

This Document can be made available
in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No.

3168

03/16/2016 Authored by Anderson, S.
The bill was read for the first time and referred to the Committee on State Government Finance
04/18/2016 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

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

2.2 **ARTICLE 1**

2.3 **APPROPRIATIONS**

2.4 Section 1. **APPROPRIATIONS**

2.5 The sums shown in the columns marked "Appropriations" are added to or subtracted
2.6 from the appropriations in Laws 2015, chapter 77, article 1, to the agencies and for the
2.7 purposes specified in this act. The appropriations are from the general fund, or another
2.8 named fund, and are available for the fiscal years indicated for each purpose. The figures
2.9 "2016" and "2017" used in this act mean that the addition to the appropriation listed under
2.10 them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively.

APPROPRIATIONS	Available for the Year	Ending June 30	2016	2017
-----------------------	-------------------------------	-----------------------	-------------	-------------

2.11 2.12 2.13 2.14 Sec. 2. **LEGISLATURE** \$ -0- \$ **185,000**

2.15 2.16 2.17 2.18 2.19 2.20 2.21 2.22 Eighty percent of the amount in the senate
carryforward account cancels to the general
fund on July 1, 2016.

\$318,000 is appropriated to the Office of the
Legislative Auditor for new duties related
to fiscal notes, revenue estimates, and local
impact notes.

2.23 2.24 2.25 2.26 The appropriation to the Legislative
Coordinating Commission for the fiscal
year ending June 30, 2017, is reduced by
\$133,000.

2.27 Sec. 3. **STATE AUDITOR** \$ -0- \$ **6,951,000**

2.28 Sec. 4. **MN.IT SERVICES** \$ -0- \$ **500,000**

2.29 2.30 2.31 This appropriation is for a study of enhanced
cybersecurity across state government. This
is a onetime appropriation.

3.1	Sec. 5. <u>ADMINISTRATION</u>	\$	<u>-0-</u> \$	<u>148,000</u>
3.2	<u>This appropriation is for continued</u>			
3.3	<u>implementation of the state's Olmstead plan.</u>			
3.4	Sec. 6. <u>MINNESOTA MANAGEMENT AND</u>			
3.5	<u>BUDGET</u>	\$	<u>-0-</u> \$	<u>(318,000)</u>
3.6	<u>To the extent possible, the appropriation</u>			
3.7	<u>reduction in this section must be</u>			
3.8	<u>implemented through savings achieved in</u>			
3.9	<u>not administering the fiscal note process.</u>			
3.10	Sec. 7. <u>REVENUE</u>			
3.11	<u>\$1,000,000 of money previously appropriated</u>			
3.12	<u>to the department for fiscal year 2017 must</u>			
3.13	<u>be used for efforts to identify and reject</u>			
3.14	<u>attempted tax refund fraud.</u>			
3.15	Sec. 8. <u>HUMAN RIGHTS</u>			
3.16	<u>Notwithstanding any law to the contrary,</u>			
3.17	<u>federal funds received by the Department of</u>			
3.18	<u>Human Rights during the biennium ending</u>			
3.19	<u>June 30, 2017, must be deposited in the</u>			
3.20	<u>state general fund, to the extent permitted</u>			
3.21	<u>by agreements with the federal government.</u>			
3.22	<u>If agreements with the federal government</u>			
3.23	<u>do not permit federal funds received by the</u>			
3.24	<u>department to be deposited in the state general</u>			
3.25	<u>fund, the general fund appropriation to the</u>			
3.26	<u>department for the biennium ending June 30,</u>			
3.27	<u>2017, is reduced by the amount of the federal</u>			
3.28	<u>funds received during the biennium.</u>			
3.29	Sec. 9. <u>VETERANS AFFAIRS</u>	\$	<u>-0-</u> \$	<u>500,000</u>
3.30	<u>\$100,000 is for a grant to Eagle's Healing Nest</u>			
3.31	<u>for assisting veterans who are reintegrating</u>			
3.32	<u>back into civilian and family life.</u>			

4.1 \$300,000 is for the state soldiers assistance
4.2 fund, for housing assistance and health
4.3 assistance to veterans.

4.4 \$100,000 is to support nonprofit organizations
4.5 in providing rent subsidies for housing for
4.6 veterans and their families at the Cottages
4.7 of Anoka.

4.8 The appropriations in this section are
4.9 onetime.

4.10 Sec. 10. **MILITARY AFFAIRS** \$ **1,562,000** \$ **248,000**
4.11 This appropriation is for security
4.12 improvements at National Guard facilities.

4.13 Sec. 11. **SAVINGS; APPROPRIATION REDUCTION FOR EXECUTIVE**
4.14 **AGENCIES.**

4.15 (a) The commissioner of management and budget must reduce general fund
4.16 appropriations to executive agencies, including constitutional offices for agency operations
4.17 for the biennium ending June 30, 2017, by \$6,519,000. The Minnesota State Colleges
4.18 and Universities system is not an executive agency for purposes of this section. The
4.19 commissioner must not reduce appropriations to the Department of Veterans Affairs,
4.20 Military Affairs, Human Services, Corrections, or Public Safety. To the greatest extent
4.21 possible, these reductions must come from savings provided by the cost-savings measures
4.22 contained in this act, including:

4.23 (1) reductions in salaries of commissioners and deputy and assistant commissioners;
4.24 (2) hiring freeze; and
4.25 (3) reductions in agency expenditures on nonessential travel and advertising.

4.26 (b) The commissioner of management and budget must report to the chairs
4.27 and ranking minority members of the senate Finance Committee and the house of
4.28 representatives Ways and Means and Finance Committees regarding the amount of
4.29 reductions in spending by each agency under this section.

4.30 (c) Reductions made in fiscal year 2017 must be reflected as reductions in agency
4.31 base budgets for fiscal years 2018 and 2019.

4.32 Sec. 12. **HIRING FREEZE.**

5.1 Subdivision 1. **Application of freeze.** A state employer may not hire any permanent
5.2 or temporary employees before July 1, 2017. For purposes of this section, "state employer"
5.3 means state elected officials, departments, boards, agencies, commissions, offices, and
5.4 other hiring entities in the executive and legislative branches of state government, as those
5.5 branches are defined in Minnesota Statutes, section 43A.02. State employer does not
5.6 include the Minnesota State Colleges and Universities system.

5.7 Subd. 2. **Freeze exceptions.** (a) Subdivision 1 does not apply to:

- 5.8 (1) a student in a work-study position; or
5.9 (2) a position that is necessary to perform essential government services.

5.10 (b) A determination under paragraph (a), clause (2), must be made by the speaker
5.11 of the house with respect to house employees, the chair of the Committee on Rules
5.12 and Administration with respect to senate employees, and the Legislative Coordinating
5.13 Commission with respect to its employees, by a constitutional officer with respect to
5.14 employees of the constitutional office, and by the governor with respect to any other
5.15 employee covered by this section. Exceptions granted under paragraph (a), clause (2),
5.16 must be reported monthly by the entity granting the exception. The reports must be
5.17 published on the entity's Web site, and copies must be provided to the chairs of the house
5.18 of representatives Ways and Means and senate finance committees and to the Legislative
5.19 Reference Library.

5.20 **Sec. 13. NO NONESSENTIAL TRAVEL.**

5.21 During the biennium ending June 30, 2017, state funds may not be used to pay
5.22 for nonessential travel for employees of executive agencies. The governor must report
5.23 any travel monthly on the governor's Web site, and by providing copies to the chairs
5.24 of the house of representatives Ways and Means and senate finance committees and to
5.25 the Legislative Reference Library.

5.26 **Sec. 14. LIMIT ON EXPENDITURES FOR ADVERTISING.**

5.27 During the fiscal year ending June 30, 2017, an executive branch agency's spending
5.28 on advertising and promotions may not exceed 90 percent of the amount the agency
5.29 spent on advertising and promotions during the fiscal year ending June 30, 2016. The
5.30 commissioner of management and budget must ensure compliance with this limit, and
5.31 may issue guidelines and policies to executive agencies. The commissioner may forbid
5.32 an agency from engaging in advertising as the commissioner determines is necessary to
5.33 ensure compliance with this section. This section does not apply to the Minnesota Lottery
5.34 or Explore Minnesota Tourism. Spending during the biennium ending June 30, 2017, on

6.1 advertising relating to a declared emergency, an emergency, or a disaster, as those terms
6.2 are defined in Minnesota Statutes, section 12.03, is excluded for purposes of this section.

6.3 **Sec. 15. EXECUTIVE AGENCY MANAGERS.**

6.4 The salaries for the heads of all departments or agencies listed in Minnesota
6.5 Statutes, section 15.06, subdivision 1, are reduced by five percent. The salaries for
6.6 all deputy commissioners and assistant commissioners of agencies listed in Minnesota
6.7 Statutes, section 15.06, subdivision 1, are reduced by five percent. The commissioner
6.8 of management and budget must reduce the number of deputy commissioner and
6.9 assistant commissioner positions in agencies listed in Minnesota Statutes, section 15.06,
6.10 subdivision 1, by five percent.

6.11 **Sec. 16. TRANSITION.**

6.12 Notwithstanding any law to the contrary, receipts from examinations conducted by
6.13 the state auditor must be credited to the general fund beginning July 1, 2016. Amounts in
6.14 the state auditor enterprise fund are transferred to the general fund on July 1, 2016.

6.15 **Sec. 17. PUBLIC SUBSIDY PROGRAM SUSPENDED.**

6.16 Notwithstanding any law to the contrary, the public subsidy program for state
6.17 elections does not apply for the remainder of the biennium ending June 30, 2017. During
6.18 this period:

6.19 (1) no appropriations or transfers shall be made from the general fund to the state
6.20 elections campaign account;

6.21 (2) no public subsidy payments shall be made from the state elections campaign
6.22 account for any general or special election; and

6.23 (3) any written agreements made by a candidate as a condition of receiving a
6.24 payment are not effective for that election.

6.25 Amounts designated on income tax and property tax refund returns filed after the effective
6.26 date of this section and before June 30, 2017, are not effective and remain in the general
6.27 fund.

6.28 **ARTICLE 2**

6.29 **STATE GOVERNMENT**

6.30 Section 1. Minnesota Statutes 2014, section 3.971, is amended by adding a subdivision
6.31 to read:

7.1 Subd. 8a. **Fiscal notes and revenue estimates.** The legislative auditor shall
7.2 participate in the fiscal note and revenue estimate process in the manner described in
7.3 section 3.98. Authority of the legislative auditor and duties of employees and entities
7.4 under section 3.978, subdivision 2, apply to the legislative auditor's work on fiscal notes
7.5 and revenue estimates.

7.6 Sec. 2. Minnesota Statutes 2014, section 3.98, is amended to read:

7.7 **3.98 FISCAL NOTES AND REVENUE ESTIMATES.**

7.8 Subdivision 1. **Preparation.** ~~The head or chief administrative officer of each~~
7.9 ~~department or agency of the state government, including the Supreme Court,~~ shall prepare
7.10 a fiscal note at the request of the chair of the standing committee to which a bill has been
7.11 referred, or the chair of the house of representatives Ways and Means Committee, or the
7.12 chair of the senate Committee on Finance.

7.13 For purposes of this subdivision, "Supreme Court" includes all agencies, committees,
7.14 and commissions supervised or appointed by the state Supreme Court or the state court
7.15 administrator. (a) The chair of the standing committee to which a bill has been referred,
7.16 the chair of the house of representatives Ways and Means Committee, and the chair
7.17 of the senate Finance Committee may request a fiscal note. The chair of the house of
7.18 representatives or senate Tax Committee may request a revenue estimate. A request for a
7.19 fiscal note or revenue estimate must be filed with the legislative auditor.

7.20 (b) Upon receiving a request for a fiscal note or revenue estimate, the legislative
7.21 auditor shall request appropriate agencies, offices, boards, or commissions in the executive,
7.22 judicial, or legislative branch to provide the legislative auditor with an analysis of the
7.23 financial and personnel impacts of the bill. The analysis must include a clear statement
7.24 of the assumptions used in the analysis and the extent to which alternative assumptions
7.25 were considered. Agencies, offices, boards, or commissions shall, after receiving a request
7.26 from the legislative auditor, submit the analysis in the time and manner requested by the
7.27 auditor. The legislative auditor may require agencies, offices, boards, or commissions to
7.28 use the fiscal note tracking system developed and maintained by the commissioner of
7.29 management and budget for submitting fiscal note information and analysis.

7.30 (c) The legislative auditor shall review the analysis submitted by agencies, offices,
7.31 boards, or commissions and assess the reasonableness of the analysis, particularly the
7.32 reasonableness of the assumptions used in the analysis. The auditor may require agencies,
7.33 offices, boards, or commissions to resubmit their analysis under new assumptions or
7.34 calculation parameters as defined by the auditor.

8.1 (d) When the legislative auditor accepts the final analysis from all relevant agencies,
8.2 offices, boards, or commissions, the legislative auditor shall deliver the completed
8.3 fiscal note or revenue estimate. The note or estimate must contain the final analysis
8.4 and assumptions submitted to the legislative auditor by agencies, offices, boards, or
8.5 commissions, and a statement by the legislative auditor as to whether the legislative
8.6 auditor agrees with the final analysis and assumptions. The auditor must state the
8.7 reasons for any disagreements and may offer alternative analysis and assumptions for
8.8 consideration by the legislature. If the legislative auditor deems these disagreements
8.9 sufficiently large, the legislative auditor may submit an unofficial "unapproved" fiscal note
8.10 to the legislature for public consideration of both the analysis of the agencies, offices,
8.11 boards, or commissions, and of the legislative auditor.

8.12 Subd. 2. **Contents.** (a) ~~The~~ A fiscal note, where possible, shall:

- 8.13 (1) cite the effect in dollar amounts;
- 8.14 (2) cite the statutory provisions affected;
- 8.15 (3) estimate the increase or decrease in revenues or expenditures;
- 8.16 (4) include the costs which may be absorbed without additional funds;
- 8.17 (5) include the assumptions used in determining the cost estimates; and
- 8.18 (6) specify any long-range implication.

8.19 (b) ~~The~~ A revenue estimate must estimate the effect of a bill on state tax revenues.

8.20 (c) ~~A~~ A fiscal note ~~or~~ revenue estimate may comment on technical or mechanical
8.21 defects in the bill but shall express no opinions concerning the merits of the proposal.

8.22 Subd. 3. **Distribution.** A copy of ~~the~~ a fiscal note shall be delivered to the chair
8.23 of the Ways and Means Committee of the house of representatives, the chair of the
8.24 Finance Committee of the senate, the chair of the standing committee to which the bill
8.25 has been referred, to the chief author of the bill and to the commissioner of management
8.26 and budget. ~~A copy of a revenue estimate shall be delivered to the chairs of the house~~
8.27 ~~of representatives and senate tax committees, to the chief author of the bill, and to the~~
8.28 ~~commissioner of revenue.~~

8.29 Subd. 4. **Uniform procedure.** ~~The commissioner of management and budget~~
8.30 ~~legislative auditor~~ shall prescribe a uniform procedure to govern the departments and
8.31 agencies of the state in complying with the requirements of this section.

8.32 Subd. 5. **Tracking system.** ~~The commissioner of management and budget shall~~
8.33 ~~provide the legislative auditor with manuals and other documentation requested by the~~
8.34 ~~auditor for the fiscal note tracking system that is maintained by the commissioner.~~

8.35 Sec. 3. Minnesota Statutes 2014, section 3.987, subdivision 1, is amended to read:

9.1 Subdivision 1. **Local impact notes.** The ~~commissioner of management and budget~~
9.2 legislative auditor shall coordinate the development of a local impact note for any proposed
9.3 legislation ~~introduced after June 30, 1997~~, upon request of the chair or the ranking minority
9.4 member of either legislative Tax, Finance, or Ways and Means Committee. Upon receipt
9.5 of a request to prepare a local impact note, the ~~commissioner~~ auditor must notify the
9.6 authors of the proposed legislation that the request has been made. The local impact note
9.7 must be made available to the public upon request. If the action is among the exceptions
9.8 listed in section 3.988, a local impact note need not be requested nor prepared. The
9.9 ~~commissioner~~ auditor shall make a reasonable and timely estimate of the local fiscal impact
9.10 on each type of political subdivision that would result from the proposed legislation. The
9.11 ~~commissioner of management and budget~~ auditor may require any political subdivision or
9.12 the commissioner of an administrative agency of the state to supply in a timely manner
9.13 any information determined to be necessary to determine local fiscal impact. The political
9.14 subdivision, its representative association, or commissioner shall convey the requested
9.15 information to the ~~commissioner of management and budget~~ auditor with a signed
9.16 statement to the effect that the information is accurate and complete to the best of its ability.
9.17 The political subdivision, its representative association, or commissioner, when requested,
9.18 shall update its determination of local fiscal impact based on actual cost or revenue figures,
9.19 improved estimates, or both. Upon completion of the note, the ~~commissioner~~ auditor must
9.20 provide a copy to the authors of the proposed legislation and to the chair and ranking
9.21 minority member of each committee to which the proposed legislation is referred.

9.22 Sec. 4. Minnesota Statutes 2015 Supplement, section 6.481, subdivision 6, is amended
9.23 to read:

9.24 Subd. 6. **Payments to state auditor.** A county audited by the state auditor must
9.25 pay the state auditor for the costs and expenses of the audit. If the state auditor makes
9.26 additional examinations of a county whose audit is performed by a CPA firm, the county
9.27 must pay the auditor for the cost of these examinations. Payments must be deposited in
9.28 the ~~state auditor enterprise general~~ fund.

9.29 Sec. 5. Minnesota Statutes 2014, section 6.56, subdivision 2, is amended to read:

9.30 Subd. 2. **Billings by state auditor.** Upon the examination of the books, records,
9.31 accounts, and affairs of any political subdivision, as provided by law, such political
9.32 subdivision shall be liable to the state for the total cost and expenses of such examination,
9.33 including the salaries paid to the examiners while actually engaged in making such
9.34 examination. The state auditor may bill such political subdivision periodically for service

10.1 rendered and the officials responsible for approving and paying claims are authorized to
10.2 pay said bill promptly. Said payments shall be without prejudice to any defense against
10.3 said claims that may exist or be asserted. The state auditor enterprise general fund shall be
10.4 credited with all collections made for any such examinations, including interest payments
10.5 made pursuant to subdivision 3.

10.6 Sec. 6. Minnesota Statutes 2014, section 6.581, subdivision 4, is amended to read:

10.7 Subd. 4. **Reports to legislature.** At least 30 days before implementing increased
10.8 charges for examinations, the state auditor must report the proposed increases to the
10.9 chairs and ranking minority members of the committees in the house of representatives
10.10 and the senate with jurisdiction over the budget of the state auditor. By January 15 of
10.11 each odd-numbered year, the state auditor must report to the chairs and ranking minority
10.12 members of the legislative committees and divisions with primary jurisdiction over the
10.13 budget of the state auditor a summary of the state auditor enterprise fund anticipated
10.14 revenues, and expenditures related to examinations for the biennium ending June 30
10.15 of that year. The report must also include for the biennium the number of full-time
10.16 equivalents paid by the fund in the audit practice division, any audit rate changes stated as
10.17 a percentage, the number of audit reports issued, and the number of counties audited.

10.18 Sec. 7. **[16A.0565] CENTRALIZED TRACKING LIST OF AGENCY**

10.19 **PROJECTS.**

10.20 Subdivision 1. **Centralized tracking.** The commissioner must maintain a
10.21 centralized tracking list of new agency projects estimated to cost more than \$100,000 that
10.22 are paid for from the general fund.

10.23 Subd. 2. **New agency project.** (a) For purposes of this section a "new agency
10.24 project" means:

10.25 (1) any new agency program or activity with more than \$100,000 in funding from
10.26 the general fund; and

10.27 (2) any preexisting agency program or activity with an increase of \$100,000 or more
10.28 above the base level in general fund support.

10.29 (b) For purposes of this section, a new agency project does not include:

10.30 (1) general aid programs for units of local government, or entitlement programs
10.31 providing assistance to individuals; or

10.32 (2) a new program or activity or increase in a program or activity that is mandated
10.33 by law.

11.1 Subd. 3. Transparency requirements. The centralized tracking list maintained by
11.2 the commissioner must report the following for each new agency project:

- 11.3 (1) the name of the agency and title of the project;
11.4 (2) a brief description of the project and its purposes;
11.5 (3) the extent to which the project has been implemented; and
11.6 (4) the amount of money that has been spent on the project.

11.7 Subd. 4. Timing and reporting. The commissioner must display the information
11.8 required by subdivision 3 on the department's Web site. The list shall be maintained in a
11.9 widely available and common document format such as a spreadsheet that does not require
11.10 any new costs to develop. The commissioner must report this information to the chairs of
11.11 the house of representatives Ways and Means Committee and senate Finance Committee
11.12 quarterly, and must update the information on the Web site at least quarterly.

11.13 Sec. 8. Minnesota Statutes 2014, section 16A.103, is amended by adding a subdivision
11.14 to read:

11.15 Subd. 1h. Revenue uncertainty information. The commissioner shall report
11.16 to the legislature within 14 days of a forecast under subdivision 1 on uncertainty in
11.17 Minnesota's general fund revenue projections. The report shall present information on: (1)
11.18 the estimated range of forecast error for revenues; and (2) the data and methods used to
11.19 construct those measurements.

11.20 **Sec. 9. [16A.104] FEDERAL FUNDS REPORT.**

11.21 The commissioner must report to the chairs and ranking minority members of the
11.22 house of representatives Ways and Means and senate Finance Committee on receipt of
11.23 federal funds by the state. The report must be submitted with the governor's detailed
11.24 operating budget in accordance with section 16A.11, subdivision 1, in an odd-numbered
11.25 year and within ten days prior to the start of the regular session in accordance with section
11.26 3.3005, subdivision 2, in an even-numbered year. The report must include the total amount
11.27 of federal funds received by the state in the fiscal year ending the prior June 30 and the
11.28 total amount of federal funds anticipated to be received by the state in the current fiscal
11.29 year. For each category of federal funding, the report must list:

11.30 (1) the name of the federal grant or federal funding source, the federal agency
11.31 providing the funding, a federal identification number, and a brief description of the
11.32 purpose of the federal funding;

12.1 (2) the amount of federal funding the state received through that grant or source in
12.2 the fiscal year ending the prior June 30 and the total amount of federal funds anticipated to
12.3 be received by the state in the current fiscal year;
12.4 (3) if there is a federal maintenance-of-effort requirement associated with the funding;
12.5 (4) the number of full-time equivalent state employees needed to implement the
12.6 federal funding; and
12.7 (5) the amount of state funds spent, as a match or otherwise, in conjunction with
12.8 receipt of the federal funding in the fiscal year ending the prior June 30, and the amount of
12.9 state funds anticipated to be spent in the current fiscal year.

12.10 Sec. 10. Minnesota Statutes 2014, section 16A.1283, is amended to read:

16A.1283 LEGISLATIVE APPROVAL REQUIRED FOR FEES.

12.12 (a) Notwithstanding any law to the contrary, an executive branch state agency may
12.13 not impose a new fee or increase an existing fee unless the new fee or increase is approved
12.14 by law. An agency must not propose a fee or fine increase of more than ten percent
12.15 in a biennium over the same fee or fine in law at the start of the same biennium. For
12.16 purposes of this section, a fee is any charge for goods, services, regulation, or licensure,
12.17 and, notwithstanding paragraph (b), clause (3), includes charges for admission to or for
12.18 use of public facilities owned by the state.

12.19 (b) This section does not apply to:

12.20 (1) charges billed within or between state agencies, or billed to federal agencies;
12.21 (2) the Minnesota State Colleges and Universities system;
12.22 (3) charges for goods and services provided for the direct and primary use of a
12.23 private individual, business, or other entity;
12.24 (4) charges that authorize use of state-owned lands and minerals administered by
12.25 the commissioner of natural resources by the issuance of leases, easements, cooperative
12.26 farming agreements, and land and water crossing licenses and charges for sales of
12.27 state-owned lands administered by the commissioner of natural resources; or
12.28 (5) state park fees and charges established by commissioner's order.

12.29 (c) An executive branch agency may reduce a fee that was set by rule before July
12.30 1, 2001, without legislative approval. Chapter 14 does not apply to fee reductions under
12.31 this paragraph.

12.32 Sec. 11. **[16A.6415] FEDERAL PENALTIES RELATING TO PURCHASE OR**
12.33 **SALE OF STATE BONDS.**

13.1 (a) The commissioner must disclose to the legislative auditor any situation that the
13.2 commissioner believes potentially could subject the state or a state agency to payment of a
13.3 penalty to the federal government in connection with the purchase or sale of bonds issued
13.4 by the state. This disclosure must be made within ten days of the commissioner learning
13.5 of the situation that has potential to subject the state to a federal penalty.

13.6 (b) Payment of a penalty to the federal government in connection with the purchase
13.7 or sale of state bonds issued by the state must be made from funds appropriated for general
13.8 operations of the department. If the commissioner determines that it is not feasible to pay
13.9 the penalty from these funds, the commissioner may seek approval under the process in
13.10 section 3.30 for use of contingent account appropriations.

13.11 (c) The commissioner must disclose to the legislative auditor and to the chairs and
13.12 ranking minority members of the house of representatives Ways and Means Committee,
13.13 senate Finance Committee, and house of representatives and senate committees with
13.14 jurisdiction over capital investment the payment of a penalty by the commissioner or a
13.15 state agency to the federal government in connection with the purchase or sale of bonds
13.16 issued by the state. A disclosure under this paragraph must be made within ten days of the
13.17 commissioner or a state agency paying the penalty.

13.18 Sec. 12. Minnesota Statutes 2014, section 16B.335, subdivision 1, is amended to read:

13.19 Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or
13.20 any other recipient to whom an appropriation is made to acquire or better public lands
13.21 or buildings or other public improvements of a capital nature, must not prepare final
13.22 plans and specifications for any construction, major remodeling, or land acquisition in
13.23 anticipation of which the appropriation was made until the agency that will use the
13.24 project has presented the program plan and cost estimates for all elements necessary to
13.25 complete the project to the chair of the senate Finance Committee and the chair of the
13.26 house of representatives Ways and Means Committee and the chairs have made their
13.27 recommendations, and the chair and ranking minority member of the senate Capital
13.28 Investment Committee and the chair and ranking minority member of the house of
13.29 representatives Capital Investment Committee are notified. "Construction or major
13.30 remodeling" means construction of a new building, a substantial addition to an existing
13.31 building, or a substantial change to the interior configuration of an existing building. The
13.32 presentation must note any significant changes in the work that will be done, or in its cost,
13.33 since the appropriation for the project was enacted or from the predesign submittal. The
13.34 program plans and estimates must be presented for review at least two weeks before a

14.1 recommendation is needed. The recommendations are advisory only. Failure or refusal to
14.2 make a recommendation is considered a negative recommendation.

14.3 (b) The chairs and ranking minority members of the senate Finance and Capital
14.4 Investment Committees and, the house of representatives Capital Investment and Ways
14.5 and Means Committees, and the house of representatives and senate budget committees or
14.6 divisions with jurisdiction over the agency that will use the project must also be notified
14.7 whenever there is a substantial change in a construction or major remodeling project, or in
14.8 its cost. This notice must include the nature and reason for the change, and the anticipated
14.9 cost of the change. The notice must be given no later than ten days after signing a change
14.10 order or other document authorizing a change in the project, or if there is not a change
14.11 order or other document, no later than ten days after the project owner becomes aware of a
14.12 substantial change in the project or its cost.

14.13 (b) (c) Capital projects exempt from the requirements of this subdivision in
14.14 paragraph (a) to seek recommendations before preparing final plans and specifications
14.15 include demolition or decommissioning of state assets, hazardous material projects, utility
14.16 infrastructure projects, environmental testing, parking lots, parking structures, park and
14.17 ride facilities, bus rapid transit stations, light rail lines, passenger rail projects, exterior
14.18 lighting, fencing, highway rest areas, truck stations, storage facilities not consisting
14.19 primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds,
14.20 athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer
14.21 separation projects, water and wastewater facilities, port development projects for which
14.22 the commissioner of transportation has entered into an assistance agreement under section
14.23 457A.04, ice centers, a local government project with a construction cost of less than
14.24 \$1,500,000, or any other capital project with a construction cost of less than \$750,000.
14.25 The requirements in paragraph (b) to give notice of changes applies to these projects.

14.26 **Sec. 13. [16B.336] NEW STATE BUILDINGS.**

14.27 Any requirement for legislative approval of construction of a state building may be
14.28 fulfilled only by approval of the entire legislature in a bill enacted into law, and may not be
14.29 fulfilled by approval of one or more committees of the legislature.

14.30 **Sec. 14. [16B.991] TERMINATION OF GRANT.**

14.31 Each grant agreement subject to sections 16B.97 and 16B.98 must provide that
14.32 the agreement will immediately be terminated if the recipient is convicted of a criminal
14.33 offense relating to a state grant agreement.

15.1 Sec. 15. **[16B.992] NO FEES FOR GENERAL FUND GRANT**

15.2 **ADMINISTRATION.**

15.3 An agency may not charge a recipient of a grant from the general fund a fee and
15.4 may not deduct money from the grant to pay administrative expenses incurred by the
15.5 agency in administering the grant.

15.6 Sec. 16. Minnesota Statutes 2014, section 16C.03, subdivision 16, is amended to read:

15.7 Subd. 16. **Delegation of duties.** (a) The commissioner may delegate duties imposed
15.8 by this chapter to the head of an agency and to any subordinate of the agency head. At
15.9 least once every three years the commissioner must audit use of authority under this
15.10 chapter by each employee whom the commissioner has delegated duties.

15.11 (b) The commissioner must develop guidelines for agencies and employees to whom
15.12 authority is delegated under this chapter that protect state legal interests. These guidelines
15.13 may provide for review by the commissioner when a specific contract has potential to put
15.14 the state's legal interests at risk.

15.15 Sec. 17. Minnesota Statutes 2014, section 16C.16, subdivision 5, is amended to read:

15.16 Subd. 5. **Designation of targeted groups.** (a) The commissioner of administration
15.17 shall periodically designate businesses that are majority owned and operated by women,
15.18 persons with a substantial physical disability, or specific minorities as targeted group
15.19 businesses within purchasing categories as determined by the commissioner. A group
15.20 may be targeted within a purchasing category if the commissioner determines there is a
15.21 statistical disparity between the percentage of purchasing from businesses owned by
15.22 group members and the representation of businesses owned by group members among all
15.23 businesses in the state in the purchasing category.

15.24 (b) In addition to designations under paragraph (a); (1) an individual business may
15.25 be included as a targeted group business if the commissioner determines that inclusion is
15.26 necessary to remedy discrimination against the owner based on race, gender, or disability
15.27 in attempting to operate a business that would provide goods or services to public
15.28 agencies; and (2) an individual business must be included as a targeted group business if
15.29 the business agrees that its workforce will be composed of at least 40 percent minority
15.30 persons or veterans, and that this agreement will be expressed as a condition of any
15.31 contract between the state and the business.

15.32 (c) The designations of purchasing categories and businesses under paragraphs
15.33 (a) and (b) are not rules for purposes of chapter 14, and are not subject to rulemaking
15.34 procedures of that chapter.

16.1 Sec. 18. **[43A.035] LIMIT ON NUMBER OF FULL-TIME EQUIVALENT**

16.2 **EMPLOYEES.**

16.3 The total number of full-time equivalent employees employed in all executive
16.4 branch agencies may not exceed 35,927. As provided in article 1, section 12, an executive
16.5 branch agency may not hire a new employee during the biennium ending June 30, 2017,
16.6 except as authorized in article 1, section 12. Any reductions in staff should prioritize
16.7 protecting client-facing health care workers, corrections officers, public safety workers,
16.8 and mental health workers. As a means of achieving compliance with this requirement,
16.9 the commissioner may authorize an agency to provide an early retirement incentive to an
16.10 executive branch employee, under which the state will continue to make the employer
16.11 contribution for health insurance after the employee has terminated state service. The
16.12 commissioner must prescribe eligibility requirements and the maximum duration of the
16.13 payments. For purposes of this section, an "executive agency" does not include the
16.14 Minnesota State Colleges and Universities or statewide pension plans.

16.15 Sec. 19. Minnesota Statutes 2015 Supplement, section 197.46, is amended to read:

16.16 **197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT
16.17 OF MANDAMUS.**

16.18 (a) Any person whose rights may be in any way prejudiced contrary to any of the
16.19 provisions of this section, shall be is entitled to a writ of mandamus to remedy the wrong.
16.20 No person holding a position by appointment or employment in the several counties any
16.21 county, cities city, towns town, school districts and all district, or any other political
16.22 subdivisions subdivision in the state, who is a veteran separated from the military service
16.23 under honorable conditions, shall be removed from such the position or employment
16.24 except for incompetency or misconduct shown after a hearing, upon due notice, upon
16.25 stated charges, in writing.

16.26 (b) Any veteran who has been notified of the intent to discharge the veteran from an
16.27 appointed position or employment pursuant to this section shall be notified in writing of
16.28 such the intent to discharge and of the veteran's right to request a hearing within 60 days
16.29 of receipt of the notice of intent to discharge. The failure of a veteran to request a hearing
16.30 within the provided 60-day period shall constitute constitutes a waiver of the right to a
16.31 hearing. Such The failure shall also waive waves all other available legal remedies for
16.32 reinstatement.

16.33 Request for a hearing concerning such a discharge shall be made in writing and
16.34 submitted by mail or personal service to the employment office of the concerned employer
16.35 or other appropriate office or person. If the veteran requests a hearing under this section,

17.1 such the written request must also contain the veteran's election to be heard by a civil
17.2 service board or commission, a merit authority, or a three-person panel board of three
17.3 persons as defined in paragraph (c). If the veteran fails to identify the veteran's election,
17.4 the governmental subdivision may select the hearing body.

17.5 (c) In all governmental subdivisions having an established civil service board or
17.6 commission, or merit system authority, such the veteran may elect to have the hearing for
17.7 removal or discharge shall be held before such the civil service board or commission or
17.8 merit system authority, or before a board of three persons as specified in this paragraph.
17.9 Where no such civil service board or commission or merit system authority exists, such
17.10 the hearing shall be held by a board of three persons appointed as follows: one by the
17.11 governmental subdivision, one by the veteran, and the third by the two so selected. In the
17.12 event that the hearing is authorized to be held before a three-person board of three persons,
17.13 the governmental subdivision's notice of intent to discharge shall state that the veteran must
17.14 respond within 60 days of receipt of the notice of intent to discharge, and provide in writing
17.15 to the governmental subdivision the name, United States mailing address, and telephone
17.16 number of the veteran's selected representative for the three-person board of three persons.
17.17 The failure of a veteran to submit the name, address, and telephone number of the veteran's
17.18 selected representative to the governmental subdivision by mail or by personal service
17.19 within the provided notice's 60-day period, shall constitute constitutes a waiver of the
17.20 veteran's right to the hearing and all other legal remedies available for reinstatement of the
17.21 veteran's employment position. In the event the two persons person selected by the veteran
17.22 and the person selected by the governmental subdivision do not appoint the third person
17.23 within ten days after the appointment of the last of the two, then the judge of the district
17.24 court of the county wherein where the proceeding is pending, or if there be is more than one
17.25 judge in said the county then any judge in chambers, shall have has jurisdiction to appoint;
17.26 and the third person. Upon application of either or both of the two so selected by the
17.27 person selected by the governmental subdivision or by the person selected by the veteran,
17.28 or upon application by both, the judge shall appoint; the third person to the board and the
17.29 person so appointed by the judge who with the two first selected shall constitute the board.

17.30 (d) Either the veteran or the governmental subdivision may appeal from the decision
17.31 of the board hearing body upon the charges to the district court by causing written notice
17.32 of appeal, stating the grounds thereof of the appeal, to be served upon the other party
17.33 within 15 days after notice of the decision and by filing the original notice of appeal
17.34 with proof of service thereof in the office of the court administrator of the district court
17.35 within ten days after service thereof. Nothing in section 197.455 or this section shall be
17.36 construed to apply to the position of private secretary, superintendent of schools, or one

18.1 chief deputy of any elected official or head of a department, or to any person holding a
18.2 strictly confidential relation to the appointing officer. Nothing in this section shall be
18.3 construed to apply to the position of teacher. The burden of establishing such relationship
18.4 shall be upon the appointing officer in all proceedings and actions relating thereto.

18.5 (e) For disputes heard by a civil service board, commission or merit system authority,
18.6 or by a board of three persons, the political governmental subdivisions shall bear all costs
18.7 associated with the hearing but not including attorney fees for attorneys representing the
18.8 veteran. ~~For disputes heard by a three-person panel, all parties shall bear equally all costs~~
18.9 ~~associated with the hearing, but not including attorney fees for attorneys representing the~~
18.10 ~~veteran.~~ If the veteran prevails in a dispute heard by a civil service board ~~or a three-person~~
18.11 ~~panel, commission or merit system authority, or by a board of three persons~~ and the hearing
18.12 reverses ~~all aspects of the level of the alleged incompetency or misconduct requiring~~
18.13 discharge, the governmental subdivision shall pay the veteran's reasonable attorney fees.

18.14 (f) All officers, boards, commissions, and employees shall conform to, comply with,
18.15 and aid in all proper ways in carrying into effect the provisions of section 197.455 and this
18.16 section notwithstanding any laws, charter provisions, ordinances or rules to the contrary.
18.17 Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

18.18 Sec. 20. Minnesota Statutes 2014, section 298.22, subdivision 1, is amended to read:

18.19 **Subdivision 1. The Office of the Commissioner of Iron Range resources**

18.20 **and rehabilitation.** (a) The Office of the Commissioner of Iron Range resources and
18.21 rehabilitation is created as an agency in the executive branch of state government. The
18.22 governor shall appoint the commissioner of Iron Range resources and rehabilitation under
18.23 section 15.06.

18.24 (b) The commissioner may hold other positions or appointments that are not
18.25 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The
18.26 commissioner may appoint a deputy commissioner. All expenses of the commissioner,
18.27 including the payment of staff and other assistance as may be necessary, must be paid
18.28 out of the amounts appropriated by section 298.28 or otherwise made available by law
18.29 to the commissioner. ~~Notwithstanding chapters 16A, 16B, and 16C, the commissioner~~
18.30 ~~may utilize contracting options available under section 471.345 when the commissioner~~
18.31 ~~determines it is in the best interest of the agency. The agency is not subject to sections~~
18.32 ~~16E.016 and 16C.05.~~

18.33 (c) When the commissioner determines that distress and unemployment exists or
18.34 may exist in the future in any county by reason of the removal of natural resources or
18.35 a possibly limited use of natural resources in the future and any resulting decrease in

employment, the commissioner may use whatever amounts of the appropriation made to the commissioner of revenue in section 298.28 that are determined to be necessary and proper in the development of the remaining resources of the county and in the vocational training and rehabilitation of its residents, except that the amount needed to cover cost overruns awarded to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in effect after July 1, 1985, is appropriated from the general fund. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

Sec. 21. Minnesota Statutes 2014, section 299A.41, subdivision 3, is amended to read:

Subd. 3. Killed in the line of duty. "Killed in the line of duty" does not include deaths from natural causes, except as provided in this subdivision. In the case of a ~~peaee~~ public safety officer, "killed in the line of duty" includes the death of ~~an~~ a public safety officer caused by accidental means while the ~~peaee~~ public safety officer is acting in the course and scope of duties as a ~~peaee~~ public safety officer. Killed in the line of duty also means if a public safety officer dies as the direct and proximate result of a heart attack, stroke, or vascular rupture, that officer shall be presumed to have died as the direct and proximate result of a personal injury sustained in the line of duty if:

(1) that officer, while on duty:

(i) engaged in a situation, and that engagement involved nonroutine stressful or strenuous physical law enforcement, fire suppression, rescue, hazardous material response, emergency medical services, prison security, disaster relief, or other emergency response activity; or

(ii) participated in a training exercise, and that participation involved nonroutine stressful or strenuous physical activity;

(2) that officer died as a result of a heart attack, stroke, or vascular rupture suffered:

(i) while engaging or participating under clause (1);

(ii) while still on duty after engaging or participating under clause (1); or

(iii) not later than 24 hours after engaging or participating under clause (1); and

(3) the presumption is not overcome by competent medical evidence to the contrary.

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

Sec. 22. Minnesota Statutes 2014, section 327C.095, subdivision 13, is amended to read:

Subd. 13. Change in use, relocation expenses; payments by park owner. (a)

If a manufactured home owner is required to relocate due to the conversion of all or a portion of a manufactured home park to another use, the closure of a manufactured home

20.1 park, or cessation of use of the land as a manufactured home park under subdivision 1,
20.2 and the manufactured home owner complies with the requirements of this section, the
20.3 manufactured home owner is entitled to payment from the Minnesota manufactured home
20.4 relocation trust fund equal to the manufactured home owner's actual relocation costs for
20.5 relocating the manufactured home to a new location within a 25-mile radius of the park
20.6 that is being closed, up to a maximum of ~~\$4,000~~ \$7,000 for a single-section and \$8,000
20.7 \$12,500 for a multisection manufactured home. The actual relocation costs must include
20.8 the reasonable cost of taking down, moving, and setting up the manufactured home,
20.9 including equipment rental, utility connection and disconnection charges, minor repairs,
20.10 modifications necessary for transportation of the home, necessary moving permits and
20.11 insurance, moving costs for any appurtenances, which meet applicable local, state, and
20.12 federal building and construction codes.

20.13 (b) A manufactured home owner is not entitled to compensation under paragraph (a)
20.14 if the manufactured home park owner is not required to make a payment to the Minnesota
20.15 manufactured home relocation trust fund under subdivision 12, paragraph (b).

20.16 (c) Except as provided in paragraph (e), in order to obtain payment from the
20.17 Minnesota manufactured home relocation trust fund, the manufactured home owner shall
20.18 submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy
20.19 to the park owner, an application for payment, which includes:

20.20 (1) a copy of the closure statement under subdivision 1;

20.21 (2) a copy of the contract with a moving or towing contractor, which includes the
20.22 relocation costs for relocating the manufactured home;

20.23 (3) a statement with supporting materials of any additional relocation costs as
20.24 outlined in subdivision 1;

20.25 (4) a statement certifying that none of the exceptions to receipt of compensation
20.26 under subdivision 12, paragraph (b), apply to the manufactured home owner;

20.27 (5) a statement from the manufactured park owner that the lot rental is current
20.28 and that the annual \$12 payments to the Minnesota manufactured home relocation trust
20.29 fund have been paid when due; and

20.30 (6) a statement from the county where the manufactured home is located certifying
20.31 that personal property taxes for the manufactured home are paid through the end of that year.

20.32 (d) If the neutral third party has acted reasonably and does not approve or deny
20.33 payment within 45 days after receipt of the information set forth in paragraph (c), the
20.34 payment is deemed approved. Upon approval and request by the neutral third party,
20.35 the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50
20.36 percent of the contract price payable to the mover and towing contractor for relocating

21.1 the manufactured home in the amount of the actual relocation cost, plus a check to the
21.2 home owner for additional certified costs associated with third-party vendors, that were
21.3 necessary in relocating the manufactured home. The moving or towing contractor shall
21.4 receive 50 percent upon execution of the contract and 50 percent upon completion of
21.5 the relocation and approval by the manufactured home owner. The moving or towing
21.6 contractor may not apply the funds to any other purpose other than relocation of the
21.7 manufactured home as provided in the contract. A copy of the approval must be forwarded
21.8 by the neutral third party to the park owner with an invoice for payment of the amount
21.9 specified in subdivision 12, paragraph (a).

21.10 (e) In lieu of collecting a relocation payment from the Minnesota manufactured
21.11 home relocation trust fund under paragraph (a), the manufactured home owner may collect
21.12 an amount from the fund after reasonable efforts to relocate the manufactured home
21.13 have failed due to the age or condition of the manufactured home, or because there are
21.14 no manufactured home parks willing or able to accept the manufactured home within a
21.15 25-mile radius. A manufactured home owner may tender title of the manufactured home in
21.16 the manufactured home park to the manufactured home park owner, and collect an amount
21.17 to be determined by an independent appraisal. The appraiser must be agreed to by both
21.18 the manufactured home park owner and the manufactured home owner. If the appraised
21.19 market value cannot be determined, the tax market value, averaged over a period of five
21.20 years, can be used as a substitute. The maximum amount that may be reimbursed under
21.21 the fund is ~~a maximum of \$5,000~~ \$8,000 for a single-section and ~~\$9,000~~ \$14,500 for a
21.22 multisection manufactured home. The minimum amount that may be reimbursed under the
21.23 fund is \$4,000 for a single section and \$8,000 for a multisection manufactured home. The
21.24 manufactured home owner shall deliver to the manufactured home park owner the current
21.25 certificate of title to the manufactured home duly endorsed by the owner of record, and
21.26 valid releases of all liens shown on the certificate of title, and a statement from the county
21.27 where the manufactured home is located evidencing that the personal property taxes have
21.28 been paid. The manufactured home owner's application for funds under this paragraph
21.29 must include a document certifying that the manufactured home cannot be relocated, that
21.30 the lot rental is current, that the annual \$12 payments to the Minnesota manufactured home
21.31 relocation trust fund have been paid when due, that the manufactured home owner has
21.32 chosen to tender title under this section, and that the park owner agrees to make a payment
21.33 to the commissioner of management and budget in the amount established in subdivision
21.34 12, paragraph (a), less any documented costs submitted to the neutral third party, required
21.35 for demolition and removal of the home, and any debris or refuse left on the lot, not to
21.36 exceed \$1,000. The manufactured home owner must also provide a copy of the certificate

22.1 of title endorsed by the owner of record, and certify to the neutral third party, with a copy
22.2 to the park owner, that none of the exceptions to receipt of compensation under subdivision
22.3 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner, and that the
22.4 home owner will vacate the home within 60 days after receipt of payment or the date of
22.5 park closure, whichever is earlier, provided that the monthly lot rent is kept current.

22.6 (f) The Minnesota Housing Finance Agency must make a determination of the
22.7 amount of payment a manufactured home owner would have been entitled to under a local
22.8 ordinance in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured
22.9 home owner's compensation for relocation costs from the fund under section 462A.35, is
22.10 the greater of the amount provided under this subdivision, or the amount under the local
22.11 ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner.
22.12 Nothing in this paragraph is intended to increase the liability of the park owner.

22.13 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall
22.14 be liable to any person for recovery if the funds in the Minnesota manufactured home
22.15 relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing
22.16 Finance Agency shall keep a record of the time and date of its approval of payment to a
22.17 claimant.

22.18 (h) The agency shall report to the chairs of the senate Finance Committee and
22.19 house of representatives Ways and Means Committee by January 15 of each year on
22.20 the Minnesota manufactured home relocation trust fund, including the account balance,
22.21 payments to claimants, the amount of any advances to the fund, the amount of any
22.22 insufficiencies encountered during the previous calendar year, and any administrative
22.23 charges or expenses deducted from the trust fund balance. If sufficient funds become
22.24 available, the Minnesota Housing Finance Agency shall pay the manufactured home
22.25 owner whose unpaid claim is the earliest by time and date of approval.

22.26 Sec. 23. Minnesota Statutes 2014, section 353.01, subdivision 43, is amended to read:

22.27 Subd. 43. **Line of duty death.** "Line of duty death" means:

22.28 (1) a death that occurs while performing or as a direct result of performing normal or
22.29 less frequent duties which are specific to protecting the property and personal safety of
22.30 others and that present inherent dangers that are specific to the positions covered by the
22.31 public employees police and fire plan; or

22.32 (2) a death determined by the commissioner of public safety to meet the requirements
22.33 of section 299A.41, subdivision 3.

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

23.1 Sec. 24. Minnesota Statutes 2014, section 462.355, subdivision 4, is amended to read:

23.2 Subd. 4. **Interim ordinance.** (a) If a municipality is conducting studies or has
23.3 authorized a study to be conducted or has held or has scheduled a hearing for the purpose
23.4 of considering adoption or amendment of a comprehensive plan or official controls
23.5 as defined in section 462.352, subdivision 15, or if new territory for which plans or
23.6 controls have not been adopted is annexed to a municipality, the governing body of the
23.7 municipality may adopt an interim ordinance applicable to all or part of its jurisdiction for
23.8 the purpose of protecting the planning process and the health, safety and welfare of its
23.9 citizens. The interim ordinance may regulate, restrict, or prohibit any use, development,
23.10 or subdivision within the jurisdiction or a portion thereof for a period not to exceed one
23.11 year from the date it is effective.

23.12 (b) If a proposed interim ordinance purports to regulate, restrict, or prohibit activities
23.13 relating to livestock production, a public hearing must be held following a ten-day notice
23.14 given by publication in a newspaper of general circulation in the municipality before
23.15 the interim ordinance takes effect.

23.16 (c) If a proposed interim ordinance by a statutory or home rule charter city purports
23.17 to regulate, restrict, or prohibit activities relating to housing, a public hearing must be held
23.18 following a ten-day notice given by publication in a newspaper of general circulation in
23.19 the municipality before the interim ordinance takes effect.

23.20 (d) The period of an interim ordinance applicable to an area that is affected by
23.21 a city's master plan for a municipal airport may be extended for such additional periods
23.22 as the municipality may deem appropriate, not exceeding a total additional period of 18
23.23 months. In all other cases, no interim ordinance may halt, delay, or impede a subdivision
23.24 that has been given preliminary approval, nor may any interim ordinance extend the
23.25 time deadline for agency action set forth in section 15.99 with respect to any application
23.26 filed prior to the effective date of the interim ordinance. The governing body of the
23.27 municipality may extend the interim ordinance after a public hearing and written findings
23.28 have been adopted based upon one or more of the conditions in clause (1), (2), or (3).
23.29 The public hearing must be held at least 15 days but not more than 30 days before the
23.30 expiration of the interim ordinance, and notice of the hearing must be published at least
23.31 ten days before the hearing. The interim ordinance may be extended for the following
23.32 conditions and durations, but, except as provided in clause (3), an interim ordinance may
23.33 not be extended more than an additional 18 months:

23.34 (1) up to an additional 120 days following the receipt of the final approval or review
23.35 by a federal, state, or metropolitan agency when the approval is required by law and the

24.1 review or approval has not been completed and received by the municipality at least 30
24.2 days before the expiration of the interim ordinance;

24.3 (2) up to an additional 120 days following the completion of any other process
24.4 required by a state statute, federal law, or court order, when the process is not completed at
24.5 least 30 days before the expiration of the interim ordinance; or

24.6 (3) up to an additional one year if the municipality has not adopted a comprehensive
24.7 plan under this section at the time the interim ordinance is enacted.

24.8 **EFFECTIVE DATE.** This section is effective for interim ordinances proposed on
24.9 or after August 1, 2016.

24.10 Sec. 25. Minnesota Statutes 2014, section 471.6161, subdivision 8, is amended to read:

24.11 Subd. 8. **School districts; group health insurance coverage.** (a) Any entity
24.12 providing group health insurance coverage to a school district must provide the school
24.13 district with school district-specific nonidentifiable aggregate claims records for the most
24.14 recent 24 months within 30 days of the request.

24.15 (b) School districts shall request proposals for group health insurance coverage as
24.16 provided in subdivision 2 from a minimum of three potential sources of coverage. One of
24.17 these requests must go to an administrator governed by chapter 43A. Entities referenced
24.18 in subdivision 1 must respond to requests for proposals received directly from a school
24.19 district. School districts that are self-insured must also follow these provisions, except
24.20 as provided in paragraph (f). School districts must make requests for proposals at least
24.21 150 days prior to the expiration of the existing contract but not more frequently than once
24.22 every 24 months. The request for proposals must include the most recently available
24.23 24 months of nonidentifiable aggregate claims data. The request for proposals must be
24.24 publicly released at or prior to its release to potential sources of coverage.

24.25 (c) School district contracts for group health insurance must not be longer than two
24.26 five years unless the exclusive representative of the largest employment group and the
24.27 school district agree otherwise, except that contracts for group health insurance negotiated
24.28 in connection with a service cooperative, governed by section 123A.21, must not be
24.29 longer than four years.

24.30 (d) All initial proposals shall be sealed upon receipt until they are all opened no less
24.31 than 90 days prior to the plan's renewal date in the presence of up to three representatives
24.32 selected by the exclusive representative of the largest group of employees. Section 13.591,
24.33 subdivision 3, paragraph (b), applies to data in the proposals. The representatives of
24.34 the exclusive representative must maintain the data according to this classification and

25.1 are subject to the remedies and penalties under sections 13.08 and 13.09 for a violation
25.2 of this requirement.

25.3 (e) A school district, in consultation with the same representatives referenced in
25.4 paragraph (d), may continue to negotiate with any entity that submitted a proposal under
25.5 paragraph (d) in order to reduce costs or improve services under the proposal. Following
25.6 the negotiations any entity that submitted an initial proposal may submit a final proposal
25.7 incorporating the negotiations, which is due no less than 75 days prior to the plan's
25.8 renewal date. All the final proposals submitted must be opened at the same time in the
25.9 presence of up to three representatives selected by the exclusive representative of the
25.10 largest group of employees. Notwithstanding section 13.591, subdivision 3, paragraph (b),
25.11 following the opening of the final proposals, all the proposals, including any made under
25.12 paragraph (d), and other data submitted in connection with the proposals are public data.
25.13 The school district may choose from any of the initial or final proposals without further
25.14 negotiations and in accordance with subdivision 5, but not sooner than 15 days after
25.15 the proposals become public data.

25.16 (f) School districts that are self-insured shall follow all of the requirements of this
25.17 section, except that:

25.18 (1) their requests for proposals may be for third-party administrator services, where
25.19 applicable;

25.20 (2) these requests for proposals must be from a minimum of three different sources,
25.21 which may include both entities referenced in subdivision 1 and providers of third-party
25.22 administrator services;

25.23 ~~(3) for purposes of fulfilling the requirement to request a proposal for group
25.24 insurance coverage from an administrator governed by chapter 43A, self-insured districts
25.25 are not required to include in the request for proposal the coverage to be provided;~~

25.26 ~~(4) a district that is self-insured on or before the date of enactment, or that is
25.27 self-insured with more than 1,000 insured lives, or a district in which the school board
25.28 adopted a motion on or before May 14, 2014, to approve a self-insured health care plan
25.29 to be effective July 1, 2014, may, but need not, request a proposal from an administrator
25.30 governed by chapter 43A;~~

25.31 ~~(5) (3) requests for proposals must be sent to providers no less than 90 days prior to
25.32 the expiration of the existing contract; and~~

25.33 ~~(6) (4) proposals must be submitted at least 60 days prior to the plan's renewal date
25.34 and all proposals shall be opened at the same time and in the presence of the exclusive
25.35 representative, where applicable.~~

(g) Nothing in this section shall restrict the authority granted to school district boards of education by section 471.59, except that districts will not be considered self-insured for purposes of this subdivision solely through participation in a joint powers arrangement.

(h) An entity providing group health insurance to a school district under a multiyear contract must give notice of any rate or plan design changes applicable under the contract at least 90 days before the effective date of any change. The notice must be given to the school district and to the exclusive representatives of employees.

(i) The exclusive representative of the largest group of employees shall comply with this subdivision and must not exercise any of their abilities under section 43A.316, subdivision 5, notwithstanding anything contained in that section, or any other law to the contrary.

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

Sec. 26. Minnesota Statutes 2014, section 471.617, subdivision 2, is amended to read:

Subd. 2. Jointly. Any two or more statutory or home rule charter cities, counties, school districts, or instrumentalities thereof which together have more than 100 employees may jointly self-insure for any employee health benefits including long-term disability, but not for employee life benefits, subject to the same requirements as an individual self-insurer under subdivision 1. Self-insurance pools under this section are subject to section 62L.045. A self-insurance pool established and operated by one or more service cooperatives governed by section 123A.21 to provide coverage described in this subdivision qualifies under this subdivision, but the individual school district members of such a pool shall not be considered to be self-insured for purposes of section 471.6161, subdivision 8, paragraph (f). The commissioner of commerce may adopt rules pursuant to chapter 14, providing standards or guidelines for the operation and administration of self-insurance pools.

Sec. 27. Laws 2015, chapter 77, article 1, section 11, subdivision 4, is amended to read:

Subd. 4. Fiscal Agent 12,957,000 11,737,000

The appropriations under this section are to the commissioner of administration for the purposes specified.

In-Lieu of Rent. \$8,158,000 the first year and \$8,158,000 the second year are for space costs of the legislature and veterans organizations, ceremonial space, and

27.1 statutorily free space. In-lieu of rent may be
27.2 used for rent loss and relocation expenses
27.3 related to the Capitol restoration in the fiscal
27.4 year 2014-2015 biennium and fiscal year
27.5 2016-2017 biennium.

27.6 **Relocation Expenses.** \$1,380,000 the first
27.7 year and \$960,000 the second year are for
27.8 rent loss and relocation expenses related
27.9 to the Capitol renovation project. This is a
27.10 onetime appropriation.

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

27.14 (b) \$550,000 the first year and \$250,000
27.15 the second year are for public television
27.16 equipment grants under Minnesota Statutes,
27.17 section 129D.13.

27.18 (c) The commissioner of administration
27.19 must consider the recommendations of the
27.20 Minnesota Public Television Association
27.21 before allocating the amount appropriated
27.22 in paragraphs (a) and (b) for equipment or
27.23 matching grants.

27.24 (d) \$592,000 the first year and \$392,000 the
27.25 second year are for community service grants
27.26 to public educational radio stations. This
27.27 appropriation may be used to disseminate
27.28 emergency information in foreign languages.

27.29 (e) \$167,000 the first year and \$117,000
27.30 the second year are for equipment grants
27.31 to public educational radio stations. This
27.32 appropriation may be used for the repair,
27.33 rental, and purchase of equipment including
27.34 equipment under \$500.

28.1 (f) \$560,000 the first year and \$310,000
28.2 the second year are for equipment grants
28.3 to Minnesota Public Radio, Inc., including
28.4 upgrades to Minnesota's Emergency Alert
28.5 and AMBER Alert Systems.

28.6 (g) The appropriations in paragraphs (d),
28.7 (e), and (f); may not be used for indirect
28.8 costs claimed by an institution or governing
28.9 body. The commissioner of administration
28.10 must consider the recommendations of
28.11 the Minnesota Public Educational Radio
28.12 Stations before awarding grants under
28.13 Minnesota Statutes, section 129D.14, using
28.14 the appropriations in paragraphs (d); and (e);
28.15 and (f). No grantee is eligible for a grant of
28.16 the appropriations in paragraphs (d) and (e)
28.17 unless they are a member of the Association
28.18 of Minnesota Public Educational Radio
28.19 Stations on or before July 1, 2015.

28.20 (h) Any unencumbered balance remaining
28.21 the first year for grants to public television or
28.22 radio stations does not cancel and is available
28.23 for the second year.

28.24 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2015.

28.25 Sec. 28. **REPORT ON STATE EMPLOYEE OUT-OF-STATE TRAVEL**

28.26 **EXPENSES.**

28.27 The commissioner of management and budget shall audit state employee out-of-state
28.28 travel expenses incurred between July 1, 2013, and June 30, 2016. The audit shall identify
28.29 the amount spent on nonessential travel. For purposes of this section, travel is nonessential
28.30 unless it is necessary to protect the safety or other essential interests of the citizens of the
28.31 state. The commissioner of management and budget shall report to the chairs and ranking
28.32 minority members of the legislative committees in the house of representatives and senate
28.33 with jurisdiction over state employees by February 17, 2017. The commissioner must use
28.34 the department's existing budget to fund the audit.

29.1 Sec. 29. **STATE AUDITOR REPORT.**

29.2 The state auditor must report to the chairs and ranking minority members of the
29.3 house of representatives and senate finance committees with jurisdiction over the Office
29.4 of the State Auditor by January 15, 2017. The report must include a strategic plan to
29.5 ensure that all local governments receive adequate oversight from the Office of the State
29.6 Auditor. In preparing this strategic plan, the state auditor must assess what types of audits
29.7 performed by the Office of the State Auditor are the most effective mechanisms for
29.8 ensuring that public funds have been used appropriately, what types of audit work can be
29.9 performed efficiently by certified public accounting (CPA) firms, and what is the most
29.10 effective deployment of audit resources available to the Office of the State Auditor. The
29.11 report must also evaluate the continuing importance of the reports, other than financial
29.12 audits, that the Office of the State Auditor produces on a regular basis.

29.13 Sec. 30. **PARKING RAMP FINANCING.**

29.14 The debt service on the design and construction costs allocated to the parking garage
29.15 located on the block bounded by Sherburne Avenue on the north, Park Street on the west,
29.16 University Avenue on the south, and North Capitol Boulevard on the east must be paid
29.17 for exclusively by fees charged to persons parking in that parking garage. No fees may
29.18 be charged to members of the public parking in spaces designated for persons with a
29.19 disability parking certificate.

29.20 Sec. 31. **REPORT ON MNSURE COSTS TO COUNTIES.**

29.21 The state auditor must report to the legislature by January 15, 2017, on costs
29.22 incurred by Minnesota counties related to eligibility determinations and related enrollment
29.23 activities for medical assistance enrollees and MinnesotaCare enrollees that are due to
29.24 implementing the Minnesota Eligibility Technology System administered by MNsure.

29.25 Sec. 32. **LEGISLATIVE SURROGACY COMMISSION.**

29.26 Subdivision 1. **Membership.** The Legislative Commission on Surrogacy shall
29.27 consist of 15 members, appointed as follows:

- 29.28 (1) three members of the senate appointed by the senate majority leader;
- 29.29 (2) three members of the senate appointed by the senate minority leader;
- 29.30 (3) three members of the house of representatives appointed by the speaker of the
29.31 house;
- 29.32 (4) three members of the house of representatives appointed by the house of
29.33 representatives minority leader;

30.1 (5) the commissioner of human services or the commissioner's designee;
30.2 (6) the commissioner of health or the commissioner's designee; and
30.3 (7) a family court referee appointed by the chief justice of the state Supreme Court.
30.4 Appointments must be made by June 1, 2016.

30.5 Subd. 2. **Chair.** The commission shall elect a chair from among its members.

30.6 Subd. 3. **Meetings.** The ranking majority member of the commission who is
30.7 appointed by the senate majority leader shall convene the first meeting by July 1, 2016.

30.8 The commission shall have at least six meetings but may not have more than ten meetings.

30.9 Subd. 4. **Conflict of interest.** A commission member may not participate in or
30.10 vote on a decision of the commission in which the member has either a direct or indirect
30.11 personal financial interest. A witness at a public meeting of the commission must disclose
30.12 any financial conflict of interest.

30.13 Subd. 5. **Duties.** The commission shall develop recommendations on public policy
30.14 and laws regarding surrogacy. To develop the recommendations, the commission shall
30.15 study surrogacy through public hearings, research, and deliberation. Topics for study
30.16 include, but are not limited to:

30.17 (1) potential health and psychological effects and benefits on women who serve
30.18 as surrogates;

30.19 (2) potential health and psychological effects and benefits on children born of
30.20 surrogates;

30.21 (3) business practices of the fertility industry, including attorneys, brokers, and
30.22 clinics;

30.23 (4) considerations related to different forms of surrogacy;

30.24 (5) considerations related to the potential exploitation of women in surrogacy
30.25 arrangements;

30.26 (6) contract law implications when a surrogacy contract is breached;

30.27 (7) potential conflicts with statutes governing private adoption and termination
30.28 of parental rights;

30.29 (8) potential for legal conflicts related to third-party reproduction, including conflicts
30.30 between or amongst the surrogate mother, the intended parents, the child, insurance
30.31 companies, and medical professionals;

30.32 (9) public policy determinations of other jurisdictions with regard to surrogacy; and

30.33 (10) information to be provided to a child born of a surrogate about the child's
30.34 biological and gestational parents.

30.35 Subd. 6. **Reporting.** The commission must submit a report including its
30.36 recommendations and may draft legislation to implement its recommendations to

31.1 the chairs and ranking minority members of the legislative committees with primary
31.2 jurisdiction over health and judiciary in the house of representatives and senate by
31.3 December 15, 2016. On topics where the commission fails to reach consensus, a majority
31.4 and minority report shall be issued.

31.5 Subd. 7. **Staffing.** The Legislative Coordinating Commission shall provide staffing
31.6 and administrative support to the commission.

31.7 Subd. 8. **Expiration.** The commission expires the day after submitting the report
31.8 required under subdivision 6.

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

31.10 **Sec. 33. ALTERNATIVE METHODS OF COLLECTING ASSESSMENT FEE;**
31.11 **STUDY.**

31.12 (a) The commissioner of management and budget shall study alternative methods of
31.13 collecting the \$12 assessment fee under Minnesota Statutes, section 327C.095, subdivision
31.14 12, paragraph (c), shifting the collection from the owner of the manufactured home park to
31.15 the owner of the manufactured home. The commissioner shall identify and evaluate the
31.16 feasibility, cost, and benefits of alternative methods of collection including, but not limited
31.17 to, directly invoicing manufactured home owners or imposition of a sales and use tax.

31.18 (b) In completing the study in paragraph (a), the commissioner shall consult
31.19 stakeholders, including the Association of Minnesota Counties, the All Parks Alliance for
31.20 Change, and the Minnesota Manufactured Housing Association.

31.21 (c) An amount necessary to complete the study in paragraph (a) is appropriated in
31.22 fiscal year 2017 to the commissioner of management and budget from the Minnesota
31.23 manufactured home relocation trust fund under Minnesota Statutes, section 462A.35.

31.24 (d) The commissioner shall report on the results of the study to the chairs and ranking
31.25 minority members of the senate Finance Committee and the house of representatives
31.26 Committee on Ways and Means by January 31, 2017.

31.27 **Sec. 34. REPEALER.**

31.28 (a) Minnesota Statutes 2014, section 6.581, subdivision 1, is repealed.

31.29 (b) Minnesota Statutes 2014, section 3.886, is repealed.

APPENDIX
Article locations in H3168-1

ARTICLE 1 APPROPRIATIONS	Page.Ln 2.2
ARTICLE 2 STATE GOVERNMENT	Page.Ln 6.28

APPENDIX
Repealed Minnesota Statutes: H3168-1

3.886 LEGISLATIVE WATER COMMISSION.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.581 STATE AUDITOR ENTERPRISE FUND.

Subdivision 1. **State auditor enterprise fund.** A state auditor enterprise fund is established in the state treasury. All amounts received for the costs and expenses of examinations performed under this chapter shall be credited to the fund. Amounts credited to the fund are annually appropriated to the state auditor to pay the costs and expenses related to the examinations performed, including, but not limited to, salaries, office overhead, equipment, authorized contracts, and other expenses.