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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1498

03/05/2015 Authored by Runbeck, Albright, Newton and Dean, M.,  
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act  
1.2 relating to state grants; preventing the state from entering into a grant agreement  
1.3 with grantees disclosing certain information; requiring the attorney general to  
1.4 post federal tax information filed by charitable organizations on the attorney  
1.5 general's charities database Web site; amending Minnesota Statutes 2014,  
1.6 sections 16B.98, subdivision 5; 309.54, subdivision 1.

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

1.8 Section 1. Minnesota Statutes 2014, section 16B.98, subdivision 5, is amended to read:

1.9 Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement is  
1.10 not valid and the state is not bound by the grant unless:

1.11 (1) the grant has been executed by the head of the agency or a delegate who is  
1.12 party to the grant;

1.13 (2) the accounting system shows an encumbrance for the amount of the grant in  
1.14 accordance with policy approved by the commissioner except as provided in subdivision  
1.15 11; and

1.16 (3) the grant agreement includes an effective date that references either section  
1.17 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting  
1.18 agency.

1.19 (b) The combined grant agreement and amendments must not exceed five years  
1.20 without specific, written approval by the commissioner according to established policy,  
1.21 procedures, and standards, or unless the commissioner determines that a longer duration is  
1.22 in the best interest of the state.

1.23 (c) A fully executed copy of the grant agreement with all amendments and other  
1.24 required records relating to the grant must be kept on file at the granting agency for a time  
1.25 equal to that required of grantees in subdivision 8.

2.1 (d) Grant agreements must comply with policies established by the commissioner  
2.2 for minimum grant agreement standards and practices.

2.3 (e) The grant agreement must include a certification from the grantee that the grantee  
2.4 has not disclosed any information on Internal Revenue Service Form 990, Schedule J, part  
2.5 I, line 1a, for the most recent federal taxable year.

2.6 (f) The attorney general may periodically review and evaluate a sample of state  
2.7 agency grants to ensure compliance with applicable laws.

2.8 Sec. 2. Minnesota Statutes 2014, section 309.54, subdivision 1, is amended to read:

2.9 Subdivision 1. **Filed documents are public records; posting of certain records on**  
2.10 **Web site.** (a) Registration statements, annual reports, and other documents required to be  
2.11 filed shall become public records in the Office of the Attorney General.

2.12 (b) The attorney general shall post the Internal Revenue Service Form 990 filed by a  
2.13 charitable organization under section 309.53, subdivision 2, on the Web site containing the  
2.14 charities database for at least three years from the date of filing. This requirement does not  
2.15 apply to a charity that is exempt from taxation under section 501(c)(3) or 501(c)(4) of the  
2.16 Internal Revenue Code and is a:

2.17 (1) charitable hospital;

2.18 (2) educational or research institution; or

2.19 (3) health care program.