The calculations made to determine the amount of a postretirement adjustment to be paid beginning January 1, 1993, and the payment of this adjustment, must be based on the law in effect on the day before the effective date of sections 1 and 2. Section 4 is effective the day following final enactment.

Presented to the governor April 17, 1992

Signed by the governor April 29, 1992, 8:00 a.m.

CHAPTER 531—H.F.No. 1838

VETOED

CHAPTER 532—S.F.No. 2257

An act relating to agricultural development; changing certain loan participation limits; redefining "agricultural business enterprise" and "farming" for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1990, sections 41B.039, subdivision 2; and 41B.042, subdivision 4; Minnesota Statutes 1991 Supplement, section 41C.02, subdivisions 2 and 10.

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

Section 1. Minnesota Statutes 1990, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **STATE PARTICIPATION.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of ~~35~~ 45 percent of the principal amount of the loan or \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 2. Minnesota Statutes 1990, section 41B.042, subdivision 4, is amended to read:

Subd. 4. **PARTICIPATION LIMIT; INTEREST.** The authority may participate in new seller-sponsored loans to the extent of ~~35~~ 45 percent of the prin-

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