

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-EIGHTH LEGISLATURE**

**S.F. No. 1589**

(SENATE AUTHORS: SAXHAUG, Dziedzic, Cohen and Rest)

| DATE       | D-PG | OFFICIAL STATUS                                       |
|------------|------|---|
| 04/10/2013 | 1742 | Introduction and first reading<br>Referred to Finance |
| 04/11/2013 |      | Comm report: To pass as amended<br>Second reading     |

A bill for an act

1.1 relating to the operation of state government finance; allowing the secretary  
1.2 of state authority to accept funds from local government units for election  
1.3 systems enhancements and to receive certain funds for the address confidentiality  
1.4 program; allowing the state auditor to charge a onetime user fee for a small  
1.5 city and town accounting system software; changing provisions for bid  
1.6 solicitations and proposals; requiring a report for contracts over \$25,000;  
1.7 changing certain provisions for service contracts and the solicitation process;  
1.8 requiring a determination of the IT cost for agency technology projects;  
1.9 expanding E-Government initiative and establishing the E-Government  
1.10 Advisory Council; changing certain audit provisions from the state auditor to  
1.11 the legislative auditor; repealing the Minnesota Sunset Act; changing provisions  
1.12 for barbering and cosmetology; changing licensing provisions for accountants;  
1.13 changing a paid military leave provision; modifying provisions in the Veterans  
1.14 Service Office grant program; changing provision in the Minnesota GI Bill  
1.15 program; establishing a veterans home in Beltrami County; making Department  
1.16 of Revenue changes; making compensation council changes and requiring a  
1.17 compensation study; adjusting certain salary groups; establishing administrative  
1.18 penalties; establishing fees; appropriating money; amending Minnesota Statutes  
1.19 2012, sections 3.099, subdivision 1; 3.855, subdivision 3; 13.591, subdivision  
1.20 3; 15A.0815, subdivisions 1, 2, 3, 5; 15A.082, subdivision 2; 16A.82; 16C.02,  
1.21 subdivision 13; 16C.06, subdivision 2; 16C.08, subdivision 4; 16C.09; 16C.10,  
1.22 subdivision 6; 16C.145; 16C.33, subdivision 3; 16C.34, subdivision 1; 16E.07,  
1.23 subdivision 6, by adding a subdivision; 32C.04; 43A.17, subdivisions 1, 3;  
1.24 65B.84, subdivision 1; 154.001, by adding a subdivision; 154.003; 154.02;  
1.25 154.05; 154.06; 154.065, subdivision 2; 154.07, subdivision 1; 154.08;  
1.26 154.09; 154.10, subdivision 1; 154.11, subdivision 1; 154.12; 154.14; 154.15,  
1.27 subdivision 2; 154.26; 155A.23, subdivision 3; 155A.25, subdivisions 1a, 4;  
1.28 155A.27, subdivisions 4, 7, 10; 155A.29, subdivision 2; 155A.30, subdivision  
1.29 1, by adding subdivisions; 192.26; 197.608, subdivisions 1, 3, 4, 5, 6; 197.791,  
1.30 subdivisions 4, 5; 254A.035, subdivision 2; 254A.04; 256B.093, subdivision  
1.31 1; 260.835, subdivision 2; 270C.69, subdivision 1; 289A.20, subdivisions 2,  
1.32 4; 289A.26, subdivision 2a; 295.55, subdivision 4; 297F.09, subdivision 7;  
1.33 297G.09, subdivision 6; 297I.30, by adding a subdivision; 297I.35, subdivision  
1.34 2; 326A.04, subdivisions 2, 3, 5, 7; 326A.10; 469.3201; 473.843, subdivision 3;  
1.35 Laws 2012, chapter 278, article 1, section 5; article 2, sections 27; 34; proposing  
1.36 coding for new law in Minnesota Statutes, chapters 4; 5; 5B; 6; 16E; 154;  
1.37 155A; 198; 297I; 349A; repealing Minnesota Statutes 2012, sections 3D.01;  
1.38 3D.02; 3D.03; 3D.04; 3D.045; 3D.05; 3D.06; 3D.065; 3D.07; 3D.08; 3D.09;  
1.39



3.1 to support broadcast or print media are  
 3.2 appropriated to the house of representatives.

3.3 **Subd. 4. Legislative Coordinating Commission**                      16,063,000                      16,063,000

|     |                               |                   |                   |
|-----|-------------------------------|-------------------|-------------------|
| 3.4 | <u>Appropriations by Fund</u> |                   |                   |
| 3.5 | <u>General</u>                | <u>15,935,000</u> | <u>15,935,000</u> |
| 3.6 | <u>Health Care Access</u>     | <u>128,000</u>    | <u>128,000</u>    |

3.7 \$6,185,000 each year from the general fund  
 3.8 is for the Office of the Legislative Auditor.

3.9 From its funds, \$10,000 each year is for  
 3.10 purposes of the legislators' forum, through  
 3.11 which Minnesota legislators meet with  
 3.12 counterparts from South Dakota, North  
 3.13 Dakota, and Manitoba to discuss issues of  
 3.14 mutual concern.

3.15 The Legislative Coordinating Commission  
 3.16 is authorized to enter into an agreement  
 3.17 with the National Conference of State  
 3.18 Legislatures to provide the organization up to  
 3.19 \$100,000 of its funds to support activities in  
 3.20 preparation for the annual conference to be  
 3.21 held in Minnesota in 2014. It is anticipated  
 3.22 that these funds will be returned to the  
 3.23 Legislative Coordinating Commission, and  
 3.24 are reappropriated to the commission.

3.25 **Sec. 3. GOVERNOR AND LIEUTENANT**  
 3.26 **GOVERNOR**    **\$**                      **3,193,000** **\$**                      **3,193,000**

3.27 (a) This appropriation is to fund the Office of  
 3.28 the Governor and Lieutenant Governor.

3.29 (b) \$19,000 the first year and \$19,000 the  
 3.30 second year are for necessary expenses in the  
 3.31 normal performance of the Governor's and  
 3.32 Lieutenant Governor's duties for which no  
 3.33 other reimbursement is provided.



|      |  |    |                   |    |                   |
|------|--|----|-------------------|----|-------------------|
| 5.1  | Sec. 5. <u>ATTORNEY GENERAL</u>                            | \$ | <u>23,288,000</u> | \$ | <u>23,288,000</u> |
| 5.2  | <u>Appropriations by Fund</u>                              |    |                   |    |                   |
| 5.3  |  |    | <u>2014</u>       |    | <u>2015</u>       |
| 5.4  | <u>General</u>   |    | <u>21,071,000</u> |    | <u>21,071,000</u> |
| 5.5  | <u>State Government</u>                                    |    |                   |    |                   |
| 5.6  | <u>Special Revenue</u>                                     |    | <u>1,822,000</u>  |    | <u>1,822,000</u>  |
| 5.7  | <u>Environmental</u>                                       |    | <u>145,000</u>    |    | <u>145,000</u>    |
| 5.8  | <u>Remediation</u>   |    | <u>250,000</u>    |    | <u>250,000</u>    |
| 5.9  | <u>Of this appropriation, \$65,000 in the first</u>        |    |                   |    |                   |
| 5.10 | <u>year and \$65,000 in the second year are</u>            |    |                   |    |                   |
| 5.11 | <u>from the general fund for transfer to the</u>           |    |                   |    |                   |
| 5.12 | <u>commissioner of public safety for a grant to</u>        |    |                   |    |                   |
| 5.13 | <u>the Minnesota County Attorneys Association</u>          |    |                   |    |                   |
| 5.14 | <u>for prosecutor and law enforcement training.</u>        |    |                   |    |                   |
| 5.15 | Sec. 6. <u>SECRETARY OF STATE</u>                          | \$ | <u>5,665,000</u>  | \$ | <u>5,810,000</u>  |
| 5.16 | <u>Any funds available in the account</u>                  |    |                   |    |                   |
| 5.17 | <u>established in Minnesota Statutes, section</u>          |    |                   |    |                   |
| 5.18 | <u>5.30, pursuant to the Help America Vote Act,</u>        |    |                   |    |                   |
| 5.19 | <u>is appropriated for the purposes and uses</u>           |    |                   |    |                   |
| 5.20 | <u>authorized by federal law.</u>                          |    |                   |    |                   |
| 5.21 | <u><b>Redistricting Case.</b> \$355,000 the first year</u> |    |                   |    |                   |
| 5.22 | <u>is appropriated to the secretary of state to</u>        |    |                   |    |                   |
| 5.23 | <u>be used to pay attorney fees as ordered by</u>          |    |                   |    |                   |
| 5.24 | <u>the court in the legislative and congressional</u>      |    |                   |    |                   |
| 5.25 | <u>redistricting case Hippert et al. v. Ritchie</u>        |    |                   |    |                   |
| 5.26 | <u>et al., A11-152, and interest thereon. This</u>         |    |                   |    |                   |
| 5.27 | <u>appropriation is available for expenditure the</u>      |    |                   |    |                   |
| 5.28 | <u>day following final enactment.</u>                      |    |                   |    |                   |
| 5.29 | Sec. 7. <u>CAMPAIGN FINANCE AND PUBLIC</u>                 |    |                   |    |                   |
| 5.30 | <u>DISCLOSURE BOARD</u>                                    | \$ | <u>1,000,000</u>  | \$ | <u>1,000,000</u>  |
| 5.31 | Sec. 8. <u>INVESTMENT BOARD</u>                            | \$ | <u>139,000</u>    | \$ | <u>139,000</u>    |
| 5.32 | Sec. 9. <u>ADMINISTRATIVE HEARINGS</u>                     | \$ | <u>7,730,000</u>  | \$ | <u>7,504,000</u>  |

|     |                               |                  |                  |
|-----|-------------------------------|------------------|------------------|
| 6.1 | <u>Appropriations by Fund</u> |                  |                  |
| 6.2 |                               | <u>2014</u>      | <u>2015</u>      |
| 6.3 | <u>General</u>                | <u>480,000</u>   | <u>254,000</u>   |
| 6.4 | <u>Workers'</u>               |                  |                  |
| 6.5 | <u>Compensation</u>           | <u>7,250,000</u> | <u>7,250,000</u> |

6.6 **Campaign Violations Hearings. (a)**  
 6.7 \$130,000 the first year is appropriated from  
 6.8 the general fund for the cost of considering  
 6.9 complaints filed under Minnesota Statutes,  
 6.10 section 211B.32. Any amount of this  
 6.11 appropriation that remains unspent at the  
 6.12 end of the biennium must be canceled to  
 6.13 the general account of the state elections  
 6.14 campaign fund. The base for fiscal year 2016  
 6.15 is \$130,000, to be available for the biennium,  
 6.16 under the same terms.

6.17 (b) \$60,000 the first year is appropriated  
 6.18 from the general fund to cover the fiscal year  
 6.19 2013 costs of campaign violations hearings.  
 6.20 This is a onetime appropriation.

6.21 **Data Practices Hearings. \$36,000 the first**  
 6.22 year is appropriated from the general fund  
 6.23 to cover the fiscal year 2013 costs for data  
 6.24 practices hearings.

6.25 **Sec. 10. OFFICE OF ENTERPRISE**  
 6.26 **TECHNOLOGY** \$ **2,431,000** \$ **2,431,000**

6.27 During the biennium ending June 30, 2015,  
 6.28 the Office of Enterprise Technology must  
 6.29 not charge fees to a public noncommercial  
 6.30 educational television broadcast station  
 6.31 eligible for funding under Minnesota  
 6.32 Statutes, chapter 129D, for access to the  
 6.33 state broadcast infrastructure. If the access  
 6.34 fees not charged to public noncommercial  
 6.35 educational television broadcast stations total



8.1 of art in the State Capitol Building. This  
8.2 appropriation is available until expended.

8.3 The transfer of the duties of the  
8.4 Environmental Quality Board to the  
8.5 Pollution Control Agency is contained in  
8.6 **Senate File No. ....., if enacted.**

8.7 **Subd. 3. Strategic Management Services** 1,757,000 1,757,000

8.8 **Subd. 4. Fiscal Agent** 12,571,000 10,071,000

8.9 The appropriations under this section are to  
8.10 the commissioner of administration for the  
8.11 purposes specified.

8.12 **In-Lieu of Rent.** \$8,158,000 the first year  
8.13 and \$8,158,000 the second year are for  
8.14 office space costs of the legislature and  
8.15 veterans organizations, ceremonial space,  
8.16 and statutorily free space.

8.17 **Public Broadcasting.** (a) \$2,332,000 the  
8.18 first year and \$1,057,000 the second year are  
8.19 for matching grants for public television.

8.20 (b) \$415,000 the first year and \$190,000  
8.21 the second year are for public television  
8.22 equipment grants.

8.23 (c) The equipment or matching grants in  
8.24 paragraphs (a) and (b) must be allocated  
8.25 after considering the recommendations of the  
8.26 Minnesota Public Television Association.

8.27 (d) \$634,000 the first year and \$264,000 the  
8.28 second year are for community service grants  
8.29 to public educational radio stations, for the  
8.30 repair, rental, and purchase of equipment,  
8.31 including equipment under \$500.

8.32 (e) \$222,000 the first year and \$92,000 the  
8.33 second year are for equipment grants to  
8.34 public educational radio stations.

9.1 (f) Notwithstanding eligibility requirements  
 9.2 in Minnesota Statutes, section 129D.14,  
 9.3 station KOJB in Cass Lake on the Leech  
 9.4 Lake Reservation; station KBFT in Nett Lake  
 9.5 on the Bois Forte Reservation; and station  
 9.6 KKWE in Callaway on the White Earth  
 9.7 Reservation are eligible to receive matching  
 9.8 grants and equipment grants in paragraphs  
 9.9 (d) and (e).

9.10 (g) The grants in paragraphs (d) and (e)  
 9.11 must be allocated after considering the  
 9.12 recommendations of the Association of  
 9.13 Minnesota Public Educational Radio Stations  
 9.14 under Minnesota Statutes, section 129D.14.

9.15 (h) \$810,000 the first year and \$310,000  
 9.16 the second year are for equipment grants  
 9.17 to Minnesota Public Radio, Inc., including  
 9.18 upgrades to Minnesota's Emergency Alert  
 9.19 and AMBER Alert Systems.

9.20 (i) Any unencumbered balance remaining the  
 9.21 first year for grants to public television or  
 9.22 radio stations does not cancel and is available  
 9.23 for the second year.

|      |  |                  |                       |                          |
|------|--|------------------|-----------------------|--------------------------|
| 9.24 | Sec. 12. <b><u>CAPITOL AREA</u></b>      |                  |                       |                          |
| 9.25 | <b><u>ARCHITECTURAL AND PLANNING</u></b> |                  |                       |                          |
| 9.26 | <b><u>BOARD</u></b>                      | <b><u>\$</u></b> | <b><u>325,000</u></b> | <b><u>\$ 325,000</u></b> |

|      |   |                  |                          |                             |
|------|---|------------------|--------------------------|-----------------------------|
| 9.27 | Sec. 13. <b><u>MINNESOTA MANAGEMENT AND</u></b> |                  |                          |                             |
| 9.28 | <b><u>BUDGET</u></b>                            | <b><u>\$</u></b> | <b><u>26,644,000</u></b> | <b><u>\$ 20,369,000</u></b> |

9.29 Statewide Budget System. \$4,500,000 the  
 9.30 first year and \$725,000 the second year are  
 9.31 for the statewide budget system. \$3,120,000  
 9.32 in fiscal year 2014 is for transfer to the  
 9.33 Office of Enterprise Technology to continue  
 9.34 development of the new statewide budget  
 9.35 system and to develop new capabilities

10.1 including, but not limited to, capital budget  
10.2 and fiscal notes. The transfer is onetime and  
10.3 is available until spent.

10.4 **Enterprise-Wide Results Management.**

10.5 \$500,000 the first year and \$500,000 the  
10.6 second year are for building capacity to  
10.7 provide enterprise-wide results management  
10.8 facilitation and coordination.

10.9 **Enterprise Human Resources Capacity.**

10.10 \$900,000 the first year and \$900,000 the  
10.11 second year are for rebuilding the state's  
10.12 human resources infrastructure.

10.13 **Compensation Council Increases.**

10.14 \$2,500,000 from the general fund is  
10.15 appropriated to the commissioner for  
10.16 implementation of the compensation  
10.17 increases in article 7 for executive branch  
10.18 agencies and constitutional offices. The  
10.19 commissioner shall determine the amount  
10.20 of general fund increases for the biennium  
10.21 to each agency and office, and within the  
10.22 available appropriation, make a transfer that  
10.23 is added to the base of each agency or office.  
10.24 Of this amount, up to \$200,000 is to conduct  
10.25 the compensation study in article 7, section  
10.26 10. The total amount added to the base is not  
10.27 to exceed \$2,500,000 in fiscal years 2016  
10.28 and 2017.

10.29 Any funds remaining nontransferred after  
10.30 implementation of the compensation  
10.31 increases and the compensation study  
10.32 in article 7 may be transferred by the  
10.33 commissioner and added to the base of each  
10.34 agency or office to cover increased general



12.1 year 2014 to make grants to counties as  
 12.2 provided in this section. This appropriation  
 12.3 is available for fiscal years 2014 and 2015  
 12.4 only, and does not become part of the base.

12.5 **Appropriation; Taxpayer Assistance. (a)**  
 12.6 **\$200,000 in fiscal year 2014, and \$200,000**  
 12.7 **in fiscal year 2015, are added to the base**  
 12.8 **appropriation of \$200,000 each year. These**  
 12.9 **amounts are appropriated from the general**  
 12.10 **fund to the commissioner of revenue to**  
 12.11 **make grants to one or more nonprofit**  
 12.12 **organizations, qualifying under section**  
 12.13 **501(c)(3) of the Internal Revenue Code of**  
 12.14 **1986, to coordinate, facilitate, encourage, and**  
 12.15 **aid in the provision of taxpayer assistance**  
 12.16 **services. The unencumbered balance in the**  
 12.17 **first year does not cancel but is available for**  
 12.18 **the second year.**

12.19 **(b) For purposes of this section, "taxpayer**  
 12.20 **assistance services" means accounting**  
 12.21 **and tax preparation services provided by**  
 12.22 **volunteers to low-income, elderly, and**  
 12.23 **disadvantaged Minnesota residents to help**  
 12.24 **them file federal and state income tax returns**  
 12.25 **and Minnesota property tax refund claims**  
 12.26 **and to provide personal representation before**  
 12.27 **the Department of Revenue and Internal**  
 12.28 **Revenue Service.**

12.29 **Subd. 3. Debt Collection Management** 28,616,000 28,616,000

12.30 **Sec. 15. GAMBLING CONTROL** **\$ 3,959,000 \$ 3,959,000**

12.31 These appropriations are from the lawful  
 12.32 gambling regulation account in the special  
 12.33 revenue fund.

|       |  |                  |                          |                  |                          |
|-------|--|------------------|--------------------------|------------------|--------------------------|
| 13.1  | Sec. 16. <b><u>RACING COMMISSION</u></b>                 | <b><u>\$</u></b> | <b><u>899,000</u></b>    | <b><u>\$</u></b> | <b><u>899,000</u></b>    |
| 13.2  | <u>These appropriations are from the racing</u>          |                  |                          |                  |                          |
| 13.3  | <u>and card playing regulation accounts in the</u>       |                  |                          |                  |                          |
| 13.4  | <u>special revenue fund.</u>                             |                  |                          |                  |                          |
| 13.5  | Sec. 17. <b><u>STATE LOTTERY</u></b>                     |                  |                          |                  |                          |
| 13.6  | <u>Notwithstanding Minnesota Statutes, section</u>       |                  |                          |                  |                          |
| 13.7  | <u>349A.10, subdivision 3, the operating budget</u>      |                  |                          |                  |                          |
| 13.8  | <u>must not exceed \$30,500,000 in fiscal year</u>       |                  |                          |                  |                          |
| 13.9  | <u>2014 and \$30,500,000 in fiscal year 2015.</u>        |                  |                          |                  |                          |
| 13.10 | Sec. 18. <b><u>AMATEUR SPORTS COMMISSION</u></b>         | <b><u>\$</u></b> | <b><u>278,000</u></b>    | <b><u>\$</u></b> | <b><u>278,000</u></b>    |
| 13.11 | Sec. 19. <b><u>COUNCIL ON BLACK</u></b>                  |                  |                          |                  |                          |
| 13.12 | <b><u>MINNESOTANS</u></b>                                | <b><u>\$</u></b> | <b><u>417,000</u></b>    | <b><u>\$</u></b> | <b><u>417,000</u></b>    |
| 13.13 | Sec. 20. <b><u>COUNCIL ON ASIAN-PACIFIC</u></b>          |                  |                          |                  |                          |
| 13.14 | <b><u>MINNESOTANS</u></b>                                | <b><u>\$</u></b> | <b><u>379,000</u></b>    | <b><u>\$</u></b> | <b><u>379,000</u></b>    |
| 13.15 | Sec. 21. <b><u>COUNCIL ON AFFAIRS OF</u></b>             |                  |                          |                  |                          |
| 13.16 | <b><u>CHICANO/LATINO PEOPLE</u></b>                      | <b><u>\$</u></b> | <b><u>400,000</u></b>    | <b><u>\$</u></b> | <b><u>400,000</u></b>    |
| 13.17 | Sec. 22. <b><u>INDIAN AFFAIRS COUNCIL</u></b>            | <b><u>\$</u></b> | <b><u>587,000</u></b>    | <b><u>\$</u></b> | <b><u>587,000</u></b>    |
| 13.18 | <u>Of this appropriation, \$167,000 each year is</u>     |                  |                          |                  |                          |
| 13.19 | <u>for a cultural resources specialist to assist the</u> |                  |                          |                  |                          |
| 13.20 | <u>council with the duties assigned to it relating</u>   |                  |                          |                  |                          |
| 13.21 | <u>to Indian burial grounds under Minnesota</u>          |                  |                          |                  |                          |
| 13.22 | <u>Statutes, section 307.08.</u>                         |                  |                          |                  |                          |
| 13.23 | Sec. 23. <b><u>MINNESOTA HISTORICAL</u></b>              |                  |                          |                  |                          |
| 13.24 | <b><u>SOCIETY</u></b>                                    |                  |                          |                  |                          |
| 13.25 | Subdivision 1. <b><u>Total Appropriation</u></b>         | <b><u>\$</u></b> | <b><u>21,059,000</u></b> | <b><u>\$</u></b> | <b><u>20,925,000</u></b> |
| 13.26 | <u>The amounts that may be spent for each</u>            |                  |                          |                  |                          |
| 13.27 | <u>purpose are specified in the following</u>            |                  |                          |                  |                          |
| 13.28 | <u>subdivisions.</u>                                     |                  |                          |                  |                          |
| 13.29 | Subd. 2. <b><u>Operations and Programs</u></b>           |                  | <b><u>20,611,000</u></b> |                  | <b><u>20,611,000</u></b> |

14.1 Notwithstanding Minnesota Statutes, section  
 14.2 138.668, the Minnesota Historical Society  
 14.3 may not charge a fee for its general tours at  
 14.4 the Capitol, but may charge fees for special  
 14.5 programs other than general tours. \$150,000  
 14.6 the first year and \$150,000 the second year are  
 14.7 for expanding education outreach, including  
 14.8 curriculum workshops, curriculum materials,  
 14.9 and summer internships for at-risk youth.  
 14.10 \$50,000 the first year and \$50,000 the second  
 14.11 year are for the Minnesota Forest History  
 14.12 Center.

14.13 Subd. 3. **Fiscal Agent**

14.14 (a) Minnesota International Center 39,000 39,000

14.15 (b) Minnesota Air National Guard Museum 34,000 -0-

14.16 (c) Minnesota Military Museum 160,000 60,000

14.17 Of this amount, \$60,000 each year is for an  
 14.18 archivist staff position. The base for fiscal  
 14.19 year 2016 is \$100,000.

14.20 (d) Farmamerica 115,000 115,000

14.21 (e) Hockey Hall of Fame 100,000 100,000

14.22 **Balances Forward.** Any unencumbered  
 14.23 balance remaining in this subdivision the first  
 14.24 year does not cancel but is available for the  
 14.25 second year of the biennium.

14.26 Sec. 24. **BOARD OF THE ARTS**

14.27 Subdivision 1. **Total Appropriation** \$ 7,567,000 \$ 7,567,000

14.28 The amounts that may be spent for each  
 14.29 purpose are specified in the following  
 14.30 subdivisions.

14.31 Subd. 2. **Operations and Services** 567,000 567,000

14.32 Subd. 3. **Grants Program** 4,800,000 4,800,000

|       |   |    |                  |                     |
|-------|---|----|------------------|---------------------|
| 15.1  | <u>Subd. 4. <b>Regional Arts Councils</b></u>         |    | <u>2,200,000</u> | <u>2,200,000</u>    |
| 15.2  | <u><b>Unencumbered Balance Available.</b> Any</u>     |    |                  |                     |
| 15.3  | <u>unencumbered balance remaining in this</u>         |    |                  |                     |
| 15.4  | <u>section the first year does not cancel, but is</u> |    |                  |                     |
| 15.5  | <u>available for the second year of the biennium.</u> |    |                  |                     |
| 15.6  | <u>Sec. 25. <b>MINNESOTA HUMANITIES</b></u>           |    |                  |                     |
| 15.7  | <u><b>CENTER</b></u>                                  | \$ | <u>301,000</u>   | \$ <u>251,000</u>   |
| 15.8  | <u>\$50,000 the first year is for a grant to</u>      |    |                  |                     |
| 15.9  | <u>Everybody Wins!-Minnesota, a Minnesota</u>         |    |                  |                     |
| 15.10 | <u>501(c)(3) corporation, to operate a reading</u>    |    |                  |                     |
| 15.11 | <u>program for Minnesota children.</u>                |    |                  |                     |
| 15.12 | <u>Sec. 26. <b>BOARD OF ACCOUNTANCY</b></u>           | \$ | <u>480,000</u>   | \$ <u>736,000</u>   |
| 15.13 | <u>The base is \$652,000 for fiscal year 2016 and</u> |    |                  |                     |
| 15.14 | <u>\$652,000 for fiscal year 2017.</u>                |    |                  |                     |
| 15.15 | <u>Sec. 27. <b>BOARD OF ARCHITECTURE,</b></u>         |    |                  |                     |
| 15.16 | <u><b>ENGINEERING, LAND SURVEYING,</b></u>            |    |                  |                     |
| 15.17 | <u><b>LANDSCAPE ARCHITECTURE,</b></u>                 |    |                  |                     |
| 15.18 | <u><b>GEOSCIENCE, AND INTERIOR DESIGN</b></u>         | \$ | <u>774,000</u>   | \$ <u>774,000</u>   |
| 15.19 | <u>Sec. 28. <b>BOARD OF COSMETOLOGIST</b></u>         |    |                  |                     |
| 15.20 | <u><b>EXAMINERS</b></u>                               | \$ | <u>1,353,000</u> | \$ <u>1,347,000</u> |
| 15.21 | <u>Sec. 29. <b>BOARD OF BARBER EXAMINERS</b></u>      | \$ | <u>317,000</u>   | \$ <u>317,000</u>   |
| 15.22 | <u>Sec. 30. <b>GENERAL CONTINGENT</b></u>             |    |                  |                     |
| 15.23 | <u><b>ACCOUNTS</b></u>                                | \$ | <u>1,000,000</u> | \$ <u>500,000</u>   |
| 15.24 | <u>Appropriations by Fund</u>                         |    |                  |                     |
| 15.25 |   |    | <u>2014</u>      | <u>2015</u>         |
| 15.26 | <u>General</u>  |    | <u>500,000</u>   | <u>-0-</u>          |
| 15.27 | <u>State Government</u>                               |    |                  |                     |
| 15.28 | <u>Special Revenue</u>                                |    | <u>400,000</u>   | <u>400,000</u>      |
| 15.29 | <u>Workers'</u>                                       |    |                  |                     |
| 15.30 | <u>Compensation</u>                                   |    | <u>100,000</u>   | <u>100,000</u>      |
| 15.31 | <u>(a) The appropriations in this section</u>         |    |                  |                     |
| 15.32 | <u>may only be spent with the approval of</u>         |    |                  |                     |
| 15.33 | <u>the governor after consultation with the</u>       |    |                  |                     |



17.1 These amounts are estimated to be needed  
17.2 under Minnesota Statutes, section 353.505.

17.3 **Sec. 34. TEACHERS RETIREMENT**  
17.4 **ASSOCIATION** **\$ 15,454,000 \$ 15,454,000**

17.5 The amounts estimated to be needed are as  
17.6 follows:

17.7 **Special Direct State Aid.** \$12,954,000 the  
17.8 first year and \$12,954,000 the second year  
17.9 are for special direct state aid authorized  
17.10 under Minnesota Statutes, section 354A.12,  
17.11 subdivisions 3a and 3c.

17.12 **Special Direct State Matching Aid.**  
17.13 \$2,500,000 the first year and \$2,500,000  
17.14 the second year are for special direct state  
17.15 matching aid authorized under Minnesota  
17.16 Statutes, section 354.435.

17.17 **Sec. 35. ST. PAUL TEACHERS**  
17.18 **RETIREMENT FUND** **\$ 2,827,000 \$ 2,827,000**

17.19 The amounts estimated to be needed for  
17.20 special direct state aid to first class city  
17.21 teachers retirement funds authorized under  
17.22 Minnesota Statutes, section 354A.12,  
17.23 subdivisions 3a and 3c.

17.24 **Sec. 36. DULUTH TEACHERS**  
17.25 **RETIREMENT FUND** **\$ 346,000 \$ 346,000**

17.26 The amounts estimated to be needed for  
17.27 special direct state aid to first class city  
17.28 teachers retirement funds authorized under  
17.29 Minnesota Statutes, section 354A.12,  
17.30 subdivisions 3a and 3c.

17.31 **Sec. 37. MILITARY AFFAIRS**  
17.32 **Subdivision 1. Total Appropriation** **\$ 19,568,000 \$ 19,368,000**

18.1 The amounts that may be spent for each  
 18.2 purpose are specified in the following  
 18.3 subdivisions.

18.4 Subd. 2. **Maintenance of Training Facilities** 6,661,000 6,661,000

18.5 Subd. 3. **General Support** 2,559,000 2,359,000

18.6 \$200,000 in fiscal year 2014 is for a grant  
 18.7 to the USS Minnesota Commissioning  
 18.8 Committee to support activities related to  
 18.9 the commissioning of the USS Minnesota.

18.10 The grant shall be provided upon the  
 18.11 condition that each state-appropriated dollar  
 18.12 be matched with a private sector dollar. The  
 18.13 USS Minnesota Commissioning Committee  
 18.14 shall certify to the adjutant general by July  
 18.15 15, 2013, the amount of private sector funds  
 18.16 raised to support the commissioning of the  
 18.17 USS Minnesota. Acceptable matching funds  
 18.18 are private sector contributions that the USS  
 18.19 Minnesota Commissioning Committee has  
 18.20 received and that have not been used to  
 18.21 match any other state grant.

18.22 Subd. 4. **Enlistment Incentives** 10,348,000 10,348,000

18.23 If appropriations for either year of the  
 18.24 biennium are insufficient, the appropriation  
 18.25 from the other year is available. The  
 18.26 appropriations for enlistment incentives are  
 18.27 available until expended.

18.28 Sec. 38. **VETERANS AFFAIRS**

18.29 Subdivision 1. **Total Appropriation** \$ 63,003,000 \$ 62,248,000

18.30 The amounts that may be spent for each  
 18.31 purpose are specified in the following  
 18.32 subdivisions.

18.33 Subd. 2. **Veterans Services** 15,546,000 15,735,000

19.1 **Veterans Service Organizations. \$353,000**  
19.2 each year is for grants to the following  
19.3 congressionally chartered veterans service  
19.4 organizations, as designated by the  
19.5 commissioner: Disabled American Veterans,  
19.6 Military Order of the Purple Heart, the  
19.7 American Legion, Veterans of Foreign Wars,  
19.8 Vietnam Veterans of America, AMVETS,  
19.9 and Paralyzed Veterans of America. This  
19.10 funding must be allocated in direct proportion  
19.11 to the funding currently being provided by  
19.12 the commissioner to these organizations.

19.13 **Minnesota Assistance Council for**  
19.14 **Veterans. \$750,000 each year is for a grant**  
19.15 **to the Minnesota Assistance Council for**  
19.16 **Veterans to provide assistance throughout**  
19.17 **Minnesota to veterans and their families who**  
19.18 **are homeless or in danger of homelessness,**  
19.19 **including assistance with the following:**

19.20 **(1) utilities;**  
19.21 **(2) employment; and**  
19.22 **(3) legal issues.**

19.23 The assistance authorized under this  
19.24 paragraph must be made only to veterans who  
19.25 have resided in Minnesota for 30 days prior  
19.26 to application for assistance and according  
19.27 to other guidelines established by the  
19.28 commissioner. In order to avoid duplication  
19.29 of services, the commissioner must ensure  
19.30 that this assistance is coordinated with all  
19.31 other available programs for veterans. The  
19.32 base is \$500,000 for fiscal year 2016 and  
19.33 \$500,000 for fiscal year 2017.

19.34 **IT Upgrades. \$618,000 in fiscal year 2014**  
19.35 **and \$382,000 in fiscal year 2015 are to**

20.1 improve and modernize the department's  
20.2 information technology systems. These  
20.3 funds shall be transferred to the Office of  
20.4 Enterprise Technology. This is a onetime  
20.5 transfer and is available until spent.

20.6 **Veterans Cemetery in Fillmore County.**  
20.7 \$425,000 in fiscal year 2015 is for operation  
20.8 of the new veterans cemetery in Fillmore  
20.9 County. This amount is added to the  
20.10 program's base funding.

20.11 **Honor Guards.** \$200,000 each year is  
20.12 for compensation for honor guards at  
20.13 the funerals of veterans under Minnesota  
20.14 Statutes, section 197.231. This amount is  
20.15 added to the program's base funding.

20.16 **Minnesota GI Bill.** \$200,000 each year is  
20.17 for the costs of administering the Minnesota  
20.18 GI Bill postsecondary educational benefits,  
20.19 on-the-job training, and apprenticeship  
20.20 program under Minnesota Statutes, section  
20.21 197.791. Of this amount, \$100,000 is for  
20.22 transfer to the Office of Higher Education.

20.23 **Gold Star Program.** \$100,000 each year  
20.24 is for administering the Gold Star Program  
20.25 for surviving family members of deceased  
20.26 veterans. This amount is added to the  
20.27 program's base funding.

20.28 **County Veterans Service Office.** \$595,000  
20.29 each year is for funding the County  
20.30 Veterans Service Office grant program under  
20.31 Minnesota Statutes, section 197.608.

20.32 **Veterans Paramedic Apprenticeship**  
20.33 **Program.** All unspent funds, estimated to  
20.34 be \$110,000, from the Veterans Paramedic  
20.35 Apprenticeship Program, from the onetime

21.1 appropriation under Laws 2009, chapter 79,  
 21.2 article 13, section 7, are canceled to the  
 21.3 general fund on July 1, 2013.

21.4 **Subd. 3. Veterans Homes** 47,457,000 46,513,000

21.5 **Veterans Homes Special Revenue Account.**

21.6 The general fund appropriations made to the  
 21.7 department may be transferred to a veterans  
 21.8 homes special revenue account in the special  
 21.9 revenue fund in the same manner as other  
 21.10 receipts are deposited according to Minnesota  
 21.11 Statutes, section 198.34, and are appropriated  
 21.12 to the department for the operation of  
 21.13 veterans homes facilities and programs.

21.14 **IT Upgrades.** \$2,472,000 in fiscal year 2014  
 21.15 and \$1,528,000 in fiscal year 2015 are to  
 21.16 improve and modernize the department's  
 21.17 information technology systems. These  
 21.18 funds shall be transferred to the Office of  
 21.19 Enterprise Technology. This is a onetime  
 21.20 transfer and is available until spent.

21.21 **Maximize Federal Reimbursements.**

21.22 The department will seek opportunities  
 21.23 to maximize federal reimbursements of  
 21.24 Medicare-eligible expenses and will provide  
 21.25 annual reports to the commissioner of  
 21.26 management and budget on the federal  
 21.27 Medicare reimbursements received.  
 21.28 Contingent upon future federal Medicare  
 21.29 receipts, reductions to the homes' general  
 21.30 fund appropriation may be made.

21.31 **ARTICLE 2**

21.32 **MINNESOTA SUNSET ACT**

21.33 Section 1. Minnesota Statutes 2012, section 254A.035, subdivision 2, is amended to  
 21.34 read:

22.1 Subd. 2. **Membership terms, compensation, removal and expiration.** The  
 22.2 membership of this council shall be composed of 17 persons who are American Indians  
 22.3 and who are appointed by the commissioner. The commissioner shall appoint one  
 22.4 representative from each of the following groups: Red Lake Band of Chippewa Indians;  
 22.5 Fond du Lac Band, Minnesota Chippewa Tribe; Grand Portage Band, Minnesota  
 22.6 Chippewa Tribe; Leech Lake Band, Minnesota Chippewa Tribe; Mille Lacs Band,  
 22.7 Minnesota Chippewa Tribe; Bois Forte Band, Minnesota Chippewa Tribe; White Earth  
 22.8 Band, Minnesota Chippewa Tribe; Lower Sioux Indian Reservation; Prairie Island Sioux  
 22.9 Indian Reservation; Shakopee Mdewakanton Sioux Indian Reservation; Upper Sioux  
 22.10 Indian Reservation; International Falls Northern Range; Duluth Urban Indian Community;  
 22.11 and two representatives from the Minneapolis Urban Indian Community and two from the  
 22.12 St. Paul Urban Indian Community. The terms, compensation, and removal of American  
 22.13 Indian Advisory Council members shall be as provided in section 15.059. The council  
 22.14 expires June 30, 2014, ~~or in accordance with section 3D.21, whichever is later.~~

22.15 Sec. 2. Minnesota Statutes 2012, section 254A.04, is amended to read:

22.16 **254A.04 CITIZENS ADVISORY COUNCIL.**

22.17 There is hereby created an Alcohol and Other Drug Abuse Advisory Council to  
 22.18 advise the Department of Human Services concerning the problems of alcohol and  
 22.19 other drug dependency and abuse, composed of ten members. Five members shall be  
 22.20 individuals whose interests or training are in the field of alcohol dependency and abuse;  
 22.21 and five members whose interests or training are in the field of dependency and abuse of  
 22.22 drugs other than alcohol. The terms, compensation and removal of members shall be as  
 22.23 provided in section 15.059. The council expires June 30, 2014, ~~or in accordance with~~  
 22.24 ~~section 3D.21, whichever is later.~~ The commissioner of human services shall appoint  
 22.25 members whose terms end in even-numbered years. The commissioner of health shall  
 22.26 appoint members whose terms end in odd-numbered years.

22.27 Sec. 3. Minnesota Statutes 2012, section 256B.093, subdivision 1, is amended to read:

22.28 Subdivision 1. **State traumatic brain injury program.** The commissioner of  
 22.29 human services shall:

22.30 (1) maintain a statewide traumatic brain injury program;

22.31 (2) supervise and coordinate services and policies for persons with traumatic brain  
 22.32 injuries;

22.33 (3) contract with qualified agencies or employ staff to provide statewide  
 22.34 administrative case management and consultation;

23.1 (4) maintain an advisory committee to provide recommendations in reports to the  
23.2 commissioner regarding program and service needs of persons with brain injuries;

23.3 (5) investigate the need for the development of rules or statutes for the brain injury  
23.4 home and community-based services waiver;

23.5 (6) investigate present and potential models of service coordination which can be  
23.6 delivered at the local level; and

23.7 (7) the advisory committee required by clause (4) must consist of no fewer than ten  
23.8 members and no more than 30 members. The commissioner shall appoint all advisory  
23.9 committee members to one- or two-year terms and appoint one member as chair.

23.10 Notwithstanding section 15.059, subdivision 5, the advisory committee does not terminate  
23.11 until June 30, 2014, ~~or in accordance with section 3D.21, whichever is later.~~

23.12 Sec. 4. Minnesota Statutes 2012, section 260.835, subdivision 2, is amended to read:

23.13 Subd. 2. **Expiration.** Notwithstanding section 15.059, subdivision 5, the American  
23.14 Indian Child Welfare Advisory Council expires June 30, 2014, ~~or in accordance with~~  
23.15 ~~section 3D.21, whichever is later.~~

23.16 Sec. 5. Laws 2012, chapter 278, article 1, section 5, is amended to read:

23.17 Sec. 5. **COUNCIL ON BLACK MINNESOTANS.**

23.18 The Office of the Legislative Auditor should conduct a financial audit of the  
23.19 Council on Black Minnesotans by December 1, 2013. In its next report to the ~~Sunset~~  
23.20 ~~Advisory Commission~~ governor and legislature under Minnesota Statutes, section 3.9225,  
23.21 subdivision 7, the Council on Black Minnesotans must respond to any issues raised in this  
23.22 audit and to issues raised in previous audits.

23.23 Sec. 6. Laws 2012, chapter 278, article 2, section 27, is amended to read:

23.24 Sec. 27. **HEALTH-RELATED LICENSING BOARDS REPORTING**  
23.25 **OBLIGATIONS.**

23.26 (a) By January 15, 2013, the health-related boards and the commissioner of health,  
23.27 as the regulator for occupational therapy practitioners, speech-language pathologists,  
23.28 audiologists, and hearing instrument dispensers, shall jointly study and submit draft  
23.29 legislation to ~~the Sunset Commission~~ and the chairs and ranking minority members of  
23.30 the legislative committees with jurisdiction over health and human services developing  
23.31 consistent reporting requirements that require institutions, professional societies, other  
23.32 licensed professionals, courts, insurers, and other entities to report conduct constituting  
23.33 grounds for disciplinary action to the respective regulatory entity. The study and draft

24.1 legislation shall include a self-reporting requirement that requires the licensed individual  
 24.2 to report to the respective regulatory entity any action that would require a report to be  
 24.3 filed by another specified entity. The study and draft legislation shall also include penalties  
 24.4 that may be imposed for failure to report.

24.5 (b) Health-related boards with existing statutory reporting obligations shall  
 24.6 participate to ensure that the existing reporting requirements are consistent with the  
 24.7 recommended requirements and draft legislation.

24.8 Sec. 7. Laws 2012, chapter 278, article 2, section 34, is amended to read:

24.9 Sec. 34. **BOARD OF MEDICAL PRACTICE REVIEW.**

24.10 The legislative auditor is requested to conduct a special investigation of the  
 24.11 Minnesota Board of Medical Practice and its implementation of the Medical Practice  
 24.12 Act. The legislative auditor is requested to submit the results of the investigation to the  
 24.13 Legislative Audit Commission, ~~the Sunset Advisory Commission~~, and the chairs and  
 24.14 ranking minority members of the senate and house of representatives policy committees  
 24.15 having jurisdiction over the board by January 1, 2013.

24.16 Sec. 8. **REVISOR'S INSTRUCTION.**

24.17 The revisor of statutes shall delete all references to "the Sunset Advisory  
 24.18 Commission" wherever they appear in Minnesota Statutes, and shall make other changes  
 24.19 as necessary in Minnesota Statutes as a result of the enactment of this act.

24.20 Sec. 9. **REPEALER.**

24.21 (a) Minnesota Statutes 2012, sections 3D.01; 3D.02; 3D.03; 3D.04; 3D.045; 3D.05;  
 24.22 3D.06; 3D.065; 3D.07; 3D.08; 3D.09; 3D.10; 3D.11; 3D.12; 3D.13; 3D.14; 3D.15; 3D.16;  
 24.23 3D.17; 3D.18; 3D.19; 3D.20; and 3D.21, subdivisions 2, 3, 4, 5, 6, 7, and 8, are repealed.

24.24 (b) Laws 2012, chapter 278, article 1, section 6, is repealed.

24.25 Sec. 10. **EFFECTIVE DATE.**

24.26 Sections 1 to 9 are effective the day following final enactment.

### 24.27 **ARTICLE 3**

#### 24.28 **STATE GOVERNMENT OPERATIONS**

24.29 Section 1. **[5.38] AUTHORITY TO ACCEPT FUNDS.**

24.30 The secretary of state may enter into agreements with a local governmental unit to  
 24.31 provide a technological service or project to enhance the state's election system. The

25.1 secretary of state and the local governmental unit shall agree to the amount of consideration  
 25.2 to be paid under the agreement. In addition, the secretary of state may accept federal funds  
 25.3 for election purposes. If the secretary of state accepts federal funds and the terms of the  
 25.4 grant do not require the state to maintain its effort, section 3.3005 does not apply. If the  
 25.5 secretary of state accepts federal funds and the terms of the grant do require the state to  
 25.6 maintain its effort, section 3.3005 applies. The funds accepted under this section must be  
 25.7 deposited in accounts in the special revenue fund and are appropriated to the secretary of  
 25.8 state for the uses authorized by this section. The secretary of state shall report by January  
 25.9 15 each year to the chair and ranking minority members of the finance committees of the  
 25.10 house of representatives and the senate with jurisdiction over the secretary of state the total  
 25.11 amounts received in the preceding calendar year, the sources of those funds, and the uses  
 25.12 to which those funds were or will be put. For purposes of this section, "local governmental  
 25.13 unit" means a county, home rule charter or statutory city, town, or school district.

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

25.15 **Sec. 2. [5B.12] AUTHORITY TO ACCEPT FUNDS.**

25.16 Notwithstanding sections 16A.013 to 16A.016, the secretary of state may accept  
 25.17 funds contributed by individuals and may apply for grants from charitable foundations, to  
 25.18 be used for the address confidentiality program established in section 5B.03. In addition,  
 25.19 the secretary of state may apply for grants from the federal government for purposes of  
 25.20 the address confidentiality program. If the secretary of state accepts federal funds and the  
 25.21 terms of the grant do not require the state to maintain its effort, section 3.3005 does not  
 25.22 apply. If the secretary of state accepts federal funds and the terms of the grant do require  
 25.23 the state to maintain its effort, section 3.3005 applies. The funds accepted under this  
 25.24 section must be deposited in accounts in the special revenue fund and are appropriated  
 25.25 to the secretary of state for use in the address confidentiality program. The secretary of  
 25.26 state shall report by January 15 each year to the chair and ranking minority members of  
 25.27 the finance committees of the house of representatives and the senate with jurisdiction  
 25.28 over the secretary of state the total amounts received in the preceding calendar year, the  
 25.29 sources of those funds, except that contributions from program participants, if any, must  
 25.30 be aggregated and the names of program participants will not be reported, and the uses  
 25.31 to which those funds were or will be put.

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

25.33 **Sec. 3. [6.475] CITY AND TOWN ACCOUNTING SYSTEM SOFTWARE.**

26.1 (a) The state auditor may charge a onetime user fee to cities, towns, and other  
 26.2 government entities for the development, maintenance, and distribution of the small city  
 26.3 and town accounting system software. The amount of this fee shall be set by the state  
 26.4 auditor in consultation with the Minnesota Association of Townships, the League of  
 26.5 Minnesota Cities, and the Minnesota Association of Small Cities.

26.6 (b) A city and town accounting systems (CTAS) account is established in the special  
 26.7 revenue fund.

26.8 (c) Amounts received under paragraph (a) shall be credited to the CTAS account in  
 26.9 the special revenue fund and are appropriated to the state auditor for all costs associated  
 26.10 with the development, maintenance, and distribution of the small city and town accounting  
 26.11 system software. If at any time the small city and town accounting system software ceases  
 26.12 to be offered by the state auditor, any amount remaining in the CTAS account shall be  
 26.13 equitably refunded to users. The amount of the refund shall be set by the state auditor  
 26.14 in consultation with the Minnesota Association of Townships, the League of Minnesota  
 26.15 Cities, and the Minnesota Association of Small Cities, and the account shall be closed.

26.16 Sec. 4. Minnesota Statutes 2012, section 13.591, subdivision 3, is amended to read:

26.17 Subd. 3. **Business as vendor.** (a) Data submitted by a business to a government  
 26.18 entity in response to a request for bids as defined in section 16C.02, subdivision 11, are  
 26.19 private or nonpublic until ~~the bids are opened. Once the bids are opened, the time and date~~  
 26.20 specified in the solicitation that bids are due, at which time the name of the bidder and the  
 26.21 dollar amount specified in the response ~~are read and~~ become public. All other data in a  
 26.22 bidder's response to a bid are private or nonpublic data until completion of the selection  
 26.23 process. For purposes of this section, "completion of the selection process" means that  
 26.24 the government entity has completed its evaluation and has ranked the responses. After a  
 26.25 government entity has completed the selection process, all remaining data submitted by  
 26.26 all bidders are public with the exception of trade secret data as defined and classified in  
 26.27 section 13.37. A statement by a bidder that submitted data are copyrighted or otherwise  
 26.28 protected does not prevent public access to the data contained in the bid.

26.29 If all responses to a request for bids are rejected prior to completion of the selection  
 26.30 process, all data, other than ~~that made public at the bid opening~~ the name of the bidder  
 26.31 and the dollar amount specified in the response, remain private or nonpublic until a  
 26.32 resolicitation of bids results in completion of the selection process or a determination is  
 26.33 made to abandon the purchase. If the rejection occurs after the completion of the selection  
 26.34 process, the data remain public. If a resolicitation of bids does not occur within one year  
 26.35 of the bid opening date, the remaining data become public.

27.1 (b) Data submitted by a business to a government entity in response to a request  
 27.2 for proposal, as defined in section 16C.02, subdivision 12, are private or nonpublic until  
 27.3 ~~the responses are opened. Once the responses are opened,~~ the time and date specified in  
 27.4 the solicitation that proposals are due, at which time the name of the responder is read  
 27.5 ~~and~~ becomes public. All other data in a responder's response to a request for proposal are  
 27.6 private or nonpublic data until completion of the evaluation process. For purposes of this  
 27.7 section, "completion of the evaluation process" means that the government entity has  
 27.8 completed negotiating the contract with the selected vendor. After a government entity  
 27.9 has completed the evaluation process, all remaining data submitted by all responders are  
 27.10 public with the exception of trade secret data as defined and classified in section 13.37. A  
 27.11 statement by a responder that submitted data are copyrighted or otherwise protected does  
 27.12 not prevent public access to the data contained in the response.

27.13 If all responses to a request for proposal are rejected prior to completion of the  
 27.14 evaluation process, all data, other than ~~that made public at the response opening,~~ the  
 27.15 names of the responders, remain private or nonpublic until a resolicitation of the requests  
 27.16 for proposal results in completion of the evaluation process or a determination is made  
 27.17 to abandon the purchase. If the rejection occurs after the completion of the evaluation  
 27.18 process, the data remain public. If a resolicitation of proposals does not occur within one  
 27.19 year of the proposal opening date, the remaining data become public.

27.20 Sec. 5. Minnesota Statutes 2012, section 16C.02, subdivision 13, is amended to read:

27.21 Subd. 13. **Resident vendor.** "Resident vendor" means a person, firm, or corporation  
 27.22 that:

27.23 (1) is authorized to conduct business in the state of Minnesota on the date a  
 27.24 solicitation for a contract is first advertised or announced. It includes a foreign corporation  
 27.25 duly authorized to engage in business in Minnesota;

27.26 (2) has paid unemployment taxes or income taxes in this state during the 12 calendar  
 27.27 months immediately preceding submission of the bid or proposal for which any preference  
 27.28 is sought;

27.29 (3) has a business address in the state; and

27.30 (4) has affirmatively claimed that status in the bid or proposal submission.

27.31 Sec. 6. Minnesota Statutes 2012, section 16C.06, subdivision 2, is amended to read:

27.32 Subd. 2. **Solicitation process.** (a) A formal solicitation must be used to acquire all  
 27.33 goods, service contracts, and utilities estimated at or more than \$50,000, or in the case of  
 27.34 a Department of Transportation solicitation, at or more than \$100,000, unless otherwise

28.1 provided for. All formal responses must be sealed when they are received and must be  
28.2 ~~opened in public at the hour stated in the solicitation~~ made publicly available as required  
28.3 by section 13.591. Formal responses must be authenticated by the responder in a manner  
28.4 specified by the commissioner.

28.5 (b) An informal solicitation may be used to acquire all goods, service contracts,  
28.6 and utilities that are estimated at less than \$50,000, or in the case of a Department of  
28.7 Transportation solicitation, at or less than \$100,000. The number of vendors required to  
28.8 receive solicitations may be determined by the commissioner. Informal responses must be  
28.9 authenticated by the responder in a manner specified by the commissioner.

28.10 Sec. 7. Minnesota Statutes 2012, section 16C.08, subdivision 4, is amended to read:

28.11 Subd. 4. **Reports.** ~~(a) The commissioner shall submit to the governor, the chairs and~~  
28.12 ~~ranking minority members of the house of representatives Ways and Means and senate~~  
28.13 ~~Finance Committees, and the Legislative Reference Library a yearly listing of all contracts~~  
28.14 ~~for professional or technical services executed. The report must identify the contractor,~~  
28.15 ~~contract amount, duration, and services to be provided. The commissioner shall also issue~~  
28.16 ~~yearly reports summarizing the contract review activities of the department by fiscal year.~~

28.17 (b) ~~The fiscal year report must be submitted by September 1 of each year and must:~~

28.18 ~~(1) be sorted by agency and by contractor;~~

28.19 ~~(2) show the aggregate value of contracts issued by each agency and issued to each~~  
28.20 ~~contractor;~~

28.21 ~~(3) distinguish between contracts that are being issued for the first time and contracts~~  
28.22 ~~that are being extended;~~

28.23 ~~(4) state the termination date of each contract;~~

28.24 ~~(5) identify services by commodity code, including topics such as contracts for~~  
28.25 ~~training, contracts for research and opinions, and contracts for computer systems; and~~

28.26 ~~(6) identify which contracts were awarded without following the solicitation process~~  
28.27 ~~in this chapter because it was determined that there was only a single source for the services.~~

28.28 (e) Within 30 days of final completion of a contract over \$25,000 covered by this  
28.29 subdivision, the head of the agency entering into the contract must submit a report to the  
28.30 commissioner who must make the report publicly available online and submit a copy to  
28.31 the Legislative Reference Library. The report must:

28.32 (1) summarize the purpose of the contract, including why it was necessary to enter  
28.33 into a contract;

28.34 (2) state the amount spent on the contract;

29.1 (3) if the contract was awarded without following the solicitation process in this  
 29.2 chapter because it was determined that there was only a single source for the services,  
 29.3 explain why the agency determined there was only a single source for the services; and

29.4 (4) include a written performance evaluation of the work done under the contract.  
 29.5 The evaluation must include an appraisal of the contractor's timeliness, quality, cost, and  
 29.6 overall performance in meeting the terms and objectives of the contract. Contractors may  
 29.7 request copies of evaluations prepared under this subdivision and may respond in writing.  
 29.8 Contractor responses must be maintained with the contract file.

29.9 **EFFECTIVE DATE.** This section is effective the day following certification by the  
 29.10 commissioner of management and budget that the information required to be reported by  
 29.11 Minnesota Statutes 2012, section 16C.08, subdivision 4, is available to the public in the  
 29.12 statewide accounting and procurement system.

29.13 Sec. 8. Minnesota Statutes 2012, section 16C.09, is amended to read:

29.14 **16C.09 PROCEDURE FOR SERVICE CONTRACTS.**

29.15 (a) Before entering into or approving a service contract valued in excess of \$5,000,  
 29.16 the commissioner must determine, at least, that:

29.17 (1) no current state employee is able and available to perform the services called  
 29.18 for by the contract;

29.19 (2) the work to be performed under the contract is necessary to the agency's  
 29.20 achievement of its statutory responsibilities and there is statutory authority to enter into  
 29.21 the contract;

29.22 (3) the contract will not establish an employment relationship between the state or  
 29.23 the agency and any persons performing under the contract;

29.24 (4) the contractor and agents are not employees of the state;

29.25 (5) the contracting agency has specified a satisfactory method of evaluating and  
 29.26 using the results of the work to be performed; and

29.27 (6) the combined contract and amendments will not exceed five years without  
 29.28 specific, written approval by the commissioner according to established policy, procedures,  
 29.29 and standards, or unless otherwise provided for by law. The term of the original contract  
 29.30 must not exceed two years, unless the commissioner determines that a longer duration is  
 29.31 in the best interest of the state.

29.32 (b) For purposes of paragraph (a), clause (1), employees are available if qualified and:

29.33 (1) are already doing the work in question; or

29.34 (2) are on layoff status in classes that can do the work in question.

30.1 An employee is not available if the employee is doing other work, is retired, or has decided  
 30.2 not to do the work in question.

30.3 (c) This section does not apply to an agency's use of inmates pursuant to sections  
 30.4 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

30.5 (1) community service; or

30.6 (2) conservation or maintenance services on lands under the jurisdiction and control  
 30.7 of the state.

30.8 Sec. 9. Minnesota Statutes 2012, section 16C.10, subdivision 6, is amended to read:

30.9 Subd. 6. **Expenditures under specified amounts.** The solicitation process  
 30.10 described in this chapter is not required for:

30.11 (1) acquisition of goods or services, other than professional or technical services,  
 30.12 in an amount of ~~\$2,500~~ \$5,000 or less; or

30.13 (2) acquisition of professional or technical services in an amount of \$5,000 or less,  
 30.14 provided the requirements of section 16C.08, subdivisions 3 to 6, are met.

30.15 Sec. 10. Minnesota Statutes 2012, section 16C.145, is amended to read:

30.16 **16C.145 NONVISUAL TECHNOLOGY ACCESS STANDARDS.**

30.17 (a) The commissioner shall develop nonvisual technology access standards. The  
 30.18 standards must be included in all contracts for the procurement of information technology  
 30.19 by, or for the use of, agencies, political subdivisions, and the Minnesota State Colleges and  
 30.20 Universities. The University of Minnesota is encouraged to consider similar standards.

30.21 (b) The nonvisual access standards must include the following minimum  
 30.22 specifications:

30.23 (1) that effective, interactive control and use of the technology including the  
 30.24 operating system, applications programs, prompts, and format of the data presented, are  
 30.25 readily achievable by nonvisual means;

30.26 (2) that the nonvisual access technology must be compatible with information  
 30.27 technology used by other individuals with whom the blind or visually impaired individual  
 30.28 must interact;

30.29 (3) that nonvisual access technology must be integrated into networks used to share  
 30.30 communications among employees, program participants, and the public; and

30.31 (4) that the nonvisual access technology must have the capability of providing  
 30.32 equivalent access by nonvisual means to telecommunications or other interconnected  
 30.33 network services used by persons who are not blind or visually impaired.

31.1 (c) Nothing in this section requires the installation of software or peripheral devices  
31.2 used for nonvisual access when the information technology is being used by individuals  
31.3 who are not blind or visually impaired.

31.4 (d) Executive branch state agencies subject to section 16E.03, subdivision 9, are not  
31.5 required to include nonvisual technology access standards developed under this section in  
31.6 contracts for the procurement of information technology.

31.7 Sec. 11. Minnesota Statutes 2012, section 16C.33, subdivision 3, is amended to read:

31.8 Subd. 3. **Solicitation of qualifications or proposals.** (a) Every user agency, except  
31.9 the Capitol Area Architectural and Planning Board, shall submit a written request for a  
31.10 design-builder for its project to the commissioner who shall forward the request to the  
31.11 board, consistent with section 16B.33, subdivision 3, paragraph (a). The University of  
31.12 Minnesota shall follow the process in subdivision 4 to select design-builders for projects  
31.13 that are subject to section 16B.33. The written request must include a description of the  
31.14 project, the total project cost, a description of any special requirements or unique features  
31.15 of the proposed project, and other information requested by the board which will assist the  
31.16 board in carrying out its duties and responsibilities set forth in this section.

31.17 (b) A request for qualifications or proposals soliciting design-builders shall be  
31.18 prepared for each design-build contract pursuant to subdivision 5 or 7. The request for  
31.19 qualifications or proposals shall contain, at a minimum, the following elements:

31.20 (1) the identity of the agency for which the project will be built and that will award  
31.21 the design-build contract;

31.22 (2) procedures for submitting qualifications or proposals, the criteria for evaluation  
31.23 of qualifications or proposals and the relative weight for each criterion and subcriterion,  
31.24 and the procedures for making awards according to the stated criteria and subcriteria,  
31.25 including a reference to the requirements of this section;

31.26 (3) the proposed terms and conditions for the contract;

31.27 (4) the desired qualifications of the design-builder and the desired or permitted  
31.28 areas of construction to be performed by named members of the design-build team, if  
31.29 applicable. The primary designer shall be a named member of the design-build team;

31.30 (5) the schedule for commencement and completion of the project;

31.31 (6) any applicable budget limits for the project;

31.32 (7) the requirements for insurance and statutorily required performance and payment  
31.33 bonds;

31.34 (8) the identification and location of any other information in the possession or  
31.35 control of the agency that the user agency determines is material, which may include

32.1 surveys, soils reports, drawings or models of existing structures, environmental studies,  
32.2 photographs, or references to public records;

32.3 (9) for a design-build design and price-based selection process, the request shall  
32.4 also include the design criteria package, including the performance and technical  
32.5 requirements for the project, and the functional and operational elements for the delivery  
32.6 of the completed project. The request shall also contain a description of the drawings,  
32.7 specifications, or other submittals to be included with the proposal, with guidance as to  
32.8 the form and level of completeness of the drawings, specifications or submittals that will  
32.9 be acceptable, and the stipend to be paid to the design-builders selected to submit the  
32.10 above described information; and

32.11 (10) the criteria shall not impose unnecessary conditions beyond reasonable  
32.12 requirements to ensure maximum participation of qualified design-builders. The criteria  
32.13 shall not consider the collective bargaining status of the design-builder.

32.14 (c) Notice of requests for qualifications or proposals must be advertised in the ~~State~~  
32.15 Register a manner designated by the commissioner.

32.16 Sec. 12. Minnesota Statutes 2012, section 16C.34, subdivision 1, is amended to read:

32.17 Subdivision 1. **Solicitation of qualifications.** (a) Every user agency, except  
32.18 the Capitol Area Architectural and Planning Board, shall submit a written request for  
32.19 proposals for a construction manager at risk for its project to the commissioner. The  
32.20 written request for proposals must include a description of the project, the estimated cost  
32.21 of completing the project, a description of any special requirements or unique features of  
32.22 the proposed project, and other information which will assist the commissioner in carrying  
32.23 out its duties and responsibilities set forth in this section.

32.24 (b) The commissioner may include in the request for qualifications criteria a  
32.25 requirement that the proposer include the overhead and fee that the construction manager  
32.26 at risk proposes to charge for its services.

32.27 (c) A request for qualifications shall be prepared for each construction manager at  
32.28 risk contract as provided in this section. The request for qualifications shall contain, at a  
32.29 minimum, the following elements:

32.30 (1) the identity of the agency for which the project will be built and that will award  
32.31 the construction manager at risk contract;

32.32 (2) procedures for submitting qualifications, the criteria and subcriteria for evaluation  
32.33 of qualifications and the relative weight for each criteria and subcriteria, and the procedures  
32.34 for making awards in an open, competitive, and objective manner, and according to the  
32.35 stated criteria and subcriteria, including a reference to the requirements of this section;

- 33.1 (3) the terms and conditions for the contract;
- 33.2 (4) the qualifications that the construction manager at risk shall be desired to have;
- 33.3 (5) a schedule for commencement and completion of the project;
- 33.4 (6) any applicable budget limits for the project;
- 33.5 (7) requirements for insurance, statutorily required performance and payment bonds;
- 33.6 (8) identification and location of any other information in the possession or control
- 33.7 of the agency that the user agency determines is material, which may include surveys, soils
- 33.8 reports, drawings or models of existing structures, environmental studies, photographs, or
- 33.9 references to public records; and
- 33.10 (9) criteria shall not impose unnecessary conditions beyond reasonable requirements
- 33.11 to ensure maximum participation of construction managers at risk. The criteria shall not
- 33.12 consider the collective bargaining status of the construction manager at risk.
- 33.13 (d) Notice of requests for qualifications must be advertised in ~~the State Register~~ a
- 33.14 manner designated by the commissioner.

33.15 Sec. 13. **[16E.0466] STATE AGENCY TECHNOLOGY PROJECTS.**

33.16 Every state agency with an information or telecommunications project must consult

33.17 with the Office of Enterprise Technology to determine what the IT cost of the project is,

33.18 and enter into a service level agreement with the Office of Enterprise Technology for

33.19 the IT cost portion of the project, unless the commissioner of the Office of Enterprise

33.20 Technology determines that an agreement is not required.

33.21 Sec. 14. Minnesota Statutes 2012, section 16E.07, subdivision 6, is amended to read:

33.22 Subd. 6. **Fees.** The office shall establish fees for technical and transaction services

33.23 for government units through North Star. Fees must be credited to the North Star account.

33.24 Except for the convenience fee under subdivision 12, the office may not charge a fee for

33.25 viewing or inspecting data made available through North Star or linked facilities, unless

33.26 specifically authorized by law.

33.27 **EFFECTIVE DATE.** This section is effective July 1, 2013.

33.28 Sec. 15. Minnesota Statutes 2012, section 16E.07, is amended by adding a subdivision

33.29 to read:

33.30 Subd. 12. **Private entity services; fee authority.** (a) The office may enter into a

33.31 contract with a private entity to manage, maintain, support, and expand North Star and

33.32 online government information services to citizens and businesses.

34.1 (b) A contract established under paragraph (a) may provide for compensation of the  
34.2 private entity through a fee established under paragraph (c).

34.3 (c) The office may charge and may authorize a private entity that enters into a  
34.4 contract under paragraph (a) to charge a convenience fee for users of North Star and  
34.5 online government information services up to a total of \$2 per transaction. The office  
34.6 shall consider the recommendation of the E-Government Advisory Council under section  
34.7 16E.071 in setting the convenience fee. A fee established under this paragraph is in  
34.8 addition to any fees or surcharges authorized under other law.

34.9 (d) Receipts from the convenience fee shall be deposited in the North Star account  
34.10 established in subdivision 7. Notwithstanding section 16A.1285, subdivision 2, receipts  
34.11 credited to the account are appropriated to the office for payment to the contracted private  
34.12 entity under paragraph (a). In lieu of depositing the receipts in the North Star account, the  
34.13 office can directly transfer the receipts to the private entity or allow the private entity to  
34.14 retain the receipts pursuant to a contract established under this subdivision.

34.15 (e) The office shall report to the chairs and ranking minority members of the house  
34.16 of representatives and senate committees with jurisdiction over state government finance  
34.17 by January 15 of each odd-numbered year regarding the convenience fee receipts and  
34.18 the status of North Star projects and online government information services developed  
34.19 and supported by convenience fee receipts.

34.20 **Sec. 16. [16E.071] E-GOVERNMENT ADVISORY COUNCIL.**

34.21 Subdivision 1. **E-Government Advisory Council established.** The E-Government  
34.22 Advisory Council is established for the purpose of improving online government  
34.23 information services to citizens and businesses.

34.24 Subd. 2. **Membership.** The council shall consist of nine members as follows:

34.25 (1) the state chief information officer or the chief information officer's designee;

34.26 (2) one member appointed by the speaker of the house;

34.27 (3) one member appointed by the senate Subcommittee on Committees of the Rules  
34.28 and Administration Committee; and

34.29 (4) six members appointed by the governor representing state executive branch  
34.30 agencies that are actively involved with private businesses, the private business  
34.31 community, or the public.

34.32 Subd. 3. **Initial appointments and first meeting.** Appointing authorities shall  
34.33 make the first appointments to the council by September 1, 2013. The first appointed  
34.34 house member shall serve until the first Monday in January, 2015. The governor shall  
34.35 designate three initial appointees to serve until the first Monday in January 2015. The

35.1 term of the other three initial appointees of the governor and the first appointed senator  
 35.2 shall be until the first Monday in January 2017. The chief information officer or the chief  
 35.3 information officer's designee shall convene the council's first meeting by November 1,  
 35.4 2013, and shall act as chair until the council elects a chair at its first meeting.

35.5 Subd. 4. **Terms; removal; vacancies; compensation.** Membership terms, removal  
 35.6 of member, and filling of vacancies are as provided in section 15.059, except that members  
 35.7 shall not receive compensation or be reimbursed for expenses and except that terms of  
 35.8 initial appointees are as provided in subdivision 3.

35.9 Subd. 5. **Chair.** The council shall annually elect a chair from its members.

35.10 Subd. 6. **Duties.** The council shall recommend to the office the priority of North  
 35.11 Star projects and online government information services to be developed and supported  
 35.12 by convenience fee receipts. The council shall provide oversight on the convenience fee  
 35.13 and its receipts in the North Star account. The council shall by majority quorum vote to  
 35.14 recommend to approve or disapprove establishing the convenience fee on particular types  
 35.15 of transactions, the fee amount, and any changes in the fee amount. If the convenience fee  
 35.16 receipts are retained by or transferred to the private entity in lieu of deposit in the North  
 35.17 Star account, the council may audit the private entity's convenience fee receipts, expenses  
 35.18 paid by the receipts, and associated financial statements.

35.19 Subd. 7. **Staff.** The office shall provide administrative support to the council.

35.20 Subd. 8. **Sunset.** The council shall expire the first Monday in January 2017.

35.21 Subd. 9. **Reports.** By June 1, 2014, and every year thereafter, the council shall  
 35.22 report to the office with its recommendations regarding establishing the convenience fee,  
 35.23 the fee amount, and changes to the fee amount.

35.24 Sec. 17. Minnesota Statutes 2012, section 32C.04, is amended to read:

35.25 **32C.04 ACCOUNTS; AUDITS.**

35.26 The authority may establish funds and accounts that it determines to be reasonable and  
 35.27 necessary to conduct the business of the authority. The board shall ~~provide for and pay the~~  
 35.28 ~~cost of an independent annual audit of its official books and records~~ be subject to audit by  
 35.29 the ~~state~~ legislative auditor. A copy of ~~this~~ an audit must be filed with the secretary of state.

35.30 Sec. 18. Minnesota Statutes 2012, section 469.3201, is amended to read:

35.31 **469.3201 STATE LEGISLATIVE AUDITOR; AUDITS OF JOB**  
 35.32 **OPPORTUNITY BUILDING ZONES AND BUSINESS SUBSIDY AGREEMENTS.**

35.33 As resources allow, the Office of the State Auditor legislative auditor must annually  
 35.34 audit the creation and operation of all job opportunity building zones and business subsidy

36.1 agreements entered into under Minnesota Statutes, sections 469.310 to 469.320. ~~To the~~  
 36.2 ~~extent necessary to perform this audit, the state auditor may request from the commissioner~~  
 36.3 ~~of revenue tax return information of taxpayers who are eligible to receive tax benefits~~  
 36.4 ~~authorized under section 469.315. To the extent necessary to perform this audit, the state~~  
 36.5 ~~auditor may request from the commissioner of employment and economic development~~  
 36.6 ~~wage detail report information required under section 268.044 of taxpayers eligible to~~  
 36.7 ~~receive tax benefits authorized under section 469.315. All public officials and parties to~~  
 36.8 ~~the agreements shall comply with the requirements of section 3.978, subdivision 2.~~

36.9 Sec. 19. **REVISOR'S INSTRUCTION.**

36.10 In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall:

36.11 (1) substitute the term "Office of MN.IT Services" for "Office of Enterprise

36.12 Technology" in each place where the latter term appears; and

36.13 (2) substitute the term "MN.IT services revolving fund" for "enterprise technology

36.14 revolving fund" in each place where the latter term appears.

36.15 **ARTICLE 4**

36.16 **LICENSING BOARDS**

36.17 Section 1. Minnesota Statutes 2012, section 154.001, is amended by adding a  
 36.18 subdivision to read:

36.19 Subd. 4. **Comprehensive examination.** "Comprehensive examination" means all  
 36.20 parts of a test administered by the board, including but not limited to written, oral, and  
 36.21 practical components.

36.22 Sec. 2. Minnesota Statutes 2012, section 154.003, is amended to read:

36.23 **154.003 FEES.**

36.24 (a) The fees collected, as required in this chapter, chapter 214, and the rules of the  
 36.25 board, shall be paid to the board. The board shall deposit the fees in the general fund  
 36.26 in the state treasury.

36.27 (b) The board shall charge the following fees:

36.28 (1) examination and certificate, registered barber, \$85;

36.29 (2) retake of written examination, registered barber, \$10;

36.30 ~~(2)~~ (3) examination and certificate, apprentice, \$80;

36.31 (4) retake of written examination, apprentice, \$10;

36.32 ~~(3)~~ (5) examination, instructor, \$180;

- 37.1 ~~(4)~~ (6) certificate, instructor, \$65;
- 37.2 ~~(5)~~ (7) temporary teacher or apprentice permit, \$80;
- 37.3 ~~(6)~~ (8) renewal of license, registered barber, \$80;
- 37.4 ~~(7)~~ (9) renewal of license, apprentice, \$70;
- 37.5 ~~(8)~~ (10) renewal of license, instructor, \$80;
- 37.6 ~~(9)~~ (11) renewal of temporary teacher permit, \$65;
- 37.7 ~~(10)~~ (12) student permit, \$45;
- 37.8 (13) renewal of student permit, \$25;
- 37.9 ~~(11)~~ (14) initial shop registration, \$85;
- 37.10 ~~(12)~~ (15) initial school registration, \$1,030;
- 37.11 ~~(13)~~ (16) renewal shop registration, \$85;
- 37.12 ~~(14)~~ (17) renewal school registration, \$280;
- 37.13 ~~(15)~~ (18) restoration of registered barber license, \$95;
- 37.14 ~~(16)~~ (19) restoration of apprentice license, \$90;
- 37.15 ~~(17)~~ (20) restoration of shop registration, \$105;
- 37.16 ~~(18)~~ (21) change of ownership or location, \$55;
- 37.17 ~~(19)~~ (22) duplicate license, \$40; and
- 37.18 ~~(20)~~ (23) home study course, ~~\$95~~ \$75;
- 37.19 (24) letter of license verification, \$25; and
- 37.20 (25) reinspection, \$100.

37.21 Sec. 3. Minnesota Statutes 2012, section 154.02, is amended to read:

37.22 **154.02 WHAT CONSTITUTES BARBERING.**

37.23 Any one or any combination of the following practices when done upon the head  
 37.24 and neck for cosmetic purposes and not for the treatment of disease or physical or mental  
 37.25 ailments and when done for payment directly or indirectly or without payment for the  
 37.26 public generally constitutes the practice of barbering within the meaning of sections  
 37.27 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26:  
 37.28 to shave the face or neck, trim the beard, cut or bob the hair of any person of either sex  
 37.29 for compensation or other reward received by the person performing such service or any  
 37.30 other person; to give facial and scalp massage or treatments with oils, creams, lotions,  
 37.31 or other preparations either by hand or mechanical appliances; to singe, shampoo the  
 37.32 hair, or apply hair tonics; or to apply cosmetic preparations, antiseptics, powders, oils,  
 37.33 clays, or lotions to hair, scalp, face, or neck.

38.1 Sec. 4. Minnesota Statutes 2012, section 154.05, is amended to read:

38.2 **154.05 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A**  
 38.3 **REGISTERED BARBER.**

38.4 A person is qualified to receive a certificate of registration as a registered barber:

38.5 (1) who is qualified under the provisions of section 154.06;

38.6 (2) who has practiced as a registered apprentice for a period of 12 months under the  
 38.7 immediate personal supervision of a registered barber; and

38.8 (3) who has passed an examination conducted by the board to determine fitness to  
 38.9 practice barbering.

38.10 An apprentice applicant for a certificate of registration to practice as a registered  
 38.11 barber who fails to pass the comprehensive examination conducted by the board and  
 38.12 who fails to pass a onetime retake of the written examination, shall continue to practice  
 38.13 as an apprentice for an additional ~~two months~~ 300 hours before being ~~again entitled to~~  
 38.14 ~~take~~ eligible to retake the comprehensive examination ~~for a registered barber~~ as many  
 38.15 times as necessary to pass.

38.16 Sec. 5. Minnesota Statutes 2012, section 154.06, is amended to read:

38.17 **154.06 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A**  
 38.18 **REGISTERED APPRENTICE.**

38.19 A person is qualified to receive a certificate of registration as a registered apprentice:

38.20 (1) who has completed at least ten grades of an approved school;

38.21 (2) who has graduated from a barber school approved by ~~the~~ a barber board within  
 38.22 the previous four years; and

38.23 (3) who has passed an examination conducted by the board to determine fitness to  
 38.24 practice as a registered apprentice. An applicant who graduated from a barber school  
 38.25 approved by a barber board more than four years prior to application is required to  
 38.26 complete a further course of study of at least 500 hours.

38.27 An applicant for a an initial certificate of registration to practice as an apprentice,  
 38.28 who fails to pass the comprehensive examination conducted by the board, and who fails to  
 38.29 pass a onetime retake of the written examination, is required to complete a further course  
 38.30 of study of at least 500 hours, of not more than eight hours in any one working day, in a  
 38.31 barber school approved by the board before being eligible to retake the comprehensive  
 38.32 examination as many times as necessary to pass.

38.33 A certificate of registration of an apprentice shall be valid for four years ~~from the~~  
 38.34 ~~date the certificate of registration is issued by the board~~ and shall not be renewed for a fifth  
 38.35 year. During the four-year period the certificate of registration shall remain in full force

39.1 and effect only if the apprentice complies with all the provisions of sections 154.001,  
 39.2 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, including  
 39.3 the payment of an annual fee, and the rules of the board.

39.4 If a registered apprentice, during the term in which the certificate of registration is in  
 39.5 effect, enters full-time active duty in the armed forces of the United States of America,  
 39.6 the expiration date of the certificate of registration shall be extended by a period of time  
 39.7 equal to the period or periods of active duty.

39.8 If a registered apprentice graduates from a barber school approved by the board and  
 39.9 is issued a certificate of registration while incarcerated by the Department of Corrections  
 39.10 of the Federal Bureau of Prisons, the expiration date of the certificate of registration shall  
 39.11 be extended one time so that it expires four years from the date of first release from a  
 39.12 correctional facility.

39.13 Sec. 6. Minnesota Statutes 2012, section 154.065, subdivision 2, is amended to read:

39.14 Subd. 2. **Qualifications.** A person is qualified to receive a certificate of registration  
 39.15 as an instructor of barbering who:

39.16 (1) is a graduate ~~from~~ of an approved high school, or its equivalent, as determined  
 39.17 by examination by the Department of Education;

39.18 (2) ~~has qualified for a teacher's or instructor's vocational certificate; successfully~~  
 39.19 completed vocational instructor training from a board-approved program or accredited  
 39.20 college or university program that includes the following courses or their equivalents as  
 39.21 determined by the board:

39.22 (i) introduction to career and technical education training;

39.23 (ii) philosophy and practice of career and technical education;

39.24 (iii) course development for career and technical education;

39.25 (iv) instructional methods for career and technical education; and

39.26 (v) human relations;

39.27 (3) is currently a registered barber and has at least three years experience as a  
 39.28 registered barber in this state, or its equivalent as determined by the board; and

39.29 (4) has passed an examination conducted by the board to determine fitness to  
 39.30 instruct in barbering.

39.31 ~~A certificate of registration under this section is provisional until a teacher's or~~  
 39.32 ~~instructor's vocational certificate has been issued by the Department of Education. A~~  
 39.33 ~~provisional certificate of registration is valid for 30 days and is not renewable.~~

39.34 Sec. 7. Minnesota Statutes 2012, section 154.07, subdivision 1, is amended to read:

40.1 Subdivision 1. **Admission requirements; course of instruction.** No barber school  
 40.2 shall be approved by the board unless it requires, as a prerequisite to admission, ten grades  
 40.3 of an approved school or its equivalent, as determined by an examination conducted by  
 40.4 the commissioner of education, which shall issue a certificate that the student has passed  
 40.5 the required examination, and unless it requires, as a prerequisite to graduation, a course  
 40.6 of instruction of at least 1,500 hours, of not more than eight hours in any one working day.  
 40.7 The course of instruction must include the following subjects: scientific fundamentals  
 40.8 for barbering; hygiene; practical study of the hair, skin, muscles, and nerves; structure of  
 40.9 the head, face, and neck; elementary chemistry relating to sterilization and antiseptics;  
 40.10 diseases of the skin, hair, and glands; massaging and manipulating the muscles of the face  
 40.11 and neck; haircutting; shaving; trimming the beard; bleaching, tinting and dyeing the hair;  
 40.12 and the chemical waving and straightening of hair.

40.13 Sec. 8. Minnesota Statutes 2012, section 154.08, is amended to read:

40.14 **154.08 APPLICATION; FEE.**

40.15 Each applicant for an examination shall:

40.16 (1) make application to the Board of Barber Examiners on blank forms prepared and  
 40.17 furnished by it, the application to contain proof under the applicant's oath of the particular  
 40.18 qualifications and identity of the applicant;

40.19 ~~(2) furnish to the board two five-inch x three-inch signed photographs of the~~  
 40.20 ~~applicant, one to accompany the application and one to be returned to the applicant,~~  
 40.21 ~~to be presented to the board when the applicant appears for examination~~ provide all  
 40.22 documentation required in support of the application; and

40.23 (3) pay to the board the required fee; and

40.24 (4) present a government-issued photo identification as proof of identity upon  
 40.25 application and when the applicant appears for examination.

40.26 Sec. 9. Minnesota Statutes 2012, section 154.09, is amended to read:

40.27 **154.09 EXAMINATIONS, CONDUCT AND SCOPE.**

40.28 The board shall conduct examinations of applicants for certificates of registration to  
 40.29 practice as barbers and apprentices not more than six times each year, at such time and  
 40.30 place as the board may determine. Additional written examinations may be scheduled  
 40.31 by the board and conducted by board staff as designated by the board. The proprietor  
 40.32 of a barber school must file an affidavit ~~shall be filed with the board by the proprietor~~  
 40.33 ~~of a barber school that~~ of hours completed by students applying to take the apprentice

41.1 examination ~~have completed~~. Students must complete 1,500 hours in a barber school  
 41.2 ~~registered with~~ approved by the board.

41.3 The examination of applicants for certificates of registration as barbers and  
 41.4 apprentices shall include ~~both~~ a practical demonstration and a written and oral test ~~and~~  
 41.5 ~~embrace~~. The examination must cover the subjects usually taught in barber schools  
 41.6 registered with the board.

41.7 Sec. 10. Minnesota Statutes 2012, section 154.10, subdivision 1, is amended to read:

41.8 Subdivision 1. **Application.** Each applicant for an initial certificate of registration  
 41.9 shall make application to the board on forms prepared and furnished by the board with  
 41.10 proof under oath of the particular qualifications and identity of each applicant. This  
 41.11 application shall be accompanied by a fee prescribed by law or the rules of the board to  
 41.12 defray the expenses of making investigation and for the examination of such applicant.

41.13 Sec. 11. Minnesota Statutes 2012, section 154.11, subdivision 1, is amended to read:

41.14 Subdivision 1. **Examination of nonresidents.** A person who meets all of the  
 41.15 requirements for barber registration in sections 154.001, 154.002, 154.003, 154.01 to  
 41.16 154.161, 154.19 to 154.21, and 154.24 to 154.26 and either has a license, certificate  
 41.17 of registration, or an equivalent as a practicing barber or instructor of barbering from  
 41.18 another state or country which in the discretion of the board has substantially the same  
 41.19 requirements for registering barbers and instructors of barbering as required by sections  
 41.20 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 or  
 41.21 can prove by sworn affidavits practice as a barber or instructor of barbering in another  
 41.22 state or country for at least five years immediately prior to making application in this state,  
 41.23 shall, upon payment of the required fee, be issued a certificate of registration without  
 41.24 examination, ~~provided that the other state or country grants the same privileges to holders~~  
 41.25 ~~of Minnesota certificates of registration.~~

41.26 Sec. 12. Minnesota Statutes 2012, section 154.12, is amended to read:

41.27 **154.12 EXAMINATION OF NONRESIDENT APPRENTICES.**

41.28 A person who meets all of the requirements for registration as a barber in sections  
 41.29 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 and  
 41.30 who has a license, a certificate of registration, or its equivalent as an apprentice in a state  
 41.31 or country which in the discretion of the board has substantially the same requirements for  
 41.32 registration as an apprentice as is provided by sections 154.001, 154.002, 154.003, 154.01  
 41.33 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, shall, upon payment of the required

42.1 fee, be issued a certificate of registration without examination, ~~provided that the other state~~  
 42.2 ~~or country grants the same privileges to holders of Minnesota certificates of registration.~~

42.3 Sec. 13. Minnesota Statutes 2012, section 154.14, is amended to read:

42.4 **154.14 CERTIFICATES OF REGISTRATION AND TEMPORARY PERMITS**  
 42.5 **TO BE DISPLAYED.**

42.6 Every holder of a certificate of registration as a registered barber or registered  
 42.7 apprentice or temporary apprentice permit shall display it the certificate or permit, with a  
 42.8 photograph of the certificate or permit holder that meets the same standards as required for  
 42.9 a United States passport, in a conspicuous place adjacent to or near the chair where work  
 42.10 is performed. Every holder of a certificate of registration as an instructor of barbering or  
 42.11 ~~as a barber school~~, of a temporary permit as an instructor of barbering, shall display the  
 42.12 certificate or permit, with a photograph of the certificate or permit holder that meets the  
 42.13 same standards as required for a United States passport, in a conspicuous place accessible  
 42.14 to the public. Every holder of a certificate of registration as a barber school and of a shop  
 42.15 registration card shall display it in a conspicuous place accessible to the public.

42.16 Sec. 14. Minnesota Statutes 2012, section 154.15, subdivision 2, is amended to read:

42.17 Subd. 2. **Effect of failure to renew.** A registered barber or a registered apprentice  
 42.18 who has not renewed a certificate of registration may be reinstated within ~~one year~~ four  
 42.19 years of such failure to renew without examination upon the payment of the required  
 42.20 restoration fee for each year the certificate is lapsed. A registered instructor of barbering  
 42.21 who has not renewed a certificate of registration may be reinstated within ~~three~~ four years  
 42.22 of such failure to renew without examination upon payment of the required restoration fee  
 42.23 for each year the certificate is lapsed. All registered barbers and registered apprentices  
 42.24 who allow their certificates of registration to lapse for more than ~~one year~~ four years shall  
 42.25 be required to reexamine before being issued a certificate of registration. All registered  
 42.26 instructors of barbering who allow their certificates of registration to lapse for more  
 42.27 than ~~three~~ four years shall be required to reexamine before being issued a certificate of  
 42.28 registration. A barber shop owner who has not renewed the barber shop certificate for more  
 42.29 than one year may reinstate the barber shop registration upon payment of the restoration  
 42.30 fee for each year the shop card was lapsed. If lapsed or unlicensed status is discovered by  
 42.31 the barber inspector during inspection, penalties under section 154.162 shall apply.

42.32 Sec. 15. **[154.162] ADMINISTRATIVE PENALTIES.**

42.33 The board shall impose and collect the following penalties:

43.1 (1) missing or lapsed shop registration discovered upon inspection; penalty imposed  
 43.2 on shop owner: \$500;

43.3 (2) unlicensed or unregistered apprentice or registered barber, first occurrence  
 43.4 discovered upon inspection; penalty imposed on shop owner and unlicensed or  
 43.5 unregistered individual: \$500; and

43.6 (3) unlicensed or unregistered apprentice or registered barber, second occurrence  
 43.7 discovered upon inspection; penalty imposed on shop owner and unlicensed or  
 43.8 unregistered individual: \$1,000.

43.9 Sec. 16. Minnesota Statutes 2012, section 154.26, is amended to read:

43.10 **154.26 MUNICIPALITIES ~~MAY REGULATE HOURS~~; REGULATION**  
 43.11 **AUTHORIZED.**

43.12 The governing body of any city of this state may regulate by ordinance the opening  
 43.13 and closing hours of barber shops within its municipal limits in addition to all other  
 43.14 applicable local regulations.

43.15 Sec. 17. **[154.27] MISREPRESENTATION.**

43.16 No person shall represent themselves to the public, solicit business, advertise as a  
 43.17 licensed barber or as operating a licensed barber shop, use the title or designation of barber  
 43.18 or barber shop, engage in any other act or practice that would create the impression to  
 43.19 members of the public that the person is a licensed barber or is operating a licensed barber  
 43.20 shop unless the person holds the appropriate license under this chapter. Violation of this  
 43.21 section is a petty misdemeanor.

43.22 Sec. 18. **[154.28] SYMBOLS; BARBER POLE.**

43.23 No person shall place a barber pole in a location that would create or tend to create  
 43.24 the impression to the public that the business is a barber shop unless the operator holds a  
 43.25 valid license under this chapter. For the purposes of this section, "barber pole" means a  
 43.26 red and white or red, white, and blue striped vertical cylinder commonly recognized as a  
 43.27 barber pole. Violation of this section is a petty misdemeanor.

43.28 Sec. 19. Minnesota Statutes 2012, section 155A.23, subdivision 3, is amended to read:

43.29 Subd. 3. **Cosmetology.** "Cosmetology" is the practice of personal services, for  
 43.30 compensation, for the cosmetic care of the hair, nails, and skin. These services include  
 43.31 cleaning, conditioning, shaping, reinforcing, coloring and enhancing the body surface in  
 43.32 the areas of the head, scalp, face, arms, hands, legs, ~~and feet~~, and trunk of the body, except

44.1 where these services are performed by a barber under sections 154.001, 154.002, 154.003,  
44.2 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26.

44.3 Sec. 20. Minnesota Statutes 2012, section 155A.25, subdivision 1a, is amended to read:

44.4 Subd. 1a. **Schedule.** The fee schedule for licensees is as follows ~~for licenses issued~~  
44.5 ~~after June 30, 2010, and prior to July 1, 2013:~~

44.6 (a) Three-year license fees:

44.7 (1) cosmetologist, ~~manicurist~~ nail technician, or esthetician:

44.8 (i) \$90 for each initial license and a \$40 nonrefundable initial license application fee,  
44.9 for a total of \$130; and

44.10 (ii) \$60 for each renewal and a \$15 nonrefundable renewal application fee, for  
44.11 a total of \$75;

44.12 (2) instructor or manager:

44.13 (i) \$120 for each initial license and a \$40 nonrefundable initial license application  
44.14 fee, for a total of \$160; and

44.15 (ii) \$90 for each renewal and a \$15 nonrefundable renewal application fee, for a  
44.16 total of \$105;

44.17 (3) salon:

44.18 (i) \$130 for each initial license and a \$100 nonrefundable initial license application  
44.19 fee, for a total of \$230; and

44.20 (ii) \$100 for each renewal and a \$50 nonrefundable renewal application fee, for a  
44.21 total of \$150; and

44.22 (4) school:

44.23 (i) \$1,500 for each initial license and a \$1,000 nonrefundable initial license  
44.24 application fee, for a total of \$2,500; and

44.25 (ii) \$1,500 for each renewal and a \$500 nonrefundable renewal application fee,  
44.26 for a total of \$2,000.

44.27 (b) Penalties:

44.28 (1) reinspection fee, variable;

44.29 (2) manager and owner with lapsed practitioner found on inspection, \$150 each;

44.30 (3) lapsed practitioner or instructor found on inspection, \$200;

44.31 (4) lapsed salon found on inspection, \$500;

44.32 (5) lapsed school found on inspection, \$1,000;

44.33 (6) failure to display current license, \$100;

44.34 (7) failure to dispose of single-use equipment, implements, or materials as provided  
44.35 under section 155A.355, subdivision 1, \$500;

- 45.1 (8) use of prohibited razor-type callus shavers, rasps, or graters under section  
 45.2 155A.355, subdivision 2, \$500;
- 45.3 (9) performing manicuring or cosmetology services in esthetician salon, or  
 45.4 performing esthetician or cosmetology services in manicure salon, \$500;
- 45.5 (10) owner and manager allowing an operator to work as an independent contractor,  
 45.6 \$200;
- 45.7 (11) operator working as an independent contractor, \$100;
- 45.8 (12) refusal or failure to cooperate with an inspection, \$500;
- 45.9 ~~(3)~~ (13) expired cosmetologist, manicurist, esthetician, manager, school manager,  
 45.10 and instructor license, \$45; and
- 45.11 ~~(4)~~ (14) expired salon or school license, \$50.
- 45.12 (c) Administrative fees:
- 45.13 (1) certificate of identification, \$20;
- 45.14 (2) name change, \$20;
- 45.15 (3) letter of license verification, \$30;
- 45.16 (4) duplicate license, \$20;
- 45.17 (5) processing fee, \$10;
- 45.18 (6) special event permit, \$75 per year; and
- 45.19 (7) registration of hair braiders, \$20 per year.

45.20 Sec. 21. Minnesota Statutes 2012, section 155A.25, subdivision 4, is amended to read:

45.21 Subd. 4. **License expiration date.** The board shall, in a manner determined by the  
 45.22 board and without the need for rulemaking under chapter 14, phase in changes to initial  
 45.23 and renewal license expiration dates so that by January 1, 2014:

45.24 (1) individual licenses expire on the last day of the licensee's birth month of the  
 45.25 year due; and

45.26 (2) salon and school licenses expire on the last day of the month of initial licensure  
 45.27 of the year due.

45.28 Sec. 22. Minnesota Statutes 2012, section 155A.27, subdivision 4, is amended to read:

45.29 Subd. 4. **Testing.** All theory, practical, and Minnesota law and rule testing must  
 45.30 be done by a board-approved provider. Appropriate standardized tests shall be used and  
 45.31 shall include subject matter relative to the application of Minnesota law. In every case,  
 45.32 the primary consideration shall be to safeguard the health and safety of consumers by  
 45.33 determining the competency of the applicants to provide the services indicated.

46.1 Sec. 23. Minnesota Statutes 2012, section 155A.27, subdivision 7, is amended to read:

46.2 Subd. 7. **Renewals.** Renewal of license shall be for a period of three years  
46.3 under conditions and process established by rule and subject to continuing education  
46.4 requirements of section 155A.271.

46.5 Sec. 24. Minnesota Statutes 2012, section 155A.27, subdivision 10, is amended to read:

46.6 Subd. 10. **Nonresident licenses.** (a) A nonresident cosmetologist, manicurist, or  
46.7 esthetician may be licensed in Minnesota if the individual has completed cosmetology  
46.8 school in a state or country with the same or greater school hour requirements, has an  
46.9 active license in that state or country, and has passed a board-approved theory and  
46.10 practice-based examination, the Minnesota-specific written operator examination for  
46.11 cosmetologist, manicurist, or esthetician.

46.12 (b) If an individual has less than the required number of school hours, the individual  
46.13 may be licensed in Minnesota if the individual has a current active license in another  
46.14 state or country for at least three years, and has passed a board-approved theory and  
46.15 practice-based examination, the Minnesota-specific written operator examination for  
46.16 cosmetologist, manicurist, or esthetician.

46.17 (c) If a test is used to verify the qualifications of trained cosmetologists, the test should  
46.18 be translated into the nonresident's native language within the limits of available resources.

46.19 (d) Applicants claiming training and experience in a foreign country shall supply  
46.20 official English-language translations of all required documents from a board-approved  
46.21 source.

46.22 (e) Licenses shall not be issued under this subdivision for managers or instructors.

46.23 Sec. 25. **[155A.271] CONTINUING EDUCATION REQUIREMENTS.**

46.24 Subdivision 1. **Continuing education requirements.** Effective August 1, 2014,  
46.25 to qualify for license renewal under this chapter as an individual cosmetologist, nail  
46.26 technician, esthetician, or salon manager, the applicant must attest to the completion of  
46.27 four hours of continuing education credits from an accredited school or a professional  
46.28 association of cosmetology during the three years prior to the applicant's renewal  
46.29 date. One credit hour of the requirement must include instruction pertaining to state  
46.30 laws and rules governing the practice of cosmetology. Three credit hours must include  
46.31 instruction pertaining to health, safety, and sanitation matters consistent with the United  
46.32 States Department of Labor's Occupational Safety and Health Administration standards  
46.33 applicable to the practice of cosmetology, or other applicable federal health, sanitation,  
46.34 and safety standards, and must be regularly updated so as to incorporate newly developed

47.1 standards and accepted professional best practices. Credit hours earned are valid for three  
 47.2 years and may be applied simultaneously to all individual licenses held by a licensee under  
 47.3 this chapter. This subdivision does not apply to instructors or inactive licenses.

47.4 Subd. 2. **Schools and professional association.** Only a board-licensed school of  
 47.5 cosmetology, a postsecondary institution as defined in section 136A.103, paragraph (a), or  
 47.6 a board-recognized professional association may offer continuing education curriculum  
 47.7 for credit under this section. The school or professional association may offer online  
 47.8 and independent study options to achieve maximum involvement of licensees and is  
 47.9 encouraged to offer classes available in foreign language formats.

47.10 Subd. 3. **Proof of credits.** The school or professional association shall provide  
 47.11 to licensees who attend a class a receipt to prove completion of the class. Licensees  
 47.12 shall retain proof of their continuing education credits for one year beyond the credit's  
 47.13 expiration. The school or professional association shall retain documentation of all  
 47.14 licensees successfully completing a class and the licensee's credit hours for five years.

47.15 Subd. 4. **Audit.** The board shall conduct random audits of active licensees  
 47.16 periodically to ensure compliance with continuing education requirements. To initiate  
 47.17 an audit, the board shall notify an active licensee of the audit and request proof of  
 47.18 credits earned during a specified period. The licensee must provide the requested proof  
 47.19 to the board within 30 days of an audit notice. The board may request that a school or  
 47.20 professional association verify a licensee's credits. The school or professional association  
 47.21 must furnish verification, or a written statement that the credits are not verified, within  
 47.22 15 days of the board's request for verification. If the board determines that a licensee has  
 47.23 failed to provide proof of necessary credits earned during the specified time, the board  
 47.24 may revoke the individual's license and may deem the individual a lapsed practitioner  
 47.25 subject to penalty under section 155A.25 or 155A.36.

47.26 Sec. 26. Minnesota Statutes 2012, section 155A.29, subdivision 2, is amended to read:

47.27 Subd. 2. **Requirements.** (a) The conditions and process by which a salon is licensed  
 47.28 shall be established by the board by rule. In addition to those requirements, no license  
 47.29 shall be issued unless the board first determines that the conditions in clauses (1) to (5)  
 47.30 have been satisfied:

47.31 (1) compliance with all local and state laws, particularly relating to matters of  
 47.32 sanitation, health, and safety;

47.33 (2) the employment of a manager, as defined in section 155A.23, subdivision 8;

47.34 ~~(3) inspection and licensing prior to the commencing of business;~~

47.35 ~~(4)~~ (3) if applicable, evidence of compliance with section 176.182; and

48.1 ~~(5)~~ (4) evidence of continued professional liability insurance coverage of at least  
48.2 \$25,000 for each claim and \$50,000 total coverage for each policy year for each operator.

48.3 (b) A licensed esthetician or manicurist who complies with the health, safety,  
48.4 sanitation, inspection, and insurance rules promulgated by the board to operate a salon  
48.5 solely for the performance of those personal services defined in section 155A.23,  
48.6 subdivision 5, in the case of an esthetician, or subdivision 7, in the case of a manicurist.

48.7 Sec. 27. Minnesota Statutes 2012, section 155A.30, subdivision 1, is amended to read:

48.8 Subdivision 1. **Licensing.** Any person who establishes or conducts a school in this  
48.9 state shall be licensed. A school manager must maintain an active salon manager's license.  
48.10 An instructor must maintain an active operator or manager's license in the area in which  
48.11 the instructor holds an instructor's license.

48.12 Sec. 28. Minnesota Statutes 2012, section 155A.30, is amended by adding a  
48.13 subdivision to read:

48.14 Subd. 11. **Limit on hours of instruction.** Instruction shall not exceed ten hours  
48.15 per day per student.

48.16 Sec. 29. Minnesota Statutes 2012, section 155A.30, is amended by adding a  
48.17 subdivision to read:

48.18 Subd. 12. **Instruction location.** Instruction must be given within a licensed school  
48.19 building. Online instruction is permitted for board-approved theory-based classes.  
48.20 Practice-based classes must not be given online.

48.21 Sec. 30. [155A.355] **PROHIBITED USES.**

48.22 Subdivision 1. **Single-use equipment and materials.** Single-use equipment,  
48.23 implements, or materials that are made or constructed of paper, wood, or other porous  
48.24 materials must only be used for one application or client service. Presence of used articles  
48.25 in the work area is prima facie evidence of reuse. Failure to dispose of the materials in this  
48.26 subdivision is punishable by penalty under section 155A.25, subdivision 1a, paragraph  
48.27 (b), clause (7).

48.28 Subd. 2. **Skin-cutting equipment.** Razor-type callus shavers, rasps, or graters  
48.29 designed and intended to cut growths of skin such as corns and calluses, including but not  
48.30 limited to credo blades, are prohibited. Presence of these articles in the work area is prima  
48.31 facie evidence of use and is punishable by penalty in section 155A.25, subdivision 1a,  
48.32 paragraph (b), clause (8).

49.1 Subd. 3. **Substances.** Licensees must not use any of the following substances or  
 49.2 products in performing cosmetology services:

49.3 (1) methyl methacrylate liquid monomers, also known as MMA; and

49.4 (2) fumigants, including but not limited to formalin tablets or formalin liquids.

49.5 Sec. 31. Minnesota Statutes 2012, section 326A.04, subdivision 2, is amended to read:

49.6 Subd. 2. **Timing.** (a) Certificates must be initially issued and renewed ~~for periods of~~  
 49.7 ~~not more than three years~~ annually but in any event must expire on December 31 in the year  
 49.8 prescribed by the board by rule. Applications for certificates must be made in the form, and  
 49.9 in the case of applications for renewal between the dates, specified by the board in rule.  
 49.10 The board shall grant or deny an application no later than 90 days after the application is  
 49.11 filed in proper form. If the applicant seeks the opportunity to show that issuance or renewal  
 49.12 of a certificate was mistakenly denied, or if the board is unable to determine whether it  
 49.13 should be granted or denied, the board may issue to the applicant a provisional certificate  
 49.14 that expires 90 days after its issuance, or when the board determines whether or not to  
 49.15 issue or renew the certificate for which application was made, whichever occurs first.

49.16 (b) Certificate holders who do not provide professional services and do not use the  
 49.17 certified public accountant designation in any manner are not required to renew their  
 49.18 certificates provided they have notified the board as provided in board rule and comply  
 49.19 with the requirements for nonrenewal as specified in board rule.

49.20 (c) Applications for renewal of a certificate that are complete and timely filed with  
 49.21 the board and are not granted or denied by the board before January 1 are renewed on a  
 49.22 provisional basis as of January 1 and for 90 days thereafter, or until the board grants or  
 49.23 denies the renewal of the certificate, whichever occurs first, provided the licensee meets  
 49.24 the requirements in this chapter and rules adopted by the board.

49.25 **EFFECTIVE DATE.** This section is effective for licenses issued or renewed after  
 49.26 January 1, 2014.

49.27 Sec. 32. Minnesota Statutes 2012, section 326A.04, subdivision 3, is amended to read:

49.28 Subd. 3. **Residents of other states.** (a) With regard to an applicant who must  
 49.29 obtain a certificate in this state because the applicant does not qualify under the substantial  
 49.30 equivalency standard in section 326A.14, subdivision 1, the board shall issue a certificate  
 49.31 to a holder of a certificate, license, or permit issued by another state upon a showing that:

49.32 (1) the applicant passed the examination required for issuance of a certificate in  
 49.33 this state;

50.1 (2) the applicant had four years of experience of the type described in section  
 50.2 326A.03, subdivision 6, paragraph (b), ~~if application is made on or after July 1, 2006,~~  
 50.3 ~~or section 326A.03, subdivision 8, if application is made before July 1, 2006;~~ or the  
 50.4 applicant meets equivalent requirements prescribed by the board by rule, after passing  
 50.5 the examination upon which the applicant's certificate was based and within the ten years  
 50.6 immediately preceding the application;

50.7 (3) if the applicant's certificate, license, or permit was issued more than four years  
 50.8 prior to the application for issuance of an initial certificate under this subdivision, that the  
 50.9 applicant has fulfilled the requirements of continuing professional education that would  
 50.10 have been applicable under subdivision 4; and

50.11 (4) the applicant has met the qualifications prescribed by the board by rule.

50.12 (b) A certificate holder licensed by another state who establishes a principal place  
 50.13 of business in this state shall request the issuance of a certificate from the board prior to  
 50.14 establishing the principal place of business. The board shall issue a certificate to the person  
 50.15 if the person's individual certified public accountant qualifications, upon verification, are  
 50.16 substantially equivalent to the certified public accountant licensure requirements of this  
 50.17 chapter or the person meets equivalent requirements as the board prescribes by rule.  
 50.18 Residents of this state who provide professional services in this state at an office location  
 50.19 in this state shall be considered to have their principal place of business in this state.

50.20 Sec. 33. Minnesota Statutes 2012, section 326A.04, subdivision 5, is amended to read:

50.21 Subd. 5. **Fee.** (a) The board shall charge a fee for each application for initial  
 50.22 issuance or renewal of a certificate under this section.

50.23 (b) The board shall annually establish a fee schedule not to exceed the following  
 50.24 amounts:

50.25 (1) initial issuance of certificate, \$150;

50.26 (2) renewal of certificate with an active status, \$100 per year;

50.27 (3) initial CPA firm permits, except for sole practitioners, \$100;

50.28 (4) renewal of CPA firm permits, except for sole practitioners and those firms  
 50.29 specified in clause (17), \$35 per year;

50.30 (5) initial issuance and renewal of CPA firm permits for sole practitioners, except for  
 50.31 those firms specified in clause (17), \$35 per year;

50.32 (6) annual late processing delinquency fee for permit, certificate, or registration  
 50.33 renewal applications not received prior to expiration date, \$50;

50.34 (7) copies of records, per page, 25 cents;

- 51.1 (8) registration of noncertificate holders, nonlicensees, and nonregistrants in  
 51.2 connection with renewal of firm permits, \$45 per year;  
 51.3 (9) applications for reinstatement, \$20;  
 51.4 (10) initial registration of a registered accounting practitioner, \$50;  
 51.5 (11) initial registered accounting practitioner firm permits, \$100;  
 51.6 (12) renewal of registered accounting practitioner firm permits, except for sole  
 51.7 practitioners, \$100 per year;  
 51.8 (13) renewal of registered accounting practitioner firm permits for sole practitioners,  
 51.9 \$35 per year;  
 51.10 (14) CPA examination application, \$40;  
 51.11 (15) CPA examination, fee determined by third-party examination administrator;  
 51.12 (16) renewal of certificates with an inactive status, \$25 per year; and  
 51.13 (17) renewal of CPA firm permits for firms that have one or more offices located in  
 51.14 another state, \$68 per year.

51.15 Sec. 34. Minnesota Statutes 2012, section 326A.04, subdivision 7, is amended to read:

51.16 Subd. 7. **Certificates issued by foreign countries.** The board shall issue a  
 51.17 certificate to a holder of a generally equivalent foreign country designation, provided that:

51.18 (1) the foreign authority that granted the designation makes similar provision to  
 51.19 allow a person who holds a valid certificate issued by this state to obtain the foreign  
 51.20 authority's comparable designation;

51.21 (2) the foreign designation:

51.22 (i) was duly issued by a foreign authority that regulates the practice of public  
 51.23 accountancy and the foreign designation has not expired or been revoked or suspended;

51.24 (ii) entitles the holder to issue reports upon financial statements; and

51.25 (iii) was issued upon the basis of educational, examination, and experience  
 51.26 requirements established by the foreign authority or by law; and

51.27 (3) the applicant:

51.28 (i) received the designation, based on educational and examination standards  
 51.29 generally equivalent to those in effect in this state, at the time the foreign designation  
 51.30 was granted;

51.31 (ii) has, within the ten years immediately preceding the application, completed an  
 51.32 experience requirement that is generally equivalent to the requirement in section 326A.03,  
 51.33 subdivision 6, paragraph (b), ~~if application is made on or after July 1, 2006, or section~~  
 51.34 ~~326A.03, subdivision 8, if application is made before July 1, 2006,~~ in the jurisdiction that

52.1 granted the foreign designation; completed four years of professional experience in this  
52.2 state; or met equivalent requirements prescribed by the board by rule; and

52.3 (iii) passed a uniform qualifying examination in national standards and an  
52.4 examination on the laws, regulations, and code of ethical conduct in effect in this state  
52.5 as the board prescribes by rule.

52.6 Sec. 35. Minnesota Statutes 2012, section 326A.10, is amended to read:

52.7 **326A.10 UNLAWFUL ACTS.**

52.8 (a) Only a licensee and individuals who have been granted practice privileges  
52.9 under section 326A.14 may issue a report on financial statements of any person, firm,  
52.10 organization, or governmental unit that results from providing attest services, or offer to  
52.11 render or render any attest service. Only a certified public accountant, an individual who  
52.12 has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent  
52.13 permitted by board rule, a person registered under section 326A.06, paragraph (b), may  
52.14 issue a report on financial statements of any person, firm, organization, or governmental  
52.15 unit that results from providing compilation services or offer to render or render any  
52.16 compilation service. These restrictions do not prohibit any act of a public official or  
52.17 public employee in the performance of that person's duties or prohibit the performance  
52.18 by any nonlicensee of other services involving the use of accounting skills, including  
52.19 the preparation of tax returns, management advisory services, and the preparation of  
52.20 financial statements without the issuance of reports on them. Nonlicensees may prepare  
52.21 financial statements and issue nonattest transmittals or information on them which do not  
52.22 purport to be in compliance with the Statements on Standards for Accounting and Review  
52.23 Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may,  
52.24 to the extent permitted by board rule, prepare financial statements and issue nonattest  
52.25 transmittals or information on them.

52.26 (b) Licensees and individuals who have been granted practice privileges under  
52.27 section 326A.14 performing attest or compilation services must provide those services in  
52.28 accordance with professional standards. To the extent permitted by board rule, registered  
52.29 accounting practitioners performing compilation services must provide those services in  
52.30 accordance with standards specified in board rule.

52.31 (c) A person who does not hold a valid certificate issued under section 326A.04  
52.32 or a practice privilege granted under section 326A.14 shall not use or assume the title  
52.33 "certified public accountant," the abbreviation "CPA," or any other title, designation,  
52.34 words, letters, abbreviation, sign, card, or device tending to indicate that the person is a  
52.35 certified public accountant.

53.1 (d) A firm shall not provide attest services or assume or use the title "certified public  
53.2 accountants," the abbreviation "CPA's," or any other title, designation, words, letters,  
53.3 abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless  
53.4 (1) the firm has complied with section 326A.05, and (2) ownership of the firm is in  
53.5 accordance with this chapter and rules adopted by the board.

53.6 (e) A person or firm that does not hold a valid certificate or permit issued under  
53.7 section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or  
53.8 326A.05 as required in this chapter shall not assume or use the title "certified accountant,"  
53.9 "chartered accountant," "enrolled accountant," "licensed accountant," "registered  
53.10 accountant," "accredited accountant," "accounting practitioner," "public accountant,"  
53.11 "licensed public accountant," or any other title or designation likely to be confused  
53.12 with the title "certified public accountant," or use any of the abbreviations "CA," "LA,"  
53.13 "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the  
53.14 abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals  
53.15 so designated by the Internal Revenue Service.

53.16 (f) Persons registered under section 326A.06, paragraph (b), may use the title  
53.17 "registered accounting practitioner" or the abbreviation "RAP." A person who does not  
53.18 hold a valid registration under section 326A.06, paragraph (b), shall not assume or use  
53.19 such title or abbreviation.

53.20 (g) Except to the extent permitted in paragraph (a), nonlicensees may not use  
53.21 language in any statement relating to the financial affairs of a person or entity that is  
53.22 conventionally used by licensees in reports on financial statements. In this regard, the  
53.23 board shall issue by rule safe harbor language that nonlicensees may use in connection  
53.24 with such financial information. A person or firm that does not hold a valid certificate or  
53.25 permit, or a registration issued under section 326A.04, 326A.05, or 326A.06, paragraph  
53.26 (b), or has not otherwise complied with section 326A.04 or 326A.05 as required in this  
53.27 chapter shall not assume or use any title or designation that includes the word "accountant"  
53.28 or "accounting" in connection with any other language, including the language of a report,  
53.29 that implies that the person or firm holds such a certificate, permit, or registration or has  
53.30 special competence as an accountant. A person or firm that does not hold a valid certificate  
53.31 or permit issued under section 326A.04 or 326A.05 or has not otherwise complied with  
53.32 section 326A.04 or 326A.05 as required in this chapter shall not assume or use any title  
53.33 or designation that includes the word "auditor" in connection with any other language,  
53.34 including the language of a report, that implies that the person or firm holds such a  
53.35 certificate or permit or has special competence as an auditor. However, this paragraph  
53.36 does not prohibit any officer, partner, member, manager, or employee of any firm or

54.1 organization from affixing that person's own signature to any statement in reference to the  
54.2 financial affairs of such firm or organization with any wording designating the position,  
54.3 title, or office that the person holds, nor prohibit any act of a public official or employee in  
54.4 the performance of the person's duties as such.

54.5 (h)(1) No person holding a certificate or registration or firm holding a permit under  
54.6 this chapter shall use a professional or firm name or designation that is misleading about  
54.7 the legal form of the firm, or about the persons who are partners, officers, members,  
54.8 managers, or shareholders of the firm, or about any other matter. However, names of one  
54.9 or more former partners, members, managers, or shareholders may be included in the  
54.10 name of a firm or its successor.

54.11 (2) A common brand name or network name part, including common initials,  
54.12 used by a CPA firm in its name, is not misleading if the firm is a network firm as  
54.13 defined in the American Institute of Certified Public Accountants (AICPA) Code of  
54.14 Professional Conduct in effect July 1, 2011, and when offering or rendering services that  
54.15 require independence under AICPA standards, the firm complies with the AICPA code's  
54.16 applicable standards on independence.

54.17 (i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification,  
54.18 designation, degree, or license granted in a foreign country entitling the holder to engage  
54.19 in the practice of public accountancy or its equivalent in that country, if:

54.20 (1) the activities of the person or firm in this state are limited to the provision of  
54.21 professional services to persons or firms who are residents of, governments of, or business  
54.22 entities of the country in which the person holds the entitlement;

54.23 (2) the person or firm performs no attest or compilation services and issues no reports  
54.24 with respect to the financial statements of any other persons, firms, or governmental  
54.25 units in this state; and

54.26 (3) the person or firm does not use in this state any title or designation other than  
54.27 the one under which the person practices in the foreign country, followed by a translation  
54.28 of the title or designation into English, if it is in a different language, and by the name  
54.29 of the country.

54.30 (j) No holder of a certificate issued under section 326A.04 may perform attest services  
54.31 through any business form that does not hold a valid permit issued under section 326A.05.

54.32 (k) No individual licensee may issue a report in standard form upon a compilation  
54.33 of financial information through any form of business that does not hold a valid permit  
54.34 issued under section 326A.05, unless the report discloses the name of the business through  
54.35 which the individual is issuing the report, and the individual:

55.1 (1) signs the compilation report identifying the individual as a certified public  
55.2 accountant;

55.3 (2) meets the competency requirement provided in applicable standards; and

55.4 (3) undergoes no less frequently than once every three years, a peer review  
55.5 conducted in a manner specified by the board in rule, and the review includes verification  
55.6 that the individual has met the competency requirements set out in professional standards  
55.7 for such services.

55.8 (l) No person registered under section 326A.06, paragraph (b), may issue a report  
55.9 in standard form upon a compilation of financial information unless the board by rule  
55.10 permits the report and the person:

55.11 (1) signs the compilation report identifying the individual as a registered accounting  
55.12 practitioner;

55.13 (2) meets the competency requirements in board rule; and

55.14 (3) undergoes no less frequently than once every three years a peer review conducted  
55.15 in a manner specified by the board in rule, and the review includes verification that the  
55.16 individual has met the competency requirements in board rule.

55.17 (m) Nothing in this section prohibits a practicing attorney or firm of attorneys from  
55.18 preparing or presenting records or documents customarily prepared by an attorney or firm  
55.19 of attorneys in connection with the attorney's professional work in the practice of law.

55.20 (n) The board shall adopt rules that place limitations on receipt by a licensee or a  
55.21 person who holds a registration under section 326A.06, paragraph (b), of:

55.22 (1) contingent fees for professional services performed; and

55.23 (2) commissions or referral fees for recommending or referring to a client any  
55.24 product or service.

55.25 (o) Anything in this section to the contrary notwithstanding, it shall not be a violation  
55.26 of this section for a firm not holding a valid permit under section 326A.05 and not having  
55.27 an office in this state to provide its professional services in this state so long as it complies  
55.28 with the applicable requirements of section 326A.05, subdivision 1.

55.29 **Sec. 36. GOOD CAUSE EXEMPTION.**

55.30 The Board of Cosmetology may amend Minnesota Rules so that they conform with  
55.31 this act. The Board of Cosmetology may use the good cause exemption under Minnesota  
55.32 Statutes, section 14.388, subdivision 1, clause (3), in adopting the amendment, and  
55.33 Minnesota Statutes, section 14.386, does not apply, except as it relates to Minnesota  
55.34 Statutes, section 14.388.

56.1 Sec. 37. **REVISOR'S INSTRUCTION.**

56.2 The revisor of statutes shall change the term "manicurist" to "nail technician"  
56.3 wherever it appears in Minnesota Rules and Minnesota Statutes.

56.4 Sec. 38. **REPEALER.**

56.5 (a) Minnesota Statutes 2012, sections 155A.25, subdivision 1; and 326A.03,  
56.6 subdivisions 2, 5, and 8, are repealed.

56.7 (b) Minnesota Rules, parts 1105.0600; 1105.2550; and 1105.2700, are repealed.

56.8 **ARTICLE 5**

56.9 **MILITARY AND VETERANS PROVISIONS**

56.10 Section 1. Minnesota Statutes 2012, section 192.26, is amended to read:

56.11 **192.26 STATE AND MUNICIPAL OFFICERS AND EMPLOYEES NOT TO**  
56.12 **LOSE PAY WHILE ON AUTHORIZED LEAVE FOR MILITARY DUTY.**

56.13 Subdivision 1. **Authorized leave.** Subject to the conditions hereinafter prescribed,  
56.14 any officer or employee of the state or of any political subdivision, municipal corporation,  
56.15 or other public agency of the state who shall be a member of the National Guard, or any  
56.16 other component of the militia of the state now or hereafter organized or constituted  
56.17 under state or federal law, or who shall be a member of the officers' reserve corps, the  
56.18 enlisted reserve corps, the Naval Reserve, the Marine Corps reserve, or any other reserve  
56.19 component of the military or naval forces of the United States now or hereafter organized  
56.20 or constituted under federal law, shall be entitled to leave of absence from the public  
56.21 office or employment without loss of pay, seniority status, efficiency rating, vacation,  
56.22 sick leave, or other benefits for all the time when engaged with such organization or  
56.23 component in training or active service ordered or authorized by proper authority pursuant  
56.24 to law, whether for state or federal purposes, but not exceeding a total of 15 days in any  
56.25 calendar year. The state or political subdivision, municipal corporation, or other public  
56.26 agency shall allow the officer or employee to choose when during the calendar year to  
56.27 take the 15 days of paid military leave. The officer or employee may choose to use all of  
56.28 the 15 days of paid military leave at one time or, in the alternative, the 15 days of paid  
56.29 military leave may be divided and taken throughout the calendar year at the discretion of  
56.30 the officer or employee. Such leave shall be allowed only in case the required military or  
56.31 naval service is satisfactorily performed, which shall be presumed unless the contrary is  
56.32 established. Such leave shall not be allowed unless the officer or employee (1) returns to  
56.33 the public position immediately on being relieved from such military or naval service and

57.1 not later than the expiration of the time herein limited for such leave, or (2) is prevented  
57.2 from so returning by physical or mental disability or other cause not due to the officer's or  
57.3 employee's own fault, or (3) is required by proper authority to continue in such military or  
57.4 naval service beyond the time herein limited for such leave.

57.5 Sec. 2. Minnesota Statutes 2012, section 197.608, subdivision 1, is amended to read:

57.6 Subdivision 1. **Grant program.** A veterans service office grant program is  
57.7 established to be administered by the commissioner of veterans affairs consisting of grants  
57.8 to counties to enable them to enhance the effectiveness of their veterans service offices.

57.9 "Commissioner" as used in this section means the commissioner of veterans affairs.

57.10 Sec. 3. Minnesota Statutes 2012, section 197.608, subdivision 3, is amended to read:

57.11 Subd. 3. **Eligibility.** (a) To be eligible for a grant under ~~this program~~ subdivision 6,  
57.12 a county must employ a county veterans service officer as authorized by sections 197.60  
57.13 and 197.606, who is certified to serve in this position by the commissioner.

57.14 (b) A county that employs a newly hired county veterans service officer who is  
57.15 serving an initial probationary period and who has not been certified by the commissioner  
57.16 is eligible to receive a grant under subdivision ~~2a~~ 6 for one year from the date the county  
57.17 veterans service officer is appointed.

57.18 (c) ~~Except for the situation described in paragraph (b),~~ A county whose county  
57.19 veterans service officer does not receive certification ~~during any year of the three-year~~  
57.20 ~~cycle is not eligible to receive a grant during the remainder of that cycle or the next~~  
57.21 three-year cycle by the end of the first year of the county veterans service officer's  
57.22 appointment is ineligible for the grant under subdivision 6 until the county veterans  
57.23 service officer receives certification.

57.24 Sec. 4. Minnesota Statutes 2012, section 197.608, subdivision 4, is amended to read:

57.25 Subd. 4. **Grant process.** (a) The commissioner shall determine the process for  
57.26 awarding grants. A grant may be used only for the purpose of enhancing the operations of  
57.27 the County Veterans Service Office.

57.28 (b) The commissioner shall provide a list of qualifying uses for grant expenditures  
57.29 as developed in subdivision 5 and shall approve a grant under subdivision 6 only for a  
57.30 qualifying use and if there are sufficient funds remaining in the grant program to cover the  
57.31 full amount of the grant.

57.32 (c) The commissioner is authorized to use any unexpended funding for this program  
57.33 to provide training and education for county veterans service officers.

58.1 Sec. 5. Minnesota Statutes 2012, section 197.608, subdivision 5, is amended to read:

58.2 Subd. 5. **Qualifying uses.** The commissioner shall consult with the Minnesota  
58.3 Association of County Veterans Service Officers in developing a list of qualifying uses for  
58.4 grants awarded under ~~this program~~ subdivision 6.

58.5 ~~The commissioner is authorized to use any unexpended funding for this program to~~  
58.6 ~~provide training and education for county veterans service officers.~~

58.7 Sec. 6. Minnesota Statutes 2012, section 197.608, subdivision 6, is amended to read:

58.8 Subd. 6. **Grant amount.** (a) Each county is eligible to receive an annual grant of  
58.9 \$5,000 for the following purposes:

58.10 (1) to provide outreach to the county's veterans;

58.11 (2) to assist in the reintegration of combat veterans into society;

58.12 (3) to collaborate with other social service agencies, educational institutions, and  
58.13 other community organizations for the purposes of enhancing services offered to veterans;

58.14 (4) to reduce homelessness among veterans; and

58.15 (5) to enhance the operations of the county veterans service office.

58.16 (b) In addition to the grant amount in paragraph (a), each county is eligible to receive  
58.17 an additional annual grant under this paragraph. The amount of each additional annual  
58.18 grant must be determined by the commissioner and may not exceed:

58.19 (1) ~~\$1,400~~ \$0, if the county's veteran population is less than 1,000;

58.20 (2) ~~\$2,800~~ \$1,000, if the county's veteran population is 1,000 or more but less than  
58.21 3,000;

58.22 (3) ~~\$4,200~~ \$2,000, if the county's veteran population is 3,000 or more but less than  
58.23 ~~10,000~~ than 4,999; or

58.24 (4) ~~\$5,600~~ \$5,000, if the county's veteran population is ~~10,000~~ 5,000 or more; but  
58.25 less than 9,999;

58.26 (5) \$7,500, if the county's veteran population is 10,000 or more but less than 19,999;

58.27 (6) \$10,000, if the county's veteran population is 20,000 or more but less than  
58.28 29,999; or

58.29 (7) \$15,000, if the county's veteran population is 30,000 or more.

58.30 (c) The Minnesota Association of County Veterans Service Officers is eligible to  
58.31 receive an annual grant of \$2,500. The grant shall be used for administrative costs of  
58.32 the association, certification of mandated county veterans service officer training and  
58.33 accreditation, and costs associated with reintegration services.

58.34 The veteran population of each county shall be determined by the figure supplied by  
58.35 the United States Department of Veterans Affairs, as adopted by the commissioner.

59.1 Sec. 7. Minnesota Statutes 2012, section 197.791, subdivision 4, is amended to read:

59.2 Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under this  
59.3 section if:

59.4 (1) the person is:

59.5 (i) a veteran who is serving or has served honorably in any branch or unit of the  
59.6 United States armed forces at any time ~~on or after September 11, 2001~~;

59.7 (ii) a nonveteran who has served honorably for a total of five years or more  
59.8 cumulatively as a member of the Minnesota National Guard or any other active or reserve  
59.9 component of the United States armed forces, and any part of that service occurred on or  
59.10 after September 11, 2001;

59.11 (iii) the surviving spouse or child of a person who has served in the military ~~at any~~  
59.12 ~~time on or after September 11, 2001~~, and who has died as a direct result of that military  
59.13 service, only if the surviving spouse or child is eligible to receive federal education  
59.14 benefits under United States Code, title 38, chapter 33, as amended, or United States  
59.15 Code, title 38, chapter 35, as amended; or

59.16 (iv) the spouse or child of a person who has served in the military at any time ~~on or~~  
59.17 ~~after September 11, 2001~~, and who has a total and permanent service-connected disability  
59.18 as rated by the United States Veterans Administration, only if the spouse or child is  
59.19 eligible to receive federal education benefits under United States Code, title 38, chapter  
59.20 33, as amended, or United States Code, title 38, chapter 35, as amended; and

59.21 (2) the person receiving the educational assistance is a Minnesota resident, as  
59.22 defined in section 136A.101, subdivision 8; and

59.23 (3) the person receiving the educational assistance:

59.24 (i) is an undergraduate or graduate student at an eligible institution;

59.25 (ii) is maintaining satisfactory academic progress as defined by the institution for  
59.26 students participating in federal Title IV programs;

59.27 (iii) is enrolled in an education program leading to a certificate, diploma, or degree  
59.28 at an eligible institution;

59.29 (iv) has applied for educational assistance under this section prior to the end of the  
59.30 academic term for which the assistance is being requested;

59.31 (v) is in compliance with child support payment requirements under section  
59.32 136A.121, subdivision 2, clause (5); and

59.33 (vi) has completed the Free Application for Federal Student Aid (FAFSA).

59.34 (b) A person's eligibility terminates when the person becomes eligible for benefits  
59.35 under section 135A.52.

60.1 (c) To determine eligibility, the commissioner may require official documentation,  
60.2 including the person's federal form DD-214 or other official military discharge papers;  
60.3 correspondence from the United States Veterans Administration; birth certificate; marriage  
60.4 certificate; proof of enrollment at an eligible institution; signed affidavits; proof of  
60.5 residency; proof of identity; or any other official documentation the commissioner  
60.6 considers necessary to determine eligibility.

60.7 (d) The commissioner may deny eligibility or terminate benefits under this section  
60.8 to any person who has not provided sufficient documentation to determine eligibility for  
60.9 the program. An applicant may appeal the commissioner's eligibility determination or  
60.10 termination of benefits in writing to the commissioner at any time. The commissioner  
60.11 must rule on any application or appeal within 30 days of receipt of all documentation that  
60.12 the commissioner requires. The decision of the commissioner regarding an appeal is final.  
60.13 However, an applicant whose appeal of an eligibility determination has been rejected by  
60.14 the commissioner may submit an additional appeal of that determination in writing to the  
60.15 commissioner at any time that the applicant is able to provide substantively significant  
60.16 additional information regarding the applicant's eligibility for the program. An approval  
60.17 of an applicant's eligibility by the commissioner following an appeal by the applicant is  
60.18 not retroactively effective for more than one year or the semester of the person's original  
60.19 application, whichever is later.

60.20 (e) Upon receiving an application with insufficient documentation to determine  
60.21 eligibility, the commissioner must notify the applicant within 30 days of receipt of the  
60.22 application that the application is being suspended pending receipt by the commissioner of  
60.23 sufficient documentation from the applicant to determine eligibility.

60.24 Sec. 8. Minnesota Statutes 2012, section 197.791, subdivision 5, is amended to read:

60.25 Subd. 5. **Benefit amount.** (a) On approval by the commissioner of eligibility for  
60.26 the program, the applicant shall be awarded, on a funds-available basis, the educational  
60.27 assistance under the program for use at any time according to program rules at any  
60.28 eligible institution.

60.29 (b) The amount of educational assistance in any semester or term for an eligible  
60.30 person must be determined by subtracting from the eligible person's cost of attendance the  
60.31 amount the person received or was eligible to receive in that semester or term from:

60.32 (1) the federal Pell Grant;

60.33 (2) the state grant program under section 136A.121; and

60.34 (3) any federal military or veterans educational benefits including but not limited  
60.35 to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program,

61.1 vocational rehabilitation benefits, and any other federal benefits associated with the  
 61.2 person's status as a veteran, except veterans disability payments from the United States  
 61.3 Veterans Administration and payments made under the Veterans Retraining Assistance  
 61.4 Program (VRAP).

61.5 (c) The amount of educational assistance for any eligible person who is a full-time  
 61.6 student must not exceed the following:

- 61.7 (1) \$1,000 per semester or term of enrollment;
- 61.8 (2) \$3,000 per state fiscal year; and
- 61.9 (3) \$10,000 in a lifetime.

61.10 For a part-time student, the amount of educational assistance must not exceed  
 61.11 \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time  
 61.12 undergraduate student is a student taking fewer than 12 credits or the equivalent for a  
 61.13 semester or term of enrollment and a part-time graduate student is a student considered  
 61.14 part time by the eligible institution the graduate student is attending. The minimum award  
 61.15 for undergraduate and graduate students is \$50 per term.

61.16 Sec. 9. **[198.365] VETERANS HOME; BELTRAMI COUNTY.**

61.17 Subdivision 1. **Establishment.** The commissioner shall establish a veterans home in  
 61.18 Beltrami County to provide at least 70 beds for skilled nursing care in conformance with  
 61.19 licensing rules of the Department of Health.

61.20 Subd. 2. **Funding.** The home must be purchased or built with funds, 65 percent  
 61.21 of which must be provided by the federal government, and 35 percent by state or other  
 61.22 funding sources, including local units of government, veterans' organizations, and  
 61.23 corporations or other business entities.

61.24 Subd. 3. **Support services.** Upon request, the Department of Human Services shall  
 61.25 arrange for the extension of support services to the veterans home in Beltrami County  
 61.26 including, but not limited to, the provision of utilities, and kitchen and laundry services.

61.27 Sec. 10. **[349A.17] SPECIAL GAME; VETERANS.**

61.28 Subdivision 1. **Game established.** (a) The director shall establish a scratch-off  
 61.29 game with a theme and content chosen by the director. The available net proceeds from  
 61.30 the game are intended for the "Support Our Troops" account established under section  
 61.31 190.19, in the manner provided in this section.

61.32 (b) For the purposes of this section, "available net proceeds" means the net proceeds  
 61.33 credited to the general fund under section 349A.10, subdivision 5, that are attributed to  
 61.34 the game authorized under paragraph (a).

62.1 (c) The director shall make the following reports to the commissioners of  
62.2 management and budget and veterans affairs:

62.3 (1) by July 1, 2013, an estimate of available net proceeds based on predicted sales;

62.4 (2) on June 30, 2014, an estimate of available net proceeds based on actual sales to  
62.5 date; and

62.6 (3) on June 30, 2015, the actual total of available net proceeds.

62.7 Subd. 2. Appropriation. On July 1, 2013, an amount equal to the estimated  
62.8 available net proceeds of the special game as provided in subdivision 1, paragraph (c),  
62.9 clause (1), is appropriated from the general fund to the commissioner of management and  
62.10 budget for transfer to the Minnesota "Support Our Troops" account for the uses provided in  
62.11 section 190.19, subdivision 2a. Notwithstanding section 190.19, subdivision 1, the transfer  
62.12 is appropriated to the commissioner of veterans affairs. The commissioner shall adjust this  
62.13 appropriation to reflect the additional reports required under subdivision 1, paragraph (c).

62.14 Sec. 11. REPEALER.

62.15 Minnesota Statutes 2012, section 197.608, subdivision 2a, is repealed.

62.16 **ARTICLE 6**

62.17 **REVENUE DEPARTMENT**

62.18 Section 1. Minnesota Statutes 2012, section 16A.82, is amended to read:

62.19 **16A.82 TECHNOLOGY LEASE-PURCHASE APPROPRIATION.**

62.20 The following amounts are appropriated from the general fund to the commissioner  
62.21 to make payments under a lease-purchase agreement as defined in section 16A.81 for  
62.22 replacement of the state's accounting and procurement systems, provided that the state  
62.23 is not obligated to continue such appropriation of funds or to make lease payments  
62.24 in any future fiscal year.

|       |                  |             |
|-------|------------------|-------------|
| 62.25 | Fiscal year 2010 | \$2,828,038 |
| 62.26 | Fiscal year 2011 | \$3,063,950 |
| 62.27 | Fiscal year 2012 | \$8,967,850 |
| 62.28 | Fiscal year 2013 | \$8,968,950 |
| 62.29 | Fiscal year 2014 | \$8,970,850 |
| 62.30 | Fiscal year 2015 | \$8,971,150 |
| 62.31 | Fiscal year 2016 | \$8,966,450 |
| 62.32 | Fiscal year 2017 | \$8,967,500 |
| 62.33 | Fiscal year 2018 | \$8,970,750 |
| 62.34 | Fiscal year 2019 | \$8,968,500 |

63.1 Of these appropriations, up to \$2,000 per year may be used to pay the annual trustee  
63.2 fees for the lease-purchase agreements authorized in this section ~~and section 270C.145~~.  
63.3 Any unexpended portions of this appropriation cancel to the general fund at the close of  
63.4 each biennium. This section expires June 30, 2019.

63.5 Sec. 2. Minnesota Statutes 2012, section 65B.84, subdivision 1, is amended to read:

63.6 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a)

63.7 The commissioner of commerce shall:

63.8 (1) develop and sponsor the implementation of statewide plans, programs, and  
63.9 strategies to combat automobile theft, improve the administration of the automobile theft  
63.10 laws, and provide a forum for identification of critical problems for those persons dealing  
63.11 with automobile theft;

63.12 (2) coordinate the development, adoption, and implementation of plans, programs,  
63.13 and strategies relating to interagency and intergovernmental cooperation with respect  
63.14 to automobile theft enforcement;

63.15 (3) annually audit the plans and programs that have been funded in whole or in part  
63.16 to evaluate the effectiveness of the plans and programs and withdraw funding should the  
63.17 commissioner determine that a plan or program is ineffective or is no longer in need  
63.18 of further financial support from the fund;

63.19 (4) develop a plan of operation including:

63.20 (i) an assessment of the scope of the problem of automobile theft, including areas  
63.21 of the state where the problem is greatest;

63.22 (ii) an analysis of various methods of combating the problem of automobile theft;

63.23 (iii) a plan for providing financial support to combat automobile theft;

63.24 (iv) a plan for eliminating car hijacking; and

63.25 (v) an estimate of the funds required to implement the plan; and

63.26 (5) distribute money, in consultation with the commissioner of public safety,  
63.27 pursuant to subdivision 3 from the automobile theft prevention special revenue account  
63.28 for automobile theft prevention activities, including:

63.29 (i) paying the administrative costs of the program;

63.30 (ii) providing financial support to the State Patrol and local law enforcement  
63.31 agencies for automobile theft enforcement teams;

63.32 (iii) providing financial support to state or local law enforcement agencies for  
63.33 programs designed to reduce the incidence of automobile theft and for improved  
63.34 equipment and techniques for responding to automobile thefts;

64.1 (iv) providing financial support to local prosecutors for programs designed to reduce  
64.2 the incidence of automobile theft;

64.3 (v) providing financial support to judicial agencies for programs designed to reduce  
64.4 the incidence of automobile theft;

64.5 (vi) providing financial support for neighborhood or community organizations or  
64.6 business organizations for programs designed to reduce the incidence of automobile  
64.7 theft and to educate people about the common methods of automobile theft, the models  
64.8 of automobiles most likely to be stolen, and the times and places automobile theft is  
64.9 most likely to occur; and

64.10 (vii) providing financial support for automobile theft educational and training  
64.11 programs for state and local law enforcement officials, driver and vehicle services exam  
64.12 and inspections staff, and members of the judiciary.

64.13 (b) The commissioner may not spend in any fiscal year more than ten percent of the  
64.14 money in the fund for the program's administrative and operating costs. The commissioner  
64.15 is annually appropriated and must distribute the amount of the proceeds credited to  
64.16 the automobile theft prevention special revenue account each year, less the transfer  
64.17 of \$1,300,000 each year to the general fund described in section ~~168A.40, subdivision~~  
64.18 ~~4~~ 297I.11, subdivision 2.

64.19 **EFFECTIVE DATE.** This section is effective for premiums collected after June  
64.20 30, 2013.

64.21 Sec. 3. Minnesota Statutes 2012, section 270C.69, subdivision 1, is amended to read:

64.22 Subdivision 1. **Notice and procedures.** (a) The commissioner may, within five years  
64.23 after the date of assessment of the tax, or if a lien has been filed under section 270C.63,  
64.24 within the statutory period for enforcement of the lien, give notice to any employer  
64.25 deriving income which has a taxable situs in this state regardless of whether the income is  
64.26 exempt from taxation, that an employee of that employer is delinquent in a certain amount  
64.27 with respect to any taxes, including penalties, interest, and costs. The commissioner can  
64.28 proceed under this section only if the tax is uncontested or if the time for appeal of the tax  
64.29 has expired. The commissioner shall not proceed under this section until the expiration of  
64.30 30 days after mailing to the taxpayer, at the taxpayer's last known address, a written notice  
64.31 of (1) the amount of taxes, interest, and penalties due from the taxpayer and demand for  
64.32 their payment, and (2) the commissioner's intention to require additional withholding by  
64.33 the taxpayer's employer pursuant to this section. The effect of the notice shall expire one  
64.34 year after it has been mailed to the taxpayer provided that the notice may be renewed by  
64.35 mailing a new notice which is in accordance with this section. The renewed notice shall

65.1 have the effect of reinstating the priority of the original claim. The notice to the taxpayer  
 65.2 shall be in substantially the same form as that provided in section 571.72. The notice  
 65.3 shall further inform the taxpayer of the wage exemptions contained in section 550.37,  
 65.4 subdivision 14. If no statement of exemption is received by the commissioner within 30  
 65.5 days from the mailing of the notice, the commissioner may proceed under this section.  
 65.6 The notice to the taxpayer's employer may be served by mail or by delivery by an agent of  
 65.7 the department and shall be in substantially the same form as provided in section 571.75.  
 65.8 Upon receipt of notice, the employer shall withhold from compensation due or to become  
 65.9 due to the employee, the total amount shown by the notice, subject to the provisions of  
 65.10 section 571.922. The employer shall continue to withhold each pay period until the notice  
 65.11 is released by the commissioner under section 270C.7109. Upon receipt of notice by the  
 65.12 employer, the claim of the state of Minnesota shall have priority over any subsequent  
 65.13 garnishments or wage assignments. The commissioner may arrange between the employer  
 65.14 and the employee for withholding a portion of the total amount due the employee each pay  
 65.15 period, until the total amount shown by the notice plus accrued interest has been withheld.

65.16 (b) The "compensation due" any employee is defined in accordance with the  
 65.17 provisions of section 571.921. The maximum withholding allowed under this section for  
 65.18 any one pay period shall be decreased by any amounts payable pursuant to a garnishment  
 65.19 action with respect to which the employer was served prior to being served with the notice  
 65.20 of delinquency and any amounts covered by any irrevocable and previously effective  
 65.21 assignment of wages; the employer shall give notice to the commissioner of the amounts  
 65.22 and the facts relating to such assignments within ten days after the service of the notice of  
 65.23 delinquency on the form provided by the commissioner as noted in this section.

65.24 (c) Within ten days after the expiration of such pay period, the employer shall remit  
 65.25 to the commissioner, ~~on a form and~~ in the manner prescribed by the commissioner, the  
 65.26 amount withheld during each pay period under this section. The employer must file all  
 65.27 wage levy disclosure forms and remit all wage levy payments by electronic means.

65.28 **EFFECTIVE DATE.** This section is effective for wage levy disclosures or wage  
 65.29 levy payments filed or made after December 31, 2013.

65.30 Sec. 4. Minnesota Statutes 2012, section 289A.20, subdivision 2, is amended to read:

65.31 Subd. 2. **Withholding from wages, entertainer withholding, withholding**  
 65.32 **from payments to out-of-state contractors, and withholding by partnerships, small**  
 65.33 **business corporations, trusts.** (a) A tax required to be deducted and withheld during the  
 65.34 quarterly period must be paid on or before the last day of the month following the close of  
 65.35 the quarterly period, unless an earlier time for payment is provided. A tax required to be

66.1 deducted and withheld from compensation of an entertainer and from a payment to an  
66.2 out-of-state contractor must be paid on or before the date the return for such tax must be  
66.3 filed under section 289A.18, subdivision 2. Taxes required to be deducted and withheld  
66.4 by partnerships, S corporations, and trusts must be paid on a quarterly basis as estimated  
66.5 taxes under section 289A.25 for partnerships and trusts and under section 289A.26 for S  
66.6 corporations.

66.7 (b) An employer who, during the previous quarter, withheld more than \$1,500 of  
66.8 tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, must deposit tax  
66.9 withheld under those sections with the commissioner within the time allowed to deposit  
66.10 the employer's federal withheld employment taxes under Code of Federal Regulations,  
66.11 title 26, section 31.6302-1, as amended through December 31, 2001, without regard to the  
66.12 safe harbor or de minimis rules in paragraph (f) or the one-day rule in paragraph (c)(3).  
66.13 Taxpayers must submit a copy of their federal notice of deposit status to the commissioner  
66.14 upon request by the commissioner.

66.15 (c) The commissioner may prescribe by rule other return periods or deposit  
66.16 requirements. In prescribing the reporting period, the commissioner may classify payors  
66.17 according to the amount of their tax liability and may adopt an appropriate reporting  
66.18 period for the class that the commissioner judges to be consistent with efficient tax  
66.19 collection. In no event will the duration of the reporting period be more than one year.

66.20 (d) If less than the correct amount of tax is paid to the commissioner, proper  
66.21 adjustments with respect to both the tax and the amount to be deducted must be made,  
66.22 without interest, in the manner and at the times the commissioner prescribes. If the  
66.23 underpayment cannot be adjusted, the amount of the underpayment will be assessed and  
66.24 collected in the manner and at the times the commissioner prescribes.

66.25 (e) If the aggregate amount of the tax withheld is:

66.26 ~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~

66.27 ~~(2) \$10,000 or more in the a fiscal year ending June 30, 2006, and fiscal years~~  
66.28 ~~thereafter;~~

66.29 the employer must remit each required deposit for wages paid in ~~the~~ all subsequent  
66.30 calendar ~~year~~ years by electronic means.

66.31 (f) A third-party bulk filer as defined in section 290.92, subdivision 30, paragraph  
66.32 (a), clause (2), who remits withholding deposits must remit all deposits by electronic  
66.33 means as provided in paragraph (e), regardless of the aggregate amount of tax withheld  
66.34 during a fiscal year for all of the employers.

67.1 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,  
67.2 2013, and all fiscal years thereafter.

67.3 Sec. 5. Minnesota Statutes 2012, section 289A.20, subdivision 4, is amended to read:

67.4 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and  
67.5 payable to the commissioner monthly on or before the 20th day of the month following  
67.6 the month in which the taxable event occurred, or following another reporting period  
67.7 as the commissioner prescribes or as allowed under section 289A.18, subdivision 4,  
67.8 paragraph (f) or (g), except that:

67.9 (1) use taxes due on an annual use tax return as provided under section 289A.11,  
67.10 subdivision 1, are payable by April 15 following the close of the calendar year; and

67.11 (2) except as provided in paragraph (f), for a vendor having a liability of \$120,000  
67.12 or more during a fiscal year ending June 30, 2009, and fiscal years thereafter, the taxes  
67.13 imposed by chapter 297A, except as provided in paragraph (b), are due and payable to the  
67.14 commissioner monthly in the following manner:

67.15 (i) On or before the 14th day of the month following the month in which the taxable  
67.16 event occurred, the vendor must remit to the commissioner 90 percent of the estimated  
67.17 liability for the month in which the taxable event occurred.

67.18 (ii) On or before the 20th day of the month in which the taxable event occurs, the  
67.19 vendor must remit to the commissioner a prepayment for the month in which the taxable  
67.20 event occurs equal to 67 percent of the liability for the previous month.

67.21 (iii) On or before the 20th day of the month following the month in which the taxable  
67.22 event occurred, the vendor must pay any additional amount of tax not previously remitted  
67.23 under either item (i) or (ii) or, if the payment made under item (i) or (ii) was greater than  
67.24 the vendor's liability for the month in which the taxable event occurred, the vendor may  
67.25 take a credit against the next month's liability in a manner prescribed by the commissioner.

67.26 (iv) Once the vendor first pays under either item (i) or (ii), the vendor is required to  
67.27 continue to make payments in the same manner, as long as the vendor continues having a  
67.28 liability of \$120,000 or more during the most recent fiscal year ending June 30.

67.29 (v) Notwithstanding items (i), (ii), and (iv), if a vendor fails to make the required  
67.30 payment in the first month that the vendor is required to make a payment under either item  
67.31 (i) or (ii), then the vendor is deemed to have elected to pay under item (ii) and must make  
67.32 subsequent monthly payments in the manner provided in item (ii).

67.33 (vi) For vendors making an accelerated payment under item (ii), for the first month  
67.34 that the vendor is required to make the accelerated payment, on the 20th of that month, the

68.1 vendor will pay 100 percent of the liability for the previous month and a prepayment for  
68.2 the first month equal to 67 percent of the liability for the previous month.

68.3 (b) Notwithstanding paragraph (a), a vendor having a liability of \$120,000 or more  
68.4 during a fiscal year ending June 30 must remit the June liability for the next year in the  
68.5 following manner:

68.6 (1) Two business days before June 30 of the year, the vendor must remit 90 percent  
68.7 of the estimated June liability to the commissioner.

68.8 (2) On or before August 20 of the year, the vendor must pay any additional amount  
68.9 of tax not remitted in June.

68.10 (c) A vendor having a liability of:

68.11 (1) \$10,000 or more, but less than \$120,000 during a fiscal year ending June 30,  
68.12 ~~2009~~ 2013, and fiscal years thereafter, must remit by electronic means all liabilities on  
68.13 returns due for periods beginning in ~~the~~ all subsequent calendar ~~year~~ years on or before  
68.14 the 20th day of the month following the month in which the taxable event occurred, or  
68.15 on or before the 20th day of the month following the month in which the sale is reported  
68.16 under section 289A.18, subdivision 4; or

68.17 (2) \$120,000 or more, during a fiscal year ending June 30, 2009, and fiscal years  
68.18 thereafter, must remit by electronic means all liabilities in the manner provided in  
68.19 paragraph (a), clause (2), on returns due for periods beginning in the subsequent calendar  
68.20 year, except for 90 percent of the estimated June liability, which is due two business days  
68.21 before June 30. The remaining amount of the June liability is due on August 20.

68.22 (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's  
68.23 religious beliefs from paying electronically shall be allowed to remit the payment by mail.  
68.24 The filer must notify the commissioner of revenue of the intent to pay by mail before  
68.25 doing so on a form prescribed by the commissioner. No extra fee may be charged to a  
68.26 person making payment by mail under this paragraph. The payment must be postmarked  
68.27 at least two business days before the due date for making the payment in order to be  
68.28 considered paid on a timely basis.

68.29 (e) Whenever the liability is \$120,000 or more separately for: (1) the tax imposed  
68.30 under chapter 297A; (2) a fee that is to be reported on the same return as and paid with the  
68.31 chapter 297A taxes; or (3) any other tax that is to be reported on the same return as and  
68.32 paid with the chapter 297A taxes, then the payment of all the liabilities on the return must  
68.33 be accelerated as provided in this subdivision.

68.34 (f) At the start of the first calendar quarter at least 90 days after the cash flow account  
68.35 established in section 16A.152, subdivision 1, and the budget reserve account established in  
68.36 section 16A.152, subdivision 1a, reach the amounts listed in section 16A.152, subdivision

69.1 2, paragraph (a), the remittance of the accelerated payments required under paragraph (a),  
 69.2 clause (2), must be suspended. The commissioner of management and budget shall notify  
 69.3 the commissioner of revenue when the accounts have reached the required amounts.  
 69.4 Beginning with the suspension of paragraph (a), clause (2), for a vendor with a liability of  
 69.5 \$120,000 or more during a fiscal year ending June 30, 2009, and fiscal years thereafter, the  
 69.6 taxes imposed by chapter 297A are due and payable to the commissioner on the 20th day  
 69.7 of the month following the month in which the taxable event occurred. Payments of tax  
 69.8 liabilities for taxable events occurring in June under paragraph (b) are not changed.

69.9 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,  
 69.10 2013, and all fiscal years thereafter.

69.11 Sec. 6. Minnesota Statutes 2012, section 289A.26, subdivision 2a, is amended to read:

69.12 Subd. 2a. **Electronic payments.** If the aggregate amount of estimated tax payments  
 69.13 made is:

69.14 ~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~

69.15 ~~(2) \$10,000 or more in the a fiscal year ending June 30, 2006, and fiscal years~~  
 69.16 ~~thereafter;~~

69.17 all estimated tax payments in the all subsequent calendar ~~year~~ years must be paid by  
 69.18 electronic means.

69.19 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,  
 69.20 2013, and all fiscal years thereafter.

69.21 Sec. 7. Minnesota Statutes 2012, section 295.55, subdivision 4, is amended to read:

69.22 Subd. 4. **Electronic payments.** A taxpayer with an aggregate tax liability of:

69.23 ~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~

69.24 ~~(2) \$10,000 or more in the a fiscal year ending June 30, 2006, and fiscal years~~  
 69.25 ~~thereafter;~~

69.26 must remit all liabilities by electronic means in the all subsequent calendar ~~year~~ years.

69.27 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,  
 69.28 2013, and all fiscal years thereafter.

69.29 Sec. 8. Minnesota Statutes 2012, section 297F.09, subdivision 7, is amended to read:

70.1 Subd. 7. **Electronic payment.** A cigarette or tobacco products distributor having a  
 70.2 liability of \$10,000 or more during a fiscal year ending June 30 must remit all liabilities in  
 70.3 ~~the~~ all subsequent calendar year years by electronic means.

70.4 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,  
 70.5 2013, and all fiscal years thereafter.

70.6 Sec. 9. Minnesota Statutes 2012, section 297G.09, subdivision 6, is amended to read:

70.7 Subd. 6. **Electronic payments.** A licensed brewer, importer, or wholesaler having  
 70.8 an excise tax liability of \$10,000 or more during a fiscal year ending June 30 must remit  
 70.9 all excise tax liabilities in ~~the~~ all subsequent calendar year years by electronic means.

70.10 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,  
 70.11 2013, and all fiscal years thereafter.

70.12 Sec. 10. **[297L.11] AUTOMOBILE THEFT PREVENTION SURCHARGE.**

70.13 Subdivision 1. **Surcharge.** Each insurer engaged in the writing of policies of  
 70.14 automobile insurance shall collect a surcharge, at the rate of 50 cents per vehicle  
 70.15 for every six months of coverage, on each policy of automobile insurance providing  
 70.16 comprehensive insurance coverage issued or renewed in this state. The surcharge may not  
 70.17 be considered premium for any purpose, including the computation of premium tax or  
 70.18 agents' commissions. The amount of the surcharge must be separately stated on either a  
 70.19 billing or policy declaration sent to an insured. Insurers shall remit the revenue derived  
 70.20 from this surcharge to the commissioner of revenue for purposes of the automobile theft  
 70.21 prevention program described in section 65B.84. For purposes of this subdivision, "policy  
 70.22 of automobile insurance" has the meaning given it in section 65B.14, covering only the  
 70.23 following types of vehicles as defined in section 168.002:

70.24 (1) a passenger automobile;

70.25 (2) a pickup truck;

70.26 (3) a van but not commuter vans as defined in section 168.126; or

70.27 (4) a motorcycle,

70.28 except that no vehicle with a gross vehicle weight in excess of 10,000 pounds is included  
 70.29 within this definition.

70.30 Subd. 2. **Automobile theft prevention account.** A special revenue account in  
 70.31 the state treasury shall be credited with the proceeds of the surcharge imposed under  
 70.32 subdivision 1. Of the revenue in the account, \$1,300,000 each year must be transferred to

71.1 the general fund. Revenues in excess of \$1,300,000 each year may be used only for the  
 71.2 automobile theft prevention program described in section 65B.84.

71.3 Subd. 3. **Collection and administration.** The commissioner shall collect and  
 71.4 administer the surcharge imposed by this section in the same manner as the taxes imposed  
 71.5 by this chapter.

71.6 **EFFECTIVE DATE.** This section is effective for premiums collected after June  
 71.7 30, 2013.

71.8 Sec. 11. Minnesota Statutes 2012, section 297I.30, is amended by adding a subdivision  
 71.9 to read:

71.10 Subd. 10. **Automobile theft prevention surcharge.** On or before May 1, August  
 71.11 1, November 1, and February 1 of each year, every insurer required to pay the surcharge  
 71.12 under section 297I.11 shall file a return with the commissioner for the preceding  
 71.13 three-month period ending March 31, June 30, September 30, and December 31, in the  
 71.14 form prescribed by the commissioner.

71.15 **EFFECTIVE DATE.** This section is effective for premiums collected after June  
 71.16 30, 2013.

71.17 Sec. 12. Minnesota Statutes 2012, section 297I.35, subdivision 2, is amended to read:

71.18 Subd. 2. **Electronic payments.** If the aggregate amount of tax and surcharges due  
 71.19 under this chapter during a fiscal year ending June 30 is equal to or exceeds \$10,000, or  
 71.20 if the taxpayer is required to make payment of any other tax to the commissioner by  
 71.21 electronic means, then all tax and surcharge payments in ~~the~~ all subsequent calendar ~~year~~  
 71.22 years must be paid by electronic means.

71.23 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,  
 71.24 2013, and all fiscal years thereafter.

71.25 Sec. 13. Minnesota Statutes 2012, section 473.843, subdivision 3, is amended to read:

71.26 Subd. 3. **Payment of fee.** On or before the 20th day of each month each operator  
 71.27 shall pay the fee due under this section for the previous month, using a form provided  
 71.28 by the commissioner of revenue.

71.29 An operator having a fee of \$10,000 or more during a fiscal year ending June 30  
 71.30 must pay all fees in ~~the~~ all subsequent calendar ~~year~~ years by electronic means.

72.1 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,  
72.2 2013, and all fiscal years thereafter.

72.3 Sec. 14. **REPEALER.**

72.4 (a) Minnesota Statutes 2012, section 168A.40, subdivisions 3 and 4, are repealed  
72.5 effective for premiums collected after June 30, 2013.

72.6 (b) Minnesota Statutes 2012, section 270C.145, is repealed the day following final  
72.7 enactment.

## 72.8 **ARTICLE 7**

### 72.9 **COMPENSATION COUNCIL**

72.10 Section 1. Minnesota Statutes 2012, section 3.099, subdivision 1, is amended to read:

72.11 Subdivision 1. **Salary; paydays; mileage; per diem.** (a) The salary of each member  
72.12 of the legislature is equal to 33 percent of the salary authorized for the governor. An increase  
72.13 in the legislators' salaries resulting from an increase in the salary of the governor takes  
72.14 effect at the first time authorized under the Minnesota Constitution, article IV, section 9.

72.15 (b) The compensation of each member of the legislature is due on the first day of the  
72.16 regular legislative session of the term and payable in equal parts on January 15, in the first  
72.17 month of each term and on the first day of each following month during the term for which  
72.18 the member was elected. The compensation of each member of the legislature elected  
72.19 at a special election is due on the day the member takes the oath of office and payable  
72.20 within ten days of taking the oath for the remaining part of the month in which the oath  
72.21 was taken, and then in equal parts on the first day of each following month during the  
72.22 term for which the member was elected.

72.23 (c) Each member shall receive mileage for necessary travel to the place of meeting  
72.24 and returning to the member's residence in the amount and for trips as authorized by the  
72.25 senate for senate members and by the house of representatives for house members.

72.26 (d) Each member shall also receive per diem living expenses during a regular or  
72.27 special session of the legislature in the amounts and for the purposes as determined by the  
72.28 senate for senate members and by the house of representatives for house members.

72.29 (e) On January 15 in the first month of each term and on the first day of each following  
72.30 month, the secretary of the senate and the chief clerk of the house of representatives  
72.31 shall certify to the commissioner of management and budget, in duplicate, the amount of  
72.32 compensation then payable to each member of their respective houses and its total.

73.1 **EFFECTIVE DATE.** This section is effective January 5, 2015. Beginning on  
 73.2 January 5, 2015, the salaries of legislators are 33 percent of the salary of the governor on  
 73.3 January 1, 2015. Beginning January 1, 2016, the salaries of legislators are 33 percent of  
 73.4 the salary of the governor on January 1, 2016.

73.5 Sec. 2. Minnesota Statutes 2012, section 3.855, subdivision 3, is amended to read:

73.6 Subd. 3. **Other salaries and compensation plans.** The commission shall also:

73.7 (1) review and approve, reject, or modify a plan for compensation and terms and  
 73.8 conditions of employment prepared and submitted by the commissioner of management  
 73.9 and budget under section 43A.18, subdivision 2, covering all state employees who are  
 73.10 not represented by an exclusive bargaining representative and whose compensation is not  
 73.11 provided for by chapter 43A or other law;

73.12 (2) review and approve, reject, or modify a plan for total compensation and terms  
 73.13 and conditions of employment for employees in positions identified as being managerial  
 73.14 under section 43A.18, subdivision 3, whose salaries and benefits are not otherwise  
 73.15 provided for in law or other plans established under chapter 43A;

73.16 (3) review and approve, reject, or modify recommendations for salaries submitted  
 73.17 by ~~the governor or other~~ an appointing authority other than the governor under section  
 73.18 15A.0815, subdivision 5, covering agency head positions listed in section 15A.0815;

73.19 ~~(4) review and approve, reject, or modify recommendations for salaries of officials~~  
 73.20 ~~of higher education systems under section 15A.081, subdivisions 7b and 7c;~~

73.21 ~~(5)~~ (4) review and approve, reject, or modify plans for compensation, terms, and  
 73.22 conditions of employment proposed under section 43A.18, subdivisions 3a, 3b, and 4; and

73.23 ~~(6)~~ (5) review and approve, reject, or modify the plan for compensation, terms, and  
 73.24 conditions of employment of classified employees in the office of the legislative auditor  
 73.25 under section 3.971, subdivision 2.

73.26 Sec. 3. **[4.52] SALARY INCREASES.**

73.27 The salary of the governor must be adjusted annually on January 1. The new salary  
 73.28 must equal the salary for the prior year, increased by the percentage increase, if any, in  
 73.29 the Consumer Price Index for all urban consumers from October of the second prior year  
 73.30 to October of the immediately prior year. The commissioner of management and budget  
 73.31 must publish the salary on the department's Web site.

73.32 Sec. 4. Minnesota Statutes 2012, section 15A.0815, subdivision 1, is amended to read:

74.1 Subdivision 1. **Salary limits.** The governor or other appropriate appointing  
 74.2 authority shall set the salary rates for positions listed in this section within the salary limits  
 74.3 listed in subdivisions 2 to 4;. If the appointing authority is not the governor, the appointing  
 74.4 authority's action is subject to approval of the Legislative Coordinating Commission and the  
 74.5 legislature as provided by subdivision 5 and sections 3.855 and 15A.081, subdivision 7b.

74.6 Sec. 5. Minnesota Statutes 2012, section 15A.0815, subdivision 2, is amended to read:

74.7 Subd. 2. **Group I salary limits.** ~~The salaries for positions in this subdivision may~~  
 74.8 ~~not exceed 95 percent of the salary of the governor.~~ The salary for a position listed in this  
 74.9 subdivision shall not exceed 133 percent of the salary of the governor. This subdivision  
 74.10 applies to the following positions:

74.11 Commissioner of administration;  
 74.12 Commissioner of agriculture;  
 74.13 Commissioner of education;  
 74.14 Commissioner of commerce;  
 74.15 Commissioner of corrections;  
 74.16 Commissioner of health;  
 74.17 Executive director, Minnesota Office of Higher Education;  
 74.18 Commissioner, Housing Finance Agency;  
 74.19 Commissioner of human rights;  
 74.20 Commissioner of human services;  
 74.21 Commissioner of labor and industry;  
 74.22 Commissioner of management and budget;  
 74.23 Commissioner of natural resources;  
 74.24 ~~Director of Office of Strategic and Long-Range Planning;~~  
 74.25 Commissioner, Pollution Control Agency;  
 74.26 Executive director, Public Employees Retirement Association;  
 74.27 Commissioner of public safety;  
 74.28 Commissioner of revenue;  
 74.29 Executive director, State Retirement System;  
 74.30 Executive director, Teachers Retirement Association;  
 74.31 Commissioner of employment and economic development;  
 74.32 Commissioner of transportation; and  
 74.33 Commissioner of veterans affairs.

74.34 Sec. 6. Minnesota Statutes 2012, section 15A.0815, subdivision 3, is amended to read:

75.1 Subd. 3. **Group II salary limits.** ~~The salaries for positions in this subdivision may~~  
 75.2 ~~not exceed 85 percent of the salary of the governor.~~ The salary for a position listed in this  
 75.3 subdivision shall not exceed 120 percent of the salary of the governor. This subdivision  
 75.4 applies to the following positions:

75.5 Executive director of Gambling Control Board;  
 75.6 Commissioner, Iron Range Resources and Rehabilitation Board;  
 75.7 Commissioner, Bureau of Mediation Services;  
 75.8 Ombudsman for Mental Health and Developmental Disabilities;  
 75.9 Chair, Metropolitan Council;  
 75.10 School trust lands director;  
 75.11 Executive director of pari-mutuel racing; and  
 75.12 Commissioner, Public Utilities Commission.

75.13 Sec. 7. Minnesota Statutes 2012, section 15A.0815, subdivision 5, is amended to read:

75.14 Subd. 5. **Appointing authorities to recommend certain salaries.** (a) When  
 75.15 the governor is the appointing authority, the governor, or other appropriate appointing  
 75.16 authority, may submit to the Legislative Coordinating Commission recommendations for  
 75.17 must establish salaries within the salary limits for the positions listed in subdivisions  
 75.18 2 to 4. An appointing authority may also propose additions or deletions of positions  
 75.19 from those listed. Before establishing a salary, the governor must consult with the  
 75.20 commissioner of management and budget concerning the salary. In establishing the salary,  
 75.21 the governor shall consider the criteria established in section 43A.18, subdivision 8, and  
 75.22 the performance of individual incumbents. The performance evaluation must include a  
 75.23 review of an incumbent's progress toward attainment of affirmative action goals. The  
 75.24 governor shall establish an objective system for quantifying knowledge, abilities, duties,  
 75.25 responsibilities, and accountabilities, and in determining recommendations rate each  
 75.26 position by this system.

75.27 (b) An appointing authority other than the governor may submit to the Legislative  
 75.28 Coordinating Commission recommendations for salaries within the salary limits for the  
 75.29 positions listed in subdivisions 2 to 4.

75.30 (b) Before submitting the recommendations, the appointing authority shall consult  
 75.31 with the commissioner of management and budget concerning the recommendations.

75.32 (c) In making recommendations, the appointing authority shall consider the  
 75.33 criteria established in section 43A.18, subdivision 8, and the performance of individual  
 75.34 incumbents. The performance evaluation must include a review of an incumbent's progress  
 75.35 toward attainment of affirmative action goals. The appointing authority shall establish

76.1 an objective system for quantifying knowledge, abilities, duties, responsibilities, and  
 76.2 accountabilities, and in determining recommendations, rate each position by this system.

76.3 ~~(d) Before the appointing authority's recommended salaries take effect, the~~  
 76.4 ~~recommendations must be reviewed and approved, rejected, or modified by the Legislative~~  
 76.5 ~~Coordinating Commission and the legislature under section 3.855, subdivisions 2 and~~  
 76.6 ~~3. If, when the legislature is not in session, the commission fails to reject or modify~~  
 76.7 ~~salary recommendations of the governor within 30 calendar days of their receipt, the~~  
 76.8 ~~recommendations are deemed to be approved.~~

76.9 (c) The governor or other appointing authority may propose additions or deletions of  
 76.10 positions from those listed in subdivisions 2 to 4.

76.11 ~~(e) (d)~~ The governor or other appointing authority shall set the initial salary of a  
 76.12 head of a new agency or a chair of a new metropolitan board or commission whose salary  
 76.13 is not specifically prescribed by law after consultation with the commissioner, whose  
 76.14 recommendation is advisory only. The amount of the new salary must be comparable to the  
 76.15 salary of an agency head or commission chair having similar duties and responsibilities.

76.16 ~~(f) (e)~~ The salary of a newly appointed head of an agency or chair of a metropolitan  
 76.17 agency listed in subdivisions 2 to 4 who is appointed by someone other than the governor,  
 76.18 may be increased or decreased by the appointing authority from the salary previously  
 76.19 set for that position within 30 days of the new appointment after consultation with  
 76.20 the commissioner. If the appointing authority increases a salary under this paragraph,  
 76.21 the appointing authority shall submit the new salary to the Legislative Coordinating  
 76.22 Commission and the full legislature for approval, modification, or rejection under section  
 76.23 3.855, subdivisions 2 and 3. ~~If, when the legislature is not in session, the commission fails~~  
 76.24 ~~to reject or modify salary recommendations of the governor within 30 calendar days of~~  
 76.25 ~~their receipt, the recommendations are deemed to be approved.~~

76.26 Sec. 8. Minnesota Statutes 2012, section 15A.082, subdivision 2, is amended to read:

76.27 Subd. 2. **Membership.** The Compensation Council consists of 16 members: two  
 76.28 ~~members of the house of representatives appointed by the speaker of the house, who are~~  
 76.29 not members of the legislature; two members ~~of the senate~~ appointed by the majority  
 76.30 leader of the senate, who are not members of the legislature; one member ~~of the house~~  
 76.31 ~~of representatives~~ appointed by the minority leader of the house of representatives, who  
 76.32 is not a member of the legislature; one member ~~of the senate~~ appointed by the minority  
 76.33 leader of the senate, who is not a member of the legislature; two nonjudges appointed by  
 76.34 the chief justice of the Supreme Court; and one member from each congressional district  
 76.35 appointed by the governor, of whom no more than four may belong to the same political

77.1 party. Appointments must be made by October 1. The compensation and removal of  
77.2 members appointed by the governor or the chief justice shall be as provided in section  
77.3 15.059, subdivisions 3 and 4. The Legislative Coordinating Commission shall provide the  
77.4 council with administrative and support services.

77.5 Sec. 9. Minnesota Statutes 2012, section 43A.17, subdivision 1, is amended to read:

77.6 Subdivision 1. **Salary limits.** As used in subdivisions 1 to 9, "salary" means hourly,  
77.7 monthly, or annual rate of pay including any lump-sum payments and cost-of-living  
77.8 adjustment increases but excluding payments due to overtime worked, shift or equipment  
77.9 differentials, work out of class as required by collective bargaining agreements or plans  
77.10 established under section 43A.18, and back pay on reallocation or other payments related  
77.11 to the hours or conditions under which work is performed rather than to the salary range  
77.12 or rate to which a class is assigned. For presidents of state universities, "salary" does  
77.13 not include a housing allowance provided through a compensation plan approved under  
77.14 section 43A.18, subdivision 3a.

77.15 ~~The salary, as established in section 15A.0815, of the head of a state agency in the~~  
77.16 ~~executive branch is the upper limit on the salaries of individual employees in the agency.~~  
77.17 ~~However, if an agency head is assigned a salary that is lower than the current salary of~~  
77.18 ~~another agency employee, the employee retains the salary, but may not receive an increase~~  
77.19 ~~in salary as long as the salary is above that of the agency head. The commissioner may~~  
77.20 ~~grant exemptions from these upper limits as provided in subdivisions 3 and 4.~~

77.21 Sec. 10. Minnesota Statutes 2012, section 43A.17, subdivision 3, is amended to read:

77.22 Subd. 3. **Unusual employment situations.** (a) Upon the request of the appointing  
77.23 authority, and when the commissioner determines that changes in employment situations  
77.24 create difficulties in attracting or retaining employees, the commissioner may approve an  
77.25 unusual employment situation increase to advance an employee within the compensation  
77.26 plan salary range.

77.27 (b) ~~If the commissioner determines that a position requires special expertise~~  
77.28 ~~necessitating a higher salary to attract or retain qualified persons, the commissioner may~~  
77.29 ~~grant an exemption not to exceed 120 percent of the salary of the head of the agency or the~~  
77.30 ~~maximum rate established for the position, whichever is less.~~

77.31 (c) The following conditions apply to a request under paragraph (a) to advance an  
77.32 employee within a compensation plan or under paragraph (b) to exceed the salary of the  
77.33 agency head salary range:

78.1 (1) the appointing authority making the request must submit a detailed written  
78.2 statement for each position contained in the request, specifying the changes in employment  
78.3 situations that create difficulties in attracting or retaining an employee for the position;

78.4 (2) the commissioner shall review each proposal giving due consideration to salary  
78.5 rates paid to other employees in the same class and agency and, if other conditions in  
78.6 this paragraph are met, may approve any request that in the commissioner's judgment is  
78.7 in the best interest of the state;

78.8 (3) the action must be consistent with applicable provisions of collective bargaining  
78.9 agreements or plans adopted under section 43A.18;

78.10 (4) each increase or exemption must be separately documented for each employee or  
78.11 position and may not be applied to groups of employees; and

78.12 (5) the commissioner shall report the granting of a request to the chair of the  
78.13 Legislative Coordinating Commission within three working days.

78.14 Sec. 11. **COMPENSATION STUDY.**

78.15 The commissioner of management and budget must contract with an independent  
78.16 consultant to conduct a comprehensive market analysis of compensation for managerial  
78.17 positions in the executive branch in order to better align compensation for these positions  
78.18 with comparable positions in the private sector and with other relevant public sector  
78.19 employers. The analysis should evaluate total compensation, including insurance,  
78.20 retirement, and performance pay.

78.21 Sec. 12. **CONSTITUTIONAL OFFICERS SALARIES.**

78.22 The salary of the governor is increased by three percent effective January 1, 2015,  
78.23 and by three percent on January 1, 2016. The salaries of the other constitutional officers  
78.24 shall be adjusted to retain their proportional relationship as of January 1, 2013, to the  
78.25 salary of the governor.

78.26 Sec. 13. **REPEALER.**

78.27 Minnesota Statutes 2012, section 43A.17, subdivision 4, is repealed.

78.28 Sec. 14. **EFFECTIVE DATE.**

78.29 Sections 2, 4, and 7 to 12 are effective the day following final enactment. Sections  
78.30 5 and 6 are effective retroactively from January 1, 2013. Section 3 is effective January  
78.31 1, 2017.

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Article locations in 13-2977

|           |  |               |
|-----------|--|---------------|
| ARTICLE 1 | STATE GOVERNMENT APPROPRIATIONS .....  | Page.Ln 2.7   |
| ARTICLE 2 | MINNESOTA SUNSET ACT .....             | Page.Ln 21.31 |
| ARTICLE 3 | STATE GOVERNMENT OPERATIONS .....      | Page.Ln 24.27 |
| ARTICLE 4 | LICENSING BOARDS .....                 | Page.Ln 36.15 |
| ARTICLE 5 | MILITARY AND VETERANS PROVISIONS ..... | Page.Ln 56.8  |
| ARTICLE 6 | REVENUE DEPARTMENT .....               | Page.Ln 62.16 |
| ARTICLE 7 | COMPENSATION COUNCIL .....             | Page.Ln 72.8  |

**3D.01 SHORT TITLE.**

This chapter may be cited as the "Minnesota Sunset Act."

**3D.02 DEFINITIONS.**

Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

Subd. 2. **Advisory committee.** "Advisory committee" means a committee, council, commission, or other entity created under state law whose primary function is to advise a state agency.

Subd. 3. **Commission.** "Commission" means the Sunset Advisory Commission.

Subd. 4. **State agency.** "State agency" means an agency expressly made subject to this chapter.

**3D.03 SUNSET ADVISORY COMMISSION.**

Subdivision 1. **Membership.** (a) The Sunset Advisory Commission consists of 12 members appointed as follows:

(1) four senators, appointed according to the rules of the senate, with no more than three senators from the majority caucus;

(2) four members of the house of representatives, appointed by the speaker of the house, with no more than three of the house of representatives members from the majority caucus; and

(3) four members appointed by the governor.

(b) The first members of the Sunset Advisory Commission must be appointed before September 1, 2011, for terms ending the first Monday in January 2013.

Subd. 2. **Public member restrictions.** An individual is eligible for appointment by the governor if the individual or the individual's spouse is not:

(1) regulated by a state agency that the commission will review during the term for which the individual would serve;

(2) employed by, participates in the management of, or directly or indirectly has more than a ten percent interest in a business entity or other organization regulated by a state agency the commission will review during the term for which the individual would serve; or

(3) required to register as a lobbyist under chapter 10A because of the person's activities for compensation on behalf of a profession or entity related to the operation of an agency under review.

Subd. 3. **Removal.** It is a ground for removal of a governor's appointee from the commission if the member is not qualified as required by subdivision 2 for appointment to the commission at the time of appointment or does not maintain the qualifications while serving on the commission. The validity of the commission's action is not affected by the fact that it was taken when a ground for removal of a governor's appointee from the commission existed.

Subd. 4. **Terms.** Legislative members serve at the pleasure of the appointing authority. Governor's appointees serve two-year terms expiring the first Monday in January of each odd-numbered year and may be removed at the pleasure of the governor.

Subd. 5. **Limits.** Members are subject to the following restrictions:

(1) after an individual serves four years on the commission, the individual is not eligible for appointment to another term or part of a term;

(2) a legislative member who serves a full term may not be appointed to an immediately succeeding term; and

(3) a governor's appointee may not serve consecutive terms, and, for purposes of this prohibition, a member is considered to have served a term only if the member has served more than one-half of the term.

Subd. 6. **Appointments.** Appointments must be made before the second Monday of January of each odd-numbered year.

Subd. 7. **Legislative members.** If a legislative member ceases to be a member of the legislative body from which the member was appointed, the member vacates membership on the commission.

Subd. 8. **Vacancies.** If a vacancy occurs, the appointing authority shall appoint a person to serve for the remainder of the unexpired term in the same manner as the original appointment.

Subd. 9. **Officers.** The commission shall have a chair and vice-chair as presiding officers.

Subd. 10. **Quorum; voting.** Seven members of the commission constitute a quorum. A final action or recommendation may not be made unless approved by a recorded vote of at least seven

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members. All other actions by the commission shall be decided by a majority of the members present and voting.

#### **3D.04 STAFF; CONTRACTS.**

The Legislative Coordinating Commission shall provide staff and administrative services for the commission. The Sunset Advisory Commission may enter into contracts for evaluations of agencies under review.

#### **3D.045 COORDINATION WITH LEGISLATIVE AUDITOR.**

To the extent possible, the commission and the Office of the Legislative Auditor shall align their work so that audits and program evaluations conducted by the Office of the Legislative Auditor can inform the work of the commission. The commission may request the Office of the Legislative Auditor to provide updates on financial audits and program evaluations the Office of the Legislative Auditor has prepared on agencies scheduled for Sunset Advisory Commission review.

#### **3D.05 RULES.**

The commission may adopt rules necessary to carry out this chapter.

#### **3D.06 AGENCY REPORT TO COMMISSION.**

(a) Before September 1 of the odd-numbered year before the year in which a state agency is subject to sunset review, the agency commissioner shall report to the commission:

- (1) information regarding the application to the agency of the criteria in section 3D.10;
- (2) an outcome-based budget for the agency;
- (3) an inventory of all boards, commissions, committees, and other entities related to the agency; and
- (4) any other information that the agency commissioner considers appropriate or that is requested by the commission.

(b) The outcome-based budget required by paragraph (a) must be for each of the agency's activities, as the term activity is used in state budgeting and must:

- (1) identify the statutory authority for the activity;
- (2) include one or more performance goals and associated performance measures that measure outcomes, not inputs;
- (3) discuss the extent to which each performance measure is reliable and verifiable, and can be accurately measured;
- (4) discuss the extent to which the agency has met each performance measure, and the extent to which the budget devoted to the activity has permitted or prevented the agency from meeting its performance goals;
- (5) discuss efficiencies that would allow the agency to better meet its goals; and
- (6) identify agencies at any level of government or private sector entities that provide the same activities, and describe agency interaction with the activities provided by others.

#### **3D.065 REPORT ON PERSONNEL.**

By September 1 of the odd-numbered year before the year in which a state agency is subject to sunset review, the commissioner of management and budget must report to the Sunset Advisory Commission on the number of full-time equivalent employees and the salary structure for each agency under review.

#### **3D.07 COMMISSION DUTIES.**

Before January 1 of the year in which a state agency subject to this chapter and its advisory committees are subject to sunset review, the commission shall:

- (1) review and take action necessary to verify the reports submitted by the agency; and
- (2) conduct a review of the agency based on the criteria provided in section 3D.10 and prepare a written report.

#### **3D.08 PUBLIC HEARINGS.**

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Before February 1 of the year a state agency subject to this chapter and its advisory committees are subject to sunset review, the commission shall conduct public hearings concerning but not limited to the application to the agency of the criteria provided in section 3D.10.

#### **3D.09 COMMISSION REPORT.**

By February 1 of each even-numbered year, the commission shall present to the legislature and the governor a report on the agencies and advisory committees reviewed. In the report the commission shall include:

- (1) its findings regarding the criteria prescribed by section 3D.10;
- (2) its recommendations based on the matters prescribed by section 3D.11; and
- (3) other information the commission considers necessary for a complete review of the agency.

#### **3D.10 CRITERIA FOR REVIEW.**

The commission and its staff shall consider the following criteria in determining whether a public need exists for the continuation of a state agency or its advisory committees or for the performance of the functions of the agency or its advisory committees:

- (1) the efficiency and effectiveness with which the agency or the advisory committee operates;
- (2) an identification of the mission, goals, and objectives intended for the agency or advisory committee and of the problem or need that the agency or advisory committee was intended to address and the extent to which the mission, goals, and objectives have been achieved and the problem or need has been addressed;
- (3) an identification of any activities of the agency in addition to those granted by statute and of the authority for those activities and the extent to which those activities are needed;
- (4) an assessment of authority of the agency relating to fees, inspections, enforcement, and penalties;
- (5) whether less restrictive or alternative methods of performing any function that the agency performs could adequately protect or provide service to the public;
- (6) the extent to which the jurisdiction of the agency and the programs administered by the agency overlap or duplicate those of other agencies, the extent to which the agency coordinates with those agencies, and the extent to which the programs administered by the agency can be consolidated with the programs of other state agencies;
- (7) the promptness and effectiveness with which the agency addresses complaints concerning entities or other persons affected by the agency, including an assessment of the agency's administrative hearings process;
- (8) an assessment of the agency's rulemaking process and the extent to which the agency has encouraged participation by the public in making its rules and decisions and the extent to which the public participation has resulted in rules that benefit the public;
- (9) the extent to which the agency has complied with federal and state laws and applicable rules regarding equality of employment opportunity and the rights and privacy of individuals, and state law and applicable rules of any state agency regarding purchasing guidelines and programs for historically underutilized businesses;
- (10) the extent to which the agency issues and enforces rules relating to potential conflicts of interest of its employees;
- (11) the extent to which the agency complies with chapter 13 and follows records management practices that enable the agency to respond efficiently to requests for public information; and
- (12) the effect of federal intervention or loss of federal funds if the agency is abolished.

#### **3D.11 RECOMMENDATIONS.**

- (a) In its report on a state agency, the commission shall:
- (1) make recommendations on the abolition, continuation, or reorganization of each affected state agency and its advisory committees and on the need for the performance of the functions of the agency and its advisory committees;
  - (2) make recommendations on the consolidation, transfer, or reorganization of programs within state agencies not under review when the programs duplicate functions performed in agencies under review; and

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(3) make recommendations to improve the operations of the agency, its policy body, and its advisory committees, including management recommendations that do not require a change in the agency's enabling statute.

(b) The commission shall include the estimated fiscal impact of its recommendations and may recommend appropriation levels for certain programs to improve the operations of the state agency.

(c) The commission shall have drafts of legislation prepared to carry out the commission's recommendations under this section, including legislation necessary to continue the existence of agencies that would otherwise sunset if the commission recommends continuation of an agency.

(d) After the legislature acts on the report under section 3D.09, the commission shall present to the legislative auditor the commission's recommendations that do not require a statutory change to be put into effect. Subject to the legislative audit commission's approval, the legislative auditor may examine the recommendations and include as part of the next audit of the agency a report on whether the agency has implemented the recommendations and, if so, in what manner.

#### **3D.12 MONITORING OF RECOMMENDATIONS.**

During each legislative session, the staff of the commission shall monitor legislation affecting agencies that have undergone sunset review and shall periodically report to the members of the commission on proposed changes that would modify prior recommendations of the commission.

#### **3D.13 REVIEW OF ADVISORY COMMITTEES.**

An advisory committee, the primary function of which is to advise a particular state agency, is subject to sunset on the date set for sunset review of the agency unless the advisory committee is expressly continued by law.

#### **3D.14 CONTINUATION BY LAW.**

(a) The following departments and agencies must be reviewed according to the schedule in section 3D.21, but do not expire according to that schedule, unless another law is enacted providing that the entity does expire:

- (1) a department or agency listed in section 15.01, or section 15.06, subdivision 1 or 1a; and
- (2) the Office of Higher Education, Explore Minnesota Tourism, and the Public Utilities Commission.

(b) During the regular session immediately before the sunset of a state agency or an advisory committee that expires under section 3D.21, the legislature may enact legislation to continue the agency or advisory committee for a period not to exceed 12 years. This chapter does not prohibit the legislature from:

- (1) terminating a state agency or advisory committee subject to this chapter at a date earlier than that provided in this chapter; or
- (2) considering any other legislation relative to a state agency or advisory committee subject to this chapter.

#### **3D.15 PROCEDURE AFTER TERMINATION.**

Subdivision 1. **Termination.** Unless otherwise provided by law:

- (1) if after sunset review a state agency is abolished, the agency may continue in existence until June 30 of the following year to conclude its business;
- (2) abolishment does not reduce or otherwise limit the powers and authority of the state agency during the concluding year; and
- (3) a state agency is terminated and shall cease all activities at the expiration of the one-year period.

Subd. 2. **Funds of abolished agency or advisory committee.** (a) Except as provided by other law, any unobligated and unexpended appropriations of an abolished agency or advisory committee lapse on June 30 of the year after abolishment.

(b) Except as provided by subdivision 4 or as otherwise provided by law, all money in a dedicated fund of an abolished state agency or advisory committee on June 30 of the year after abolishment is transferred to the general fund. The part of the law dedicating the money to a specific fund of an abolished agency becomes void on June 30 of the year after abolishment.

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(c) If an appropriation exists in law for the functions or obligations transferred in subdivision 3 or 4, that appropriation is transferred to the commissioner of administration for the purposes of those subdivisions.

Subd. 3. **Property, rules, and functions of an abolished agency.** (a) Unless the governor designates an appropriate state agency as prescribed by subdivision 4, property and records in the custody of an abolished state agency or advisory committee on June 30 of the year after abolishment must be transferred to the commissioner of administration. If the governor designates an appropriate state agency, the property and records must be transferred to the designated state agency.

(b) Unless otherwise provided by law, statutory duties of an abolished state agency are transferred to the commissioner of administration, and section 16B.38 applies. All rules adopted by the abolished agency remain effective and shall be enforced by the commissioner of administration, and rulemaking authority of the abolished agency is transferred to the commissioner of administration. The commissioner of administration may use authority under section 16B.37 to transfer duties of an abolished agency that have been transferred to the commissioner of administration. Transfers under section 16B.37 are effective upon filing with the secretary of state, even if a reorganization order transfers all or substantially all of the powers or duties of a department.

Subd. 4. **Continuing obligations.** (a) The legislature recognizes the state's continuing obligation to pay bonded indebtedness and all other obligations, including lease, contract, and other written obligations, incurred by a state agency or advisory committee abolished under this chapter, and this chapter does not impair or impede the payment of bonded indebtedness and all other obligations, including lease, contract, and other written obligations, in accordance with their terms. If an abolished state agency or advisory committee has outstanding bonded indebtedness or other outstanding obligations, including lease, contract, and other written obligations, the bonds and all other obligations, including lease, contract, and other written obligations, remain valid and enforceable in accordance with their terms and subject to all applicable terms and conditions of the laws and proceedings authorizing the bonds and all other obligations, including lease, contract, and other written obligations.

(b) The governor shall designate an appropriate state agency that shall continue to carry out all covenants contained in the bonds and in all other obligations, including lease, contract, and other written obligations, and the proceedings authorizing them, including the issuance of bonds, and the performance of all other obligations, including lease, contract, and other written obligations, to complete the construction of projects or the performance of other obligations, including lease, contract, and other written obligations.

(c) The designated state agency shall provide payment from the sources of payment of the bonds in accordance with the terms of the bonds and shall provide payment from the sources of payment of all other obligations, including lease, contract, and other written obligations, in accordance with their terms, whether from taxes, revenues, or otherwise, until the bonds and interest on the bonds are paid in full and all other obligations, including lease, contract, and other written obligations, are performed and paid in full. If the proceedings so provide, all funds established by laws or proceedings authorizing the bonds or authorizing other obligations, including lease, contract, and other written obligations, must remain with the comptroller or the previously designated trustees. If the proceedings do not provide that the funds remain with the comptroller or the previously designated trustees, the funds must be transferred to the designated state agency.

### **3D.16 ASSISTANCE OF AND ACCESS TO STATE AGENCIES.**

The commission may request the assistance of state agencies and officers. When assistance is requested, a state agency or officer shall assist the commission. In carrying out its functions under this chapter, the commission or its designated staff member may inspect the records, documents, and files of any state agency.

### **3D.17 RELOCATION OF EMPLOYEES.**

If an employee is displaced because a state agency or its advisory committee is abolished or reorganized, the state agency shall make a reasonable effort to relocate the displaced employee.

### **3D.18 SAVING PROVISION.**

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Except as otherwise expressly provided, abolition of a state agency does not affect rights and duties that matured, penalties that were incurred, civil or criminal liabilities that arose, or proceedings that were begun before the effective date of the abolition.

#### **3D.19 REVIEW OF PROPOSED LEGISLATION CREATING AN AGENCY.**

Each bill filed in a house of the legislature that would create a new state agency or a new advisory committee to a state agency shall be reviewed by the commission. The commission shall review the bill to determine if:

- (1) the proposed functions of the agency or committee could be administered by one or more existing state agencies or advisory committees;
- (2) the form of regulation, if any, proposed by the bill is the least restrictive form of regulation that will adequately protect the public;
- (3) the bill provides for adequate public input regarding any regulatory function proposed by the bill; and
- (4) the bill provides for adequate protection against conflicts of interest within the agency or committee.

#### **3D.20 GIFTS AND GRANTS.**

The commission may accept gifts, grants, and donations from any organization described in section 501(c)(3) of the Internal Revenue Code for the purpose of funding any activity under this chapter. All gifts, grants, and donations must be accepted in an open meeting by a majority of the voting members of the commission and reported in the public record of the commission with the name of the donor and purpose of the gift, grant, or donation. Money received under this section is appropriated to the commission.

#### **3D.21 SUNSET REVIEW.**

Subd. 2. **Group 2.** The following agencies are sunset and, except as provided in section 3D.14, expire on June 30, 2014: Department of Health, Department of Human Services, Department of Human Rights, Department of Education, Board of Teaching, Minnesota Office of Higher Education, Emergency Medical Services Regulatory Board, Council on Affairs of Chicano/Latino People, Council on Black Minnesotans, Council on Asian-Pacific Minnesotans, Indian Affairs Council, and all advisory groups associated with these agencies.

Subd. 3. **Group 3.** The following agencies are sunset and, except as provided in section 3D.14, expire on June 30, 2016: Department of Commerce, Department of Employment and Economic Development, Department of Labor and Industry, all non-health-related licensing boards listed in section 214.01 except as otherwise provided in this section, Explore Minnesota Tourism, Public Utilities Commission, Iron Range Resources and Rehabilitation Board, Bureau of Mediation Services, and all advisory groups associated with these agencies.

Subd. 4. **Group 4.** The following agencies are sunset and, except as provided in section 3D.14, expire on June 30, 2018: Department of Corrections, Department of Public Safety, Department of Transportation, Peace Officer Standards and Training Board, Capitol Area Architectural and Planning Board, Amateur Sports Commission, all health-related licensing boards listed in section 214.01, Council on Disability, and all advisory groups associated with these agencies.

Subd. 5. **Group 5.** The following agencies are sunset and, except as provided in section 3D.14, expire on June 30, 2020: Department of Agriculture, Department of Natural Resources, Pollution Control Agency, Board of Animal Health, Board of Water and Soil Resources, and all advisory groups associated with these agencies.

Subd. 6. **Group 6.** The following agencies are sunset and, except as provided in section 3D.14, expire on June 30, 2022: Department of Administration, Department of Management and Budget, Department of Military Affairs, Department of Revenue, Department of Veterans Affairs, Arts Board, Minnesota Zoo, Office of Administrative Hearings, Campaign Finance and Public Disclosure Board, Office of Enterprise Technology, Minnesota Racing Commission, and all advisory groups associated with these agencies.

Subd. 7. **Continuation.** Following sunset review of an agency, the legislature may act within the same legislative session in which the sunset report was received on Sunset Advisory Commission recommendations to continue or reorganize the agency.

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Subd. 8. **Other groups.** The commission may review, under the criteria in section 3D.10, and propose to the legislature an expiration date for any agency, board, commission, or program not listed in this section.

**43A.17 SALARY LIMITS, RATES, RANGES AND EXCEPTIONS.**

Subd. 4. **Exceptions.** (a) The commissioner may without regard to subdivision 1 establish special salary rates and plans of compensation designed to attract and retain exceptionally qualified doctors of medicine and doctors of dental surgery. These rates and plans shall be included in the commissioner's plan. In establishing salary rates and eligibility for nomination for payment at special rates, the commissioner shall consider the standards of eligibility established by national medical specialty boards where appropriate. The incumbents assigned to these special ranges shall be excluded from the collective bargaining process.

(b) The commissioner may without regard to subdivision 1, but subject to collective bargaining agreements or compensation plans, establish special salary rates designed to attract and retain exceptionally qualified employees in the following positions:

- (1) information systems staff;
- (2) actuaries in the Departments of Health, Human Services, and Commerce; and
- (3) epidemiologists in the Department of Health.

**155A.25 COSMETOLOGY FEES; LICENSE EXPIRATION DATE.**

Subdivision 1. **Schedule.** The fee schedule for licensees is as follows for licenses issued prior to July 1, 2010, and after June 30, 2013:

(a) Three-year license fees:

(1) cosmetologist, manicurist, esthetician, \$90 for each initial license, and \$60 for each renewal;

(2) instructor, manager, \$120 for each initial license, and \$90 for each renewal;

(3) salon, \$130 for each initial license, and \$100 for each renewal; and

(4) school, \$1,500.

(b) Penalties:

(1) reinspection fee, variable;

(2) manager and owner with lapsed practitioner, \$150 each;

(3) expired cosmetologist, manicurist, esthetician, manager, school manager, and instructor license, \$45; and

(4) expired salon or school license, \$50.

(c) Administrative fees:

(1) certificate of identification, \$20;

(2) school original application, \$150;

(3) name change, \$20;

(4) letter of license verification, \$30;

(5) duplicate license, \$20;

(6) processing fee, \$10;

(7) special event permit, \$75 per year; and

(8) registration of hair braiders, \$20 per year.

**168A.40 AUTOMOBILE THEFT PREVENTION PROGRAM.**

Subd. 3. **Surcharge.** Each insurer engaged in the writing of policies of automobile insurance shall collect a surcharge, at the rate of 50 cents per vehicle for every six months of coverage, on each policy of automobile insurance providing comprehensive insurance coverage issued or renewed in this state. The surcharge may not be considered premium for any purpose, including the computation of premium tax or agents' commissions. The amount of the surcharge must be separately stated on either a billing or policy declaration sent to an insured. Insurers shall remit the revenue derived from this surcharge at least quarterly to the commissioner of public safety for purposes of the automobile theft prevention program described in section 65B.84. For purposes of this subdivision, "policy of automobile insurance" has the meaning given it in section 65B.14, covering only the following types of vehicles as defined in section 168.002:

(1) a passenger automobile;

(2) a pickup truck;

(3) a van but not commuter vans as defined in section 168.126; or

(4) a motorcycle,

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except that no vehicle with a gross vehicle weight in excess of 10,000 pounds is included within this definition.

Subd. 4. **Automobile theft prevention account.** A special revenue account is created in the state treasury to be credited with the proceeds of the surcharge imposed under subdivision 3. Of the revenue in the account, \$1,300,000 each year must be transferred to the general fund. Revenues in excess of \$1,300,000 each year may be used only for the automobile theft prevention program described in section 65B.84.

**197.608 VETERANS SERVICE OFFICE GRANT PROGRAM.**

Subd. 2a. **Grant cycle.** Counties may become eligible to receive grants on a three-year rotating basis according to a schedule to be developed and announced in advance by the commissioner. The schedule must list no more than one-third of the counties in each year of the three-year cycle. A county may be considered for a grant only in the year of its listing in the schedule.

**270C.145 TECHNOLOGY LEASE-PURCHASE APPROPRIATION.**

The following amounts are appropriated from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for completing the purchase and development of an integrated tax software package; provided that the state is not obligated to continue the appropriation of funds or to make lease payments in any future fiscal year.

|                  |              |
|------------------|--------------|
| Fiscal year 2010 | \$ 670,213   |
| Fiscal year 2011 | \$ 748,550   |
| Fiscal year 2012 | \$ 2,250,150 |
| Fiscal year 2013 | \$ 2,251,550 |
| Fiscal year 2014 | \$ 2,250,350 |
| Fiscal year 2015 | \$ 2,251,550 |
| Fiscal year 2016 | \$ 2,249,950 |
| Fiscal year 2017 | \$ 2,251,250 |
| Fiscal year 2018 | \$ 2,249,000 |
| Fiscal year 2019 | \$ 2,247,000 |

Any unexpended portions of this appropriation cancel to the general fund at the close of each biennium. This section expires June 30, 2019.

**326A.03 CERTIFIED PUBLIC ACCOUNTANT QUALIFICATIONS.**

Subd. 2. **Examination before July 1, 2006; required education and experience.** Until July 1, 2006, the examination must be administered by the board only to a candidate who:

(1) holds a master's degree with a major in accounting from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education;

(2) holds a baccalaureate degree, with a major in accounting, from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education or who has in the opinion of the board at least an equivalent education;

(3) holds a baccalaureate degree from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education, or who has in the opinion of the board at least an equivalent education, provided that at least one year of experience of the type specified in subdivision 8 has been completed;

(4) provides evidence of having completed two or more years of study with a passing grade average or above from a college, university, technical college, or a Minnesota licensed private school that is fully accredited by a recognized accrediting agency listed with the United States Department of Education, or who has in the opinion of the board at least an equivalent education, provided that at least three years experience of the type specified in subdivision 8 has been completed; or

(5) holds a diploma as a graduate of an accredited high school, or who has in the opinion of the board at least an equivalent education, provided that at least five years experience of the type specified in subdivision 8 has been completed.

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Subd. 5. **Certificate before July 1, 2006; required experience.** Until July 1, 2006, a person who has passed the examination required by this section and who meets all other requirements for a certificate, including payment of required fees, must be granted a certificate as a certified public accountant, providing that the person has completed the following experience requirements of the type specified in subdivision 8 in addition to any experience already required in subdivision 2:

(1) for those whose educational qualifications meet the requirements of subdivision 2, clause (1), the experience requirement is one year;

(2) for those whose educational qualifications meet the requirements of subdivision 2, clause (2), the experience requirement is two years;

(3) for those whose educational and experience qualifications meet the requirements of subdivision 2, clause (3), the additional required experience is two years;

(4) for those whose educational and experience qualifications meet the requirements of subdivision 2, clause (4), the additional required experience is two years; and

(5) for those whose educational and experience qualifications meet the requirements of subdivision 2, clause (5), the additional required experience is one year.

Subd. 8. **Qualifying experience until July 1, 2006.** Until July 1, 2006, qualifying experience includes public accounting experience:

(1) as a staff employee of a certified public accountant, or a firm;

(2) as an auditor in the Office of the Legislative Auditor or State Auditor, or as an auditor or examiner with any other agency of government, if the experience, in the opinion of the board, is equally comprehensive and diversified;

(3) as a self-employed public accountant or as a partner in a firm; or

(4) in any combination of the foregoing capacities.

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***Laws 2012, chapter 278, article 1, section 6***

**Sec. 6. REVIEW OF SUNSET PROCESS.**

The Office of the Legislative Auditor is requested to conduct a review of the sunset process in Minnesota Statutes, chapter 3D. The review should be conducted in 2018. The legislative auditor is requested to present the result of the review in a report to the Legislative Audit Commission and Sunset Advisory Commission.

**1105.0600 FEES.**

The following fees apply:

- A. initial issuance of certificate, \$50;
- B. renewal of certificate with an active status, \$45 per year;
- C. initial CPA firm permits, except for sole practitioners, \$100;
- D. renewal of CPA firm permits, except for sole practitioners and those firms specified in item Q, \$35 per year;
- E. initial issuance and renewal of CPA firm permits for sole practitioners, except for those firms specified in item Q, \$35 per year;
- F. annual late processing delinquency fee for permit, certificate, or registration renewal applications not received prior to expiration date, \$50;
- G. copies of records, per page, 25 cents;
- H. registration of noncertificate holders, nonlicensees, and nonregistrants in connection with renewal of firm permits, \$45 per year;
- I. applications for reinstatement, \$20;
- J. initial registration of a registered accounting practitioner, \$50;
- K. initial registered accounting practitioner firm permits, \$100;
- L. renewal of registered accounting practitioner firm permits, except for sole practitioners, \$35 per year;
- M. renewal of registered accounting practitioner firm permits for sole practitioners, \$35 per year;
- N. CPA examination application, \$40;
- O. CPA examination, fee determined by third-party examination administrator;
- P. renewal of certificates with an inactive status, \$10 per year; and
- Q. renewal of CPA firm permits for firms that have one or more offices located in another state, \$68 per year.

**1105.2550 RENEWAL OF CERTIFICATES AFTER 2009.**

A. Beginning with certificate renewal applications for calendar year 2010, the board shall renew each certificate as follows:

(1) for licensees whose last name begins with the letters:

- (a) A through H, certificates shall be renewed for a three-year period (Cycle A);
- (b) I through P, certificates shall be renewed for a two-year period (Cycle B); and
- (c) Q through Z, certificates shall be renewed for a one-year period (Cycle C); and

(2) renewals of those certificates, after the expiration of the renewals periods specified in subitem (1), shall thereafter follow a three-year cycle.

B. Initial issuances of certificates after January 1, 2010, shall expire on the December 31 following issuance and shall thereafter be renewed so as to place the certificate in the correct renewal cycle established for the licensee's last name in item A.

C. Licensees who have obtained a legal name change shall, upon renewal, have their certificates renewed so as to place the certificate in the correct renewal cycle established for the licensee's last name in item A.

D. Licensees requesting a change in certificate status during the renewal period shall not be entitled to any refund of fees according to part 1105.1000 and can only request a change in status according to this chapter and on a form provided by the board. However, additional fees covering any remaining portion of the renewal period established as a result of items A and B shall be paid if the change in status is to "active." The additional fee is based on a complete calendar year and is not prorated.

E. Licensees electing to change the status of the licensee's active certificate to a status other than active can only do so effective on the January 1 following the licensee's written request for the change and on a form provided by the board. The request shall be accompanied with documentation showing that the licensee completed at least 120 hours of continuing professional education required by this chapter during the three-year period ended June 30 preceding the effective date of the status change, with a minimum of 20 hours each year.

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F. Notwithstanding the three-year renewal period established by this part and except as provided for in part 1105.3000, item J, at each June 30, licensees holding a certificate with an "active" status shall comply with the one- and three-year continuing professional education requirements in part 1105.3000.

**1105.2700 EXPERIENCE REQUIRED FOR CPA EXAMINATION AND INITIAL CERTIFICATE UNTIL JULY 1, 2006.**

Subpart 1. **Intent.** It is the intent of this requirement that applicants have had practical public accounting experience of reasonable variety and importance, requiring independent thought and judgment on important accounting, auditing, and income tax matters, consistent with the competence generally expected of a certified public accountant.

Subp. 2. **Measurement.** Experience recognized by the board is measured on the basis of calendar months and days worked by the applicant as an employee on the staff of a certified public accountant in public practice or in qualifying governmental experience or self-employment. Part-time work in public accounting is equivalent in proportion to full-time work, with a maximum of eight hours per day or 40 hours per week. The experience must be verified by the employer. Self-employment experience must be verified by five clients.

Subp. 3. **Audit experience.** Persons claiming audit experience for work with governmental entities shall, for individuals other than auditors in the Office of the Legislative Auditor or State Auditor claiming experience under Minnesota Statutes, section 326A.03, subdivision 8, clause (2):

A. have their audit work directly relied upon by third parties outside of their agency or department and, in the case of federal government employees, have experience at the Federal GS 11 range or higher; or

B. have experience similar to that of the auditors in the Office of the Legislative Auditor and the Office of the State Auditor.

The burden rests with the applicant to demonstrate to the board that other governmental experience should be recognized as qualifying. A written statement must be filed with the board, giving a complete description of the purposes, work standards, and procedures of any position believed to be qualifying. This statement shall be approved by a responsible administrative officer of the applicable governmental unit as determined by the board.

Subp. 4. **Qualifying self-employment.** The board shall consider self-employment experience obtained by an applicant to meet the requirements of Minnesota Statutes, section 326A.03, subdivision 8, if an applicant shows to the satisfaction of the board that the applicant's qualifying self-employment is consistent with the intent in subpart 1 and has included experience or education in:

A. applying a variety of auditing procedures and techniques to the usual and customary financial transactions recorded in the accounting records;

B. preparation of audit working papers covering the audit of the accounts usually found in accounting records;

C. planning programs of audit work including the selection of procedures to be followed;

D. preparation of written explanations and comments on the findings of an audit and on the content of accounting records; and

E. preparation and analysis of financial statements together with explanations and notes.