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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1864

03/16/2015 Authored by Anderson, S.; by request and Dettmer The bill was read for the first time and referred to the Committee on State Government Finance

1.1 A bill for an act
1.2 relating to the operation of state government; providing funding for the
1.3 legislature, constitutional officers, and other agencies, boards, councils,
1.4 commissions, and state entities; changing certain government programs;
1.5 changing requirement for targeted group business; changing licensing provisions
1.6 for pari-mutuel horse racing; changing the monthly regulatory fee for lawful
1.7 gambling; specifying additional uses for the "Support Our Troops Fund";
1.8 appropriating money; amending Minnesota Statutes 2014, sections 16A.28,
1.9 subdivision 1; 16C.16, subdivision 2, by adding a subdivision; 16C.19; 190.19,
1.10 subdivision 2a; 240.08, subdivision 4; 240.10; 349.16, subdivision 6a; Laws
1.11 2013, chapter 142, article 1, section 10; Laws 2014, chapter 287, section 25.

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

1.13 ARTICLE 1

1.14 STATE GOVERNMENT APPROPRIATIONS

1.15 Section 1. STATE GOVERNMENT APPROPRIATIONS.

1.16 The sums shown in the columns marked "Appropriations" are appropriated to the
1.17 agencies and for the purposes specified in this article. The appropriations are from the
1.18 general fund, or another named fund, and are available for the fiscal years indicated
1.19 for each purpose. The figures "2016" and "2017" used in this article mean that the
1.20 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
1.21 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
1.22 year 2017. "The biennium" is fiscal years 2016 and 2017.

Table with 2 columns: 2016, 2017. Header: APPROPRIATIONS Available for the Year Ending June 30

1.27 Sec. 2. LEGISLATURE

2.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$</u>	<u>74,404,000</u>	<u>\$</u>	<u>78,124,000</u>
2.2	<u>Appropriations by Fund</u>					
2.3		<u>2016</u>		<u>2017</u>		
2.4	<u>General</u>	<u>74,276,000</u>		<u>77,996,000</u>		
2.5	<u>Health Care Access</u>	<u>128,000</u>		<u>128,000</u>		
2.6	<u>The amounts that may be spent for each</u>					
2.7	<u>purpose are specified in the following</u>					
2.8	<u>subdivisions.</u>					
2.9	<u>Subd. 2. Senate</u>			<u>27,223,000</u>		<u>30,943,000</u>
2.10	<u>Subd. 3. House of Representatives</u>			<u>30,524,000</u>		<u>30,524,000</u>
2.11	<u>During the biennium ending June 30, 2017,</u>					
2.12	<u>any revenues received by the house of</u>					
2.13	<u>representatives from voluntary donations</u>					
2.14	<u>to support broadcast or print media are</u>					
2.15	<u>appropriated to the house of representatives.</u>					
2.16	<u>Subd. 4. Legislative Coordinating Commission</u>			<u>16,657,000</u>		<u>16,657,000</u>
2.17	<u>Appropriations by Fund</u>					
2.18	<u>General</u>	<u>16,529,000</u>		<u>16,529,000</u>		
2.19	<u>Health Care Access</u>	<u>128,000</u>		<u>128,000</u>		
2.20	<u>Sec. 3. GOVERNOR AND LIEUTENANT</u>					
2.21	<u>GOVERNOR</u>		<u>\$</u>	<u>3,615,000</u>	<u>\$</u>	<u>3,616,000</u>
2.22	<u>(a) This appropriation is to fund the Office of</u>					
2.23	<u>the Governor and Lieutenant Governor.</u>					
2.24	<u>(b) \$19,000 the first year and \$19,000 the</u>					
2.25	<u>second year are for necessary expenses in</u>					
2.26	<u>the normal performance of the governor's</u>					
2.27	<u>and lieutenant governor's duties for which no</u>					
2.28	<u>other reimbursement is provided.</u>					
2.29	<u>(c) By September 1 of each year, the</u>					
2.30	<u>commissioner of management and budget</u>					
2.31	<u>shall report to the chairs and ranking</u>					
2.32	<u>minority members of the senate State</u>					
2.33	<u>Government Innovation and Veterans Affairs</u>					

3.1 Committee and the house of representatives
 3.2 State Government Finance Committee any
 3.3 personnel costs incurred by the Offices of the
 3.4 Governor and Lieutenant Governor that were
 3.5 supported by appropriations to other agencies
 3.6 during the previous fiscal year. The Office
 3.7 of the Governor shall inform the chairs and
 3.8 ranking minority members of the committees
 3.9 before initiating any interagency agreements.

3.10 Sec. 4. STATE AUDITOR \$ 2,437,000 \$ 2,333,000

3.11 \$150,000 from the general fund is for an
 3.12 infrastructure stress study. This is a onetime
 3.13 appropriation and may be used in either year
 3.14 of the biennium.

3.15 Sec. 5. ATTORNEY GENERAL \$ 24,342,000 \$ 24,342,000

3.16	<u>Appropriations by Fund</u>	
3.17	<u>2016</u>	<u>2017</u>
3.18	<u>General</u>	<u>22,125,000</u>
3.19	<u>State Government</u>	
3.20	<u>Special Revenue</u>	<u>1,822,000</u>
3.21	<u>Environmental</u>	<u>145,000</u>
3.22	<u>Remediation</u>	<u>250,000</u>

3.23 Sec. 6. SECRETARY OF STATE \$ 6,631,000 \$ 6,631,000

3.24 Any funds available in the account
 3.25 established in Minnesota Statutes, section
 3.26 5.30, pursuant to the Help America Vote Act,
 3.27 are appropriated for the purposes and uses
 3.28 authorized by federal law.

3.29 Sec. 7. CAMPAIGN FINANCE AND PUBLIC
 3.30 DISCLOSURE BOARD \$ 1,014,000 \$ 1,028,000

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

3.32 Sec. 9. ADMINISTRATIVE HEARINGS \$ 7,695,000 \$ 7,568,000

4.1	<u>Appropriations by Fund</u>	
4.2	<u>2016</u>	<u>2017</u>
4.3 <u>General</u>	<u>445,000</u>	<u>318,000</u>
4.4 <u>Workers'</u>		
4.5 <u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

4.6 (a) \$50,000 in fiscal year 2016 and \$50,000
 4.7 in fiscal year 2017 are appropriated from the
 4.8 general fund to the Office of Administrative
 4.9 Hearings for the cost of considering
 4.10 complaints of unfair campaign practices
 4.11 filed under Minnesota Statutes, section
 4.12 211B.32. These amounts may be used in
 4.13 either year of the biennium. \$50,000 is added
 4.14 to the agency's base to be available for the
 4.15 biennium.

4.16 (b) \$6,000 in fiscal year 2016 and \$6,000 in
 4.17 fiscal year 2017 are appropriated from the
 4.18 general fund to the Office of Administrative
 4.19 Hearings for the cost of considering data
 4.20 practices complaints filed under Minnesota
 4.21 Statutes, section 13.085. These amounts
 4.22 may be used in either year of the biennium.
 4.23 \$6,000 is added to the agency's base to be
 4.24 available for the biennium.

4.25 (c) \$130,000 the first year is appropriated
 4.26 from the general fund for the cost of
 4.27 considering complaints filed under
 4.28 Minnesota Statutes, section 211B.32. Any
 4.29 amount of this appropriation that remains
 4.30 unspent at the end of the biennium must be
 4.31 canceled to the general account of the state
 4.32 elections campaign fund. The base for fiscal
 4.33 year 2018 is \$130,000 to be available for the
 4.34 biennium under the same terms.

4.35 **Sec. 10. OFFICE OF MN.IT SERVICES \$ 2,526,000 \$ 2,622,000**

5.1 The commissioner of management and
 5.2 budget is authorized to provide cash flow
 5.3 assistance of up to \$110,000,000 from the
 5.4 special revenue fund or other statutory
 5.5 general funds as defined in Minnesota
 5.6 Statutes, section 16A.671, subdivision
 5.7 3, paragraph (a), to the Office of MN.IT
 5.8 Services for the purpose of managing
 5.9 revenue and expenditure differences during
 5.10 the initial phases of IT consolidation. These
 5.11 funds shall be repaid with interest by the end
 5.12 of the fiscal year 2017 closing period.

5.13 Sec. 11. **ADMINISTRATION**

5.14 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>23,933,000</u>	<u>\$</u>	<u>22,673,000</u>
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5.15 The amounts that may be spent for each
 5.16 purpose are specified in the following
 5.17 subdivisions.

5.18 <u>Subd. 2. Government and Citizen Services</u>		<u>9,801,000</u>		<u>8,927,000</u>
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5.19 \$74,000 the first year and \$74,000 the second
 5.20 year are for the Council on Developmental
 5.21 Disabilities.

5.22 \$735,000 the first year and \$65,000 the
 5.23 second year are to conduct a disparity study
 5.24 required under Minnesota Statutes, section
 5.25 16C.16, subdivision 5. This is a onetime
 5.26 appropriation.

5.27 \$392,000 the first year and \$383,000 the
 5.28 second year are for the expansion of financial
 5.29 management and human resources services
 5.30 to small agencies, boards, and councils.

5.31 <u>Subd. 3. Administrative Management Support</u>		<u>1,975,000</u>		<u>2,009,000</u>
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5.32 <u>Subd. 4. Fiscal Agent</u>		<u>12,157,000</u>		<u>11,737,000</u>
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6.1 The appropriations under this section are to
6.2 the commissioner of administration for the
6.3 purposes specified.

6.4 **In Lieu of Rent.** \$8,158,000 the first year
6.5 and \$8,158,000 the second year are for
6.6 office space costs of the legislature and
6.7 veterans organizations, ceremonial space,
6.8 and statutorily free space.

6.9 **Public Broadcasting.** (a) \$1,550,000 the
6.10 first year and \$1,550,000 the second year are
6.11 for matching grants for public television.

6.12 (b) \$250,000 the first year and \$250,000
6.13 the second year are for public television
6.14 equipment grants. Equipment or matching
6.15 grant allocations shall be made after
6.16 considering the recommendations of the
6.17 Minnesota Public Television Association.

6.18 (c) \$392,000 the first year and \$392,000 the
6.19 second year are for community service grants
6.20 to public educational radio stations. This
6.21 appropriation may be used to disseminate
6.22 emergency information in foreign languages.

6.23 (d) \$117,000 the first year and \$117,000
6.24 the second year are for equipment grants
6.25 to public educational radio stations. This
6.26 appropriation may be used for the repair,
6.27 rental, and purchase of equipment including
6.28 equipment under \$500.

6.29 (e) The grants in paragraphs (c) and (d)
6.30 must be allocated after considering the
6.31 recommendations of the Association of
6.32 Minnesota Public Educational Radio Stations
6.33 under Minnesota Statutes, section 129D.14.

7.1 (f) \$310,000 the first year and \$310,000
 7.2 the second year are for equipment grants
 7.3 to Minnesota Public Radio, Inc., including
 7.4 upgrades to Minnesota's Emergency Alert
 7.5 and AMBER Alert Systems.

7.6 (g) Any unencumbered balance remaining
 7.7 the first year for grants to public television or
 7.8 radio stations does not cancel and is available
 7.9 for the second year.

7.10	Sec. 12. <u>CAPITOL AREA</u>			
7.11	<u>ARCHITECTURAL AND PLANNING</u>			
7.12	<u>BOARD</u>	<u>\$</u>	<u>340,000</u>	<u>\$</u> <u>345,000</u>

7.13	Sec. 13. <u>MINNESOTA MANAGEMENT AND</u>			
7.14	<u>BUDGET</u>	<u>\$</u>	<u>23,777,000</u>	<u>\$</u> <u>26,069,000</u>

7.15 \$2,000,000 in fiscal year 2016 and
 7.16 \$4,000,000 in fiscal year 2017 is to maintain
 7.17 and upgrade statewide business systems,
 7.18 including, but not limited to, the statewide
 7.19 accounting system, the human resource and
 7.20 payroll system, the employment application
 7.21 system, the enterprise learning management
 7.22 system, the budget planning and analysis
 7.23 system, the fiscal note tracking system, and
 7.24 capital budget system.

7.25 Sec. 14. **REVENUE**

7.26	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>146,438,000</u>	<u>\$</u> <u>147,092,000</u>
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7.27	<u>Appropriations by Fund</u>			
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7.28		<u>2016</u>	<u>2017</u>	
7.29	<u>General</u>	<u>142,203,000</u>	<u>142,857,000</u>	
7.30	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>	
7.31	<u>Highway User Tax</u>			
7.32	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>	
7.33	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>	

7.34	<u>Subd. 2. Tax System Management</u>		<u>117,822,000</u>	<u>118,476,000</u>
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8.1	<u>Appropriations by Fund</u>		
8.2	<u>General</u>	<u>113,587,000</u>	<u>114,241,000</u>
8.3	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
8.4	<u>Highway User Tax</u>		
8.5	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
8.6	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>
8.7	<u>Appropriation; Taxpayer Assistance. (a)</u>		
8.8	<u>\$400,000 in fiscal year 2016 and \$400,000</u>		
8.9	<u>in fiscal year 2017 from the general fund</u>		
8.10	<u>are for grants to one or more nonprofit</u>		
8.11	<u>organizations, qualifying under section</u>		
8.12	<u>501(c)(3) of the Internal Revenue Code of</u>		
8.13	<u>1986, to coordinate, facilitate, encourage, and</u>		
8.14	<u>aid in the provision of taxpayer assistance</u>		
8.15	<u>services. The unencumbered balance in the</u>		
8.16	<u>first year does not cancel but is available for</u>		
8.17	<u>the second year.</u>		
8.18	<u>(b) For purposes of this appropriation,</u>		
8.19	<u>"taxpayer assistance services" means</u>		
8.20	<u>accounting and tax preparation services</u>		
8.21	<u>provided by volunteers to low-income,</u>		
8.22	<u>elderly, and disadvantaged Minnesota</u>		
8.23	<u>residents to help them file federal and state</u>		
8.24	<u>income tax returns, Minnesota property</u>		
8.25	<u>tax refund claims, and to provide personal</u>		
8.26	<u>representation before the Department of</u>		
8.27	<u>Revenue and Internal Revenue Service.</u>		
8.28	<u>Subd. 3. Debt Collection Management</u>	<u>28,616,000</u>	<u>28,616,000</u>
8.29	Sec. 15. <u>GAMBLING CONTROL</u>	<u>\$ 3,260,000</u>	<u>\$ 3,324,000</u>
8.30	<u>These appropriations are from the lawful</u>		
8.31	<u>gambling regulation account in the special</u>		
8.32	<u>revenue fund.</u>		
8.33	Sec. 16. <u>RACING COMMISSION</u>	<u>\$ 1,168,000</u>	<u>\$ 1,153,000</u>

9.1	<u>Appropriations by Fund</u>		
9.2		<u>2016</u>	<u>2017</u>
9.3	<u>General</u>	<u>269,000</u>	<u>72,000</u>
9.4	<u>Special Revenue</u>		
9.5	<u>Fund</u>	<u>899,000</u>	<u>1,081,000</u>

9.6 The general fund appropriation is for fiscal
 9.7 years 2016 and 2017 only.

9.8 The appropriations from the special revenue
 9.9 fund are from the racing and card playing
 9.10 regulation accounts. The funding base for
 9.11 the special revenue fund appropriation is
 9.12 \$972,000 in fiscal year 2018 and \$971,000 in
 9.13 fiscal year 2019.

9.14 The racing commission is directed to work
 9.15 in consultation with the racing industry
 9.16 to propose permanent dedicated funding
 9.17 changes to fully support the operations of
 9.18 the commission to ensure that racing is
 9.19 conducted in the public interest. These
 9.20 changes shall be reported to the Office
 9.21 of the Governor and to the majority and
 9.22 minority leadership of the relevant legislative
 9.23 committees by November 1, 2015.

9.24 **Sec. 17. STATE LOTTERY**

9.25 Notwithstanding Minnesota Statutes, section
 9.26 349A.10, subdivision 3, the operating budget
 9.27 must not exceed \$31,000,000 in fiscal year
 9.28 2016 and \$31,000,000 in fiscal year 2017.

9.29 **Sec. 18. AMATEUR SPORTS COMMISSION \$ 300,000 \$ 300,000**

9.30 **Sec. 19. COUNCIL ON BLACK**
 9.31 **MINNESOTANS \$ 396,000 \$ 401,000**

9.32 **Sec. 20. COUNCIL ON ASIAN-PACIFIC**
 9.33 **MINNESOTANS \$ 359,000 \$ 364,000**

10.1	Sec. 21. <u>COUNCIL ON AFFAIRS OF</u>			
10.2	<u>CHICANO/LATINO PEOPLE</u>	\$	<u>381,000</u>	\$ <u>386,000</u>
10.3	Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	\$	<u>569,000</u>	\$ <u>576,000</u>
10.4	Sec. 23. <u>MINNESOTA HISTORICAL</u>			
10.5	<u>SOCIETY</u>			
10.6	<u>Subdivision 1. Total Appropriation</u>	\$	<u>21,964,000</u>	\$ <u>22,076,000</u>
10.7	<u>The amounts that may be spent for each</u>			
10.8	<u>purpose are specified in the following</u>			
10.9	<u>subdivisions.</u>			
10.10	<u>Subd. 2. Operations and Programs</u>		<u>21,576,000</u>	<u>21,822,000</u>
10.11	<u>Notwithstanding Minnesota Statutes, section</u>			
10.12	<u>138.668, the Minnesota Historical Society</u>			
10.13	<u>may not charge a fee for its general tours at</u>			
10.14	<u>the Capitol, but may charge fees for special</u>			
10.15	<u>programs other than general tours.</u>			
10.16	<u>Subd. 3. Fiscal Agent</u>			
10.17	<u>(a) Minnesota International Center</u>		<u>39,000</u>	<u>39,000</u>
10.18	<u>(b) Minnesota Air National Guard Museum</u>		<u>34,000</u>	<u>-0-</u>
10.19	<u>(c) Minnesota Military Museum</u>		<u>100,000</u>	<u>-0-</u>
10.20	<u>(d) Farmamerica</u>		<u>115,000</u>	<u>115,000</u>
10.21	<u>(e) Hockey Hall of Fame</u>		<u>100,000</u>	<u>100,000</u>
10.22	<u>Balances Forward.</u> <u>Any unencumbered</u>			
10.23	<u>balance remaining in this subdivision the first</u>			
10.24	<u>year does not cancel but is available for the</u>			
10.25	<u>second year of the biennium.</u>			
10.26	Sec. 24. <u>BOARD OF THE ARTS</u>			
10.27	<u>Subdivision 1. Total Appropriation</u>	\$	<u>7,522,000</u>	\$ <u>7,530,000</u>
10.28	<u>The amounts that may be spent for each</u>			
10.29	<u>purpose are specified in the following</u>			
10.30	<u>subdivisions.</u>			

11.1	<u>Subd. 2. Operations and Services</u>		<u>583,000</u>	<u>591,000</u>
11.2	<u>Subd. 3. Grants Program</u>		<u>4,800,000</u>	<u>4,800,000</u>
11.3	<u>Subd. 4. Regional Arts Councils</u>		<u>2,139,000</u>	<u>2,139,000</u>
11.4	<u>Unencumbered balance available. Any</u>			
11.5	<u>unencumbered balance remaining in this</u>			
11.6	<u>section the first year does not cancel, but is</u>			
11.7	<u>available for the second year of the biennium.</u>			
11.8	<u>Sec. 25. MINNESOTA HUMANITIES</u>			
11.9	<u>CENTER</u>	\$	<u>251,000</u>	\$ <u>251,000</u>
11.10	<u>Sec. 26. SCIENCE MUSEUM OF</u>			
11.11	<u>MINNESOTA</u>	\$	<u>1,079,000</u>	\$ <u>1,079,000</u>
11.12	<u>Sec. 27. GENERAL CONTINGENT</u>			
11.13	<u>ACCOUNTS</u>	\$	<u>1,000,000</u>	\$ <u>500,000</u>
11.14	<u>Appropriations by Fund</u>			
11.15			<u>2016</u>	<u>2017</u>
11.16	<u>General</u>		<u>500,000</u>	<u>-0-</u>
11.17	<u>State Government</u>			
11.18	<u>Special Revenue</u>		<u>400,000</u>	<u>400,000</u>
11.19	<u>Workers'</u>			
11.20	<u>Compensation</u>		<u>100,000</u>	<u>100,000</u>
11.21	<u>(a) The appropriations in this section</u>			
11.22	<u>may only be spent with the approval of</u>			
11.23	<u>the governor after consultation with the</u>			
11.24	<u>Legislative Advisory Commission pursuant</u>			
11.25	<u>to Minnesota Statutes, section 3.30.</u>			
11.26	<u>(b) If an appropriation in this section for</u>			
11.27	<u>either year is insufficient, the appropriation</u>			
11.28	<u>for the other year is available for it.</u>			
11.29	<u>(c) If a contingent account appropriation</u>			
11.30	<u>is made in one fiscal year, it should be</u>			
11.31	<u>considered a biennial appropriation.</u>			
11.32	<u>Sec. 28. TORT CLAIMS</u>	\$	<u>161,000</u>	\$ <u>161,000</u>

12.1 These appropriations are to be spent by the
 12.2 commissioner of management and budget
 12.3 according to Minnesota Statutes, section
 12.4 3.736, subdivision 7. If the appropriation for
 12.5 either year is insufficient, the appropriation
 12.6 for the other year is available for it.

12.7 **Sec. 29. MINNESOTA STATE RETIREMENT**
 12.8 **SYSTEM**

12.9 **Total Appropriation** **\$ 5,642,000 \$ 8,953,000**

12.10 The amounts are to be spent for the
 12.11 Consolidated Legislators and Constitutional
 12.12 Officers Retirement.

12.13 **Sec. 30. PUBLIC EMPLOYEES**
 12.14 **RETIREMENT ASSOCIATION** **\$ 24,000,000 \$ 24,000,000**

12.15 These amounts are relating to the merged
 12.16 former MERF division and estimated to be
 12.17 needed under Minnesota Statutes, section
 12.18 353.505.

12.19 **Sec. 31. TEACHERS RETIREMENT**
 12.20 **ASSOCIATION** **\$ 15,454,000 \$ 15,454,000**

12.21 The amounts estimated to be needed are as
 12.22 follows:

12.23 **(a) Special direct state aid.** \$12,954,000 the
 12.24 first year and \$12,954,000 the second year
 12.25 are for special direct state aid authorized
 12.26 under Minnesota Statutes, section 354.436.

12.27 **(b) Special direct state matching aid.**
 12.28 \$2,500,000 the first year and \$2,500,000
 12.29 the second year are for special direct state
 12.30 matching aid authorized under Minnesota
 12.31 Statutes, section 354.435.

12.32 **Sec. 32. ST. PAUL TEACHERS**
 12.33 **RETIREMENT FUND** **\$ 2,827,000 \$ 2,827,000**

13.1 The amounts estimated to be needed for
 13.2 special direct state aid to first class city
 13.3 teachers retirement funds authorized under
 13.4 Minnesota Statutes, section 354A.12,
 13.5 subdivisions 3a and 3c.

13.6 **Sec. 33. DULUTH TEACHERS**
 13.7 **RETIREMENT FUND** **\$ 14,377,000 \$ 14,377,000**

13.8 The amounts estimated to be needed for
 13.9 special direct state aid to first class city
 13.10 teachers retirement funds authorized under
 13.11 Minnesota Statutes, section 354.436.

13.12 Sec. 34. Minnesota Statutes 2014, section 16A.28, subdivision 1, is amended to read:

13.13 Subdivision 1. **Carryforward.** Agencies may carry forward unexpended and
 13.14 unencumbered nongrant operating balances from ~~the first year of a biennium into the~~
 13.15 ~~second year of the biennium~~ one fiscal year into the next fiscal year.

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

13.17 Sec. 35. Minnesota Statutes 2014, section 16C.16, subdivision 2, is amended to read:

13.18 Subd. 2. **Small business.** The commissioner shall adopt ~~rules defining the size~~
 13.19 ~~standards for "small business" found in Code of Federal Relations, title 49, section~~
 13.20 ~~26.65,~~ for purposes of sections 16C.16 to 16C.21, 137.31, 137.35, 161.321, and 473.142-
 13.21 ~~The definition must include only businesses with their,~~ provided that the business has
 13.22 ~~its principal place of business in Minnesota. The definition must establish different~~
 13.23 ~~size standards for various types of businesses. In establishing these standards, the~~
 13.24 ~~commissioner must consider the differences among industries caused by the size of the~~
 13.25 ~~market for goods or services and the relative size and market share of the competitors~~
 13.26 ~~operating in those markets.~~

13.27 Sec. 36. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision
 13.28 to read:

13.29 Subd. 13. **State-funded projects.** (a) Notwithstanding section 16C.001, this
 13.30 subdivision applies to contracts for state-funded capital improvement projects in excess of
 13.31 \$100,000 that are issued by organizations not subject to the small business requirements of
 13.32 this section, including municipalities as defined in section 466.01, subdivision 1.

14.1 (b) Organizations administering contracts described in paragraph (a) shall promote
14.2 the use of targeted group businesses designated under this section and take steps to remove
14.3 barriers to equitable participation of targeted group businesses.

14.4 (c) Organizations shall cooperate with the commissioner's efforts to monitor and
14.5 measure compliance with this subdivision in the performance of state-funded contracts.

14.6 Sec. 37. Minnesota Statutes 2014, section 16C.19, is amended to read:

14.7 **16C.19 ELIGIBILITY; RULES.**

14.8 (a) A small business wishing to participate in the programs under section 16C.16,
14.9 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt
14.10 by rule standards and procedures for certifying that small targeted group businesses,
14.11 small businesses located in economically disadvantaged areas, and veteran-owned small
14.12 businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21.
14.13 The commissioner shall adopt by rule standards and procedures for hearing appeals and
14.14 grievances and other rules necessary to carry out the duties set forth in sections 16C.16
14.15 to 16C.21.

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

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

14.21 (d) Notwithstanding paragraph ~~(e)~~ (a), for purposes of sections 16C.16 to 16C.21, a
14.22 veteran-owned small business, the principal place of business of which is in Minnesota, is
14.23 certified if it has been verified by the United States Department of Veterans Affairs as being
14.24 either a veteran-owned small business or a service-disabled veteran-owned small business,
14.25 in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.

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

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

15.1 (g) The commissioner may adopt rules to implement the programs under section
 15.2 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

15.3 Sec. 38. Minnesota Statutes 2014, section 240.08, subdivision 4, is amended to read:

15.4 Subd. 4. **License issuance and renewal.** If the commission determines that
 15.5 the applicant is qualified for the occupation for which licensing is sought and will
 15.6 not adversely affect the public health, welfare, and safety or the integrity of racing in
 15.7 Minnesota, it may issue a class C license to the applicant. If it makes a similar finding
 15.8 for a renewal of a class C license it may renew the license. Class C licenses are effective
 15.9 for a minimum of one year for all class C licenses, and up to three years for certain
 15.10 classifications of class C licenses to be determined by the commission.

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

15.12 Sec. 39. Minnesota Statutes 2014, section 240.10, is amended to read:

15.13 **240.10 LICENSE FEES.**

15.14 The fee for a class A license is \$253,000 per year and must be remitted on July 1.
 15.15 The fee for a class B license is \$500 for each assigned racing day and \$100 for each day
 15.16 on which simulcasting is authorized and must be remitted on July 1. Included herein are
 15.17 all days assigned to be conducted after January 1, 2003. The fee for a class D license is
 15.18 \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on
 15.19 class D licenses must be paid to the commission at a time and in a manner as provided by
 15.20 rule of the commission.

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

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

15.24 Sec. 40. Minnesota Statutes 2014, section 349.16, subdivision 6a, is amended to read:

15.25 Subd. 6a. **Monthly regulatory fee.** An organization must pay a monthly regulatory
 15.26 fee of ~~0.1~~ 0.15 percent of the organization's gross receipts from lawful gambling
 15.27 conducted each month. The fee must be reported and paid on a monthly basis in a format
 15.28 as determined by the commissioner of revenue, and remitted to the commissioner of
 15.29 revenue with the organization's monthly tax return. All monthly regulatory fees received
 15.30 by the commissioner of revenue under this subdivision must be deposited in the lawful
 15.31 gambling regulation account in the special revenue fund according to section 349.151.

16.1 Failure to pay the monthly regulatory fees in a timely manner may result in disciplinary
16.2 action by the board.

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

16.4 Sec. 41. Laws 2013, chapter 142, article 1, section 10, is amended to read:

16.5	Sec. 10. OFFICE OF ENTERPRISE			
16.6	<u>TECHNOLOGY MN.IT SERVICES</u>	\$	2,431,000	\$ 2,431,000

16.7 During the biennium ending June 30, 2015,
16.8 the Office of ~~Enterprise Technology~~ MN.IT
16.9 Services must not charge fees to a public
16.10 noncommercial educational television
16.11 broadcast station eligible for funding under
16.12 Minnesota Statutes, chapter 129D, for
16.13 access to the state broadcast infrastructure.

16.14 If the access fees not charged to public
16.15 noncommercial educational television
16.16 broadcast stations total more than \$400,000
16.17 for the biennium, the office may charge for
16.18 access fees in excess of these amounts.

16.19 The commissioner of Minnesota management
16.20 and budget is authorized to provide cash
16.21 flow assistance of up to \$110,000,000 from
16.22 the special revenue fund or other statutory
16.23 general funds as defined in Minnesota
16.24 Statutes, section 16A.671, subdivision 3,
16.25 paragraph (a), to the Office of ~~Enterprise~~
16.26 ~~Technology~~ MN.IT Services for the purpose
16.27 of managing revenue and expenditure
16.28 differences during the initial phases of IT
16.29 consolidation. These funds shall be repaid
16.30 with interest by ~~June 30, 2015~~ the end of the
16.31 fiscal year 2015 closing period.

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

16.33 Sec. 42. Laws 2014, chapter 287, section 25, is amended to read:

17.1 Sec. 25. **PARKING RAMP; REQUIRED USER FINANCING.**

17.2 The amount equivalent to debt service on the design and construction costs allocated
17.3 to the parking garage to be located on the block bounded by Sherburne Avenue on the north,
17.4 Park Street on the west, University Avenue on the south, and North Capitol Boulevard on
17.5 the east ~~must be user-financed from~~ must be transferred from parking fees collected and
17.6 deposited into the state parking account and ~~credited to the debt service account for the~~
17.7 Legislative Office Facility. to the general fund to offset any direct appropriations made to
17.8 the Senate for debt service payments for the legislative parking garage.

17.9 **ARTICLE 2**

17.10 **MILITARY AND VETERANS AFFAIRS**

17.11 Section 1. **MILITARY AND VETERANS AFFAIRS APPROPRIATIONS.**

17.12 The sums shown in the columns marked "Appropriations" are appropriated to the
17.13 agencies and for the purposes specified in this article. The appropriations are from the
17.14 general fund and are available for the fiscal years indicated for each purpose. The figures
17.15 "2016" and "2017" used in this article mean that the appropriations listed under them are
17.16 available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The
17.17 first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is
17.18 fiscal years 2016 and 2017.

17.19 **APPROPRIATIONS**
17.20 **Available for the Year**
17.21 **Ending June 30**
17.22 **2016** **2017**

17.23 Sec. 2. **MILITARY AFFAIRS**

17.24 **Subdivision 1. Total Appropriation** **\$** **19,368,000** **\$** **19,368,000**

17.25 The amounts that may be spent for each
17.26 purpose are specified in the following
17.27 subdivisions.

17.28 **Subd. 2. Maintenance of Training Facilities** **9,661,000** **9,661,000**

17.29 **Subd. 3. General Support** **2,819,000** **2,819,000**

17.30 **Subd. 4. Enlistment Incentives** **6,888,000** **6,888,000**

17.31 **Appropriation Availability.** If
17.32 appropriations for either year of the biennium
17.33 are insufficient, the appropriation from the

18.1 other year is available. The appropriations
 18.2 for enlistment incentives are available until
 18.3 expended.

18.4 **Transfer Authority.** Of the funds carried
 18.5 forward from fiscal year 2015 to fiscal
 18.6 year 2016, in the enlistment incentives
 18.7 appropriation, \$10,000,000 in fiscal year
 18.8 2016 may be transferred to the maintenance
 18.9 of training facilities appropriation to
 18.10 address significant maintenance backlog
 18.11 to the department's military training and
 18.12 community centers. This is a onetime
 18.13 transfer and is available until spent.

18.14 Sec. 3. **VETERANS AFFAIRS**

18.15 <u>Subdivision 1. Total Appropriation</u>	<u>\$ 65,363,000</u>	<u>\$ 67,581,000</u>
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18.16 The amounts that may be spent for each
 18.17 purpose are specified in the following
 18.18 subdivisions.

18.19 <u>Subd. 2. Veterans Services</u>	<u>16,349,000</u>	<u>16,461,000</u>
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18.20 **Honor Guards.** \$200,000 each year is
 18.21 for compensation for honor guards at
 18.22 the funerals of veterans under Minnesota
 18.23 Statutes, section 197.231. This amount is
 18.24 added to the program's base funding.

18.25 **Minnesota GI Bill.** \$200,000 each year is for
 18.26 the costs of administering the Minnesota GI
 18.27 Bill on-the-job training and apprenticeship
 18.28 program under Minnesota Statutes, section
 18.29 197.791.

18.30 **Gold Star Program.** \$100,000 each year
 18.31 is for administering the Gold Star Program
 18.32 for surviving family members of deceased
 18.33 veterans. This amount is added to the
 18.34 program's base funding.

19.1 **County Veterans Service Office.**
 19.2 \$1,100,000 each year is for funding the
 19.3 County Veterans Service Office grant
 19.4 program under Minnesota Statutes, section
 19.5 197.608.

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

19.18 **Veterans Paramedic Apprenticeship**
 19.19 **Program.** All unspent funds, estimated to
 19.20 be \$110,000, from the Veterans Paramedic
 19.21 Apprenticeship Program, from the onetime
 19.22 appropriation under Laws 2009, chapter 79,
 19.23 article 13, section 7, are canceled to the
 19.24 general fund on July 1, 2013.

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

19.26 **Veterans Homes Special Revenue Account.**
 19.27 The general fund appropriations made to the
 19.28 department may be transferred to a veterans
 19.29 homes special revenue account in the special
 19.30 revenue fund in the same manner as other
 19.31 receipts are deposited according to Minnesota
 19.32 Statutes, section 198.34, and are appropriated
 19.33 to the department for the operation of
 19.34 veterans homes facilities and programs.

20.1 **Repair and Betterment.** \$500,000 in the
 20.2 first year and \$500,000 in the second year are
 20.3 for the repair and betterment of Minnesota
 20.4 veterans homes.

20.5 **Maximize Federal Reimbursements.**

20.6 The department will seek opportunities
 20.7 to maximize federal reimbursements of
 20.8 Medicare-eligible expenses and will provide
 20.9 annual reports to the commissioner of
 20.10 management and budget on the federal
 20.11 Medicare reimbursements received.
 20.12 Contingent upon future federal Medicare
 20.13 receipts, reductions to the homes' general
 20.14 fund appropriation may be made.

20.15 Sec. 4. Minnesota Statutes 2014, section 190.19, subdivision 2a, is amended to read:

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

20.18 (1) grants to veterans service organizations;

20.19 (2) outreach to underserved veterans;

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

20.21 (4) transfers to the vehicle services account for Gold Star license plates under
 20.22 section 168.1253-₂;

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

20.26 (6) grants to an eligible foundation.

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

20.29 (1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue
 20.30 Code; and

20.31 (2) has articles of incorporation under chapter 317A specifying the purpose of the
 20.32 organization as including the provision of financial assistance to veterans and their families.

APPENDIX
Article locations in 15-2199

ARTICLE 1 STATE GOVERNMENT APPROPRIATIONS Page.Ln 1.13
ARTICLE 2 MILITARY AND VETERANS AFFAIRS Page.Ln 17.9