

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 2227

(SENATE AUTHORS: KIFFMEYER, Howe and Koran)

DATE	D-PG	OFFICIAL STATUS
03/11/2019	759	Introduction and first reading Referred to State Government Finance and Policy and Elections
03/26/2019	1337	Author added Howe
03/27/2019	1396	Author added Koran
04/10/2019	2303a	Comm report: To pass as amended and re-refer to Finance

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, and retirement funds; changing provisions in

1.5 state government operations; establishing commissions and task forces; repealing

1.6 state aid to PERA General for MERF; requiring reports; amending Minnesota

1.7 Statutes 2018, sections 3.855, subdivision 2, by adding a subdivision; 3.97,

1.8 subdivision 3a; 3.971, subdivision 9; 6.481, subdivisions 1, 3; 13.599, by adding

1.9 a subdivision; 15A.083, subdivision 6a; 16A.103, subdivision 1a; 16A.11,

1.10 subdivision 3; 16E.01, subdivision 1a; 16E.016; 16E.03, subdivisions 1, 2, by

1.11 adding subdivisions; 16E.035; 16E.0466, subdivision 1; 16E.05, subdivision 3;

1.12 16E.14, subdivision 3; 16E.18, subdivision 6; 43A.15, subdivision 14; 43A.191,

1.13 subdivisions 2, 3; 179A.20, by adding a subdivision; 240.01, by adding a

1.14 subdivision; 240.02, subdivisions 2, 6; 240.08, subdivision 5; 240.10; 240.12;

1.15 240.13, subdivision 5; 240.131, subdivision 7; 240.135; 240.16, subdivisions 1,

1.16 2; 240.18, subdivisions 2, 3; 240.22; 240.27; 240A.09; 326A.01, subdivision 2;

1.17 326A.04, subdivisions 4, 5; 326A.08, subdivisions 4, 5, by adding a subdivision;

1.18 326A.10; 349.12, subdivision 2; 349.17, subdivision 6; 349.181, subdivision 5;

1.19 349.19, subdivisions 1, 2; 353.27, subdivision 3c; 645.071; Laws 2018, chapter

1.20 100, section 1; proposing coding for new law in Minnesota Statutes, chapters 3;

1.21 5; 10; 14; 15; 16A; 16E; 326A; repealing Minnesota Statutes 2018, sections 3.9735;

1.22 353.505.

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

1.24 style="text-align:center">**ARTICLE 1**

1.25 style="text-align:center">**STATE GOVERNMENT APPROPRIATIONS**

1.26 Section 1. STATE GOVERNMENT APPROPRIATIONS.

1.27 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.28 and for the purposes specified in this article. The appropriations are from the general fund,

1.29 or another named fund, and are available for the fiscal years indicated for each purpose.

1.30 The figures "2020" and "2021" used in this article mean that the appropriations listed under

1.31 them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively.

2.1 "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium"
 2.2 is fiscal years 2020 and 2021.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2020</u>	<u>2021</u>

2.7 **Sec. 2. LEGISLATURE**

2.8 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>85,318,000</u>	<u>\$</u>	<u>85,898,000</u>
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2.9 The amounts that may be spent for each
 2.10 purpose are specified in the following
 2.11 subdivisions.

2.12 <u>Subd. 2. Senate</u>	<u>35,260,000</u>	<u>35,260,000</u>
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2.13 <u>Subd. 3. House of Representatives</u>	<u>32,383,000</u>	<u>32,383,000</u>
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2.14 <u>Subd. 4. Legislative Coordinating Commission</u>	<u>17,675,000</u>	<u>18,255,000</u>
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2.15 Appropriations provided by this subdivision
 2.16 may be used for designated staff to support
 2.17 the following offices and commissions: Office
 2.18 of the Legislative Auditor; Office of the
 2.19 Revisor of Statutes; Legislative Reference
 2.20 Library; Geographic Information Services;
 2.21 Legislative Budget Office; Legislative-Citizen
 2.22 Commission on Minnesota Resources;
 2.23 Legislative Commission on Pensions and
 2.24 Retirement; Legislative Water Commission;
 2.25 Mississippi River Parkway Commission;
 2.26 Legislative Energy Commission; and the
 2.27 Lessard-Sams Outdoor Heritage Council. The
 2.28 operation of all other joint offices and
 2.29 commissions must be supported by the central
 2.30 administrative staff of the Legislative
 2.31 Coordinating Commission. This appropriation
 2.32 may additionally be used for central
 2.33 administrative staff to support the work of the

3.1 Economic Status of Women Advisory

3.2 Committee.

3.3 The base for the Legislative Coordinating

3.4 Commission is \$18,291,000 in fiscal year 2022

3.5 and \$18,326,000 in fiscal year 2023.

3.6 From its funds, \$10,000 each year is for

3.7 purposes of the legislators' forum, through

3.8 which Minnesota legislators meet with

3.9 counterparts from South Dakota, North

3.10 Dakota, and Manitoba to discuss issues of

3.11 mutual concern.

3.12 From its funds, \$904,000 the first year and

3.13 \$1,483,000 the second year are for the

3.14 Legislative Budget Office. The base for the

3.15 Legislative Budget Office is \$1,519,000 in

3.16 fiscal year 2022 and \$1,554,000 in fiscal year

3.17 2023.

3.18 **Legislative Auditor.** \$6,564,000 the first year

3.19 and \$6,564,000 the second year are for the

3.20 Office of the Legislative Auditor.

3.21 **Revisor of Statutes.** \$6,175,000 the first year

3.22 and \$6,176,000 the second year are for the

3.23 Office of the Revisor of Statutes.

3.24 **Legislative Reference Library.** \$1,445,000

3.25 the first year and \$1,445,000 the second year

3.26 are for the Legislative Reference Library.

3.27 **Sec. 3. GOVERNOR AND LIEUTENANT**

3.28 **GOVERNOR**

\$

3,622,000

\$

3,622,000

3.29 (a) This appropriation is to fund the Office of

3.30 the Governor and Lieutenant Governor.

3.31 (b) \$19,000 the first year and \$19,000 the

3.32 second year are for necessary expenses in the

3.33 normal performance of the governor's and

4.1 lieutenant governor's duties for which no other
 4.2 reimbursement is provided.

4.3 (c) By September 1 of each year, the
 4.4 commissioner of management and budget shall
 4.5 report to the chairs and ranking minority
 4.6 members of the legislative committees with
 4.7 jurisdiction over state government finance any
 4.8 personnel costs incurred by the Offices of the
 4.9 Governor and Lieutenant Governor that were
 4.10 supported by appropriations to other agencies
 4.11 during the previous fiscal year. The Office of
 4.12 the Governor shall inform the chairs and
 4.13 ranking minority members of the committees
 4.14 before initiating any interagency agreements.

4.15 Sec. 4. STATE AUDITOR \$ 9,573,000 \$ 9,573,000

4.16 Sec. 5. ATTORNEY GENERAL \$ 24,035,000 \$ 24,434,000

4.17 Appropriations by Fund

	<u>2020</u>	<u>2021</u>
4.18 <u>General</u>	<u>21,230,000</u>	<u>21,629,000</u>
4.19 <u>State Government</u>		
4.20 <u>Special Revenue</u>	<u>2,410,000</u>	<u>2,410,000</u>
4.21 <u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
4.22 <u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

4.24 \$1,252,000 in fiscal year 2020 and \$1,651,000
 4.25 in fiscal year 2021 are to provide legal services
 4.26 to rural county attorneys.

4.27 Sec. 6. SECRETARY OF STATE \$ 19,321,000 \$ 6,321,000

4.28 Of these amounts, \$13,000,000 the first year
 4.29 is for election equipment grants under
 4.30 Minnesota Statutes, section 206.95. This is a
 4.31 onetime appropriation and is available until
 4.32 June 30, 2022.

4.33 Sec. 7. CAMPAIGN FINANCE AND PUBLIC
 4.34 DISCLOSURE BOARD \$ 1,048,000 \$ 1,048,000

5.1	Sec. 8. <u>STATE BOARD OF INVESTMENT</u>	\$	<u>139,000</u>	\$	<u>139,000</u>
5.2	Sec. 9. <u>ADMINISTRATIVE HEARINGS</u>	\$	<u>8,231,000</u>	\$	<u>8,231,000</u>
5.3	<u>Appropriations by Fund</u>				
5.4			<u>2020</u>		<u>2021</u>
5.5	<u>General</u>		<u>400,000</u>		<u>400,000</u>
5.6	<u>Workers'</u>				
5.7	<u>Compensation</u>		<u>7,831,000</u>		<u>7,831,000</u>
5.8	<u>\$263,000 the first year and \$263,000 the</u>				
5.9	<u>second year are for municipal boundary</u>				
5.10	<u>adjustments.</u>				
5.11	Sec. 10. <u>OFFICE OF MN.IT SERVICES</u>	\$	<u>15,329,000</u>	\$	<u>10,526,000</u>
5.12	<u>(a) The base for this appropriation in fiscal</u>				
5.13	<u>year 2022 and later is \$9,026,000.</u>				
5.14	<u>(b) \$12,650,000 the first year and \$7,847,000</u>				
5.15	<u>the second year are for enhancements to</u>				
5.16	<u>cybersecurity across state government. The</u>				
5.17	<u>base for this appropriation in fiscal years 2022</u>				
5.18	<u>and 2023 is \$7,347,000 each year.</u>				
5.19	<u>(c) The commissioner of management and</u>				
5.20	<u>budget is authorized to provide cash flow</u>				
5.21	<u>assistance of up to \$50,000,000 from the</u>				
5.22	<u>special revenue fund or other statutory general</u>				
5.23	<u>funds as defined in Minnesota Statutes, section</u>				
5.24	<u>16A.671, subdivision 3, paragraph (a), to the</u>				
5.25	<u>Office of MN.IT Services for the purpose of</u>				
5.26	<u>managing revenue and expenditure</u>				
5.27	<u>differences. These funds shall be repaid with</u>				
5.28	<u>interest by the end of the fiscal year 2021</u>				
5.29	<u>closing period.</u>				
5.30	<u>(d) During the biennium ending June 30, 2021,</u>				
5.31	<u>MN.IT Services must not charge fees to a</u>				
5.32	<u>public noncommercial educational television</u>				
5.33	<u>broadcast station eligible for funding under</u>				
5.34	<u>Minnesota Statutes, chapter 129D, for access</u>				

7.1 (c) The commissioner of administration must
7.2 consider the recommendations of the
7.3 Minnesota Public Television Association
7.4 before allocating the amounts appropriated in
7.5 paragraphs (a) and (b) for equipment or
7.6 matching grants.

7.7 **Public Radio.** (a) \$492,000 the first year and
7.8 \$492,000 the second year are for community
7.9 service grants to public educational radio
7.10 stations. This appropriation may be used to
7.11 disseminate emergency information in foreign
7.12 languages.

7.13 (b) \$142,000 the first year and \$142,000 the
7.14 second year are for equipment grants to public
7.15 educational radio stations. This appropriation
7.16 may be used for the repair, rental, and
7.17 purchase of equipment including equipment
7.18 under \$500.

7.19 (c) \$510,000 the first year and \$510,000 the
7.20 second year are for equipment grants to
7.21 Minnesota Public Radio, Inc., including
7.22 upgrades to Minnesota's Emergency Alert and
7.23 AMBER Alert Systems.

7.24 (d) The appropriations in paragraphs (a) to (c)
7.25 may not be used for indirect costs claimed by
7.26 an institution or governing body.

7.27 (e) The commissioner of administration must
7.28 consider the recommendations of the
7.29 Association of Minnesota Public Educational
7.30 Radio Stations before awarding grants under
7.31 Minnesota Statutes, section 129D.14, using
7.32 the appropriations in paragraphs (a) and (b).
7.33 No grantee is eligible for a grant unless they
7.34 are a member of the Association of Minnesota

9.1	<u>Appropriations by Fund</u>		
9.2	<u>General</u>	<u>119,322,000</u>	<u>119,322,000</u>
9.3	<u>Health Care Access</u>	<u>760,000</u>	<u>760,000</u>
9.4	<u>Highway User Tax</u>		
9.5	<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
9.6	<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>
9.7	<u>Appropriation; Taxpayer Assistance. (a)</u>		
9.8	<u>\$400,000 each year is for the commissioner</u>		
9.9	<u>of revenue to make grants to one or more</u>		
9.10	<u>nonprofit organizations, qualifying under</u>		
9.11	<u>section 501(c)(3) of the Internal Revenue Code</u>		
9.12	<u>of 1986, to coordinate, facilitate, encourage,</u>		
9.13	<u>and aid in the provision of taxpayer assistance</u>		
9.14	<u>services. The unencumbered balance in the</u>		
9.15	<u>first year does not cancel but is available for</u>		
9.16	<u>the second year.</u>		
9.17	<u>(b) For purposes of this section, "taxpayer</u>		
9.18	<u>assistance services" means accounting and tax</u>		
9.19	<u>preparation services provided by volunteers</u>		
9.20	<u>to low-income, elderly, and disadvantaged</u>		
9.21	<u>Minnesota residents to help them file federal</u>		
9.22	<u>and state income tax returns and Minnesota</u>		
9.23	<u>property tax refund claims and to provide</u>		
9.24	<u>personal representation before the Department</u>		
9.25	<u>of Revenue and Internal Revenue Service.</u>		
9.26	<u>Subd. 3. Debt Collection Management</u>	<u>26,139,000</u>	<u>26,139,000</u>
9.27	<u>Sec. 15. GAMBLING CONTROL</u>	<u>\$ 3,472,000</u>	<u>\$ 3,472,000</u>
9.28	<u>These appropriations are from the lawful</u>		
9.29	<u>gambling regulation account in the special</u>		
9.30	<u>revenue fund.</u>		
9.31	<u>Sec. 16. RACING COMMISSION</u>	<u>\$ 913,000</u>	<u>\$ 913,000</u>
9.32	<u>These appropriations are from the racing and</u>		
9.33	<u>card playing regulation accounts in the special</u>		
9.34	<u>revenue fund.</u>		

10.1	Sec. 17. <u>STATE LOTTERY</u>		
10.2	<u>Notwithstanding Minnesota Statutes, section</u>		
10.3	<u>349A.10, subdivision 3, the State Lottery's</u>		
10.4	<u>operating budget must not exceed \$35,000,000</u>		
10.5	<u>in fiscal year 2020 and \$36,500,000 in fiscal</u>		
10.6	<u>year 2021.</u>		
10.7	Sec. 18. <u>AMATEUR SPORTS COMMISSION</u>	\$ 2,306,000	\$ 2,306,000
10.8	<u>\$2,000,000 each year is to make grants under</u>		
10.9	<u>Minnesota Statutes, section 240A.09,</u>		
10.10	<u>paragraph (b).</u>		
10.11	Sec. 19. <u>COUNCIL FOR MINNESOTANS OF</u>		
10.12	<u>AFRICAN HERITAGE</u>	\$ 407,000	\$ 407,000
10.13	Sec. 20. <u>COUNCIL ON LATINO AFFAIRS</u>	\$ 495,000	\$ 495,000
10.14	Sec. 21. <u>COUNCIL ON ASIAN-PACIFIC</u>		
10.15	<u>MINNESOTANS</u>	\$ 465,000	\$ 465,000
10.16	Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	\$ 586,000	\$ 586,000
10.17	Sec. 23. <u>MINNESOTA HISTORICAL</u>		
10.18	<u>SOCIETY</u>		
10.19	Subdivision 1. <u>Total Appropriation</u>	\$ 19,129,000	\$ 19,129,000
10.20	<u>The amounts that may be spent for each</u>		
10.21	<u>purpose are specified in the following</u>		
10.22	<u>subdivisions.</u>		
10.23	Subd. 2. <u>Operations and Programs</u>	18,497,000	18,497,000
10.24	<u>Notwithstanding Minnesota Statutes, section</u>		
10.25	<u>138.668, the Minnesota Historical Society may</u>		
10.26	<u>not charge a fee for its general tours at the</u>		
10.27	<u>Capitol, but may charge fees for special</u>		
10.28	<u>programs other than general tours.</u>		
10.29	Subd. 3. <u>Fiscal Agent</u>		
10.30	(a) <u>Minnesota Air National Guard Museum</u>	17,000	17,000
10.31	(b) <u>Hockey Hall of Fame</u>	100,000	100,000
10.32	(c) <u>Farmamerica</u>	115,000	115,000

11.1	<u>(d) Minnesota Military Museum</u>		<u>400,000</u>	<u>400,000</u>
11.2	<u>\$350,000 each year is to:</u>			
11.3	<u>(1) expand collections network, library and</u>			
11.4	<u>museum interpretation, and existing school</u>			
11.5	<u>and community-based programming related</u>			
11.6	<u>to Minnesota military history;</u>			
11.7	<u>(2) create and conduct a statewide</u>			
11.8	<u>story-sharing program to honor the distinct</u>			
11.9	<u>service of post 9/11 veterans in anticipation</u>			
11.10	<u>of the 2021 anniversary; and</u>			
11.11	<u>(3) care for, catalog, and display the recently</u>			
11.12	<u>acquired collection of the personal and</u>			
11.13	<u>professional effects belonging to General John</u>			
11.14	<u>W. Vessey, Minnesota's most decorated</u>			
11.15	<u>veteran.</u>			
11.16	<u>Balances Forward.</u> Any unencumbered			
11.17	<u>balance of an appropriation in this subdivision</u>			
11.18	<u>remaining at the end of the first year does not</u>			
11.19	<u>cancel but is available in the second year.</u>			
11.20	Sec. 24. <u>BOARD OF THE ARTS</u>			
11.21	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>7,541,000</u>	<u>\$</u> <u>7,541,000</u>
11.22	<u>The amounts that may be spent for each</u>			
11.23	<u>purpose are specified in the following</u>			
11.24	<u>subdivisions.</u>			
11.25	<u>Subd. 2. Operations and Services</u>		<u>602,000</u>	<u>602,000</u>
11.26	<u>Subd. 3. Grants Program</u>		<u>4,800,000</u>	<u>4,800,000</u>
11.27	<u>Subd. 4. Regional Arts Councils</u>		<u>2,139,000</u>	<u>2,139,000</u>
11.28	<u>Any unencumbered balance of an</u>			
11.29	<u>appropriation in this subdivision remaining at</u>			
11.30	<u>the end of the first year does not cancel but is</u>			
11.31	<u>available in the second year.</u>			

12.1 Money appropriated in this section and
 12.2 distributed as grants may only be spent on
 12.3 projects located in Minnesota. A recipient of
 12.4 a grant funded by an appropriation in this
 12.5 section must not use more than ten percent of
 12.6 the total grant for costs related to travel outside
 12.7 the state of Minnesota.

12.8 **Sec. 25. MINNESOTA HUMANITIES**
 12.9 **CENTER**

\$ 988,000 \$ 988,000

12.10 \$650,000 each year is for the Healthy Eating,
 12.11 Here at Home program under Minnesota
 12.12 Statutes, section 138.912. No more than three
 12.13 percent of the appropriation may be used for
 12.14 the nonprofit administration of this program.

12.15 **Sec. 26. BOARD OF ACCOUNTANCY**

\$ 643,000 \$ 643,000

12.16 **Sec. 27. BOARD OF ARCHITECTURE**
 12.17 **ENGINEERING, LAND SURVEYING,**
 12.18 **LANDSCAPE ARCHITECTURE,**
 12.19 **GEOSCIENCE, AND INTERIOR DESIGN**

\$ 806,000 \$ 806,000

12.20 **Sec. 28. BOARD OF COSMETOLOGIST**
 12.21 **EXAMINERS**

\$ 2,514,000 \$ 2,514,000

12.22 **Sec. 29. BOARD OF BARBER EXAMINERS**

\$ 343,000 \$ 343,000

12.23 **Sec. 30. GENERAL CONTINGENT**
 12.24 **ACCOUNTS**

\$ 1,000,000 \$ 500,000

12.25 Appropriations by Fund

	<u>2020</u>	<u>2021</u>
12.26		
12.27 <u>General</u>	<u>500,000</u>	<u>-0-</u>
12.28 <u>State Government</u>		
12.29 <u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
12.30 <u>Workers'</u>		
12.31 <u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

12.32 (a) The appropriations in this section may only
 12.33 be spent with the approval of the governor
 12.34 after consultation with the Legislative
 12.35 Advisory Commission pursuant to Minnesota
 12.36 Statutes, section 3.30.

14.1 valuation prepared according to Minnesota

14.2 Statutes, section 356.214.

14.3 **Sec. 33. PUBLIC EMPLOYEES RETIREMENT**

14.4 **ASSOCIATION**

\$

4,500,000

\$

9,000,000

14.5 These amounts are for direct state aid to the

14.6 public employees police and fire retirement

14.7 plan authorized under Minnesota Statutes,

14.8 section 353.65, subdivision 3b.

14.9 **Sec. 34. TEACHERS RETIREMENT**

14.10 **ASSOCIATION**

\$

29,831,000

\$

29,831,000

14.11 The amounts estimated to be needed are as

14.12 follows:

14.13 **Special Direct State Aid.** \$27,331,000 each

14.14 year is for special direct state aid authorized

14.15 under Minnesota Statutes, section 354.436.

14.16 **Special Direct State Matching Aid.**

14.17 \$2,500,000 each year is for special direct state

14.18 matching aid authorized under Minnesota

14.19 Statutes, section 354.435.

14.20 **Sec. 35. ST. PAUL TEACHERS RETIREMENT**

14.21 **FUND**

\$

14,827,000

\$

14,827,000

14.22 The amounts estimated to be needed for

14.23 special direct state aid to the first class city

14.24 teachers retirement fund association authorized

14.25 under Minnesota Statutes, section 354A.12,

14.26 subdivisions 3a and 3c.

14.27 Sec. 36. Laws 2018, chapter 100, section 1, is amended to read:

14.28 **Section 1. SENATE; APPROPRIATION.**

14.29 \$32,299,000 in fiscal year 2018 and ~~\$32,105,000~~ \$37,105,000 in fiscal year 2019 are

14.30 appropriated from the general fund to the senate.

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

15.1 Sec. 37. CANCELLATIONS.

15.2 (a) All unspent funds, estimated to be \$7,290,000, carried forward from a previous
 15.3 biennium by the house of representatives under Minnesota Statutes, section 16A.281, are
 15.4 canceled to the general fund by June 1, 2019.

15.5 (b) All unencumbered funds, estimated to be \$7,343,000, in the information and
 15.6 telecommunications technology systems and services account established under Minnesota
 15.7 Statutes, section 16E.21, are canceled to the general fund by June 1, 2019.

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

15.9 **ARTICLE 2**
 15.10 **STATE GOVERNMENT OPERATIONS**

15.11 Section 1. Minnesota Statutes 2018, section 3.855, subdivision 2, is amended to read:

15.12 Subd. 2. **State employee negotiations.** (a) The commissioner of management and budget
 15.13 shall regularly advise the commission on the progress of collective bargaining activities
 15.14 with state employees under the state Public Employment Labor Relations Act. During
 15.15 negotiations, the commission may make recommendations to the commissioner as it deems
 15.16 appropriate but no recommendation shall impose any obligation or grant any right or privilege
 15.17 to the parties.

15.18 (b) The commissioner shall submit to the chair of the commission any negotiated
 15.19 collective bargaining agreements, arbitration awards, compensation plans, or salaries for
 15.20 legislative approval or disapproval. Negotiated agreements shall be submitted within five
 15.21 days of the date of approval by the commissioner or the date of approval by the affected
 15.22 state employees, whichever occurs later. Arbitration awards shall be submitted within five
 15.23 days of their receipt by the commissioner. If the commission disapproves a collective
 15.24 bargaining agreement, award, compensation plan, or salary, the commission shall specify
 15.25 in writing to the parties those portions with which it disagrees and its reasons. If the
 15.26 commission approves a collective bargaining agreement, award, compensation plan, or
 15.27 salary, it shall submit the matter to the legislature to be accepted or rejected under this
 15.28 section.

15.29 (c) When the legislature is not in session, the commission may give interim approval to
 15.30 a negotiated collective bargaining agreement, salary, compensation plan, or arbitration
 15.31 award. ~~When the legislature is not in session, failure of the commission to disapprove a~~
 15.32 ~~collective bargaining agreement or arbitration award within 30 days constitutes approval.~~
 15.33 The commission shall submit the negotiated collective bargaining agreements, salaries,

16.1 compensation plans, or arbitration awards for which it has provided approval to the entire
16.2 legislature for ratification at a special legislative session called to consider them or at its
16.3 next regular legislative session as provided in this section. Approval or disapproval by the
16.4 commission is not binding on the legislature.

16.5 (d) When the legislature is not in session, the proposed collective bargaining agreement,
16.6 arbitration decision, salary, or compensation plan must be implemented upon its approval
16.7 by the commission, and state employees covered by the proposed agreement or arbitration
16.8 decision do not have the right to strike while the interim approval is in effect. Wages and
16.9 economic fringe benefit increases provided for in the agreement or arbitration decision paid
16.10 in accordance with the interim approval by the commission are not affected, but the wages
16.11 or benefit increases must cease to be paid or provided effective upon the rejection of the
16.12 agreement, arbitration decision, salary, or compensation plan, or upon adjournment of the
16.13 legislature without acting on it.

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

16.15 Sec. 2. Minnesota Statutes 2018, section 3.855, is amended by adding a subdivision to
16.16 read:

16.17 **Subd. 5. Information required.** The commissioner of management and budget must
16.18 submit to the Legislative Coordinating Commission the following information with the
16.19 submission of a collective bargaining agreement or compensation plan under subdivisions
16.20 2 and 3:

16.21 (1) for each agency and for each proposed agreement or plan, a comparison of biennial
16.22 compensation costs under the current agreement or plan to the projected biennial
16.23 compensation costs under the proposed agreement or plan, paid with funds appropriated
16.24 from the general fund;

16.25 (2) for each agency and for each proposed agreement or plan, a comparison of biennial
16.26 compensation costs under the current agreement or plan to the projected biennial
16.27 compensation costs under the proposed agreement or plan, paid with funds appropriated
16.28 from each fund other than the general fund;

16.29 (3) for each agency and for each proposed agreement or plan, an identification of the
16.30 amount of the additional biennial compensation costs that are attributable to salary and
16.31 wages and to the cost of nonsalary and nonwage benefits; and

16.32 (4) for each agency, for clauses (1) to (3), the impact of the aggregate of all agreements
16.33 and plans being submitted to the commission.

17.1 Sec. 3. **[3.8845] LEGISLATIVE COMMISSION ON HOUSING AFFORDABILITY.**

17.2 Subdivision 1. **Membership.** (a) The Legislative Commission on Housing Affordability
17.3 consists of:

17.4 (1) two senators appointed by the senate majority leader;

17.5 (2) two senators appointed by the senate minority leader;

17.6 (3) two representatives appointed by the speaker of the house; and

17.7 (4) two representatives appointed by the minority leader of the house of representatives.

17.8 (b) Each appointing authority must make appointments by January 31 of the regular
17.9 legislative session in the odd-numbered year.

17.10 Subd. 2. **Meetings.** The ranking senator from the majority party appointed to the
17.11 commission must convene the first meeting of a biennium by February 15 in the
17.12 odd-numbered year.

17.13 Subd. 3. **Terms; vacancies.** Members of the commission serve for terms beginning upon
17.14 appointment and ending at the beginning of the regular legislative session in the next
17.15 odd-numbered year. The appropriate appointing authority must fill a vacancy for a seat of
17.16 a current legislator for the remainder of the unexpired term.

17.17 Subd. 4. **Officers.** The commission must elect a chair and may elect other officers as it
17.18 determines are necessary at the first meeting of the commission in an odd-numbered year.
17.19 The chair alternates between a member of the senate and a member of the house of
17.20 representatives at the start of the regular legislative session in each odd-numbered year.

17.21 Subd. 5. **Staff.** The Legislative Coordinating Commission must provide administrative
17.22 and research assistance to the commission.

17.23 Subd. 6. **Duties.** The commission shall:

17.24 (1) define housing affordability and study issues relating to housing affordability and
17.25 the construction, preservation, and rehabilitation of owner-occupied and rental housing,
17.26 including subsidized housing, existing and future government regulations impacting housing
17.27 affordability, market forces impacting housing affordability, and access to homeownership;

17.28 (2) review and provide the legislature with research and analysis of emerging issues
17.29 affecting housing affordability and homeownership access, including but not limited to
17.30 construction work force, innovation, building practices, and building material costs;

18.1 (3) review and provide the legislature with research and analysis of policies to reduce
 18.2 the homeownership equity gap; and

18.3 (4) review and make recommendations on legislative and rulemaking proposals positively
 18.4 impacting personal housing affordability, access to homeownership, and other related barriers
 18.5 to homeownership, especially with regard to first-time homebuyers and economically
 18.6 disadvantaged buyers and renters.

18.7 Subd. 7. **Expiration.** This section expires June 30, 2023.

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

18.9 Sec. 4. Minnesota Statutes 2018, section 3.97, subdivision 3a, is amended to read:

18.10 Subd. 3a. **Evaluation topics.** ~~(a)~~ The commission shall periodically select topics for the
 18.11 legislative auditor to evaluate. Topics may include any agency, program, or activity
 18.12 established by law to achieve a state purpose, or any topic that affects the operation of state
 18.13 government, ~~but~~. The commission shall give primary consideration to topics that are likely,
 18.14 upon examination, to produce recommendations for cost savings, increased productivity,
 18.15 or the elimination of duplication among public agencies. The commission shall also give
 18.16 consideration to programs and statutory provisions that authorize grants, tax incentives, and
 18.17 other inducements for economic development. Legislators and legislative committees may
 18.18 suggest topics for evaluation, but the legislative auditor shall only conduct evaluations
 18.19 approved by the commission.

18.20 ~~(b) The commission is requested to direct the auditor, in response to a suggestion from~~
 18.21 ~~an individual legislator of an evaluation topic, to estimate the scope of the proposed~~
 18.22 ~~evaluation and the time required to complete it. The estimate must be reported to the legislator~~
 18.23 ~~who submitted the suggestion and to the commission. The commission must determine~~
 18.24 ~~within 60 days of receiving the estimate whether to proceed with the suggested evaluation~~
 18.25 ~~and must convey its decision to the legislator along with the reasons for its decision.~~

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

18.27 Sec. 5. Minnesota Statutes 2018, section 3.971, subdivision 9, is amended to read:

18.28 Subd. 9. **Obligation to notify the legislative auditor.** The chief executive, financial,
 18.29 or information officers of an organization subject to audit under this section must promptly
 18.30 notify the legislative auditor when the officer obtains information indicating that public
 18.31 money or other public resources may have been used for an unlawful purpose, or when the
 18.32 officer obtains information indicating that government data classified by chapter 13 as not

19.1 public may have been accessed ~~or used unlawfully~~ by or provided to a person without lawful
19.2 authorization. As necessary, the legislative auditor shall coordinate an investigation of the
19.3 allegation with appropriate law enforcement officials.

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

19.5 Sec. 6. **[5.50] EXECUTIVE ORDER LIST SERVE.**

19.6 The secretary of state shall maintain a list of e-mail addresses of people who have
19.7 requested to be notified when an executive order is filed with the secretary of state. The
19.8 secretary of state shall notify people on the list by e-mail within seven days of the filing of
19.9 an executive order.

19.10 Sec. 7. Minnesota Statutes 2018, section 6.481, subdivision 1, is amended to read:

19.11 Subdivision 1. **Powers and duties.** (a) All the powers and duties conferred and imposed
19.12 upon the state auditor shall be exercised and performed by the state auditor in respect to the
19.13 offices, institutions, public property, and improvements of several counties of the state. The
19.14 state auditor may visit, without previous notice, each county and examine all accounts and
19.15 records relating to the receipt and disbursement of the public funds and the custody of the
19.16 public funds and other property. The state auditor shall prescribe and install systems of
19.17 accounts and financial reports that shall be uniform, so far as practicable, for the same class
19.18 of offices.

19.19 (b) As used in this section, "county" includes a special district consisting exclusively of
19.20 counties operating under a joint powers agreement under section 471.59.

19.21 **EFFECTIVE DATE.** This section is effective the day following final enactment and
19.22 applies retroactively to audits and examinations covering fiscal year 2018 and thereafter.

19.23 Sec. 8. Minnesota Statutes 2018, section 6.481, subdivision 3, is amended to read:

19.24 Subd. 3. **CPA firm audit.** (a) A county audit performed by a CPA firm must meet the
19.25 standards and be in a form meeting recognized industry auditing standards. The state auditor
19.26 may require additional information from the CPA firm if the state auditor determines that
19.27 is in the public interest, but the state auditor must accept the audit unless the state auditor
19.28 determines the audit or its form does not meet recognized industry auditing standards. The
19.29 state auditor may make additional examinations as the auditor determines to be in the public
19.30 interest.

20.1 (b) When the state auditor requires additional information from the CPA firm or makes
20.2 additional examinations that the state auditor determines to be in the public interest, the
20.3 state auditor must afford counties and CPA firms an opportunity to respond to potential
20.4 findings, conclusions, or questions as follows:

20.5 (1) at least 30 days before beginning a review for work performed by a certified public
20.6 accountant firm licensed in chapter 326A, the state auditor must notify the county and CPA
20.7 firm that the state auditor will be conducting a review and must identify the type or scope
20.8 of review the state auditor will perform;

20.9 (2) throughout the state auditor's review, the auditor shall allow the county and the CPA
20.10 firm at least 30 days to respond to any request by the auditor for documents or other
20.11 information;

20.12 (3) at least 30 days before issuing a final report, the state auditor must provide the CPA
20.13 firm with a draft report of the state auditor's findings;

20.14 (4) at least 20 days before issuing a final report, the state auditor must hold a formal exit
20.15 conference with the CPA firm to discuss the findings in the state auditor's draft report;

20.16 (5) the state auditor shall make changes to the draft report if the state auditor determines
20.17 changes are warranted as a result of information provided by the CPA firm during the state
20.18 auditor's review; and

20.19 (6) the state auditor's final report must include any written responses provided by the
20.20 CPA firm.

20.21 **Sec. 9. [10.584] MATERNAL MENTAL HEALTH AWARENESS MONTH.**

20.22 The month of May is designated as Maternal Mental Health Awareness Month in
20.23 recognition of the state's desire to recognize the prevalence of pregnancy and postpartum
20.24 mental health issues and educate the people of the state about identifying symptoms and
20.25 seeking treatment options. Up to one-third of mothers report having symptoms of pregnancy
20.26 and postpartum mood and anxiety disorders each year. Many more cases go unreported due
20.27 to misunderstanding. Pregnancy and postpartum mood disorders are widespread but treatable
20.28 illnesses. Left untreated, pregnancy and postpartum mood and anxiety disorders can lead
20.29 to negative effects on birth outcomes, infant development, and the well-being of mothers
20.30 and families. The state declares that in order to educate the public, the governor may promote
20.31 and encourage the observance of Maternal Mental Health Awareness Month.

21.1 Sec. 10. Minnesota Statutes 2018, section 13.599, is amended by adding a subdivision to
21.2 read:

21.3 Subd. 5. **State Arts Board.** Notwithstanding subdivision 3, responses submitted by a
21.4 grantee to the State Arts Board or to a regional arts council under chapter 129D become
21.5 public data at the public review meeting at which they are considered, except for trade secret
21.6 data as defined and classified in section 13.37.

21.7 Sec. 11. [14.1275] **RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**
21.8 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

21.9 Subdivision 1. **Definition.** As used in this section, "residential construction" means the
21.10 new construction or remodeling of any building subject to the Minnesota Residential Code.

21.11 Subd. 2. **Impact on housing cost; agency determination.** An agency must determine
21.12 if implementation of a proposed rule, or any portion of a proposed rule, will, on average,
21.13 increase the cost of residential construction or remodeling by \$1,000 or more per unit. The
21.14 agency must make this determination before the close of the hearing record. Upon request
21.15 of a party affected by the proposed rule, an administrative law judge must review and
21.16 approve or disapprove an agency's determination that any portion of a proposed rule will
21.17 increase the cost of a dwelling unit by \$1,000 or more.

21.18 Subd. 3. **Notice to legislature; legislative approval.** (a) If the agency determines that
21.19 the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision
21.20 2, or if the administrative law judge separately confirms the cost of any portion of a rule
21.21 exceeds the cost threshold provided in subdivision 2, the agency must notify, in writing,
21.22 the chairs and ranking minority members of the policy committees of the house of
21.23 representatives and the senate with jurisdiction over the subject matter of the proposed rule
21.24 within ten days of the determination.

21.25 (b) If a committee of either the house of representatives or senate with jurisdiction over
21.26 the subject matter of the proposed rule or a portion of a rule that meets or exceeds the
21.27 threshold in subdivision 2 votes to advise an agency that the rule should not be adopted as
21.28 proposed, the agency may not adopt the rule unless the rule is approved by a law enacted
21.29 after the vote of the committee. Section 14.126, subdivision 2, applies to a vote of a
21.30 committee under this subdivision.

21.31 Subd. 4. **Severability.** If the agency or an administrative law judge determines that part
21.32 of a proposed rule meets or exceeds the threshold provided in subdivision 2, but that a
21.33 severable portion of the proposed rule does not meet or exceed that threshold, the agency

22.1 may proceed to adopt the severable portions of the proposed rule regardless of whether a
 22.2 legislative committee has voted under subdivision 3 to advise an agency that the rule should
 22.3 not be adopted as proposed.

22.4 **EFFECTIVE DATE.** This section is effective August 1, 2019, and applies to
 22.5 administrative rules proposed on or after that date.

22.6 Sec. 12. Minnesota Statutes 2018, section 15A.083, subdivision 6a, is amended to read:

22.7 Subd. 6a. **Administrative law judge; salaries.** The salary of the chief administrative
 22.8 law judge is 98.52 percent of the salary of a chief district court judge. The salaries of the
 22.9 assistant chief administrative law judge and administrative law judge supervisors are ~~93.60~~
 22.10 100 percent of the salary of a chief district court judge. The salary of an administrative law
 22.11 judge employed by the Office of Administrative Hearings is 98.52 percent of the salary of
 22.12 a district court judge as set under section 15A.082, subdivision 3.

22.13 **EFFECTIVE DATE.** This section is effective July 1, 2019.

22.14 Sec. 13. Minnesota Statutes 2018, section 16A.103, subdivision 1a, is amended to read:

22.15 Subd. 1a. **Forecast parameters.** (a) Except as provided in paragraph (b), the forecast
 22.16 must assume the continuation of current laws and reasonable estimates of projected growth
 22.17 in the national and state economies and affected populations. Revenue must be estimated
 22.18 for all sources provided for in current law. Expenditures must be estimated for all obligations
 22.19 imposed by law and those projected to occur as a result of variables outside the control of
 22.20 the legislature. Expenditure estimates must not include an allowance for inflation.

22.21 (b) Notwithstanding paragraph (a) and any appropriations established in law, all
 22.22 expenditures for a department, institution, or agency of the executive branch estimated for
 22.23 the November forecast must be zero if the scheduled year under section 16A.111, subdivision
 22.24 3, for the department, institution, or agency coincides with the calendar year of the November
 22.25 forecast. The forecasted expenditures in the February forecast must be zero for a department,
 22.26 institution, or agency of the executive branch if they were zero in the preceding November
 22.27 forecast as a result of the requirements of this paragraph. The commissioner shall not apply
 22.28 this paragraph to forecasted expenditures for the current biennium, but shall apply the
 22.29 requirements of this paragraph to the forecasted expenditures for the next two biennia.

22.30 Sec. 14. Minnesota Statutes 2018, section 16A.11, subdivision 3, is amended to read:

22.31 Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget
 22.32 estimates both of expenditures and revenues, must contain any statements on the financial

23.1 plan which the governor believes desirable or which may be required by the legislature.

23.2 The detailed estimates shall include the governor's budget arranged in tabular form.

23.3 (b) Tables listing expenditures for the next biennium must show the appropriation base
 23.4 for each year. The appropriation base is the amount appropriated for the second year of the
 23.5 current biennium. The tables must separately show any adjustments to the base required by
 23.6 current law or policies of the commissioner of management and budget. For forecasted
 23.7 programs, the tables must also show the amount of the forecast adjustments, based on the
 23.8 most recent forecast prepared by the commissioner of management and budget under section
 23.9 16A.103. For all programs, the tables must show the amount of appropriation changes
 23.10 recommended by the governor, after adjustments to the base and forecast adjustments, and
 23.11 the total recommendation of the governor for that year.

23.12 (c) The detailed estimates must include a separate line listing the total cost of professional
 23.13 and technical service contracts for the prior biennium and the projected costs of those
 23.14 contracts for the current and upcoming biennium. They must also include a summary of the
 23.15 personnel employed by the agency, reflected as full-time equivalent positions.

23.16 (d) The detailed estimates for internal service funds must include the number of full-time
 23.17 equivalents by program; detail on any loans from the general fund, including dollar amounts
 23.18 by program; proposed investments in technology or equipment of \$100,000 or more; an
 23.19 explanation of any operating losses or increases in retained earnings; and a history of the
 23.20 rates that have been charged, with an explanation of any rate changes and the impact of the
 23.21 rate changes on affected agencies.

23.22 (e) Notwithstanding paragraph (b) and any appropriation established in law, for any
 23.23 department, institution, or agency in the executive branch that is in a scheduled year under
 23.24 section 16A.111, subdivision 3, in the year prior to the year in which part two of the budget
 23.25 must be submitted, the appropriation base for any appropriation made to that department,
 23.26 institution, or agency for the next two biennia must be zero. The commissioner must display
 23.27 the appropriation base established under this paragraph in the tables and narrative of part
 23.28 two of the budget.

23.29 Sec. 15. **[16A.111] ZERO-BASED BUDGETING.**

23.30 Subdivision 1. **Zero-based budget.** (a) By October 15, each department, institution,
 23.31 and agency of the executive branch within a scheduled year must submit to the commissioner
 23.32 a proposed detailed operating budget for the biennium beginning July 1 of the following
 23.33 year using zero-based budgeting, including a zero-based budget plan. The commissioner
 23.34 of management and budget shall provide technical assistance to enable each department,

24.1 institution, or agency to complete its proposed detailed operating budget as specified by the
24.2 commissioner of management and budget.

24.3 (b) The commissioner of management and budget shall adopt policies and procedures
24.4 for each department, institution, and agency to implement the provisions of this section.

24.5 (c) As used in this section, "zero-based budgeting" means a method of determining the
24.6 budget of a department, institution, or agency for which the budget of the department,
24.7 institution, or agency:

24.8 (1) is deemed to be zero in the November forecast, the February forecast, and the
24.9 governor's budget recommendations that precede the establishment of a biennial budget;
24.10 and

24.11 (2) has justified each proposed expenditure for the biennium covered by the budget as
24.12 if it were a new expenditure.

24.13 (d) Each department, institution, and agency of the executive branch that is required to
24.14 prepare a detailed operating budget and a zero-based budget plan under this subdivision
24.15 must submit the detailed operating budget and zero-based budget plan to the legislature.
24.16 This information must be submitted to the legislature at the same time that part two of the
24.17 governor's budget is required to be submitted under section 16A.11, subdivision 3.

24.18 Subd. 2. **Zero-based budget plan.** A zero-based budget plan includes the following
24.19 information:

24.20 (1) a description of activities that comprise the agency, and a justification for the existence
24.21 of each activity by reference to statute or other legal authority;

24.22 (2) for each activity, a quantitative estimate of any adverse impacts that could reasonably
24.23 be expected should the activity be discontinued, together with a full description of the
24.24 methods by which the adverse impact is estimated;

24.25 (3) a list of quantifiable program outcomes that measure the efficiency and effectiveness
24.26 of each program;

24.27 (4) for each activity, an itemized account of expenditures that would be required to
24.28 maintain the activity at the minimum level of service required by statutory authority, together
24.29 with a concise statement of the quantity and quality of services required at that minimum
24.30 level;

25.1 (5) for each activity, an itemized account of expenditures required to maintain the quantity
 25.2 and quality of services being provided and the number of personnel required to accomplish
 25.3 each program; and

25.4 (6) a ranking of all activities that shows the relative contribution of each activity to the
 25.5 overall goals and purposes of the agency at current service levels.

25.6 Subd. 3. **Scheduled year.** (a) The scheduled year is 2020 and every ten years thereafter
 25.7 for the following agencies: Department of Administration, Department of Agriculture,
 25.8 Department of Commerce, Department of Corrections, Department of Education, Department
 25.9 of Human Rights, Department of Human Services, Department of Military Affairs,
 25.10 Department of Natural Resources, Department of Transportation, Minnesota Racing
 25.11 Commission, Office of Higher Education, and all advisory groups associated with these
 25.12 agencies.

25.13 (b) The scheduled year is 2022 and every ten years thereafter for the following agencies:
 25.14 Council for Minnesotans of African Heritage, Department of Employment and Economic
 25.15 Development, Department of Health, Department of Management and Budget, Department
 25.16 of Public Safety, Gambling Control Board, Metropolitan Council, Minnesota Council on
 25.17 Latino Affairs, Pollution Control Agency, Science Museum, the Minnesota State Academies,
 25.18 University of Minnesota, and all advisory groups associated with these agencies.

25.19 (c) The scheduled year is 2024 and every ten years thereafter for the following agencies:
 25.20 Agriculture Utilization Research Institute, all health-related boards listed in section 214.01,
 25.21 Council on Asian-Pacific Minnesotans, Department of Labor and Industry, Department of
 25.22 Revenue, Explore Minnesota Tourism, Minnesota State Colleges and Universities, Minnesota
 25.23 Indian Affairs Council, Peace Officer Standards and Training Board, Professional Educator
 25.24 Licensing and Standards Board, the Minnesota Historical Society, the Perpich Center for
 25.25 Arts Education, and all advisory groups associated with these agencies.

25.26 (d) The scheduled year is 2026 and every ten years thereafter for the following agencies:
 25.27 all non-health-related boards listed in section 214.01 except as otherwise provided in this
 25.28 section, Arts Board, Board of Animal Health, Board of School Administrators, Board of
 25.29 Soil and Water Resources, Department of Veterans Affairs, Emergency Medical Services
 25.30 Regulatory Board, Mayo Medical School, Office of Administrative Hearings, Public Utilities
 25.31 Commission, Uniform Laws Commission, Workers' Compensation Board, and all advisory
 25.32 groups associated with these agencies.

25.33 (e) The scheduled year is 2028 and every ten years thereafter for the following agencies:
 25.34 Amateur Sports Commission, Capitol Area Architectural and Planning Board, Board of

26.1 Teaching, Bureau of Mediation Services, Campaign Finance and Public Disclosure Board,
 26.2 Destination Medical Center, Higher Education Facilities Authority, Iron Range Resources
 26.3 and Rehabilitation Board, Minnesota Conservation Corps, Minnesota Zoo, Private Detectives
 26.4 Board, and all advisory groups associated with these agencies.

26.5 **EFFECTIVE DATE.** This section is effective July 1, 2019.

26.6 Sec. 16. Minnesota Statutes 2018, section 43A.15, subdivision 14, is amended to read:

26.7 Subd. 14. **On-the-job demonstration process and appointment.** (a) The commissioner
 26.8 shall establish qualifying procedures for applicants ~~whose disabilities are of such a severe~~
 26.9 ~~nature that the applicants are unable to demonstrate their abilities in the selection process~~
 26.10 with significant disabilities as defined in Minnesota Rules, part 3300.5010, subpart 18. The
 26.11 qualifying procedures must consist of up to 700 hours on-the-job trial work experience ~~for~~
 26.12 ~~which the disabled person has the option of being paid or unpaid. Up to three persons with~~
 26.13 ~~severe disabilities and their job coach may be allowed to demonstrate their job competence~~
 26.14 ~~as a unit through the on-the-job trial work experience selection procedure. This on-the-job~~
 26.15 ~~demonstration process must be limited to applicants for whom there is no reasonable~~
 26.16 ~~accommodation in the selection process.~~

26.17 (b) Up to three persons with significant disabilities and their job coaches may be allowed
 26.18 to demonstrate their job competence as a unit through the on-the-job trial work experience
 26.19 selection procedure as defined in Minnesota Rules, part 3300.5010, subpart 18. This
 26.20 on-the-job demonstration process must be limited to applicants for whom there is no
 26.21 reasonable accommodation in the selection process.

26.22 (c) The commissioner may authorize the probationary appointment of an applicant based
 26.23 on the request of the appointing authority that documents that the applicant has successfully
 26.24 demonstrated qualifications for the position through completion of an on-the-job trial work
 26.25 experience. The implementation of this subdivision may not be deemed a violation of chapter
 26.26 43A or 363A.

26.27 Sec. 17. Minnesota Statutes 2018, section 43A.191, subdivision 2, is amended to read:

26.28 Subd. 2. **Agency affirmative action plans.** (a) The head of each agency in the executive
 26.29 branch shall prepare and implement an agency affirmative action plan consistent with this
 26.30 section and rules issued under section 43A.04, subdivision 3.

27.1 (b) The agency plan must include a plan for the provision of reasonable accommodation
27.2 in the hiring and promotion of qualified disabled persons. The reasonable accommodation
27.3 plan must consist of at least the following:

27.4 (1) procedures for compliance with sections 16E.03, subdivision 9, 363A.08 to 363A.19,
27.5 and 363A.28, subdivision 10, and, where appropriate, regulations implementing United
27.6 States Code, title 29, section 794, as amended through December 31, 1984, which is section
27.7 504 of the Rehabilitation Act of 1973, as amended and the Americans with Disabilities Act,
27.8 United States Code, title 42, sections 101 to 108, 201 to 231, 241 to 246, 401, 402, and 501
27.9 to 514;

27.10 (2) methods and procedures for providing reasonable accommodation for disabled job
27.11 applicants, current employees, and employees seeking promotion; ~~and~~

27.12 (3) provisions for funding reasonable accommodations;

27.13 (4) a plan to ensure that any collective bargaining agreement between the state and
27.14 agency employees provides equal employment opportunity for job applicants with disabilities
27.15 and current employees with disabilities seeking promotion; and

27.16 (5) the number of requests made, the number of requests approved, and the number of
27.17 requests reimbursed from the state accommodation account under section 16B.4805.

27.18 (c) The agency plan must be prepared by the agency head with the assistance of the
27.19 agency affirmative action officer and the director of diversity and equal employment
27.20 opportunity. ~~The agency may consult with the Council on Disability shall provide assistance~~
27.21 ~~with the agency reasonable accommodation plan,~~ vocational rehabilitation services, state
27.22 services for the blind, and other disability experts to review and make recommendations on
27.23 recruitment and retention of people with disabilities.

27.24 (d) The agency plan must identify any positions in the agency that can be used for
27.25 supported employment as defined in section 268A.01, subdivision 13, of persons with severe
27.26 disabilities. The agency shall report this information to the commissioner. An agency that
27.27 hires more than one supported worker in the identified positions must receive recognition
27.28 for each supported worker toward meeting the agency's affirmative action goals and
27.29 objectives.

27.30 (e) An agency affirmative action plan may not be implemented without the
27.31 commissioner's approval.

28.1 Sec. 18. Minnesota Statutes 2018, section 43A.191, subdivision 3, is amended to read:

28.2 Subd. 3. **Audits; sanctions and incentives.** (a) The commissioner shall annually audit
28.3 the record of each agency to determine the rate of compliance with affirmative action
28.4 requirements.

28.5 (b) By March 1 of each odd-numbered year, the commissioner shall submit a report on
28.6 affirmative action progress of each agency and the state as a whole to the governor and to
28.7 the Finance Committee of the senate, the Ways and Means Committee of the house of
28.8 representatives, the Governmental Operations Committees of both houses of the legislature,
28.9 and the Legislative Coordinating Commission. The report must include noncompetitive
28.10 appointments made under section 43A.08, subdivision 2a, or 43A.15, subdivisions 3 to 7,
28.11 10, and 12, and cover each agency's rate of compliance with affirmative action requirements.

28.12 (c) An agency ~~that does not meet its hiring goals~~ must justify its ~~nonaffirmative action~~
28.13 hires in competitive and noncompetitive appointments according to criteria issued by the
28.14 Department of Management and Budget. ~~"Missed opportunity" includes failure to justify a~~
28.15 ~~nonaffirmative action hire. An agency must have 25 percent or less missed opportunities~~
28.16 ~~in competitive appointments and 25 percent or less missed opportunities in appointments~~
28.17 ~~made under sections 43A.08, subdivisions 1, clauses (9), (11), and (16); and 2a; and 43A.15,~~
28.18 ~~subdivisions 3, 10, 12, and 13.~~ The criteria must include the number of applicants hired
28.19 through on-the-job trial work experience, the number of applicants who receive authorization
28.20 for a probationary period, and the number of applicants who are offered an appointment.

28.21 In addition, an agency shall:

28.22 (1) demonstrate a good faith effort to recruit protected group members by following an
28.23 active recruitment plan;

28.24 (2) implement a coordinated retention plan; and

28.25 (3) have an established complaint resolution procedure.

28.26 (d) The commissioner shall develop reporting standards and procedures for measuring
28.27 compliance.

28.28 (e) An agency is encouraged to develop other innovative ways to promote awareness,
28.29 acceptance, and appreciation for diversity and affirmative action. These innovations will
28.30 be considered when evaluating an agency's compliance with this section.

28.31 (f) An agency not in compliance with affirmative action requirements of this section
28.32 must identify methods and programs to improve performance, to reallocate resources
28.33 internally in order to increase support for affirmative action programs, and to submit program

29.1 and resource reallocation proposals to the commissioner for approval. An agency must
 29.2 submit these proposals within 120 days of being notified by the commissioner that it is out
 29.3 of compliance with affirmative action requirements. The commissioner shall monitor
 29.4 quarterly the affirmative action programs of an agency found to be out of compliance.

29.5 (g) The commissioner shall establish a program to recognize an agency that has made
 29.6 significant and measurable progress in implementing an affirmative action plan.

29.7 (h) The commissioner must publish on the Minnesota Management and Budget website
 29.8 summary data about all appointments including protected class status and job classification
 29.9 of each.

29.10 Sec. 19. Minnesota Statutes 2018, section 179A.20, is amended by adding a subdivision
 29.11 to read:

29.12 Subd. 2b. **Limited by appropriation.** The commissioner of management and budget
 29.13 must not contract to pay more to employees of the state in compensation and benefits in
 29.14 either year of the biennium than is permitted under the first spending plan submitted by July
 29.15 31 in an odd-numbered year and approved by the commissioner under section 16A.14,
 29.16 subdivisions 3 and 4.

29.17 Sec. 20. Minnesota Statutes 2018, section 240A.09, is amended to read:

29.18 **240A.09 PLAN DEVELOPMENT; CRITERIA.**

29.19 The Minnesota Amateur Sports Commission shall develop a plan to promote the
 29.20 development of proposals for new statewide public ice facilities including proposals for ice
 29.21 centers and matching grants based on the criteria in this section.

29.22 (a) For ice center proposals, the commission will give priority to proposals that come
 29.23 from more than one local government unit. Institutions of higher education are not eligible
 29.24 to receive a grant.

29.25 (b) The commission must give priority to grant applications for indoor air quality
 29.26 improvements and projects that eliminate R-22. For purposes of this section:

29.27 (1) "indoor air quality improvements" means: (i) renovation or replacement of heating,
 29.28 ventilating, and air conditioning systems in existing indoor ice arenas whose ice resurfacing
 29.29 and ice edging equipment are not powered by electricity in order to reduce concentrations
 29.30 of carbon monoxide and nitrogen dioxide; and (ii) acquisition of zero-emission ice resurfacing
 29.31 and ice edging equipment. The new or renovated systems may include continuous electronic

30.1 air monitoring devices to automatically activate the ventilation systems when the
30.2 concentration of carbon monoxide or nitrogen dioxide reaches a predetermined level; and

30.3 (2) "projects that eliminate R-22," means replacement of ice-making systems in existing
30.4 public facilities that use R-22 as a refrigerant, with systems that use alternative
30.5 non-ozone-depleting refrigerants.

30.6 (c) In the metropolitan area as defined in section 473.121, subdivision 2, the commission
30.7 is encouraged to give priority to the following proposals:

30.8 (1) proposals for construction of two or more ice sheets in a single new facility;

30.9 (2) proposals for construction of an additional sheet of ice at an existing ice center;

30.10 (3) proposals for construction of a new, single sheet of ice as part of a sports complex
30.11 with multiple sports facilities; and

30.12 (4) proposals for construction of a new, single sheet of ice that will be expanded to a
30.13 two-sheet facility in the future.

30.14 (d) The commission shall administer a site selection process for the ice centers. The
30.15 commission shall invite proposals from cities or counties or consortia of cities. A proposal
30.16 for an ice center must include matching contributions including in-kind contributions of
30.17 land, access roadways and access roadway improvements, and necessary utility services,
30.18 landscaping, and parking.

30.19 (e) Proposals for ice centers and matching grants must provide for meeting the demand
30.20 for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to
30.21 female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m.
30.22 to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

30.23 (f) The location for all proposed facilities must be in areas of maximum demonstrated
30.24 interest and must maximize accessibility to an arterial highway.

30.25 (g) To the extent possible, all proposed facilities must be dispersed equitably, must be
30.26 located to maximize potential for full utilization and profitable operation, and must
30.27 accommodate noncompetitive family and community skating for all ages.

30.28 (h) The commission may also use the money to upgrade current facilities, purchase girls'
30.29 ice time, or conduct amateur women's hockey and other ice sport tournaments.

30.30 (i) To the extent possible, 50 percent of all grants must be awarded to communities in
30.31 greater Minnesota.

31.1 (j) To the extent possible, technical assistance shall be provided to Minnesota
 31.2 communities by the commission on ice arena planning, design, and operation, including the
 31.3 marketing of ice time and on projects described in paragraph (b).

31.4 (k) A grant for new facilities may not exceed \$250,000.

31.5 (l) The commission may make grants for rehabilitation and renovation. A rehabilitation
 31.6 or renovation grant for air quality may not exceed \$200,000 and a rehabilitation or renovation
 31.7 grant for R-22 elimination may not exceed ~~\$50,000~~ \$250,000 for indirect cooling systems
 31.8 and may not exceed ~~\$400,000~~ \$500,000 for direct cooling systems. Priority must be given
 31.9 to grant applications for indoor air quality improvements, including zero emission ice
 31.10 resurfacing equipment, and for projects that eliminate R-22.

31.11 (m) Grant money may be used for ice centers designed for sports other than hockey.

31.12 (n) Grant money may be used to upgrade existing facilities to comply with the bleacher
 31.13 safety requirements of section 326B.112.

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

31.15 Sec. 21. Minnesota Statutes 2018, section 353.27, subdivision 3c, is amended to read:

31.16 Subd. 3c. **Former MERF members; member and employer contributions.** (a) For
 31.17 the period July 1, ~~2015~~ 2019, through December 31, 2031, the member contributions for
 31.18 former members of the Minneapolis Employees Retirement Fund and by the former
 31.19 Minneapolis Employees Retirement Fund-covered employing units are governed by this
 31.20 subdivision.

31.21 (b) The member contribution for a public employee who was a member of the former
 31.22 Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75 percent of the salary of
 31.23 the employee.

31.24 (c) The employer regular contribution with respect to a public employee who was a
 31.25 member of the former Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75
 31.26 percent of the salary of the employee.

31.27 (d) The annual employer supplemental contribution is the employing unit's share of
 31.28 ~~\$31,000,000. For calendar years 2017 and 2018, the employer supplemental contribution~~
 31.29 ~~is the employing unit's share of \$21,000,000~~ \$37,000,000.

31.30 (e) Each employing unit's share under paragraph (d) is the amount determined from an
 31.31 allocation between each employing unit in the portion equal to the unit's employer

32.1 supplemental contribution paid or payable under Minnesota Statutes 2012, section 353.50,
32.2 during calendar year 2014.

32.3 (f) The employer supplemental contribution amount under paragraph (d) for calendar
32.4 year ~~2015~~ 2019 must be invoiced by the executive director of the Public Employees
32.5 Retirement Association by July 1, ~~2015~~ 2019. ~~The calendar year 2015 payment is payable~~
32.6 ~~in a single amount on or before September 30, 2015.~~ For subsequent calendar years, the
32.7 employer supplemental contribution under paragraph (d) must be invoiced on January 31
32.8 of each year ~~and~~. The employer supplemental contribution is payable in two parts, with the
32.9 first half payable on or before July 31 and with the second half payable on or before
32.10 December 15. Late payments are payable with interest, compounded annually, at the
32.11 applicable rate or rates specified in section 356.59, subdivision 3, per month for each month
32.12 or portion of a month that has elapsed after the due date.

32.13 (g) The employer supplemental contribution under paragraph (d) terminates on December
32.14 31, 2031.

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

32.16 Sec. 22. Minnesota Statutes 2018, section 645.071, is amended to read:

32.17 **645.071 STANDARD OF TIME.**

32.18 Every mention of, or reference to, any hour or time in any law, during any period of the
32.19 year, is to be construed with reference to and in accordance with the ~~standard time or~~
32.20 advanced standard time provided by federal law. No department of the state government
32.21 and no county, city or town shall employ, during any period of the year, any other time, or
32.22 adopt any ordinance or order providing for the use, during any period of the year, of any
32.23 other time than the federal ~~standard time or~~ advanced standard time.

32.24 **EFFECTIVE DATE.** This section is effective upon the first commencement of advanced
32.25 standard time, also known as daylight saving time, following enactment of an amendment
32.26 to United States Code, title 15, section 260a, or another applicable law, which authorizes
32.27 states to observe advanced standard time year-round.

32.28 Sec. 23. **INITIAL APPOINTMENTS.**

32.29 (a) Appointing authorities for the Legislative Commission on Housing Affordability
32.30 under Minnesota Statutes, section 3.8845, must make initial appointments by June 1, 2019,
32.31 to serve a term ending in January 2021.

33.1 (b) The speaker of the house must designate one member of the commission to convene
 33.2 the first meeting of the commission by June 15, 2019. A member of the house of
 33.3 representatives shall serve as the first chair of the commission. A member of the senate
 33.4 shall serve as chair of the commission beginning in January 2021.

33.5 Sec. 24. **WORKING GROUP ON STATE EMPLOYMENT AND RETENTION OF**
 33.6 **EMPLOYEES WITH DISABILITIES.**

33.7 Subdivision 1. **Members.** (a) A working group on state employment and retention of
 33.8 employees with disabilities is formed and must consist of the following members:

33.9 (1) a representative of the Commission of the Deaf, Deafblind and Hard of Hearing;

33.10 (2) a representative of the Governor's Council on Developmental Disabilities;

33.11 (3) a representative of Vocational Rehabilitation Services from within the Department
 33.12 of Employment and Economic Development;

33.13 (4) a representative of State Services for the Blind from within the Department of
 33.14 Employment and Economic Development;

33.15 (5) a representative of the Minnesota Council on Disability;

33.16 (6) a representative of the Office of the Ombudsman for Mental Health and
 33.17 Developmental Disabilities;

33.18 (7) a representative of the Olmstead Implementation Office with the Minnesota Housing
 33.19 Finance Agency;

33.20 (8) a representative of the MN.IT Office of Accessibility;

33.21 (9) a representative of A System of Technology to Achieve Results from within the
 33.22 Department of Administration; and

33.23 (10) a representative from Minnesota Management and Budget.

33.24 (b) Each of the entities listed in paragraph (a) must appoint its representative to the
 33.25 working group.

33.26 Subd. 2. **Convening authority; chair.** The Commission of the Deaf, Deafblind and
 33.27 Hard of Hearing is responsible for convening the working group and its representative to
 33.28 the working group shall act as chair for all meetings.

33.29 Subd. 3. **Duties; timing.** The working group must report on strategies for attracting and
 33.30 retaining state employees with disabilities to Minnesota Management and Budget and to

34.1 the legislative committees with responsibility for state finance and operation. The report
34.2 must be delivered by January 15, 2020.

34.3 **Sec. 25. FULL-TIME EQUIVALENT FREEZE.**

34.4 (a) The commissioner of management and budget shall determine the number of full-time
34.5 equivalent positions employed by each agency as of June 30, 2019.

34.6 (b) Appropriations from any funds for fiscal years 2020 and 2021 must not be used to
34.7 pay salary or benefits to employ more full-time equivalent positions than determined in
34.8 paragraph (a).

34.9 (c) For purposes of this section, "agency" has the meaning given in Minnesota Statutes,
34.10 section 16A.011, subdivision 2, and does not include the Minnesota State Colleges and
34.11 Universities.

34.12 **Sec. 26. REDUCTION IN APPROPRIATIONS FOR UNFILLED POSITIONS.**

34.13 Subdivision 1. **Reduction required.** The general fund and nongeneral fund appropriations
34.14 to an agency for agency operations for the biennium ending June 30, 2021, are reduced by
34.15 the amount of salary and benefits savings that result from any positions that have not been
34.16 filled within 180 days of the posting of the position. This section applies only to positions
34.17 that are posted in fiscal years 2019, 2020, and 2021. Reductions made under this paragraph
34.18 must be reflected as reductions in agency base budgets for fiscal years 2022 and 2023. This
34.19 section does not apply to any positions that require law enforcement training.

34.20 Subd. 2. **Reporting.** The commissioner of management and budget must report to the
34.21 chairs and ranking minority members of the senate and the house of representatives finance
34.22 committees regarding the amount of reductions in spending by each agency under this
34.23 section.

34.24 Subd. 3. **Application.** For purposes of this section, "agency" has the meaning given in
34.25 Minnesota Statutes, section 16A.011, subdivision 2, and does not include the Minnesota
34.26 State Colleges and Universities.

34.27 **Sec. 27. BOARD OF COSMETOLOGIST EXAMINERS RULEMAKING.**

34.28 Rules proposed by the Board of Cosmetologist Examiners after January 1, 2019, shall
34.29 not take effect until after adjournment of the regular session of the legislature in 2020.

35.1 Sec. 28. **REPEALER.**

35.2 Minnesota Statutes 2018, sections 3.9735; and 353.505, are repealed.

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

35.4 **ARTICLE 3**
35.5 **INFORMATION TECHNOLOGY**

35.6 Section 1. **[3.199] ACCESSIBILITY IN THE LEGISLATURE'S INFORMATION**
35.7 **TECHNOLOGY.**

35.8 Subdivision 1. **Definitions.** (a) For purposes of this section, the following term has the
35.9 meaning given.

35.10 (b) "Responsible authority" means:

35.11 (1) for the house of representatives, the chief clerk of the house;

35.12 (2) for the senate, the secretary of the senate;

35.13 (3) for the Office of the Revisor of Statutes, the revisor of statutes;

35.14 (4) for the Office of the Legislative Auditor, the legislative auditor;

35.15 (5) for the Legislative Reference Library, the library director;

35.16 (6) for the Legislative Budget Office, the director of the Legislative Budget Office; and

35.17 (7) for any entity administered by the legislative branch not listed in clauses (1) to (6),
35.18 the director of the Legislative Coordinating Commission.

35.19 Subd. 2. **Accessibility standards; compliance.** The senate, the house of representatives,
35.20 and joint legislative offices and commissions must comply with accessibility standards
35.21 adopted for state agencies by the chief information officer under section 16E.03, subdivision
35.22 9, for technology, software, and hardware procurement, unless the responsible authority for
35.23 a legislative body or office has approved an exception for a standard for that body or office.

35.24 Subd. 3. **Not subject to MN.IT authority.** The chief information officer is not authorized
35.25 to manage or direct compliance of the legislature with accessibility standards.

35.26 **EFFECTIVE DATE.** This section is effective September 1, 2021.

35.27 Sec. 2. **[3.888] LEGISLATIVE COMMISSION ON CYBERSECURITY.**

35.28 Subdivision 1. **Membership.** The Legislative Commission on Cybersecurity consists
35.29 of the following eight members:

36.1 (1) four senators, including two senators appointed by the senate majority leader and
36.2 two senators appointed by the senate minority leader; and

36.3 (2) four members of the house of representatives, including two members appointed by
36.4 the speaker of the house and two members appointed by the minority leader of the house.

36.5 Subd. 2. **Terms; vacancies.** Members of the commission serve for a two-year term
36.6 beginning upon appointment and expiring on appointment of a successor after the opening
36.7 of the next regular session of the legislature in the odd-numbered year. A vacancy in the
36.8 membership of the commission must be filled for the unexpired term in a manner that will
36.9 preserve the representation established by this section.

36.10 Subd. 3. **Duties.** The commission shall provide oversight of the state's cybersecurity
36.11 measures. The commission shall review the policies and practices of state agencies with
36.12 regard to cybersecurity and may recommend changes in policy to adequately protect the
36.13 state from cybersecurity threats. The commission may develop recommendations and draft
36.14 legislation to support and strengthen the state's cybersecurity infrastructure.

36.15 Subd. 4. **Chair.** The commission shall elect a chair by a majority vote of members
36.16 present. The officers shall alternate between a member of the senate and a member of the
36.17 house of representatives. A chair shall serve a two-year term expiring upon election of a
36.18 new chair after the opening of the next regular session of the legislature in the odd-numbered
36.19 year.

36.20 Subd. 5. **Meetings.** The commission must meet at least three times per calendar year.
36.21 The meetings of the commission are subject to section 3.055, except that the commission
36.22 may close a meeting when necessary to safeguard the state's cybersecurity. The minutes,
36.23 recordings, and documents from a closed meeting under this subdivision shall be maintained
36.24 by the Legislative Coordinating Commission and shall not be made available to the public
36.25 until eight years after the date of the meeting.

36.26 Subd. 6. **Administration.** The Legislative Coordinating Commission shall provide
36.27 administrative services for the commission.

36.28 Subd. 7. **Sunset.** The commission sunsets December 31, 2028.

36.29 Sec. 3. **[3.889] LEGISLATIVE COMMISSION ON INFORMATION**
36.30 **TECHNOLOGY.**

36.31 Subdivision 1. **Membership.** (a) The Legislative Commission on Information Technology
36.32 consists of the following eight members:

37.1 (1) four senators, including two senators appointed by the senate majority leader and
37.2 two senators appointed by the senate minority leader; and

37.3 (2) four members of the house of representatives, including two members appointed by
37.4 the speaker of the house and two members appointed by the minority leader of the house.

37.5 (b) To the extent possible, the appointing authorities must appoint members with
37.6 knowledge of technical aspects or management of information technology.

37.7 Subd. 2. **Terms; vacancies.** Members of the commission serve for a two-year term
37.8 beginning upon appointment and expiring on appointment of a successor after the opening
37.9 of the next regular session of the legislature in the odd-numbered year. A vacancy in the
37.10 membership of the commission must be filled for the unexpired term in a manner that will
37.11 preserve the representation established by this section.

37.12 Subd. 3. **Duties.** The commission must consider the issues raised in the 2019 evaluation
37.13 report of the Office of the Legislative Auditor titled "Office of Minnesota Information
37.14 Technology Services (MN.IT)" and other reports and evaluations issued since January 1,
37.15 2014, by the Office of the Legislative Auditor on the topics of information technology or
37.16 the Office of MN.IT Services. The commission must prepare draft legislation, as appropriate,
37.17 and develop plans or advice to implement the recommendations of the legislative auditor.

37.18 Subd. 4. **Chair.** The commission shall elect a chair by a majority vote of members
37.19 present. The officers shall alternate between a member of the senate and a member of the
37.20 house of representatives. A chair shall serve a two-year term expiring upon election of a
37.21 new chair after the opening of the next regular session of the legislature in the odd-numbered
37.22 year.

37.23 Subd. 5. **Meetings.** The commission must meet at least three times per calendar year.
37.24 The meetings of the commission are subject to section 3.055, except that the commission
37.25 may close a meeting when necessary to safeguard the state's information technology. The
37.26 minutes, recordings, and documents from a closed meeting under this subdivision shall be
37.27 maintained by the Legislative Coordinating Commission and shall not be made available
37.28 to the public until eight years after the date of the meeting.

37.29 Subd. 6. **Administration.** The Legislative Coordinating Commission shall provide
37.30 administrative services for the commission.

37.31 Subd. 7. **Sunset.** The commission sunsets January 30, 2028.

38.1 Sec. 4. **[15.996] LOCAL GOVERNMENT USER ACCEPTANCE TESTING.**

38.2 Subdivision 1. **Applicability.** "Agency" as used in this section means any state officer,
 38.3 employee, board, commission, authority, department, entity, or organization of the executive
 38.4 branch of state government, including the Minnesota State Colleges and Universities.

38.5 Subd. 2. **User acceptance testing.** (a) An agency implementing a new information
 38.6 technology business software application or new business software application functionality
 38.7 that significantly impacts the operations of local units of government must provide
 38.8 opportunities for local government representative involvement in user acceptance testing,
 38.9 unless the testing is deemed not feasible or necessary by the relevant agency commissioner,
 38.10 in consultation with representatives of local units of government and the chief information
 38.11 officer.

38.12 (b) The requirements in paragraph (a) only apply to new software applications and new
 38.13 software application functionality where local units of government will be primary users,
 38.14 as determined by the relevant agency head in consultation with representatives of local units
 38.15 of government and the chief information officer. The requirements in paragraph (a) do not
 38.16 apply to routine software upgrades or application changes that are primarily intended to
 38.17 comply with federal law, rules, or regulations.

38.18 Sec. 5. Minnesota Statutes 2018, section 16E.01, subdivision 1a, is amended to read:

38.19 Subd. 1a. **Responsibilities.** The office shall provide oversight, leadership, and direction
 38.20 for information and telecommunications technology policy and the management, delivery,
 38.21 accessibility, and security of information and telecommunications technology systems and
 38.22 services ~~in Minnesota~~ for agencies in the executive branch. The office shall manage strategic
 38.23 investments in information and telecommunications technology systems and services ~~to~~
 38.24 ~~encourage the development of a technically literate society,~~ to ensure sufficient access to
 38.25 and efficient delivery of accessible government services, and to maximize benefits for the
 38.26 state government as an enterprise.

38.27 Sec. 6. Minnesota Statutes 2018, section 16E.016, is amended to read:

38.28 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**
 38.29 **AND EQUIPMENT.**

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

- 39.1 (1) state data centers;
- 39.2 (2) mainframes including system software;
- 39.3 (3) servers including system software;
- 39.4 ~~(4) desktops including system software;~~
- 39.5 ~~(5) laptop computers including system software;~~
- 39.6 ~~(6)~~ (4) a data network including system software;
- 39.7 ~~(7) database;~~ (5) electronic mail, ~~office systems, reporting, and other standard software~~
- 39.8 ~~tools;~~
- 39.9 ~~(8) business application software and related technical support services;~~
- 39.10 ~~(9)~~ (6) help desk for the components listed in clauses (1) to ~~(8)~~ (5);
- 39.11 ~~(10)~~ (7) maintenance, problem resolution, and break-fix for the components listed in
- 39.12 clauses (1) to ~~(8)~~ (5); and
- 39.13 ~~(11)~~ (8) regular upgrades and replacement for the components listed in clauses (1) to
- 39.14 ~~(8)~~; and (5).
- 39.15 ~~(12) network-connected output devices.~~
- 39.16 (b) The chief information officer is responsible for providing or entering into managed
- 39.17 services contracts for the provision, improvement, and development of the following
- 39.18 information technology systems and services to a state agency, at the request of the agency:
- 39.19 (1) desktops including system software;
- 39.20 (2) laptop computers including system software;
- 39.21 (3) database, office systems, reporting, and other standard software tools;
- 39.22 (4) business application software and related technical support services;
- 39.23 (5) help desk for the components listed in clauses (1) to (4);
- 39.24 (6) maintenance, problem resolution, and break-fix for the components listed in clauses
- 39.25 (1) to (4);
- 39.26 (7) regular upgrades and replacement for the components listed in clauses (1) to (4); and
- 39.27 (8) network-connected output devices.
- 39.28 ~~(b)~~ (c) All state agency employees whose work primarily involves functions specified
- 39.29 in paragraph (a) are employees of the Office of MN.IT Services. This includes employees

40.1 who directly perform the functions in paragraph (a), as well as employees whose work
40.2 primarily involves managing, supervising, or providing administrative services or support
40.3 services to employees who directly perform these functions. The chief information officer
40.4 may assign employees of the office to perform work exclusively for another state agency.

40.5 ~~(e)~~ (d) Subject to sections 16C.08 and 16C.09, the chief information officer may allow
40.6 a state agency to obtain services specified in paragraph (a) through a contract with an outside
40.7 vendor when the chief information officer and the agency head agree that a contract would
40.8 provide best value, as defined in section 16C.02, under the service-level agreement. The
40.9 chief information officer must require that Agency contracts with outside vendors ensure
40.10 that systems and services are compatible with standards established by the Office of MN.IT
40.11 Services.

40.12 ~~(d)~~ (e) The Minnesota State Retirement System, the Public Employees Retirement
40.13 Association, the Teachers Retirement Association, the State Board of Investment, the
40.14 Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio
40.15 Board are not state agencies for purposes of this section.

40.16 **EFFECTIVE DATE.** This section is effective July 1, 2019, and applies to contracts
40.17 entered into on or after that date.

40.18 Sec. 7. Minnesota Statutes 2018, section 16E.03, subdivision 1, is amended to read:

40.19 Subdivision 1. **Definitions.** (a) For the purposes of this chapter, the following terms
40.20 have the meanings given them.

40.21 (b) "Information and telecommunications technology systems and services" means all
40.22 computing and telecommunications hardware and software, the activities undertaken to
40.23 secure that hardware and software, and the activities undertaken to acquire, transport, process,
40.24 analyze, store, and disseminate information electronically. "Information and
40.25 telecommunications technology systems and services" includes all proposed expenditures
40.26 for computing and telecommunications hardware and software, security for that hardware
40.27 and software, and related consulting or other professional services.

40.28 (c) "Information and telecommunications technology project" means an effort to acquire
40.29 or produce information and telecommunications technology systems and services.

40.30 (d) "Telecommunications" means voice, video, and data electronic transmissions
40.31 transported by wire, wireless, fiber-optic, radio, or other available transport technology.

40.32 (e) "Cyber security" means the protection of data and systems in networks connected to
40.33 the Internet.

41.1 (f) "State agency" means an agency in the executive branch of state government and
41.2 includes the Minnesota Office of Higher Education, but does not include the Minnesota
41.3 State Colleges and Universities unless specifically provided elsewhere in this chapter.

41.4 (g) "Total expected project cost" includes direct staff costs, all supplemental contract
41.5 staff and vendor costs, and costs of hardware and software development or purchase.
41.6 Breaking a project into several phases does not affect the cost threshold, which must be
41.7 computed based on the full cost of all phases.

41.8 (h) "Cloud computing" has the meaning described by the National Institute of Standards
41.9 and Technology of the United States Department of Commerce in special publication
41.10 800-145, September 2011.

41.11 Sec. 8. Minnesota Statutes 2018, section 16E.03, subdivision 2, is amended to read:

41.12 Subd. 2. **Chief information officer's responsibility.** The chief information officer shall:

41.13 (1) design a master plan for information and telecommunications technology systems
41.14 and services in the state and ~~its political subdivisions~~ and shall report on the plan to the
41.15 governor and legislature at the beginning of each regular session;

41.16 (2) coordinate, review, and approve all information and telecommunications technology
41.17 projects and oversee the state's information and telecommunications technology systems
41.18 and services;

41.19 (3) establish and enforce compliance with standards for information and
41.20 telecommunications technology systems and services that are cost-effective and support
41.21 open systems environments and that are compatible with state, national, and international
41.22 standards, including accessibility standards;

41.23 (4) maintain a library of systems and programs developed by the state ~~and its political~~
41.24 ~~subdivisions~~ for use by agencies of government;

41.25 (5) direct and manage the shared operations of the state's information and
41.26 telecommunications technology systems and services; and

41.27 (6) establish and enforce standards and ensure acquisition of hardware and software
41.28 necessary to protect data and systems in state agency networks connected to the Internet.

42.1 Sec. 9. Minnesota Statutes 2018, section 16E.03, is amended by adding a subdivision to
42.2 read:

42.3 Subd. 4a. **Cloud computing services.** (a) The project evaluation procedure required by
42.4 subdivision 4 must include a review of cloud computing service options, including any
42.5 security benefits and cost savings associated with purchasing those service options from a
42.6 cloud computing service provider.

42.7 (b) No later than October 1, 2019, and by October 1 of each even-numbered year
42.8 thereafter, the chief information officer must submit a report to the governor and to the
42.9 legislative committees with primary jurisdiction over state information technology issues
42.10 on the consideration of cloud computing service options in the information and
42.11 communications projects proposed by state agencies. The report must provide examples of
42.12 projects that produce cost savings and other benefits, including security enhancements, from
42.13 the use of cloud computing services.

42.14 Sec. 10. Minnesota Statutes 2018, section 16E.03, is amended by adding a subdivision to
42.15 read:

42.16 Subd. 11. **Technical support to the legislature.** The chief information officer, or a
42.17 designee, must provide technical support to assist the legislature to comply with accessibility
42.18 standards under section 3.199, subdivision 2. Support under this subdivision must include:

42.19 (1) clarifying the requirements of the accessibility standards;

42.20 (2) providing templates for common software applications used in developing documents
42.21 used by the legislature;

42.22 (3) assisting the development of training for staff to comply with the accessibility
42.23 standards and assisting in providing the training; and

42.24 (4) assisting the development of technical applications that enable legislative documents
42.25 to be fully accessible.

42.26 The chief information officer must provide these services at no cost to the legislature.

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

43.1 Sec. 11. Minnesota Statutes 2018, section 16E.035, is amended to read:

43.2 **16E.035 TECHNOLOGY INFRASTRUCTURE INVENTORY; SECURITY RISK**
 43.3 **ASSESSMENT.**

43.4 Subdivision 1. **Inventory required.** The chief information officer must prepare a ~~financial~~
 43.5 an inventory of technology infrastructure owned or leased by MN.IT Services or a state
 43.6 agency. The inventory must include:

43.7 (1) each agency's information technology security program;

43.8 (2) an inventory of servers, mainframes, cloud services, and other information technology
 43.9 systems and services, itemized by agency;

43.10 (3) identification of vendors that operate or manage information technology systems or
 43.11 services within each agency;

43.12 (4) information on how ~~the technology~~ each system or service fits into the state's
 43.13 information technology architecture; and

43.14 ~~(2)~~ (5) a projected replacement schedule for each system or service.

43.15 ~~The chief information officer must report the inventory to the legislative committees~~
 43.16 ~~with primary jurisdiction over state technology issues by July 1 of each even-numbered~~
 43.17 ~~year.~~

43.18 Subd. 2. **Risk assessment.** (a) The chief information officer must conduct a risk
 43.19 assessment of the information technology systems and services contained in the inventory
 43.20 required by subdivision 1. The risk assessment must include:

43.21 (1) an analysis and assessment of each state agency's security and operational risks; and

43.22 (2) for a state agency found to be at higher security and operational risks, a detailed
 43.23 analysis of, and an estimate of the costs to implement:

43.24 (i) the requirements for the agency to address the risks and related vulnerabilities; and

43.25 (ii) agency efforts to address the risks through the modernization of information
 43.26 technology systems and services, the use of cloud computing services, and use of a statewide
 43.27 data center.

43.28 (b) This section does not require disclosure of security information classified under
 43.29 section 13.37.

43.30 Subd. 3. **Reports required.** The chief information officer must submit a report containing
 43.31 the inventory and risk assessments required by this section to the governor and the chairs

44.1 and ranking minority members of the legislative committees with primary jurisdiction over
 44.2 state information technology issues no later than October 1, 2019, and by October 1 of each
 44.3 even-numbered year thereafter.

44.4 Sec. 12. **[16E.046] PROJECT MANAGEMENT FOR AGENCY INFORMATION**
 44.5 **TECHNOLOGY PROJECTS.**

44.6 Subdivision 1. **Process for information technology project management.** When an
 44.7 executive branch state agency seeks to have a new information technology project developed
 44.8 for the agency, the commissioner or head of the agency must follow the following steps:

44.9 (1) establish business rules for the information technology project;

44.10 (2) develop a statement of work that defines project-specific activities, deliverables, and
 44.11 timelines for completion of the project. Where appropriate, as determined by the
 44.12 commissioner of the agency, the project should be divided into phases, with activities,
 44.13 deliverables, and timelines specified for each phase; and

44.14 (3) obtain a bid for the project based on the statement of work from the chief information
 44.15 officer for the office to perform the specified work on the specified timeline. If the office
 44.16 is not able to perform the specified work on the schedule described, the chief information
 44.17 officer must notify the commissioner of the agency. The commissioner may also obtain a
 44.18 bid for the project from private vendors or may have the work performed by employees
 44.19 within the agency. The commissioner may contract with the office to oversee aspects of the
 44.20 project to be performed by a private vendor.

44.21 Subd. 2. **Certification before deployment; project performed by MN.IT.** For an
 44.22 information technology project performed by the office, or a project for which MN.IT has
 44.23 oversight responsibility on behalf of an executive branch state agency, the chief information
 44.24 officer and the commissioner of the agency must share responsibility for decisions regarding
 44.25 deployment of the project as follows:

44.26 (1) no information technology project may be deployed without written certification by
 44.27 both the commissioner of the agency and the chief information officer that the project
 44.28 satisfies all requirements in the statement of work and adheres to business rules specified
 44.29 by the commissioner of the agency; and

44.30 (2) when a project or phase of a project fails to meet deadlines established in a statement
 44.31 of work, the commissioner or head of the agency and the chief information officer shall
 44.32 report within one week of the unmet deadline to the chairs and ranking minority members

45.1 of the committees in the house of representatives and the senate with jurisdiction over the
45.2 Office of MN.IT Services and over the agency.

45.3 Subd. 3. **Certification before deployment; project performed by private vendor.** For
45.4 an information technology project performed by a private vendor without MN.IT
45.5 involvement, the commissioner or head of the agency must certify that the project satisfied
45.6 all requirements in the statement of work and adheres to business rules for the project. When
45.7 the project or phase of a project fails to meet deadlines established in a statement of work,
45.8 the commissioner or head of the agency must report within one week of the unmet deadline
45.9 to the chairs and ranking minority members of the committees in the house of representatives
45.10 and the senate with jurisdiction over the agency.

45.11 Subd. 4. **Standards and procedures.** The chief information officer shall work with the
45.12 head of each agency supported by the office to establish standards and procedures governing
45.13 information technology project development.

45.14 Sec. 13. Minnesota Statutes 2018, section 16E.0466, subdivision 1, is amended to read:

45.15 Subdivision 1. **Consultation required.** (a) Every state agency with an information or
45.16 telecommunications project must consult with the Office of MN.IT Services to determine
45.17 the information technology cost of the project if the Office of MN.IT Services is selected
45.18 by an agency to perform the project. Upon agreement between the commissioner of a
45.19 particular agency and the chief information officer, the agency must transfer the information
45.20 technology cost portion of the project to the Office of MN.IT Services. Service level
45.21 agreements must document all project-related transfers under this section. Those agencies
45.22 specified in section 16E.016, paragraph ~~(d)~~ (e), are exempt from the requirements of this
45.23 section.

45.24 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance
45.25 appropriated to a state agency may be transferred to the information and telecommunications
45.26 technology systems and services account for the information technology cost of a specific
45.27 project, subject to the review of the Legislative Advisory Commission, under section 16E.21,
45.28 subdivision 3.

45.29 Sec. 14. Minnesota Statutes 2018, section 16E.05, subdivision 3, is amended to read:

45.30 Subd. 3. **Capital investment.** No state agency may propose or implement a capital
45.31 investment plan for a state office building unless:

46.1 (1) the agency has developed a plan for increasing telecommuting by employees who
46.2 would normally work in the building, or the agency has prepared a statement describing
46.3 why such a plan is not practicable; and

46.4 (2) the plan or statement has been reviewed by the office for technical feasibility and
46.5 cost.

46.6 Sec. 15. Minnesota Statutes 2018, section 16E.14, subdivision 3, is amended to read:

46.7 Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each
46.8 agency shall reimburse the MN.IT services revolving fund for the cost of all services,
46.9 supplies, materials, labor, and depreciation of equipment, including reasonable overhead
46.10 costs, which the chief information officer is authorized and directed to furnish an agency.
46.11 The chief information officer shall report the rates to be charged for the revolving fund no
46.12 later than ~~July 1 each~~ June 1 each even-numbered calendar year to the chair of the committee
46.13 or division in the senate and house of representatives with primary jurisdiction over the
46.14 budget of the Office of MN.IT Services. These rates shall apply for the biennium beginning
46.15 July 1 of the following calendar year.

46.16 Sec. 16. Minnesota Statutes 2018, section 16E.18, subdivision 6, is amended to read:

46.17 Subd. 6. **Rates.** (a) The chief information officer shall establish reimbursement rates in
46.18 cooperation with the commissioner of management and budget to be billed to participating
46.19 agencies and educational institutions sufficient to cover the operating, maintenance, and
46.20 administrative costs of the system.

46.21 (b) An invoice or statement to an agency from the chief information officer must include
46.22 clear descriptions of the services the Office of MN.IT Services has provided. The invoice
46.23 or statement must categorize or code services in a manner prescribed by the agency, or the
46.24 chief information officer must provide supplemental information with an invoice or statement
46.25 that categorizes or codes all services reflected on the invoice or statement in a manner
46.26 prescribed by the agency.

46.27 (c) Except as otherwise provided in subdivision 4, a direct appropriation made to an
46.28 educational institution for usage costs associated with the state information infrastructure
46.29 must only be used by the educational institution for payment of usage costs of the network
46.30 as billed by the chief information officer.

47.1 Sec. 17. LEGISLATIVE EMPLOYEE WORKING GROUP ON THE
47.2 LEGISLATURE'S ACCESSIBILITY MEASURES.

47.3 Subdivision 1. **Membership.** The legislative employee working group on the legislature's
47.4 accessibility measures consists of 12 members. The senate majority leader and the speaker
47.5 of the house must each appoint four employees from among the following offices that serve
47.6 the respective bodies: media offices, information technology offices, legal and fiscal analysis
47.7 offices, the secretary of the senate, the chief clerk of the house of representatives, and other
47.8 offices considered appropriate. The chair of the Legislative Coordinating Commission must
47.9 appoint four members from among the employees who serve in the Office of the Revisor
47.10 of Statutes, the Legislative Reference Library, the Legislative Coordinating Commission,
47.11 and the Office of the Legislative Auditor. In conducting its work, the working group may
47.12 consult with the MN.IT Office of Accessibility; the Commission of Deaf, Deafblind and
47.13 Hard of Hearing; the Minnesota Council on Disability; State Services for the Blind; and
47.14 other groups that may be of assistance. Appointments to the working group must be made
47.15 by June 1, 2019.

47.16 Subd. 2. **Duties; report.** (a) The employee working group must submit a report to the
47.17 chairs and ranking minority members of the legislative committees with jurisdiction over
47.18 rules and to the chair and vice-chair of the Legislative Coordinating Commission by January
47.19 15, 2020. The report must:

47.20 (1) identify ways the legislature's accessibility measures do not meet accessibility
47.21 standards applicable to state agencies under Minnesota Statutes, section 16E.03, subdivision
47.22 9;

47.23 (2) identify issues and technologies that may present barriers to compliance;

47.24 (3) suggest a compliance exception process;

47.25 (4) describe a plan to update the legislature's accessibility measures to be comparable
47.26 to those required of state agencies under Minnesota Statutes, section 16E.03, subdivision
47.27 9; and

47.28 (5) estimate the costs for updates to the legislature's accessibility measures.

47.29 (b) For purposes of this report, the employee working group does not need to consider
47.30 making archived documents, recordings, or publications accessible.

47.31 Subd. 3. **First meeting; chair.** The executive director of the Legislative Coordinating
47.32 Commission must convene the first meeting of the working group by July 15, 2019. At the
47.33 first meeting, the members must elect a chair.

48.1 Subd. 4. **Compensation; reimbursement.** Members serve without compensation but
48.2 may be reimbursed for expenses.

48.3 Subd. 5. **Administrative support.** The Legislative Coordinating Commission must
48.4 provide administrative support to the working group.

48.5 Subd. 6. **Expiration.** The working group expires January 15, 2020, or a later date selected
48.6 by agreement of the appointing authorities in subdivision 1, but not later than January 15,
48.7 2025.

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

48.9 Sec. 18. **FIRST APPOINTMENTS AND FIRST MEETING OF LEGISLATIVE**
48.10 **COMMISSION ON CYBERSECURITY.**

48.11 Subdivision 1. **First appointments.** Appointing authorities must make initial
48.12 appointments to the Legislative Commission on Cybersecurity by July 1, 2019.

48.13 Subd. 2. **First meeting.** The majority leader of the senate shall designate one senate
48.14 member of the Legislative Commission on Cybersecurity under Minnesota Statutes, section
48.15 3.888, to convene the first meeting by August 15, 2019. The commission must select a chair
48.16 from among the senate members at the first meeting.

48.17 Subd. 3. **Meetings in 2019.** Notwithstanding Minnesota Statutes, section 3.888,
48.18 subdivision 5, the commission must meet at least twice in 2019.

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

48.20 Sec. 19. **COMPLETION OF INFORMATION TECHNOLOGY CONSOLIDATION;**
48.21 **SURCHARGE AND SUSPENSION OF SERVICES FOR NONCOMPLIANT**
48.22 **AGENCIES; STRATEGIC WORKPLAN.**

48.23 Subdivision 1. **Consolidation required; state agency surcharge.** (a) No later than
48.24 December 31, 2020, the state chief information officer must complete the executive branch
48.25 information technology consolidation required by Laws 2011, First Special Session chapter
48.26 10, article 4, section 7, as amended by Laws 2013, chapter 134, section 29. The head of any
48.27 state agency subject to consolidation must assist the state chief information officer as
48.28 necessary to implement the requirements of this subdivision.

48.29 (b) Beginning July 1, 2020, the state chief information officer must impose a technology
48.30 consolidation surcharge of ... percent on billings, and must suspend ongoing work on any
48.31 new projects or system upgrades, for an agency with information technology systems that

49.1 have not fully integrated into the statewide consolidated system despite the requirements
49.2 of law. Amounts received from the surcharge must be deposited into the general fund and
49.3 used to support information technology projects within agencies that have completed the
49.4 consolidation or for other purposes directed by law.

49.5 Subd. 2. **Strategic workplan.** No later than August 1, 2019, the state chief information
49.6 officer must prepare a strategic workplan detailing the steps necessary to complete the
49.7 information technology consolidation required by subdivision 1. The plan must include
49.8 benchmark goals that can be reasonably measured and documented and have specific
49.9 deadlines to be met within each quarter. The benchmark goals must include but are not
49.10 limited to strategies for implementing the cloud computing services review required by
49.11 Minnesota Statutes, section 16E.03, subdivision 4a, and other tools to provide secure and
49.12 cost-effective services to executive branch agencies and other end-users.

49.13 Subd. 3. **Progress reports.** (a) No later than September 1, 2019, the state chief
49.14 information officer must submit a copy of the workplan required by subdivision 2 to the
49.15 chairs and ranking minority members of the legislative committees with primary jurisdiction
49.16 over state government finance and state information technology services.

49.17 (b) No later than October 1, 2019, and quarterly thereafter, the state chief information
49.18 officer must submit a progress report to the committees receiving the workplan required by
49.19 paragraph (a). At a minimum, the progress reports must include:

49.20 (1) information sufficient to determine whether deadlines for each benchmark goal have
49.21 been met and an explanation of the circumstances for any deadline that has not been met;

49.22 (2) details on the progress toward achieving each benchmark goal; and

49.23 (3) information on any new or unexpected costs or other barriers that impact progress
49.24 toward achieving a benchmark goal, including a detailed explanation of efforts by the state
49.25 chief information officer to reduce or eliminate those costs or barriers to ensure achievement
49.26 of that goal.

49.27 The report must also identify any agencies subject to the surcharge required under subdivision
49.28 1, paragraph (b).

49.29 (c) The state chief information officer must appear at public hearings convened by the
49.30 chairs of the committees identified in paragraph (a) and respond to questions from committee
49.31 members regarding the progress update.

50.1 Sec. 20. **FIRST APPOINTMENTS AND FIRST MEETING OF LEGISLATIVE**
 50.2 **COMMISSION ON INFORMATION TECHNOLOGY.**

50.3 Subdivision 1. **First appointments.** Appointing authorities must make initial
 50.4 appointments to the Legislative Commission on Information Technology by July 1, 2019.

50.5 Subd. 2. **First meeting.** The majority leader of the senate shall designate one senate
 50.6 member of the Legislative Commission on Information Technology under Minnesota
 50.7 Statutes, section 3.888, to convene the first meeting by August 15, 2019. The commission
 50.8 must select a chair from among the senate members at the first meeting.

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

50.10 Sec. 21. **REVISOR INSTRUCTION.**

50.11 The chief information officer is required to work with the revisor of statutes to prepare
 50.12 draft legislation to eliminate all references in law to the "North Star" service and replace it
 50.13 with "state web portal."

50.14 **ARTICLE 4**

50.15 **RACING COMMISSION**

50.16 Section 1. Minnesota Statutes 2018, section 240.01, is amended by adding a subdivision
 50.17 to read:

50.18 Subd. 18a. **Racing or gaming-related vendor.** "Racing or gaming-related vendor"
 50.19 means any person or entity that manufactures, sells, provides, distributes, repairs or maintains
 50.20 equipment or supplies used at a Class A facility or provides services to a Class A facility
 50.21 or Class B license holder that are directly related to the running of a horse race, simulcasting,
 50.22 pari-mutuel betting, or card playing.

50.23 **EFFECTIVE DATE.** This section is effective July 1, 2019.

50.24 Sec. 2. Minnesota Statutes 2018, section 240.02, subdivision 2, is amended to read:

50.25 Subd. 2. **Qualifications.** A member of the commission must have been a resident of
 50.26 Minnesota for at least five years before appointment, and must have a background and
 50.27 experience as would qualify for membership on the commission. ~~A member must, before~~
 50.28 ~~taking a place on the commission, file a bond in the principal sum of \$100,000 payable to~~
 50.29 ~~the state, conditioned upon the faithful performance of duties.~~ No commissioner, nor any
 50.30 member of the commissioner's immediate family residing in the same household, may hold

51.1 a license issued by the commission or have a direct or indirect financial interest in a
51.2 corporation, partnership, or association which holds a license issued by the commission.

51.3 Sec. 3. Minnesota Statutes 2018, section 240.02, subdivision 6, is amended to read:

51.4 Subd. 6. **Annual Biennial report.** The commission shall on February 15 of each
51.5 odd-numbered year submit a report to the governor and legislature on its activities,
51.6 organizational structure, receipts and disbursements, and recommendations for changes in
51.7 the laws relating to racing and pari-mutuel betting.

51.8 Sec. 4. Minnesota Statutes 2018, section 240.08, subdivision 5, is amended to read:

51.9 Subd. 5. **Revocation and suspension.** (a) After providing a licensee with notice and an
51.10 opportunity to be heard, the commission may:

51.11 (1) revoke a class C license for a violation of law or rule which in the commission's
51.12 opinion adversely affects the integrity of horse racing in Minnesota, the public health,
51.13 welfare, or safety, or for an intentional false statement made in a license application; or

51.14 ~~The commission may~~ (2) suspend a class C license for up to ~~one year~~ five years for a
51.15 violation of law, order or rule. If the license expires during the term of suspension, the
51.16 licensee shall be ineligible to apply for another license from the commission until the
51.17 expiration of the term of suspension.

51.18 (b) The commission may delegate to its designated agents the authority to impose
51.19 suspensions of class C licenses; ~~and.~~

51.20 (c) Except as provided in paragraph (d), the ~~revocation or~~ suspension of a class C license
51.21 may be appealed to the commission according to its rules.

51.22 ~~(b) A license revocation or suspension for more than 90 days is a contested case under~~
51.23 ~~sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to criminal~~
51.24 ~~penalties imposed for a violation of law or rule.~~

51.25 (d) If the commission revokes or suspends a class C license for more than one year, the
51.26 licensee has the right to appeal by requesting a contested case hearing under chapter 14.
51.27 The request must be made in writing and sent to the commission by certified mail or personal
51.28 service. A request sent by certified mail must be postmarked within ten days after the licensee
51.29 receives the order of revocation or suspension from the commission. A request sent by
51.30 personal service must be received by the commission within ten days after the licensee
51.31 receives the order of revocation or suspension from the commission.

52.1 (e) The commission may summarily suspend a license for more than up to 90 days prior
 52.2 to a contested case hearing where it is necessary to ensure the integrity of racing or to protect
 52.3 the public health, welfare, or safety. A contested case hearing must be held within 30 days
 52.4 of the summary suspension and the administrative law judge's report must be issued within
 52.5 30 days from the close of the hearing record. In all cases involving summary suspension
 52.6 the commission must issue its final decision within 30 days from receipt of the report of
 52.7 the administrative law judge and subsequent exceptions and argument under section 14.61.
 52.8 The licensee has the right to appeal a summary suspension to the commission according to
 52.9 its rules.

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

52.11 Sec. 5. Minnesota Statutes 2018, section 240.10, is amended to read:

52.12 **240.10 LICENSE FEES.**

52.13 (a) The fee for a class A license is \$253,000 per year and must be remitted on July 1.
 52.14 The fee for a class B license is \$500 for each assigned racing day and \$100 for each day on
 52.15 which simulcasting is authorized and must be remitted on July 1. The fee for a class D
 52.16 license is \$50 for each assigned racing day on which racing is actually conducted. Fees
 52.17 imposed on class D licenses must be paid to the commission at a time and in a manner as
 52.18 provided by rule of the commission.

52.19 (b) The commission shall by rule establish an annual license fee for each occupation it
 52.20 licenses under section 240.08.

52.21 (c) The initial annual license application fee for a class C license to provide advance
 52.22 deposit wagering on horse racing under this chapter is \$10,000 and an annual license fee
 52.23 of \$2,500 applies thereafter.

52.24 (d) Notwithstanding section 16A.1283, the commission shall by rule establish an annual
 52.25 license fee for each type of racing or gaming-related vendor it licenses, not to exceed \$2,500.

52.26 **EFFECTIVE DATE.** This section is effective July 1, 2019.

52.27 Sec. 6. Minnesota Statutes 2018, section 240.12, is amended to read:

52.28 **240.12 LICENSE AGREEMENTS.**

52.29 The commission may enter into agreements or compacts with comparable bodies in
 52.30 other racing jurisdictions for the mutual recognition of occupational licenses issued by each
 52.31 body. The commission may by rule provide for and may charge a fee for the registration of
 52.32 each license issued in another jurisdiction.

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

53.2 Sec. 7. Minnesota Statutes 2018, section 240.13, subdivision 5, is amended to read:

53.3 Subd. 5. **Purses.** (a) From the amounts deducted from all pari-mutuel pools by a licensee,
53.4 including breakage, an amount equal to not less than the following percentages of all money
53.5 in all pools must be set aside by the licensee and used for purses for races conducted by the
53.6 licensee, provided that a licensee may agree by contract with an organization representing
53.7 a majority of the horsepersons racing the breed involved to set aside amounts in addition
53.8 to the following percentages, if the contract is in writing and ~~filed with~~ reviewed by the
53.9 commission for compliance with this subdivision:

53.10 (1) for live races conducted at a class A facility, 8.4 percent of handle;

53.11 (2) for simulcasts conducted any day a class A facility is licensed, not less than 37 percent
53.12 of the ~~takeout~~ amount remaining after deduction for the state pari-mutuel tax, payment to
53.13 the breeders fund, and payment to the sending out-of-state racetrack for receipt of the signal.

53.14 The commission may by rule provide for the administration and enforcement of this
53.15 subdivision. The deductions for payment to the sending out-of-state racetrack must be actual,
53.16 except that when there exists any overlap of ownership, control, or interest between the
53.17 sending out-of-state racetrack and the receiving licensee, the deduction must not be greater
53.18 than three percent unless agreed to between the licensee and the horsepersons' organization
53.19 representing the majority of horsepersons racing the breed racing the majority of races
53.20 during the existing racing meeting or, if outside of the racing season, during the most recent
53.21 racing meeting.

53.22 The licensee shall pay to the commission for deposit in the Minnesota breeders fund
53.23 5-1/2 percent of the takeout from all pari-mutuel pools generated by wagering at the licensee's
53.24 facility on simulcasts of races not conducted in this state.

53.25 (b) ~~From the money set aside for purses,~~ The licensee shall pay to the horseperson's
53.26 organization representing the majority of the horsepersons racing the breed involved and
53.27 contracting with the licensee with respect to purses and the conduct of the racing meetings
53.28 and providing representation to its members, an amount as may be determined by agreement
53.29 by the licensee and the horsepersons' organization sufficient to provide benevolent programs,
53.30 benefits, and services for horsepersons and their on-track employees. The amount paid may
53.31 be deducted ~~only~~ from the money set aside for purses to be paid in races for the breed
53.32 represented by the horseperson's organization or may be paid from breakage retained by
53.33 the licensee from live or simulcast wagering as agreed between the licensee and horsepersons'

54.1 organization. With respect to racing meetings where more than one breed is racing, the
54.2 licensee may contract independently with the horseperson's organization representing each
54.3 breed racing. The contract must be in writing and reviewed by the commission for compliance
54.4 with this subdivision.

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

54.8 (d) Money set aside for purses from wagering on simulcasts must be used for purses for
54.9 live races involving the same breed involved in the simulcast except that money set aside
54.10 for purses and payments to the breeders fund from wagering on simulcasts of races not
54.11 conducted in this state, occurring during a live mixed meet, must be allotted to the purses
54.12 and breeders fund for each breed participating in the mixed meet as agreed upon by the
54.13 breed organizations participating in the live mixed meet. The agreement shall be in writing
54.14 and ~~filed with~~ reviewed by the commission for compliance with this subdivision prior to
54.15 the first day of the live mixed meet. In the absence of a written agreement ~~filed with~~ reviewed
54.16 by the commission, the money set aside for purses and payments to the breeders fund from
54.17 wagering on simulcasts, occurring during a live mixed meet, shall be allotted to each breed
54.18 participating in the live mixed meet in the same proportion that the number of live races
54.19 run by each breed bears to the total number of live races conducted during the period of the
54.20 mixed meet.

54.21 (e) The allocation of money set aside for purses to particular racing meets may be
54.22 adjusted, relative to overpayments and underpayments, by contract between the licensee
54.23 and the horsepersons' organization representing the majority of horsepersons racing the
54.24 breed involved at the licensee's facility. The contract must be in writing and reviewed by
54.25 the commission for compliance with this subdivision.

54.26 (f) Subject to the provisions of this chapter, money set aside from pari-mutuel pools for
54.27 purses must be for the breed involved in the race that generated the pool, except that if the
54.28 breed involved in the race generating the pari-mutuel pool is not racing in the current racing
54.29 meeting, or has not raced within the preceding 12 months at the licensee's class A facility,
54.30 money set aside for purses may be distributed proportionately to those breeds that have run
54.31 during the preceding 12 months or paid to the commission and used for purses or to promote
54.32 racing for the breed involved in the race generating the pari-mutuel pool, or both, in a manner
54.33 prescribed by the commission.

54.34 (g) This subdivision does not apply to a class D licensee.

55.1 **EFFECTIVE DATE.** This section is effective July 1, 2019.

55.2 Sec. 8. Minnesota Statutes 2018, section 240.131, subdivision 7, is amended to read:

55.3 Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of one percent
55.4 of all amounts wagered by Minnesota residents with an authorized advance deposit wagering
55.5 provider. The fee shall be declared on a form prescribed by the commission. The ADW
55.6 provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of
55.7 the month in which the wager was made. Fees collected under this paragraph must be
55.8 deposited in the state treasury and credited to a racing and card-playing regulation account
55.9 in the special revenue fund and are appropriated to the commission to offset the costs
55.10 associated with regulating horse racing and pari-mutuel wagering in Minnesota.

55.11 (b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all
55.12 amounts wagered by Minnesota residents with an authorized advance deposit wagering
55.13 provider. The fee shall be declared on a form prescribed by the commission. The ADW
55.14 provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of
55.15 the month in which the wager was made. Fees collected under this paragraph must be
55.16 deposited in the state treasury and credited to a racing and card-playing regulation account
55.17 in the special revenue fund and are appropriated to the commission to offset the cost of
55.18 administering the breeders fund and promote horse breeding in Minnesota.

55.19 **EFFECTIVE DATE.** This section is effective July 1, 2019.

55.20 Sec. 9. Minnesota Statutes 2018, section 240.135, is amended to read:

55.21 **240.135 CARD CLUB REVENUE.**

55.22 (a) From the amounts received from charges authorized under section 240.30, subdivision
55.23 4, the licensee shall set aside the amounts specified in this section to be used for purse
55.24 payments. These amounts are in addition to the breeders fund and purse requirements set
55.25 forth elsewhere in this chapter.

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

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

55.30 (b) From all amounts set aside under paragraph (a), the licensee shall set aside ten percent
55.31 to be deposited in the breeders fund.

56.1 (c) It is the intent of the legislature that the proceeds of the card playing activities
 56.2 authorized by this chapter be used to improve the horse racing industry by improving purses.
 56.3 The licensee and the horseperson's organization representing the majority of horsepersons
 56.4 who have raced at the racetrack during the preceding 12 months may negotiate percentages
 56.5 that exceed those stated in this section if the agreement is in writing and ~~filed with~~ reviewed
 56.6 by the commission for compliance with this section. The commission shall annually review
 56.7 the financial details of card playing activities and determine if the present use of card playing
 56.8 proceeds is consistent with the policy established by this paragraph. If the commission
 56.9 determines that the use of the proceeds does not comply with the policy set forth herein,
 56.10 then the commission shall direct the parties to make the changes necessary to ensure
 56.11 compliance. If these changes require legislation, the commission shall make the appropriate
 56.12 recommendations to the legislature.

56.13 **EFFECTIVE DATE.** This section is effective July 1, 2019.

56.14 Sec. 10. Minnesota Statutes 2018, section 240.16, subdivision 1, is amended to read:

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

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

56.22 (2) to supervise the conduct of racing to ensure the integrity of the sport;

56.23 (3) to settle disputes arising from the running of horse races, and to certify official results;

56.24 (4) to impose on licensees, for violation of law or commission rules, ~~fin~~ not exceeding
 56.25 \$5,000 and license suspensions not exceeding 90 days of up to \$10,000, suspensions of up
 56.26 to one year, and other sanctions as delegated by the commission or permitted under its rules;

56.27 (5) to recommend to the commission where warranted penalties in excess of those in
 56.28 clause (4);

56.29 (6) to otherwise enforce the laws and rules of racing; and

56.30 (7) to perform other duties and have other powers assigned by the commission.

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

57.1 Sec. 11. Minnesota Statutes 2018, section 240.16, subdivision 2, is amended to read:

57.2 Subd. 2. **Appeals; hearings.** Except as provided by section 240.08, subdivision 5, a
 57.3 ruling of a board of stewards may be appealed to the commission or be reviewed by it. The
 57.4 commission may review any ruling by the board of stewards on its own initiative. The
 57.5 commission may provide for appeals to be heard by less than a quorum of the commission.
 57.6 A hearing on a penalty imposed by a board of stewards must be granted on request.

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

57.8 Sec. 12. Minnesota Statutes 2018, section 240.18, subdivision 2, is amended to read:

57.9 Subd. 2. **Thoroughbred and quarterhorse categories.** (a) With respect to available
 57.10 money apportioned in the thoroughbred and quarterhorse categories, 20 percent must be
 57.11 expended as follows:

57.12 (1) at least one-half in the form of grants, contracts, or expenditures for equine research
 57.13 and related education at ~~the University of Minnesota School of Veterinary Medicine~~ public
 57.14 institutions of postsecondary learning in the state; and

57.15 (2) the balance in the form of grants, contracts, or expenditures for one or more of the
 57.16 following:

57.17 (i) additional equine research and related education;

57.18 (ii) substance abuse programs for licensed personnel at racetracks in this state; and

57.19 (iii) promotion and public information regarding industry and commission activities;
 57.20 racehorse breeding, ownership, and management; and development and expansion of
 57.21 economic benefits from racing.

57.22 (b) As a condition of a grant, contract, or expenditure under paragraph (a), the commission
 57.23 shall require an annual report from the recipient on the use of the funds ~~to the commission,~~
 57.24 ~~the chair of the house of representatives Committee on General Legislation, Veterans Affairs,~~
 57.25 ~~and Gaming, and the chair of the senate committee on Gaming Regulation.~~

57.26 (c) The commission shall include in its ~~annual~~ biennial report a summary of each grant,
 57.27 contract, or expenditure under paragraph (a), clause (2), and a description of how the
 57.28 commission has coordinated activities among recipients to ensure the most efficient and
 57.29 effective use of funds.

57.30 (d) After deducting the amount for paragraph (a), the balance of the available proceeds
 57.31 in each category may be expended by the commission to:

58.1 (1) supplement purses for races held exclusively for Minnesota-bred or Minnesota-foaled
 58.2 horses, and supplement purses for Minnesota-bred or Minnesota-foaled horses racing in
 58.3 nonrestricted races in that category;

58.4 (2) pay breeders' or owners' awards to the breeders or owners of Minnesota-bred horses
 58.5 in that category which win money at ~~licensed~~ pari-mutuel racetracks ~~in the state~~ licensed
 58.6 by any state or province; and

58.7 (3) provide other financial incentives to encourage the horse breeding industry in
 58.8 Minnesota.

58.9 Sec. 13. Minnesota Statutes 2018, section 240.18, subdivision 3, is amended to read:

58.10 Subd. 3. **Standardbred category.** (a) With respect to the available money apportioned
 58.11 in the standardbred category, 20 percent must be expended as follows:

58.12 (1) one-half of that amount to supplement purses for standardbreds at non-pari-mutuel
 58.13 racetracks in the state; and

58.14 ~~(2) one-fourth of that amount for the development of non-pari-mutuel standardbred~~
 58.15 ~~tracks in the state; and~~

58.16 ~~(3) one-fourth~~ (2) one-half of that amount as grants for equine research and related
 58.17 education at public institutions of postsecondary learning in the state.

58.18 (b) After deducting the amount for paragraph (a), the balance of the available proceeds
 58.19 in the standardbred category must be expended by the commission to:

58.20 (1) supplement purses for races held exclusively for Minnesota-bred and Minnesota-foaled
 58.21 standardbreds;

58.22 (2) pay breeders or owners awards to the breeders or owners of Minnesota-bred
 58.23 standardbreds which win money at licensed racetracks in the state; and

58.24 (3) provide other financial incentives to encourage the horse breeding industry in
 58.25 Minnesota.

58.26 Sec. 14. Minnesota Statutes 2018, section 240.22, is amended to read:

58.27 **240.22 FINES.**

58.28 (a) The commission shall by rule establish a schedule of civil fines of up to \$50,000 for
 58.29 a class C licensee and up to \$200,000 for a class A, B, or D licensee for violations of laws
 58.30 related to horse racing or of the commission's rules. The schedule must be based on and

59.1 reflect the culpability, frequency and severity of the violator's actions. The commission may
 59.2 impose a fine from this schedule on a licensee for a violation of those rules or laws relating
 59.3 to horse racing. The fine is in addition to any criminal penalty imposed for the same violation.
 59.4 Except as provided in paragraph (b), fines may be appealed to the commission according
 59.5 to its rules. Fines imposed by the commission must be paid to the commission and except
 59.6 as provided in paragraph (c), forwarded to the commissioner of management and budget
 59.7 for deposit in the state treasury and credited to a racing and card-playing regulation account
 59.8 in the special revenue fund and appropriated to the commission to distribute in the form of
 59.9 grants, contracts, or expenditures to support racehorse adoption, retirement, and repurposing.

59.10 (b) If the commission issues a fine in excess of ~~\$5,000~~ \$10,000, the license holder has
 59.11 the right to request a contested case hearing under chapter 14, to be held as set forth in
 59.12 Minnesota Rules, chapter 1400. The appeal of a fine must be made in writing to the
 59.13 commission by certified mail or personal service. An appeal sent by certified mail must be
 59.14 postmarked within ten days after the license holder receives the fine order from the
 59.15 commission. An appeal sent by personal service must be received by the commission within
 59.16 ten days after the license holder receives the fine order from the commission.

59.17 (c) If the commission is the prevailing party in a contested case proceeding, the
 59.18 commission may recover, from amounts to be forwarded under paragraph (a), reasonable
 59.19 attorney fees and costs associated with the contested case.

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

59.21 Sec. 15. Minnesota Statutes 2018, section 240.27, is amended to read:

59.22 **240.27 EXCLUSION OF CERTAIN PERSONS.**

59.23 Subdivision 1. **Persons excluded.** The commission may exclude from any and all licensed
 59.24 racetracks in the state a person who:

59.25 (1) has been convicted of a felony under the laws of any state or the United States;

59.26 (2) has had a license suspended, revoked, or denied by the commission or by the racing
 59.27 authority of any other jurisdiction; or

59.28 (3) is determined by the commission, on the basis of evidence presented to it, to be a
 59.29 threat to the public safety or the integrity of racing or card playing in Minnesota.

59.30 Subd. 2. **Hearing; appeal.** An order to exclude ~~a~~ an unlicensed person from any or all
 59.31 licensed racetracks in the state must be made by the commission ~~at~~ following a public
 59.32 hearing of which the person to be excluded must have had at least five days' notice. If present

60.1 at the hearing, the person must be permitted to show cause why the exclusion should not
 60.2 be ordered. An appeal of the order may be made in the same manner as other appeals under
 60.3 section 240.20.

60.4 Subd. 3. **Notice to racetracks.** Upon issuing an order excluding a person from any or
 60.5 all licensed racetracks, the commission shall send a copy of the order to the excluded person
 60.6 and to all racetracks or telercing facilities named in it, along with other information as it
 60.7 deems necessary to permit compliance with the order.

60.8 Subd. 4. **Prohibitions.** It is a gross misdemeanor for a person named in an exclusion
 60.9 order to enter, attempt to enter, or be on the premises of a racetrack named in the order
 60.10 while it is in effect, and for a person licensed to conduct racing or operate a racetrack
 60.11 knowingly to permit an excluded person to enter or be on the premises.

60.12 Subd. 5. **Exclusions by racetrack.** ~~The holder of a license to conduct racing may eject~~
 60.13 ~~and exclude from its premises any licensee or any other person who is in violation of any~~
 60.14 ~~state law or commission rule or order or who is a threat to racing integrity or the public~~
 60.15 ~~safety. A person so excluded from racetrack premises may appeal the exclusion to the~~
 60.16 ~~commission and must be given a public hearing on the appeal upon request. At the hearing~~
 60.17 ~~the person must be given the opportunity to show cause why the exclusion should not have~~
 60.18 ~~been ordered. If the commission after the hearing finds that the integrity of racing and the~~
 60.19 ~~public safety do not justify the exclusion, it shall order the racetrack making the exclusion~~
 60.20 ~~to reinstate or readmit the person. An appeal of a commission order upholding the exclusion~~
 60.21 ~~is governed by section 240.20. A licensed racetrack may eject and exclude from its premises~~
 60.22 any person for any lawful reason. If a licensed racetrack excludes a person for a suspected
 60.23 or potential violation of law or rule, or if a licensed racetrack excludes any person for more
 60.24 than five days, the licensed racetrack shall provide the person's name and reason for the
 60.25 exclusion to the commission within 72 hours.

60.26 ARTICLE 5

60.27 GAMBLING CONTROL BOARD

60.28 Section 1. Minnesota Statutes 2018, section 349.12, subdivision 2, is amended to read:

60.29 Subd. 2. **Active member.** "Active member" means a member:

60.30 (1) who has paid all dues to the organization;

60.31 (2) who is 18 years of age or older;

60.32 (3) who has equal voting rights with all other members;

61.1 (4) who has equal opportunity to be an elected officer;₂

61.2 (5) who has equal right and responsibilities of attendance at the regularly scheduled
61.3 meetings of the organization;₂

61.4 (6) whose name and membership origination date appear with the member's knowledge
61.5 and consent on a list of members of the organization;₂ and

61.6 (7) who has been a member of the organization for at least ~~six months~~ the most recent
61.7 90 days.

61.8 **EFFECTIVE DATE.** This section is effective July 1, 2019.

61.9 Sec. 2. Minnesota Statutes 2018, section 349.17, subdivision 6, is amended to read:

61.10 Subd. 6. **Conduct of bingo.** The price of a face played on an electronic bingo device
61.11 may not be less than the price of a face on a bingo paper sheet sold for the same game at
61.12 the same occasion. Bingo gift certificates must only be sold for face value. A game of bingo
61.13 begins with the first letter and number called or displayed. Each player must cover, mark,
61.14 or activate the numbers when bingo numbers are randomly selected and announced or
61.15 displayed to the players. The game is won when a player, using bingo paper, bingo hard
61.16 card, or a facsimile of a bingo paper sheet, has completed, as described in the bingo program,
61.17 a previously designated pattern or previously determined requirements of the game and
61.18 declared bingo. A bingo pattern or bingo game requirement may not be completed with
61.19 fewer than three bingo numbers having been drawn, unless the game being played is a
61.20 cover-none game. The game is completed when a winning card, sheet, or facsimile is verified
61.21 and a prize awarded pursuant to subdivision 3.

61.22 **EFFECTIVE DATE.** This section is effective July 1, 2019.

61.23 Sec. 3. Minnesota Statutes 2018, section 349.181, subdivision 5, is amended to read:

61.24 Subd. 5. **Lessor's immediate family.** The lessor's immediate family may not participate
61.25 directly or indirectly as a player in a pull-tab, a tipboard, ~~or~~ a paddlewheel, or an electronic
61.26 linked bingo game conducted at that premises.

61.27 **EFFECTIVE DATE.** This section is effective July 1, 2019.

61.28 Sec. 4. Minnesota Statutes 2018, section 349.19, subdivision 1, is amended to read:

61.29 Subdivision 1. **Required record of receipts.** (a) A licensed organization must keep a
61.30 record of each occasion on which it conducts gambling, including each bingo occasion and
61.31 each day on which other forms of lawful gambling are conducted. The record must include

62.1 gross receipts, quantities of free plays if any, expenses, prizes, and gross profit. The board
62.2 may by rule provide for the methods by which expenses are documented.

62.3 (b) In the case of bingo;

62.4 (1) gross receipts must be compared to the checkers' records for the occasion by a person
62.5 who did not sell cards for the occasion; and

62.6 (2) the organization must keep a bingo gift certificate log showing each bingo gift
62.7 certificate number, the face value, the date sold, and the date redeemed.

62.8 (c) Separate records must be kept for bingo and all other forms of lawful gambling.

62.9 **EFFECTIVE DATE.** This section is effective July 1, 2019.

62.10 Sec. 5. Minnesota Statutes 2018, section 349.19, subdivision 2, is amended to read:

62.11 Subd. 2. **Accounts.** (a) Gross receipts from lawful gambling by each organization must
62.12 be segregated from all other revenues of the conducting organization and placed in a separate
62.13 gambling bank account.

62.14 (b) All expenditures for allowable expenses, taxes, and lawful purposes must be made
62.15 from the separate account except (1) in the case of expenditures previously approved by
62.16 the organization's membership for emergencies as defined by board rule, or (2) when
62.17 restricted to one electronic fund transaction for the payment of taxes for the organization
62.18 as a whole, the organization may transfer the amount of taxes related to the conduct of
62.19 gambling to the general account at the time when due and payable.

62.20 (c) The name and address of the bank, the account number for the separate account, and
62.21 the names of organization members authorized as signatories on the separate account must
62.22 be provided to the board when the application is submitted. Changes in the information
62.23 must be submitted to the board at least ten days before the change is made.

62.24 (d) Except as provided in paragraph (e), gambling receipts must be deposited into the
62.25 gambling bank account within four business days of completion of the bingo occasion, deal,
62.26 or game from which they are received.

62.27 (1) A deal of paper pull-tabs is considered complete when either the last pull-tab of the
62.28 deal is sold or the organization does not continue the play of the deal during the next
62.29 scheduled period of time in which the organization will conduct pull-tabs.

62.30 (2) A tipboard game is considered complete when the seal on the game flare is uncovered
62.31 or the organization does not continue the play of the deal during the next scheduled period
62.32 of time in which the organization will conduct tipboards.

63.1 (e) Gambling receipts from electronic gambling must be recorded on a daily basis and
 63.2 deposited into the gambling bank account:

63.3 (1) when the total net receipts from all electronic games at the premises reach the sum
 63.4 of \$2,000 or on or before; and

63.5 (2) within four business days of the first day of the month immediately following the
 63.6 month during which the receipts were generated, ~~whichever occurs first.~~

63.7 (f) Deposit records must be sufficient to allow determination of deposits made from
 63.8 each bingo occasion, deal, or game at each permitted premises.

63.9 (g) The person who accounts for gambling gross receipts and profits may not be the
 63.10 same person who accounts for other revenues of the organization.

63.11 **EFFECTIVE DATE.** This section is effective July 1, 2019.

63.12 ARTICLE 6

63.13 STATE BOARD OF ACCOUNTANCY

63.14 Section 1. Minnesota Statutes 2018, section 326A.01, subdivision 2, is amended to read:

63.15 Subd. 2. **Attest.** "Attest" means providing any of the following services:

63.16 (1) an audit or other engagement performed in accordance with the Statements on
 63.17 Auditing Standards (SAS);

63.18 (2) an audit or other engagement performed in accordance with the Generally Accepted
 63.19 Government Auditing Standards (GAGAS);

63.20 (3) a review of a financial statement performed in accordance with the Statements on
 63.21 Standards for Accounting and Review Services (SSARS);

63.22 ~~(3)~~ (4) an examination of prospective financial information performed in accordance
 63.23 with the Statements on Standards for Attestation Engagements (SSAE);

63.24 ~~(4)~~ (5) an engagement performed in accordance with the standards of the Public Company
 63.25 Accounting Oversight Board (PCAOB); and

63.26 ~~(5)~~ (6) an examination, review, or agreed-upon procedures engagement performed in
 63.27 accordance with SSAE, other than an examination described in clause (3).

63.28 Sec. 2. Minnesota Statutes 2018, section 326A.04, subdivision 4, is amended to read:

63.29 Subd. 4. **Program of learning.** Each licensee shall participate in a program of learning
 63.30 designed to maintain professional competency. The program of learning must comply with

64.1 rules adopted by the board. The board may by rule create an exception to this requirement
 64.2 for licensees who do not perform or offer to perform for the public one or more kinds of
 64.3 services involving the use of ~~accounting or~~ auditing skills, including issuance of reports on
 64.4 ~~financial statements or of one or more kinds of:~~ attest or compilation engagements,
 64.5 management advisory services, financial advisory services, or consulting services, ~~or the~~
 64.6 ~~preparation of tax returns or the furnishing of advice on tax matters.~~ A licensee granted such
 64.7 an exception by the board must place the word "inactive" or "retired," if applicable, adjacent
 64.8 to the CPA title on any business card, letterhead, or any other document or device, with the
 64.9 exception of the licensee's certificate on which the CPA title appears.

64.10 Sec. 3. Minnesota Statutes 2018, section 326A.04, subdivision 5, is amended to read:

64.11 Subd. 5. **Fee.** (a) The board shall charge a fee for each application for initial issuance
 64.12 or renewal of a certificate or temporary military certificate under this section as provided
 64.13 in paragraph (b). ~~The fee for the temporary military certificate is \$100.~~

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

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

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

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

64.18 (4) renewal of CPA firm permits, except for sole practitioners and those firms specified
 64.19 in clause ~~(17)~~ (16), \$35 per year;

64.20 (5) initial issuance and renewal of CPA firm permits for sole practitioners, except for
 64.21 those firms specified in clause ~~(17)~~ (16), \$35 per year;

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

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

64.25 (8) registration of noncertificate holders, nonlicensees, and nonregistrants in connection
 64.26 with renewal of firm permits, \$45 per year;

64.27 (9) applications for reinstatement, \$20;

64.28 (10) initial registration of a registered accounting practitioner, \$50;

64.29 (11) initial registered accounting practitioner firm permits, \$100;

64.30 (12) renewal of registered accounting practitioner firm permits, except for sole
 64.31 practitioners, \$100 per year;

- 65.1 (13) renewal of registered accounting practitioner firm permits for sole practitioners,
 65.2 \$35 per year;
- 65.3 ~~(14) CPA examination application, \$40;~~
- 65.4 ~~(15)~~ (14) CPA examination, fee determined by third-party examination administrator;
- 65.5 ~~(16)~~ (15) renewal of certificates with an inactive status, \$25 per year; ~~and~~
- 65.6 ~~(17)~~ (16) renewal of CPA firm permits for firms that have one or more offices located
 65.7 in another state, \$68 per year; and
- 65.8 (17) temporary military certificate, \$100.

65.9 Sec. 4. [326A.045] RETIRED STATUS.

65.10 Subdivision 1. Retired status requirements. The board shall grant retired status to a
 65.11 person who meets the following criteria:

- 65.12 (1) is age 55 or older;
- 65.13 (2) holds a current active license to practice public accounting under this chapter with
 65.14 a license status of active, inactive, or exempt under Minnesota Rules, part 1105.3700;
- 65.15 (3) declares that he or she is not practicing public accounting in any jurisdiction;
- 65.16 (4) was in good standing with the board at the time the person last held a license under
 65.17 this chapter; and
- 65.18 (5) submits an application for retired status on a form provided by the board.

65.19 Subd. 2. Retired status effect. Retired status is an honorific status. Retired status is not
 65.20 a license to engage in the practice of public accounting. A person granted retired status shall
 65.21 not perform or offer to perform services for which a license under this chapter is required.

65.22 Subd. 3. Documentation of status. The board shall provide to a person granted retired
 65.23 status a document stating that retired status has been granted.

65.24 Subd. 4. Representation to the public. A person granted retired status may represent
 65.25 themselves as "Certified Public Accountant - Retired," "CPA - Retired," "Retired Certified
 65.26 Public Accountant," or "Retired CPA," but shall not represent themselves or allow themselves
 65.27 to be represented to the public as a current licensee of the board.

65.28 Subd. 5. Continuing education not required. A person is not required to comply with
 65.29 continuing education requirements in section 326A.04, subdivision 4, to acquire or maintain
 65.30 retired status.

66.1 Subd. 6. **Renewal not required.** A person granted retired status is not required to renew
66.2 their registration or pay renewal fees to maintain retired status.

66.3 Subd. 7. **Change to active or inactive status.** The board shall change a license status
66.4 from retired to active or inactive, if a person with retired status requests a status change and
66.5 meets requirements for reactivation prescribed by rule.

66.6 Sec. 5. Minnesota Statutes 2018, section 326A.08, subdivision 4, is amended to read:

66.7 Subd. 4. **Cease and desist orders.** (a) The board, or the complaint committee if
66.8 authorized by the board, may issue and have served upon a certificate holder, a permit
66.9 holder, a registration holder, a person with practice privileges granted under section 326A.14,
66.10 a person who has previously been subject to a disciplinary order by the board, or an
66.11 unlicensed firm or person an order requiring the person or firm to cease and desist from the
66.12 act or practice constituting a violation of the statute, rule, or order. The order must be
66.13 calculated to give reasonable notice of the rights of the person or firm to request a hearing
66.14 and must state the reasons for the entry of the order. No order may be issued until an
66.15 investigation of the facts has been conducted pursuant to section 214.10.

66.16 (b) Service of the order ~~is effective when the order is served on the person, firm, or~~
66.17 ~~counsel of record personally, or by certified mail to the most recent address provided to the~~
66.18 ~~board for the person, firm, or counsel of record.~~ may be by first class United States mail,
66.19 including certified United States mail, or overnight express mail service, postage prepaid
66.20 and addressed to the party at the party's last known address. Service by United States mail,
66.21 including certified mail, is complete upon placing the order in the mail or otherwise delivering
66.22 the order to the United States mail service. Service by overnight express mail service is
66.23 complete upon delivering the order to an authorized agent of the express mail service.

66.24 (c) Unless otherwise agreed by the board, or the complaint committee if authorized by
66.25 the board, and the person or firm requesting the hearing, the hearing must be held no later
66.26 than 30 days after the request for the hearing is received by the board.

66.27 (d) The administrative law judge shall issue a report within 30 days of the close of the
66.28 contested case hearing record, notwithstanding Minnesota Rules, part 1400.8100, subpart
66.29 3. Within 30 days after receiving the report and any exceptions to it, the board shall issue
66.30 a further order vacating, modifying, or making permanent the cease and desist orders as the
66.31 facts require.

66.32 (e) If no hearing is requested within 30 days of service of the order, the order becomes
66.33 final and remains in effect until it is modified or vacated by the board.

67.1 (f) If the person or firm to whom a cease and desist order is issued fails to appear at the
67.2 hearing after being duly notified, the person or firm is in default and the proceeding may
67.3 be determined against that person or firm upon consideration of the cease and desist order,
67.4 the allegations of which may be considered to be true.

67.5 (g) In lieu of or in addition to the order provided in paragraph (a), the board may require
67.6 the person or firm to provide to the board a true and complete list of the person's or firm's
67.7 clientele so that they can, if deemed necessary, be notified of the board's action. Failure to
67.8 do so, or to provide an incomplete or inaccurate list, is an act discreditable.

67.9 Sec. 6. Minnesota Statutes 2018, section 326A.08, subdivision 5, is amended to read:

67.10 Subd. 5. **Actions against persons or firms.** (a) The board may, by order, deny, refuse
67.11 to renew, suspend, temporarily suspend, or revoke the application, or practice privileges,
67.12 registration or certificate of a person or firm; censure or reprimand the person or firm;
67.13 prohibit the person or firm from preparing tax returns or reporting on financial statements;
67.14 limit the scope of practice of any licensee; limit privileges under section 326A.14; refuse
67.15 to permit a person to sit for examination; or refuse to release the person's examination grades
67.16 if the board finds that the order is in the public interest and that, based on a preponderance
67.17 of the evidence presented, the person or firm:

67.18 (1) has violated a statute, rule, or order that the board has issued or is empowered to
67.19 enforce;

67.20 (2) has engaged in conduct or acts that are fraudulent, deceptive, or dishonest whether
67.21 or not the conduct or acts relate to performing or offering to perform professional services,
67.22 providing that the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on
67.23 the person's or firm's ability or fitness to provide professional services;

67.24 (3) has engaged in conduct or acts that are negligent or otherwise in violation of the
67.25 standards established by board rule, where the conduct or acts relate to providing professional
67.26 services, including in the filing or failure to file the licensee's income tax returns;

67.27 (4) has been convicted of, has pled guilty or nolo contendere to, or has been sentenced
67.28 as a result of the commission of a felony or crime, an element of which is dishonesty or
67.29 fraud; has been shown to have or admitted to having engaged in acts or practices tending
67.30 to show that the person or firm is incompetent; or has engaged in conduct reflecting adversely
67.31 on the person's or firm's ability or fitness to provide professional services, whether or not
67.32 a conviction was obtained or a plea was entered or withheld and whether or not dishonesty
67.33 or fraud was an element of the conduct;

68.1 (5) employed fraud or deception in obtaining a certificate, permit, registration, practice
68.2 privileges, renewal, or reinstatement or in passing all or a portion of the examination;

68.3 (6) has had the person's or firm's permit, registration, practice privileges, certificate,
68.4 right to examine, or other similar authority revoked, suspended, canceled, limited, or not
68.5 renewed for cause, or has committed unprofessional acts for which the person or firm was
68.6 otherwise disciplined or sanctioned, including, but not limited to, being ordered to or agreeing
68.7 to cease and desist from prescribed conduct, in any state or any foreign country;

68.8 (7) has had the person's or firm's right to practice before any federal, state, other
68.9 government agency, or Public Company Accounting Oversight Board revoked, suspended,
68.10 canceled, limited, or not renewed for cause, or has committed unprofessional acts for which
68.11 the person or firm was otherwise disciplined or sanctioned, including, but not limited to,
68.12 being ordered to or agreeing to cease and desist from prescribed conduct;

68.13 (8) failed to meet any requirement for the issuance or renewal of the person's or firm's
68.14 certificate, registration or permit, or for practice privileges;

68.15 (9) with respect to temporary suspension orders, has committed an act, engaged in
68.16 conduct, or committed practices that may result or may have resulted, in the opinion of the
68.17 board or the complaint committee if authorized by the board, in an immediate threat to the
68.18 public;

68.19 (10) has engaged in any conduct reflecting adversely upon the person's or firm's fitness
68.20 to perform services while a licensee, individual granted privileges under section 326A.14,
68.21 or a person registered under section 326A.06, paragraph (b); or

68.22 (11) has, prior to a voluntary surrender of a certificate or permit to the board, engaged
68.23 in conduct which at any time resulted in the discipline or sanction described in clause (6)
68.24 or (7).

68.25 (b) In lieu of or in addition to any remedy provided in paragraph (a), the board, or the
68.26 complaint committee if authorized by the board, may require, as a condition of continued
68.27 possession of a certificate, a registration, or practice privileges, termination of suspension,
68.28 reinstatement of permit, registration of a person or firm or of practice privileges under
68.29 section 326A.14, a certificate, an examination, or release of examination grades, that the
68.30 person or firm:

68.31 (1) submit to a peer review of the person's or firm's ability, skills, or quality of work,
68.32 conducted in a fashion and by persons, entity, or entities as required by the board; and

69.1 (2) complete to the satisfaction of the board continuing professional education courses
69.2 specified by the board.

69.3 (c) Service of the order ~~is effective if the order is served on the person, firm, or counsel~~
69.4 ~~of record personally or by certified mail to the most recent address provided to the board~~
69.5 ~~for the person, firm, or counsel of record.~~ may be by first class United States mail, including
69.6 certified United States mail, or overnight express mail service, postage prepaid and addressed
69.7 to the party at the party's last known address. Service by United States mail, including
69.8 certified mail, is complete upon placing the order in the mail or otherwise delivering the
69.9 order to the United States mail service. Service by overnight express mail service is complete
69.10 upon delivering the order to an authorized agent of the express mail service. The order shall
69.11 state the reasons for the entry of the order.

69.12 (d) All hearings required by this subdivision must be conducted in accordance with
69.13 chapter 14 except with respect to temporary suspension orders as provided for in subdivision
69.14 6.

69.15 (e) In addition to the remedies authorized by this subdivision, the board, or the complaint
69.16 committee if authorized by the board, may enter into an agreement with the person or firm
69.17 for corrective action and may unilaterally issue a warning to a person or firm.

69.18 (f) The board shall not use agreements for corrective action or warnings in any situation
69.19 where the person or firm has been convicted of or pled guilty or nolo contendere to a felony
69.20 or crime and the felony or crime is the basis of the board's action against the person or firm,
69.21 where the conduct of the person or firm indicates a pattern of related violations of paragraph
69.22 (a) or the rules of the board, or where the board concludes that the conduct of the person or
69.23 firm will not be deterred other than by disciplinary action under this subdivision or
69.24 subdivision 4 or 6.

69.25 (g) Agreements for corrective action may be used by the board, or the complaint
69.26 committee if authorized by the board, where the violation committed by the person or firm
69.27 does not warrant disciplinary action pursuant to this subdivision or subdivision 4 or 6, but
69.28 where the board, or the complaint committee if authorized by the board, determines that
69.29 corrective action is required to prevent further such violations and to otherwise protect the
69.30 public. Warnings may be used by the board, or the complaint committee if authorized by
69.31 the board, where the violation of the person or firm is de minimus, does not warrant
69.32 disciplinary action under this subdivision or subdivision 4 or 6, and does not require
69.33 corrective action to protect the public.

70.1 (h) Agreements for corrective action must not be considered disciplinary action against
70.2 the person's or firm's application, permit, registration or certificate, or practice privileges
70.3 under section 326A.14. However, agreements for corrective action are public data. Warnings
70.4 must not be considered disciplinary action against the person's or firm's application, permit,
70.5 registration, or certificate or person's practice privileges and are private data.

70.6 Sec. 7. Minnesota Statutes 2018, section 326A.08, is amended by adding a subdivision to
70.7 read:

70.8 Subd. 10. **Actions against lapsed license, certificate, or permit.** If a person's or firm's
70.9 permit, registration, practice privileges, license, certificate, or other similar authority lapses,
70.10 expires, is surrendered, withdrawn, terminated, canceled, limited, not renewed, or otherwise
70.11 becomes invalid, the board may institute a proceeding under this subdivision within two
70.12 years after the date the license, certificate, or permit was last effective and enter a revocation
70.13 or suspension order as of the last date on which the license, certificate, or permit was in
70.14 effect, or impose a civil penalty as provided for in subdivision 7.

70.15 Sec. 8. Minnesota Statutes 2018, section 326A.10, is amended to read:

70.16 **326A.10 UNLAWFUL ACTS.**

70.17 (a) Only a licensee and individuals who have been granted practice privileges under
70.18 section 326A.14 may issue a report on financial statements of any person, firm, organization,
70.19 or governmental unit that results from providing attest services, or offer to render or render
70.20 any attest service. Only a certified public accountant, an individual who has been granted
70.21 practice privileges under section 326A.14, a CPA firm, or, to the extent permitted by board
70.22 rule, a person registered under section 326A.06, paragraph (b), may issue a report on financial
70.23 statements of any person, firm, organization, or governmental unit that results from providing
70.24 compilation services or offer to render or render any compilation service. These restrictions
70.25 do not prohibit any act of a public official or public employee in the performance of that
70.26 person's duties or prohibit the performance by any nonlicensee of other services involving
70.27 the use of accounting skills, including the preparation of tax returns, management advisory
70.28 services, and the preparation of financial statements without the issuance of reports on them.
70.29 Nonlicensees may prepare financial statements and issue nonattest transmittals or information
70.30 on them which do not purport to be in compliance with the Statements on Standards for
70.31 Accounting and Review Services (SSARS). Nonlicensees registered under section 326A.06,
70.32 paragraph (b), may, to the extent permitted by board rule, prepare financial statements and
70.33 issue nonattest transmittals or information on them.

71.1 (b) Licensees and individuals who have been granted practice privileges under section
71.2 326A.14 performing attest or compilation services must provide those services in accordance
71.3 with professional standards. To the extent permitted by board rule, registered accounting
71.4 practitioners performing compilation services must provide those services in accordance
71.5 with standards specified in board rule.

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

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

71.16 (e) A person or firm that does not hold a valid certificate or permit issued under section
71.17 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or 326A.05 as
71.18 required in this chapter shall not assume or use the title "certified accountant," "chartered
71.19 accountant," "enrolled accountant," "licensed accountant," "registered accountant,"
71.20 "accredited accountant," "accounting practitioner," "public accountant," "licensed public
71.21 accountant," or any other title or designation likely to be confused with the title "certified
71.22 public accountant," or use any of the abbreviations "CA," "LA," "RA," "AA," "PA," "AP,"
71.23 "LPA," or similar abbreviation likely to be confused with the abbreviation "CPA." The title
71.24 "enrolled agent" or "EA" may only be used by individuals so designated by the Internal
71.25 Revenue Service.

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

71.30 (g) Except to the extent permitted in paragraph (a), nonlicensees may not use language
71.31 in any statement relating to the financial affairs of a person or entity that is conventionally
71.32 used by licensees in reports on financial statements or on an attest service. In this regard,
71.33 the board shall issue by rule safe harbor language that nonlicensees may use in connection
71.34 with such financial information. A person or firm that does not hold a valid certificate or

72.1 permit, or a registration issued under section 326A.04, 326A.05, or 326A.06, paragraph (b),
72.2 or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter
72.3 shall not assume or use any title or designation that includes the word "accountant" or
72.4 "accounting" in connection with any other language, including the language of a report, that
72.5 implies that the person or firm holds such a certificate, permit, or registration or has special
72.6 competence as an accountant. A person or firm that does not hold a valid certificate or
72.7 permit issued under section 326A.04 or 326A.05 or has not otherwise complied with section
72.8 326A.04 or 326A.05 as required in this chapter shall not assume or use any title or designation
72.9 that includes the word "auditor" in connection with any other language, including the
72.10 language of a report, that implies that the person or firm holds such a certificate or permit
72.11 or has special competence as an auditor. However, this paragraph does not prohibit any
72.12 officer, partner, member, manager, or employee of any firm or organization from affixing
72.13 that person's own signature to any statement in reference to the financial affairs of such firm
72.14 or organization with any wording designating the position, title, or office that the person
72.15 holds, nor prohibit any act of a public official or employee in the performance of the person's
72.16 duties as such.

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

72.23 (2) A common brand name or network name part, including common initials, used by
72.24 a CPA firm in its name, is not misleading if the firm is a network firm as defined in the
72.25 American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct
72.26 ~~in effect July 1, 2011~~ incorporated by reference in Minnesota Rules, part 1105.0250, and
72.27 when offering or rendering services that require independence under AICPA standards, the
72.28 firm must comply with the AICPA code's applicable standards on independence.

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

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

73.1 (2) the person or firm performs no attest or compilation services and issues no reports
73.2 with respect to the information of any other persons, firms, or governmental units in this
73.3 state; and

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

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

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

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

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

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

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

73.23 (1) signs the compilation report identifying the individual as a registered accounting
73.24 practitioner;

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

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

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

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

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

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

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

3.9735 EVALUATION OF ECONOMIC DEVELOPMENT INCENTIVE PROGRAMS.

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

(a) "General incentive" means a state program, statutory provision, or tax expenditure, including tax credits, tax exemptions, tax deductions, grants, or loans, that is intended to encourage businesses to locate, expand, invest, or remain in Minnesota or to hire or retain employees in Minnesota. To be a general incentive, a state program, statutory provision, or tax expenditure must be funded by an appropriation from the general fund, and be available to multiple entities, projects, or associated projects or include eligibility criteria with the intent that it will be available to multiple entities, projects, or associated projects.

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

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

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

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

353.505 STATE CONTRIBUTIONS; FORMER MERF DIVISION.

(a) On September 15, 2019, and annually thereafter, the state shall pay to the general employees retirement plan of the Public Employees Retirement Association, with respect to the former MERF division, \$6,000,000.

(b) On September 15, 2017, and September 15, 2018, the state shall pay to the general employees retirement plan of the Public Employees Retirement Association, with respect to the former MERF division, \$16,000,000.

(c) State contributions under this section end on September 15, 2031.