

1.1 A bill for an act

1.2 relating to the operation of state government; appropriating money for the
1.3 legislature, governor's office, state auditor, attorney general, secretary of state,
1.4 certain agencies, boards, councils, retirement funds, and military affairs and
1.5 veterans affairs; creating an ethnic councils account; specifying how legislative
1.6 and congressional districts must be drawn; evaluating economic development
1.7 incentive programs; transferring responsibility fiscal notes, local impact notes, or
1.8 revenue estimates to the legislative auditor; specifying county audits by the state
1.9 auditor; modifying campaign finance provisions; defining substantial economic
1.10 impact for rulemaking; changing rulemaking provisions; requiring the legislative
1.11 auditor to conduct an impact analysis on certain rules; establishing three ethnic
1.12 councils; requiring a tracking list of agency projects; allowing prepay for certain
1.13 software and information technology hosting services; changing state budget
1.14 requirements; limiting a fee or fine increase to ten percent in a biennium;
1.15 providing free rehearsal and storage space for the state band; modifying notice
1.16 provisions for state construction and remodeling plans; providing reimbursement
1.17 for reasonable accommodations; modifying grant agreement provisions; making
1.18 changes to provisions governing veteran-owned small businesses; changing
1.19 provisions governing the Office of MN.IT Services; limiting the number of
1.20 full-time equivalent executive branch agency employees; establishing the
1.21 healthy eating, here at home program; establishing expedited and temporary
1.22 licensing for former and current military members for certain occupations;
1.23 adjusting certain barber board fees for members of the military; modifying
1.24 provisions governing the National Guard; modifying the Veterans Preference
1.25 Act; designating an Honor and Remember flag; changing provisions governing
1.26 pari-mutuel horse racing; changing a fee provision for federal tax liens; changing
1.27 a contracting provision for the Office of the Commissioner of Iron Range
1.28 resources and rehabilitation; changing certain requirements for corporations;
1.29 modifying provisions for accountants; changing a farm product lien; adding an
1.30 exception to the rehabilitation of criminal offenders provisions; limiting railroad
1.31 condemnation powers over certain properties; providing that school employees
1.32 and districts are subject to certain group health insurance requirements; changing
1.33 provisions governing the Metropolitan Council; designating the salary for
1.34 the chair of the Metropolitan Council; limiting the salary increase for agency
1.35 heads; establishing the Legislative Surrogacy Commission; prohibiting state
1.36 funds, tax expenditures, or state indebtedness to fund a major league soccer
1.37 stadium; limiting compensation for employees in the managerial plan; limiting
1.38 expenditures for advertising; specifying debt service on a certain parking
1.39 ramp financing; specifying terms for members of the Metropolitan Council;

2.1 requiring reports; amending Minnesota Statutes 2014, sections 3.971, by
 2.2 adding a subdivision; 3.979, subdivision 3; 3.98; 3.987, subdivision 1; 10A.01,
 2.3 subdivision 26; 10A.105, subdivision 1; 10A.15, subdivision 1; 10A.245,
 2.4 subdivision 2; 10A.257, subdivision 1; 10A.38; 14.02, by adding a subdivision;
 2.5 14.05, subdivisions 1, 2; 14.116; 14.127; 14.131; 14.388, subdivision 2; 14.389,
 2.6 subdivision 2; 14.44; 14.45; 16A.065; 16A.103, by adding a subdivision; 16A.11,
 2.7 by adding subdivisions; 16A.1283; 16B.24, by adding a subdivision; 16B.335,
 2.8 subdivision 1; 16B.371; 16B.97, subdivision 1, by adding a subdivision; 16C.03,
 2.9 subdivision 16; 16C.16, subdivision 6a; 16C.19; 16E.01; 16E.016; 16E.0465;
 2.10 16E.14, subdivision 3; 16E.145; 16E.19, by adding a subdivision; 148.57, by
 2.11 adding a subdivision; 148.624, subdivision 5; 148B.33, by adding a subdivision;
 2.12 148B.53, by adding a subdivision; 148B.5301, by adding a subdivision;
 2.13 148F.025, by adding a subdivision; 153.16, subdivisions 1, 4; 154.003; 154.11,
 2.14 subdivision 3; 190.19, subdivision 2a; 192.38, subdivision 1; 192.501, by adding
 2.15 a subdivision; 197.46; 211B.37; 240.01, subdivision 22, by adding subdivisions;
 2.16 240.011; 240.03; 240.08, subdivisions 2, 4, 5; 240.10; 240.13, subdivisions 5,
 2.17 6; 240.135; 240.15, subdivisions 1, 6; 240.16, subdivision 1; 240.22; 240.23;
 2.18 272.484; 298.22, subdivision 1; 303.19; 304A.301, subdivisions 1, 5, 6, by
 2.19 adding a subdivision; 326A.01, subdivisions 2, 12, 13a, 15, 16; 326A.02,
 2.20 subdivisions 3, 5; 326A.05, subdivisions 1, 3; 326A.10; 336A.09, subdivision
 2.21 1; 364.09; 471.6161, subdivision 8; 473.123, subdivisions 2a, 3, 4; 473J.07,
 2.22 subdivision 3; Laws 2013, chapter 142, article 1, section 10; Laws 2015, chapter
 2.23 3, section 4; proposing coding for new law in Minnesota Statutes, chapters 2; 3;
 2.24 6; 15; 16A; 16B; 16E; 43A; 138; 197; 383B; repealing Minnesota Statutes 2014,
 2.25 sections 3.886; 3.9223; 3.9225; 3.9226, subdivisions 1, 2, 3, 4, 5, 6, 7; 6.48;
 2.26 10A.25, subdivisions 1, 2, 2a, 3, 3a, 5, 10; 10A.255, subdivisions 1, 3; 10A.27,
 2.27 subdivision 11; 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10,
 2.28 10a, 10b, 11; 10A.315; 10A.321; 10A.322, subdivisions 1, 2; 10A.323; 10A.324,
 2.29 subdivisions 1, 3; 240.01, subdivisions 12, 23; 349A.07, subdivision 6; 375.23;
 2.30 Minnesota Rules, parts 4503.1400, subparts 2, 3, 5, 6, 7, 8, 9; 4503.1450.

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

2.32 ARTICLE 1

2.33 STATE GOVERNMENT APPROPRIATIONS

2.34 Section 1. STATE GOVERNMENT APPROPRIATIONS.

2.35 The sums shown in the columns marked "Appropriations" are appropriated to the
 2.36 agencies and for the purposes specified in this article. The appropriations are from the
 2.37 general fund, or another named fund, and are available for the fiscal years indicated
 2.38 for each purpose. The figures "2016" and "2017" used in this article mean that the
 2.39 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 2.40 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 2.41 year 2017. "The biennium" is fiscal years 2016 and 2017.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>

2.46 Sec. 2. LEGISLATURE

3.1 Subdivision 1. **Total**
 3.2 **Appropriation** \$ **69,160,000** **67,595,000**

3.3 Appropriations by Fund
 3.4 2016 2017
 3.5 General 67,032,000 67,467,000
 3.6 Health Care Access 128,000 128,000
 3.7 Special Revenue 2,000,000 0

3.8 The amounts that may be spent for each
 3.9 purpose are specified in the following
 3.10 subdivisions.

3.11 Subd. 2. **Senate** 21,501,000 21,501,000

3.12 \$1,723,000 of the senate carryforward
 3.13 balance shall cancel to the general fund on
 3.14 July 1, 2015.

3.15 Subd. 3. **House of Representatives** 28,998,000 28,998,000

3.16 During the biennium ending June 30, 2017,
 3.17 any revenues received by the house of
 3.18 representatives from voluntary donations
 3.19 to support broadcast or print media are
 3.20 appropriated to the house of representatives.

3.21 \$3,938,000 of the house carryforward
 3.22 balance shall cancel to the general fund on
 3.23 July 1, 2015.

3.24 Subd. 4. **Legislative Coordinating Commission** 18,661,000 17,096,000

3.25 Appropriations by Fund
 3.26 General 16,533,000 16,968,000
 3.27 Health Care Access 128,000 128,000
 3.28 Special Revenue 2,000,000 0

3.29 \$1,567,000 of the Legislative Coordinating
 3.30 Commission carryforward balance and the
 3.31 Revisor of Statutes carryforward balance
 3.32 shall cancel to the general fund on July 1,
 3.33 2015.

4.1 \$7,132,000 each year from the general fund
 4.2 is to the Office of the Legislative Auditor.
 4.3 The auditor is requested to do an evaluation
 4.4 of Minnesota veterans homes.
 4.5 \$435,000 in fiscal year 2017 is for the
 4.6 revisor's administrative rules system.
 4.7 \$595,000 each year is for the Office of the
 4.8 Revisor of Statutes to maintain and improve
 4.9 information technology services.
 4.10 \$10,000 each year is for purposes of the
 4.11 legislators' forum, through which Minnesota
 4.12 legislators meet with counterparts from
 4.13 South Dakota, North Dakota, and Manitoba
 4.14 to discuss issues of mutual concern.
 4.15 \$2,000,000 is transferred from the state
 4.16 employee group insurance trust fund to a
 4.17 rulemaking account in the special revenue
 4.18 fund.
 4.19 \$2,000,000 for the biennium ending June 30,
 4.20 2017, is appropriated from the rulemaking
 4.21 account in the special revenue fund to the
 4.22 legislative auditor to:
 4.23 (1) reimburse executive agencies for costs
 4.24 associated with determining if proposed
 4.25 rules have substantial economic impact and
 4.26 for costs of peer review advisory panels
 4.27 for proposed rules that have substantial
 4.28 economic impact; and
 4.29 (2) reimburse the legislative auditor for costs
 4.30 associated with this process.

4.31 **Sec. 3. GOVERNOR AND LIEUTENANT**
 4.32 **GOVERNOR**

\$ 3,134,000 \$ 3,134,000

4.33 (a) This appropriation is to fund the Office of
 4.34 the Governor and Lieutenant Governor.

5.1 (b) \$19,000 the first year and \$19,000 the
 5.2 second year are for necessary expenses in the
 5.3 normal performance of the Governor's and
 5.4 Lieutenant Governor's duties for which no
 5.5 other reimbursement is provided.

5.6 (c) During the biennium ending June 30,
 5.7 2017, the Office of the Governor may not
 5.8 receive payments of more than \$805,000
 5.9 each fiscal year from other executive
 5.10 agencies to support personnel costs incurred
 5.11 by the office. By September 1 of each year,
 5.12 the commissioner of management and budget
 5.13 shall report to the chairs and ranking minority
 5.14 members of the senate State Departments
 5.15 and Veterans Affairs Budget Division and the
 5.16 house of representatives State Government
 5.17 Finance Committee any personnel costs
 5.18 incurred by the Offices of the Governor and
 5.19 Lieutenant Governor that were supported
 5.20 by appropriations to other agencies during
 5.21 the previous fiscal year. The Office of the
 5.22 Governor shall inform the chairs and ranking
 5.23 minority members of the committees before
 5.24 initiating any interagency agreements.

5.25 Sec. 4. **STATE AUDITOR** \$ **1,982,000** \$ **1,982,000**

5.26 Sec. 5. **ATTORNEY GENERAL** \$ **22,897,000** \$ **22,897,000**

<u>Appropriations by Fund</u>		
	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>20,679,000</u>	<u>20,679,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>1,823,000</u>	<u>1,823,000</u>
<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

5.34 Of this appropriation, \$65,000 in the first
 5.35 year and \$65,000 in the second year are

6.1 from the general fund for transfer to the
 6.2 commissioner of public safety for a grant to
 6.3 the Minnesota County Attorneys Association
 6.4 for prosecutor and law enforcement training.

6.5 **Sec. 6. SECRETARY OF STATE** **\$ 6,198,000 \$ 6,198,000**

6.6 \$420,000 the first year and \$440,000 the
 6.7 second year are for the Safe at Home
 6.8 program.

6.9 Any funds available in the account
 6.10 established in Minnesota Statutes, section
 6.11 5.30, pursuant to the Help America Vote Act,
 6.12 are appropriated for the purposes and uses
 6.13 authorized by federal law.

6.14 **Sec. 7. CAMPAIGN FINANCE AND PUBLIC**
 6.15 **DISCLOSURE BOARD** **\$ 893,000 \$ 893,000**

6.16 (a) All unspent funds, estimated to be
 6.17 \$150,000, from the Web site redevelopment
 6.18 project appropriation under Laws 2013,
 6.19 chapter 142, article 1, section 7, are canceled
 6.20 to the general fund on June 30, 2015.

6.21 (b) \$150,000 in fiscal year 2016 is
 6.22 appropriated to the Campaign Finance
 6.23 and Public Disclosure Board to complete
 6.24 redevelopment of its Web site. This
 6.25 appropriation is available until June 30, 2017.

6.26 (c) By January 15, 2016, the director of the
 6.27 Campaign Finance and Public Disclosure
 6.28 Board shall report to the chairs and ranking
 6.29 minority members of the senate State
 6.30 Departments and Veterans Affairs Budget
 6.31 Division and the house of representatives
 6.32 State Government Finance Committee on the
 6.33 status of the Web site redevelopment project.
 6.34 The report shall include a budget detailing

7.1 total dollars to be spent, completion date of
 7.2 the project, and dollars expended to date.

7.3 Sec. 8. INVESTMENT BOARD \$ 139,000 \$ 139,000

7.4 Sec. 9. ADMINISTRATIVE HEARINGS \$ 7,627,000 \$ 7,627,000

<u>Appropriations by Fund</u>		
	<u>2016</u>	<u>2017</u>
7.7 <u>General</u>	<u>377,000</u>	<u>377,000</u>
7.8 <u>Workers'</u>		
7.9 <u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

7.10 Campaign Violations Hearings. \$115,000
 7.11 each year is appropriated from the general
 7.12 fund for the cost of considering complaints
 7.13 filed under Minnesota Statutes, section
 7.14 211B.32. These amounts may be spent in
 7.15 either year of the biennium.

7.16 \$6,000 in fiscal year 2016 and \$6,000 in
 7.17 fiscal year 2017 are appropriated from the
 7.18 general fund to the Office of Administrative
 7.19 Hearings for the cost of considering data
 7.20 practices complaints filed under Minnesota
 7.21 Statutes, section 13.085. These amounts
 7.22 may be used in either year of the biennium.
 7.23 \$6,000 is added to the agency's base to be
 7.24 available for the biennium.

7.25 Sec. 10. MN.IT SERVICES \$ 2,431,000 \$ 2,431,000

7.26 During the biennium ending June 30, 2017,
 7.27 MN.IT Services must not charge fees to a
 7.28 public noncommercial educational television
 7.29 broadcast station eligible for funding under
 7.30 Minnesota Statutes, chapter 129D, for
 7.31 access to the state broadcast infrastructure.
 7.32 If the access fees not charged to public
 7.33 noncommercial educational television
 7.34 broadcast stations total more than \$400,000

8.1 for the biennium, the office may charge for
8.2 access fees in excess of these amounts.

8.3 The commissioner of management and
8.4 budget is authorized to provide cash flow
8.5 assistance of up to \$110,000,000 from the
8.6 special revenue fund or other statutory
8.7 general funds, as defined in Minnesota
8.8 Statutes, section 16A.671, subdivision
8.9 3, paragraph (a), to the Office of MN.IT
8.10 Services for the purpose of managing
8.11 revenue and expenditure differences during
8.12 the initial phases of IT consolidation. These
8.13 funds shall be repaid with interest by the end
8.14 of the fiscal year 2017 closing period.

8.15 Sec. 11. ADMINISTRATION

8.16 <u>Subdivision 1. Total Appropriation</u>	\$	<u>19,781,000</u>	\$	<u>19,191,000</u>
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8.17 The amounts that may be spent for each
8.18 purpose are specified in the following
8.19 subdivisions.

8.20 <u>Subd. 2. Government and Citizen Services</u>		<u>7,265,000</u>		<u>7,095,000</u>
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8.21 \$210,000 the first year and \$40,000 the
8.22 second year are for increased information
8.23 technology associated with supporting small
8.24 business purchasing programs.

8.25 \$74,000 the first year and \$74,000 the second
8.26 year are for the Council on Developmental
8.27 Disabilities.

8.28 <u>Subd. 3. Strategic Management Services</u>		<u>1,789,000</u>		<u>1,789,000</u>
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8.29 <u>Subd. 4. Fiscal Agent</u>		<u>10,727,000</u>		<u>10,307,000</u>
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8.30 The appropriations under this section are to
8.31 the commissioner of administration for the
8.32 purposes specified.

9.1 **In-Lieu of Rent.** \$7,488,000 the first year
9.2 and \$7,488,000 the second year are for
9.3 space costs of the legislature and veterans
9.4 organizations, ceremonial space, and
9.5 statutorily free space.

9.6 **Relocation Expenses.** \$1,284,000 the first
9.7 year and \$864,000 the second year are for
9.8 rent loss and relocation expenses related to
9.9 the Capitol renovation project. Relocation
9.10 expenses include only moving of art, fixtures,
9.11 renovation supplies, and similar materials,
9.12 and may not be used for moving Senators,
9.13 Senate staff, and related offices and supplies.
9.14 This is a onetime appropriation.

9.15 **Public Broadcasting.** (a) \$1,161,000 the
9.16 first year and \$1,161,000 the second year are
9.17 for matching grants for public television.

9.18 (b) \$200,000 the first year and \$200,000
9.19 the second year are for public television
9.20 equipment grants.

9.21 (c) The equipment or matching grants in
9.22 paragraphs (a) and (b) must be allocated
9.23 after considering the recommendations of the
9.24 Minnesota Public Television Association.

9.25 (d) \$287,000 the first year and \$287,000 the
9.26 second year are for community service grants
9.27 to public educational radio stations. This
9.28 appropriation may be used to disseminate
9.29 emergency information in foreign languages.

9.30 (e) \$100,000 the first year and \$100,000
9.31 the second year are for equipment grants
9.32 to public educational radio stations. This
9.33 appropriation may be used for the repair,
9.34 rental, and purchase of equipment including
9.35 equipment under \$500.

10.1 (f) The grants in paragraphs (d) and (e)
 10.2 must be allocated after considering the
 10.3 recommendations of the Association of
 10.4 Minnesota Public Education Radio Stations
 10.5 under Minnesota Statutes, section 129D.14.
 10.6 As a condition of receiving grants under
 10.7 paragraphs (d) and (e), the Association of
 10.8 Minnesota Public Education Radio Stations
 10.9 must agree that it will not take any steps
 10.10 leading to the operation of new stations
 10.11 unless specifically authorized by a future law.

10.12 (g) \$207,000 the first year and \$207,000
 10.13 the second year are for equipment grants
 10.14 to Minnesota Public Radio, Inc., including
 10.15 upgrades to Minnesota's Emergency Alert
 10.16 and AMBER Alert Systems.

10.17 (h) Any unencumbered balance remaining
 10.18 the first year for grants to public television or
 10.19 radio stations does not cancel and is available
 10.20 for the second year.

10.21 **Sec. 12. CAPITOL AREA**
 10.22 **ARCHITECTURAL AND PLANNING**
 10.23 **BOARD** **\$ 325,000 \$ 325,000**

10.24 **Sec. 13. MINNESOTA MANAGEMENT AND**
 10.25 **BUDGET** **\$ 18,757,000 \$ 18,757,000**

10.26 \$156,000 the first year and \$156,000 the
 10.27 second year are to develop and implement
 10.28 a return on taxpayer investment (ROTI)
 10.29 methodology using the Pew-MacArthur
 10.30 Results First framework to evaluate
 10.31 corrections and human services programs
 10.32 administered and funded by state and
 10.33 county governments. The commissioner
 10.34 shall engage and work with staff from
 10.35 Pew-MacArthur Results First, and shall

12.1	<u>Highway User Tax</u>			
12.2	<u>Distribution</u>	<u>2,183,000</u>		<u>2,183,000</u>
12.3	<u>Environmental</u>	<u>303,000</u>		<u>303,000</u>
12.4	<u>Base reductions must be made from expenses</u>			
12.5	<u>related to the capital equipment sales tax</u>			
12.6	<u>repealed in 2014, and cannot be applied to</u>			
12.7	<u>compliance activities.</u>			
12.8	<u>Appropriation; Taxpayer Assistance.</u>			
12.9	<u>(a) \$400,000 each year from the general</u>			
12.10	<u>fund is for grants to one or more nonprofit</u>			
12.11	<u>organizations, qualifying under section</u>			
12.12	<u>501(c)(3) of the Internal Revenue Code of</u>			
12.13	<u>1986, to coordinate, facilitate, encourage, and</u>			
12.14	<u>aid in the provision of taxpayer assistance</u>			
12.15	<u>services. The unencumbered balance in the</u>			
12.16	<u>first year does not cancel but is available for</u>			
12.17	<u>the second year.</u>			
12.18	<u>(b) For purposes of this section, "taxpayer</u>			
12.19	<u>assistance services" means accounting</u>			
12.20	<u>and tax preparation services provided by</u>			
12.21	<u>volunteers to low-income, elderly, and</u>			
12.22	<u>disadvantaged Minnesota residents to help</u>			
12.23	<u>them file federal and state income tax returns</u>			
12.24	<u>and Minnesota property tax refund claims</u>			
12.25	<u>and to provide personal representation before</u>			
12.26	<u>the Department of Revenue and Internal</u>			
12.27	<u>Revenue Service.</u>			
12.28	<u>Subd. 3. Debt Collection Management</u>		<u>28,616,000</u>	<u>28,616,000</u>
12.29	Sec. 15. <u>GAMBLING CONTROL</u>	<u>\$</u>	<u>3,959,000</u>	<u>\$ 3,959,000</u>
12.30	<u>These appropriations are from the lawful</u>			
12.31	<u>gambling regulation account in the special</u>			
12.32	<u>revenue fund.</u>			
12.33	Sec. 16. <u>RACING COMMISSION</u>	<u>\$</u>	<u>899,000</u>	<u>\$ 1,081,000</u>

13.1 These appropriations are from the racing
 13.2 and card playing regulation accounts in the
 13.3 special revenue fund.

13.4 Sec. 17. **STATE LOTTERY**

13.5 Notwithstanding Minnesota Statutes, section
 13.6 349A.10, subdivision 3, the operating budget
 13.7 must not exceed \$31,000,000 in fiscal year
 13.8 2016 and \$31,000,000 in fiscal year 2017.

13.9 Sec. 18. **AMATEUR SPORTS COMMISSION** \$ 253,000 \$ 253,000

13.10 Sec. 19. **COUNCIL ON BLACK**
 13.11 **MINNESOTANS** \$ 392,000 \$ 392,000

13.12 These appropriations are from the ethnic
 13.13 councils account in the special revenue fund.

13.14 The general fund base in fiscal years 2018 and
 13.15 2019 for this council is \$392,000 each year.

13.16 Sec. 20. **COUNCIL ON ASIAN-PACIFIC**
 13.17 **MINNESOTANS** \$ 354,000 \$ 354,000

13.18 These appropriations are from the ethnic
 13.19 councils account in the special revenue fund.

13.20 The general fund base in fiscal years 2018 and
 13.21 2019 for this council is \$354,000 each year.

13.22 Sec. 21. **COUNCIL ON AFFAIRS OF**
 13.23 **CHICANO/LATINO PEOPLE** \$ 375,000 \$ 375,000

13.24 These appropriations are from the ethnic
 13.25 councils account in the special revenue fund.

13.26 The general fund base in fiscal years 2018 and
 13.27 2019 for this council is \$375,000 each year.

13.28 Sec. 22. **INDIAN AFFAIRS COUNCIL** \$ 562,000 \$ 562,000

13.29 These appropriations are from the ethnic
 13.30 councils account in the special revenue fund.

16.1 \$250,000 the first year is for a grant to
 16.2 Everybody Wins!-Minnesota, a Minnesota
 16.3 501(c)(3) corporation, to operate a reading
 16.4 program for Minnesota children. Any
 16.5 balance in the first year does not cancel but is
 16.6 available in the second year.

16.7 \$250,000 the first year and \$250,000 the
 16.8 second year are for a grant to the Minnesota
 16.9 Council on Economic Education to provide
 16.10 staff development to teachers for the
 16.11 implementation of the state graduation
 16.12 standards in learning areas relating to
 16.13 economic education. This is a onetime
 16.14 appropriation. The commissioner, in
 16.15 consultation with the council, shall develop
 16.16 expected results of staff development,
 16.17 eligibility criteria for participants, an
 16.18 evaluation procedure, and guidelines for
 16.19 direct and in-kind contributions by the
 16.20 council. This appropriation does not cancel,
 16.21 but is available until expended.

16.22 \$250,000 in fiscal year 2016 and \$250,000 in
 16.23 fiscal year 2017 are for the healthy eating,
 16.24 here at home program under Minnesota
 16.25 Statutes, section 256E.345. No more than
 16.26 three percent of the appropriation may be
 16.27 used for the nonprofit administration of the
 16.28 grant program under Minnesota Statutes,
 16.29 section 256E.345.

16.30	Sec. 26. <u>BOARD OF ACCOUNTANCY</u>	<u>\$</u>	<u>628,000</u>	<u>\$</u>	<u>618,000</u>
16.31	Sec. 27. <u>BOARD OF ARCHITECTURE</u>				
16.32	<u>ENGINEERING, LAND SURVEYING,</u>				
16.33	<u>LANDSCAPE ARCHITECTURE,</u>				
16.34	<u>GEOSCIENCE, AND INTERIOR DESIGN</u>	<u>\$</u>	<u>774,000</u>	<u>\$</u>	<u>774,000</u>

17.1	Sec. 28. <u>BOARD OF COSMETOLOGIST</u>			
17.2	<u>EXAMINERS</u>	\$	<u>1,346,000</u>	\$ <u>1,346,000</u>
17.3	Sec. 29. <u>BOARD OF BARBER EXAMINERS</u>	\$	<u>317,000</u>	\$ <u>317,000</u>
17.4	Sec. 30. <u>HUMAN RIGHTS.</u>	\$	<u>3,505,000</u>	\$ <u>3,505,000</u>
17.5	<u>\$80,000 each year is for operation of an</u>			
17.6	<u>office in St. Cloud.</u>			
17.7	Sec. 31. <u>GENERAL CONTINGENT</u>			
17.8	<u>ACCOUNTS</u>	\$	<u>750,000</u>	\$ <u>500,000</u>
17.9	<u>Appropriations by Fund</u>			
17.10		<u>2016</u>	<u>2017</u>	
17.11	<u>General</u>	<u>250,000</u>	<u>-0-</u>	
17.12	<u>State Government</u>			
17.13	<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>	
17.14	<u>Workers'</u>			
17.15	<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>	
17.16	<u>(a) The appropriations in this section</u>			
17.17	<u>may only be spent with the approval of</u>			
17.18	<u>the governor after consultation with the</u>			
17.19	<u>Legislative Advisory Commission pursuant</u>			
17.20	<u>to Minnesota Statutes, section 3.30.</u>			
17.21	<u>(b) If an appropriation in this section for</u>			
17.22	<u>either year is insufficient, the appropriation</u>			
17.23	<u>for the other year is available for it.</u>			
17.24	<u>(c) If a contingent account appropriation</u>			
17.25	<u>is made in one fiscal year, it should be</u>			
17.26	<u>considered a biennial appropriation.</u>			
17.27	Sec. 32. <u>TORT CLAIMS</u>	\$	<u>161,000</u>	\$ <u>161,000</u>
17.28	<u>These appropriations are to be spent by the</u>			
17.29	<u>commissioner of management and budget</u>			
17.30	<u>according to Minnesota Statutes, section</u>			
17.31	<u>3.736, subdivision 7. If the appropriation for</u>			
17.32	<u>either year is insufficient, the appropriation</u>			
17.33	<u>for the other year is available for it.</u>			

18.1 **Sec. 33. MINNESOTA STATE RETIREMENT**
 18.2 **SYSTEM** \$ 6,552,000 \$ 8,936,000

18.3 These amounts are estimated to be needed
 18.4 under Minnesota Statutes, sections 3A.03,
 18.5 subdivision 2; 3A.04, subdivisions 3 and 4;
 18.6 and 3A.115 for the Combined Legislators
 18.7 and Constitutional Officers Retirement Plan.

18.8 **Sec. 34. PUBLIC EMPLOYEES**
 18.9 **RETIREMENT ASSOCIATION** \$ 6,000,000 \$ 6,000,000

18.10 Notwithstanding Minnesota Statutes, section
 18.11 353.505, the state payments to the Public
 18.12 Employees Retirement Association on behalf
 18.13 of the former MERF division account are
 18.14 \$6,000,000 on September 15, 2015 and
 18.15 \$6,000,000 on September 15, 2016.

18.16 **Sec. 35. TEACHERS RETIREMENT**
 18.17 **ASSOCIATION** \$ 29,831,000 \$ 29,831,000

18.18 The amounts estimated to be needed are as
 18.19 follows:

18.20 **Special Direct State Aid.** \$27,331,000 the
 18.21 first year and \$27,331,000 the second year
 18.22 are for special direct state aid authorized
 18.23 under Minnesota Statutes, section 354.436.

18.24 **Special Direct State Matching Aid.**
 18.25 \$2,500,000 the first year and \$2,500,000
 18.26 the second year are for special direct state
 18.27 matching aid authorized under Minnesota
 18.28 Statutes, section 354.435.

18.29 **Sec. 36. ST. PAUL TEACHERS**
 18.30 **RETIREMENT FUND** \$ 9,827,000 \$ 9,827,000

18.31 The amounts estimated to be needed for
 18.32 special direct state aid to the first class
 18.33 city teachers retirement fund association

20.1 The amounts that may be spent for each
 20.2 purpose are specified in the following
 20.3 subdivisions.

20.4 Subd. 2. **Veterans Services** 16,240,000 16,240,000

20.5 **Veterans Service Organizations.** \$353,000
 20.6 each year is for grants to the following
 20.7 congressionally chartered veterans service
 20.8 organizations, as designated by the
 20.9 commissioner: Disabled American Veterans,
 20.10 Military Order of the Purple Heart, the
 20.11 American Legion, Veterans of Foreign Wars,
 20.12 Vietnam Veterans of America, AMVETS,
 20.13 and Paralyzed Veterans of America. This
 20.14 funding must be allocated in direct proportion
 20.15 to the funding currently being provided by
 20.16 the commissioner to these organizations.

20.17 **Minnesota Assistance Council for**
 20.18 **Veterans.** \$750,000 each year is for a grant
 20.19 to the Minnesota Assistance Council for
 20.20 Veterans to provide assistance throughout
 20.21 Minnesota to veterans and their families who
 20.22 are homeless or in danger of homelessness,
 20.23 including assistance with the following:

20.24 (1) utilities;

20.25 (2) employment; and

20.26 (3) legal issues.

20.27 The assistance authorized under this
 20.28 paragraph must be made only to veterans who
 20.29 have resided in Minnesota for 30 days prior
 20.30 to application for assistance and according
 20.31 to other guidelines established by the
 20.32 commissioner. In order to avoid duplication
 20.33 of services, the commissioner must ensure

21.1 that this assistance is coordinated with all
 21.2 other available programs for veterans.

21.3 **Honor Guards.** \$200,000 each year is
 21.4 for compensation for honor guards at
 21.5 the funerals of veterans under Minnesota
 21.6 Statutes, section 197.231. This amount is
 21.7 added to the program's base funding.

21.8 **Minnesota GI Bill.** \$200,000 each year is
 21.9 for the costs of administering the Minnesota
 21.10 GI Bill postsecondary educational benefits,
 21.11 on-the-job training, and apprenticeship
 21.12 program under Minnesota Statutes, section
 21.13 197.791. Of this amount, \$100,000 is for
 21.14 transfer to the Office of Higher Education.

21.15 **Gold Star Program.** \$100,000 each year
 21.16 is for administering the Gold Star Program
 21.17 for surviving family members of deceased
 21.18 veterans. This amount is added to the
 21.19 program's base funding.

21.20 **County Veterans Service Office.**
 21.21 \$1,100,000 each year is for funding the
 21.22 County Veterans Service Office grant
 21.23 program under Minnesota Statutes, section
 21.24 197.608.

21.25 **Subd. 3. Veterans Homes** 49,014,000 51,120,000

	<u>Appropriations by Fund</u>	
	<u>2016</u>	<u>2017</u>
21.28 <u>General Fund</u>	<u>47,013,000</u>	<u>47,013,000</u>
21.29 <u>Special Revenue</u>	<u>2,001,000</u>	<u>4,107,000</u>

21.30 **Veterans Homes Special Revenue Account.**
 21.31 \$6,108,000 is transferred from the state
 21.32 employee group insurance program trust fund
 21.33 to the veterans home special revenue account
 21.34 in the special revenue fund. The general fund
 21.35 appropriations made to the department may

22.1 be transferred to a veterans homes special
22.2 revenue account in the special revenue fund
22.3 in the same manner as other receipts are
22.4 deposited according to Minnesota Statutes,
22.5 section 198.34. Amounts in the account
22.6 are appropriated to the department for the
22.7 operation of veterans homes facilities and
22.8 programs.

22.9 The general fund base in fiscal years 2018
22.10 and 2019 for veterans homes is \$51,120,000
22.11 each year.

22.12 **Sec. 39. ETHNIC COUNCILS ACCOUNT.**

22.13 The following amounts are deposited in the ethnic councils account in the special
22.14 revenue fund:

22.15 (1) \$ 2,201,000 which is transferred from the state employee group insurance trust
22.16 fund;

22.17 (2) \$871,000 which is transferred from the state elections campaign fund; and

22.18 (3) \$294,000 from the appropriation related to health insurance transparency in Laws
22.19 2014, chapter 312, article 21, section 4, paragraph (a), is canceled to the general fund
22.20 and transferred to the special revenue fund, effective the day following final enactment
22.21 of this section.

22.22 **ARTICLE 2**

22.23 **STATE GOVERNMENT**

22.24 **Section 1. [2.92] DISTRICTING PRINCIPLES.**

22.25 Subdivision 1. **Applicability; constitutional duty of legislature.** (a) The principles
22.26 in this section apply to legislative and congressional districts.

22.27 (b) Notwithstanding any laws to the contrary, legislative and congressional districts
22.28 must be drawn by the legislature, consistent with the requirements of the Minnesota
22.29 Constitution, article IV, section 3. The legislature may not delegate its duty to draw
22.30 districts to any commission, council, panel, or other entity that is not comprised solely of
22.31 members of the legislature.

22.32 Subd. 2. **Nesting.** A representative district may not be divided in the formation
22.33 of a senate district.

23.1 Subd. 3. **Equal population.** (a) Legislative districts must be substantially equal
23.2 in population. The population of a legislative district must not deviate from the ideal
23.3 by more than 0.5 percent, plus or minus.

23.4 (b) Congressional districts must be as nearly equal in population as practicable.

23.5 Subd. 4. **Contiguity; compactness.** The districts must be composed of convenient
23.6 contiguous territory. To the extent consistent with the other principles in this section,
23.7 districts should be compact. Contiguity by water is sufficient if the water is not a serious
23.8 obstacle to travel within the district. Point contiguity is not sufficient.

23.9 Subd. 5. **Numbering.** (a) Legislative districts must be numbered in a regular series,
23.10 beginning with house district 1A in the northwest corner of the state and proceeding across
23.11 the state from west to east, north to south, but bypassing the 11-county metropolitan
23.12 area until the southeast corner has been reached; then to the 11-county metropolitan area
23.13 outside the cities of Minneapolis and St. Paul; then in Minneapolis and St. Paul.

23.14 (b) Congressional district numbers must begin with district one in the southeast
23.15 corner of the state and end with district eight in the northeast corner of the state.

23.16 Subd. 6. **Minority representation.** (a) The dilution of racial or ethnic minority
23.17 voting strength is contrary to the laws of the United States and the state of Minnesota.
23.18 These principles must not be construed to supersede any provision of the Voting Rights
23.19 Act of 1965, as amended.

23.20 (b) A redistricting plan must not have the intent or effect of dispersing or
23.21 concentrating minority population in a manner that prevents minority communities from
23.22 electing their candidates of choice.

23.23 Subd. 7. **Minor civil divisions.** (a) A county, city, or town must not be unduly
23.24 divided unless required to meet equal population requirements or to form districts
23.25 composed of convenient, contiguous territory.

23.26 (b) A county, city, or town is not unduly divided in the formation of a legislative or
23.27 congressional district if:

23.28 (1) the division occurs because a portion of a city or town is noncontiguous with
23.29 another portion of the same city or town; or

23.30 (2) despite the division, the known population of any affected county, city, or town
23.31 remains wholly located within a single district.

23.32 Subd. 8. **Preserving communities of interest.** (a) Districts should attempt to
23.33 preserve identifiable communities of interest where that can be done in compliance with
23.34 the principles under this section.

24.1 (b) For purposes of this subdivision, "communities of interest" means recognizable
24.2 areas with similarities of interests including, but not limited to, racial, ethnic, geographic,
24.3 social, or cultural interests.

24.4 Subd. 9. **Data to be used.** (a) The geographic areas and population counts used in
24.5 maps, tables, and legal descriptions of the districts must be those used by the Geographic
24.6 Information Systems Office of the Legislative Coordinating Commission. The population
24.7 counts will be the block population counts provided to the state under Public Law 94-171
24.8 after each decennial census, subject to correction of any errors acknowledged by the
24.9 United States Census Bureau.

24.10 (b) Nothing in this subdivision prohibits the use of additional data, as determined
24.11 by the legislature.

24.12 Subd. 10. **Consideration of plans.** A redistricting plan must not be considered for
24.13 adoption by the senate or house of representatives until a block equivalency file showing
24.14 the district to which each census block has been assigned, in a form prescribed by the
24.15 director of the Geographic Information Systems Office, has been filed with the director.

24.16 Subd. 11. **Priority of principles.** Where it is not possible to fully comply with the
24.17 principles contained in subdivisions 1 to 8, a redistricting plan must give priority to those
24.18 principles in the order in which they are listed in this section, except to the extent that
24.19 doing so would violate federal or state law.

24.20 **EFFECTIVE DATE.** This section is effective the day following final enactment
24.21 and applies to any plan for districts enacted or established for use on or after that date.

24.22 Sec. 2. Minnesota Statutes 2014, section 3.971, is amended by adding a subdivision to
24.23 read:

24.24 Subd. 8a. **Fiscal notes and revenue estimates.** The legislative auditor shall
24.25 participate in the fiscal note and revenue estimate process in the manner described in
24.26 section 3.98. Authority of the legislative auditor and duties of employees and entities
24.27 under section 3.978, subdivision 2, apply to the legislative auditor's work on fiscal notes
24.28 and revenue estimates.

24.29 Sec. 3. **[3.9735] EVALUATION OF ECONOMIC DEVELOPMENT INCENTIVE**
24.30 **PROGRAMS.**

24.31 Subdivision 1. **Definitions.** For purposes of this section, the terms defined in this
24.32 section have the meanings given them.

24.33 (a) "General incentive" means a state program, statutory provision, or tax
24.34 expenditure, including tax credits, tax exemptions, tax deductions, grants, or loans, that

25.1 is intended to encourage businesses to locate, expand, invest, or remain in Minnesota or
25.2 to hire or retain employees in Minnesota. To be a general incentive, a state program,
25.3 statutory provision, or tax expenditure must be available to multiple entities, projects, or
25.4 associated projects or include eligibility criteria with the intent that it will be available to
25.5 multiple entities, projects, or associated projects.

25.6 (b) "Exclusive incentive" means a state program, statutory provision, tax
25.7 expenditure, or section of a general incentive, including tax credits, tax exemptions, tax
25.8 deductions, grants, or loans, that is intended to encourage a single specific entity, project,
25.9 or associated projects to locate, expand, invest, or remain in Minnesota or to hire or retain
25.10 employees in Minnesota.

25.11 Subd. 2. **Selection of general incentives for review; schedule for evaluation;**
25.12 **report.** Annually, the legislative auditor shall submit to the Legislative Audit Commission
25.13 a list of three to five general incentives proposed for review. In selecting general
25.14 incentives to include on this list, the legislative auditor may consider what the incentive
25.15 will cost state and local governments in actual spending and foregone revenue currently or
25.16 projected into the future, the legislature's need for information about a general incentive
25.17 that has an upcoming expiration date, and the legislature's need for regular information on
25.18 the results of all major general incentives. Annually, the Legislative Audit Commission
25.19 will select at least one general incentive for the legislative auditor's evaluation. The
25.20 legislative auditor will evaluate the selected general incentive or incentives, prepared
25.21 according to the evaluation plan established under subdivision 4, and submit a written
25.22 report to the Legislative Audit Commission.

25.23 Subd. 3. **Exclusive incentive schedule.** The legislative auditor's schedule shall
25.24 ensure that at least once every four years the legislative auditor will complete an analysis
25.25 of best practices for exclusive incentives.

25.26 Subd. 4. **Evaluation plans.** By February 1, 2016, the Legislative Audit Commission
25.27 shall establish evaluation plans that identify elements that the legislative auditor must
25.28 include in evaluations of a general incentive and an exclusive incentive. The Legislative
25.29 Audit Commission may modify the evaluation plans as needed.

25.30 Sec. 4. Minnesota Statutes 2014, section 3.979, subdivision 3, is amended to read:

25.31 Subd. 3. **Audit data.** (a) "Audit" as used in this subdivision means a financial audit,
25.32 review, program evaluation, best practices review, evaluation of an incentive program or
25.33 exclusive incentive program under section 3.9735, or investigation. Data relating to an
25.34 audit are not public or with respect to data on individuals are confidential until the final
25.35 report of the audit has been released by the legislative auditor or the audit is no longer

26.1 being actively pursued. Upon release of a final audit report by the legislative auditor, data
26.2 relating to an audit are public except data otherwise classified as not public.

26.3 (b) Data related to an audit but not published in the audit report and that the
26.4 legislative auditor reasonably believes will be used in litigation are not public and with
26.5 respect to data on individuals are confidential until the litigation has been completed or is
26.6 no longer being actively pursued.

26.7 (c) Data on individuals that could reasonably be used to determine the identity of an
26.8 individual supplying data for an audit are private if the data supplied by the individual were
26.9 needed for an audit and the individual would not have provided the data to the legislative
26.10 auditor without an assurance that the individual's identity would remain private, or the
26.11 legislative auditor reasonably believes that the subject would not have provided the data.

26.12 (d) The definitions of terms provided in section 13.02 apply for purposes of this
26.13 subdivision.

26.14 Sec. 5. Minnesota Statutes 2014, section 3.98, is amended to read:

26.15 **3.98 FISCAL NOTES AND REVENUE ESTIMATES.**

26.16 Subdivision 1. **Preparation.** ~~The head or chief administrative officer of each~~
26.17 ~~department or agency of the state government, including the Supreme Court, shall prepare~~
26.18 ~~a fiscal note at the request of the chair of the standing committee to which a bill has been~~
26.19 ~~referred, or the chair of the house of representatives Ways and Means Committee, or the~~
26.20 ~~chair of the senate Committee on Finance.~~

26.21 ~~For purposes of this subdivision, "Supreme Court" includes all agencies, committees,~~
26.22 ~~and commissions supervised or appointed by the state Supreme Court or the state court~~
26.23 ~~administrator.~~ (a) The chair of the standing committee to which a bill has been referred,
26.24 the chair of the house of representatives Ways and Means Committee, and the chair of
26.25 the senate Committee on Finance may request a fiscal note. The chair of the house of
26.26 representatives or senate tax committee may request a revenue estimate. A request for a
26.27 fiscal note or revenue estimate must be filed with the legislative auditor.

26.28 (b) Upon receiving a request for a fiscal note or revenue estimate, the legislative
26.29 auditor shall request appropriate agencies, offices, boards, or commissions in the executive,
26.30 judicial, or legislative branch to provide the legislative auditor with an analysis of the
26.31 financial and personnel impacts of the bill. The analysis must include a clear statement
26.32 of the assumptions used in the analysis and the extent to which alternative assumptions
26.33 were considered. Agencies, offices, boards, or commissions shall, after receiving a request
26.34 from the legislative auditor, submit the analysis in the time and manner requested by the
26.35 auditor. The legislative auditor may require agencies, offices, boards, or commissions to

27.1 use the fiscal note tracking system developed and maintained by the commissioner of
27.2 management and budget for submitting fiscal note information and analysis.

27.3 (c) The legislative auditor shall review the analysis submitted by agencies, offices,
27.4 boards, or commissions and assess the reasonableness of the analysis, particularly the
27.5 reasonableness of the assumptions used in the analysis. The auditor may require agencies,
27.6 offices, boards, or commissions to resubmit their analysis under new assumptions or
27.7 calculation parameters as defined by the auditor.

27.8 (d) When the legislative auditor accepts the final analysis from all relevant agencies,
27.9 offices, boards, or commissions, the legislative auditor shall deliver the completed
27.10 fiscal note or revenue estimate. The note or estimate must contain the final analysis
27.11 and assumptions submitted to the legislative auditor by agencies, offices, boards, or
27.12 commissions, and a statement by the legislative auditor as to whether the legislative
27.13 auditor agrees with the final analysis and assumptions. The auditor must state the
27.14 reasons for any disagreements and may offer alternative analysis and assumptions for
27.15 consideration by the legislature. If the legislative auditor deems these disagreements
27.16 sufficiently large, the legislative auditor may submit an unofficial "unapproved" fiscal note
27.17 to the legislature for public consideration of both the analysis of the agencies, offices,
27.18 boards, or commissions, and of the legislative auditor.

27.19 Subd. 2. **Contents.** (a) The A fiscal note, where possible, shall:

27.20 (1) cite the effect in dollar amounts;

27.21 (2) cite the statutory provisions affected;

27.22 (3) estimate the increase or decrease in revenues or expenditures;

27.23 (4) include the costs which may be absorbed without additional funds;

27.24 (5) include the assumptions used in determining the cost estimates; and

27.25 (6) specify any long-range implication.

27.26 (b) The A revenue estimate must estimate the effect of a bill on state tax revenues.

27.27 (c) A fiscal note or revenue estimate may comment on technical or mechanical
27.28 defects in the bill but shall express no opinions concerning the merits of the proposal.

27.29 Subd. 3. **Distribution.** A copy of the a fiscal note shall be delivered to the chair
27.30 of the Ways and Means Committee of the house of representatives, the chair of the
27.31 Finance Committee of the senate, the chair of the standing committee to which the bill
27.32 has been referred, to the chief author of the bill and to the commissioner of management
27.33 and budget. A copy of a revenue estimate shall be delivered to the chairs of the house
27.34 of representatives and senate tax committees, to the chief author of the bill, and to the
27.35 commissioner of revenue.

28.1 Subd. 4. **Uniform procedure.** ~~The commissioner of management and budget~~
28.2 legislative auditor shall prescribe a uniform procedure to govern the departments and
28.3 agencies of the state in complying with the requirements of this section.

28.4 Subd. 5. **Tracking system.** The commissioner of management and budget shall
28.5 provide the legislative auditor with manuals and other documentation requested by the
28.6 auditor for the fiscal note tracking system that is maintained by the commissioner.

28.7 Sec. 6. Minnesota Statutes 2014, section 3.987, subdivision 1, is amended to read:

28.8 Subdivision 1. **Local impact notes.** ~~The commissioner of management and budget~~
28.9 legislative auditor shall coordinate the development of a local impact note for any proposed
28.10 legislation ~~introduced after June 30, 1997,~~ upon request of the chair or the ranking minority
28.11 member of either legislative Tax, Finance, or Ways and Means Committee. Upon receipt
28.12 of a request to prepare a local impact note, the ~~commissioner~~ auditor must notify the
28.13 authors of the proposed legislation that the request has been made. The local impact note
28.14 must be made available to the public upon request. If the action is among the exceptions
28.15 listed in section 3.988, a local impact note need not be requested nor prepared. The
28.16 ~~commissioner~~ auditor shall make a reasonable and timely estimate of the local fiscal impact
28.17 on each type of political subdivision that would result from the proposed legislation. The
28.18 ~~commissioner of management and budget~~ auditor may require any political subdivision or
28.19 the commissioner of an administrative agency of the state to supply in a timely manner
28.20 any information determined to be necessary to determine local fiscal impact. The political
28.21 subdivision, its representative association, or commissioner shall convey the requested
28.22 information to the ~~commissioner of management and budget~~ auditor with a signed
28.23 statement to the effect that the information is accurate and complete to the best of its ability.
28.24 The political subdivision, its representative association, or commissioner, when requested,
28.25 shall update its determination of local fiscal impact based on actual cost or revenue figures,
28.26 improved estimates, or both. Upon completion of the note, the ~~commissioner~~ auditor must
28.27 provide a copy to the authors of the proposed legislation and to the chair and ranking
28.28 minority member of each committee to which the proposed legislation is referred.

28.29 Sec. 7. **[6.481] COUNTY AUDITS.**

28.30 Subdivision 1. **Powers and duties.** All the powers and duties conferred and imposed
28.31 upon the state auditor shall be exercised and performed by the state auditor in respect to
28.32 the offices, institutions, public property, and improvements of several counties of the
28.33 state. The state auditor may visit, without previous notice, each county and examine all
28.34 accounts and records relating to the receipt and disbursement of the public funds and the

29.1 custody of the public funds and other property. The state auditor shall prescribe and install
29.2 systems of accounts and financial reports that shall be uniform, so far as practicable, for
29.3 the same class of offices.

29.4 Subd. 2. **Annual audit required.** A county must have an annual financial audit.
29.5 A county may choose to have the audit performed by the state auditor, or may choose to
29.6 have the audit performed by a CPA firm meeting the requirements of section 326A.05.
29.7 The state auditor or a CPA firm may accept the records and audit of the Department of
29.8 Human Services instead of examining county human service funds, if the audit of the
29.9 Department of Human Services has been made within any period covered by the auditor's
29.10 audit of other county records.

29.11 Subd. 3. **CPA firm audit.** A county audit performed by a CPA firm must meet
29.12 the standards and be in the form required by the state auditor. The state auditor may
29.13 require additional information from the CPA firm if the state auditor determines that is
29.14 in the public interest, but the state auditor must accept the audit unless the state auditor
29.15 determines it does not meet recognized industry auditing standards or is not in the form
29.16 required by the state auditor. The state auditor may make additional examinations as the
29.17 auditor determines to be in the public interest.

29.18 Subd. 4. **Audit availability; data.** A copy of the annual audit by the state auditor or
29.19 by a CPA firm must be available for public inspection in the Office of the State Auditor and
29.20 in the Office of the County Auditor. If an audit is performed by a CPA firm, data relating
29.21 to the audit are subject to the same data classifications that apply under section 6.715. A
29.22 CPA firm conducting a county audit must provide access to data relating to the audit and is
29.23 liable for unlawful disclosure of the data as if it were a government entity under chapter 13.

29.24 Subd. 5. **Reporting.** If an audit conducted by the state auditor or a CPA firm
29.25 discloses malfeasance, misfeasance, or nonfeasance, the auditor must report this to the
29.26 county attorney, who shall institute civil and criminal proceedings as the law and the
29.27 protection of the public interests requires.

29.28 Subd. 6. **Payments to state auditor.** A county audited by the state auditor must
29.29 pay the state auditor for the costs and expenses of the audit. If the state auditor makes
29.30 additional examinations of a county whose audit is performed by a CPA firm, the county
29.31 must pay the auditor for the cost of these examinations. Payments must be deposited in
29.32 the state auditor enterprise fund.

29.33 Subd. 7. **Procedures for change of auditor.** A county that plans to change to or
29.34 from the state auditor and a CPA firm must notify the state auditor of this change by
29.35 August 1 of an even-numbered year. Upon this notice, the following calendar year will be

30.1 the first year's records that will be subject to an audit by the new entity. A county that
 30.2 changes to or from the state auditor must have two annual audits done by the new entity.

30.3 Sec. 8. Minnesota Statutes 2014, section 10A.01, subdivision 26, is amended to read:

30.4 Subd. 26. **Noncampaign disbursement.** "Noncampaign disbursement" means
 30.5 a purchase or payment of money or anything of value made, or an advance of credit
 30.6 incurred, or a donation in kind received, by a principal campaign committee for any of
 30.7 the following purposes:

30.8 (1) payment for accounting and legal services;

30.9 (2) return of a contribution to the source;

30.10 (3) repayment of a loan made to the principal campaign committee by that committee;

30.11 (4) ~~return of a public subsidy;~~

30.12 ~~(5)~~ payment for food, beverages, and necessary utensils and supplies, entertainment,
 30.13 and facility rental for a fund-raising event;

30.14 ~~(6)~~ (5) services for a constituent by a member of the legislature or a constitutional
 30.15 officer in the executive branch, including the costs of preparing and distributing a
 30.16 suggestion or idea solicitation to constituents, performed from the beginning of the term
 30.17 of office to adjournment sine die of the legislature in the election year for the office
 30.18 held, and half the cost of services for a constituent by a member of the legislature or a
 30.19 constitutional officer in the executive branch performed from adjournment sine die to 60
 30.20 days after adjournment sine die;

30.21 ~~(7)~~ (6) payment for food and beverages consumed by a candidate or volunteers while
 30.22 they are engaged in campaign activities;

30.23 ~~(8)~~ (7) payment for food or a beverage consumed while attending a reception or
 30.24 meeting directly related to legislative duties;

30.25 ~~(9)~~ (8) payment of expenses incurred by elected or appointed leaders of a legislative
 30.26 caucus in carrying out their leadership responsibilities;

30.27 ~~(10)~~ (9) payment by a principal campaign committee of the candidate's expenses
 30.28 for serving in public office, other than for personal uses;

30.29 ~~(11)~~ (10) costs of child care for the candidate's children when campaigning;

30.30 ~~(12)~~ (11) fees paid to attend a campaign school;

30.31 ~~(13)~~ (12) costs of a postelection party during the election year when a candidate's
 30.32 name will no longer appear on a ballot or the general election is concluded, whichever
 30.33 occurs first;

30.34 ~~(14)~~ (13) interest on loans paid by a principal campaign committee on outstanding
 30.35 loans;

- 31.1 ~~(15)~~ (14) filing fees;
- 31.2 ~~(16)~~ (15) post-general election holiday or seasonal cards, thank-you notes, or
- 31.3 advertisements in the news media mailed or published prior to the end of the election cycle;
- 31.4 ~~(17)~~ (16) the cost of campaign material purchased to replace defective campaign
- 31.5 material, if the defective material is destroyed without being used;
- 31.6 ~~(18)~~ (17) contributions to a party unit;
- 31.7 ~~(19)~~ (18) payments for funeral gifts or memorials;
- 31.8 ~~(20)~~ (19) the cost of a magnet less than six inches in diameter containing legislator
- 31.9 contact information and distributed to constituents;
- 31.10 ~~(21)~~ (20) costs associated with a candidate attending a political party state or national
- 31.11 convention in this state;
- 31.12 ~~(22)~~ (21) other purchases or payments specified in board rules or advisory opinions
- 31.13 as being for any purpose other than to influence the nomination or election of a candidate
- 31.14 or to promote or defeat a ballot question; and
- 31.15 ~~(23)~~ (22) costs paid to a third party for processing contributions made by a credit
- 31.16 card, debit card, or electronic check.

31.17 The board must determine whether an activity involves a noncampaign disbursement

31.18 within the meaning of this subdivision.

31.19 A noncampaign disbursement is considered to be made in the year in which the

31.20 candidate made the purchase of goods or services or incurred an obligation to pay for

31.21 goods or services.

31.22 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections

31.23 held on or after that date.

31.24 Sec. 9. Minnesota Statutes 2014, section 10A.105, subdivision 1, is amended to read:

31.25 Subdivision 1. **Single committee.** A candidate must not accept contributions

31.26 from a source, other than self, in aggregate in excess of \$750 ~~or accept a public subsidy~~

31.27 unless the candidate designates and causes to be formed a single principal campaign

31.28 committee for each office sought. A candidate may not authorize, designate, or cause to be

31.29 formed any other political committee bearing the candidate's name or title or otherwise

31.30 operating under the direct or indirect control of the candidate. However, a candidate may

31.31 be involved in the direct or indirect control of a party unit.

31.32 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections

31.33 held on or after that date.

32.1 Sec. 10. Minnesota Statutes 2014, section 10A.15, subdivision 1, is amended to read:

32.2 Subdivision 1. **Anonymous contributions.** A political committee, political fund,
32.3 principal campaign committee, or party unit may not retain an anonymous contribution
32.4 in excess of \$20, but must forward it to the board for deposit in the general ~~account of~~
32.5 ~~the state elections campaign account~~ fund.

32.6 **EFFECTIVE DATE.** This section is effective July 1, 2015.

32.7 Sec. 11. Minnesota Statutes 2014, section 10A.245, subdivision 2, is amended to read:

32.8 Subd. 2. **Termination by board.** The board may terminate the registration of
32.9 a principal campaign committee, party unit, political committee, or political fund found
32.10 to be inactive under this section 60 days after sending written notice of inactivity by
32.11 certified mail to the affected association at the last address on record with the board for
32.12 that association. Within 60 days after the board sends notice under this section, the
32.13 affected association must dispose of its assets as provided in this subdivision. The assets
32.14 of the principal campaign committee, party unit, or political committee must be used for
32.15 the purposes authorized by this chapter or section 211B.12 or must be liquidated and
32.16 deposited in the general ~~account of the state elections campaign account~~ fund. The assets
32.17 of an association's political fund that were derived from the association's general treasury
32.18 money revert to the association's general treasury. Assets of a political fund that resulted
32.19 from contributions to the political fund must be used for the purposes authorized by this
32.20 chapter or section 211B.12 or must be liquidated and deposited in the general ~~account of~~
32.21 ~~the state elections campaign account~~ fund.

32.22 **EFFECTIVE DATE.** This section is effective July 1, 2015.

32.23 Sec. 12. Minnesota Statutes 2014, section 10A.257, subdivision 1, is amended to read:

32.24 Subdivision 1. **Unused funds.** For election cycles ending on or before December
32.25 31, 2016, after all campaign expenditures and noncampaign disbursements for an election
32.26 cycle have been made, an amount up to 25 percent of the 2014 election cycle expenditure
32.27 limit for the office may be carried forward. Any remaining amount up to the total amount of
32.28 the 2014 public subsidy from the state elections campaign fund must be returned to the state
32.29 treasury for credit to the general fund under section 10A.324. Any remaining amount in
32.30 excess of the 2014 total public subsidy must be contributed to the state elections campaign
32.31 account or a political party for multicandidate expenditures as defined in section 10A.275.

32.32 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections
32.33 held on or after that date.

33.1 Sec. 13. Minnesota Statutes 2014, section 10A.38, is amended to read:

33.2 **10A.38 CAPTIONING OF CAMPAIGN ADVERTISEMENTS.**

33.3 ~~(a) This section applies to a campaign advertisement by a candidate who is governed~~
33.4 ~~by an agreement under section 10A.322.~~

33.5 ~~(b)~~ "Campaign advertisement" means a professionally produced visual or audio
33.6 recording of two minutes or less produced by the candidate for the purpose of influencing
33.7 the nomination or election of a candidate.

33.8 ~~(e)~~ (b) A campaign advertisement that is disseminated as an advertisement by
33.9 broadcast or cable television must include closed captioning for deaf and hard-of-hearing
33.10 viewers, unless the candidate has filed with the board before the advertisement is
33.11 disseminated a statement setting forth the reasons for not doing so. A campaign
33.12 advertisement that is disseminated as an advertisement to the public on the candidate's
33.13 Web site must include closed captioning for deaf and hard-of-hearing viewers, unless the
33.14 candidate has posted on the Web site a transcript of the spoken content of the advertisement
33.15 or the candidate has filed with the board before the advertisement is disseminated a
33.16 statement setting forth the reasons for not doing so. A campaign advertisement must
33.17 not be disseminated as an advertisement by radio unless the candidate has posted on
33.18 the candidate's Web site a transcript of the spoken content of the advertisement or the
33.19 candidate has filed with the board before the advertisement is disseminated a statement
33.20 setting forth the reasons for not doing so.

33.21 Sec. 14. Minnesota Statutes 2014, section 14.02, is amended by adding a subdivision
33.22 to read:

33.23 Subd. 5. **Substantial economic impact.** A rule has a "substantial economic impact"
33.24 if the rule would result in, or likely result in:

33.25 (1) an adverse effect or impact on the private-sector economy of the state of
33.26 Minnesota of \$5,000,000 or more in a single year;

33.27 (2) a significant increase in costs or prices for consumers, individual private-sector
33.28 industries, state agencies, local governments, individuals, or private-sector enterprises
33.29 within certain geographic regions inside the state of Minnesota;

33.30 (3) significant adverse impacts on the competitiveness of private-sector
33.31 Minnesota-based enterprises or on private-sector employment, investment, productivity,
33.32 or innovation within the state of Minnesota; or

33.33 (4) compliance costs, in the first year after the rule takes effect, of more than \$25,000
33.34 for any one business that has less than 50 full-time employees, or for any one statutory or
33.35 home rule charter city that has less than ten full-time employees.

34.1 Sec. 15. Minnesota Statutes 2014, section 14.05, subdivision 1, is amended to read:

34.2 Subdivision 1. **Authority to adopt original rules restricted.** (a) Each agency shall
34.3 adopt, amend, suspend, or repeal its rules: (1) in accordance with the procedures specified
34.4 in sections 14.001 to 14.69, ~~and~~; (2) only pursuant to authority delegated by state or
34.5 federal law; and (3) in full compliance with its duties and obligations.

34.6 (b) If a law authorizing rules is repealed, the rules adopted pursuant to that law are
34.7 automatically repealed on the effective date of the law's repeal unless there is another
34.8 law authorizing the rules.

34.9 (c) Except as provided in section 14.06, sections 14.001 to 14.69 shall not be
34.10 authority for an agency to adopt, amend, suspend, or repeal rules.

34.11 Sec. 16. Minnesota Statutes 2014, section 14.05, subdivision 2, is amended to read:

34.12 Subd. 2. **Authority to modify proposed rule.** (a) An agency may modify a
34.13 proposed rule in accordance with the procedures of the Administrative Procedure Act.
34.14 However, an agency may not modify a proposed rule so that it is substantially different
34.15 from the proposed rule in the notice of intent to adopt rules or notice of hearing.

34.16 (b) A modification does not make a proposed rule substantially different if:

34.17 (1) the differences are within the scope of the matter announced in the notice of
34.18 intent to adopt or notice of hearing and are in character with the issues raised in that notice;

34.19 (2) the differences are a logical outgrowth of the contents of the notice of intent to
34.20 adopt or notice of hearing and the comments submitted in response to the notice; and

34.21 (3) the notice of intent to adopt or notice of hearing provided fair warning that the
34.22 outcome of that rulemaking proceeding could be the rule in question.

34.23 (c) In determining whether the notice of intent to adopt or notice of hearing provided
34.24 fair warning that the outcome of that rulemaking proceeding could be the rule in question
34.25 the following factors must be considered:

34.26 (1) the extent to which persons who will be affected by the rule should have
34.27 understood that the rulemaking proceeding on which it is based could affect their interests;

34.28 (2) the extent to which the subject matter of the rule or issues determined by the
34.29 rule are different from the subject matter or issues contained in the notice of intent to
34.30 adopt or notice of hearing; and

34.31 (3) the extent to which the effects of the rule differ from the effects of the proposed
34.32 rule contained in the notice of intent to adopt or notice of hearing.

34.33 (d) A modification makes a proposed rule substantially different if the modification
34.34 causes a rule that did not previously have a substantial economic impact to have a
34.35 substantial economic impact.

35.1 Sec. 17. Minnesota Statutes 2014, section 14.116, is amended to read:

35.2 **14.116 NOTICE TO LEGISLATURE.**

35.3 (a) By January 15 each year, each agency must submit its rulemaking docket
35.4 maintained under section 14.366, and the official rulemaking record required under section
35.5 14.365 for any rule adopted during the preceding calendar year, to the chairs and ranking
35.6 minority members of the legislative policy and budget committees with jurisdiction over
35.7 the subject matter of the proposed rule and to the Legislative Coordinating Commission.
35.8 Each agency must post a link to its rulemaking docket on the agency Web site home page.

35.9 (b) When an agency mails notice of intent to adopt rules under section 14.14 or
35.10 14.22, the agency must send a copy of the same notice and a copy of the statement of need
35.11 and reasonableness to the chairs and ranking minority party members of the legislative
35.12 policy and budget committees with jurisdiction over the subject matter of the proposed
35.13 rules and to the Legislative Coordinating Commission.

35.14 (c) In addition, if the mailing of the notice is within two years of the effective date
35.15 of the law granting the agency authority to adopt the proposed rules, the agency shall
35.16 make reasonable efforts to send a copy of the notice and the statement to all sitting
35.17 legislators who were chief house of representatives and senate authors of the bill granting
35.18 the rulemaking authority. If the bill was amended to include this rulemaking authority,
35.19 the agency shall make reasonable efforts to send the notice and the statement to the chief
35.20 house of representatives and senate authors of the amendment granting rulemaking
35.21 authority, rather than to the chief authors of the bill.

35.22 Sec. 18. Minnesota Statutes 2014, section 14.127, is amended to read:

35.23 **14.127 LEGISLATIVE APPROVAL REQUIRED.**

35.24 Subdivision 1. ~~Cost thresholds~~ **Substantial economic impact.** An agency must
35.25 determine if ~~the cost of complying with a proposed rule in the first year after the rule~~
35.26 ~~takes effect will exceed \$25,000 for: (1) any one business that has less than 50 full-time~~
35.27 ~~employees; or (2) any one statutory or home rule charter city that has less than ten~~
35.28 ~~full-time employees. For purposes of this section, "business" means a business entity~~
35.29 ~~organized for profit or as a nonprofit, and includes an individual, partnership, corporation,~~
35.30 ~~joint venture, association, or cooperative~~ has a substantial economic impact, as defined
35.31 in section 14.02, subdivision 5.

35.32 Subd. 2. **Agency determination.** An agency must make the determination required
35.33 by subdivision 1 ~~before the close of the hearing record, or before the agency submits the~~
35.34 ~~record to the administrative law judge if there is no hearing~~ agency gives notice under

36.1 ~~section 14.14, 14.22, 14.225, or 14.389. The administrative law judge must review and~~
36.2 ~~approve or disapprove the agency determination under this section.~~

36.3 Subd. 3. **Legislative approval required.** (a) If the agency determines that a
36.4 proposed rule has a substantial economic impact, the agency must request the legislative
36.5 auditor to convene a five-person peer review advisory panel to conduct an impact analysis
36.6 of the proposed rule. Within 30 days of receipt of the agency's request, the legislative
36.7 auditor shall convene a peer review advisory panel. The advisory panel must be made up
36.8 of individuals who have not directly or indirectly been involved in the work conducted or
36.9 contracted by the agency and who are not employed by the agency. The agency must pay
36.10 each panel member for the costs of the person's service on the panel, as determined by
36.11 the legislative auditor. The agency shall transfer an amount from the agency's operating
36.12 budget to the legislative auditor to pay for costs for convening the peer review advisory
36.13 panel process. The panel may receive written and oral comments from the public during
36.14 its review. The panel must submit its report within 60 days of being convened. The
36.15 agency must receive a final report from the panel before the agency conducts a public
36.16 hearing on a proposed rule or, if no hearing is held, before the rule is submitted to the
36.17 administrative law judge. The panel's report must include its conclusions on the extent to
36.18 which the proposed rule:

36.19 (1) is based on sound, reasonably available scientific, technical, economic, or other
36.20 information or rationale; and

36.21 (2) is more restrictive than a standard, limitation, or requirement imposed by federal
36.22 law or rule pertaining to the same subject matter.

36.23 (b) If the agency determines that a rule does not have a substantial economic impact,
36.24 the administrative law judge must review this determination. If the administrative law
36.25 judge determines that a rule may have a substantial economic impact, the agency must
36.26 have the legislative auditor arrange for the analysis required by paragraph (a), and the
36.27 agency must give new notice of intent to adopt the proposed rule after receiving this
36.28 analysis. The administrative law judge may make this determination as part of the
36.29 administrative law judge's report on the proposed rule, or at any earlier time after the
36.30 administrative law judge is assigned to the rule proceeding.

36.31 (c) If the agency determines that the cost exceeds the threshold in subdivision 1
36.32 proposed rule has a substantial economic impact, or if the administrative law judge
36.33 disapproves the agency's determination that the cost does not exceed the threshold
36.34 in subdivision 1, any business that has less than 50 full-time employees or any statutory
36.35 or home rule charter city that has less than ten full-time employees may file a written
36.36 statement with the agency claiming a temporary exemption from the rules. Upon filing of

37.1 ~~such a statement with the agency, the rules do not apply to that business or that city until the~~
37.2 ~~rules are~~ have a substantial economic impact, the agency or the administrative law judge
37.3 shall deliver the determination and peer review advisory panel report to the Legislative
37.4 Coordinating Commission and to the chairs and ranking minority members of the house
37.5 of representatives and senate committees and divisions with jurisdiction over the subject
37.6 matter of the rule, and the proposed rule does not take effect until the rule is approved by a
37.7 law enacted after the agency determination or administrative law judge disapproval.

37.8 Subd. 4. **Exceptions.** (a) ~~Subdivision 3 does not apply if the administrative law~~
37.9 ~~judge approves an agency's determination that the legislature has appropriated money to~~
37.10 ~~sufficiently fund the expected cost of the rule upon the business or city proposed to be~~
37.11 ~~regulated by the rule.~~

37.12 (b) Subdivision 3 does not apply if the administrative law judge approves an
37.13 agency's determination that the rule has been proposed pursuant to a specific federal
37.14 statutory or regulatory mandate.

37.15 (c) This section does not apply if the rule is adopted under section 14.388 or
37.16 under another law specifying that the rulemaking procedures of this chapter do not apply.

37.17 (d) This section does not apply to a rule adopted by the Public Utilities
37.18 Commission.

37.19 (e) ~~Subdivision 3 does not apply if the governor waives application of subdivision 3.~~
37.20 ~~The governor may issue a waiver at any time, either before or after the rule would take~~
37.21 ~~effect, but for the requirement of legislative approval. As soon as possible after issuing a~~
37.22 ~~waiver under this paragraph, the governor must send notice of the waiver to the speaker of~~
37.23 ~~the house and the president of the senate and must publish notice of this determination in~~
37.24 ~~the State Register.~~

37.25 Subd. 5. **Severability.** If an administrative law judge determines that part of a
37.26 proposed rule ~~exceeds the threshold specified in subdivision 1~~ has a substantial economic
37.27 impact, but that a severable portion of a proposed rule does not ~~exceed the threshold in~~
37.28 ~~subdivision 1~~ have a substantial economic impact, the administrative law judge may
37.29 provide that the severable portion of the rule that does not ~~exceed the threshold~~ have a
37.30 substantial economic impact may take effect without legislative approval.

37.31 Sec. 19. Minnesota Statutes 2014, section 14.131, is amended to read:

37.32 **14.131 STATEMENT OF NEED AND REASONABLENESS.**

37.33 By the date of the section 14.14, subdivision 1a, 14.22, or 14.225, notice, the agency
37.34 must prepare, review, and make available for public review a statement of the need for and
37.35 reasonableness of the rule. The statement of need and reasonableness must be prepared

38.1 under rules adopted by the chief administrative law judge and must include the following
38.2 to the extent the agency, through reasonable effort, can ascertain this information:

38.3 (1) a description of the classes of persons who probably will be affected by the
38.4 proposed rule, including classes that will bear the costs of the proposed rule and classes
38.5 that will benefit from the proposed rule;

38.6 (2) the probable costs to the agency and to any other agency of the implementation
38.7 and enforcement of the proposed rule and any anticipated effect on state revenues;

38.8 (3) a determination of whether there are less costly methods or less intrusive
38.9 methods for achieving the purpose of the proposed rule;

38.10 (4) a description of any alternative methods for achieving the purpose of the
38.11 proposed rule that were seriously considered by the agency and the reasons why they
38.12 were rejected in favor of the proposed rule;

38.13 (5) the probable costs of complying with the proposed rule, including the portion
38.14 of the total costs that will be borne by identifiable categories of affected parties, such as
38.15 separate classes of governmental units, businesses, or individuals;

38.16 (6) the probable costs or consequences of not adopting the proposed rule, including
38.17 those costs or consequences borne by identifiable categories of affected parties, such as
38.18 separate classes of government units, businesses, or individuals;

38.19 (7) an assessment of any differences between the proposed rule and existing federal
38.20 regulations and a specific analysis of the need for and reasonableness of each difference; ~~and~~

38.21 (8) an assessment of the cumulative effect of the rule with other federal and state
38.22 regulations related to the specific purpose of the rule; and

38.23 (9) the agency's findings and conclusions that support its determination that the
38.24 proposed rule does or does not have a substantial economic impact.

38.25 The statement must describe how the agency, in developing the rules, considered
38.26 and implemented the legislative policy supporting performance-based regulatory systems
38.27 set forth in section 14.002 in a cost-effective and timely manner.

38.28 For purposes of clause (8), "cumulative effect" means the impact that results from
38.29 incremental impact of the proposed rule in addition to other rules, regardless of what
38.30 state or federal agency has adopted the other rules. Cumulative effects can result from
38.31 individually minor but collectively significant rules adopted over a period of time.

38.32 The statement must describe, with reasonable particularity, the scientific, technical,
38.33 economic, or other information and rationale that supports the proposed rule.

38.34 The statement must also describe the agency's efforts to provide additional
38.35 notification under section 14.14, subdivision 1a, to persons or classes of persons who may
38.36 be affected by the proposed rule or must explain why these efforts were not made.

39.1 The agency must consult with the commissioner of management and budget to
39.2 help evaluate the fiscal impact and fiscal benefits of the proposed rule on units of local
39.3 government. The agency must send a copy of the statement of need and reasonableness
39.4 to the Legislative Reference Library when the notice of hearing is mailed under section
39.5 14.14, subdivision 1a.

39.6 Sec. 20. Minnesota Statutes 2014, section 14.388, subdivision 2, is amended to read:

39.7 Subd. 2. **Notice.** An agency proposing to adopt, amend, or repeal a rule under this
39.8 section must give notice to the chairs and ranking minority members of the legislative
39.9 policy and budget committees with jurisdiction over the subject matter of the proposed
39.10 rules and to the Legislative Coordinating Commission, must give electronic notice of its
39.11 intent in accordance with section 16E.07, subdivision 3, and must give notice by United
39.12 States mail or electronic mail to persons who have registered their names with the agency
39.13 under section 14.14, subdivision 1a. The notice must be given no later than the date the
39.14 agency submits the proposed rule to the Office of Administrative Hearings for review
39.15 of its legality and must include:

39.16 (1) the proposed rule, amendment, or repeal;

39.17 (2) an explanation of why the rule meets the requirements of the good cause
39.18 exemption under subdivision 1; and

39.19 (3) a statement that interested parties have five business days after the date of the
39.20 notice to submit comments to the Office of Administrative Hearings.

39.21 Sec. 21. Minnesota Statutes 2014, section 14.389, subdivision 2, is amended to read:

39.22 Subd. 2. **Notice and comment.** The agency must publish notice of the proposed
39.23 rule in the State Register ~~and~~₂ must mail the notice by United States mail or electronic
39.24 mail to persons who have registered with the agency to receive mailed notices, and must
39.25 give notice to the chairs and ranking minority members of the legislative policy and
39.26 budget committees with jurisdiction over the subject matter of the proposed rules and to
39.27 the Legislative Coordinating Commission. The mailed notice and the notice to legislators
39.28 must include either a copy of the proposed rule or a description of the nature and effect
39.29 of the proposed rule and a statement that a free copy is available from the agency upon
39.30 request. The notice in the State Register must include the proposed rule or the amended
39.31 rule in the form required by the revisor under section 14.07, an easily readable and
39.32 understandable summary of the overall nature and effect of the proposed rule, and a
39.33 citation to the most specific statutory authority for the rule, including authority for the

40.1 rule to be adopted under the process in this section. The agency must allow 30 days after
40.2 publication in the State Register for comment on the rule.

40.3 Sec. 22. Minnesota Statutes 2014, section 14.44, is amended to read:

40.4 **14.44 DETERMINATION OF VALIDITY OF RULE.**

40.5 (a) The validity of any rule, or the validity of any agency policy, guideline, bulletin,
40.6 criterion, manual standard, or similar pronouncement that the petitioner believes is a
40.7 rule as defined in section 14.02, subdivision 4, may be determined upon the petition
40.8 for a declaratory judgment thereon, addressed to the Court of Appeals, when it appears
40.9 that the rule or pronouncement, or its threatened application, interferes with or impairs,
40.10 or threatens to interfere with or impair the legal rights or privileges of the petitioner.
40.11 The agency shall be made a party to the proceeding. The declaratory judgment may be
40.12 rendered whether or not the petitioner has first requested the agency to pass upon the
40.13 validity of the rule in question, whether or not the petitioner has petitioned the Office
40.14 of Administrative Hearings under section 14.381, and whether or not the agency has
40.15 commenced an action against the petitioner to enforce the rule.

40.16 (b) If the subject of the petition is an agency policy, guideline, bulletin, criterion,
40.17 manual standard, or similar pronouncement, the agency must cease enforcement of the
40.18 pronouncement upon filing of the petition until the Court of Appeals rules on the matter.
40.19 The agency is liable for all costs associated with review of the petition. If the Court of
40.20 Appeals rules in favor of the agency, the agency may recover all or a portion of the cost
40.21 from the petitioner unless the petitioner is entitled to proceed in forma pauperis under
40.22 section 563.01, or the court determines that the petition was brought in good faith or the
40.23 assessment of the costs would constitute an undue hardship for the petitioner.

40.24 Sec. 23. Minnesota Statutes 2014, section 14.45, is amended to read:

40.25 **14.45 RULE DECLARED INVALID.**

40.26 In proceedings under section 14.44, the court shall declare the rule or agency
40.27 pronouncement invalid if it finds that it violates constitutional provisions or exceeds the
40.28 statutory authority of the agency or if the rule was adopted or the pronouncement was
40.29 improperly implemented without compliance with statutory rulemaking procedures. Any
40.30 party to proceedings under section 14.44, including the agency, may appeal an adverse
40.31 decision of the Court of Appeals to the Supreme Court as in other civil cases.

40.32 Sec. 24. **[15.0145] ETHNIC COUNCILS.**

41.1 Subdivision 1. **Three ethnic councils; creation.** (a) The Minnesota Council on
41.2 Latino Affairs includes public members with an ethnic heritage from Mexico, any of the
41.3 countries in Central or South America, Cuba, the Dominican Republic, or Puerto Rico.

41.4 (b) The Minnesota African Heritage Council includes public members of black
41.5 African ancestry.

41.6 (c) The Council on Asian-Pacific Minnesotans includes public members with an
41.7 ethnic heritage from any of the countries east of, and including, Afghanistan or the
41.8 Pacific Islands.

41.9 Subd. 2. **Membership.** (a) Each council has 15 voting members. Eleven members
41.10 of each council are public members appointed by the governor. Four members of each
41.11 council are legislators.

41.12 (b) The governor shall appoint 11 members of each council as follows:

41.13 (1) the Minnesota Council on Latino Affairs must include one member representing
41.14 each of the state's congressional districts and three members appointed at-large. The
41.15 governor must attempt to ensure that the demographic composition of council members
41.16 accurately reflects the demographic composition of Minnesota's Latino community,
41.17 including recent immigrants, as determined by the state demographer;

41.18 (2) the Minnesota African Heritage Council must include members who are
41.19 broadly representative of the African heritage community of the state. The council must
41.20 include at least five females. At least three members must be first or second generation
41.21 African immigrants, who generally reflect the demographic composition of these African
41.22 immigrants, as determined by the state demographer; and

41.23 (3) the Council on Asian-Pacific Minnesotans must include one member from each
41.24 of the five ancestries with the state's highest percentages of Asian-Pacific populations,
41.25 as determined by the state demographer. The other six members must be broadly
41.26 representative of the rest of the Asian-Pacific population, with no more than one council
41.27 member from any one ancestry. For purposes of this clause, ancestry refers to heritage that
41.28 is commonly accepted in Minnesota as a unique population.

41.29 (c) Four legislators are voting members of each council. The speaker of the house
41.30 and the house minority leader shall each appoint one member to each council. The
41.31 Subcommittee on Committees of the senate Committee on Rules and Administration shall
41.32 appoint one member of the majority caucus and one member of the minority caucus to
41.33 each council.

41.34 (d) The governor may appoint a commissioner of a state agency or a designee of that
41.35 commissioner to serve as an ex-officio, nonvoting member of a council.

42.1 Subd. 3. **Appointments; terms; removal.** (a) In making appointments to a council,
42.2 the governor shall consider an appointee's proven dedication and commitment to the
42.3 council's community and any expertise possessed by the appointee that might be beneficial
42.4 to the council, such as experience in public policy, legal affairs, social work, business,
42.5 or management. The executive director of a council and legislative members may offer
42.6 advice to the governor on applicants seeking appointment.

42.7 (b) Terms, compensation, and filling of vacancies for members appointed by the
42.8 governor are as provided in section 15.059. Removal of members appointed by the
42.9 governor is governed by section 15.059, except that: (1) a member who missed more than
42.10 half of the council meetings convened during a 12-month period automatically is removed
42.11 from the council; and (2) a member appointed by the governor may be removed by a vote
42.12 of three of the four legislative members of the council. The chair of a council shall inform
42.13 the governor of the need for the governor to fill a vacancy on the council. Legislative
42.14 members serve at the pleasure of their appointing authority.

42.15 (c) A member appointed by the governor may serve no more than a total of eight
42.16 years on a council. A legislator may serve no more than eight consecutive years or 12
42.17 nonconsecutive years on any one council.

42.18 Subd. 4. **Training; executive committee; meetings; support.** (a) A member
42.19 appointed by the governor must attend orientation training within the first six months of
42.20 service for each term. The commissioner of administration must arrange for the training
42.21 to include but not be limited to the legislative process, government data practices, open
42.22 meeting law, Robert's Rules of Order, fiscal management, and human resources. The
42.23 governor must remove a member who does not complete the training.

42.24 (b) Each council shall annually elect from among the members appointed by the
42.25 governor a chair and other officers it deems necessary. These officers and one legislative
42.26 member selected by the council shall serve as the executive committee of the council.

42.27 (c) Forty percent of voting members of a council constitutes a quorum. A quorum is
42.28 required to conduct council business. A council member may not vote on any action if the
42.29 member has a conflict of interest under section 10A.07.

42.30 (d) Each council shall receive administrative support from the commissioner of
42.31 administration under section 16B.371.

42.32 Subd. 5. **Executive director; staff.** (a) The Legislative Coordinating Commission
42.33 must appoint an executive director for each council. The executive director must be
42.34 experienced in administrative activities and familiar with the challenges and needs of
42.35 the ethnic council's larger community. The executive director serves in the unclassified
42.36 service at the pleasure of the Legislative Coordinating Commission.

43.1 (b) The Legislative Coordinating Commission must establish a process for recruiting
43.2 and selecting applicants for the executive director positions. This process must include
43.3 consultation and collaboration with the applicable council.

43.4 (c) The executive director and applicable council members must work together in
43.5 fulfilling council duties. The executive director must consult with the commissioners of
43.6 administration and management and budget to ensure appropriate financial, purchasing,
43.7 human resources, and other services for operation of the council. The executive director
43.8 must appoint and supervise the work of other staff necessary to carry out the duties of the
43.9 council. The executive director and other council staff are executive branch employees.

43.10 Subd. 6. **Duties of council.** (a) A council must work for the implementation
43.11 of economic, social, legal, and political equality for its constituency. The council shall
43.12 work with the legislature and governor to carry out this work by performing the duties
43.13 in this section.

43.14 (b) A council shall advise the governor and the legislature on issues confronting the
43.15 constituency of the council. This may include, but is not limited to, presenting the results
43.16 of surveys, studies, and community forums to the appropriate executive departments
43.17 and legislative committees.

43.18 (c) A council shall advise the governor and the legislature of administrative
43.19 and legislative changes needed to improve the economic and social condition of the
43.20 constituency of the council. This may include but is not limited to working with legislators
43.21 to develop politically feasible legislation to address these issues and to work for passage
43.22 of the legislation. This may also include making recommendations regarding the state's
43.23 affirmative action program and the state's targeted group small business program, or
43.24 working with state agencies and organizations to develop business opportunities and
43.25 promote economic development for the constituency of the council.

43.26 (d) A council shall advise the governor and the legislature of the implications
43.27 and effect of proposed administrative and legislative changes on the constituency of
43.28 the council. This may include but is not limited to tracking legislation, testifying as
43.29 appropriate, and meeting with executive departments and legislators.

43.30 (e) A council shall serve as a liaison between state government and organizations that
43.31 serve the constituency of the council. This may include but is not limited to working with
43.32 these organizations to carry out the duties in paragraphs (a) to (d), and working with these
43.33 organizations to develop informational programs or publications to involve and empower
43.34 the constituency in seeking improvement in their economic and social conditions.

43.35 (f) A council shall perform or contract for the performance of studies designed
43.36 to suggest solutions to the problems of the constituency of the council in the areas of

44.1 education, employment, human rights, health, housing, social welfare, and other related
44.2 areas.

44.3 (g) In carrying out duties under this subdivision, councils may act to advise on issues
44.4 that affect the shared constituencies of more than one council.

44.5 Subd. 7. **Duties of council members.** A council member shall:

44.6 (1) attend and participate in scheduled meetings and be prepared by reviewing
44.7 meeting notes;

44.8 (2) maintain and build communication with the community represented;

44.9 (3) collaborate with the council and executive director in carrying out the council's
44.10 duties; and

44.11 (4) participate in activities the council or executive director deem appropriate and
44.12 necessary to facilitate the goals and duties of the council.

44.13 Subd. 8. **Reports.** A council must report on the measurable outcomes achieved in
44.14 the council's current strategic plan to meet its statutory duties, along with the specific
44.15 objectives and outcome measures proposed for the following year. The council must
44.16 submit the report by January 15 each year to the chairs of the committees in the house of
44.17 representatives and the senate with primary jurisdiction over state government operations.
44.18 Each report must cover the calendar year of the year before the report is submitted. The
44.19 specific objectives and outcome measures for the following current year must focus on
44.20 three or four achievable objectives, action steps, and measurable outcomes for which
44.21 the council will be held accountable. The strategic plan may include other items that
44.22 support the statutory purposes of the council but should not distract from the primary
44.23 statutory proposals presented. The funding request of each council, after approval by the
44.24 Legislative Coordinating Commission, must also be presented by February 1 in each
44.25 odd-numbered year.

44.26 Sec. 25. **[16A.0565] CENTRALIZED TRACKING LIST OF AGENCY**
44.27 **PROJECTS.**

44.28 Subdivision 1. **Centralized tracking.** The commissioner must maintain a
44.29 centralized tracking list of new agency projects estimated to cost more than \$100,000 that
44.30 are paid for from the general fund.

44.31 Subd. 2. **New agency project.** (a) For purposes of this section a "new agency
44.32 project" means:

44.33 (1) any new agency program or activity with more than \$100,000 in funding from
44.34 the general fund; and

45.1 (2) any pre-existing agency program or activity with an increase of \$100,000 or
45.2 more above the base level in general fund support.

45.3 (b) For purposes of this section, a new agency project does not include:

45.4 (i) general aid programs for units of local government, or entitlement programs
45.5 providing assistance to individuals; or

45.6 (ii) a new program or activity or increase in a program or activity that is mandated
45.7 by law.

45.8 Subd. 3. **Transparency requirements.** The centralized tracking list maintained by
45.9 the commissioner must report the following for each new agency project:

45.10 (1) name of the agency and title of the project;

45.11 (2) a brief description of the project and its purposes;

45.12 (3) the extent to which the project has been implemented; and

45.13 (4) the amount of money that has been spent on the project.

45.14 Subd. 4. **Timing and reporting.** The commissioner must display the information
45.15 required by subdivision 3 on the department's Web site. The list shall be maintained in a
45.16 widely available and common document format such as a spreadsheet, that does not
45.17 require any new costs to develop. The commissioner must report this information to the
45.18 chairs of the house of representatives Ways and Means Committee and senate Finance
45.19 Committee quarterly, and must update the information on the Web site at least quarterly.

45.20 Sec. 26. Minnesota Statutes 2014, section 16A.065, is amended to read:

45.21 **16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES**
45.22 **DOCUMENTS.**

45.23 Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an
45.24 agency to make advance deposits or payments for software or software maintenance
45.25 services for state-owned or leased electronic data processing equipment, for information
45.26 technology hosting services, for sole source maintenance agreements where it is not
45.27 cost-effective to pay in arrears, for exhibit booth space or boat slip rental when required
45.28 by the renter to guarantee the availability of space, for registration fees where advance
45.29 payment is required or advance payment discount is provided, and for newspaper,
45.30 magazine, and other subscription fees customarily paid for in advance. The commissioner
45.31 may also allow advance deposits by any department with the Library of Congress and
45.32 federal Supervisor of Documents for items to be purchased from those federal agencies.

45.33 Sec. 27. Minnesota Statutes 2014, section 16A.103, is amended by adding a
45.34 subdivision to read:

46.1 Subd. 1h. **Revenue uncertainty information.** The commissioner shall report
46.2 to the legislature within 14 days of a forecast under subdivision 1 on uncertainty in
46.3 Minnesota's general fund revenue projections. The report shall present information on: (1)
46.4 the estimated range of forecast error for revenues and (2) the data and methods used to
46.5 construct those measurements.

46.6 Sec. 28. Minnesota Statutes 2014, section 16A.11, is amended by adding a subdivision
46.7 to read:

46.8 Subd. 3d. **Consideration of general incentives.** In supplement to, and under the
46.9 same deadline as, the governor's budget submission under subdivision 3, the commissioner
46.10 shall submit a report identifying each general incentive for which an evaluation was
46.11 completed under section 3.9735 in accordance with this section since the governor's
46.12 previous budget submission. For each evaluated incentive, the commissioner's report shall
46.13 include a recommendation for whether the incentive should be continued or modified,
46.14 or whether the state would be better served by using other incentives or strategies to
46.15 achieve the incentive's goals. The commissioner's report must include the rationale for
46.16 each recommendation.

46.17 Sec. 29. Minnesota Statutes 2014, section 16A.11, is amended by adding a subdivision
46.18 to read:

46.19 Subd. 3e. **Consideration of best practices for exclusive incentives.** If a new
46.20 analysis of best practices for exclusive incentives under section 3.9735 has been
46.21 completed since the governor's previous budget submission, the commissioner's report
46.22 under subdivision 3d shall include recommendations for when and how Minnesota should
46.23 offer and manage exclusive incentives in the future and how they should be structured.
46.24 The commissioner's report must include the rationale for each recommendation.

46.25 Sec. 30. Minnesota Statutes 2014, section 16A.1283, is amended to read:

46.26 **16A.1283 LEGISLATIVE APPROVAL REQUIRED FOR FEES.**

46.27 (a) Notwithstanding any law to the contrary, an executive branch state agency may
46.28 not impose a new fee or increase an existing fee unless the new fee or increase is approved
46.29 by law. An agency must not propose a fee or fine increase of more than ten percent
46.30 in a biennium over the same fee or fine in law at the start of the same biennium. For
46.31 purposes of this section, a fee is any charge for goods, services, regulation, or licensure,
46.32 and, notwithstanding paragraph (b), clause (3), includes charges for admission to or for
46.33 use of public facilities owned by the state.

47.1 (b) This section does not apply to:

47.2 (1) charges billed within or between state agencies, or billed to federal agencies;

47.3 (2) the Minnesota State Colleges and Universities system;

47.4 (3) charges for goods and services provided for the direct and primary use of a
47.5 private individual, business, or other entity;

47.6 (4) charges that authorize use of state-owned lands and minerals administered by
47.7 the commissioner of natural resources by the issuance of leases, easements, cooperative
47.8 farming agreements, and land and water crossing licenses and charges for sales of
47.9 state-owned lands administered by the commissioner of natural resources; or

47.10 (5) state park fees and charges established by commissioner's order.

47.11 (c) An executive branch agency may reduce a fee that was set by rule before July
47.12 1, 2001, without legislative approval. Chapter 14 does not apply to fee reductions under
47.13 this paragraph.

47.14 **EFFECTIVE DATE.** This section is effective August 1, 2016.

47.15 Sec. 31. Minnesota Statutes 2014, section 16B.24, is amended by adding a subdivision
47.16 to read:

47.17 **Subd. 12. State band.** The commissioner must provide free rehearsal and storage
47.18 space in the same building in the Capitol Area to an entity known as the Minnesota
47.19 State Band, which is a tax exempt organization under section 501(c)(3) of the Internal
47.20 Revenue Code.

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

47.22 Sec. 32. Minnesota Statutes 2014, section 16B.335, subdivision 1, is amended to read:

47.23 Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or
47.24 any other recipient to whom an appropriation is made to acquire or better public lands
47.25 or buildings or other public improvements of a capital nature, must not prepare final
47.26 plans and specifications for any construction, major remodeling, or land acquisition in
47.27 anticipation of which the appropriation was made until the agency that will use the
47.28 project has presented the program plan and cost estimates for all elements necessary to
47.29 complete the project to the chair of the senate Finance Committee and the chair of the
47.30 house of representatives Ways and Means Committee and the chairs have made their
47.31 recommendations, and the chair and ranking minority member of the senate Capital
47.32 Investment Committee and the chair and ranking minority member of the house of
47.33 representatives Capital Investment Committee are notified. "Construction or major

48.1 remodeling" means construction of a new building, a substantial addition to an existing
48.2 building, or a substantial change to the interior configuration of an existing building. The
48.3 presentation must note any significant changes in the work that will be done, or in its cost,
48.4 since the appropriation for the project was enacted or from the predesign submittal. The
48.5 program plans and estimates must be presented for review at least two weeks before a
48.6 recommendation is needed. The recommendations are advisory only. Failure or refusal to
48.7 make a recommendation is considered a negative recommendation.

48.8 (b) The chairs and ranking minority members of the senate Finance and Capital
48.9 Investment Committees and, the house of representatives Capital Investment and Ways
48.10 and Means Committees, and the house of representatives and senate budget committees or
48.11 divisions with jurisdiction over the agency that will use the project must also be notified
48.12 whenever there is a substantial change in a construction or major remodeling project, or in
48.13 its cost. This notice must include the nature and reason for the change, and the anticipated
48.14 cost of the change. The notice must be given no later than 10 days after signing a change
48.15 order or other document authorizing a change in the project, or if there is not a change
48.16 order or other document, no later than 10 days after the project owner becomes aware of a
48.17 substantial change in the project or its cost.

48.18 ~~(b)~~ (c) Capital projects exempt from the requirements of this subdivision in
48.19 paragraph (a) to seek recommendations before preparing final plans and specifications
48.20 include demolition or decommissioning of state assets, hazardous material projects, utility
48.21 infrastructure projects, environmental testing, parking lots, parking structures, park and
48.22 ride facilities, bus rapid transit stations, light rail lines, passenger rail projects, exterior
48.23 lighting, fencing, highway rest areas, truck stations, storage facilities not consisting
48.24 primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds,
48.25 athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer
48.26 separation projects, water and wastewater facilities, port development projects for which
48.27 the commissioner of transportation has entered into an assistance agreement under section
48.28 457A.04, ice centers, a local government project with a construction cost of less than
48.29 \$1,500,000, or any other capital project with a construction cost of less than \$750,000.
48.30 The requirements in paragraph (b) to give notice of changes applies to these projects.

48.31 Sec. 33. Minnesota Statutes 2014, section 16B.371, is amended to read:

48.32 **16B.371 ASSISTANCE TO SMALL AGENCIES.**

48.33 (a) The commissioner ~~may~~ must provide administrative support services to a small
48.34 agencies agency requesting these services. To promote efficiency and cost-effective use
48.35 of state resources, and to improve financial controls, the commissioner may require

49.1 a small agency to receive administrative support services through the Department of
49.2 Administration or through another agency designated by the commissioner. Services
49.3 subject to this section include finance, accounting, payroll, purchasing, human resources,
49.4 and other services designated by the commissioner. The commissioner may determine
49.5 what constitutes a small agency for purposes of this section. The commissioner, in
49.6 consultation with the commissioner of management and budget and small agencies, shall
49.7 evaluate small agencies' needs for administrative support services. If the commissioner
49.8 provides administrative support services to a small agency, the commissioner must enter
49.9 into a service level agreement with the agency, specifying the services to be provided and
49.10 the costs and anticipated outcomes of the services.

49.11 (b) The Chicano Latino Affairs Council, the Council on Black Minnesotans, the
49.12 Council on Asian-Pacific Minnesotans, the Indian Affairs Council, and the Minnesota
49.13 State Council on Disability must use the services specified in paragraph (a).

49.14 (c) The commissioner of administration may assess agencies for services it provides
49.15 under this section. The amounts assessed are appropriated to the commissioner.

49.16 (d) For agencies covered in this section, the commissioner has the authority to require
49.17 the agency to comply with applicable state finance, accounting, payroll, purchasing, and
49.18 human resources policies. The agencies served retain the ownership and responsibility for
49.19 spending decisions and for ongoing implementation of appropriate business operations.

49.20 Sec. 34. **[16B.4805] ACCOMMODATION REIMBURSEMENT.**

49.21 **Subdivision 1. Definitions.** (a) "Reasonable accommodation" as used in this section
49.22 has the meaning given in section 363A.08.

49.23 (b) "State agency" as used in this section has the meaning given in section 16A.011,
49.24 subdivision 12.

49.25 (c) "Reasonable accommodations eligible for reimbursement" as used in this section
49.26 means:

49.27 (1) reasonable accommodations provided to applicants for employment;

49.28 (2) reasonable accommodations for employees for services that will need to be
49.29 provided on a periodic or ongoing basis; or

49.30 (3) reasonable accommodations that involve onetime expenses that total more than
49.31 \$1,000 for an employee in a fiscal year.

49.32 **Subd. 2. Reimbursement for making reasonable accommodation.** The
49.33 commissioner of administration shall reimburse state agencies for expenses incurred in
49.34 making reasonable accommodations eligible for reimbursement for agency employees and

50.1 applicants for employment to the extent that funds are available in the accommodation
50.2 account established under subdivision 3 for this purpose.

50.3 Subd. 3. **Accommodation account established.** The accommodation account
50.4 is created as an account in the special revenue fund for reimbursing state agencies for
50.5 expenses incurred in providing reasonable accommodations eligible for reimbursement for
50.6 agency employees and applicants for agency employment.

50.7 Subd. 4. **Administration costs.** The commissioner may use up to 15 percent of the
50.8 biennial appropriation for administration of this section.

50.9 Subd. 5. **Notification.** By August 1, 2015, or within 30 days of final enactment,
50.10 whichever is later, and each year thereafter by June 30, the commissioner of administration
50.11 must notify state agencies that reimbursement for expenses incurred to make reasonable
50.12 accommodations eligible for reimbursement for agency employees and applicants for
50.13 agency employment is available under this section.

50.14 Subd. 6. **Report.** By January 31 of each year, the commissioner of administration
50.15 must report to the chairs and ranking minority members of the house of representatives
50.16 and the senate committees with jurisdiction over state government finance on the use of
50.17 the central accommodation fund during the prior calendar year. The report must include:

50.18 (1) the number and type of accommodations requested;

50.19 (2) the cost of accommodations requested;

50.20 (3) the state agencies from which the requests were made;

50.21 (4) the number of requests made for employees and the number of requests for
50.22 applicants for employment;

50.23 (5) the number and type of accommodations that were not provided;

50.24 (6) any remaining balance left in the fund;

50.25 (7) if the fund was depleted, the date on which funds were exhausted and the
50.26 number, type, and cost of accommodations that were not reimbursed to state agencies; and

50.27 (8) a description of how the fund was promoted to state agencies.

50.28 Subd. 7. **Funding.** The commissioner of management and budget must determine
50.29 the amount of money to be deposited in the accommodation account each fiscal year.
50.30 The commissioner must require each executive agency to make payments into the
50.31 account from amounts appropriated for agency operations. The commissioner must
50.32 implement policies and procedures to divide this amount among executive agencies. If
50.33 the commissioner determines that it is not practical for an agency to make payments
50.34 into a central account due to legal restrictions on use of the agency's appropriations,
50.35 the commissioner shall require the agency to set aside money within its own operating

51.1 funds, to be used only for purposes of this section. The amounts paid into the account are
51.2 appropriated to the commissioner of administration for purposes of this section.

51.3 **EFFECTIVE DATE.** This section is effective July 1, 2015. Reimbursement is
51.4 available for accommodation expenses incurred after June 30, 2015.

51.5 Sec. 35. Minnesota Statutes 2014, section 16B.97, subdivision 1, is amended to read:

51.6 Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or
51.7 electronic document defining a legal relationship between a granting agency and a grantee
51.8 when the principal purpose of the relationship is to transfer cash or something of value
51.9 to the recipient to support a public purpose authorized by law instead of acquiring by
51.10 professional or technical contract, purchase, lease, or barter property or services for the
51.11 direct benefit or use of the granting agency.

51.12 ~~(b) This section does not apply to capital project grants to political subdivisions as~~
51.13 ~~defined by section 16A.86.~~

51.14 Sec. 36. Minnesota Statutes 2014, section 16B.97, is amended by adding a subdivision
51.15 to read:

51.16 Subd. 6. **Commerce grants.** The office must monitor grants made by the
51.17 Department of Commerce.

51.18 Sec. 37. **[16B.991] TERMINATION OF GRANT.**

51.19 Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the
51.20 agreement will immediately be terminated if:

51.21 (1) the recipient is convicted of a criminal offense relating to a state grant agreement;

51.22 or

51.23 (2) the agency entering into the grant agreement or the commissioner of
51.24 administration determines that the grant recipient is under investigation by a federal
51.25 agency, a state agency, or a local law enforcement agency for matters relating to
51.26 administration of a state grant.

51.27 Sec. 38. **[16B.992] NO FEES FOR GENERAL FUND GRANT**
51.28 **ADMINISTRATION.**

51.29 An agency may not charge a recipient of a grant from the general fund a fee and
51.30 may not deduct money from the grant to pay administrative expenses incurred by the
51.31 agency in administering the grant.

52.1 Sec. 39. Minnesota Statutes 2014, section 16C.03, subdivision 16, is amended to read:

52.2 Subd. 16. **Delegation of duties.** (a) The commissioner may delegate duties imposed
52.3 by this chapter to the head of an agency and to any subordinate of the agency head. At
52.4 least once every three years the commissioner must audit use of authority under this
52.5 chapter by each employee whom the commissioner has delegated duties.

52.6 (b) The commissioner must develop guidelines for agencies and employees to whom
52.7 authority is delegated under this chapter that protect state legal interests. These guidelines
52.8 may provide for review by the commissioner when a specific contract has potential to put
52.9 the state's legal interests at risk.

52.10 Sec. 40. Minnesota Statutes 2014, section 16C.16, subdivision 6a, is amended to read:

52.11 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the
52.12 federal government as a condition of receiving federal funds, the commissioner shall
52.13 award up to a six percent preference, but no less than the percentage awarded to any
52.14 other group under this section, in the amount bid on state procurement to certified small
52.15 businesses that are majority-owned and operated by veterans.

52.16 (b) The purpose of this designation is to facilitate the transition of veterans from
52.17 military to civilian life, and to help compensate veterans for their sacrifices, including but
52.18 not limited to their sacrifice of health and time, to the state and nation during their military
52.19 service, as well as to enhance economic development within Minnesota.

52.20 (c) Before the commissioner certifies that a small business is majority-owned and
52.21 operated by a veteran, the commissioner of veterans affairs must verify that the owner of
52.22 the small business is a veteran, as defined in section 197.447.

52.23 Sec. 41. Minnesota Statutes 2014, section 16C.19, is amended to read:

52.24 **16C.19 ELIGIBILITY; RULES.**

52.25 (a) A small business wishing to participate in the programs under section 16C.16,
52.26 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt
52.27 by rule standards and procedures for certifying that small targeted group businesses,
52.28 small businesses located in economically disadvantaged areas, and veteran-owned small
52.29 businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21.
52.30 The commissioner shall adopt by rule standards and procedures for hearing appeals and
52.31 grievances and other rules necessary to carry out the duties set forth in sections 16C.16
52.32 to 16C.21.

53.1 (b) The commissioner may make rules which exclude or limit the participation of
53.2 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,
53.3 manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

53.4 (c) The commissioner may make rules that set time limits and other eligibility limits
53.5 on business participation in programs under sections 16C.16 to 16C.21.

53.6 (d) Notwithstanding paragraph (e) (a), for purposes of sections 16C.16 to 16C.21, a
53.7 veteran-owned small business, the principal place of business of which is in Minnesota,
53.8 is certified if:

53.9 (1) it has been verified by the United States Department of Veterans Affairs as
53.10 being either a veteran-owned small business or a service-disabled veteran-owned small
53.11 business, in accordance with Public Law 109-461 and Code of Federal Regulations, title
53.12 38, part 74-; or

53.13 (2) the veteran-owned small business supplies the commissioner with proof that the
53.14 small business is majority-owned and operated by:

53.15 (i) a veteran as defined in section 197.447; or

53.16 (ii) a veteran with a service-connected disability, as determined at any time by the
53.17 United States Department of Veterans Affairs.

53.18 (e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying
53.19 veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may
53.20 be read to include veteran-owned small businesses. In addition to the documentation
53.21 required in Minnesota Rules, part 1230.1700, the veteran owner must have been
53.22 discharged under honorable conditions from active service, as indicated by the veteran
53.23 owner's most current United States Department of Defense form DD-214.

53.24 (f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a
53.25 minority- or woman-owned small business, the principal place of business of which is
53.26 in Minnesota, is certified if it has been certified by the Minnesota unified certification
53.27 program under the provisions of Code of Federal Regulations, title 49, part 26.

53.28 Sec. 42. Minnesota Statutes 2014, section 16E.01, is amended to read:

53.29 **16E.01 OFFICE OF MN.IT SERVICES.**

53.30 Subdivision 1. **Creation; chief information officer.** The Office of MN.IT Services,
53.31 referred to in this chapter as the "office," is an agency in the executive branch headed by
53.32 a commissioner, who also is the state chief information officer. The appointment of the
53.33 commissioner is subject to the advice and consent of the senate under section 15.066.

53.34 Subd. 1a. **Responsibilities.** The office shall provide oversight, leadership, and
53.35 direction for information and telecommunications technology policy and the management,

54.1 delivery, accessibility, and security of information and telecommunications technology
54.2 systems and services in ~~Minnesota~~ the executive branch of state government. The office
54.3 shall manage strategic investments in information and telecommunications technology
54.4 systems and services to encourage the development of a technically literate society, to
54.5 ensure sufficient access to and efficient delivery of accessible state government services,
54.6 and to maximize benefits for the state government as an enterprise.

54.7 Subd. 2. **Discretionary powers.** The office may:

54.8 (1) enter into contracts for goods or services with public or private organizations
54.9 and charge fees for services it provides;

54.10 (2) apply for, receive, and expend money from public agencies;

54.11 (3) apply for, accept, and disburse grants and other aids from the federal government
54.12 and other public or private sources;

54.13 (4) enter into contracts with agencies of the federal government, local governmental
54.14 units, the University of Minnesota and other educational institutions, and private persons
54.15 and other nongovernmental organizations as necessary to perform its statutory duties;

54.16 (5) sponsor and conduct conferences and studies, collect and disseminate information,
54.17 and issue reports relating to information and communications technology issues; and

54.18 ~~(6) review the technology infrastructure of regions of the state and cooperate with~~
54.19 ~~and make recommendations to the governor, legislature, state agencies, local governments,~~
54.20 ~~local technology development agencies, the federal government, private businesses,~~
54.21 ~~and individuals for the realization of information and communications technology~~
54.22 ~~infrastructure development potential;~~

54.23 ~~(7) sponsor, support, and facilitate innovative and collaborative economic and~~
54.24 ~~community development and government services projects, including technology~~
54.25 ~~initiatives related to culture and the arts, with public and private organizations; and~~

54.26 ~~(8)~~ (6) review and recommend alternative sourcing strategies for state information
54.27 and communications systems.

54.28 Subd. 3. **Duties.** (a) The office shall:

54.29 (1) manage the efficient and effective use of available federal, state, local, and
54.30 public-private resources to develop statewide information and telecommunications
54.31 technology systems and services and its infrastructure;

54.32 (2) approve state agency and intergovernmental information and telecommunications
54.33 technology systems and services development efforts involving state or intergovernmental
54.34 funding, including federal funding, provide information to the legislature regarding
54.35 projects reviewed, and recommend projects for inclusion in the governor's budget under
54.36 section 16A.11;

55.1 (3) ensure cooperation and collaboration among state and local governments in
55.2 developing intergovernmental information and telecommunications technology systems
55.3 and services, and define the structure and responsibilities of a representative governance
55.4 structure;

55.5 (4) cooperate and collaborate with the legislative and judicial branches in the
55.6 development of information and communications systems in those branches;

55.7 (5) continue the development of North Star, the state's official comprehensive online
55.8 service and information initiative;

55.9 (6) promote and collaborate with the state's agencies in the state's transition to an
55.10 effectively competitive telecommunications market;

55.11 ~~(7) collaborate with entities carrying out education and lifelong learning initiatives~~
55.12 ~~to assist Minnesotans in developing technical literacy and obtaining access to ongoing~~
55.13 ~~learning resources;~~

55.14 ~~(8)~~ (7) promote and coordinate public information access and network initiatives,
55.15 consistent with chapter 13, to connect Minnesota's citizens and communities to each
55.16 other, to their governments, and to the world;

55.17 ~~(9)~~ (8) promote and coordinate electronic commerce initiatives to ensure that
55.18 Minnesota businesses and citizens can successfully compete in the global economy;

55.19 ~~(10)~~ (9) manage and promote the regular and periodic reinvestment in the information
55.20 and telecommunications technology systems and services infrastructure so that state and
55.21 local government agencies can effectively and efficiently serve their customers;

55.22 ~~(11)~~ (10) facilitate the cooperative development of and ensure compliance with
55.23 standards and policies for information and telecommunications technology systems
55.24 and services, electronic data practices and privacy, and electronic commerce among
55.25 international, national, state, and local public and private organizations;

55.26 ~~(12)~~ (11) eliminate unnecessary duplication of existing information and
55.27 telecommunications technology systems and services provided by state agencies;

55.28 ~~(13)~~ (12) identify, sponsor, develop, and execute shared information and
55.29 telecommunications technology projects and ongoing operations;

55.30 ~~(14)~~ (13) ensure overall security of the state's information and technology systems
55.31 and services; and

55.32 ~~(15)~~ (14) manage and direct compliance with accessibility standards for informational
55.33 technology, including hardware, software, Web sites, online forms, and online surveys.

55.34 (b) The chief information officer, in consultation with the commissioner of
55.35 management and budget, must determine when it is cost-effective for agencies to develop
55.36 and use shared information and telecommunications technology systems and services for

56.1 the delivery of electronic government services. The chief information officer may require
56.2 agencies to use shared information and telecommunications technology systems and
56.3 services. The chief information officer shall establish reimbursement rates in cooperation
56.4 with the commissioner of management and budget to be billed to agencies and other
56.5 governmental entities sufficient to cover the actual development, operating, maintenance,
56.6 and administrative costs of the shared systems. The methodology for billing may include
56.7 the use of interagency agreements, or other means as allowed by law.

56.8 (c) A state agency that has an information and telecommunications technology
56.9 project with a total expected project cost of more than ~~\$1,000,000~~ \$100,000, whether
56.10 funded as part of the biennial budget or by any other means, shall register with the office
56.11 by submitting basic project startup documentation, as specified by the chief information
56.12 officer in both format and content, before any project funding is requested or committed
56.13 and before the project commences. State agency project leaders must demonstrate that
56.14 the project will be properly managed, provide updates to the project documentation
56.15 as changes are proposed, and regularly report on the current status of the project on a
56.16 schedule agreed to with the chief information officer.

56.17 ~~(d) The chief information officer shall monitor progress on any active information~~
56.18 ~~and telecommunications technology project with a total expected project cost of more than~~
56.19 ~~\$5,000,000 and report on the performance of the project in comparison with the plans for~~
56.20 ~~the project in terms of time, scope, and budget. The chief information officer may conduct~~
56.21 ~~an independent project audit of the project. The audit analysis and evaluation of the~~
56.22 ~~projects subject to paragraph (c) must be presented to agency executive sponsors, the~~
56.23 ~~project governance bodies, and the chief information officer. All reports and responses~~
56.24 ~~must become part of the project record. The chief information officer must prepare a~~
56.25 monthly progress report for each active information and telecommunications technology
56.26 project over \$1,000,000. The report must be provided to the technology advisory council
56.27 and must be available on the office's Web site.

56.28 (e) For any active information and telecommunications technology project with a
56.29 total expected project cost of more than \$10,000,000, the state agency must perform an
56.30 annual independent audit that conforms to published project audit principles promulgated
56.31 by the office.

56.32 (f) The chief information officer shall report by January 15 of each year to the
56.33 chairs and ranking minority members of the legislative committees and divisions with
56.34 jurisdiction over the office regarding projects the office has reviewed under paragraph (a),
56.35 clause (13). The report must include the reasons for the determinations made in the review
56.36 of each project and a description of its current status.

57.1 Subd. 4. **Limits.** The office may not enter into any new general or project contracts
57.2 or other agreements to provide services to political subdivisions. The office may continue
57.3 to collaborate with and enter into agreements with local subdivisions to create information
57.4 technology infrastructure, provide connectivity, coordinate government-to-government
57.5 communications, and provide security support. This subdivision does not prevent political
57.6 subdivisions from purchasing goods or services from outside vendors through state
57.7 contracts, and does not prevent political subdivisions from accessing geospatial data
57.8 maintained by the office.

57.9 **EFFECTIVE DATE.** This section is effective July 1, 2015. The office may not
57.10 enter into a new contract or other agreement or renew an existing contract or agreement
57.11 to provide services to political subdivisions in a manner prohibited by subdivision 4 on
57.12 or after July 1, 2015. The office must end existing contracts and agreements to provide
57.13 services prohibited by subdivision 4 as soon as this can be done without the office
57.14 incurring legal liability, and as soon as affected political subdivisions are able to find other
57.15 sources to provide the services provided by the office.

57.16 Sec. 43. Minnesota Statutes 2014, section 16E.016, is amended to read:

57.17 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY**
57.18 **SERVICES AND EQUIPMENT.**

57.19 (a) The chief information officer is responsible for providing or entering into
57.20 managed services contracts for the provision, improvement, and development of the
57.21 following information technology systems and services to state agencies:

- 57.22 (1) state data centers;
- 57.23 (2) mainframes including system software;
- 57.24 (3) servers including system software;
- 57.25 (4) desktops including system software;
- 57.26 (5) laptop computers including system software;
- 57.27 (6) a data network including system software;
- 57.28 (7) database, electronic mail, office systems, reporting, and other standard software
57.29 tools;
- 57.30 (8) business application software and related technical support services;
- 57.31 (9) help desk for the components listed in clauses (1) to (8);
- 57.32 (10) maintenance, problem resolution, and break-fix for the components listed in
57.33 clauses (1) to (8);

58.1 (11) regular upgrades and replacement for the components listed in clauses (1)
58.2 to (8); and

58.3 (12) network-connected output devices.

58.4 (b) All state agency employees whose work primarily involves functions specified in
58.5 paragraph (a) are employees of the Office of MN.IT Services. This includes employees
58.6 who directly perform the functions in paragraph (a), as well as employees whose work
58.7 primarily involves managing, supervising, or providing administrative services or support
58.8 services to employees who directly perform these functions. The chief information officer
58.9 may assign employees of the office to perform work exclusively for another state agency.

58.10 (c) ~~Subject to sections 16C.08 and 16C.09, the chief information officer may allow a~~
58.11 ~~state agency to obtain services specified in paragraph (a) through a contract with an outside~~
58.12 ~~vendor when the chief information officer and the agency head agree that a contract would~~
58.13 ~~provide best value, as defined in section 16C.02, under the service-level agreement. A~~
58.14 ~~state agency must enter into a service-level agreement with the chief information officer~~
58.15 ~~for provision of services specified in paragraph (a), or must obtain some or all of these~~
58.16 ~~services through an outside vendor. Before entering into a service-level agreement or~~
58.17 ~~outside vendor contract, an agency must solicit proposals from the office and from at~~
58.18 ~~least one outside vendor. If the cost of the proposal from the office is more than six~~
58.19 ~~percent higher than the cost of a proposal from an outside vendor, the agency may enter~~
58.20 ~~into a contract with an outside vendor, notwithstanding sections 16C.08, subdivision~~
58.21 ~~2, clause (1); 16C.09, paragraph (a), clause (1); and 43A.047. The chief information~~
58.22 ~~officer must require that agency contracts with outside vendors ensure that systems and~~
58.23 ~~services are compatible with standards established by the Office of MN.IT Services. The~~
58.24 ~~standards may include analysis of differences in future cost uncertainties, compliance with~~
58.25 ~~security requirements, compliance with hardware and service standards common in other~~
58.26 ~~state offices, ability to comply with legal, accessibility, and transparency requirements,~~
58.27 ~~and compliance with quality standards common to other state offices. The term of a~~
58.28 ~~service-level agreement or a contract under this paragraph is subject to the limits in section~~
58.29 ~~16C.06, subdivision 3b. However, the chief information officer may provide that the term~~
58.30 ~~of the first agreement or contract entered into after the effective date of this section may be~~
58.31 ~~longer, as the chief information officer determines is necessary to establish a system under~~
58.32 ~~which agency agreements and contracts will expire according to a staggered schedule.~~
58.33 ~~A service-level agreement or contract may not be for a term of more than six years. A~~
58.34 ~~contract longer than four years must be followed by a contract of less than four years.~~

59.1 (d) The chief information officer may authorize a state agency office located outside
59.2 of the seven-county metropolitan area to solicit proposals from MN.IT services and from
59.3 an outside vendor separately from the rest of the agency.

59.4 (e) An agency may not enter into a contract for information technology systems or
59.5 services of more than \$100,000 with an outside vendor without approval of the chief
59.6 information officer.

59.7 (f) The Minnesota State Retirement System, the Public Employees Retirement
59.8 Association, the Teachers Retirement Association, the State Board of Investment, the
59.9 Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide
59.10 Radio Board are not state agencies for purposes of this section.

59.11 Sec. 44. **[16E.034] ANNUAL REPORT ON IT SPENDING.**

59.12 (a) The chief information officer, in consultation with the commissioner of
59.13 management and budget, must report by September 1 each year on:

59.14 (1) total state agency spending on information technology in the prior fiscal year, and
59.15 planned state agency spending on information technology in the current fiscal year; and

59.16 (2) individual state agency spending on information technology in the prior fiscal
59.17 year, and planned spending on information technology in the current fiscal year.

59.18 (b) The report in paragraph (a) on total state agency and individual agency spending
59.19 and proposed spending must show amounts spent and anticipated to be spent in each of
59.20 the following categories:

59.21 (1) new technology projects, or enhancement of existing projects, of more than
59.22 \$100,000;

59.23 (2) business as usual and minor enhancements; and

59.24 (3) infrastructure and operations.

59.25 (c) The information reported on infrastructure and operations in paragraph (b),
59.26 clause (3), must be further divided, by agency, into the following categories:

59.27 (1) servers;

59.28 (2) messaging and collaboration;

59.29 (3) mainframe;

59.30 (4) storage;

59.31 (5) database, including administration;

59.32 (6) technical support;

59.33 (7) information security;

59.34 (8) directory administration;

59.35 (9) architecture;

- 60.1 (10) monitoring; and
 60.2 (11) change management.

60.3 Sec. 45. Minnesota Statutes 2014, section 16E.0465, is amended to read:

60.4 **16E.0465 TECHNOLOGY APPROVAL.**

60.5 Subdivision 1. **Application.** This section applies to an appropriation of more than
 60.6 ~~\$1,000,000~~ \$100,000 of state or federal funds to a state agency for any information and
 60.7 telecommunications technology project or for any phase of such a project, device, or
 60.8 system. For purposes of this section, an appropriation of state or federal funds to a state
 60.9 agency includes an appropriation:

- 60.10 (1) to a constitutional officer;
 60.11 (2) for a project that includes both a state agency and units of local government; and
 60.12 (3) to a state agency for grants to be made to other entities.

60.13 Subd. 2. **Required review and approval.** (a) A state agency receiving an
 60.14 appropriation of more than \$500,000 for an information and telecommunications
 60.15 technology project subject to this section must divide the project into phases.

60.16 (b) The commissioner of management and budget may not authorize the
 60.17 encumbrance or expenditure of an appropriation of state funds to a state agency for ~~any~~:

- 60.18 (1) a project if the project is subject to this section, but not divided into phases; or
 60.19 (2) a phase of a project, device, or system subject to this section, unless the Office of
 60.20 MN.IT Services has reviewed the project or each phase of the project, device, or system,
 60.21 and based on this review, the chief information officer has determined for each project
 60.22 or phase that:

60.23 ~~(1)~~ (i) the project is compatible with the state information architecture and other
 60.24 policies and standards established by the chief information officer;

60.25 ~~(2)~~ (ii) the agency is able to accomplish the goals of the phase of the project with the
 60.26 funds appropriated; and

60.27 ~~(3)~~ (iii) the project supports the enterprise information technology strategy.

60.28 Subd. 4. **Monitor progress.** The chief information officer shall monitor progress on
 60.29 any active information and telecommunications technology project with a total expected
 60.30 project cost of more than \$5,000,000 and report on the performance of the project in
 60.31 comparison with the plans for the project in terms of time, scope, and budget. The chief
 60.32 information officer may conduct an independent project audit of the project. The audit
 60.33 analysis and evaluation of the projects must be presented to agency executive sponsors,
 60.34 the project governance bodies, and the chief information officer. All reports and responses
 60.35 must become part of the project record.

61.1 Sec. 46. Minnesota Statutes 2014, section 16E.14, subdivision 3, is amended to read:

61.2 Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each
61.3 agency shall reimburse the MN.IT services revolving fund for the cost of all services,
61.4 supplies, materials, labor, employee development and training, and depreciation of
61.5 equipment, including reasonable overhead costs, which the chief information officer is
61.6 authorized and directed to furnish an agency. The chief information officer shall report the
61.7 rates to be charged for the revolving fund no later than July 1 each year to the chair of the
61.8 committee or division in the senate and house of representatives with primary jurisdiction
61.9 over the budget of the Office of MN.IT Services.

61.10 Sec. 47. Minnesota Statutes 2014, section 16E.145, is amended to read:

61.11 **16E.145 INFORMATION TECHNOLOGY APPROPRIATION.**

61.12 An appropriation of more than \$100,000 for a state agency information and
61.13 telecommunications technology project must be made to the chief information officer. The
61.14 chief information officer must manage and disburse the appropriation on behalf of the
61.15 sponsoring state agency. Any appropriation for an information and telecommunications
61.16 technology project made to a state agency other than the Office of MN.IT Services is
61.17 transferred to the chief information officer.

61.18 Sec. 48. Minnesota Statutes 2014, section 16E.19, is amended by adding a subdivision
61.19 to read:

61.20 Subd. 3. **Data storage.** The chief information officer must establish criteria for
61.21 storage of state agency data outside of data centers operated by the chief information
61.22 officer. These criteria must include thresholds for when requests of outside data storage
61.23 must be approved by the chief information officer.

61.24 Sec. 49. **[43A.035] LIMIT ON NUMBER OF FULL-TIME EQUIVALENT**
61.25 **EMPLOYEES.**

61.26 The total number of full-time equivalent employees employed in all executive
61.27 branch agencies may not exceed 35,927. The commissioner of management and budget
61.28 may forbid an executive agency from hiring a new employee or from filling a vacancy as
61.29 the commissioner determines is necessary to ensure compliance with this section. Any
61.30 reductions in staff should prioritize protecting client-facing health care workers, corrections
61.31 officers, public safety workers, and mental health workers. As a means of achieving
61.32 compliance with this requirement, the commissioner may authorize an agency to provide
61.33 an early retirement incentive to an executive branch employee, under which the state will

62.1 continue to make the employer contribution for health insurance after the employee has
62.2 terminated state service. The commissioner must prescribe eligibility requirements and the
62.3 maximum duration of the payments. For purposes of this section, an "executive agency"
62.4 does not include the Minnesota State Colleges and Universities or statewide pension plans.

62.5 Sec. 50. **[138.912] HEALTHY EATING, HERE AT HOME.**

62.6 Subdivision 1. **Establishment.** The healthy eating, here at home program is
62.7 established to provide incentives for low-income Minnesotans to use federal Supplemental
62.8 Nutrition Assistance Program (SNAP) benefits for healthy purchases at Minnesota-based
62.9 farmers' markets.

62.10 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

62.11 (b) "Healthy eating, here at home" means a program administered by the Minnesota
62.12 Humanities Center to provide incentives for low-income Minnesotans to use SNAP
62.13 benefits for healthy purchases at Minnesota-based farmers' markets.

62.14 (c) "Healthy purchases" means SNAP-eligible foods.

62.15 (d) "Minnesota-based farmers' market" means a physical market as defined in section
62.16 28A.151, subdivision 1, paragraph (b), and also includes mobile markets.

62.17 (e) "Voucher" means a physical or electronic credit.

62.18 (f) "Eligible household" means an individual or family that is determined to be a
62.19 recipient of SNAP.

62.20 Subd. 3. **Grants.** The Minnesota Humanities Center shall allocate grant funds to
62.21 nonprofit organizations that work with Minnesota-based farmers' markets to provide up
62.22 to \$10 vouchers to SNAP participants who use electronic benefits transfer (EBT) cards
62.23 for healthy purchases. Funds may also be provided for vouchers distributed through
62.24 nonprofit organizations engaged in healthy cooking and food education outreach to
62.25 eligible households for use at farmers' markets. Funds appropriated under this section may
62.26 not be used for healthy cooking classes or food education outreach. When awarding
62.27 grants, the Minnesota Humanities Center must consider how the nonprofit organizations
62.28 will achieve geographic balance, including specific efforts to reach eligible households
62.29 across the state, and the organizations' capacity to manage the programming and outreach.

62.30 Subd. 4. **Household eligibility; participation.** To be eligible for a healthy eating,
62.31 here at home voucher, an eligible household must meet the Minnesota SNAP eligibility
62.32 requirements under section 256D.051.

62.33 Subd. 5. **Permissible uses; information provided.** An eligible household may use
62.34 the voucher toward healthy purchases at Minnesota-based farmers' markets. Every eligible
62.35 household that receives a voucher must be informed of the allowable uses of the voucher.

63.1 Subd. 6. **Program reporting.** The nonprofit organizations that receive grant funds
 63.2 must report annually to the Minnesota Humanities Center with information regarding the
 63.3 operation of the program, including the number of vouchers issued and the number of
 63.4 people served. To the extent practicable, the nonprofit organizations must report on the
 63.5 usage of the vouchers and evaluate the program's effectiveness.

63.6 Subd. 7. **Grocery inclusion.** The commissioner of human services must submit a
 63.7 waiver request to the federal United States Department of Agriculture seeking approval
 63.8 for the inclusion of Minnesota grocery stores in this program so that SNAP participants
 63.9 may use the vouchers for healthy produce at grocery stores. Grocery store participation is
 63.10 voluntary and a grocery store's associated administrative costs will not be reimbursed.

63.11 Sec. 51. Minnesota Statutes 2014, section 148.57, is amended by adding a subdivision
 63.12 to read:

63.13 Subd. 5. **Expedited and temporary licensing for former and current members**
 63.14 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

63.15 (1) an active duty military member;

63.16 (2) the spouse of an active duty military member; or

63.17 (3) a veteran who has left service in the two years preceding the date of license
 63.18 application, and has confirmation of an honorable or general discharge status.

63.19 (b) A qualified applicant under this subdivision must provide evidence of:

63.20 (1) a current valid license, certificate, or permit in another state without history of
 63.21 disciplinary action by a regulatory authority in the other state; and

63.22 (2) a current criminal background study without a criminal conviction that is
 63.23 determined by the board to adversely affect the applicant's ability to become licensed.

63.24 (c) A temporary license issued under this subdivision is effective for six months
 63.25 from the initial temporary licensure date.

63.26 (d) During the temporary license period, the individual shall complete the licensed
 63.27 optometrist application for licensure.

63.28 (e) In order to remain licensed after the expiration of the temporary license, an
 63.29 individual must meet the requirements in section 148.57, subdivisions 1 and 2.

63.30 Sec. 52. Minnesota Statutes 2014, section 148.624, subdivision 5, is amended to read:

63.31 Subd. 5. **Expedited and temporary licensing for former and current members**
 63.32 **of the military permit.** The board shall issue a temporary permit to members of the

63.33 military in accordance with section 197.4552. (a) Applicants seeking licensure according
 63.34 to this subdivision must be:

- 64.1 (1) an active duty military member;
64.2 (2) the spouse of an active duty military member; or
64.3 (3) a veteran who has left service in the two years preceding the date of license
64.4 application, and has confirmation of an honorable or general discharge status.
64.5 (b) A qualified applicant under this subdivision must provide evidence of:
64.6 (1) a current valid license in another state without history of disciplinary action by a
64.7 regulatory authority in the other state; and
64.8 (2) a current criminal background study without a criminal conviction that is
64.9 determined by the board to adversely affect the applicant's ability to become licensed.
64.10 (c) A temporary license issued under this subdivision is effective for six months
64.11 from the initial temporary licensure date.
64.12 (d) During the temporary license period, the individual shall complete the licensed
64.13 dietitian or nutritionist application for licensure.
64.14 (e) In order to remain licensed after the expiration of the temporary license, an
64.15 individual must meet the full licensure requirements.
64.16 (f) The fee for the temporary ~~permit~~ license is \$250.

64.17 Sec. 53. Minnesota Statutes 2014, section 148B.33, is amended by adding a
64.18 subdivision to read:

- 64.19 **Subd. 3. Expedited and temporary licensing for former and current members**
64.20 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:
64.21 (1) an active duty military member;
64.22 (2) the spouse of an active duty military member; or
64.23 (3) a veteran who has left service in the two years preceding the date of license
64.24 application, and has confirmation of an honorable or general discharge status.
64.25 (b) A qualified applicant under this subdivision must provide evidence of:
64.26 (1) a current valid license, certificate, or permit in another state without history of
64.27 disciplinary action by a regulatory authority in the other state; and
64.28 (2) a current criminal background study without a criminal conviction that is
64.29 determined by the board to adversely affect the applicant's ability to become licensed.
64.30 (c) A temporary license issued under this subdivision is effective for six months
64.31 from the initial temporary licensure date.
64.32 (d) During the temporary license period, the individual shall complete the licensed
64.33 marriage and family therapist application for licensure.
64.34 (e) In order to remain licensed after the expiration of the temporary license, an
64.35 individual must meet the requirements in subdivisions 1 and 2.

65.1 Sec. 54. Minnesota Statutes 2014, section 148B.53, is amended by adding a
65.2 subdivision to read:

65.3 Subd. 1a. **Expedited and temporary licensing for former and current members**
65.4 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

65.5 (1) an active duty military member;

65.6 (2) the spouse of an active duty military member; or

65.7 (3) a veteran who has left service in the two years preceding the date of license
65.8 application, and has confirmation of an honorable or general discharge status.

65.9 (b) A qualified applicant under this subdivision must provide evidence of:

65.10 (1) a current valid license, certificate, or permit in another state without history of
65.11 disciplinary action by a regulatory authority in the other state; and

65.12 (2) a current criminal background study without a criminal conviction that is
65.13 determined by the board to adversely affect the applicant's ability to become licensed.

65.14 (c) A temporary license issued under this subdivision is effective for one year from
65.15 the initial licensure date.

65.16 (d) During the temporary license period, the individual shall complete the licensed
65.17 professional counselor application for licensure.

65.18 (e) In order to remain licensed after the expiration of the temporary license, an
65.19 individual must meet the requirements in subdivision 1, paragraphs (a) and (b).

65.20 Sec. 55. Minnesota Statutes 2014, section 148B.5301, is amended by adding a
65.21 subdivision to read:

65.22 Subd. 4a. **Expedited and temporary licensing for former and current members**
65.23 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

65.24 (1) an active duty military member;

65.25 (2) the spouse of an active duty military member; or

65.26 (3) a veteran who has left service in the two years preceding the date of license
65.27 application, and has confirmation of an honorable or general discharge status.

65.28 (b) A qualified applicant under paragraph (a) must provide evidence of:

65.29 (1) a current valid license, certificate, or permit in another state without history of
65.30 disciplinary action by a regulatory authority in the other state; and

65.31 (2) a current criminal background study without a criminal conviction that is
65.32 determined by the board to adversely affect the applicant's ability to become licensed.

65.33 (c) A temporary license issued under this subdivision is effective for one year from
65.34 the initial licensure date.

66.1 (d) During the temporary license period, the individual shall complete the licensed
66.2 professional clinical counselor application for licensure.

66.3 (e) In order to remain licensed after the expiration of the temporary license, an
66.4 individual must meet the requirements in subdivisions 1 and 2.

66.5 Sec. 56. Minnesota Statutes 2014, section 148F.025, is amended by adding a
66.6 subdivision to read:

66.7 Subd. 5. **Expedited and temporary licensing for former and current members**
66.8 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

66.9 (1) an active duty military member;

66.10 (2) the spouse of an active duty military member; or

66.11 (3) a veteran who has left service in the two years preceding the date of license
66.12 application, and has confirmation of an honorable or general discharge status.

66.13 (b) Applicants are required to comply with subdivisions 1 and 4.

66.14 (c) A qualified applicant under paragraph (a) must provide evidence of:

66.15 (1) a current valid license, certificate, or permit in another state without history of
66.16 disciplinary action by a regulatory authority in the other state; and

66.17 (2) a current criminal background study without a criminal conviction that is
66.18 determined by the board to adversely affect the applicant's ability to become licensed.

66.19 (d) A temporary license issued under this subdivision is effective for two years from
66.20 the initial licensure date.

66.21 (e) During the temporary license period, the individual shall complete the application
66.22 for licensure required in subdivision 1.

66.23 (f) In order to remain licensed after the expiration of the temporary license, an
66.24 individual must meet the requirements in subdivisions 2 and 3.

66.25 Sec. 57. Minnesota Statutes 2014, section 153.16, subdivision 1, is amended to read:

66.26 Subdivision 1. **License requirements.** The board shall issue a license to practice
66.27 podiatric medicine to a person who meets the following requirements:

66.28 (a) The applicant for a license shall file a written notarized application on forms
66.29 provided by the board, showing to the board's satisfaction that the applicant is of good
66.30 moral character and satisfies the requirements of this section.

66.31 (b) The applicant shall present evidence satisfactory to the board of being a graduate
66.32 of a podiatric medical school approved by the board based upon its faculty, curriculum,
66.33 facilities, accreditation by a recognized national accrediting organization approved by the
66.34 board, and other relevant factors.

67.1 (c) The applicant must have received a passing score on each part of the national board
67.2 examinations, parts one and two, prepared and graded by the National Board of Podiatric
67.3 Medical Examiners. The passing score for each part of the national board examinations,
67.4 parts one and two, is as defined by the National Board of Podiatric Medical Examiners.

67.5 (d) Applicants graduating after 1986 from a podiatric medical school shall present
67.6 evidence of successful completion of a residency program approved by a national
67.7 accrediting podiatric medicine organization.

67.8 (e) The applicant shall appear in person before the board or its designated
67.9 representative to show that the applicant satisfies the requirements of this section,
67.10 including knowledge of laws, rules, and ethics pertaining to the practice of podiatric
67.11 medicine. The board may establish as internal operating procedures the procedures or
67.12 requirements for the applicant's personal presentation. Upon completion of all other
67.13 application requirements, a doctor of podiatric medicine applying for a temporary military
67.14 license has six months in which to comply with this subdivision.

67.15 (f) The applicant shall pay a fee established by the board by rule. The fee shall
67.16 not be refunded.

67.17 (g) The applicant must not have engaged in conduct warranting disciplinary action
67.18 against a licensee. If the applicant does not satisfy the requirements of this paragraph,
67.19 the board may refuse to issue a license unless it determines that the public will be
67.20 protected through issuance of a license with conditions and limitations the board considers
67.21 appropriate.

67.22 (h) Upon payment of a fee as the board may require, an applicant who fails to pass
67.23 an examination and is refused a license is entitled to reexamination within one year of
67.24 the board's refusal to issue the license. No more than two reexaminations are allowed
67.25 without a new application for a license.

67.26 Sec. 58. Minnesota Statutes 2014, section 153.16, subdivision 4, is amended to read:

67.27 Subd. 4. **Temporary military permit license.** ~~The board shall establish a temporary~~
67.28 ~~permit in accordance with section 197.4552. The fee for the temporary military permit is~~
67.29 ~~\$250.~~ (a) The board shall issue an expedited license to practice podiatric medicine to an
67.30 applicant who meets the following requirements:

67.31 (1) is an active duty military member;

67.32 (2) is the spouse of an active duty military member; or

67.33 (3) is a veteran who has left service in the two years preceding the date of license
67.34 application, and has confirmation of an honorable or general discharge status.

67.35 (b) A qualified applicant under this subdivision must provide evidence of:

68.1 (1) a current, valid license in another state without history of disciplinary action by a
 68.2 regulatory authority in the other state; and

68.3 (2) a current criminal background study without a criminal conviction that is
 68.4 determined by the board to adversely affect the applicant's ability to become licensed.

68.5 (c) The board shall issue a license for up to six months to a doctor of podiatric
 68.6 medicine eligible for licensure under this subdivision. Doctors of podiatric medicine
 68.7 licensed in another state who have complied with all other requirements may receive a
 68.8 temporary license valid for up to six months. No extension is available.

68.9 (d) A temporary license issued under this subdivision permits a qualified individual
 68.10 to perform podiatric medicine for a limited length of time as determined by the licensing
 68.11 board. During the temporary license period, the individual shall complete the full
 68.12 application procedure and be approved as required by applicable law.

68.13 (e) The fee for the temporary military license is \$250.

68.14 Sec. 59. Minnesota Statutes 2014, section 154.003, is amended to read:

68.15 **154.003 FEES.**

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

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

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

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

68.22 (3) examination and certificate, apprentice, \$80;

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

68.24 (5) examination, instructor, \$180;

68.25 (6) certificate, instructor, \$65;

68.26 (7) temporary teacher or apprentice permit, \$80;

68.27 (8) temporary registered barber, military, \$85;

68.28 (9) temporary barber instructor, military, \$180;

68.29 (10) temporary apprentice barber, military, \$80;

68.30 (11) renewal of registration, registered barber, \$80;

68.31 ~~(9)~~ (12) renewal of registration, apprentice, \$70;

68.32 ~~(10)~~ (13) renewal of registration, instructor, \$80;

68.33 ~~(11)~~ (14) renewal of temporary teacher permit, \$65;

68.34 ~~(12)~~ (15) student permit, \$45;

68.35 ~~(13)~~ (16) renewal of student permit, \$25;

- 69.1 ~~(14)~~ (17) initial shop registration, \$85;
- 69.2 ~~(15)~~ (18) initial school registration, \$1,030;
- 69.3 ~~(16)~~ (19) renewal shop registration, \$85;
- 69.4 ~~(17)~~ (20) renewal school registration, \$280;
- 69.5 ~~(18)~~ (21) restoration of registered barber registration, \$95;
- 69.6 ~~(19)~~ (22) restoration of apprentice registration, \$90;
- 69.7 ~~(20)~~ (23) restoration of shop registration, \$105;
- 69.8 ~~(21)~~ (24) change of ownership or location, \$55;
- 69.9 ~~(22)~~ (25) duplicate registration, \$40;
- 69.10 ~~(23)~~ (26) home study course, \$75;
- 69.11 ~~(24)~~ (27) letter of registration verification, \$25; and
- 69.12 ~~(25)~~ (28) reinspection, \$100.

69.13 Sec. 60. Minnesota Statutes 2014, section 154.11, subdivision 3, is amended to read:

69.14 Subd. 3. **Temporary military license permits.** (a) In accordance with section
 69.15 197.4552, the board shall establish issue a temporary license:

69.16 (1) permit for apprentice barbers and master;

69.17 (2) certificate for registered barbers; and a temporary permit for apprentices in
 69.18 accordance with section 197.4552. The fee for a temporary license under this subdivision
 69.19 for a master barber is \$85. The fee for a temporary license under this subdivision for a
 69.20 barber is \$180. The fee for a temporary permit under this subdivision for an apprentice is
 69.21 \$80.

69.22 (3) certificate for registered barber instructors.

69.23 (b) Fees for temporary military permits and certificates of registration under this
 69.24 subdivision are listed under section 154.003.

69.25 (c) Permits or certificates of registration issued under this subdivision are valid
 69.26 for one year from the date of issuance, after which the individual must complete a full
 69.27 application as required by section 197.4552.

69.28 Sec. 61. Minnesota Statutes 2014, section 190.19, subdivision 2a, is amended to read:

69.29 Subd. 2a. **Uses; veterans.** (a) Money appropriated to the Department of Veterans
 69.30 Affairs from the Minnesota "Support Our Troops" account may be used for:

69.31 (1) grants to veterans service organizations;

69.32 (2) outreach to underserved veterans;

69.33 (3) providing services and programs for veterans and their families; and

70.1 (4) transfers to the vehicle services account for Gold Star license plates under
70.2 section 168.1253;

70.3 (5) grants of up to \$100,000 to any organization approved by the commissioner of
70.4 veterans affairs for the purpose of supporting and improving the lives of veterans and
70.5 their families; and

70.6 (6) grants to an eligible foundation.

70.7 (b) For purposes of this subdivision, "eligible foundation" includes any organization
70.8 that:

70.9 (1) is a tax-exempt organization under section 501(c) of the Internal Revenue
70.10 Code; and

70.11 (2) is a nonprofit corporation under chapter 317A and the organization's articles of
70.12 incorporation specify that a purpose of the organization includes (i) providing assistance
70.13 to veterans and their families or (ii) enhancing the lives of veterans and their families.

70.14 Sec. 62. Minnesota Statutes 2014, section 192.38, subdivision 1, is amended to read:

70.15 Subdivision 1. **Temporary emergency relief.** If any officer or enlisted member
70.16 of the military forces is wounded or otherwise disabled, dies from disease contracted or
70.17 injuries received, or is killed while in state active service as defined in section 190.05,
70.18 subdivision 5a, the officer or member, or in the case of death the officer's or member's
70.19 dependent spouse, child, or parent, may be provided with immediate temporary relief as
70.20 necessary in cases of severe hardship, in an amount to be determined by the adjutant general
70.21 and approved by the governor or a death gratuity payment equal to the amount allowed for
70.22 service members in a federal active service status. All payments under this subdivision
70.23 shall be made from appropriations for ~~the maintenance of the state military forces~~
70.24 emergency services. The adjutant general shall notify the Department of Management and
70.25 Budget of any payments made pursuant to this subdivision and the amount of it shall be
70.26 subtracted from any award made by the Department of Management and Budget.

70.27 Sec. 63. Minnesota Statutes 2014, section 192.501, is amended by adding a subdivision
70.28 to read:

70.29 Subd. 1d. **Reclassification bonus program.** (a) The adjutant general may establish
70.30 a program to provide a bonus to eligible members of the Minnesota National Guard who
70.31 complete training that results in the award of a new military occupational specialty or
70.32 air force specialty code in specialties that are identified by the Adjutant General to be
70.33 necessary for the enhanced readiness of the Minnesota National Guard.

70.34 (b) Eligibility for the bonus is limited to a member of the National Guard who:

71.1 (1) is serving satisfactorily as determined by the adjutant general;
71.2 (2) has 16 or fewer years of service creditable for retirement; and
71.3 (3) undergoes military training deemed by the adjutant general as sufficiently
71.4 important to the readiness of the National Guard or a unit of the National Guard to warrant
71.5 the payment of a bonus in an amount to generally encourage the member's participation in
71.6 such training. The adjutant general may, within the limitations of this paragraph and other
71.7 applicable laws, determine additional eligibility criteria for the bonus, and must specify all
71.8 of the criteria in regulations and publish changes as necessary.

71.9 (c) The bonus payments must be made on a schedule that is determined and
71.10 published in department regulations by the adjutant general.

71.11 (d) If a member fails to complete a term of reenlistment or an obligated term of
71.12 commissioned service for which a bonus was paid, the adjutant general may seek to
71.13 recoup a prorated amount of the bonus as determined by the adjutant general.

71.14 Sec. 64. Minnesota Statutes 2014, section 197.46, is amended to read:

71.15 **197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT**
71.16 **OF MANDAMUS.**

71.17 (a) Any person whose rights may be in any way prejudiced contrary to any of the
71.18 provisions of this section, shall be entitled to a writ of mandamus to remedy the wrong.
71.19 No person holding a position by appointment or employment in the several counties,
71.20 cities, towns, school districts and all other political subdivisions in the state, who is a
71.21 veteran separated from the military service under honorable conditions, shall be removed
71.22 from such position or employment except for incompetency or misconduct shown after a
71.23 hearing, upon due notice, upon stated charges, in writing.

71.24 (b) Any veteran who has been notified of the intent to discharge the veteran from an
71.25 appointed position or employment pursuant to this section shall be notified in writing of
71.26 such intent to discharge and of the veteran's right to request a hearing within 60 days of
71.27 receipt of the notice of intent to discharge. The failure of a veteran to request a hearing
71.28 within the provided 60-day period shall constitute a waiver of the right to a hearing. Such
71.29 failure shall also waive all other available legal remedies for reinstatement.

71.30 Request for a hearing concerning such a discharge shall be made in writing and
71.31 submitted by mail or personal service to the employment office of the concerned employer
71.32 or other appropriate office or person. If the veteran requests a hearing under this section,
71.33 such written request must also contain the veteran's election to be heard by a civil service
71.34 board or commission, a merit authority, or a three-person panel as defined in paragraph

72.1 (c). If the veteran fails to identify the veteran's election, the governmental subdivision
72.2 may select the hearing body.

72.3 ~~In all governmental subdivisions having an established civil service board or~~
72.4 ~~commission, or merit system authority, such hearing for removal or discharge shall be~~
72.5 ~~held before such civil service board or commission or merit system authority. Where no~~
72.6 ~~such civil service board or commission or merit system authority exists, such hearing~~
72.7 ~~shall be held by~~ (c) Hearings under this section shall be held by a civil service board or
72.8 commission, a merit system authority, or a board of three persons appointed as follows:
72.9 one by the governmental subdivision, one by the veteran, and the third by the two so
72.10 selected. In the event that all governmental subdivisions having an established civil service
72.11 board or commission or merit system authority, the veteran shall elect which body will
72.12 hold the hearing. If the hearing is authorized to be veteran chooses to have the hearing held
72.13 before a three-person board, the governmental subdivision's notice of intent to discharge
72.14 shall state that the veteran must respond within 60 days of receipt of the notice of intent to
72.15 discharge, and provide in writing to the governmental subdivision the name, United States
72.16 mailing address, and telephone number of the veteran's selected representative for the
72.17 three-person board. The failure of a veteran to submit the name, address, and telephone
72.18 number of the veteran's selected representative to the governmental subdivision by mail or
72.19 by personal service within the provided notice's 60-day period, shall constitute a waiver of
72.20 the veteran's right to the hearing and all other legal remedies available for reinstatement of
72.21 the veteran's employment position. In the event the two persons selected by the veteran
72.22 and governmental subdivision do not appoint the third person within ten days after the
72.23 appointment of the last of the two, then the judge of the district court of the county
72.24 wherein the proceeding is pending, or if there be more than one judge in said county then
72.25 any judge in chambers, shall have jurisdiction to appoint, and upon application of either or
72.26 both of the two so selected shall appoint, the third person to the board and the person so
72.27 appointed by the judge with the two first selected shall constitute the board.

72.28 (d) Either the veteran or the governmental subdivision may appeal from the decision
72.29 of the board upon the charges to the district court by causing written notice of appeal,
72.30 stating the grounds thereof, to be served upon the other party within 15 days after notice of
72.31 the decision and by filing the original notice of appeal with proof of service thereof in the
72.32 office of the court administrator of the district court within ten days after service thereof.
72.33 Nothing in section 197.455 or this section shall be construed to apply to the position of
72.34 private secretary, superintendent of schools, or one chief deputy of any elected official
72.35 or head of a department, or to any person holding a strictly confidential relation to the
72.36 appointing officer. Nothing in this section shall be construed to apply to the position of

73.1 ~~teacher.~~ The burden of establishing such relationship shall be upon the appointing officer
73.2 in all proceedings and actions relating thereto.

73.3 (e) The governmental subdivision shall bear all administrative costs associated with
73.4 the hearing. If the veteran prevails, the governmental subdivision shall pay the veteran's
73.5 reasonable attorney fees.

73.6 (f) All officers, boards, commissions, and employees shall conform to, comply with,
73.7 and aid in all proper ways in carrying into effect the provisions of section 197.455 and this
73.8 section notwithstanding any laws, charter provisions, ordinances or rules to the contrary.
73.9 Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

73.10 **EFFECTIVE DATE.** This section is effective the day following final enactment
73.11 and applies to all notices of intent to discharge issued on or after that date.

73.12 Sec. 65. [197.987] HONOR AND REMEMBER FLAG.

73.13 Subdivision 1. **Legislative findings.** The legislature of the state of Minnesota finds
73.14 and determines that:

73.15 (1) since the Revolutionary War, more than 1,000,000 members of the United States
73.16 armed forces have paid the ultimate price by sacrificing their lives in active military
73.17 service for the United States of America;

73.18 (2) the contribution made by those fallen members of the armed forces is deserving
73.19 of state and national recognition; and

73.20 (3) the Honor and Remember Flag is an appropriate symbol that acknowledges the
73.21 selfless sacrifice of those members of the United States armed forces.

73.22 Subd. 2. **Designation.** The Honor and Remember Flag created by Honor and
73.23 Remember, Inc., is designated as the symbol of our state's concern and commitment to
73.24 honoring and remembering the lives of all members of the United States armed forces who
73.25 have lost their lives in the line of duty while serving honorably in active military service
73.26 in the United States armed forces or of a service-connected cause due to or aggravated
73.27 by that service, as determined by the United States Department of Defense or the United
73.28 States Department of Veterans Affairs.

73.29 Subd. 3. **Suggested days for flag display.** (a) The chief administrator of each
73.30 governmental building or facility within this state, as defined in paragraph (b), is
73.31 encouraged to display the Honor and Remember Flag on the following days each year:

73.32 (1) Armed Forces Day, the third Saturday in May;

73.33 (2) Flag Day, June 14;

73.34 (3) July 2nd and July 3rd, in remembrance of the 262 soldiers of the 1st Regiment
73.35 Minnesota Volunteer Infantry who, at the Battle of Gettysburg during the American Civil

74.1 War, fought so gallantly and successfully to repulse two major Confederate attacks on the
 74.2 main Union line, suffering over 80 percent casualties, thereby turning the battle and the
 74.3 war and helping to preserve the Union itself at that pivotal moment in our nation's history;

74.4 (4) July 4th, Independence Day;

74.5 (5) the third Friday of September, National POW/MIA Recognition Day;

74.6 (6) November 11, Veterans Day;

74.7 (7) July 27, Korean War Armistice Day; and

74.8 (8) March 29, Vietnam Veterans Day.

74.9 (b) For purposes of this section, "governmental building or facility within this state"
 74.10 means the following locations:

74.11 (1) the Minnesota State Capitol, the Office of the Governor and each other Minnesota
 74.12 constitutional office, the chambers of the Minnesota Senate and the Minnesota House of
 74.13 Representatives, the Minnesota Supreme Court Building and each Minnesota District
 74.14 Court House, as well as any official state of Minnesota veterans memorial, Minnesota
 74.15 veterans home, or Minnesota veterans cemetery;

74.16 (2) to the extent authorized by federal law and regulation, any United States veterans
 74.17 cemetery, veterans memorial, post office, or other federal building, as well as any United
 74.18 States Department of Veterans Affairs medical center, veterans service center, and veterans
 74.19 community-based outreach center; and

74.20 (3) any appropriate local government building or facility, as determined by the
 74.21 governing body of that local government.

74.22 Subd. 4. **Limitation.** This section may not be construed or interpreted to require
 74.23 any employee to report to work solely for the purpose of providing for the display of the
 74.24 Honor and Remember Flag or any other flag.

74.25 Subd. 5. **Implementation.** If a governmental building or facility within this state
 74.26 opts to display the Honor and Remember Flag, the chief administrator of that facility shall
 74.27 prescribe procedures necessary for the display.

74.28 Subd. 6. **Flag donation.** Any named public office or public official may accept a
 74.29 donation of one or more Honor and Remember Flags for the purpose of this section.

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

74.31 Sec. 66. Minnesota Statutes 2014, section 211B.37, is amended to read:

74.32 **211B.37 COSTS ASSESSED.**

74.33 Except as otherwise provided in section 211B.36, subdivision 3, the chief
 74.34 administrative law judge shall assess the cost of considering complaints filed under section

75.1 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot
75.2 question or an election for a statewide or legislative office must be assessed against the
75.3 appropriation from the general fund to the general account of the state elections campaign
75.4 account in section 10A.31, subdivision 4 paid from appropriations to the office for this
75.5 purpose. Costs of complaints relating to any other ballot question or elective office must
75.6 be paid from appropriations to the office for this purpose.

75.7 Sec. 67. Minnesota Statutes 2014, section 240.01, subdivision 22, is amended to read:

75.8 Subd. 22. **Racing season.** "Racing season" means that portion of the calendar
75.9 year starting at the beginning of the day of the first live horse race conducted by the
75.10 licensee and concluding at the end of the day of the last live horse race conducted by
75.11 the licensee in any year.

75.12 ~~For purposes of this chapter, the racing season begins before the first Saturday in~~
75.13 ~~May and continues for not less than 25 consecutive weeks.~~

75.14 **EFFECTIVE DATE.** This section is effective January 1, 2016.

75.15 Sec. 68. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision
75.16 to read:

75.17 Subd. 28. **Takeout.** "Takeout" means the total amount of money, excluding
75.18 breakage, withheld from each pari-mutuel pool, as authorized by statute or rule.

75.19 Sec. 69. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision
75.20 to read:

75.21 Subd. 29. **Handle** "Handle" means the aggregate of all pari-mutuel pools, excluding
75.22 refundable wagers or cancellations.

75.23 Sec. 70. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision
75.24 to read:

75.25 Subd. 30. **Mixed meet.** "Mixed meet" means a racing day or series of racing days
75.26 on which the racing of more than one breed of horse occurs.

75.27 Sec. 71. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision
75.28 to read:

75.29 Subd. 31. **Banked.** "Banked" means any game of chance that is played with the
75.30 house as a participant in the game, where the house takes on all players, collects from all
75.31 losers, and pays all winners, and the house can win.

76.1 Sec. 72. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision
76.2 to read:

76.3 Subd. 32. **Steward.** A "steward" means an official described in section 240.16. The
76.4 term steward includes the terms "judge," "chief steward," and "presiding judge," and
76.5 applies to stewards and judges of the commission or a class B licensee, but not to other
76.6 racing officials, such as paddock or placement judges, who are employees or agents of
76.7 a class B licensee.

76.8 Sec. 73. Minnesota Statutes 2014, section 240.011, is amended to read:

76.9 **240.011 APPOINTMENT OF DIRECTOR.**

76.10 The governor shall appoint the director of the Minnesota Racing Commission,
76.11 who serves in the unclassified service at the governor's pleasure. The director must be
76.12 a person qualified by experience ~~in the administration and regulation of pari-mutuel~~
76.13 ~~racing and training to possess the skills necessary~~ to discharge the duties of the director.
76.14 The governor must select a director from a list of one or more names submitted by the
76.15 Minnesota Racing Commission.

76.16 Sec. 74. Minnesota Statutes 2014, section 240.03, is amended to read:

76.17 **240.03 COMMISSION POWERS AND DUTIES.**

76.18 The commission has the following powers and duties:

76.19 (1) to regulate horse racing in Minnesota to ensure that it is conducted in the public
76.20 interest;

76.21 (2) to issue licenses as provided in this chapter;

76.22 (3) to enforce all laws and rules governing horse racing;

76.23 (4) to collect and distribute all taxes provided for in this chapter;

76.24 (5) to conduct necessary investigations and inquiries and to issue subpoenas to
76.25 compel the attendance of witnesses and the submission of information, documents, and
76.26 records, and other evidence it deems necessary to carry out its duties;

76.27 (6) to supervise the conduct of pari-mutuel betting on horse racing;

76.28 (7) to employ and supervise personnel under this chapter;

76.29 (8) to determine the number of racing days to be held in the state and at each
76.30 licensed racetrack;

76.31 (9) to take all necessary steps to ensure the integrity of racing in Minnesota; and

76.32 (10) to impose fees on the racing and card playing industries sufficient to recover the
76.33 operating costs of the commission with the approval of the legislature according to section
76.34 16A.1283. Notwithstanding section 16A.1283, when the legislature is not in session, the

77.1 commissioner of management and budget may grant interim approval for any new fees
77.2 or adjustments to existing fees that are not statutorily specified, until such time as the
77.3 legislature reconvenes and acts upon the new fees or adjustments. As part of its biennial
77.4 budget request, the commission must propose changes to its fees that will be sufficient to
77.5 recover the operating costs of the commission.

77.6 Sec. 75. Minnesota Statutes 2014, section 240.08, subdivision 2, is amended to read:

77.7 Subd. 2. **Application.** (a) An application for a class C license must be on a form
77.8 the commission prescribes and must be accompanied by an affidavit of qualification
77.9 that the applicant:

77.10 (a) (1) is not in default in the payment of an obligation or debt to the state under
77.11 Laws 1983, chapter 214;

77.12 (b) (2) does not have a felony conviction of record in a state or federal court and
77.13 does not have a state or federal felony charge pending;

77.14 (c) (3) is not and never has been connected with or engaged in an illegal business;

77.15 (d) (4) has never been found guilty of fraud or misrepresentation in connection
77.16 with racing or breeding;

77.17 (e) (5) has never been found guilty of a violation of law or rule relating to horse
77.18 racing, pari-mutuel betting or any other form of gambling which is a serious violation
77.19 as defined by the commission's rules; and

77.20 (f) (6) has never been found to have knowingly violated a rule or an order of the
77.21 commission or a law or rule of Minnesota or another jurisdiction relating to horse racing,
77.22 pari-mutuel betting, or any other form of gambling.

77.23 (b) The application must also contain an irrevocable consent statement, to be signed
77.24 by the applicant, which states that suits and actions relating to the subject matter of the
77.25 application or acts or omissions arising from it may be commenced against the applicant in
77.26 any court of competent jurisdiction in this state by the service on the secretary of state of
77.27 any summons, process, or pleading authorized by the laws of this state. If any summons,
77.28 process, or pleading is served upon the secretary of state, it must be by duplicate copies.
77.29 One copy must be retained in the Office of the Secretary of State and the other copy must
77.30 be forwarded immediately by certified mail to the address of the applicant, as shown by
77.31 the records of the commission.

77.32 Sec. 76. Minnesota Statutes 2014, section 240.08, subdivision 4, is amended to read:

77.33 Subd. 4. **License issuance and renewal.** If the commission determines that
77.34 the applicant is qualified for the occupation for which licensing is sought and will

78.1 not adversely affect the public health, welfare, and safety or the integrity of racing in
78.2 Minnesota, it may issue a class C license to the applicant. If it makes a similar finding for
78.3 a renewal of a class C license it may renew the license. Class C licenses are effective for
78.4 ~~one year~~; until December 31 of the calendar year for which they are issued. Certain types
78.5 of class C licenses, to be determined by the commission, are effective until December 31
78.6 of the third calendar year for which they have been issued.

78.7 **EFFECTIVE DATE.** This section is effective July 1, 2015.

78.8 Sec. 77. Minnesota Statutes 2014, section 240.08, subdivision 5, is amended to read:

78.9 Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C
78.10 license for a violation of law or rule which in the commission's opinion adversely affects
78.11 the integrity of horse racing in Minnesota, the public health, welfare, or safety, or for an
78.12 intentional false statement made in a license application.

78.13 The commission may suspend a class C license for up to one year for a violation of
78.14 law, order or rule.

78.15 The commission may delegate to its designated agents the authority to impose
78.16 suspensions of class C licenses, and the revocation or suspension of a class C license may
78.17 be appealed to the commission according to its rules.

78.18 (b) A license revocation or suspension for more than 90 days is a contested case
78.19 under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to
78.20 criminal penalties imposed for a violation of law or rule. The commission may summarily
78.21 suspend a license for more than 90 days prior to a contested case hearing where it is
78.22 necessary to ensure the integrity of racing or to protect the public health, welfare, or safety.
78.23 A contested case hearing must be held within ~~20~~ 30 days of the summary suspension and
78.24 the administrative law judge's report must be issued within ~~20~~ 30 days from the close of
78.25 the hearing record. In all cases involving summary suspension the commission must issue
78.26 its final decision within 30 days from receipt of the report of the administrative law judge
78.27 and subsequent exceptions and argument under section 14.61.

78.28 Sec. 78. Minnesota Statutes 2014, section 240.10, is amended to read:

78.29 **240.10 LICENSE FEES.**

78.30 The fee for a class A license is \$253,000 per year and must be remitted on July 1.
78.31 The fee for a class B license is \$500 for each assigned racing day and \$100 for each day
78.32 on which simulcasting is authorized and must be remitted on July 1. ~~Included herein are~~
78.33 ~~all days assigned to be conducted after January 1, 2003.~~ The fee for a class D license is

79.1 \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on
79.2 class D licenses must be paid to the commission at a time and in a manner as provided by
79.3 rule of the commission.

79.4 The commission shall by rule establish an annual license fee for each occupation it
79.5 licenses under section 240.08 ~~but no annual fee for a class C license may exceed \$100.~~

79.6 **EFFECTIVE DATE.** This section is effective July 1, 2015.

79.7 Sec. 79. Minnesota Statutes 2014, section 240.13, subdivision 5, is amended to read:

79.8 Subd. 5. **Purses.** (a) From the amounts deducted from all pari-mutuel pools by a
79.9 licensee, an amount equal to not less than the following percentages of all money in all
79.10 pools must be set aside by the licensee and used for purses for races conducted by the
79.11 licensee, provided that a licensee may agree by contract with an organization representing
79.12 a majority of the horsepersons racing the breed involved to set aside amounts in addition
79.13 to the following percentages, if the contract is in writing and filed with the commission:

79.14 (1) for live races conducted at a class A facility, ~~and for races that are part of full~~
79.15 ~~racing card simulcasting that takes place within the time period of the live races,~~ 8.4
79.16 percent of handle;

79.17 ~~(2) for simulcasts conducted during the racing season other than as provided for in~~
79.18 ~~clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel~~
79.19 ~~pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for~~
79.20 ~~receipt of the signal; and~~

79.21 ~~(3) (2) for simulcasts conducted outside of the racing season, 25~~ any day a class A
79.22 facility is licensed, not less than 37 percent of the takeout remaining after deduction for the
79.23 state pari-mutuel tax, payment to the breeders fund, and payment to the sending out-of-state
79.24 racetrack for receipt of the signal ~~and, before January 1, 2005, a further deduction of~~
79.25 ~~eight percent of all money in all pools. In the event that wagering on simulcasts outside~~
79.26 ~~of the racing season exceeds \$125 million in any calendar year, the amount set aside for~~
79.27 ~~purses by this formula is increased to 30 percent on amounts between \$125,000,000 and~~
79.28 ~~\$150,000,000 wagered; 40 percent on amounts between \$150,000,000 and \$175,000,000~~
79.29 ~~wagered; and 50 percent on amounts in excess of \$175,000,000 wagered. In lieu of~~
79.30 ~~the eight percent deduction, A deduction as agreed to between the licensee and the~~
79.31 ~~horsepersons' organization representing the majority of horsepersons racing at the licensee's~~
79.32 ~~class A facility during the preceding 12 months, is allowed after December 31, 2004.~~

79.33 The commission may by rule provide for the administration and enforcement of
79.34 this subdivision. The deductions for payment to the sending out-of-state racetrack must
79.35 be actual, except that when there exists any overlap of ownership, control, or interest

80.1 between the sending out-of-state racetrack and the receiving licensee, the deduction
80.2 must not be greater than three percent unless agreed to between the licensee and the
80.3 horsepersons' organization representing the majority of horsepersons racing the breed
80.4 racing the majority of races during the existing racing meeting or, if outside of the racing
80.5 season, during the most recent racing meeting.

80.6 ~~In lieu of the amount the licensee must pay to the commission for deposit in the~~
80.7 ~~Minnesota breeders fund under section 240.15, subdivision 1, The licensee shall pay to the~~
80.8 ~~commission for deposit in the Minnesota breeders fund 5-1/2 percent of the takeout from~~
80.9 ~~all pari-mutuel pools generated by wagering at the licensee's facility on full racing card~~
80.10 ~~simulcasts of races not conducted in this state.~~

80.11 (b) From the money set aside for purses, the licensee shall pay to the horseperson's
80.12 organization representing the majority of the horsepersons racing the breed involved
80.13 and contracting with the licensee with respect to purses and the conduct of the racing
80.14 meetings and providing representation to its members, an amount as may be determined
80.15 by agreement by the licensee and the horsepersons' organization sufficient to provide
80.16 benevolent programs, benefits, and services for horsepersons and their on-track employees;
80.17 ~~an amount, sufficient to perform these services, as may be determined by agreement by~~
80.18 ~~the licensee and the horseperson's organization.~~ The amount paid may be deducted only
80.19 from the money set aside for purses to be paid in races for the breed represented by the
80.20 horseperson's organization. With respect to racing meetings where more than one breed
80.21 is racing, the licensee may contract independently with the horseperson's organization
80.22 representing each breed racing.

80.23 (c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization
80.24 representing the majority of the horsepersons racing a breed at a meeting, and the members
80.25 thereof, may agree to withhold horses during a meeting.

80.26 ~~(d) Money set aside for purses from wagering, during the racing season, on~~
80.27 ~~simulcasts must be used for purses for live races conducted at the licensee's class A facility~~
80.28 ~~during the same racing season, over and above the 8.4 percent purse requirement or any~~
80.29 ~~higher requirement to which the parties agree, for races conducted in this state. Money~~
80.30 ~~set aside for purses from wagering, outside of the racing season, on simulcasts must be~~
80.31 ~~for purses for live races conducted at the licensee's class A facility during the next racing~~
80.32 ~~season, over and above the 8.4 percent purse requirement or any higher requirement to~~
80.33 ~~which the parties agree, for races conducted in this state.~~

80.34 ~~(e)~~ (d) Money set aside for purses from wagering on simulcasts must be used for
80.35 purses for live races involving the same breed involved in the simulcast except that money
80.36 set aside for purses and payments to the breeders fund from wagering on full racing card

81.1 simulcasts of races not conducted in this state, occurring during a live mixed meet, must
81.2 be allotted to the purses and breeders fund for each breed participating in the mixed meet
81.3 as agreed upon by the breed organizations participating in the live mixed meet. The
81.4 agreement shall be in writing and filed with the commission prior to the first day of the live
81.5 mixed meet. In the absence of a written agreement filed with the commission, the money
81.6 set aside for purses and payments to the breeders fund from wagering on simulcasts,
81.7 occurring during a live mixed meet, shall be allotted to each breed participating in the live
81.8 mixed meet in the same proportion that the number of live races run by each breed bears
81.9 to the total number of live races conducted during the period of the mixed meet.

81.10 ~~(f)~~ (e) The allocation of money set aside for purses to particular racing meets may be
81.11 adjusted, relative to overpayments and underpayments, by contract between the licensee
81.12 and the horsepersons' organization representing the majority of horsepersons racing the
81.13 breed involved at the licensee's facility.

81.14 ~~(g)~~ (f) Subject to the provisions of this chapter, money set aside from pari-mutuel
81.15 pools for purses must be for the breed involved in the race that generated the pool, except
81.16 that if the breed involved in the race generating the pari-mutuel pool is not racing in the
81.17 current racing meeting, or has not raced within the preceding 12 months at the licensee's
81.18 class A facility, money set aside for purses may be distributed proportionately to those
81.19 breeds that have run during the preceding 12 months or paid to the commission and
81.20 used for purses or to promote racing for the breed involved in the race generating the
81.21 pari-mutuel pool, or both, in a manner prescribed by the commission.

81.22 ~~(h)~~ (g) This subdivision does not apply to a class D licensee.

81.23 **EFFECTIVE DATE.** This section is effective January 1, 2016.

81.24 Sec. 80. Minnesota Statutes 2014, section 240.13, subdivision 6, is amended to read:

81.25 Subd. 6. **Simulcasting.** (a) The commission may permit an authorized licensee to
81.26 conduct simulcasting at the licensee's facility on any day authorized by the commission.
81.27 All simulcasts must comply with the Interstate Horse Racing Act of 1978, United States
81.28 Code, title 15, sections 3001 to 3007.

81.29 (b) The commission may not authorize any day for simulcasting at a class A facility
81.30 during the racing season, and a licensee may not be allowed to transmit out-of-state
81.31 telecasts of races the licensee conducts, unless the licensee has obtained the approval of
81.32 the horsepersons' organization representing the majority of the horsepersons racing the
81.33 breed involved at the licensed racetrack during the preceding 12 months. In the case of
81.34 a class A facility licensed under section 240.06, subdivision 5a, the approval applicable
81.35 to the first year of the racetrack's operation may be obtained from the horsepersons'

82.1 organization that represents the majority of horsepersons who will race the breed involved
82.2 at the licensed racetrack during the first year of the racetrack's operation.

82.3 (c) The licensee may pay fees and costs to an entity transmitting a telecast of a
82.4 race to the licensee for purposes of conducting pari-mutuel wagering on the race. The
82.5 licensee may deduct fees and costs related to the receipt of televised transmissions from a
82.6 pari-mutuel pool on the televised race, provided that one-half of any amount recouped in
82.7 this manner must be added to the amounts required to be set aside for purses.

82.8 (d) With the approval of the commission and subject to the provisions of this
82.9 subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes,
82.10 to locations outside the state, and the commission may allow this to be done on a
82.11 commingled pool basis.

82.12 (e) Except as otherwise provided in this section, simulcasting may be conducted on a
82.13 ~~separate~~ commingled pool basis or, with the approval of the commission, on a ~~commingled~~
82.14 separate pool basis. All provisions of law governing pari-mutuel betting apply to
82.15 simulcasting except as otherwise provided in this subdivision or in the commission's
82.16 rules. If pools are commingled, wagering at the licensed facility must be on equipment
82.17 electronically linked with the equipment at the licensee's class A facility or with the
82.18 sending racetrack via the totalizator computer at the licensee's class A facility. Subject to
82.19 the approval of the commission, the types of betting, takeout, and distribution of winnings
82.20 on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage
82.21 for pari-mutuel pools on a televised race must be calculated in accordance with the law or
82.22 rules governing the sending racetrack for these pools, and must be distributed in a manner
82.23 agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7
82.24 and section 240.15, subdivision 5, the commission may approve procedures governing the
82.25 definition and disposition of unclaimed tickets that are consistent with the law and rules
82.26 governing unclaimed tickets at the sending racetrack. For the purposes of this section,
82.27 "sending racetrack" is either the racetrack outside of this state where the horse race is
82.28 conducted or, with the consent of the racetrack, an alternative facility that serves as the
82.29 racetrack for the purpose of commingling pools.

82.30 (f) Except as otherwise provided in section 240.06, subdivision 5b, paragraph (2),
82.31 if there is more than one class B licensee conducting racing within the seven-county
82.32 metropolitan area, simulcasting may be conducted only on races run by a breed that ran at
82.33 the licensee's class A facility within the 12 months preceding the event.

82.34 Sec. 81. Minnesota Statutes 2014, section 240.135, is amended to read:

82.35 **240.135 CARD CLUB REVENUE.**

83.1 (a) From the amounts received from charges authorized under section 240.30,
83.2 subdivision 4, the licensee shall set aside the amounts specified in this section to be
83.3 used for purse payments. These amounts are in addition to the breeders fund and purse
83.4 requirements set forth elsewhere in this chapter.

83.5 (1) For amounts between zero and \$6,000,000, the licensee shall set aside not less
83.6 than ten percent to be used as purses.

83.7 (2) For amounts in excess of \$6,000,000, the licensee shall set aside not less than
83.8 14 percent to be used as purses.

83.9 (b) From all amounts set aside under paragraph (a), the licensee shall set aside
83.10 ten percent to be deposited in the breeders fund. ~~The licensee and the horseperson's~~
83.11 ~~organization representing the majority of horsepersons who have raced at the racetrack~~
83.12 ~~during the preceding 12 months may negotiate percentages different from those stated in~~
83.13 ~~this section if the agreement is in writing and filed with the Racing Commission.~~

83.14 (c) It is the intent of the legislature that the proceeds of the card playing activities
83.15 authorized by this chapter be used to improve the horse racing industry by improving purses.
83.16 The licensee and the horseperson's organization representing the majority of horsepersons
83.17 who have raced at the racetrack during the preceding 12 months may negotiate percentages
83.18 that exceed those stated in this section if the agreement is in writing and filed with the
83.19 commission. The commission shall annually review the financial details of card playing
83.20 activities and determine if the present use of card playing proceeds is consistent with the
83.21 policy established by this paragraph. If the commission determines that the use of the
83.22 proceeds does not comply with the policy set forth herein, then the commission shall direct
83.23 the parties to make the changes necessary to ensure compliance. If these changes require
83.24 legislation, the commission shall make the appropriate recommendations to the legislature.

83.25 Sec. 82. Minnesota Statutes 2014, section 240.15, subdivision 1, is amended to read:

83.26 Subdivision 1. **Taxes imposed.** (a) There is imposed a tax at the rate of six percent
83.27 of the amount in excess of \$12,000,000 annually withheld from all pari-mutuel pools by
83.28 the licensee, including breakage and amounts withheld under section 240.13, subdivision
83.29 4. For the purpose of this subdivision, "annually" is the period from July 1 to June 30 of
83.30 the next year.

83.31 In addition to the above tax, the licensee must designate and pay to the commission
83.32 a tax of one percent of the ~~total amount bet on each racing day~~ handle for live races
83.33 conducted at a class A facility, for deposit in the Minnesota breeders fund.

83.34 The taxes imposed by this clause must be paid from the amounts permitted to be
83.35 withheld by a licensee under section 240.13, subdivision 4.

84.1 (b) The commission may impose an admissions tax of not more than ten cents on
84.2 each paid admission at a licensed racetrack on a racing day if:

84.3 (1) the tax is requested by a local unit of government within whose borders the
84.4 track is located;

84.5 (2) a public hearing is held on the request; and

84.6 (3) the commission finds that the local unit of government requesting the tax is in
84.7 need of its revenue to meet extraordinary expenses caused by the racetrack.

84.8 Sec. 83. Minnesota Statutes 2014, section 240.15, subdivision 6, is amended to read:

84.9 Subd. 6. **Disposition of proceeds; account.** The commission shall distribute all
84.10 money received under this section, and all money received from license fees and fines it
84.11 collects, according to this subdivision. All money designated for deposit in the Minnesota
84.12 breeders fund must be paid into that fund for distribution under section 240.18 except that
84.13 all money generated by ~~full-racing-card~~ simulcasts must be distributed as provided in
84.14 section 240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue
84.15 from an admissions tax imposed under subdivision 1 must be paid to the local unit of
84.16 government at whose request it was imposed, at times and in a manner the commission
84.17 determines. Taxes received under this section and fines collected under section 240.22
84.18 must be paid to the commissioner of management and budget for deposit in the general
84.19 fund. All revenues from licenses and other fees imposed by the commission must be
84.20 deposited in the state treasury and credited to a racing and card playing regulation account
84.21 in the special revenue fund. Receipts in this account are available for the operations of the
84.22 commission up to the amount authorized in biennial appropriations from the legislature.

84.23 Sec. 84. Minnesota Statutes 2014, section 240.16, subdivision 1, is amended to read:

84.24 Subdivision 1. **Powers and duties.** All horse races run at a licensed racetrack must
84.25 be presided over by a board of three stewards, who must be appointees of the commission or
84.26 persons approved by it. The commission shall designate one steward as chair. At least two
84.27 stewards for all races either shall be employees of the commission who shall serve in the
84.28 unclassified service, or shall be under contract with the commission to serve as stewards.
84.29 The commission may delegate the following duties and powers to a board of stewards:

84.30 (a) to ensure that races are run in accordance with the commission's rules;

84.31 (b) to supervise the conduct of racing to ensure the integrity of the sport;

84.32 (c) to settle disputes arising from the running of horse races, and to certify official
84.33 results;

85.1 (d) to impose on licensees, for violation of law or commission rules, fines not
85.2 exceeding ~~\$2,000~~ \$5,000 and license suspensions not exceeding 90 days;

85.3 (e) to recommend to the commission where warranted penalties in excess of those
85.4 in clause (d);

85.5 (f) to otherwise enforce the laws and rules of racing; and

85.6 (g) to perform other duties and have other powers assigned by the commission.

85.7 Sec. 85. Minnesota Statutes 2014, section 240.22, is amended to read:

85.8 **240.22 FINES.**

85.9 (a) The commission shall by rule establish a graduated schedule of civil fines for
85.10 violations of laws related to horse racing or of the commission's rules. The schedule
85.11 must include minimum and maximum fines for each violation and be based on and
85.12 reflect the culpability, frequency and severity of the violator's actions. The commission
85.13 may impose a fine from this schedule on a licensee for a violation of those rules or laws
85.14 relating to horse racing. The fine is in addition to any criminal penalty imposed for the
85.15 same violation. Fines imposed by the commission must be paid to the commission and
85.16 except as provided in paragraph (b), forwarded to the commissioner of management and
85.17 budget for deposit in the general fund. A fine in excess of ~~\$2,000~~ \$5,000 is a contested
85.18 case under the Administrative Procedure Act.

85.19 (b) If the commission is the prevailing party in a contested case proceeding, the
85.20 commission may recover, from amounts to be forwarded under paragraph (a), reasonable
85.21 attorney fees and costs associated with the contested case.

85.22 **EFFECTIVE DATE.** This section is effective July 1, 2016.

85.23 Sec. 86. Minnesota Statutes 2014, section 240.23, is amended to read:

85.24 **240.23 RULEMAKING AUTHORITY.**

85.25 The commission has the authority, in addition to all other rulemaking authority
85.26 granted elsewhere in this chapter to promulgate rules governing:

85.27 (a) the conduct of horse races held at licensed racetracks in Minnesota, including but
85.28 not limited to the rules of racing, standards of entry, operation of claiming races, filing and
85.29 handling of objections, carrying of weights, and declaration of official results;

85.30 (b) ~~wire~~ wired and wireless communications between the premises of a licensed
85.31 racetrack and any place outside the premises;

85.32 (c) information on horse races which is sold on the premises of a licensed racetrack;

86.1 (d) liability insurance which it may require of all class A, class B, and class D
86.2 licensees;

86.3 (e) the auditing of the books and records of a licensee by an auditor employed
86.4 or appointed by the commission;

86.5 (f) emergency action plans maintained by licensed racetracks and their periodic
86.6 review;

86.7 (g) safety, security, and sanitation of stabling facilities at licensed racetracks;

86.8 (h) entry fees and other funds received by a licensee in the course of conducting
86.9 racing which the commission determines must be placed in escrow accounts;

86.10 (i) affirmative action in employment and contracting by class A, class B, and class D
86.11 licensees; ~~and~~

86.12 (j) procedures for the sampling and testing of any horse that is eligible to race in
86.13 Minnesota for substances or practices that are prohibited by law or rule; and

86.14 ~~(j)~~ (k) any other aspect of horse racing or pari-mutuel betting which in its opinion
86.15 affects the integrity of racing or the public health, welfare, or safety.

86.16 Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

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

86.18 Sec. 87. Minnesota Statutes 2014, section 272.484, is amended to read:

86.19 **272.484 FEES.**

86.20 The fee for filing and indexing each notice of lien or certificate or notice affecting
86.21 the lien is:

86.22 (1) for a lien, certificate of discharge or subordination, and for all other notices,
86.23 including a certificate of release or nonattachment filed with the secretary of state, the fee
86.24 provided by section 336.9-525, except that the filing fee charged to the district directors
86.25 of internal revenue for filing a federal tax lien is \$15 ~~for up to two debtor names and~~
86.26 ~~\$15 for each additional name; and~~

86.27 (2) for a lien, certificate of discharge or subordination, and for all other notices,
86.28 including a certificate of release or nonattachment filed with the county recorder, the fee
86.29 for filing a real estate mortgage in the county where filed.

86.30 The officer shall bill the district directors of internal revenue or other appropriate
86.31 federal officials on a monthly basis for fees for documents filed by them.

86.32 Sec. 88. Minnesota Statutes 2014, section 298.22, subdivision 1, is amended to read:

87.1 Subdivision 1. **The Office of the Commissioner of Iron Range resources**
87.2 **and rehabilitation.** (a) The Office of the Commissioner of Iron Range resources and
87.3 rehabilitation is created as an agency in the executive branch of state government. The
87.4 governor shall appoint the commissioner of Iron Range resources and rehabilitation under
87.5 section 15.06.

87.6 (b) The commissioner may hold other positions or appointments that are not
87.7 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The
87.8 commissioner may appoint a deputy commissioner. All expenses of the commissioner,
87.9 including the payment of staff and other assistance as may be necessary, must be paid
87.10 out of the amounts appropriated by section 298.28 or otherwise made available by law
87.11 to the commissioner. ~~Notwithstanding chapters 16A, 16B, and 16C, the commissioner~~
87.12 ~~may utilize contracting options available under section 471.345 when the commissioner~~
87.13 ~~determines it is in the best interest of the agency. The agency is not subject to sections~~
87.14 ~~16E.016 and 16C.05.~~

87.15 (c) When the commissioner determines that distress and unemployment exists or
87.16 may exist in the future in any county by reason of the removal of natural resources or
87.17 a possibly limited use of natural resources in the future and any resulting decrease in
87.18 employment, the commissioner may use whatever amounts of the appropriation made to
87.19 the commissioner of revenue in section 298.28 that are determined to be necessary and
87.20 proper in the development of the remaining resources of the county and in the vocational
87.21 training and rehabilitation of its residents, except that the amount needed to cover cost
87.22 overruns awarded to a contractor by an arbitrator in relation to a contract awarded by
87.23 the commissioner or in effect after July 1, 1985, is appropriated from the general fund.
87.24 For the purposes of this section, "development of remaining resources" includes, but is
87.25 not limited to, the promotion of tourism.

87.26 Sec. 89. Minnesota Statutes 2014, section 303.19, is amended to read:

87.27 **303.19 REINSTATEMENT.**

87.28 Subdivision 1. **Application Required filing.** Any foreign corporation whose
87.29 certificate of authority to do business in this state shall have been revoked or canceled may
87.30 file to reinstate that authority by filing an annual renewal and the fee required by subdivision
87.31 2 with the secretary of state ~~an application for reinstatement. Such application shall be~~
87.32 ~~on forms prescribed by the secretary of state, shall contain all the matters required to be~~
87.33 ~~set forth in an original application for a certificate of authority, and such other pertinent~~
87.34 ~~information as may be required by the secretary of state. If any of the information in the~~
87.35 original application for authority has changed, the foreign corporation must also file an

88.1 amended certificate setting forth the currently accurate information, with the fee required
88.2 by section 303.21, subdivision 3.

88.3 Subd. 2. **Fee.** If the certificate of authority was revoked by the secretary of state
88.4 pursuant to section 303.17, ~~the corporation shall pay to the commissioner of management~~
88.5 ~~and budget \$250 before it may be reinstated.~~

88.6 ~~If the certificate of authority was canceled~~ or by a judgment pursuant to section
88.7 303.18, the corporation shall pay to the commissioner of management and budget \$500
88.8 before it may be reinstated.

88.9 Subd. 3. **Certificate of reinstatement.** Upon the filing of the application and upon
88.10 payment of ~~all penalties, fees and charges required by law, not including an initial license~~
88.11 ~~fee or additional license fees to the extent that they have previously been paid by the~~
88.12 ~~corporation~~ the fees imposed by this section, the secretary of state shall reinstate the
88.13 license of the corporation.

88.14 Sec. 90. Minnesota Statutes 2014, section 304A.301, subdivision 1, is amended to read:

88.15 Subdivision 1. **Report required.** ~~No later than 90 days after the conclusion of~~
88.16 ~~each calendar year~~ Before each April 1, a public benefit corporation must deliver to the
88.17 secretary of state for filing an annual benefit report covering the 12-month period ending
88.18 on December 31 of ~~that~~ the previous year and pay a fee of \$35 to the secretary of state.
88.19 The annual benefit report must state the name of the public benefit corporation, be signed
88.20 by the public benefit corporation's chief executive officer not more than 30 days before the
88.21 report is delivered to the secretary of state for filing, and must be current when signed.

88.22 Sec. 91. Minnesota Statutes 2014, section 304A.301, subdivision 5, is amended to read:

88.23 Subd. 5. **Failure to file an annual benefit report.** If a public benefit corporation
88.24 fails to file ~~an~~, before April 1 of any calendar year, the annual benefit report ~~in accordance~~
88.25 ~~with this section within 90 days of the date on which an annual benefit report is due~~
88.26 required by this section, the secretary of state shall revoke the corporation's status as a
88.27 public benefit corporation under this chapter and must notify the public benefit corporation
88.28 of the revocation using the information provided by the corporation pursuant to section
88.29 5.002 or 5.34 or provided in the articles.

88.30 Sec. 92. Minnesota Statutes 2014, section 304A.301, subdivision 6, is amended to read:

88.31 Subd. 6. **Effects of revocation; reinstatement.** (a) A public benefit corporation
88.32 that has lost its public benefit corporation status for failure to timely file an annual benefit
88.33 report or by terminating that status pursuant to section 304A.103 is not entitled to the

89.1 benefits afforded to a public benefit corporation under this chapter as of the date of
89.2 revocation or termination and must amend the articles of incorporation to reflect a name
89.3 compliant with section 302A.115, but which does not include the corporate designation
89.4 provided for in section 304A.101, subdivision 2.

89.5 (b) Within 30 days of issuance of revocation of public benefit corporation status by
89.6 the secretary of state, filing a renewal complying with this section and a \$500 fee with
89.7 the secretary of state will reinstate the corporation as a public benefit corporation under
89.8 this chapter as of the date of revocation.

89.9 Sec. 93. Minnesota Statutes 2014, section 304A.301, is amended by adding a
89.10 subdivision to read:

89.11 Subd. 8. **Failure to change corporate name.** The duration of a corporation that has
89.12 had public benefit status terminated or revoked and which fails to change the corporate
89.13 name as provided in subdivision 6 expires automatically 30 days after termination or
89.14 revocation of the public benefit corporation status.

89.15 Sec. 94. Minnesota Statutes 2014, section 326A.01, subdivision 2, is amended to read:

89.16 Subd. 2. **Attest.** "Attest" means ~~to provide~~ providing any of the following financial
89.17 statement services:

89.18 (1) an audit or other engagement performed in accordance with the Statements on
89.19 Auditing Standards (SAS);

89.20 (2) a review of a financial statement performed in accordance with the Statements on
89.21 Standards for Accounting and Review Services (SSARS);

89.22 (3) an examination of prospective financial information performed in accordance
89.23 with the Statements on Standards for Attestation Engagements (SSAE); ~~and~~

89.24 (4) ~~any~~ an engagement performed in accordance with ~~auditing and related the~~
89.25 standards of the Public Company Accounting Oversight Board (PCAOB); and

89.26 (5) an examination, review, or agreed-upon procedures engagement performed in
89.27 accordance with SSAE, other than an examination described in clause (3).

89.28 Sec. 95. Minnesota Statutes 2014, section 326A.01, subdivision 12, is amended to read:

89.29 Subd. 12. **Peer review.** "Peer review" means an independent study, appraisal, or
89.30 review of one or more aspects of the professional work of a licensee or CPA firm that
89.31 issues attest or compilation reports, or the professional work of a person registered under
89.32 section 326A.06, paragraph (b), by persons who are not affiliated with the licensee or
89.33 CPA firm being reviewed.

90.1 Sec. 96. Minnesota Statutes 2014, section 326A.01, subdivision 13a, is amended to read:

90.2 Subd. 13a. **Principal place of business.** "Principal place of business" means the
90.3 office location designated by the licensee for purposes of substantial equivalency and
90.4 reciprocity ~~in this state and in other states.~~

90.5 Sec. 97. Minnesota Statutes 2014, section 326A.01, subdivision 15, is amended to read:

90.6 Subd. 15. **Report.** "Report," when used with reference to ~~financial statements~~ an
90.7 attest or compilation service, means an opinion, report, or other form of language that
90.8 states or implies assurance as to the reliability of ~~any~~ the attested information or compiled
90.9 financial statements and that also includes or is accompanied by a statement or implication
90.10 that the person or firm issuing it has special knowledge or competence in accounting or
90.11 auditing. Such a statement or implication of special knowledge or competence may arise
90.12 from use by the issuer of the report of names or titles indicating that the person or firm is an
90.13 accountant or auditor, or from the language of the report itself. The term "report" includes
90.14 any form of language that disclaims an opinion when the form of language is conventionally
90.15 understood to imply any positive assurance as to the reliability of the attested information
90.16 or compiled financial statements referred to or special competence on the part of the person
90.17 or firm issuing the language. It includes any other form of language that is conventionally
90.18 understood to imply such assurance or such special knowledge or competence.

90.19 Sec. 98. Minnesota Statutes 2014, section 326A.01, subdivision 16, is amended to read:

90.20 Subd. 16. **State.** "State" means any state of the United States, the District of
90.21 Columbia, Puerto Rico, the U.S. Virgin Islands, the Commonwealth of the Northern
90.22 Mariana Islands, and Guam; except that "this state" means the state of Minnesota.

90.23 Sec. 99. Minnesota Statutes 2014, section 326A.02, subdivision 3, is amended to read:

90.24 Subd. 3. **Officers; proceedings.** The board shall elect one of its ~~number~~ members
90.25 as chair, another as vice-chair, and another as secretary and treasurer. The officers shall
90.26 hold their respective offices for a term of one year and until their successors are elected.
90.27 The affirmative vote of a majority of the qualified members of the board, or a majority of
90.28 a quorum of the board at any meeting duly called, is considered the action of the board.
90.29 The board shall meet at such times and places as may be fixed by the board. Meetings
90.30 of the board are subject to chapter 13D. A majority of the board members then in office
90.31 constitutes a quorum at any meeting duly called. The board shall retain or arrange for the
90.32 retention of all applications and all documents under oath that are filed with the board and
90.33 also records of its proceedings, and it shall maintain a registry of the names and addresses

91.1 of all licensees and registrants under this chapter. In any proceeding in court, civil or
91.2 criminal, arising out of or founded upon any provision of this chapter, copies of records of
91.3 the proceeding certified as true copies by the board chair or executive director shall be
91.4 admissible in evidence as tending to prove the contents of the records.

91.5 Sec. 100. Minnesota Statutes 2014, section 326A.02, subdivision 5, is amended to read:

91.6 Subd. 5. **Rules.** The board may adopt rules governing its administration and
91.7 enforcement of this chapter and the conduct of licensees and persons registered under
91.8 section 326A.06, paragraph (b), including:

91.9 (1) rules governing the board's meetings and the conduct of its business;

91.10 (2) rules of procedure governing the conduct of investigations and hearings and
91.11 discipline by the board;

91.12 (3) rules specifying the educational and experience qualifications required for the
91.13 issuance of certificates and the continuing professional education required for renewal
91.14 of certificates;

91.15 (4) rules of professional conduct directed to controlling the quality and probity
91.16 of services by licensees, and dealing among other things with independence, integrity,
91.17 and objectivity; competence and technical standards; and responsibilities to the public
91.18 and to clients;

91.19 (5) rules governing the professional standards applicable to licensees including
91.20 adoption of the standards specified in section 326A.01, subdivision 2, and as developed
91.21 for general application by recognized national accountancy organizations such as the
91.22 American Institute of Certified Public Accountants or the Public Company Accounting
91.23 Oversight Board;

91.24 (6) rules that incorporate by reference the standards for attesting listed in section
91.25 326A.01, subdivision 2, that are consistent with the standards of general applicability
91.26 recognized by national accountancy organizations, including the American Institute of
91.27 Certified Public Accountants and the Public Company Accounting Oversight Board;

91.28 ~~(6)~~ (7) rules governing the manner and circumstances of use of the titles "certified
91.29 public accountant," "CPA," "registered accounting practitioner," and "RAP";

91.30 ~~(7)~~ (8) rules regarding peer review that may be required to be performed under
91.31 provisions of this chapter;

91.32 ~~(8)~~ (9) rules on substantial equivalence to implement section 326A.14;

91.33 ~~(9)~~ (10) rules regarding the conduct of the certified public accountant examination;

91.34 ~~(10)~~ (11) rules regarding the issuance and renewals of certificates, permits, and
91.35 registrations;

92.1 ~~(11)~~ (12) rules regarding transition provisions to implement this chapter;
92.2 ~~(12)~~ (13) rules specifying the educational and experience qualifications for
92.3 registration, rules of professional conduct, rules regarding peer review, rules governing
92.4 standards for providing services, and rules regarding the conduct and content of
92.5 examination for those persons registered under section 326A.06, paragraph (b);
92.6 ~~(13)~~ (14) rules regarding fees for examinations, certificate issuance and renewal,
92.7 firm permits, registrations under section 326A.06, paragraph (b), notifications made under
92.8 section 326A.14, and late processing fees; and
92.9 ~~(14)~~ (15) upon any change to this chapter, if the board determines a change in
92.10 Minnesota Rules is required, the board may initiate the expedited process under section
92.11 14.389 up to one year after the effective date of the change to this chapter.

92.12 Sec. 101. Minnesota Statutes 2014, section 326A.05, subdivision 1, is amended to read:

92.13 Subdivision 1. **General.** The board shall grant or renew permits to practice as
92.14 a CPA firm to entities that make application and demonstrate their qualifications in
92.15 accordance with this section.

92.16 (a) The following must hold a permit issued under this section:

92.17 (1) any firm with an office in this state performing attest services as defined in
92.18 section 326A.01, subdivision 2;

92.19 (2) to the extent required by section 326A.10, paragraph (k), any firm with an office
92.20 in this state performing compilation services as defined in section 326A.01, subdivision 6;

92.21 (3) any firm with an office in this state that uses the title "CPA" or "CPA firm"; or

92.22 (4) any firm that does not have an office in this state but performs attest services
92.23 as described in section 326A.01, subdivision 2, paragraph (1), (3), or (4), for a client
92.24 having its headquarters in this state.

92.25 (b) A firm possessing a valid permit from another state which does not have an office
92.26 in this state may perform services described in section 326A.01, subdivision 2, clause (2)
92.27 or (5), or subdivision 6, for a client having its headquarters in this state and may use the
92.28 title "CPA" or "CPA firm" without a permit issued under this section only if:

92.29 (1) it has the qualifications described in subdivision 3, paragraph (b);

92.30 (2) as a condition to the renewal of the firm's permit issued by the other state, that
92.31 state requires a peer review which contains the requirements equivalent to subdivision 8,
92.32 paragraphs (a) and (e); and

92.33 (3) it performs the services through an individual who has been granted practice
92.34 privileges under section 326A.14.

93.1 (c) A firm possessing a valid permit from another state that does not have an office
93.2 in this state and which is not subject to the requirements of paragraph (a), clause (4), or
93.3 (b), may perform other professional services while using the title "CPA" or "CPA firm" in
93.4 this state without a permit issued under this section only if the firm:

93.5 (1) has the qualifications described in subdivision 3, paragraph (b);

93.6 (2) performs the services through an individual who has been granted practice
93.7 privileges under section 326A.14; and

93.8 (3) can lawfully perform the services in the state where the individuals with practice
93.9 privileges have their principal place of business.

93.10 Sec. 102. Minnesota Statutes 2014, section 326A.05, subdivision 3, is amended to read:

93.11 Subd. 3. **Qualifications.** (a) An applicant for initial issuance or renewal of a permit
93.12 to practice under this section shall comply with the requirements in this subdivision.

93.13 (b) Notwithstanding chapter 319B or any other provision of law, a simple majority
93.14 of the ownership of the firm, in terms of financial interests and voting rights of all partners,
93.15 officers, shareholders, members, or managers, must belong to holders of certificates who
93.16 are licensed in some state, and the partners, officers, shareholders, members, or managers,
93.17 whose principal place of business is in this state, and who perform professional services in
93.18 this state, must hold valid certificates issued under section 326A.04 or the corresponding
93.19 provision of prior law. Although firms may include nonlicensee owners, the firm and
93.20 its ownership must comply with rules adopted by the board. The firm shall register all
93.21 nonlicensee owners with the state board as set forth by rule. An individual who has been
93.22 granted practice privileges under section 326A.14 and who performs services for which
93.23 a firm permit is required under section 326A.14, subdivision 1, paragraph (d), is not
93.24 required to obtain a certificate from the board under section 326A.04.

93.25 (c) A CPA firm may include nonlicensee owners provided that:

93.26 (1) the firm designates a licensee of this state, or in the case of a firm that must
93.27 have a permit according to section 326A.14, subdivision 1, paragraph (d), a licensee of
93.28 another state who meets the requirements in section 326A.14, subdivision 1, paragraph
93.29 (a) or (b), who is responsible for the proper registration of the firm and identifies that
93.30 individual to the board;

93.31 (2) all nonlicensee owners are persons of good moral character and are active
93.32 individual participants in the CPA firm or affiliated entities; and

93.33 (3) the firm complies with other requirements imposed by the board in rule.

93.34 (d) An individual licensee and any individual granted practice privileges under
93.35 section 326A.14 who is responsible for supervising attest or compilation services and

94.1 signs or authorizes someone to sign the accountant's report ~~on the financial statements~~
94.2 on behalf of the firm, shall meet the competency requirements set out in the professional
94.3 standards for such services.

94.4 (e) An individual licensee and any individual granted practice privileges under section
94.5 326A.14 who signs or authorizes someone to sign the accountants' report ~~on the financial~~
94.6 ~~statements~~ on behalf of the firm shall meet the competency requirement of paragraph (d).

94.7 Sec. 103. Minnesota Statutes 2014, section 326A.10, is amended to read:

94.8 **326A.10 UNLAWFUL ACTS.**

94.9 (a) Only a licensee and individuals who have been granted practice privileges
94.10 under section 326A.14 may issue a report on financial statements of any person, firm,
94.11 organization, or governmental unit that results from providing attest services, or offer to
94.12 render or render any attest service. Only a certified public accountant, an individual who
94.13 has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent
94.14 permitted by board rule, a person registered under section 326A.06, paragraph (b), may
94.15 issue a report on financial statements of any person, firm, organization, or governmental
94.16 unit that results from providing compilation services or offer to render or render any
94.17 compilation service. These restrictions do not prohibit any act of a public official or
94.18 public employee in the performance of that person's duties or prohibit the performance
94.19 by any nonlicensee of other services involving the use of accounting skills, including
94.20 the preparation of tax returns, management advisory services, and the preparation of
94.21 financial statements without the issuance of reports on them. Nonlicensees may prepare
94.22 financial statements and issue nonattest transmittals or information on them which do not
94.23 purport to be in compliance with the Statements on Standards for Accounting and Review
94.24 Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may,
94.25 to the extent permitted by board rule, prepare financial statements and issue nonattest
94.26 transmittals or information on them.

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

94.32 (c) A person who does not hold a valid certificate issued under section 326A.04
94.33 or a practice privilege granted under section 326A.14 shall not use or assume the title
94.34 "certified public accountant," the abbreviation "CPA," or any other title, designation,

95.1 words, letters, abbreviation, sign, card, or device tending to indicate that the person is a
95.2 certified public accountant.

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

95.8 (e) A person or firm that does not hold a valid certificate or permit issued under
95.9 section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or
95.10 326A.05 as required in this chapter shall not assume or use the title "certified accountant,"
95.11 "chartered accountant," "enrolled accountant," "licensed accountant," "registered
95.12 accountant," "accredited accountant," "accounting practitioner," "public accountant,"
95.13 "licensed public accountant," or any other title or designation likely to be confused
95.14 with the title "certified public accountant," or use any of the abbreviations "CA," "LA,"
95.15 "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the
95.16 abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals
95.17 so designated by the Internal Revenue Service.

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

95.22 (g) Except to the extent permitted in paragraph (a), nonlicensees may not use
95.23 language in any statement relating to the financial affairs of a person or entity that is
95.24 conventionally used by licensees in reports on financial statements or on an attest service.
95.25 In this regard, the board shall issue by rule safe harbor language that nonlicensees may
95.26 use in connection with such financial information. A person or firm that does not hold a
95.27 valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or
95.28 326A.06, paragraph (b), or has not otherwise complied with section 326A.04 or 326A.05
95.29 as required in this chapter shall not assume or use any title or designation that includes the
95.30 word "accountant" or "accounting" in connection with any other language, including the
95.31 language of a report, that implies that the person or firm holds such a certificate, permit,
95.32 or registration or has special competence as an accountant. A person or firm that does
95.33 not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not
95.34 otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not
95.35 assume or use any title or designation that includes the word "auditor" in connection with
95.36 any other language, including the language of a report, that implies that the person or firm

96.1 holds such a certificate or permit or has special competence as an auditor. However,
96.2 this paragraph does not prohibit any officer, partner, member, manager, or employee of
96.3 any firm or organization from affixing that person's own signature to any statement in
96.4 reference to the financial affairs of such firm or organization with any wording designating
96.5 the position, title, or office that the person holds, nor prohibit any act of a public official or
96.6 employee in the performance of the person's duties as such.

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

96.13 (2) A common brand name or network name part, including common initials, used
96.14 by a CPA firm in its name, is not misleading if the firm is a network firm as defined in
96.15 the American Institute of Certified Public Accountants (AICPA) Code of Professional
96.16 Conduct in effect July 1, 2011, and when offering or rendering services that require
96.17 independence under AICPA standards, the firm must comply with the AICPA code's
96.18 applicable standards on independence.

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

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

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

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

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

96.34 (k) No individual licensee may issue a report in standard form upon a compilation
96.35 of financial information through any form of business that does not hold a valid permit

97.1 issued under section 326A.05, unless the report discloses the name of the business through
97.2 which the individual is issuing the report, and the individual:

97.3 (1) signs the compilation report identifying the individual as a certified public
97.4 accountant;

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

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

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

97.13 (1) signs the compilation report identifying the individual as a registered accounting
97.14 practitioner;

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

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

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

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

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

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

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

97.31 Sec. 104. Minnesota Statutes 2014, section 336A.09, subdivision 1, is amended to read:

97.32 Subdivision 1. **Procedure.** (a) ~~Oral~~ Online and written inquiries regarding
97.33 information provided by the filing of effective financing statements or lien notices may
97.34 be ~~made at any filing office submitted to the secretary of state~~ during regular business
97.35 hours or, if submitted online, at any time.

98.1 (b) ~~A filing office receiving an oral or written inquiry shall, upon request~~ The
98.2 secretary of state must, upon receiving an inquiry, provide an oral or facsimile a prompt
98.3 response to the inquiry.

98.4 (c) ~~A filing office~~ The secretary of state shall maintain a record of inquiries made
98.5 under this section including:

- 98.6 (1) the date of the inquiry;
98.7 (2) the name of the debtor inquired about; and
98.8 (3) identification of the person making the request for inquiry.

98.9 Sec. 105. Minnesota Statutes 2014, section 364.09, is amended to read:

98.10 **364.09 EXCEPTIONS.**

98.11 (a) This chapter does not apply to the licensing process for peace officers; to law
98.12 enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire
98.13 protection agencies; to eligibility for a private detective or protective agent license; to the
98.14 licensing and background study process under chapters 245A and 245C; to the licensing
98.15 and background investigation process under chapter 240; to eligibility for school bus
98.16 driver endorsements; to eligibility for special transportation service endorsements; to
98.17 eligibility for a commercial driver training instructor license, which is governed by section
98.18 171.35 and rules adopted under that section; to emergency medical services personnel, or
98.19 to the licensing by political subdivisions of taxicab drivers, if the applicant for the license
98.20 has been discharged from sentence for a conviction within the ten years immediately
98.21 preceding application of a violation of any of the following:

98.22 (1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or
98.23 617.23, subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

98.24 (2) any provision of chapter 152 that is punishable by a maximum sentence of
98.25 15 years or more; or

98.26 (3) a violation of chapter 169 or 169A involving driving under the influence, leaving
98.27 the scene of an accident, or reckless or careless driving.

98.28 This chapter also shall not apply to eligibility for juvenile corrections employment, where
98.29 the offense involved child physical or sexual abuse or criminal sexual conduct.

98.30 (b) This chapter does not apply to a school district or to eligibility for a license
98.31 issued or renewed by the Board of Teaching or the commissioner of education.

98.32 (c) Nothing in this section precludes the Minnesota Police and Peace Officers
98.33 Training Board or the state fire marshal from recommending policies set forth in this
98.34 chapter to the attorney general for adoption in the attorney general's discretion to apply to
98.35 law enforcement or fire protection agencies.

99.1 (d) This chapter does not apply to a license to practice medicine that has been denied
99.2 or revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.

99.3 (e) This chapter does not apply to any person who has been denied a license to
99.4 practice chiropractic or whose license to practice chiropractic has been revoked by the
99.5 board in accordance with section 148.10, subdivision 7.

99.6 (f) This chapter does not apply to any license, registration, or permit that has
99.7 been denied or revoked by the Board of Nursing in accordance with section 148.261,
99.8 subdivision 1a.

99.9 (g) This chapter does not supersede a requirement under law to conduct a criminal
99.10 history background investigation or consider criminal history records in hiring for
99.11 particular types of employment.

99.12 Sec. 106. **[383B.83] LIMITS ON RAILROAD CONDEMNATION POWERS**
99.13 **OVER CERTAIN GOVERNMENTAL PROPERTY INTERESTS.**

99.14 Notwithstanding anything to the contrary in chapter 117, sections 222.26, 222.27,
99.15 222.36, or any other law, the powers of a railroad corporation or a railroad company
99.16 or a railroad interest acting as a public service corporation or a common carrier do not
99.17 include the power to exercise eminent domain over a property interest owned by Hennepin
99.18 County, the Hennepin County Housing and Redevelopment Authority, or the Hennepin
99.19 County Regional Railroad Authority if such governmental power, by resolution of its
99.20 governing board, determines based on findings that the public safety or access of first
99.21 responders would be detrimentally affected by the exercise.

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

99.23 Sec. 107. Minnesota Statutes 2014, section 471.6161, subdivision 8, is amended to read:

99.24 Subd. 8. **School districts; group health insurance coverage.** (a) Any entity
99.25 providing group health insurance coverage to a school district must provide the school
99.26 district with school district-specific nonidentifiable aggregate claims records for the most
99.27 recent 24 months within 30 days of the request.

99.28 (b) School districts shall request proposals for group health insurance coverage as
99.29 provided in subdivision 2 from a minimum of three potential sources of coverage. One of
99.30 these requests must go to an administrator governed by chapter 43A. Entities referenced
99.31 in subdivision 1 must respond to requests for proposals received directly from a school
99.32 district. School districts that are self-insured must also follow these provisions, except
99.33 as provided in paragraph (f). School districts must make requests for proposals at least
99.34 150 days prior to the expiration of the existing contract but not more frequently than once

100.1 every 24 months. The request for proposals must include the most recently available
100.2 24 months of nonidentifiable aggregate claims data. The request for proposals must be
100.3 publicly released at or prior to its release to potential sources of coverage.

100.4 (c) School district contracts for group health insurance must not be longer than
100.5 two years unless the exclusive representative of the largest employment group and the
100.6 school district agree otherwise.

100.7 (d) All initial proposals shall be sealed upon receipt until they are all opened no less
100.8 than 90 days prior to the plan's renewal date in the presence of up to three representatives
100.9 selected by the exclusive representative of the largest group of employees. Section 13.591,
100.10 subdivision 3, paragraph (b), applies to data in the proposals. The representatives of
100.11 the exclusive representative must maintain the data according to this classification and
100.12 are subject to the remedies and penalties under sections 13.08 and 13.09 for a violation
100.13 of this requirement.

100.14 (e) A school district, in consultation with the same representatives referenced in
100.15 paragraph (d), may continue to negotiate with any entity that submitted a proposal under
100.16 paragraph (d) in order to reduce costs or improve services under the proposal. Following
100.17 the negotiations any entity that submitted an initial proposal may submit a final proposal
100.18 incorporating the negotiations, which is due no less than 75 days prior to the plan's
100.19 renewal date. All the final proposals submitted must be opened at the same time in the
100.20 presence of up to three representatives selected by the exclusive representative of the
100.21 largest group of employees. Notwithstanding section 13.591, subdivision 3, paragraph (b),
100.22 following the opening of the final proposals, all the proposals, including any made under
100.23 paragraph (d), and other data submitted in connection with the proposals are public data.
100.24 The school district may choose from any of the initial or final proposals without further
100.25 negotiations and in accordance with subdivision 5, but not sooner than 15 days after
100.26 the proposals become public data.

100.27 (f) School districts that are self-insured shall follow all of the requirements of this
100.28 section, except that:

100.29 (1) their requests for proposals may be for third-party administrator services, where
100.30 applicable;

100.31 (2) these requests for proposals must be from a minimum of three different sources,
100.32 which may include both entities referenced in subdivision 1 and providers of third-party
100.33 administrator services;

100.34 (3) for purposes of fulfilling the requirement to request a proposal for group
100.35 insurance coverage from an administrator governed by chapter 43A, self-insured districts
100.36 are not required to include in the request for proposal the coverage to be provided;

101.1 (4) a district that is self-insured on or before the date of enactment, or that is
101.2 self-insured with more than 1,000 insured lives, or a district in which the school board
101.3 adopted a motion on or before May 14, 2014, to approve a self-insured health care plan
101.4 to be effective July 1, 2014, may, but need not, request a proposal from an administrator
101.5 governed by chapter 43A;

101.6 (5) requests for proposals must be sent to providers no less than 90 days prior to
101.7 the expiration of the existing contract; and

101.8 (6) proposals must be submitted at least 60 days prior to the plan's renewal date
101.9 and all proposals shall be opened at the same time and in the presence of the exclusive
101.10 representative, where applicable.

101.11 (g) Nothing in this section shall restrict the authority granted to school district boards
101.12 of education by section 471.59, except that districts will not be considered self-insured for
101.13 purposes of this subdivision solely through participation in a joint powers arrangement.

101.14 (h) An entity providing group health insurance to a school district under a multiyear
101.15 contract must give notice of any rate or plan design changes applicable under the contract
101.16 at least 90 days before the effective date of any change. The notice must be given to the
101.17 school district and to the exclusive representatives of employees.

101.18 (i) Notwithstanding the provisions of section 43A.316, subdivision 10, school
101.19 employees and their employers insured through chapter 43A are subject to the
101.20 requirements of this section.

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

101.22 Sec. 108. Minnesota Statutes 2014, section 473.123, subdivision 2a, is amended to read:

101.23 Subd. 2a. **Terms.** Following each apportionment of council districts, as provided
101.24 under subdivision 3a, council members must be appointed from newly drawn districts as
101.25 provided in subdivision 3a. ~~Each council member, other than the chair, must reside in the~~
101.26 ~~council district represented. Each council district must be represented by one member of the~~
101.27 ~~council.~~ The terms of members ~~end with the term of the governor~~ are staggered as follows:
101.28 members representing even-numbered districts have terms ending the first Monday in
101.29 January of the year ending in the numeral "7"; and members representing odd-numbered
101.30 districts have terms ending the first Monday in January of the year ending in the numeral
101.31 "5." Thereafter the term of each member is four years, with terms ending the first Monday
101.32 in January, except that all terms expire on the effective date of the next apportionment.
101.33 ~~A member serves at the pleasure of the governor.~~ A member shall continue to serve the
101.34 member's district until a successor is appointed and qualified; except that, following each
101.35 apportionment, the member shall continue to serve at large until the governor appoints 16

102.1 council members, one from each of the newly drawn council districts as provided under
102.2 subdivision 3a, to serve terms as provided under this section. The appointment to the
102.3 council must be made by the first Monday in March of the year in which the term ends.

102.4 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
102.5 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
102.6 Scott, and Washington.

102.7 Sec. 109. Minnesota Statutes 2014, section 473.123, subdivision 3, is amended to read:

102.8 Subd. 3. **Membership; appointment; qualifications.** (a) Sixteen members must be
102.9 appointed by the governor from districts defined by this section. Each council member
102.10 must reside in the council district represented. Each council district must be represented
102.11 by one member of the council. Each Metropolitan Council member must be an elected city
102.12 council member or mayor, or county commissioner. A Metropolitan Council member's
102.13 office becomes vacant if the person appointed to that position ceases to be an elected city
102.14 council member or mayor, or county commissioner.

102.15 (b) In addition to the notice required by section 15.0597, subdivision 4, notice of
102.16 vacancies and expiration of terms must be published in newspapers of general circulation
102.17 in the metropolitan area and the appropriate districts. The governing bodies of the statutory
102.18 and home rule charter cities, counties, and towns having territory in the district for which
102.19 a member is to be appointed must be notified in writing. The notices must describe the
102.20 appointments process and invite participation and recommendations on the appointment.

102.21 (c) ~~The governor shall create a nominating committee, composed~~ A committee of
102.22 seven metropolitan citizens ~~appointed by the governor, to shall~~ nominate persons for
102.23 appointment to the council from districts. Three of the committee members must be local
102.24 elected officials appointed by the Association of Metropolitan Municipalities, one must be a
102.25 county commissioner appointed by the Association of Minnesota Counties, and three must
102.26 be appointed by the governor. Following the submission of applications as provided under
102.27 section 15.0597, subdivision 5, the nominating committee shall conduct public meetings,
102.28 after appropriate notice, to accept statements from or on behalf of persons who have applied
102.29 or been nominated for appointment and to allow consultation with and secure the advice
102.30 of the public and local elected officials. The committee shall hold the meeting on each
102.31 appointment in the district or in a reasonably convenient and accessible location in the part
102.32 of the metropolitan area in which the district is located. The committee may consolidate
102.33 meetings. Following the meetings, the committee shall submit to the governor a list of
102.34 nominees for each appointment. The governor is not required to appoint from the list.

103.1 (d) Before making an appointment, the governor shall consult with all members of
103.2 the legislature from the council district for which the member is to be appointed.

103.3 (e) Appointments to the council are subject to the advice and consent of the senate as
103.4 provided in section 15.066.

103.5 (f) Members of the council must be appointed to reflect fairly the various
103.6 demographic, political, and other interests in the metropolitan area and the districts.

103.7 (g) Members of the council must be persons knowledgeable about urban and
103.8 metropolitan affairs.

103.9 (h) Any vacancy in the office of a council member shall immediately be filled
103.10 for the unexpired term. In filling a vacancy, the governor may forgo the requirements
103.11 of paragraph (c) if the governor has made appointments in full compliance with the
103.12 requirements of this subdivision within the preceding 12 months.

103.13 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
103.14 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
103.15 Scott, and Washington.

103.16 Sec. 110. Minnesota Statutes 2014, section 473.123, subdivision 4, is amended to read:

103.17 Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a)
103.18 The chair of the Metropolitan Council shall be ~~appointed~~ elected by the ~~governor~~ 16
103.19 members of the council as the 17th voting member thereof by and with the advice and
103.20 consent of the senate to serve at the pleasure of the ~~governor~~ council to represent the
103.21 metropolitan area at large. Senate confirmation shall be as provided by section 15.066.

103.22 The chair of the Metropolitan Council shall, if present, preside at meetings of the
103.23 council, have the primary responsibility for meeting with local elected officials, serve as
103.24 the principal legislative liaison, present to the governor and the legislature, after council
103.25 approval, the council's plans for regional governance and operations, serve as the principal
103.26 spokesperson of the council, and perform other duties assigned by the council or by law.

103.27 (b) The Metropolitan Council shall elect other officers as it deems necessary for
103.28 the conduct of its affairs for a one-year term. A secretary and treasurer need not be
103.29 members of the Metropolitan Council. Meeting times and places shall be fixed by the
103.30 Metropolitan Council and special meetings may be called by a majority of the members
103.31 of the Metropolitan Council or by the chair. The chair and each Metropolitan Council
103.32 member shall be reimbursed for actual and necessary expenses.

103.33 (c) Each member of the council shall attend and participate in council meetings
103.34 and meet regularly with local elected officials and legislative members from the council

104.1 member's district. Each council member shall serve on at least one division committee for
104.2 transportation, environment, or community development.

104.3 (d) In the performance of its duties the Metropolitan Council may adopt policies
104.4 and procedures governing its operation, establish committees, and, when specifically
104.5 authorized by law, make appointments to other governmental agencies and districts.

104.6 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
104.7 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
104.8 Scott, and Washington. The term of the chair of the Metropolitan Council serving on the
104.9 effective date of this section ends on that date, but the chair may continue serving until
104.10 a new chair is elected by the council under this section.

104.11 Sec. 111. Minnesota Statutes 2014, section 473J.07, subdivision 3, is amended to read:

104.12 Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the~~
104.13 ~~chair,~~ as provided in section 15.0575. ~~The chair shall receive, unless otherwise provided~~
104.14 ~~by other law, a salary in an amount fixed by the authority, and shall be reimbursed for~~
104.15 ~~reasonable expenses to the same extent as a member~~ No members of the authority receive
104.16 a salary.

104.17 Sec. 112. Laws 2013, chapter 142, article 1, section 10, is amended to read:

104.18 Sec. 10. **OFFICE OF ENTERPRISE**
104.19 **TECHNOLOGY MN.IT SERVICES** \$ 2,431,000 \$ 2,431,000

104.20 During the biennium ending June 30, 2015,
104.21 the Office of ~~Enterprise Technology~~ MN.IT
104.22 Services must not charge fees to a public
104.23 noncommercial educational television
104.24 broadcast station eligible for funding under
104.25 Minnesota Statutes, chapter 129D, for
104.26 access to the state broadcast infrastructure.

104.27 If the access fees not charged to public
104.28 noncommercial educational television
104.29 broadcast stations total more than \$400,000
104.30 for the biennium, the office may charge for
104.31 access fees in excess of these amounts.

104.32 The commissioner of Minnesota management
104.33 and budget is authorized to provide cash

105.1 flow assistance of up to \$110,000,000 from
105.2 the special revenue fund or other statutory
105.3 general funds as defined in Minnesota
105.4 Statutes, section 16A.671, subdivision 3,
105.5 paragraph (a), to the Office of Enterprise
105.6 Technology MN.IT Services for the purpose
105.7 of managing revenue and expenditure
105.8 differences during the initial phases of IT
105.9 consolidation. These funds shall be repaid
105.10 with interest by June 30, 2015 the end of the
105.11 fiscal year 2015 closing period.

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

105.13 Sec. 113. Laws 2015, chapter 3, section 4, is amended to read:

105.14 Sec. 4. **AGENCY HEAD SALARY FREEZE.**

105.15 Notwithstanding Minnesota Statutes, section 15A.0815, subdivisions 1 and 5, the
105.16 salary rate for positions listed in Minnesota Statutes, section 15A.0815, for positions
105.17 appointed by the governor, may not be set at a salary rate in excess of the previous
105.18 calendar year. The salary of the chair of the Metropolitan Council is \$61,414, unless
105.19 changed under the process in Minnesota Statutes, section 15A.0815, subdivision 5.

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

105.21 Sec. 114. **LIMIT ON AGENCY HEAD SALARY INCREASE.**

105.22 The percentage increase in salary granted to an agency head listed in Minnesota
105.23 Statutes, section 15A.0815, who is appointed by the governor may not exceed the lesser
105.24 of: (1) the percentage increase in Minnesota median household income, as determined by
105.25 the American Community Survey compiled by the United States Bureau of the Census, for
105.26 the most recent 12-month period for which data is available; or (2) the percentage increase
105.27 in the consumer price index, as determined by the United States Bureau of Economic
105.28 Analysis, for the most recent 12-month period for which data is available.

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

105.30 Sec. 115. **LEGISLATIVE SURROGACY COMMISSION.**

105.31 Subdivision 1. **Membership.** The Legislative Commission on Surrogacy shall
105.32 consist of 15 members, appointed as follows:

- 106.1 (1) three members of the senate appointed by the senate majority leader;
106.2 (2) three members of the senate appointed by the senate minority leader;
106.3 (3) three members of the house of representatives appointed by the speaker of the
106.4 house of representatives;
106.5 (4) three members of the house of representatives appointed by the house of
106.6 representatives minority leader;
106.7 (5) the commissioner of human services or the commissioner's designee;
106.8 (6) the commissioner of health or the commissioner's designee; and
106.9 (7) a family court referee appointed by the chief justice of the state Supreme Court.

106.10 Appointments must be made by June 1, 2015.

106.11 Subd. 2. **Chair.** The commission shall elect a chair from among its members.

106.12 Subd. 3. **Meetings.** The ranking majority member of the commission who is
106.13 appointed by the senate majority leader shall convene the first meeting by July 1, 2015.
106.14 The commission shall have at least six meetings but may not have more than ten meetings.

106.15 Subd. 4. **Conflict of interest.** A commission member may not participate in or
106.16 vote on a decision of the commission in which the member has either a direct or indirect
106.17 personal financial interest. A witness at a public meeting of the commission must disclose
106.18 any financial conflict of interest.

106.19 Subd. 5. **Duties.** The commission shall develop recommendations on public policy
106.20 and laws regarding surrogacy. To develop the recommendations, the commission shall
106.21 study surrogacy through public hearings, research, and deliberation. Topics for study
106.22 include, but are not limited to:

106.23 (1) potential health and psychological effects and benefits on women who serve
106.24 as surrogates;

106.25 (2) potential health and psychological effects and benefits on children born of
106.26 surrogates;

106.27 (3) business practices of the fertility industry, including attorneys, brokers, and
106.28 clinics;

106.29 (4) considerations related to different forms of surrogacy;

106.30 (5) considerations related to the potential exploitation of women in surrogacy
106.31 arrangements;

106.32 (6) contract law implications when a surrogacy contract is breached;

106.33 (7) potential conflicts with statutes governing private adoption and termination
106.34 of parental rights;

107.1 (8) potential for legal conflicts related to third-party reproduction, including conflicts
107.2 between or amongst the surrogate mother, the intended parents, the child, insurance
107.3 companies, and medical professionals;

107.4 (9) public policy determinations of other jurisdictions with regard to surrogacy; and

107.5 (10) information to be provided to a child born of a surrogate about the child's
107.6 biological and gestational parents.

107.7 Subd. 6. **Reporting.** The commission must submit a report including its
107.8 recommendations and may draft legislation to implement its recommendations to the chairs
107.9 and ranking minority members of the legislative committees with primary jurisdiction
107.10 over health and judiciary in the house and senate by December 15, 2015. On topics where
107.11 the commission fails to reach consensus, a majority and minority report shall be issued.

107.12 Subd. 7. **Staffing.** The Legislative Coordinating Commission shall provide staffing
107.13 and administrative support to the commission.

107.14 Subd. 8. **Expiration.** The commission expires the day after submitting the report
107.15 required under subdivision 6.

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

107.17 Sec. 116. **SOCCER STADIUM.**

107.18 No state funds may be appropriated or tax expenditures used to fund the construction
107.19 of a new major league soccer stadium. The state may not incur debt of the state to fund
107.20 construction of a new major league soccer stadium.

107.21 Sec. 117. **LIMIT ON INCREASE IN MANAGERIAL COMPENSATION.**

107.22 During the biennium ending June 30, 2017, an employee covered by the managerial
107.23 plan in Minnesota Statutes, section 43A.18, subdivision 3, may not be granted a
107.24 percentage increase in annual salary that exceeds the lesser of: (1) the percentage increase
107.25 in Minnesota median household income, as determined by the American Community
107.26 Survey compiled by the United States Bureau of the Census, for the most recent 12-month
107.27 period for which data is available; or (2) the percentage increase in the consumer price
107.28 index, as determined by the United States Bureau of Economic Analysis, for the most
107.29 recent 12-month period for which data is available.

107.30 Sec. 118. **LIMIT ON EXPENDITURES FOR ADVERTISING.**

107.31 During the biennium ending June 30, 2017, an executive branch agency's spending
107.32 on advertising and promotions may not exceed 90 percent of the amount the agency
107.33 spent on advertising and promotions during the biennium ending June 30, 2015. The

108.1 commissioner of management and budget must ensure compliance with this limit, and
108.2 may issue guidelines and policies to executive agencies. The commissioner may forbid
108.3 an agency from engaging in advertising as the commissioner determines is necessary to
108.4 ensure compliance with this section. This section does not apply to the Minnesota Lottery
108.5 or Explore Minnesota Tourism. Spending during the biennium ending June 30, 2017, on
108.6 advertising relating to a declared emergency, an emergency, or a disaster, as those terms
108.7 are defined in Minnesota Statutes, section 12.03, is excluded for purposes of this section.

108.8 Sec. 119. **PARKING RAMP FINANCING.**

108.9 The debt service on the design and construction costs allocated to the parking garage
108.10 located on the block bounded by Sherburne Avenue on the north, Park Street on the west,
108.11 University Avenue on the south, and North Capitol Boulevard on the east must be paid
108.12 for exclusively by fees charged to persons parking in that parking garage. No fees may
108.13 be charged to members of the public parking in spaces designated for persons with a
108.14 disability parking certificate.

108.15 Sec. 120. **METROPOLITAN COUNCIL APPOINTMENTS; IMMEDIATE**
108.16 **TRANSITION TO STAGGERED TERMS.**

108.17 For members serving on the Metropolitan Council on the effective date of this
108.18 section, other than the chair, members representing even-numbered districts shall serve
108.19 terms ending the first Monday in January 2019, and members representing odd-numbered
108.20 districts shall serve terms ending the first Monday in January 2017. Thereafter the term of
108.21 each member is four years, with terms ending the first Monday in January.

108.22 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
108.23 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
108.24 Scott, and Washington.

108.25 Sec. 121. **REPORT ON AGENCY CHIEF INFORMATION OFFICERS.**

108.26 The chief information officer of MN.IT must report to the legislature by January 15,
108.27 2016, on reduction in the number of chief information officers (CIOs) in state agencies.
108.28 The report must include the number of CIOs on July 1, 2015, the number on January
108.29 15, 2016, and plans to reduce that number.

108.30 Sec. 122. **TRANSITION.**

108.31 (a) Members of an ethnic council specified in new Minnesota Statutes, section
108.32 15.0145, on July 1, 2015, continue to serve on the council until the end of their current

109.1 term. However, if a member of a council has served eight years or more on the council
109.2 at any time before December 31, 2015, the term of that member expires December 31,
109.3 2015. If a council has more members on July 1, 2015, than is provided for by Minnesota
109.4 Statutes, section 15.0145, positions on the council shall not be filled until the expiration of
109.5 a term results in fewer members on the council than provided for in Minnesota Statutes,
109.6 section 15.0145. Membership qualifications newly specified in Minnesota Statutes, section
109.7 15.0145, must be complied with as soon as possible when terms of current members expire.

109.8 (b) The Legislative Coordinating Commission must appoint an executive director
109.9 for each council no later than November 15, 2015. An incumbent executive director of a
109.10 council may apply to be appointed by the Legislative Coordinating Commission but, if
109.11 not selected, the employment of the incumbent ends when the Legislative Coordinating
109.12 Commission appoints a new executive director, or on another date determined by the
109.13 Legislative Coordinating Commission. Other council staff are transferred to employment
109.14 with the reformulated councils specified in Minnesota Statutes, section 15.0145.

109.15 Sec. 123. **REVISOR'S INSTRUCTION.**

109.16 (a) The revisor of statutes shall renumber the subdivisions in Minnesota Statutes,
109.17 section 240.01, to put the definitions contained in that section in alphabetical order.

109.18 (b) The revisor of statutes shall correct any cross-references in Minnesota Statutes
109.19 and Minnesota Rules as a result of the renumbering in paragraph (a).

109.20 (c) In the next and subsequent edition of Minnesota Statutes, the Revisor of Statutes
109.21 shall substitute a reference to section 6.481 for each reference to section 6.48.

109.22 Sec. 124. **REVISOR INSTRUCTION.**

109.23 (a) In the next and subsequent editions of Minnesota Statutes, the revisor of statutes
109.24 shall substitute the names of councils as follows in each place where the names occur:

109.25 (1) Minnesota African Heritage Council, in place of Council on Black Minnesotans;
109.26 and

109.27 (2) Minnesota Council on Latino Affairs, in place of Council on Affairs of
109.28 Chicano/Latino People.

109.29 (b) The revisor of statutes shall change cross-references to sections 3.9223, 3.9225,
109.30 and 3.9226, with Minnesota Statutes, section 15.0145, and make changes necessary to
109.31 correct punctuation, grammar, or sentence structure.

109.32 Sec. 125. **REPEALER.**

110.1 (a) Minnesota Statutes 2014, sections 10A.25, subdivisions 1, 2, 2a, 3, 3a, 5, and 10;
110.2 10A.255, subdivisions 1 and 3; 10A.27, subdivision 11; 10A.30; 10A.31, subdivisions 1,
110.3 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, and 11; 10A.315; 10A.321; 10A.322, subdivisions
110.4 1 and 2; 10A.323; and 10A.324, subdivisions 1 and 3, and Minnesota Rules, parts
110.5 4503.1400, subparts 2, 3, 5, 6, 7, 8, and 9; and 4503.1450, are repealed. This paragraph
110.6 is effective July 1, 2015, and applies to elections held on or after that date. Amounts
110.7 designated under section 10A.31 on income tax and property tax refund returns filed after
110.8 June 30, 2015, are not effective and remain in the general fund.

110.9 (b) Minnesota Statutes 2014, sections 3.886; 6.48; 349A.07, subdivision 6; and
110.10 375.23, are repealed.

110.11 (c) Minnesota Statutes 2014, section 240.01, subdivisions 12 and 23, are repealed.

110.12 (d) Minnesota Statutes 2014, sections 3.9223; 3.9225; and 3.9226, subdivisions 1,
110.13 2, 3, 4, 5, 6, and 7, are repealed.