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State of Minnesota  
**HOUSE OF REPRESENTATIVES**  
NINETIETH SESSION

**H. F. No. 2290**

03/09/2017 Authored by Knoblach  
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy  
04/05/2017 Adoption of Report: Placed on the General Register as Amended  
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration  
05/22/2017 Pursuant to Joint Rule 3.02(b), returned to the Committee on Government Operations and Elections Policy

1.1 A bill for an act

1.2 relating to state government; modifying provisions related to data practices,

1.3 information technology, veterans, income tax returns, Public Employer Retirement

1.4 Association, open meetings, pipelines, and state auditor; prohibiting certain uses

1.5 of appropriations by the Office of the Governor; modifying burial fees for veterans;

1.6 requiring establishment of free income tax filing system; modifying the manner

1.7 of compensation for examiner and deputy examiner of titles in Sherburne County;

1.8 modifying certain uses of funds by the state auditor; requiring certain performance

1.9 outcomes; repealing certain commissions; amending Minnesota Statutes 2016,

1.10 sections 3.8843, subdivision 7; 16E.016; 190.19, subdivision 2a; 197.236,

1.11 subdivision 9; 353.27, subdivision 3c; 353.505; 508.12, subdivision 1; 518A.79,

1.12 by adding a subdivision; proposing coding for new law in Minnesota Statutes,

1.13 chapters 4; 270C; repealing Minnesota Statutes 2016, sections 3.886; 4.46;

1.14 161.1419.

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

1.16 Section 1. Minnesota Statutes 2016, section 3.8843, subdivision 7, is amended to read:

1.17 Subd. 7. **Expiration.** This section expires June 30, ~~2017~~ 2019.

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

1.19 Sec. 2. **[4.465] PERSONNEL EXPANSION; WASHINGTON OFFICE PROHIBITED.**

1.20 For the biennium ending June 30, 2019, appropriations provided to the Office of the

1.21 Governor by law may not be used to support the hiring of additional personnel, to support

1.22 current personnel in the office assigned to oversee federal policy or federal government

1.23 relations, or to maintain office space located in the District of Columbia.

2.1 Sec. 3. Minnesota Statutes 2016, section 16E.016, is amended to read:

2.2 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**  
2.3 **AND EQUIPMENT.**

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

2.7 (1) state data centers;

2.8 (2) mainframes including system software;

2.9 (3) servers including system software;

2.10 (4) desktops including system software;

2.11 (5) laptop computers including system software;

2.12 (6) a data network including system software;

2.13 (7) database, electronic mail, office systems, reporting, and other standard software  
2.14 tools;

2.15 (8) business application software and related technical support services;

2.16 (9) help desk for the components listed in clauses (1) to (8);

2.17 (10) maintenance, problem resolution, and break-fix for the components listed in clauses  
2.18 (1) to (8);

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

2.20 and

2.21 (12) network-connected output devices.

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

2.28 (c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a  
2.29 state agency to obtain services specified in paragraph (a) through a contract with an outside  
2.30 vendor when the chief information officer and the agency head agree that a contract would  
2.31 provide best value, as defined in section 16C.02, under the service-level agreement. The

chief information officer must require that agency contracts with outside vendors ensure that systems and services are compatible with standards established by the Office of MN.IT Services.

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

Sec. 4. Minnesota Statutes 2016, section 190.19, subdivision 2a, is amended to read:

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

(1) grants to veterans service organizations;

(2) outreach to underserved veterans;

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

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

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

(6) grants to an eligible foundation; and

(7) the agency's uncompensated burial costs for eligible dependents to whom the commissioner grants a no-fee or reduced-fee burial in the state's veteran cemeteries pursuant to section 197.236, subdivision 9, paragraph (b).

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

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

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

Sec. 5. Minnesota Statutes 2016, section 197.236, subdivision 9, is amended to read:

Subd. 9. **Burial fees.** (a) The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot.

(b) Upon application, the commissioner may waive or reduce the burial fee in the case of for an indigent eligible person. The commissioner shall develop a policy, eligibility standards, and application form for requests to waive or reduce the burial fee to indigent eligible applicants.

(c) No plot or interment fees may be charged for the burial of service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section 101, paragraph (2).

Sec. 6. **[270C.303] FREE ELECTRONIC FILING OF INDIVIDUAL INCOME TAX RETURNS.**

(a) The commissioner must develop and implement a system for the secure electronic filing of individual income tax returns and payment of individual income tax liabilities on the department's Web site at no cost. The system must allow for filing of individual returns by individuals and also by tax preparers.

(b) The system must automatically populate returns with taxpayer data available to the commissioner including but not limited to wage data received from one or more employers, state income tax withheld by one or more employers, and additional taxes owed to the state or refund owed to the taxpayer.

(c) The system must be available:

(1) by January 15, 2019, for the filing and payment of tax year 2018 individual income taxes of filers with income only from wages, fewer than five dependents, and federal adjusted gross income less than \$200,000 for married couples filing joint returns, and less than \$100,000 for all other filers; and

(2) by January 15, 2020, for the filing and payment of tax year 2019 individual income taxes of filers with income only from wages, Social Security benefits, interest, dividends, individual retirement account distributions and pensions, fewer than five dependents, and federal adjusted gross income less than \$200,000 for married couples filing joint returns, and less than \$100,000 for all other filers.

(d) For purposes of this section, "federal adjusted gross income" has the meaning given in section 62 of the Internal Revenue Code. Other terms have the meanings given in chapter 290.

(e) By September 15 of each year, beginning in 2019, the commissioner must provide a report to the committees of the house of representatives and senate with jurisdiction over taxes, in compliance with sections 3.195 and 3.197. The report must include statistics on usage of the free electronic filing system required in this section; ways in which the commissioner could expand the system, including draft legislation if needed for system expansion; and any other information the commissioner considers relevant.

Sec. 7. Minnesota Statutes 2016, section 353.27, subdivision 3c, is amended to read:

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

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

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

(d) ~~For calendar years 2015 and 2016, The annual employer supplemental contribution is the employing unit's share of \$31,000,000. For calendar years 2017 through 2031, the employer supplemental contribution is the employing unit's share of \$21,000,000.~~

(e) Each employing unit's share under paragraph (d) is the amount determined from an allocation between each employing unit in the portion equal to the unit's employer supplemental contribution paid or payable under Minnesota Statutes 2012, section 353.50, during calendar year 2014.

(f) The employer supplemental contribution amount under paragraph (d) for calendar year 2015 must be invoiced by the executive director of the Public Employees Retirement Association by July 1, 2015. The calendar year 2015 payment is payable in a single amount on or before September 30, 2015. For subsequent calendar years, the employer supplemental contribution under paragraph (d) must be invoiced on January 31 of each year and is payable in two parts, with the first half payable on or before July 31 and with the second half payable

on or before December 15. Late payments are payable with compound interest at the rate of 0.71 percent per month for each month or portion of a month that has elapsed after the due date.

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

Sec. 8. Minnesota Statutes 2016, section 353.505, is amended to read:

**353.505 STATE CONTRIBUTIONS; FORMER MERF DIVISION.**

(a) On September 15, 2015, ~~and September 15, 2016,~~ 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. ~~By September 15 of each year after 2016, 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.~~

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

Sec. 9. Minnesota Statutes 2016, section 508.12, subdivision 1, is amended to read:

Subdivision 1. **Examiner and deputy examiner.** The judges of the district court shall appoint a competent attorney in each county within their respective districts to be an examiner of titles and legal adviser to the registrar in said county, to which examiner all applications to register title to land are referred without further order, and may appoint attorneys to serve as deputy examiners who shall act in the name of the examiner and under the examiner's supervision and control, and the deputy's acts shall be the acts of the examiners. The examiner of titles and deputy examiners shall hold office subject to the will and discretion of the district court by whom appointed. The examiner's compensation and that of the examiner's deputies shall be fixed and determined by the court and paid in the same manner as the compensation of other county employees is paid except that in all counties having fewer than 75,000 inhabitants, and in Stearns, Dakota, Scott, Wright, Sherburne, and Olmsted Counties the fees and compensation of the examiners for services as legal adviser to the registrar shall be determined by the judges of the district court and paid in the same manner as the compensation of other county employees is paid, but in every other instance shall be paid by the person applying to have the person's title registered or for other action or relief which requires the services, certification or approval of the examiner.

7.1 Sec. 10. Minnesota Statutes 2016, section 518A.79, is amended by adding a subdivision  
7.2 to read:

7.3 Subd. 3a. **Open meetings.** Except as otherwise provided in this section, the task force  
7.4 is subject to chapter 13D. A meeting of the task force occurs when a quorum is present and  
7.5 the members receive information, discuss, or take action on any matter relating to the duties  
7.6 of the task force. The task force may conduct meetings as provided in section 13D.015 or  
7.7 13D.02. The task force may conduct meetings at any location in the state that is appropriate  
7.8 for the purposes of the task force as long as the location is open and accessible to the public.  
7.9 For legislative members of the task force, enforcement of this subdivision is governed by  
7.10 section 3.055, subdivision 2. For nonlegislative members of the task force, enforcement of  
7.11 this subdivision is governed by section 13D.06, subdivisions 1 and 2.

7.12 **EFFECTIVE DATE.** This section is effective January 1, 2018.

7.13 Sec. 11. **COMMISSIONER OF REVENUE TO DETERMINE ADEQUACY OF**  
7.14 **CURRENT RULES AND VALUATION PRACTICES FOR STATE-ASSESSED**  
7.15 **PIPELINES.**

7.16 The commissioner of revenue must review all current rules and practices relating to the  
7.17 valuation of pipeline companies that are assessed by the state. The commissioner must  
7.18 determine whether current rules and practices provide accurate estimates of market value.  
7.19 By February 1, 2018, the commissioner must prepare testimony for the house of  
7.20 representatives and senate committees having jurisdiction over property taxes recommending  
7.21 changes to the rules and practices to provide more accurate assessments and reduce the  
7.22 number and amount of judgments against the state and counties for state-assessed pipeline  
7.23 property.

7.24 Sec. 12. **FREE ELECTRONIC FILING OF INDIVIDUAL INCOME TAX**  
7.25 **RETURNS; PILOT PROGRAM.**

7.26 (a) The commissioner must conduct a pilot program to test the free electronic filing  
7.27 requirement in Minnesota Statutes, section 270C.303. The pilot program must operate at  
7.28 least three taxpayer assistance sites that receive grants under Minnesota Statutes, section  
7.29 270C.21. At least one of the pilot program sites must be in the seven-county metropolitan  
7.30 area, and at least one must be in greater Minnesota. The pilot program system must be  
7.31 available by January 15, 2018, for the filing and payment of tax year 2017 individual income  
7.32 taxes of filers with income only from wages, fewer than five dependents, and federal adjusted

8.1 gross income less than \$200,000 for married couples filing joint returns, and less than  
8.2 \$100,000 for all other filers.

8.3 (b) The system must automatically populate returns with taxpayer data available to the  
8.4 commissioner including but not limited to W-2 data on wages and state income tax  
8.5 withholding.

8.6 (c) For purposes of this section, "federal adjusted gross income" has the meaning given  
8.7 in section 62 of the Internal Revenue Code. Other terms have the meanings given in  
8.8 Minnesota Statutes, chapter 290.

8.9 (d) By August 15, 2018, the commissioner must report final statistics on usage of the  
8.10 pilot program and on plans to implement tax year 2018 electronic filing as required in  
8.11 Minnesota Statutes, section 270C.303. The report must comply with the requirements of  
8.12 Minnesota Statutes, sections 3.195 and 3.197.

8.13 Sec. 13. **STATE AUDITOR LITIGATION EXPENSES; SCHEDULE OF CHARGES.**

8.14 Subdivision 1. **Litigation expenses; core functions of the state auditor.** (a) Unless  
8.15 funds are otherwise expressly provided by law for this purpose, all costs incurred by the  
8.16 state auditor in preparing and asserting a civil claim or appeal, or in defending against a  
8.17 civil claim or appeal, related to the proper exercise of the auditor's constitutionally authorized  
8.18 core functions must be paid by the auditor's constitutional office division. Only allocations  
8.19 made to the constitutional office division on or before January 1, 2017, may be used to pay  
8.20 these costs.

8.21 (b) In complying with paragraph (a), the state auditor may not, directly or indirectly,  
8.22 decrease allocations previously made to, transfer funds from, or otherwise reduce services  
8.23 provided by any other division of the office.

8.24 Subd. 2. **Schedule of charges.** Notwithstanding Minnesota Statutes, section 6.581,  
8.25 subdivision 3, or any other law to the contrary, the rates included in the state auditor's  
8.26 schedule of charges for examinations conducted in calendar year 2017 must be no greater  
8.27 than the rates included in the schedule of charges established for examinations conducted  
8.28 in calendar year 2016.

8.29 Sec. 14. **MN.IT; PERFORMANCE OUTCOMES REQUIRED.**

8.30 Subdivision 1. **Completion of agency consolidation.** No later than December 31, 2018,  
8.31 the state chief information officer must complete the executive branch information technology  
8.32 consolidation required by Laws 2011, First Special Session chapter 10, article 4, section 7,



as amended by Laws 2013, chapter 134, section 29. The head of any state agency subject to consolidation must assist the state chief information officer as necessary to implement the requirements of this subdivision.

**Subd. 2. Information technology efficiencies and solutions.** No later than December 31, 2018, the state chief information officer shall:

(1) host at least 25 percent of all state agency servers on a public cloud solution;

(2) store at least 35 percent of all state agency data on a public cloud solution; and

(3) operate no more than six data centers statewide.

**Subd. 3. Enterprise services; personnel efficiencies.** No later than June 30, 2019, the state chief information officer shall reduce the Office of MN.IT Services' total cost for enterprise services personnel by at least \$3,000,000.

**Subd. 4. Legislative report; application consolidation.** No later than January 1, 2018, the state chief information officer must submit a report to the chairs and ranking minority members of the house and senate committees with jurisdiction over state government finance on the status of business application software consolidation across state agencies. At a minimum, the report must describe the outcomes achieved to date, a plan and timeline for continued consolidation of business application software with measurable outcome goals, and recommendations, if any, on legislation necessary to facilitate achievement of these goals.

Sec. 15. **REPEALER.**

Minnesota Statutes 2016, sections 3.886; 4.46; and 161.1419, are repealed.

### **3.886 LEGISLATIVE WATER COMMISSION.**

Subdivision 1. **Establishment.** A Legislative Water Commission is established.

Subd. 2. **Membership.** (a) The Legislative Water Commission consists of 12 members appointed as follows:

(1) six members of the senate, including three majority party members appointed by the majority leader and three minority party members appointed by the minority leader; and

(2) six members of the house of representatives, including three majority party members appointed by the speaker of the house and three minority party members appointed by the minority leader.

(b) Members serve at the pleasure of the appointing authority and continue to serve until their successors are appointed or until a member is no longer a member of the legislative body that appointed the member to the commission. Vacancies shall be filled in the same manner as the original positions. Vacancies occurring on the commission do not affect the authority of the remaining members of the Legislative Water Commission to carry out the function of the commission.

(c) Members shall elect a chair, vice chair, and other officers as determined by the commission. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

Subd. 3. **Commission staffing.** The Legislative Coordinating Commission must employ staff and contract with consultants as necessary to enable the Legislative Water Commission to carry out its duties and functions.

Subd. 4. **Powers and duties.** (a) The Legislative Water Commission shall review water policy reports and recommendations of the Environmental Quality Board, the Board of Water and Soil Resources, the Pollution Control Agency, the Department of Natural Resources, the Metropolitan Council, and other water-related reports as may be required by law or the legislature.

(b) The commission may conduct public hearings and otherwise secure data and comments.

(c) The commission shall make recommendations as it deems proper to assist the legislature in formulating legislation.

(d) Data or information compiled by the Legislative Water Commission or its subcommittees shall be made available to the Legislative-Citizen Commission on Minnesota Resources, the Clean Water Council, and standing and interim committees of the legislature on request of the chair of the respective commission, council, or committee.

(e) The commission shall coordinate with the Clean Water Council.

Subd. 5. **Compensation.** Members of the commission may receive per diem and expense reimbursement incurred doing the work of the commission in the manner and amount prescribed for per diem and expense payments by the senate Committee on Rules and Administration and the house of representatives Committee on Rules and Legislative Administration.

Subd. 6. **Expiration.** This section expires July 1, 2019.

### **4.46 WASHINGTON OFFICE.**

The governor may appoint employees for the Washington, D.C., office of the state of Minnesota and may prescribe their duties. In the operation of the office, the governor may expend money appropriated by the legislature for promotional purposes in the same manner as private persons, firms, corporations, and associations expend money for promotional purposes. Promotional expenditures for food, lodging, or travel are not governed by the travel rules of the commissioner of management and budget.

### **161.1419 MISSISSIPPI RIVER PARKWAY COMMISSION.**

Subdivision 1. **Policy.** It is declared to be the policy of the state and to be in the best public interest for the promotion of public safety, recreation, travel, trade, and the general welfare of the people to cooperate with the federal government and with the interstate Mississippi River Parkway Planning Commission. To carry out such policy and to aid in the promotion and securement of a scenic parkway and highway for the state of Minnesota and to aid in securing the location of federal parks within Minnesota a Mississippi River Parkway Commission is created. Such commission

APPENDIX  
Repealed Minnesota Statutes: HF2290-1

shall also work toward the planning, construction, maintenance, and improvement of the Great River Road or Mississippi River Parkway which is to follow generally the course of the Mississippi River and extend from Canada to the Gulf of Mexico.

Subd. 2. **Members.** (a) The commission shall be composed of 15 members of whom:

- (1) one shall be appointed by the commissioner of transportation;
- (2) one shall be appointed by the commissioner of natural resources;
- (3) one shall be appointed by the director of Explore Minnesota Tourism;
- (4) one shall be appointed by the commissioner of agriculture;
- (5) one shall be appointed by the director of the Minnesota Historical Society;
- (6) two shall be members of the senate to be appointed by the Committee on Committees;
- (7) two shall be members of the house of representatives to be appointed by the speaker;
- (8) one shall be the secretary appointed pursuant to subdivision 3; and

(9) five shall be citizen members appointed by five citizen committees established by the members appointed under clauses (1) to (8), with each citizen committee established within and representing each of the following geographic segments along the Mississippi River:

- (i) Lake Itasca to but not including the city of Grand Rapids;
- (ii) Grand Rapids to but not including the city of Brainerd;
- (iii) Brainerd to but not including the city of Elk River;
- (iv) Elk River to but not including the city of Hastings; and
- (v) Hastings to the Iowa border.

Each citizen committee member shall be a resident of the geographic segment that the committee and member represents.

(b) The members of the commission shall serve for a term expiring at the close of each regular session of the legislature and until their successors are appointed. Successor members shall be appointed by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota Historical Society shall be ex officio members, and shall be in addition to the 15 members heretofore provided for. Immediately upon making the appointments to the commission the appointing authorities shall so notify the Mississippi River Parkway Commission, hereinafter called the National Commission, giving the names and addresses of the members so appointed.

Subd. 3. **Chair, vice-chair, and secretary.** The commission may hold meetings and hearings at such time and places as it may designate to accomplish the purposes set forth in this section. It shall select a chair, a vice-chair, and such other officers from its membership as it deems necessary. The commission shall appoint a secretary who shall also serve as a commission member.

Subd. 3a. **Gifts, grants, and endowments.** The commission may accept gifts of money, property, or services; may apply for and accept grants from the United States, the state, a subdivision of the state, or a person for any of its purposes; may enter into an agreement required in connection with it; and may hold, use, and dispose of the money, property, or services in accordance with the terms of the gift, grant, or agreement relating to it. The commission may also make grants, gifts, and bequests of money, property, or services and enter into contracts to carry out the same. The gift acceptance procedures of sections 16A.013 to 16A.016 do not apply to this section.

Subd. 4. **Compensation, supplies, staff.** Compensation of legislative members of the commission is as provided in section 3.101. Compensation of the remaining members is as provided in section 15.0575. The commission may purchase supplies, employ part-time or full-time employees, and do all things reasonably necessary and convenient in carrying out the purposes of this section.

Subd. 5. **Staff from other agencies.** The commissioner of transportation shall designate one employee of the Department of Transportation who is an engineer or who has engineering experience and the commissioner of natural resources shall appoint one staff member who shall advise with and assist the commission in carrying out its functions and duties.

APPENDIX  
Repealed Minnesota Statutes: HF2290-1

Subd. 6. **National Commission.** The commission shall be an affiliate of the National Commission and as a member of the National Commission may pay an annual fee for its equal share of the planning program of the National Commission.

Subd. 7. **Program review.** The commission may review the programs of the various interstate compacts, studies, planning groups and commissions involved in water and land use activities along the Mississippi River in Minnesota.

Subd. 8. **Expiration.** The commission expires on June 30, 2020.