

A bill for an act

1.1 relating to government operations; setting date for the legislature to meet in even  
1.2 years; providing for monitoring management of permanent school fund lands;  
1.3 increasing the number of members on the Legislative Commission on Pensions  
1.4 and Retirement; defining certain powers of the Council on Black Minnesotans;  
1.5 allowing the legislative auditor to recover costs for certain financial audits;  
1.6 providing mapped data on expenditures; increasing agency deposit receipts;  
1.7 setting conditions for recipients of state grants and appropriations; establishing  
1.8 conditions for disposal of state-owned buildings; establishing requirements  
1.9 for financing agreements for state projects; requiring conditions for fleet  
1.10 management activities; adding duties of the chief information officer; allowing  
1.11 expenditures associated with the combined charities campaign; modifying  
1.12 provisions for groundwater quality monitoring and resource recovery; modifying  
1.13 secretary of state records provisions; enhancing the state's tax collection process;  
1.14 creating Commission on Service Innovation; modifying provisions for campaign  
1.15 finance; requiring a strategic plan to improve state and local government delivery  
1.16 of services; establishing the Minnesota Innovation and Research Council;  
1.17 requiring certain studies; appropriating money; amending Minnesota Statutes  
1.18 2008, sections 3.303, by adding a subdivision; 3.85, subdivision 3; 3.9225,  
1.19 subdivision 5; 3.971, by adding a subdivision; 10A.01, subdivision 18, by adding  
1.20 subdivisions; 10A.12, by adding a subdivision; 10A.20, subdivisions 2, 4, 12;  
1.21 10A.27, by adding subdivisions; 16A.125, subdivision 5; 16A.275; 16B.24,  
1.22 subdivision 3; 16B.322, subdivisions 4, 5; 16C.055, subdivision 2; 16E.04,  
1.23 subdivision 2; 16E.05, by adding a subdivision; 43A.50, subdivision 2; 79.34,  
1.24 subdivision 1; 103F.755; 103H.175, as amended; 115A.15, subdivisions 4,  
1.25 9, 10; 127A.30, subdivision 2; 211B.01, subdivision 3; 211B.04; 211B.15,  
1.26 subdivisions 2, 3; 216B.16, by adding a subdivision; 307.08, subdivision 5;  
1.27 318.02, subdivision 1; 336.9-531; 336A.08, subdivisions 1, 4; 336A.14; 557.01;  
1.28 Minnesota Statutes 2009 Supplement, sections 16B.322, subdivisions 4a, 4b, 4c;  
1.29 16E.02, subdivision 1; 365.46, subdivision 2; 379.05; Laws 2010, chapter 189,  
1.30 section 35, subdivision 1; proposing coding for new law in Minnesota Statutes,  
1.31 chapters 3; 5; 10; 10A; 16A; 16B; 465; repealing Minnesota Statutes 2008,  
1.32 sections 6.80; 211B.15, subdivision 12; Minnesota Statutes 2009 Supplement,  
1.33 section 645.44, subdivision 19; Laws 2005, chapter 162, section 34, subdivision  
1.34 2, as amended.  
1.35

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

ARTICLE 1

STATE GOVERNMENT

Section 1. [3.051] EVEN-YEAR SESSIONS.

The legislature may not meet in regular session in an even-numbered year before the date set under section 202A.14 for the conduct of precinct caucuses.

Sec. 2. Minnesota Statutes 2008, section 3.303, is amended by adding a subdivision to read:

Subd. 11. **Permanent school fund land management analyst.** The commission shall undertake activities that are necessary to advise the legislature and to monitor the executive branch on issues related to the management of permanent school fund lands. The commission may hire a lead analyst and other staff as necessary for this purpose. The commission shall:

(1) monitor management of permanent school fund lands;

(2) analyze the benefits derived from the fund;

(3) actively participate in the work of the Permanent School Fund Advisory Committee under section 127A.30;

(4) provide oversight to ensure that the state fulfills its fiduciary responsibilities to the permanent school fund as specified by the Minnesota Constitution and Minnesota Statutes; and

(5) make effective recommendations to the Permanent School Fund Advisory Committee and the finance divisions and committees of the house of representatives and the senate.

The purpose of this function is to maximize the long-term economic returns to the school trust lands consistent with the goals of section 127A.31.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 3. Minnesota Statutes 2008, section 3.85, subdivision 3, is amended to read:

Subd. 3. **Membership.** The commission consists of ~~five~~ seven members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration and ~~five~~ seven members of the house of representatives appointed by the speaker. No more than five members from each chamber may be from the majority caucus in that chamber. Members shall be appointed at the commencement of each regular session of the legislature for a two-year term beginning January 16 of the first year of the regular session. Members continue to serve until their successors are appointed. Vacancies

3.1 that occur while the legislature is in session shall be filled like regular appointments. If the  
3.2 legislature is not in session, senate vacancies shall be filled by the last Subcommittee on  
3.3 Committees of the senate Committee on Rules and Administration or other appointing  
3.4 authority designated by the senate rules, and house of representatives vacancies shall be  
3.5 filled by the last speaker of the house, or if the speaker is not available, by the last chair of  
3.6 the house of representatives Rules Committee.

3.7 Sec. 4. Minnesota Statutes 2008, section 3.9225, subdivision 5, is amended to read:

3.8 Subd. 5. **Powers.** (a) The council may contract in its own name, but no money shall  
3.9 be accepted or received as a loan nor indebtedness incurred except as otherwise provided  
3.10 by law. Contracts shall be approved by a majority of the members of the council and  
3.11 executed by the chair and the executive director. The council may apply for, receive, and  
3.12 expend in its own name grants and gifts of money consistent with the power and duties  
3.13 specified in subdivisions 1 to 7.

3.14 (b) The council may solicit and accept payments for advertising, use of exhibition  
3.15 space, or commemorative videos or other items in connection with publications, events,  
3.16 media productions, and informational programs that are sponsored by the council. These  
3.17 revenues must be deposited in an account in the special revenue fund and are appropriated  
3.18 to the council to defray costs of publications, events, media productions, or informational  
3.19 programs consistent with the powers and duties specified in subdivisions 1 to 7. The  
3.20 council may not publish advertising or provide exhibition space for any elected official  
3.21 or candidate for elective office. The council must report by January 15 each year to the  
3.22 chairs and ranking minority members of the house of representatives and senate funding  
3.23 divisions with jurisdiction over the council on the amount and source of each payment  
3.24 received under this paragraph in the prior fiscal year.

3.25 (c) The council shall appoint an executive director who is experienced in  
3.26 administrative activities and familiar with the problems and needs of Black people. The  
3.27 council may delegate to the executive director powers and duties under subdivisions 1 to 7  
3.28 which do not require council approval. The executive director serves in the unclassified  
3.29 service and may be removed at any time by the council. The executive director shall  
3.30 recommend to the council, and the council may appoint the appropriate staff necessary to  
3.31 carry out its duties. Staff members serve in the unclassified service. The commissioner of  
3.32 administration shall provide the council with necessary administrative services.

3.33 Sec. 5. **[3.9715] PAYMENT FROM HERITAGE FUNDS FOR AUDIT COSTS.**

4.1 The outdoor heritage fund, the clean water fund, the parks and trails fund, and the  
4.2 arts and cultural heritage fund, established in the Minnesota Constitution, article XI,  
4.3 section 15, must each pay the legislative auditor for costs incurred by the legislative  
4.4 auditor to examine financial activities related to each fund. The legislative auditor shall  
4.5 provide cost data to the commissioner of management and budget to determine the amount  
4.6 of the required payments. The amount required to make these payments is appropriated  
4.7 from each fund for payments to the legislative auditor under this section. Amounts  
4.8 received by the legislative auditor under this section are appropriated to the legislative  
4.9 auditor for purposes of examining financial activities related to each fund. The legislative  
4.10 auditor shall report by January 15 each year to the chairs and ranking minority members of  
4.11 the house of representatives and senate funding divisions with jurisdiction over the Office  
4.12 of the Legislative Auditor and the funds established in the Minnesota Constitution, article  
4.13 XI, section 15, on past and projected future expenditure of funds under this section.

4.14 Sec. 6. **[5.025] ELECTION DAY VOLUNTEERS.**

4.15 The secretary of state may use unpaid secretary of state trained volunteers to assist  
4.16 the Office of the Secretary of State in providing customer service information on election  
4.17 days.

4.18 Sec. 7. **[10.61] TWO-SIDED PRINTING.**

4.19 A printer operated by an entity in the state executive, legislative, or judicial branch  
4.20 must be configured so that the default print option is for two-sided printing if it is feasible  
4.21 to set two-sided printing as the default.

4.22 Sec. 8. Minnesota Statutes 2008, section 10A.01, subdivision 18, is amended to read:

4.23 Subd. 18. **Independent expenditure.** "Independent expenditure" means an  
4.24 expenditure expressly advocating the election or defeat of a clearly identified candidate,  
4.25 if the expenditure is made without the express or implied consent, authorization, or  
4.26 cooperation of, and not in concert with or at the request or suggestion of, any candidate or  
4.27 any candidate's principal campaign committee or agent. An independent expenditure is  
4.28 not a contribution to that candidate. ~~An expenditure by a political party or political party~~  
4.29 ~~unit in a race where the political party has a candidate on the ballot is not an independent~~  
4.30 ~~expenditure.~~ An independent expenditure does not include the act of announcing a formal  
4.31 public endorsement of a candidate for public office, unless the act is simultaneously  
4.32 accompanied by an expenditure that would otherwise qualify as an independent  
4.33 expenditure under this subdivision.

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

5.2 Sec. 9. Minnesota Statutes 2008, section 10A.01, is amended by adding a subdivision  
5.3 to read:

5.4 Subd. 37. **Independent expenditure political committee.** "Independent  
5.5 expenditure political committee" means a political committee that makes only independent  
5.6 expenditures and disbursements permitted under section 10A.121, subdivision 1.

5.7 Sec. 10. Minnesota Statutes 2008, section 10A.01, is amended by adding a subdivision  
5.8 to read:

5.9 Subd. 38. **Independent expenditure political fund.** "Independent expenditure  
5.10 political fund" means a political fund that makes only independent expenditures and  
5.11 disbursements permitted under section 10A.121, subdivision 1.

5.12 Sec. 11. Minnesota Statutes 2008, section 10A.12, is amended by adding a subdivision  
5.13 to read:

5.14 Subd. 1a. **When required for independent expenditures.** An association other  
5.15 than a political committee that makes only independent expenditures and disbursements  
5.16 permitted under section 10A.121, subdivision 1, must do so by forming and registering  
5.17 an independent expenditure political fund if the expenditure is in excess of \$100 or by  
5.18 contributing to an existing independent expenditure political committee or political fund.

5.19 Sec. 12. **[10A.121] INDEPENDENT EXPENDITURE POLITICAL**  
5.20 **COMMITTEES AND INDEPENDENT EXPENDITURE POLITICAL FUNDS.**

5.21 Subdivision 1. **Permitted disbursements.** An independent expenditure political  
5.22 committee or an independent expenditure political fund, in addition to making independent  
5.23 expenditures, may:

5.24 (1) pay costs associated with its fund-raising and general operations;

5.25 (2) pay for communications that do not constitute contributions or approved  
5.26 expenditures; and

5.27 (3) make contributions to other independent expenditure political committees or  
5.28 independent expenditure political funds.

5.29 Subd. 2. **Penalty.** An independent expenditure political committee or independent  
5.30 expenditure political fund is subject to a civil penalty of up to four times the amount of the  
5.31 contribution or approved expenditure if it does the following:

6.1 (1) makes a contribution to a candidate, party unit, political committee, or political  
6.2 fund other than an independent expenditure political committee or an independent  
6.3 expenditure political fund; or

6.4 (2) makes an approved expenditure.

6.5 This penalty supersedes any penalty otherwise provided in statute.

6.6 Sec. 13. Minnesota Statutes 2008, section 10A.20, subdivision 2, is amended to read:

6.7 Subd. 2. **Time for filing.** (a) The reports must be filed with the board on or before  
6.8 January 31 of each year and additional reports must be filed as required and in accordance  
6.9 with paragraphs (b) and (c).

6.10 (b) In each year in which the name of the candidate is on the ballot, the report of  
6.11 the principal campaign committee must be filed 15 days before a primary and ten days  
6.12 before a general election, seven days before a special primary and a special election,  
6.13 and ten days after a special election cycle.

6.14 (c) In each general election year, a political committee, political fund, or party  
6.15 unit must file reports 28 and 15 days before a primary and ~~ten~~ 42 and 15 days before a  
6.16 general election. Beginning in 2012, reports required under this paragraph must also be  
6.17 filed 56 days before a primary.

6.18 Sec. 14. Minnesota Statutes 2008, section 10A.20, subdivision 4, is amended to read:

6.19 Subd. 4. **Period of report.** A report must cover the period from ~~the last day covered~~  
6.20 ~~by the previous report~~ January 1 of the reporting year to seven days before the filing date,  
6.21 except that the report due on January 31 must cover the period from the last day covered  
6.22 by the previous report to December 31.

6.23 Sec. 15. Minnesota Statutes 2008, section 10A.20, subdivision 12, is amended to read:

6.24 Subd. 12. **Failure to file; penalty.** The board must send a notice by certified mail  
6.25 to any individual who fails to file a statement required by this section. If an individual  
6.26 fails to file a statement due January 31 within ten business days after the notice was sent,  
6.27 the board may impose a late filing fee of ~~\$5~~ \$25 per day, not to exceed ~~\$100~~ \$1,000,  
6.28 commencing ~~with~~ the ~~11th~~ day after the notice was sent.

6.29 If an individual fails to file a statement due before a primary or election within three  
6.30 days after the date due, regardless of whether the individual has received any notice, the  
6.31 board may impose a late filing fee of \$50 per day, not to exceed ~~\$500~~ \$1,000, commencing  
6.32 on the ~~fourth~~ day after the date the statement was due.

7.1 The board must send an additional notice by certified mail to an individual who fails  
7.2 to file a statement within 14 days after the first notice was sent by the board that the  
7.3 individual may be subject to a civil penalty for failure to file a statement. An individual  
7.4 who fails to file the statement within seven days after the second notice was sent by the  
7.5 board is subject to a civil penalty imposed by the board of up to \$1,000.

7.6 **EFFECTIVE DATE.** This section is effective June 1, 2010, and applies to  
7.7 statements required to be filed on or after that date.

7.8 Sec. 16. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision  
7.9 to read:

7.10 Subd. 14. **Contributions of business revenue.** An association may, if not  
7.11 prohibited by other law, contribute revenue from the operation of a business to an  
7.12 independent expenditure political committee or an independent expenditure political fund  
7.13 without complying with section 10A.27, subdivision 13.

7.14 Sec. 17. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision  
7.15 to read:

7.16 Subd. 15. **Contributions of dues or contribution revenue.** An association may,  
7.17 if not prohibited by other law, contribute revenue from membership dues or fees, or  
7.18 from contributions received by the association to an independent expenditure political  
7.19 committee or an independent expenditure political fund without complying with section  
7.20 10A.27, subdivision 13. Before the day when the recipient committee or fund's next report  
7.21 must be filed with the board under section 10A.20, subdivision 2 or 5, an association  
7.22 that has contributed \$2,000 or more in aggregate to independent expenditure political  
7.23 committees or funds during the calendar year must provide in writing to the recipient's  
7.24 treasurer a statement that includes the name and address of each association that paid the  
7.25 association dues or fees, or made contributions to the association that, in total, aggregate  
7.26 \$1,000 or more between January 1 of the calendar year and the date of the contribution.  
7.27 The statement must be certified as true and correct by an officer of the contributing  
7.28 association.

7.29 Sec. 18. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision  
7.30 to read:

7.31 Subd. 16. **Treasurer to submit disclosure statements.** The treasurer of a political  
7.32 committee or political fund receiving a statement required under section 10A.27,  
7.33 subdivision 15, must file a copy of the statement before the deadline for the committee

8.1 or fund's next report filed with the board under section 10A.20, subdivision 2 or 5, after  
8.2 receiving the statement.

8.3 Sec. 19. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision  
8.4 to read:

8.5 Subd. 17. **Penalty.** (a) An association that makes a contribution under section  
8.6 10A.27, subdivision 15, and fails to provide the required statement within the time  
8.7 specified is subject to a civil penalty of up to four times the amount of the contribution,  
8.8 but not to exceed \$25,000, except when the violation was intentional.

8.9 (b) An independent expenditure political committee or an independent expenditure  
8.10 political fund that files a report without including the statement required under section  
8.11 10A.27, subdivision 15, is subject to a civil penalty of up to four times the amount of the  
8.12 contribution for which disclosure was not filed, but not to exceed \$25,000, except when  
8.13 the violation was intentional.

8.14 (c) The penalties provided under this subdivision supersede any penalty otherwise  
8.15 provided in statute.

8.16 Sec. 20. **[16A.0561] MAPPED DATA ON EXPENDITURES.**

8.17 (a) Data on expenditure of money from the funds as specified under sections  
8.18 3.303, subdivision 10, and 116P.08, may, if practicable, be made available on the Web  
8.19 in a manner that allows the public to obtain information about a project receiving an  
8.20 appropriation by clicking on a map. To the extent feasible, the map should include or link  
8.21 to information about each project, including, but not limited to, the location, the name  
8.22 of the entity receiving the appropriation, the source of the appropriation, the amount of  
8.23 money received, and a general statement of the purpose of the appropriation.

8.24 (b) If requested, the Legislative Coordinating Commission may, to the extent  
8.25 practicable, provide relevant executive branch agencies with public geospatial data that it  
8.26 receives for its Web site required under section 3.303, subdivision 10. The commissioner  
8.27 may make this information available to the public in a similar manner as information  
8.28 provided under paragraph (a).

8.29 (c) In creating plans for public expenditures from all geographically locatable or  
8.30 project based appropriations, prospective budget and project planning should consider  
8.31 geographic and data reporting that would facilitate the goals of this section.

8.32 Sec. 21. Minnesota Statutes 2008, section 16A.125, subdivision 5, is amended to read:

9.1 Subd. 5. **Forest trust lands.** (a) The term "state forest trust fund lands" as used  
9.2 in this subdivision, means public land in trust under the Constitution set apart as "forest  
9.3 lands under the authority of the commissioner" of natural resources as defined by section  
9.4 89.001, subdivision 13.

9.5 (b) The commissioner of management and budget shall credit the revenue from the  
9.6 forest trust fund lands to the forest suspense account. The account must specify the trust  
9.7 funds interested in the lands and the respective receipts of the lands.

9.8 (c) After a fiscal year, the commissioner of management and budget shall certify the  
9.9 total costs incurred for forestry during that year under appropriations for the protection,  
9.10 improvement, administration, and management of state forest trust fund lands and  
9.11 construction and improvement of forest roads to enhance the forest value of the lands.  
9.12 The certificate must specify the trust funds interested in the lands. The commissioner of  
9.13 natural resources shall supply the commissioner of management and budget with the  
9.14 information needed for the certificate.

9.15 (d) After a fiscal year, the commissioner shall distribute the receipts credited to the  
9.16 suspense account during that fiscal year as follows:

9.17 (1) the amount of the certified costs incurred by the state for forest management,  
9.18 forest improvement, and road improvement during the fiscal year shall be transferred to  
9.19 the forest management investment account established under section 89.039, including  
9.20 the costs associated with the Legislative Coordinating Commission's permanent school  
9.21 fund land management activities;

9.22 (2) the balance of the certified costs incurred by the state during the fiscal year  
9.23 shall be transferred to the general fund; and

9.24 (3) the balance of the receipts shall then be returned prorated to the trust funds in  
9.25 proportion to their respective interests in the lands which produced the receipts.

9.26 **EFFECTIVE DATE.** This section is effective July 1, 2011.

9.27 Sec. 22. Minnesota Statutes 2008, section 16A.275, is amended to read:

9.28 **16A.275 AGENCY RECEIPTS; DEPOSIT, REPORT, CREDIT.**

9.29 Subdivision 1. ~~If \$250, daily.~~ **Deposit receipts.** Except as otherwise provided by  
9.30 law, an agency shall deposit receipts totaling ~~\$250~~ \$1,000 or more in the state treasury  
9.31 daily. The depositing agency shall send a report to the commissioner on the disposition of  
9.32 receipts since the last report. The commissioner shall credit the deposits received during a  
9.33 month to the proper funds not later than the first day of the next month.

10.1 Notwithstanding the general rule stated above, the commissioner of revenue is not  
10.2 required to make daily deposits if (1) the volume of tax receipts cannot be processed daily  
10.3 with available resources, or (2) receipts cannot be immediately identified for posting to  
10.4 accounts.

10.5 Subd. 2. **Exception.** The commissioner may authorize an agency to deposit  
10.6 receipts totaling ~~\$250~~ \$1,000 or more less frequently than daily for those locations where  
10.7 the agency furnishes documentation to the commissioner that the cost of making daily  
10.8 deposits exceeds the lost interest earnings and the risk of loss or theft of the receipts.

10.9 Sec. 23. **[16A.371] RECIPIENTS OF STATE GRANTS AND APPROPRIATIONS.**

10.10 (a) This section applies to a nonprofit organization that receives a direct appropriation  
10.11 of state funds or that receives a grant of state funds, if during the period covered by the  
10.12 appropriation or grant an officer or employee of the organization will receive a salary from  
10.13 the nonprofit organization or a related organization that exceeds the salary of the governor.  
10.14 As a condition of receiving the direct appropriation or grant, a nonprofit organization  
10.15 covered by this section must agree that the organization will submit to the attorney  
10.16 general, during each year that the organization receives a direct appropriation or grant of  
10.17 state funds, a list of the total compensation of the three highest paid directors, officers,  
10.18 or employees of the organization. The attorney general must make filings under this  
10.19 paragraph public in the same manner as annual reports filed under section 309.53.

10.20 (b) This section also applies to a health maintenance organization, as defined in  
10.21 section 62D.02, subdivision 4, that has a contract to provide services to the state or to state  
10.22 employees, if an officer or employee of the organization receives a salary that exceeds  
10.23 the salary of the governor.

10.24 (c) For purposes of this section:

10.25 (1) "nonprofit organization" includes a corporation, partnership, limited partnership,  
10.26 limited liability company, joint venture, cooperative, association, or trust, wherever  
10.27 incorporated, organized, or registered, if the organization is organized on a nonprofit basis;

10.28 (2) "related organization" has the meaning defined in section 317A.011, subdivision  
10.29 18; and

10.30 (3) "total compensation" means salaries, fees, bonuses, fringe benefits, severance  
10.31 payments, and deferred compensation.

10.32 Sec. 24. Minnesota Statutes 2008, section 16B.24, subdivision 3, is amended to read:

10.33 Subd. 3. **Disposal of old buildings.** (a) Upon request from the head of an agency  
10.34 with control of a state-owned building with an estimated market value of less than

11.1 \$50,000, as determined by the commissioner, the commissioner may sell, demolish, or  
11.2 otherwise dispose of the building if the commissioner determines that the building is no  
11.3 longer used or is a fire or safety hazard.

11.4 ~~The commissioner, (b) Upon request of the head of an agency which has with control~~  
11.5 ~~of a state-owned building which is no longer used or which is a fire or safety hazard, shall,~~  
11.6 ~~with an estimated market value of \$50,000 or more, as determined by the commissioner,~~  
11.7 ~~the commissioner may sell, demolish, or otherwise dispose of the building after~~  
11.8 ~~determining that the building is no longer used or is a fire or safety hazard and obtaining~~  
11.9 ~~approval of the chairs of the senate Finance Committee and house of representatives Ways~~  
11.10 ~~and Means Committee, sell, wreck, or otherwise dispose of the building.~~

11.11 (c) In the event a sale is made under this subdivision, the proceeds shall be deposited  
11.12 in the proper account or in the general fund provided by law. If there is no requirement in  
11.13 law specifying how proceeds must be deposited other than section 16A.72, the proceeds  
11.14 must be deposited in the account from which the appropriation to acquire or construct the  
11.15 building was made. If the account from which the appropriation was made cannot be  
11.16 identified or has been terminated, the proceeds must be deposited in the general fund.

11.17 Sec. 25. Minnesota Statutes 2008, section 16B.322, subdivision 4, is amended to read:

11.18 Subd. 4. **Financing agreement.** The commissioner shall solicit proposals from  
11.19 private financial institutions on an individual project or line of credit basis and may enter  
11.20 into a financing agreement with one or more financial institutions. If a financing agreement  
11.21 is for an individual project, the term of the financing agreement shall not exceed 15 years  
11.22 from the date of final completion of the energy improvement project. ~~The~~ and a financing  
11.23 agreement is assignable to the state agency operating or managing the state building or  
11.24 facility improved by the energy improvement project. The term of a financing agreement  
11.25 on an individual project basis must be less than the average expected useful life of the  
11.26 energy saving measures implemented under the project. The proceeds from the financing  
11.27 agreement are appropriated to the commissioner and may be used for the purposes of  
11.28 this section and are available until spent.

11.29 Sec. 26. Minnesota Statutes 2009 Supplement, section 16B.322, subdivision 4a,  
11.30 is amended to read:

11.31 Subd. 4a. **Financing agreement.** The commissioner of administration may, in  
11.32 connection with a financing agreement, covenant ~~in a master lease-purchase agreement~~  
11.33 that the state will abide by the terms and provisions that are customary in net lease or  
11.34 lease-purchase transactions including, but not limited to, covenants providing that the state:

12.1 (1) will maintain insurance as required under the terms of the lease agreement;

12.2 (2) is responsible to the lessor for any public liability or property damage claims or  
12.3 costs related to the selection, use, or maintenance of the leased equipment, to the extent of  
12.4 insurance or self-insurance maintained by the lessee, and for costs and expenses incurred  
12.5 by the lessor as a result of any default by the lessee;

12.6 (3) authorizes the lessor to exercise the rights of a secured party with respect to the  
12.7 equipment subject to the lease in the event of default by the lessee and, in addition, for  
12.8 the present recovery of lease rentals due during the current term of the lease as liquidated  
12.9 damages.

12.10 Sec. 27. Minnesota Statutes 2009 Supplement, section 16B.322, subdivision 4b,  
12.11 is amended to read:

12.12 Subd. 4b. **Master lease-purchase agreements not debt.** A ~~tax-exempt~~  
12.13 ~~lease-purchase agreement related to a~~ financing agreement under this section does not  
12.14 constitute or create a general or moral obligation or indebtedness of the state in excess  
12.15 of the money from time to time appropriated or otherwise available for the payment of  
12.16 rent coming due under the lease, and the state has no continuing obligation to appropriate  
12.17 money for the payment of rent or other obligations under the ~~lease agreement~~. Rent due  
12.18 under a ~~master lease-purchase~~ financing agreement under this section during a current  
12.19 ~~lease~~ term for which money has been appropriated is a current expense of the state.

12.20 Sec. 28. Minnesota Statutes 2009 Supplement, section 16B.322, subdivision 4c,  
12.21 is amended to read:

12.22 Subd. 4c. **Budget offset.** The commissioner shall require a state agency that uses  
12.23 the state energy improvement program to certify that the agency will budget, allocate, and  
12.24 commit agency funds sufficient to make rent payments under a financing agreement until  
12.25 all rent obligations are paid in full. In the event a participating agency fails to make a  
12.26 rent payment, the commissioner of management and budget shall reduce the operating  
12.27 budgets budget of the state agencies that use the master lease-purchase program under a  
12.28 financial agreement agency. The amount of the reduction is the amount sufficient to  
12.29 make the actual ~~master lease~~ payments.

12.30 Sec. 29. Minnesota Statutes 2008, section 16B.322, subdivision 5, is amended to read:

12.31 Subd. 5. **Qualifying energy improvement projects.** The commissioner may  
12.32 approve an energy improvement project ~~and enter into~~ for a financing agreement if the  
12.33 commissioner determines that:

13.1 (1) the project and project financing agreement have been approved by the governing  
13.2 body or head of the state agency that operates or manages the state building or facility to  
13.3 be improved;

13.4 (2) the project is technically and economically feasible;

13.5 (3) the state agency that operates or manages the state building or facility has made  
13.6 adequate provision for the operation and maintenance of the project;

13.7 (4) if an energy efficiency improvement, the project is calculated to result in a  
13.8 positive cash flow in each year the financing agreement is in effect;

13.9 (5) the project proposer has fully explored the use of conservation investment plan  
13.10 opportunities under section 216B.241 with the utilities providing gas and electric service  
13.11 to the energy improvement project;

13.12 (6) if a renewable energy improvement, the project is calculated to reduce use of  
13.13 fossil-fuel energy; and

13.14 (7) if a geothermal energy improvement, the project is calculated to produce savings  
13.15 in terms of nongeothermal energy and costs.

13.16 For the purpose of clause (6), "renewable energy" is energy produced by an eligible energy  
13.17 technology as defined in section 216B.1691, subdivision 1, paragraph (a), clause (1).

13.18 Sec. 30. [16B.535] FLEET MANAGEMENT; CONSOLIDATION.

13.19 (a) The Department of Administration shall ensure optimum efficiency and economy  
13.20 in the fleet management activities of all state agencies. The department must:

13.21 (1) maintain a current fleet management inventory and maintenance cost accounting  
13.22 system that includes all state-owned or leased motor vehicles;

13.23 (2) develop uniform state policies and guidelines for vehicle acquisition,  
13.24 replacement, use, fuel, maintenance, and recording of operational and other costs; and

13.25 (3) study the cost-effectiveness of consolidating or privatizing the state vehicle fleet  
13.26 or sections of the state vehicle fleet, including documenting the current status of fleet  
13.27 consolidation or privatization and assessing the cost-effectiveness of further consolidation  
13.28 or privatization of the state vehicle fleet.

13.29 (b) When requested by the governor or the legislature, the department must submit  
13.30 information detailing the costs associated with fleet operations based upon a statewide  
13.31 uniform cost accounting system.

13.32 (c) State agencies authorized by the Department of Administration may operate  
13.33 a vehicle fleet management program. Each such agency shall assign a fleet manager  
13.34 who shall operate the agency's fleet program in accordance with policies and guidelines  
13.35 established by the Department of Administration.

14.1 (d) Each fleet manager must review the use of state-owned or leased vehicles within  
14.2 their agency at least annually to determine whether vehicle utilization meets best practices  
14.3 criteria as determined by the Department of Administration.

14.4 Sec. 31. Minnesota Statutes 2008, section 16C.055, subdivision 2, is amended to read:

14.5 Subd. 2. **Restriction.** After July 1, 2002, an agency may not enter into a contract or  
14.6 otherwise agree with a nongovernmental entity to receive total nonmonetary consideration  
14.7 valued at more than \$100,000 annually in exchange for the agency providing nonmonetary  
14.8 consideration, unless such an agreement is specifically authorized by law. This subdivision  
14.9 does not apply to the State Lottery.

14.10 Sec. 32. Minnesota Statutes 2009 Supplement, section 16E.02, subdivision 1, is  
14.11 amended to read:

14.12 Subdivision 1. **Office management and structure.** (a) The chief information officer  
14.13 is appointed by the governor. The chief information officer serves in the unclassified  
14.14 service at the pleasure of the governor. The chief information officer must have experience  
14.15 leading enterprise-level information technology organizations. The chief information  
14.16 officer is the state's chief information officer and information and telecommunications  
14.17 technology advisor to the governor.

14.18 (b) The chief information officer may appoint other employees of the office.  
14.19 The staff of the office must include individuals knowledgeable in information and  
14.20 telecommunications technology systems and services and individuals with specialized  
14.21 training in information security and accessibility.

14.22 (c) The chief information officer may appoint a Webmaster responsible for the  
14.23 supervision and development of state Web sites under the control of the office. The  
14.24 Webmaster, if appointed, shall ensure that these Web sites are maintained in an easily  
14.25 accessible format that is consistent throughout state government and are consistent  
14.26 with the accessibility standards developed under section 16E.03, subdivision 9. The  
14.27 Webmaster, if appointed, shall provide assistance and guidance consistent with the  
14.28 requirements of this paragraph to other state agencies for the maintenance of other Web  
14.29 sites not under the direct control of the office.

14.30 Sec. 33. Minnesota Statutes 2008, section 16E.04, subdivision 2, is amended to read:

14.31 Subd. 2. **Responsibilities.** (a) In addition to other activities prescribed by law, the  
14.32 office shall carry out the duties set out in this subdivision.

14.33 (b) The office shall develop and establish a state information architecture to ensure:

15.1           (1) that state agency development and purchase of information and communications  
15.2 systems, equipment, and services is designed to ensure that individual agency information  
15.3 systems complement and do not needlessly duplicate or conflict with the systems of other  
15.4 agencies; and

15.5           (2) enhanced public access to data can be provided consistent with standards  
15.6 developed under section 16E.05, subdivision 4.

15.7 When state agencies have need for the same or similar public data, the chief information  
15.8 officer, in coordination with the affected agencies, shall manage the most efficient and  
15.9 cost-effective method of producing and storing data for or sharing data between those  
15.10 agencies. The development of this information architecture must include the establishment  
15.11 of standards and guidelines to be followed by state agencies. The office shall ensure  
15.12 compliance with the architecture.

15.13           (c) The office shall assist state agencies in the planning and management of  
15.14 information systems so that an individual information system reflects and supports the  
15.15 state agency's mission and the state's requirements and functions. The office shall review  
15.16 and approve agency technology plans to ensure consistency with enterprise information  
15.17 and telecommunications technology strategy. By January 15 of each year, the chief  
15.18 information officer must report to the chairs and the ranking minority members of  
15.19 the legislative committees and divisions with jurisdiction over the office regarding the  
15.20 assistance provided under this paragraph. The report must include a listing of agencies  
15.21 that have developed or are developing plans under this paragraph.

15.22           (d) The office shall review and approve agency requests for funding for the  
15.23 development or purchase of information systems equipment or software before the  
15.24 requests may be included in the governor's budget.

15.25           (e) The office shall review major purchases of information systems equipment to:

15.26           (1) ensure that the equipment follows the standards and guidelines of the state  
15.27 information architecture;

15.28           (2) ensure the agency's proposed purchase reflects a cost-effective policy regarding  
15.29 volume purchasing; and

15.30           (3) ensure that the equipment is consistent with other systems in other state agencies  
15.31 so that data can be shared among agencies, unless the office determines that the agency  
15.32 purchasing the equipment has special needs justifying the inconsistency.

15.33           (f) The office shall review the operation of information systems by state agencies  
15.34 and ensure that these systems are operated efficiently and securely and continually meet  
15.35 the standards and guidelines established by the office. The standards and guidelines must  
15.36 emphasize uniformity that is cost-effective for the enterprise, that encourages information

16.1 interchange, open systems environments, and portability of information whenever  
16.2 practicable and consistent with an agency's authority and chapter 13.

16.3 (g) The office shall conduct a comprehensive review at least every three years of  
16.4 the information systems investments that have been made by state agencies and higher  
16.5 education institutions. The review must include recommendations on any information  
16.6 systems applications that could be provided in a more cost-beneficial manner by an outside  
16.7 source. The office must report the results of its review to the legislature and the governor.

16.8 Sec. 34. Minnesota Statutes 2008, section 16E.05, is amended by adding a subdivision  
16.9 to read:

16.10 Subd. 4. **Standards for transparency.** The chief information officer, in consultation  
16.11 with the Information Policy Analysis Division of the Department of Administration,  
16.12 shall develop standards to enhance public access to electronic data maintained by state  
16.13 government, consistent with the requirements of chapter 13. The standards must ensure  
16.14 that:

- 16.15 (1) the state information architecture facilitates public access to agency data;  
16.16 (2) publicly available data is managed using an approved state metadata model; and  
16.17 (3) all geospatial data conform to an approved state geocode model.

16.18 Sec. 35. Minnesota Statutes 2008, section 43A.50, subdivision 2, is amended to read:

16.19 Subd. 2. **Registration.** (a) A federated funding organization shall apply to the  
16.20 commissioner by March 1 in order to be eligible to participate in the state employee  
16.21 combined charities campaign for that year.

16.22 (b) A federated funding organization must apply in the form prescribed by the  
16.23 commissioner and shall provide the following:

16.24 (1) assurance of tax exempt status for the federated funding organization and each of  
16.25 the charitable agencies identified by the federated funding organization as an affiliated  
16.26 agency;

16.27 (2) assurance of proper registration with the attorney general of Minnesota to solicit  
16.28 contributions in the state of Minnesota for the federated funding organization and each of  
16.29 the charitable agencies identified by the federated funding organization as an affiliated  
16.30 agency. A copy of the registration letter in effect at the time of application for the state  
16.31 employee combined charities campaign must be available upon request;

16.32 (3) an affidavit signed by a duly constituted officer of the federated funding  
16.33 organization attesting to the fact that the federated funding organization and its affiliated  
16.34 agencies are in compliance with each of the provisions of this section;

17.1 (4) a list of the board of directors or local advisory board for the federated funding  
17.2 organization which identifies the members who live or work in Minnesota and contiguous  
17.3 counties;

17.4 (5) a list of the name and business address of each affiliated agency the federated  
17.5 funding organization supports;

17.6 (6) a list of any related organizations, as defined in section 317A.011, subdivision 18;

17.7 (7) the total contributions received in the organization's accounting year last  
17.8 reported and, from those contributions, the amounts expended by the federated funding  
17.9 organization for management and general costs and for fund-raising costs and the amount  
17.10 distributed to the affiliated agencies, programs, and designated agencies it supports; and

17.11 (8) a fee of \$100, or ten percent of the funds raised from state employees in  
17.12 the previous campaign, whichever is less. The fee for an organization which did not  
17.13 participate in the previous year's state employee campaign is \$100. These fees must  
17.14 be deposited into an account in the special revenue fund and are appropriated to the  
17.15 commissioner to be expended with the approval of the Combined Charities Board in  
17.16 section 43A.04 for costs associated with administering the annual campaign.

17.17 The commissioner may require submission of additional information needed to  
17.18 determine compliance with the provisions of this chapter.

17.19 (c) The commissioner shall register or not register the application of an organization  
17.20 and shall notify the organization of the decision by May 1. An organization whose  
17.21 application is denied has ten calendar days after receiving notice of the denial to appeal  
17.22 the decision or file an amended application correcting the deficiency. The commissioner  
17.23 shall register or not register the organization within ten calendar days after receiving the  
17.24 appeal or amended application. If registration is denied a second time, the organization  
17.25 may appeal within five calendar days after receiving notice of the denial. A hearing  
17.26 shall be scheduled by the commissioner and shall be held within 15 calendar days after  
17.27 receiving notice of the appeal. The parties may mutually agree to a later date. The  
17.28 provisions of chapter 14 do not apply to the hearing. The hearing shall be conducted in  
17.29 a manner considered appropriate by the commissioner. The commissioner shall make a  
17.30 determination within five calendar days after the hearing has been completed.

17.31 (d) Only organizations that are approved may participate in the state employee  
17.32 combined charities campaign for the year of approval and only contributions to approved  
17.33 organizations may be deducted from an employee's pay pursuant to section 16A.134.

17.34 Sec. 36. Minnesota Statutes 2008, section 79.34, subdivision 1, is amended to read:

18.1           Subdivision 1. **Conditions requiring membership.** The nonprofit association  
18.2 known as the Workers' Compensation Reinsurance Association may be incorporated under  
18.3 chapter 317A with all the powers of a corporation formed under that chapter, except that  
18.4 if the provisions of that chapter are inconsistent with sections 79.34 to 79.40, sections  
18.5 79.34 to 79.40 govern. Each insurer as defined by section 79.01, subdivision 2, shall, as  
18.6 a condition of its authority to transact workers' compensation insurance in this state, be  
18.7 a member of the reinsurance association and is bound by the plan of operation of the  
18.8 reinsurance association; provided, that all affiliated insurers within a holding company  
18.9 system as defined in chapter 60D are considered a single entity for purposes of the exercise  
18.10 of all rights and duties of membership in the reinsurance association. Each self-insurer  
18.11 approved under section 176.181 and each political subdivision that self-insures shall, as a  
18.12 condition of its authority to self-insure workers' compensation liability in this state, be a  
18.13 member of the reinsurance association and is bound by its plan of operation; provided that:

18.14           (1) all affiliated companies within a holding company system, as determined by  
18.15 the commissioner of labor and industry in a manner consistent with the standards and  
18.16 definitions in chapter 60D, are considered a single entity for purposes of the exercise of all  
18.17 rights and duties of membership in the reinsurance association; and

18.18           (2) all group self-insurers granted authority to self-insure pursuant to section  
18.19 176.181 are considered single entities for purposes of the exercise of all the rights and  
18.20 duties of membership in the reinsurance association. As a condition of its authority to  
18.21 self-insure workers' compensation liability, and for losses incurred after December 31,  
18.22 1983, the state is a member of the reinsurance association and is bound by its plan of  
18.23 operation. The commissioner of ~~management and budget~~ administration represents  
18.24 the state in the exercise of all the rights and duties of membership in the reinsurance  
18.25 association. The amounts necessary to pay the state's premiums required for coverage by  
18.26 the Workers' Compensation Reinsurance Association are appropriated from the general  
18.27 fund to the commissioner of ~~management and budget~~ administration. The University  
18.28 of Minnesota shall pay its portion of workers' compensation reinsurance premiums  
18.29 directly to the Workers' Compensation Reinsurance Association. For the purposes of  
18.30 this section, "state" means the administrative branch of state government, the legislative  
18.31 branch, the judicial branch, the University of Minnesota, and any other entity whose  
18.32 workers' compensation liability is paid from the state revolving fund. The commissioner  
18.33 of management and budget may calculate, prorate, and charge a department or agency  
18.34 the portion of premiums paid to the reinsurance association for employees who are  
18.35 paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The  
18.36 reinsurance association is not a state agency. Actions of the reinsurance association and its

19.1 board of directors and actions of the commissioner of labor and industry with respect to  
19.2 the reinsurance association are not subject to chapters 13 and 15. All property owned by  
19.3 the association is exempt from taxation. The reinsurance association is not obligated to  
19.4 make any payments or pay any assessments to any funds or pools established pursuant to  
19.5 this chapter or chapter 176 or any other law.

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

19.7 Sec. 37. Minnesota Statutes 2008, section 103F.755, is amended to read:

19.8 **103F.755 INTEGRATION OF DATA.**

19.9 The data collected for the activities of the clean water partnership program that have  
19.10 common value for natural resource planning must be ~~provided and integrated into the~~  
19.11 ~~Minnesota land management information system's geographic and summary databases~~  
19.12 ~~according to published data compatibility guidelines~~ made available using standards  
19.13 adopted by the Office of Enterprise Technology and geospatial technology standards and  
19.14 guidelines published by the Minnesota Geospatial Information Office. Costs associated  
19.15 with this data delivery must be borne by this activity.

19.16 Sec. 38. Minnesota Statutes 2008, section 103H.175, as amended by Laws 2009,  
19.17 chapter 101, article 2, section 107, is amended to read:

19.18 **103H.175 GROUNDWATER QUALITY MONITORING.**

19.19 Subdivision 1. ~~Monitoring results to be submitted to the Minnesota Geospatial~~  
19.20 ~~Information Office~~ made available using state data standards. The results of  
19.21 monitoring groundwater quality by state agencies and political subdivisions must  
19.22 be ~~submitted to~~ made available using standards adopted by the Office of Enterprise  
19.23 Technology and geospatial technology standards and guidelines published by the  
19.24 Minnesota Geospatial Information Office.

19.25 Subd. 2. **Computerized database.** ~~The Minnesota Geospatial Information Office~~  
19.26 Agencies monitoring groundwater shall maintain a computerized ~~database~~ databases of the  
19.27 results of groundwater quality monitoring in a manner that is accessible to the Pollution  
19.28 Control Agency, Department of Agriculture, Department of Health, and Department of  
19.29 Natural Resources. ~~The center shall assess the quality and reliability of the data and~~  
19.30 ~~organize the data in a usable format.~~

19.31 Subd. 3. **Report.** In each even-numbered year, the Pollution Control Agency, in  
19.32 cooperation with other agencies participating in the monitoring of water resources, shall  
19.33 provide a draft report on the status of groundwater monitoring to the Environmental

20.1 Quality Board for review and then to the house of representatives and senate committees  
20.2 with jurisdiction over the environment, natural resources, and agriculture as part of the  
20.3 report in section 103A.204.

20.4 Sec. 39. Minnesota Statutes 2008, section 115A.15, subdivision 4, is amended to read:

20.5 Subd. 4. **Staff.** The commissioner of administration ~~shall~~ may employ an  
20.6 administrator to manage the resource recovery program and other staff and consultants  
20.7 as are necessary to carry out the program.

20.8 Sec. 40. Minnesota Statutes 2008, section 115A.15, subdivision 9, is amended to read:

20.9 Subd. 9. **Recycling goal.** ~~By December 31, 1996, the commissioner shall recycle~~  
20.10 ~~at least 60 percent by weight of the solid waste generated by state offices and other state~~  
20.11 ~~operations located in the metropolitan area~~ The goal of the resource recovery program  
20.12 is to recycle at least 60 percent of the solid waste generated by state offices and other  
20.13 state operations. By March 1 of each year, the commissioner shall report to the Pollution  
20.14 Control Agency the estimated recycling rates by county for state offices and other state  
20.15 operations in the metropolitan area for the previous calendar year. The Pollution Control  
20.16 Agency shall incorporate these figures into the reports submitted by the counties under  
20.17 section 115A.557, subdivision 3, to determine each county's progress toward the goal in  
20.18 section 115A.551, subdivision 2.

20.19 Each state agency in the metropolitan area shall work to meet the recycling goal  
20.20 individually. ~~If the goal is not met by an agency, the commissioner shall notify that~~  
20.21 ~~agency that the goal has not been met and the reasons the goal has not been met and shall~~  
20.22 ~~provide information to the employees in the agency regarding recycling opportunities and~~  
20.23 ~~expectations~~ The commissioner shall provide agencies with their performance against the  
20.24 goal along with information about recycling opportunities to increase their performance.

20.25 Sec. 41. Minnesota Statutes 2008, section 115A.15, subdivision 10, is amended to read:

20.26 Subd. 10. **Materials recovery facility; materials collection; waste audits.** (a) The  
20.27 commissioner of the Department of Administration shall establish a central materials  
20.28 recovery facility to manage recyclable materials collected from state offices and other state  
20.29 operations in the metropolitan area. The facility must be located as close as practicable to  
20.30 the State Capitol complex and must be large enough to accommodate temporary storage  
20.31 of recyclable materials collected from state offices and other state operations in the  
20.32 metropolitan area and the processing of those materials for market.

21.1 (b) The commissioner shall establish a recyclable materials collection and  
21.2 transportation system for state offices and other state operations in the metropolitan area  
21.3 that will maximize the types and amount of materials collected and the number of state  
21.4 offices and other state operations served, and will minimize barriers to effective and  
21.5 efficient collection, transportation, and marketing of recyclable materials.

21.6 (c) The commissioner ~~shall~~ may perform regular audits on the solid waste and  
21.7 recyclable materials collected to identify materials upon which to focus waste reduction,  
21.8 reuse, and recycling activities ~~and to measure:~~

21.9 ~~(1) progress made toward the recycling goal in subdivision 9;~~

21.10 ~~(2) progress made to reduce waste generation; and~~

21.11 ~~(3) potential for additional waste reduction, reuse, and recycling.~~

21.12 (d) The commissioner may contract with private entities for the activities required in  
21.13 this subdivision if the commissioner determines that it would be cost-effective to do so.

21.14 Sec. 42. Minnesota Statutes 2008, section 127A.30, subdivision 2, is amended to read:

21.15 Subd. 2. **Duties.** The advisory committee, in conjunction with the Legislative  
21.16 Coordinating Commission, shall review the policies of the Department of Natural  
21.17 Resources and current statutes on management of school trust fund lands at least annually  
21.18 and shall recommend necessary changes in statutes, policy, and implementation in order to  
21.19 ensure provident utilization of the permanent school fund lands. By January 15 of each  
21.20 year, the advisory committee shall submit a report to the legislature with recommendations  
21.21 for the oversight and management of school trust lands to secure long-term economic  
21.22 return for the permanent school fund, consistent with sections 92.121 and 127A.31. The  
21.23 committee's annual report may include recommendations to:

21.24 (1) manage the school trust lands efficiently;

21.25 (2) reduce the management expenditures of school trust lands and maximize the  
21.26 revenues deposited in the permanent school trust fund;

21.27 (3) manage the sale, exchange, and commercial leasing of school trust lands to  
21.28 maximize the revenues deposited in the permanent school trust fund and retain the value  
21.29 from the long-term appreciation of the school trust lands; and

21.30 (4) manage the school trust lands to maximize the long-term economic return for the  
21.31 permanent school trust fund while maintaining sound natural resource conservation and  
21.32 management principles.

21.33 **EFFECTIVE DATE.** This section is effective July 1, 2011.

21.34 Sec. 43. Minnesota Statutes 2008, section 211B.01, subdivision 3, is amended to read:

22.1 Subd. 3. **Candidate.** "Candidate" means an individual who seeks nomination  
22.2 or election to a ~~federal~~, statewide, legislative, judicial, or local office including special  
22.3 districts, school districts, towns, home rule charter and statutory cities, and counties;  
22.4 ~~except candidates for president and vice-president of the United States.~~

22.5 Sec. 44. Minnesota Statutes 2008, section 211B.04, is amended to read:

22.6 **211B.04 CAMPAIGN LITERATURE MUST INCLUDE DISCLAIMER.**

22.7 (a) A person who participates in the preparation or dissemination of campaign  
22.8 material other than as provided in section 211B.05, subdivision 1, that does not  
22.9 prominently include the name and address of the person or committee causing the material  
22.10 to be prepared or disseminated in a disclaimer substantially in the form provided in  
22.11 paragraph (b) or (c) is guilty of a misdemeanor.

22.12 (b) Except in cases covered by paragraph (c), the required form of disclaimer is:  
22.13 "Prepared and paid for by the ..... committee, .....(address)" for material prepared  
22.14 and paid for by a principal campaign committee, or "Prepared and paid for by the .....  
22.15 committee, .....(address), in support of .....(insert name of candidate or ballot  
22.16 question)" for material prepared and paid for by a person or committee other than a  
22.17 principal campaign committee.

22.18 (c) In the case of broadcast media, the required form of disclaimer is: "Paid for by  
22.19 the ..... committee."

22.20 (d) Campaign material that is not circulated on behalf of a particular candidate  
22.21 or ballot question must also include in the disclaimer either that it is "in opposition to  
22.22 ....(insert name of candidate or ballot question....)"; or that "this publication is not  
22.23 circulated on behalf of any candidate or ballot question."

22.24 (e) This section does not apply to objects stating only the candidate's name and  
22.25 the office sought, fund-raising tickets, or personal letters that are clearly being sent by  
22.26 the candidate.

22.27 (f) This section does not apply to an individual or association who acts independently  
22.28 of any candidate, candidate's committee, political committee, or political fund and spends  
22.29 only from the individual's or association's own resources a sum that is less than ~~\$500~~  
22.30 \$2,000 in the aggregate to produce or distribute campaign material that is distributed at  
22.31 least seven days before the election to which the campaign material relates.

22.32 (g) This section does not modify or repeal section 211B.06.

22.33 **EFFECTIVE DATE.** This section is effective June 1, 2010, and applies to  
22.34 campaign material prepared or disseminated on or after that date.

23.1 Sec. 45. Minnesota Statutes 2008, section 211B.15, subdivision 2, is amended to read:

23.2 Subd. 2. **Prohibited contributions.** A corporation may not make a contribution  
23.3 or offer or agree to make a contribution; directly or indirectly, of any money, property,  
23.4 free service of its officers, employees, or members, or thing of monetary value to a  
23.5 major political party, organization, committee, or individual to promote or defeat the  
23.6 candidacy of an individual for nomination, election, or appointment to a political office.  
23.7 For the purpose of this subdivision, "contribution" includes an expenditure to promote or  
23.8 defeat the election or nomination of a candidate to a political office that is made with the  
23.9 authorization or expressed or implied consent of, or in cooperation or in concert with, or at  
23.10 the request or suggestion of, a candidate or committee established to support or oppose a  
23.11 candidate but does not include an independent expenditure authorized by subdivision 3.

23.12 Sec. 46. Minnesota Statutes 2008, section 211B.15, subdivision 3, is amended to read:

23.13 Subd. 3. **Independent expenditures.** A corporation may not make an ~~independent~~  
23.14 expenditure or offer or agree to make an ~~independent~~ expenditure to promote or defeat the  
23.15 candidacy of an individual for nomination, election, or appointment to a political office,  
23.16 unless the expenditure is an independent expenditure. For the purpose of this subdivision,  
23.17 "independent expenditure" ~~means an expenditure that is not made with the authorization~~  
23.18 ~~or expressed or implied consent of, or in cooperation or concert with, or at the request~~  
23.19 ~~or suggestion of, a candidate or committee established to support or oppose a candidate~~  
23.20 has the meaning given in section 10A.01, subdivision 18.

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

23.22 Sec. 47. Minnesota Statutes 2008, section 216B.16, is amended by adding a  
23.23 subdivision to read:

23.24 Subd. 18. **Election or ballot question expenses.** The commission may not allow  
23.25 a public utility to recover from ratepayers expenses resulting from a contribution or  
23.26 expenditure made for a political purpose, as defined in section 211B.01. This subdivision  
23.27 does not prohibit a public utility from engaging in political activity or making a  
23.28 contribution or expenditure otherwise permitted by law.

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

23.30 Sec. 48. Minnesota Statutes 2008, section 307.08, subdivision 5, is amended to read:

23.31 Subd. 5. **Cost; use of data.** The cost of authentication, recording, surveying, and  
23.32 marking burial grounds and the cost of identification, analysis, rescue, and reburial of

24.1 human remains on public lands or waters shall be the responsibility of the state or political  
24.2 subdivision controlling the lands or waters. On private lands or waters these costs shall be  
24.3 borne by the state, but may be borne by the landowner upon mutual agreement with the  
24.4 state. ~~The data collected by this activity that has common value for resource planning must~~  
24.5 ~~be provided and integrated into the Minnesota land management information system's~~  
24.6 ~~geographic and summary databases according to published data compatibility guidelines.~~  
24.7 The State Archaeologist must make the data collected for this activity available using  
24.8 standards adopted by the Office of Enterprise Technology and geospatial technology  
24.9 standards and guidelines published by the Minnesota Geospatial Information Office. Costs  
24.10 associated with this data delivery must be borne by the state.

24.11 Sec. 49. Minnesota Statutes 2008, section 318.02, subdivision 1, is amended to read:

24.12 Subdivision 1. **Definition.** The term "declaration of trust" as used in this section  
24.13 means the declaration of trust, business trust instrument, trust indenture, contract of  
24.14 custodianship, or other instrument pursuant to which such association is organized. Every  
24.15 such association organized after April 20, 1961, for the purpose of transacting business  
24.16 in this state shall, prior to transacting any business in this state, file in the Office of the  
24.17 Secretary of State a true and correct copy of the "declaration of trust" under which the  
24.18 association proposes to conduct its business. The copy shall also contain a statement that  
24.19 the true and correct copy of the "declaration of trust" is being filed in the Office of the  
24.20 Secretary of State of the state of Minnesota pursuant to this chapter and shall also include  
24.21 the full name and street address of an agent of the business trust in this state. That agent  
24.22 shall be the agent for service of process which shall be made pursuant to the provisions  
24.23 of section 543.08. The "declaration of trust" may provide that the duration of such  
24.24 association shall be perpetual. Upon the filing of the copy of the "declaration of trust," ~~and~~  
24.25 ~~the payment of a filing fee of \$150 to the secretary of state,~~ the secretary of state shall issue  
24.26 to such association, or to the trustees named in the said "declaration of trust," or to the  
24.27 persons or parties to the "declaration of trust," a certificate showing that such "declaration  
24.28 of trust" has been duly filed; whereupon, such association in its name shall be authorized  
24.29 to transact business in this state; provided that all other applicable laws have been  
24.30 complied with. The "declaration of trust" may be amended as provided in the "declaration  
24.31 of trust" or in any amendments thereto but a true and correct copy of all amendments to the  
24.32 "declaration of trust," shall be filed in the Office of the Secretary of State ~~upon the payment~~  
24.33 ~~of a filing fee of \$50 to the secretary of state~~ and all amendments shall become effective at  
24.34 the time of said filing. When such copy of the "declaration of trust" and any amendments

25.1 thereto shall have been filed in the Office of the Secretary of State it shall constitute public  
25.2 notice as to the purposes and manner of the business to be engaged in by such association.

25.3 Sec. 50. Minnesota Statutes 2008, section 336.9-531, is amended to read:

25.4 **336.9-531 ELECTRONIC ACCESS; LIABILITY; RETENTION.**

25.5 (a) **Electronic access.** The secretary of state may allow private parties to have  
25.6 electronic access to the central filing system and to other computerized records maintained  
25.7 by the secretary of state on a fee basis, except that: (1) visual access to electronic display  
25.8 terminals at the public counters at the Secretary of State's Office must be without charge  
25.9 and must be available during public counter hours; and (2) access by law enforcement  
25.10 personnel, acting in an official capacity, must be without charge. If the central filing system  
25.11 allows a form of electronic access to information regarding the obligations of debtors, the  
25.12 access must be available 24 hours a day, every day of the year. ~~Notwithstanding section~~  
25.13 ~~13.355, private parties who have electronic access to computerized records may view the~~  
25.14 ~~Social Security number information about a debtor that is of record.~~

25.15 ~~Notwithstanding section 13.355, a filing office may include Social Security number~~  
25.16 ~~information in an information request response under section 336.9-523 or a search of~~  
25.17 ~~other liens in the central filing system. A filing office may also include Social Security~~  
25.18 ~~number information on a photocopy or electronic copy of a record whether provided in~~  
25.19 ~~an information request response or in response to a request made under section 13.03.~~  
25.20 Any Social Security number information or tax identification number information in the  
25.21 possession of the secretary of state is private data on individuals or nonpublic data.

25.22 (b) **Liability.** The secretary of state, county recorders, and their employees and  
25.23 agents are not liable for any loss or damages arising from errors in or omissions from  
25.24 information entered into the central filing system as a result of the electronic transmission  
25.25 of tax lien notices under sections 268.058, subdivision 1, paragraph (c); 270C.63,  
25.26 subdivision 4; 272.483; and 272.488, subdivisions 1 and 3.

25.27 The state, the secretary of state, counties, county recorders, and their employees and  
25.28 agents are immune from liability that occurs as a result of errors in or omissions from  
25.29 information provided from the central filing system.

25.30 (c) **Retention.** Once the image of a paper record has been captured by the central  
25.31 filing system, the secretary of state may remove or direct the removal from the files and  
25.32 destroy the paper record.

25.33 **EFFECTIVE DATE.** This section is effective for financing statements filed in the  
25.34 central filing system after November 30, 2010.

26.1 Sec. 51. Minnesota Statutes 2008, section 336A.08, subdivision 1, is amended to read:

26.2 Subdivision 1. **Compilation.** (a) The secretary of state shall compile the information  
26.3 on effective financing statements in the computerized filing system into a master list:

26.4 (1) organized according to farm product;

26.5 (2) arranged within each product:

26.6 (i) in alphabetical order according to the last name of the individual debtor or, in  
26.7 the case of debtors doing business other than as individuals, the first word in the name  
26.8 of the debtors;

26.9 (ii) in numerical order according to the ~~Social Security number of the individual~~  
26.10 ~~debtor or, in the case of debtors doing business other than as individuals, the Internal~~  
26.11 ~~Revenue Service taxpayer identification number of the debtors~~ unique identifier assigned  
26.12 by the secretary of state to, and associated with, the Social Security or tax identification  
26.13 number of the debtor;

26.14 (iii) geographically by county; and

26.15 (iv) by crop year;

26.16 (3) containing the information provided on an effective financing statement; and

26.17 (4) designating any applicable terminations of the effective financing statement.

26.18 (b) The secretary of state shall compile information from lien notices recorded in the  
26.19 computerized filing system into a statutory lien master list in alphabetical order according  
26.20 to the last name of the individual debtor or, in the case of debtors doing business other  
26.21 than as individuals, the first word in the name of the debtors. The secretary of state may  
26.22 also organize the statutory lien master list according to one or more of the categories of  
26.23 information established in paragraph (a). Any terminations of lien notices must be noted.

26.24 **EFFECTIVE DATE.** This section is effective for lists compiled pursuant to this  
26.25 section after October 31, 2010.

26.26 Sec. 52. Minnesota Statutes 2008, section 336A.08, subdivision 4, is amended to read:

26.27 Subd. 4. **Distribution of master and partial lists.** (a) The secretary of state shall  
26.28 maintain the information on the effective financing statement master list:

26.29 (1) by farm product arranged alphabetically by debtor; and

26.30 (2) by farm product arranged numerically by the ~~debtor's Social Security number for~~  
26.31 ~~an individual debtor or, in the case of debtors doing business other than as individuals, the~~  
26.32 ~~Internal Revenue Service taxpayer identification number of the debtors~~ unique identifier  
26.33 assigned by the secretary of state to, and associated with, the Social Security or tax  
26.34 identification number of the debtor.

27.1 (b) The secretary of state shall maintain the information in the farm products  
27.2 statutory lien master list by county arranged alphabetically by debtor.

27.3 (c) The secretary of state shall distribute or make available the requested master and  
27.4 partial master lists on a monthly basis to farm product dealers registered under section  
27.5 336A.11. Lists will be distributed or made available on or before the tenth day of each  
27.6 month or on the next business day thereafter if the tenth day is not a business day.

27.7 (d) The secretary of state shall make the master and partial master lists available  
27.8 as written or printed paper documents and may make lists available in other forms or  
27.9 media, including:

27.10 (1) any electronically transmitted medium; or

27.11 (2) any form of digital media.

27.12 (e) There shall be no fee for partial or master lists distributed via an electronically  
27.13 transmitted medium. The annual fee for any other form of digital media is \$200. The  
27.14 annual fee for paper partial lists is \$250 and \$400 for paper master lists.

27.15 (f) A farm products dealer shall register pursuant to section 336A.11 by the last  
27.16 business day of the month to receive the monthly lists requested by the farm products  
27.17 dealer for that month.

27.18 (g) If a registered farm products dealer receives a monthly list that cannot be read or  
27.19 is incomplete, the farm products dealer must immediately inform the secretary of state by  
27.20 telephone or e-mail of the problem. The registered farm products dealer shall confirm the  
27.21 existence of the problem by writing to the secretary of state. The secretary of state shall  
27.22 provide the registered farm products dealer with new monthly lists in the medium chosen  
27.23 by the registered farm products dealer no later than five business days after receipt of the  
27.24 oral notice from the registered farm products dealer. A registered farm products dealer is  
27.25 not considered to have received notice of the information on the monthly lists until the  
27.26 duplicate list is received from the secretary of state or until five days have passed since the  
27.27 duplicate lists were deposited in the mail by the secretary of state, whichever comes first.

27.28 (h) On receipt of a written notice pursuant to section 336A.13, the secretary of state  
27.29 shall duplicate the monthly lists requested by the registered farm products dealer. The  
27.30 duplicate monthly lists must be sent to the registered farm products dealer no later than five  
27.31 business days after receipt of the written notice from the registered farm products dealer.

27.32 (i) A registered farm products dealer may request monthly lists in one medium  
27.33 per registration.

27.34 (j) Registered farm products dealers must have renewed their registration before the  
27.35 first day of July each year. Failure to send in the registration before that date will result in  
27.36 the farm products dealer not receiving the requested monthly lists.

28.1 (k) Registered farm products dealers choosing to obtain monthly lists via an  
28.2 electronically transmitted medium or in any form of digital media may choose to receive  
28.3 all of the information for the monthly lists requested the first month and then only  
28.4 additions and deletions to the database for the remaining 11 months of the year. Following  
28.5 the first year of registration, the registered farm products dealer may choose to continue to  
28.6 receive one copy of the full monthly list at the beginning of each year or may choose to  
28.7 receive only additions and deletions.

28.8 **EFFECTIVE DATE.** This section is effective for lists distributed pursuant to this  
28.9 section after October 31, 2010.

28.10 Sec. 53. Minnesota Statutes 2008, section 336A.14, is amended to read:

28.11 **336A.14 RESTRICTED USE OF INFORMATION.**

28.12 Any Social Security number information or tax identification number information in  
28.13 the possession of the secretary of state is private data on individuals or nonpublic data.  
28.14 Information obtained from the seller of a farm product relative to the Social Security  
28.15 number or tax identification number of the true owner of the farm product and all  
28.16 information obtained from the master or limited list may not be used for purposes that are  
28.17 not related to: (1) purchase of a farm product; (2) taking a security interest against a farm  
28.18 product; or (3) perfecting a farm product statutory lien.

28.19 **EFFECTIVE DATE.** This section is effective October 31, 2010.

28.20 Sec. 54. Minnesota Statutes 2009 Supplement, section 365.46, subdivision 2, is  
28.21 amended to read:

28.22 Subd. 2. **Copies.** The ~~county auditor shall also~~ secretary of state shall send a  
28.23 copy of the notice of the dissolution to: (1) the state demographer, (2) the Minnesota  
28.24 Geospatial Information Office, (3) the chief administrative law judge of the state Office  
28.25 of Administrative Hearings, ~~and~~ (4) the commissioner of transportation, and (5) the  
28.26 commissioner of revenue.

28.27 Sec. 55. Minnesota Statutes 2009 Supplement, section 379.05, is amended to read:

28.28 **379.05 AUDITOR TO SUM UP REPORT FOR STATE, MAKE TOWN**  
28.29 **RECORD.**

28.30 Each county auditor shall within 30 days after any such town is organized  
28.31 transmit by mail or appropriate digital technology to ~~the commissioner of revenue,~~ the  
28.32 secretary of state, ~~the state demographer, the Minnesota Geospatial Information Office,~~

29.1 ~~the chief administrative law judge of the state Office of Administrative Hearings, and~~  
29.2 ~~the commissioner of transportation~~ an abstract of such report, giving the name and  
29.3 boundaries of such town and record in a book kept for that purpose a full description  
29.4 of each such town. The secretary of state shall distribute copies of the abstract to the  
29.5 commissioner of revenue, state demographer, the Minnesota Geospatial Information  
29.6 Office, the chief administrative law judge of the state Office of Administrative Hearings,  
29.7 and the commissioner of transportation.

29.8 Sec. 56. Minnesota Statutes 2008, section 557.01, is amended to read:

29.9 **557.01 NONRESIDENT, AGENT TO ACCEPT SERVICE.**

29.10 Any nonresident person or corporation owning or claiming any interest or lien in  
29.11 or upon lands in the state may file with the secretary of state a writing, executed and  
29.12 acknowledged in the manner of a conveyance, appointing a resident agent, whose place  
29.13 of residence shall be stated, to accept service of process or summons in any action or  
29.14 proceeding in the courts of the state concerning such interest or lien, except actions or  
29.15 proceedings for the collection of taxes, and consenting that service of such process or  
29.16 summons upon such agent shall be binding upon the person executing the same. Such  
29.17 writing shall be recorded by the secretary. No service by publication of summons shall  
29.18 be made upon any such nonresident who has complied with the provisions hereof, but in  
29.19 all such cases service of such process or summons, or of any writ or notice in the action  
29.20 or proceedings, shall be made upon such agent in the manner provided by law for such  
29.21 service upon residents of the state, and have the same effect as personal service within  
29.22 the state upon such owner or claimant; but, if such party appears by attorneys therein, the  
29.23 service of papers shall thereafter be upon such attorney. The authority of such agent  
29.24 may be revoked by writing similarly executed and acknowledged and recorded, but no  
29.25 revocation shall affect any action or proceeding then pending. ~~For filing and recording~~  
29.26 ~~such papers the secretary shall be entitled to 15 cents for each folio~~ The fee for each filing  
29.27 made under this section is \$50.

29.28 Sec. 57. Laws 2010, chapter 189, section 35, subdivision 1, is amended to read:

29.29 Subdivision 1. **Grants authorized.** Within the limits of available appropriations,  
29.30 the commissioner shall make grants to counties, cities, towns, and school districts to  
29.31 acquire, construct, or renovate public land and buildings and other public improvements  
29.32 of a capital nature for cooperative facilities to be owned and operated by the grantees.

30.1       Sec. 58. **STUDY OF DIVISION OF STATE DEPOSITORY ACCOUNTS AND**  
30.2 **GENERAL FUND REVENUE ACCOUNT.**

30.3       (a) The Carlson School of Management at the University of Minnesota is requested  
30.4 to study:

30.5       (1) the feasibility of dividing the state's general fund revenue account among  
30.6 community financial institutions and transferring the state's major and minor accounts to  
30.7 community financial institutions in order to ensure that state money benefits Minnesota  
30.8 residents;

30.9       (2) the potential economic benefit or costs of transferring all major and minor  
30.10 accounts to community financial institutions; and

30.11       (3) the potential economic benefit or costs to governmental entities as defined by  
30.12 Minnesota Statutes, section 118A.01, subdivision 2, from an increase in their use of  
30.13 community financial institutions as defined in clause (1).

30.14       (b) The results of the study must be reported to the legislature by December 1, 2010.

30.15       For purposes of this section, "community financial institution" means a federally  
30.16 insured bank or credit union, chartered as a bank or credit union by the state of  
30.17 Minnesota or the United States, that is headquartered in Minnesota and has no more than  
30.18 \$2,500,000,000 in assets.

30.19       Sec. 59. **GOVERNMENT EFFICIENCY AND TRANSPARENCY STUDIES.**

30.20       Subdivision 1. **Data center study.** (a) The commissioner of management and  
30.21 budget, in consultation with the state chief information officer, must study and report to the  
30.22 chairs and ranking minority members of the house and senate committees with jurisdiction  
30.23 over state government finance by January 15, 2011, on the feasibility and estimated costs  
30.24 of entering into a lease or lease-purchase agreement with a private nonprofit organization,  
30.25 involving a private sector developer, to provide a centralized data center for state agencies  
30.26 or to upgrade current facilities for purposes of data center consolidation. The report must  
30.27 include a potential schedule for consolidation of existing state agency data centers, and  
30.28 an estimate of any savings, increased efficiencies, or performance improvements that  
30.29 would be achieved through this consolidation.

30.30       (b) In conducting the study required under paragraph (a), the commissioner shall  
30.31 consult with representatives of higher education and local government units to determine  
30.32 the feasibility and desirability of creating a shared service contract for a data center.

30.33       (c) If the commissioner of management and budget and chief information officer  
30.34 conclude that entering into an agreement described in paragraph (a) is cost-beneficial, the  
30.35 commissioner may enter into such an agreement notwithstanding any law to the contrary.

31.1           Subd. 2. **Transparency standards.** By January 15, 2011, the chief information  
31.2 officer shall report to the chairs and ranking minority members of the legislative  
31.3 committees with jurisdiction over the Office of Enterprise Technology regarding the  
31.4 development of the standards to enhance public access to data required under Minnesota  
31.5 Statutes, section 16E.05, subdivision 4. The report must describe the process for  
31.6 development of the standards, including the opportunity provided for public comment,  
31.7 and specify the components of the standards that have been implemented, including a  
31.8 description of the level of public use of the new opportunities for data access under the  
31.9 standards.

31.10           Sec. 60. **REQUEST FOR PROPOSALS.**

31.11           (a) The commissioner of revenue shall issue a request for proposals for a contract to  
31.12 implement a system of tax analytics and business intelligence tools to enhance the state's  
31.13 tax collection process and revenues by improving the means of identifying candidates  
31.14 for audit and collection activities and prioritizing those activities to provide the highest  
31.15 returns on auditors' and collection agents' time. The request for proposals must require  
31.16 that the system recommended and implemented by the contractor:

31.17           (1) leverage the Department of Revenue's existing data and other available data  
31.18 sources to build models that more effectively and efficiently identify accounts for audit  
31.19 review and collections;

31.20           (2) leverage advanced analytical techniques and technology such as pattern  
31.21 detection, predictive modeling, clustering, outlier detection, and link analysis to identify  
31.22 suspect accounts for audit review and collections;

31.23           (3) leverage a variety of approaches and analytical techniques to rank accounts and  
31.24 improve the success rate and the return on investment of department employees engaged  
31.25 in audit activities;

31.26           (4) leverage technology to make the audit process more sustainable and stable, even  
31.27 with turnover of department auditing staff;

31.28           (5) provide optimization capabilities to more effectively prioritize collections and  
31.29 increase the efficiency of employees engaged in collections activities; and

31.30           (6) incorporate mechanisms to decrease wrongful auditing and reduce interference  
31.31 with Minnesota taxpayers who are fully complying with the laws.

31.32           (b) Based on acceptable responses to the request for proposals, the commissioner  
31.33 shall enter into a contract for the services specified in paragraph (a) by July 1, 2012. The  
31.34 contract must incorporate a performance-based vendor financing option whereby the  
31.35 vendor shares in the risk of the project's success.

32.1 EFFECTIVE DATE. This section is effective July 1, 2011.

32.2 Sec. 61. COMMISSION ON SERVICE INNOVATION.

32.3 The governor shall appoint a Commission on Service Innovation to produce a  
32.4 strategic plan to reengineer the delivery of state and local government services, including  
32.5 the realignment of service delivery by region and proximity, the use of new technologies,  
32.6 shared facilities, and other means of improving efficiency. The plan shall also provide a  
32.7 process to review and modify recommendations at regular intervals in the future based on  
32.8 specific results measured at regular intervals. The plan shall also include any proposed  
32.9 legislation necessary to implement the commission's recommendations.

32.10 Sec. 62. COST RECOVERY.

32.11 During the biennium ending June 30, 2011, the chief information officer of the  
32.12 Office of Enterprise Technology may bill executive branch state agencies and offices  
32.13 for any increased costs the office incurs in implementing amendments to Minnesota  
32.14 Statutes, chapter 16E, in this act. Amounts received by the office under this section are  
32.15 appropriated to the office for purposes of implementing Minnesota Statutes, chapter 16E,  
32.16 in the manner specified in this act.

32.17 Sec. 63. BUSINESS INTELLIGENCE AND INFORMATION ANALYTICS.

32.18 The Legislative Coordinating Commission must ensure that the house of  
32.19 representatives and the senate have improved ability to access and analyze public data  
32.20 contained in executive branch accounting, procurement, and budget systems. The  
32.21 commission must issue a request for information or a request for proposals for the  
32.22 legislature to obtain business intelligence and information analytics software or software  
32.23 services.

32.24 Sec. 64. PREDESIGN.

32.25 Minnesota Statutes, section 16B.335, subdivision 3, does not apply to projects under  
32.26 Laws 2010, chapter 189, section 19, subdivision 4.

32.27 Sec. 65. APPROPRIATIONS; ASSISTIVE VOTING EQUIPMENT AND  
32.28 VOTE-COUNTING EQUIPMENT.

32.29 Subdivision 1. **Operating grants.** \$300,000 is appropriated in fiscal year 2010 from  
32.30 the Help America Vote Act account to the secretary of state for grants to counties to defray  
32.31 operating costs of the assistive voting equipment and vote-counting equipment in each

33.1 polling place. This appropriation is available until spent. Grants of up to \$300 per polling  
33.2 place may be made until this appropriation is exhausted. If the grant requests exceed the  
33.3 appropriation available, the secretary of state shall prorate the grant amounts to each  
33.4 eligible county to match the amount available.

33.5 Subd. 2. **Grant application.** To receive a grant under this subdivision, a county  
33.6 must apply to the secretary of state on forms prescribed by the secretary of state that  
33.7 set forth how the grant money will be spent. Grant applications for operating costs for  
33.8 the 2010 elections must be received by the secretary of state by August 1, 2010. Grant  
33.9 awards must be made to the counties by December 1, 2010. If funds remain from this  
33.10 appropriation, the secretary may also make grants available for the 2012 election, with  
33.11 grant applications due by March 1, 2012, and grants made to counties by June 30, 2012.

33.12 Subd. 3. **Eligibility.** To be eligible to apply for a grant under this section, a county  
33.13 must have fewer than 50,000 registered voters as of January 1, 2010, and must have  
33.14 less than \$300 per polling place that was used in the 2008 general election as a balance,  
33.15 including any interest earned on the account, in its Help America Vote Act account from  
33.16 funds distributed to it in 2005.

33.17 Subd. 4. **Report.** Each county receiving a grant under this section must include  
33.18 the expenditures it has made on the appropriate Help America Vote Act reports submitted  
33.19 to the secretary of state. If a county does not use the funds it has received under this  
33.20 section by June 30, 2013, it must return the funds to the secretary of state. In addition  
33.21 to the report required by this section, each county receiving a grant under this act must  
33.22 maintain financial records for each grant sufficient to satisfy federal audit standards and  
33.23 must transmit those records to the secretary of state upon request of the secretary of state.  
33.24 The secretary of state must report by January 15, 2011, and January 15, 2013, to the  
33.25 chairs and ranking minority members of the house of representatives and senate funding  
33.26 divisions with jurisdiction over the Office of the Secretary of State on the amount of grants  
33.27 made to each county receiving a grant under this section in the prior calendar year.

33.28 Subd. 5. **Operating costs.** "Operating costs" include actual county and municipal  
33.29 costs for hardware maintenance, election day technical support, software licensing, system  
33.30 programming, voting system testing, training of county or municipal staff in the use of  
33.31 voting equipment, and transportation of and storage of the voting equipment.

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

33.33 Sec. 66. **APPROPRIATIONS; OPTICAL SCAN EQUIPMENT.**

34.1           Subdivision 1. **Optical scan voting equipment grants.** \$2,100,000 is appropriated  
34.2 in fiscal year 2010 from the Help America Vote Act account to the secretary of state  
34.3 for grants to counties to purchase optical scan voting equipment. This appropriation  
34.4 is available until spent. If the grant requests exceed the appropriation available, the  
34.5 secretary of state shall prorate the grant amounts to each eligible county to match the  
34.6 amount available.

34.7           Subd. 2. **Grant application.** To receive a grant under this section, a county must  
34.8 apply to the secretary of state on forms prescribed by the secretary of state that set forth  
34.9 how the grant money will be spent. Applications for grants under this section must be  
34.10 submitted to the secretary of state by December 1, 2010, and be for purchases made prior  
34.11 to March 31, 2014. Any funds granted to a county and not spent by June 30, 2014, must  
34.12 be returned to the secretary of state and the Help America Vote Act account.

34.13           Subd. 3. **Eligibility.** A county is eligible to apply for a grant of up to \$4,000 per  
34.14 precinct to replace precinct-based optical scan vote counters if the vote counter was  
34.15 purchased prior to December 31, 2002, and the county received no federal or state funds  
34.16 to defray the cost of that purchase. Counties must agree to provide a 50 percent match for  
34.17 any state and federal funds granted through this grant application.

34.18           Subd. 4. **Report.** Each county receiving a grant under this section must include  
34.19 the expenditures it has made on the appropriate Help America Vote Act reports submitted  
34.20 to the secretary of state. If a county does not use the funds it has received under this  
34.21 section by June 30, 2014, it must return the funds to the secretary of state. In addition  
34.22 to the report required by this section, each county receiving a grant under this act must  
34.23 maintain financial records for each grant sufficient to satisfy federal audit standards and  
34.24 must transmit those records to the secretary of state upon request of the secretary of state.  
34.25 The secretary of state must report by January 15 each year through 2014 to the chairs and  
34.26 ranking minority members of the house of representatives and senate funding divisions  
34.27 with jurisdiction over the Office of the Secretary of State on the amount of grants made to  
34.28 each county receiving a grant under this section in the prior calendar year.

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

34.30           Sec. 67. **REPEALER.**

34.31           (a) Laws 2005, chapter 162, section 34, subdivision 2, as amended by Laws 2009,  
34.32 chapter 101, article 2, section 95, is repealed.

34.33           (b) Minnesota Statutes 2009 Supplement, section 645.44, subdivision 19, is repealed.

35.1 (c) Minnesota Statutes 2008, section 211B.15, subdivision 12, is repealed.

35.2 Sec. 68. **EFFECTIVE DATE.**

35.3 Section 23 is effective July 1, 2010, and applies to grant agreements entered into  
35.4 and to appropriations received after that date. The repeal of Minnesota Statutes, section  
35.5 211B.15, subdivision 12, is effective the day following final enactment.

35.6 **ARTICLE 2**

35.7 **STRATEGIC PLAN**

35.8 Section 1. **STRATEGIC PLAN REPORT.**

35.9 By January 15, 2011, the Minnesota Innovation and Research Council shall report to  
35.10 the governor and the chairs and ranking minority members of the legislative committees  
35.11 and divisions with jurisdiction over state government policy and finance with a strategic  
35.12 plan containing findings and recommendations to improve state and local government  
35.13 delivery of public services. The strategic plan must specify:

35.14 (1) how to enhance the public involvement and input as the public uses state and  
35.15 local government services and public schools;

35.16 (2) how technology can be leveraged to reduce costs and enhance quality;

35.17 (3) how service innovation will increase value or results per dollar spent; and

35.18 (4) the design for a platform that will facilitate high-quality innovation and evaluate  
35.19 state and local government structural redesign in the future.

35.20 The strategic plan shall also provide a process to review and modify  
35.21 recommendations at regular intervals in the future based on specific results measured  
35.22 at regular intervals.

35.23 The strategic plan shall also include any proposed legislation necessary to implement  
35.24 the council's recommendations.

35.25 **ARTICLE 3**

35.26 **MINNESOTA INNOVATION AND RESEARCH COUNCIL**

35.27 Section 1. Minnesota Statutes 2008, section 3.971, is amended by adding a subdivision  
35.28 to read:

35.29 **Subd. 9. Recommendations to the Minnesota Innovation and Research Council.**

35.30 The legislative auditor may make recommendations to the Minnesota Innovation and  
35.31 Research Council established under section 465.7902 that will assist the council in  
35.32 accomplishing its duties.

36.1 Sec. 2. [465.7901] DEFINITIONS.

36.2 Subdivision 1. **Agency.** "Agency" means a department, agency, board, or other  
36.3 instrumentality of state government that has jurisdiction over an administrative rule or  
36.4 law from which a waiver is sought under section 465.7903. If no specific agency has  
36.5 jurisdiction over such a law, agency refers to the attorney general.

36.6 Subd. 2. **Council.** "Council" means the Minnesota Innovation and Research Council  
36.7 established by section 465.7902.

36.8 Subd. 3. **Local government unit.** "Local government unit" means a county, home  
36.9 rule charter or statutory city, school district, town, or special taxing district.

36.10 Subd. 4. **Metropolitan agency.** "Metropolitan agency" has the meaning given in  
36.11 section 473.121, subdivision 5a.

36.12 Subd. 5. **Metropolitan area.** "Metropolitan area" has the meaning given in section  
36.13 473.121, subdivision 2.

36.14 Subd. 6. **Metropolitan Council.** "Metropolitan Council" means the Metropolitan  
36.15 Council established by section 473.123.

36.16 Subd. 7. **Scope.** As used in sections 465.7901 to 465.7907 and 465.805 to 465.808,  
36.17 the terms defined in this section have the meanings given them.

36.18 Sec. 3. [465.7902] MINNESOTA INNOVATION AND RESEARCH COUNCIL.

36.19 Subdivision 1. **Membership.** The Minnesota Innovation and Research Council  
36.20 consists of 15 members, appointed as follows:

36.21 (1) two members of the senate, appointed by the Subcommittee on Committees of  
36.22 the Senate Committee on Rules and Administration, one member of the majority caucus  
36.23 and one member of the largest minority caucus;

36.24 (2) two members of the house of representatives, appointed by the speaker of the  
36.25 house, one member of the majority caucus and one member of the largest minority caucus;

36.26 (3) the commissioner of management and budget;

36.27 (4) the commissioner of administration;

36.28 (5) the state chief information officer;

36.29 (6) an administrative law judge appointed by the chief administrative law judge;

36.30 (7) the state auditor;

36.31 (8) two members with a background in academic research concerning system  
36.32 redesign and delivery, including one member appointed by the chancellor of the Minnesota  
36.33 State Colleges and Universities and one member appointed by the president of the  
36.34 University of Minnesota;

37.1 (9) one member with experience in the leadership of nonprofit organizations,  
37.2 appointed by the Minnesota Council of Nonprofits;

37.3 (10) one member with experience in foundation leadership appointed by the  
37.4 Minnesota Council on Foundations;

37.5 (11) one member with experience as a leader of a for-profit corporation, appointed  
37.6 by the Minnesota Chamber of Commerce; and

37.7 (12) one member representing public employees appointed by the American  
37.8 Federation of State, County and Municipal Employees.

37.9 All members must have experience or interest in the work of system redesign or public  
37.10 sector innovation. The legislative members serve as nonvoting members. Only members  
37.11 designated in clauses (3) to (7) may vote on proposed rule or law waivers under section  
37.12 465.7903. A commissioner serving on the council may designate an employee from the  
37.13 commissioner's agency to serve as the commissioner's designee. A person registered as a  
37.14 lobbyist under chapter 10A may not be a member of the council.

37.15 Subd. 2. **Duties of council.** The council shall:

37.16 (1) accept applications from local government units and nonprofit organizations for  
37.17 waivers of administrative rules and temporary, limited exemptions from enforcement of  
37.18 procedural requirements in state law as provided in section 465.7903, and determine  
37.19 whether to approve, modify, or reject the application;

37.20 (2) accept applications for grants to local government units and related organizations  
37.21 proposing to design models or plans for innovative service delivery and management as  
37.22 provided in section 465.7905, and determine whether to approve, modify, or reject the  
37.23 application;

37.24 (3) accept applications from eligible local government units for service-sharing  
37.25 grants as provided in section 465.7905, and determine whether to approve, modify,  
37.26 or reject the application;

37.27 (4) make recommendations to the legislature for the authorization of pilot projects  
37.28 for the implementation of innovative service delivery activities that require statutory  
37.29 authorization;

37.30 (5) make recommendations to the legislature regarding the elimination of state  
37.31 mandates that inhibit local government efficiency, innovation, and cooperation by  
37.32 prescribing specific processes for achieving a desired outcome;

37.33 (6) investigate and review the role of unfunded state mandates in intergovernmental  
37.34 relations and assess their impact on state and local government objectives and  
37.35 responsibilities;

37.36 (7) make recommendations to the governor and the legislature regarding;

38.1 (i) allowing flexibility for local units of government in complying with specific  
38.2 unfunded state mandates for which terms of compliance are unnecessarily rigid or  
38.3 complex;

38.4 (ii) reconciling any two or more unfunded state mandates that impose contradictory  
38.5 or inconsistent requirements;

38.6 (iii) terminating unfunded state mandates that are duplicative, obsolete, or lacking  
38.7 in practical utility;

38.8 (iv) suspending, on a temporary basis, unfunded state mandates that are not vital  
38.9 to public health and safety and that compound the fiscal difficulties of local units of  
38.10 government, including recommendations for initiating the suspensions;

38.11 (v) consolidating or simplifying unfunded state mandates or the planning or  
38.12 reporting requirements of the mandates, in order to reduce duplication and facilitate  
38.13 compliance by local units of government with those mandates; and

38.14 (vi) establishing common state definitions or standards to be used by local units of  
38.15 government in complying with unfunded state mandates that use different definitions or  
38.16 standards for the same terms or principles;

38.17 (8) identify relevant unfunded state mandates;

38.18 (9) facilitate proposals for grants made by eligible applicants; and

38.19 (10) make recommendations on topics to the Legislative Audit Commission for  
38.20 program evaluations that are likely to result in recommendations that will improve the  
38.21 cost-effective delivery of government services.

38.22 The duties imposed under clauses (6) to (10) must be performed to the extent  
38.23 possible given existing resources. Each recommendation under clause (7) must, to  
38.24 the extent practicable, identify the specific unfunded state mandates to which the  
38.25 recommendation applies. The commissioners or directors of state agencies responsible for  
38.26 the promulgation or enforcement of the unfunded mandates addressed in clauses (5) to  
38.27 (10) shall assist the council in carrying out the council's duties under this section.

38.28 Subd. 3. **Additional coordinating functions.** The council may also:

38.29 (1) serve as a clearinghouse for existing ideas and information from community  
38.30 leaders;

38.31 (2) provide a Web site where interested parties may share information and practices;

38.32 (3) receive recommendations from the legislative auditor concerning waivers and  
38.33 other initiatives within the council's jurisdiction;

38.34 (4) conduct research concerning innovation in service delivery and local government  
38.35 efficiency, innovation, and cooperation;

39.1 (5) facilitate regional dialogue concerning successful innovation and collaboration;  
39.2 and

39.3 (6) use its best efforts to maximize public involvement in its work, including the use  
39.4 of best practices in social media.

39.5 Subd. 4. **Staff.** The council shall hire an executive director who serves as the state's  
39.6 chief innovation officer. The council may hire other staff or consultants as necessary to  
39.7 perform its duties. The commissioner of administration must provide administrative  
39.8 support services to the council.

39.9 Subd. 5. **Terms, compensation, and removal.** Members serve at the pleasure of  
39.10 the appointing authority. Compensation of members is governed by section 15.0575,  
39.11 unless otherwise provided.

39.12 Sec. 4. **[465.7903] RULE AND LAW WAIVER REQUESTS.**

39.13 Subdivision 1. **Generally.** (a) Except as provided in paragraph (b), a local  
39.14 government unit or a nonprofit organization may request the Minnesota Innovation and  
39.15 Research Council to grant a waiver from one or more administrative rules or a temporary,  
39.16 limited exemption from enforcement of state procedural laws governing delivery of  
39.17 services by the local government unit or nonprofit organization. Two or more local  
39.18 government units may submit a joint application for a waiver or exemption under this  
39.19 section if they propose to cooperate in providing a service or program that is subject to the  
39.20 rule or law. Before a local unit of government may submit an application to the council,  
39.21 the governing body of the local government unit must approve, in concept, the proposed  
39.22 waiver or exemption at a meeting required to be public under chapter 13D. A waiver  
39.23 or exemption granted to a nonprofit organization under this section applies to services  
39.24 provided to all of the organization's clients.

39.25 (b) A school district that is granted a variance from rules of the commissioner of  
39.26 education under section 122A.163 need not apply to the council for a waiver of those rules  
39.27 under this section. A school district may not seek a waiver of rules under this section if  
39.28 the commissioner of education has authority to grant a variance to the rules under section  
39.29 122A.163. This paragraph does not preclude a school district from being included in a  
39.30 cooperative effort with another local government unit under this section.

39.31 Subd. 2. **Application.** (a) A local government unit or nonprofit organization  
39.32 requesting a waiver of a rule or exemption from enforcement of a law under this section  
39.33 shall present a written application to the council. The application must include:

39.34 (1) identification of the service or program at issue;

40.1           (2) identification of the administrative rule or the law imposing a procedural  
40.2 requirement with respect to which the waiver or exemption is sought; and

40.3           (3) a description of the improved service outcome sought, including an explanation  
40.4 of the effect of the waiver or exemption in accomplishing that outcome.

40.5           (b) A local government unit submitting an application must provide a copy to the  
40.6 exclusive representative certified under section 179A.12 to represent employees who  
40.7 provide the service or program affected by the requested waiver or exemption.

40.8           Subd. 3. **Review process.** (a) Upon receipt of an application, the council shall  
40.9 commence review of the application, as provided in this subdivision. The council shall  
40.10 dismiss an application if it finds that the application proposes a waiver of rules or  
40.11 exemption from enforcement of laws that would result in due process violations, violations  
40.12 of federal law or the state or federal constitution, or the loss of services to people who  
40.13 are entitled to them. If the council does not dismiss an application, the council must  
40.14 publish notice in the State Register before it acts on the application. The notice must list  
40.15 the name of the local government unit or nonprofit organization requesting the waiver or  
40.16 exemption, the service or program at issue, and the rule or law with respect to which the  
40.17 waiver of exemption is sought.

40.18           (b) The council shall determine whether a law from which an exemption for  
40.19 enforcement is sought is a procedural law, specifying how a local government unit or  
40.20 nonprofit organization is to achieve an outcome, rather than a substantive law prescribing  
40.21 the outcome or otherwise establishing policy. For the purposes of this section, "procedural  
40.22 law" does not include a statutory notice requirement. In making its determination, the  
40.23 council shall consider whether the law specifies such requirements as:

40.24           (1) who must deliver a service;

40.25           (2) where the service must be delivered;

40.26           (3) to whom and in what form reports regarding the service must be made; and

40.27           (4) how long or how often the service must be made available to a given recipient.

40.28           (c) If a member of the council also is a commissioner, a commissioner's designee, or  
40.29 the state auditor, or is employed by an agency with jurisdiction over a rule or law affected  
40.30 by an application, the member must not participate in the decision on the particular waiver  
40.31 or exemption.

40.32           (d) If the application is submitted by a local government unit or a nonprofit  
40.33 organization in the metropolitan area or the unit or nonprofit organization requests a  
40.34 waiver of a rule or temporary, limited exemptions from enforcement of a procedural  
40.35 law over which the Metropolitan Council or a metropolitan agency has jurisdiction, the  
40.36 council shall also transmit a copy of the application to the Metropolitan Council for

41.1 review and comment. The Metropolitan Council shall report its comments to the council  
41.2 within 60 days of the date the application was transmitted to the Metropolitan Council.  
41.3 The Metropolitan Council may point out any resources or technical assistance it may be  
41.4 able to provide a local government unit or nonprofit organization submitting a request  
41.5 under this section.

41.6 (e) Within 15 days after receipt of the application, the council shall transmit a copy  
41.7 of it to the commissioner of each agency having jurisdiction over a rule or law from which  
41.8 a waiver or exemption is sought. The agency may mail a notice that it has received an  
41.9 application for a waiver or exemption to all persons who have registered with the agency  
41.10 under section 14.14, subdivision 1a, identifying the rule or law from which a waiver or  
41.11 exemption is requested. If no agency has jurisdiction over the rule or law, the council shall  
41.12 transmit a copy of the application to the attorney general. The agency shall inform the  
41.13 council of its agreement with or objection to and grounds for objection to the waiver or  
41.14 exemption request within 60 days of the date when the application was transmitted to it.  
41.15 An agency's failure to respond under this paragraph is considered agreement to the waiver  
41.16 or exemption. The council shall decide whether to grant a waiver or exemption at its next  
41.17 regularly scheduled meeting following its receipt of an agency's response or the end of  
41.18 the 60-day response period. If consideration of an application is not concluded at that  
41.19 meeting, the matter may be carried over to the next meeting of the council. Interested  
41.20 persons may submit written comments and requests to present oral comments to the  
41.21 council on the waiver or exemption request up to the time of its vote on the application.

41.22 (f) If the exclusive representative of the affected employees of the requesting local  
41.23 government unit objects to the waiver or exemption request, it may inform the council  
41.24 of the objection to and the grounds for the objection to the waiver or exemption request  
41.25 within 60 days of the receipt of the application.

41.26 Subd. 4. **Hearing.** If the agency or the exclusive representative does not agree  
41.27 with the waiver or exemption request, the council shall set a date for a hearing on the  
41.28 application. The hearing must be conducted informally at a meeting of the council.  
41.29 Persons representing the local government unit shall present their request for the waiver or  
41.30 exemption, and a representative from the agency shall explain the agency's objection to the  
41.31 waiver or exemption. Members of the council may request additional information from  
41.32 either party. The council may also request, either before or at the hearing, information  
41.33 or comments from representatives of business, labor, local governments, state agencies,  
41.34 consultants, and members of the public. If a member of the public requests to present  
41.35 comments or information at the hearing, the council must permit the member of the  
41.36 public an opportunity to present the comments or information. If necessary, the hearing

42.1 may be continued at a subsequent council meeting. A waiver or exemption requires a  
42.2 majority vote of the council members. The council may modify the terms of the waiver or  
42.3 exemption request in arriving at the agreement required under subdivision 5.

42.4 Subd. 5. **Conditions of agreements.** (a) If the council grants a request for a waiver  
42.5 or exemption, the council and the entity making the request shall enter into an agreement  
42.6 providing for the delivery of the service or program that is the subject of the application.  
42.7 The agreement must specify desired outcomes and the means of measurement by which  
42.8 the council will determine whether the outcomes specified in the agreement have been  
42.9 met. The agreement must specify the duration of the waiver or exemption. The duration of  
42.10 a waiver from an administrative rule may be for no less than two years and no more than  
42.11 four years, subject to renewal if both parties agree. An exemption from enforcement of a  
42.12 law terminates ten days after adjournment of the regular legislative session held during the  
42.13 calendar year following the year when the exemption is granted, unless the legislature has  
42.14 acted to extend or make permanent the exemption.

42.15 (b) If the council grants a waiver or exemption, it must report the waiver or  
42.16 exemption to the legislature, including the chairs of the governmental operations and  
42.17 appropriate policy committees in the house of representatives and senate, and the governor  
42.18 within 30 days.

42.19 (c) The council may reconsider or renegotiate the agreement if the rule or law  
42.20 affected by the waiver or exemption is amended or repealed during the term of the original  
42.21 agreement. A waiver of a rule under this section has the effect of a variance granted by  
42.22 an agency under section 14.055. The recipient of an exemption from enforcement of a  
42.23 procedural requirement in state law under this section is exempt from that law for the  
42.24 duration of the exemption. The council may require periodic reports from the recipient, or  
42.25 conduct investigations of the service or program.

42.26 Subd. 6. **Enforcement.** If the council finds that the recipient of a waiver or an  
42.27 exemption has failed to comply with the terms of the agreement under subdivision 5, it  
42.28 may rescind the agreement. After an agreement is rescinded, the recipient is subject to the  
42.29 rules and laws covered by the agreement.

42.30 Subd. 7. **Access to data.** If the recipient of a waiver or an exemption through a  
42.31 cooperative program under this section gains access to data that is classified as not public,  
42.32 the access to and use of the data for the recipient is governed by the same restrictions on  
42.33 access to and use of the data that apply to the unit that collected, created, received, or  
42.34 maintained the data.

42.35 Sec. 5. **[465.7904] WAIVERS OF STATE RULES; POLICIES.**

43.1            Subdivision 1. **Application.** A state agency may apply to the council for a waiver  
43.2 from:

43.3            (1) an administrative rule or policy adopted by the commissioner of management  
43.4 and budget that deals with the state personnel system;

43.5            (2) an administrative rule or policy of the commissioner of administration that  
43.6 deals with the state procurement system; or

43.7            (3) a policy of the commissioner of management and budget that deals with the  
43.8 state accounting system.

43.9            Two or more state agencies may submit a joint application. A waiver application  
43.10 must identify the rule or policy at issue, and must describe the improved outcome sought  
43.11 through the waiver.

43.12           Subd. 2. **Review process.** (a) The council shall review all applications submitted  
43.13 under this section. The council shall dismiss an application if it finds that the application  
43.14 proposes a waiver that would result in due process violations, violations of federal law  
43.15 or the state or federal constitution, or the loss of services to people who are entitled to  
43.16 them. If a proposed waiver would violate the terms of a collective bargaining agreement  
43.17 effective under chapter 179A, the waiver is not effective without the consent of the  
43.18 exclusive representative that is a party to the agreement. The council may approve a  
43.19 waiver only if the council determines that if the waiver is granted: (1) services can  
43.20 be provided in a more efficient or effective manner; and (2) services related to human  
43.21 resources must be provided in a manner consistent with section 43A.01. In the case of a  
43.22 waiver from a policy of the commissioner of management and budget, the council may  
43.23 approve the waiver only if it determines that services will be provided in a more efficient  
43.24 or effective manner and that state funds will be adequately accounted for and safeguarded  
43.25 in a manner that complies with generally accepted government accounting principles.

43.26           (b) Within 15 days of receipt of the application, the council shall send a copy of the  
43.27 application to: (1) the agency whose rule or policy is involved; and (2) all exclusive  
43.28 representatives who represent employees of the agency requesting the waiver. The agency  
43.29 whose rule or policy is involved may mail a copy of the application to all persons who  
43.30 have registered with the agency under section 14.14, subdivision 1a.

43.31           (c) The agency whose rule or policy is involved, or an exclusive representative, shall  
43.32 notify the council of its agreement with or objection to and grounds for objection to the  
43.33 waiver within 60 days of the date when the application was transmitted to the agency or  
43.34 the exclusive representative. An agency's or exclusive representative's failure to respond  
43.35 under this paragraph is considered agreement to the waiver.

44.1 (d) If the agency or the exclusive representative objects to the waiver, the council  
44.2 shall schedule a meeting at which the agency requesting the waiver may present its case  
44.3 for the waiver and the objecting party may respond. The council shall decide whether  
44.4 to grant a waiver at its next regularly scheduled meeting following its receipt of an  
44.5 agency's response, or the end of the 60-day response period, whichever occurs first. If  
44.6 consideration of an application is not concluded at the meeting, the matter may be carried  
44.7 over to the next meeting of the council. Interested persons may submit written comments  
44.8 to the council on the waiver request.

44.9 (e) If the council grants a request for a waiver, the council and the agency requesting  
44.10 the waiver shall enter into an agreement relating to the outcomes desired as a result of the  
44.11 waiver and the means of measurement to determine whether those outcomes have been  
44.12 achieved with the waiver. The agreement must specify the duration of the waiver, which  
44.13 must be for at least two years and not more than four years. If the council determines that  
44.14 an agency that has received a waiver is failing to comply with the terms of the agreement,  
44.15 the council may rescind the agreement.

44.16 Subd. 3. **Participation.** If a waiver request involves a rule or policy adopted by an  
44.17 official specified in section 465.7902, subdivision 1, clauses (3) to (7), that official may  
44.18 not participate in the evaluation of that waiver request.

44.19 **Sec. 6. [465.7905] INNOVATION AND REDESIGN GRANTS.**

44.20 Subdivision 1. **Application.** One or more local units of government, an association  
44.21 of local governments, the Metropolitan Council, a local unit of government acting in  
44.22 conjunction with an organization or a state agency, an organization established by two  
44.23 or more local units of government under a joint powers agreement, or a not-for-profit  
44.24 organization may apply to the Minnesota Innovation and Research Council for a grant  
44.25 to be used to: (1) develop models for service redesign; or (2) meet the start-up costs  
44.26 of providing shared services or functions. Agreements solely to make joint purchases  
44.27 do not qualify for grants. The application must specify a nonstate funding source for  
44.28 25 percent of the total cost of the proposal. The application to the council must state  
44.29 what other sources of funding have been considered by the local units of government to  
44.30 implement the project and explain why it is not possible to complete the project without  
44.31 assistance from the council. The council may not award a grant if it determines that the  
44.32 local units of government could complete the project without council assistance or if it  
44.33 determines the applicant has not specified a nonstate funding source for 25 percent of  
44.34 the total cost. A copy of the application must be provided by the units to the exclusive

45.1 representatives certified under section 179A.12 to represent employees who provide the  
45.2 service or program affected by the application.

45.3 Subd. 2. **Proposals.** (a) Proposed models for service redesign may provide options  
45.4 to local governments, neighborhood or community organizations, other not-for-profit  
45.5 organizations, or individuals to redesign service delivery. In awarding grants under this  
45.6 paragraph, the council must consider whether the proposal:

45.7 (1) expands consumer choices and opportunities;

45.8 (2) shifts government toward an expanded role as a purchaser, rather than a provider,  
45.9 of services;

45.10 (3) reduces administrative costs through statewide or regional contracting, or related  
45.11 administrative efficiencies;

45.12 (4) reduces administrative costs through the accumulation of multiple related  
45.13 services into a single contract with one provider, or related administrative efficiencies;

45.14 (5) fosters entrepreneurial leadership in the public sector; and

45.15 (6) increases value to the taxpayer or results per dollar spent.

45.16 (b) A proposal for a grant for shared services or functions must include plans to  
45.17 fully integrate a service or function provided by two or more local government units.

45.18 The proposal must include how value to the taxpayer or results per dollar spent will be  
45.19 impacted.

45.20 Subd. 3. **Requirements.** A copy of the work product for which the grant was  
45.21 provided must be furnished to the council upon completion, and the council may  
45.22 disseminate it to other local units of government or interested groups. If the council finds  
45.23 that the work was not completed or implemented according to the terms of the grant  
45.24 agreement, it may require the grantee to repay all or a portion of the grant. The council  
45.25 shall award grants on the basis of each qualified applicant's score under the scoring  
45.26 system in section 465.7906. The amount of a grant under subdivision 2, paragraph (a),  
45.27 may not exceed \$250,000. The amount of a grant under subdivision 2, paragraph (b),  
45.28 may not exceed \$100,000.

45.29 Sec. 7. **[465.7906] SCORING SYSTEM.**

45.30 In deciding whether to award a grant under section 465.7905, the council shall  
45.31 use the following scoring system:

45.32 (1) Up to 15 points must be awarded to reflect the extent to which the application  
45.33 demonstrates creative thinking, careful planning, cooperation, involvement of the clients  
45.34 of the affected service, and commitment to persist through challenges.

46.1           (2) Up to 25 points must be awarded to reflect the extent to which the proposed  
46.2 project is likely to improve the quality of the service, increase value to the taxpayers or  
46.3 results per dollar spent, and to have benefits for other local governments.

46.4           (3) Up to 15 points must be awarded to reflect the extent to which the application's  
46.5 budget provides sufficient detail, maximizes the use of state funds, documents the need  
46.6 for financial assistance, commits to local financial support, and limits expenditures to  
46.7 essential activities.

46.8           (4) Up to 15 points must be awarded to reflect the extent to which the application  
46.9 reflects the statutory goal of the grant program.

46.10          (5) Up to 15 points must be awarded to reflect the merit of the proposed project and  
46.11 the extent to which it warrants the state's financial participation.

46.12          (6) Up to five points must be awarded to reflect the cost to benefit ratio projected  
46.13 for the proposed project.

46.14          (7) Up to five points must be awarded to reflect the number of government units  
46.15 participating in the proposal.

46.16          (8) Up to five points must be awarded to reflect the minimum length of time the  
46.17 application commits to implementation.

46.18          Sec. 8. **[465.7907] REPAYMENT OF GRANTS.**

46.19           Subdivision 1. **Repayment procedures.** Without regard to whether a grant recipient  
46.20 offered to repay the grant in its original application, as part of a grant awarded under  
46.21 section 465.7905, the council may require the grant recipient to repay all or part of the  
46.22 grant if the council determines the project funded by the grant resulted in an actual savings  
46.23 for the participating local units of government. The grant agreement must specify how the  
46.24 savings are to be determined and the period of time over which the savings will be used  
46.25 to calculate a repayment requirement. The repayment of grant money under this section  
46.26 must not exceed an amount equal to the total savings achieved through the implementation  
46.27 of the project.

46.28           Subd. 2. **Bonus points.** In addition to the points awarded to competitive grant  
46.29 applications under section 465.7906, the council shall award additional points to any  
46.30 applicant that projects a potential cost savings through the implementation of its project  
46.31 and offers to repay part or all of the grant under the formula in subdivision 1.

46.32           Subd. 3. **Use of repayment revenue.** All grant money repaid to the council under  
46.33 this section is appropriated to the council for additional grants authorized by section  
46.34 465.7905.

47.1 Sec. 9. [465.805] POLICY INNOVATION AND RESEARCH.

47.2 Subdivision 1. Research topics. The council shall periodically select policy  
47.3 innovation topics suitable for review and analysis by a consortium of independent  
47.4 organizations. Topics may include general or specific functions of state government. The  
47.5 council shall give primary consideration to areas of concern where a comprehensive  
47.6 review and analysis of available research is likely to yield recommendations for policy  
47.7 changes that will provide significant efficiencies and improvements in the operation of  
47.8 state government and an increase in value to the taxpayer. Legislators and legislative  
47.9 committees may provide the council with recommendations for topics. The council shall  
47.10 make the final determination regarding the selection of topics under this section.

47.11 Subd. 2. Request for proposal process. (a) After making the determination of a  
47.12 research topic under subdivision 1, the council shall prepare a request for proposal relating  
47.13 to the topic that specifies:

47.14 (1) the precise topic and scope of the research required for the report to the  
47.15 commission;

47.16 (2) the deadlines for the response to the request for proposal and for the subsequent  
47.17 report; and

47.18 (3) any other restrictions or guidelines required by the commission.

47.19 The council shall make the request for proposal publicly available and must  
47.20 review responses from any interested party. A group of individuals or organizations  
47.21 may submit a response. The council may encourage the development of a collaborative  
47.22 design lab containing a cross-section of researchers and public sector designers from  
47.23 various nonprofits, businesses, foundations, and education institutions to respond to the  
47.24 request for proposal.

47.25 (b) After the deadline for submission of responses has expired, the council must hold  
47.26 a hearing to consider all submissions. The council shall consider the following factors in  
47.27 selecting a response to the request for proposal:

47.28 (1) the experience and training of individuals and organizations who will prepare the  
47.29 report to the commission;

47.30 (2) the reliability and credibility of individuals and organizations who will prepare  
47.31 the report;

47.32 (3) the proposed method of research; and

47.33 (4) the resources available for the preparation of the report.

47.34 (c) After consideration and hearing of the responses to the request for proposal, the  
47.35 council may:

47.36 (1) select a submission;

- 48.1 (2) revise the original request for proposal and extend the deadline for responses; or  
48.2 (3) terminate the request for proposal process for the selected topic.

48.3 The chief innovation officer shall periodically communicate with the researchers  
48.4 to make sure they are focused on answering the questions outlined in the request for  
48.5 proposals.

48.6 Subd. 3. **Reports to council.** The council shall hold a hearing to receive a report  
48.7 prepared under this section and shall ensure that the governor and the relevant committees  
48.8 in the legislature are provided with notice of the report and an opportunity to review the  
48.9 report, including an opportunity for additional hearings.

48.10 Sec. 10. **[465.808] RECEIPTS; APPROPRIATION.**

48.11 (a) The council may charge a fee for the use of services provided by the council's  
48.12 staff. The receipts from fees charged under this section are deposited in a special revenue  
48.13 account and appropriated to the council for services provided under sections 465.7901 to  
48.14 465.808.

48.15 (b) The council may accept gifts and grants. Money received under this paragraph  
48.16 is deposited in a special revenue account and appropriated to the council for services  
48.17 provided under sections 465.7901 to 465.808.

48.18 Sec. 11. **[465.809] GUARANTEEING INCREASED VALUE TO THE**  
48.19 **TAXPAYER.**

48.20 Subdivision 1. **Report.** The council shall report by January 15 each year to the  
48.21 governor and appropriate committees of the house of representatives and senate on its  
48.22 activities. The report shall include the amount of the council's net spending, the amount of  
48.23 savings and the increased outcomes to the taxpayer that was identified by the council, and  
48.24 the actual documented savings to state and local governments. Entities receiving grants  
48.25 or waivers from the council must document and verify savings to the taxpayer from the  
48.26 previous year's budgets.

48.27 Subd. 2. **Savings and increased value.** The council must make every effort to  
48.28 obtain \$3 in savings and show increased value to the taxpayer for each net state dollar  
48.29 spent by the council.

48.30 Subd. 3. **Innovative practices.** The council shall promote and drive innovative  
48.31 practices and must make annual recommendations to the legislature. One or all of these  
48.32 recommendations may be in partnership with individuals, foundations, nonprofits, or  
48.33 businesses. The council may make endorsements of proposals of individuals, foundations,

49.1 nonprofits, or businesses when making recommendations. The council must make annual  
49.2 recommendations to:

49.3 (1) recommend at least \$20 in savings and show increased outcomes to the taxpayer  
49.4 for each net state dollar spent by the council. These savings may be spread out over  
49.5 various budget items;

49.6 (2) recommend policy changes that will quantifiably improve desired outcome  
49.7 attainment to the taxpayer as compared to dollars spent. This shall not be limited to  
49.8 efficiency but may also include developing new approaches to achieve desired outcomes;

49.9 (3) highlight existing innovative practices or partnerships in the state; and

49.10 (4) recommend innovative models, which may include state and local government  
49.11 structural redesign, from across the country to the legislature; highlight innovative  
49.12 practices from past or contemporary reports; recommend evidence-based service delivery  
49.13 methods for this state; or recommend theory-based working models of approaches to  
49.14 policy.

49.15 Sec. 12. **APPROPRIATIONS.**

49.16 \$50,000 is appropriated from the general fund for the fiscal year ending June 30,  
49.17 2011, to the Minnesota Innovation and Research Council for the following purposes:

49.18 (1) operation and administration of the council;

49.19 (2) grants for models for service redesign;

49.20 (3) grants for shared services and functions;

49.21 (4) policy innovation and research; and

49.22 (5) the strategic plan report under article 2, section 1.

49.23 The appropriations in this section are contingent on receiving a dollar-for-dollar  
49.24 match from private sources. This is a onetime appropriation.

49.25 Sec. 13. **REPEALER.**

49.26 Minnesota Statutes 2008, section 6.80, is repealed.