A bill for an act

relating to state government; modifying appropriations in Laws 2007, chapter 148, article 1; establishing a budget reserve escrow account for Republican National Convention; changing salary and compensation plan for certain employees of the legislative auditor; waving a reinstatement fee for certain businesses or organizations of returning combat veterans; changing a provision in the gift ban; establishing a data match system; prohibiting the misidentification of a state agency on printed material; changing provisions for sale of surplus lands; establishing standards for state-funded outdoor lighting fixtures; designating certain veterans majority-owned businesses as targeted group businesses; requiring state agencies with technology projects over a certain amount to submit project start-up documentation; requiring state agencies to develop a strategic technology plan; allowing personal leave to care for significant other; establishing leaves for blood donation; reducing some managerial positions; allowing the Minneapolis Park and Recreation Board to retain proceeds in certain condemnation proceedings; providing payment for legislators' forum; requiring a study by the Legislative Coordinating Commission; extending temporary hours of sale for liquor; changing provisions for military affairs; eliminating a sunset provision; providing a study of the starbase program; changing provisions for executive branch compensation; appropriating money; amending Minnesota Statutes 2006, sections 3.855, subdivision 3; 3.971, subdivision 2; 10A.071, subdivision 3; 15A.081, subdivision 8; 15A.0815; 16A.133, subdivision 1; 16B.281, subdivision 3; 16B.282; 16B.283; 16B.284; 16B.287, subdivision 2; 16C.16, subdivision 5; 16E.01, subdivision 3; 16E.03, subdivision 1; 16E.04, subdivision 2; 43A.01, subdivision 3; 43A.17, subdivision 9; 119A.03, subdivision 1; 124D.385, subdivision 4; 190.19, subdivision 1; 192.501, by adding subdivisions; 197.585, subdivision 5; 349A.02, subdivision 1; Minnesota Statutes 2007 Supplement, sections 16B.328, by adding a subdivision; 190.19, subdivision 2; 216C.052, subdivision 2; Laws 2006, chapter 282, article 2, section 27, subdivision 4; Laws 2007, chapter 148, article 1, sections 7; 12, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 5; 13B; 16A; 43A; 192; repealing Minnesota Statutes 2006, sections 16B.281, subdivisions 2, 4, 5; 16B.285; 645.44, subdivision 19.

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

ARTICLE 1
GENERAL APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 148, article 1, to the agencies and for the purposes specified in this act. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this act mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30	
	2008	**2009**
Sec. 2. **LEGISLATURE**	**$**	**$ (1,662,000)**
Subdivision 1. **Senate**		(710,000)
The base budget for the senate shall be $22,724,000 in fiscal year 2010 and $22,724,000 in fiscal year 2011.		
Subd. 2. **House of Representatives**		(952,000)
The base budget for the house of representatives shall be $30,551,000 in fiscal year 2010 and $30,551,000 in fiscal year 2011.		
Sec. 3. **GOVERNOR**	**$**	**$ (113,000)**
Sec. 4. **STATE AUDITOR**	**$**	**$ (42,000)**
Sec. 5. **ATTORNEY GENERAL**	**$**	**$ (749,000)**
Sec. 6. **SECRETARY OF STATE**	**$**	**$ (195,000)**

The base budget for the secretary of state shall be $6,134,000 in fiscal year 2010 and $6,301,000 in fiscal year 2011.

Sec. 7. **OFFICE OF ENTERPRISE TECHNOLOGY**	**$**	**$**	**(157,000)**

The base budget for the Office of Enterprise Technology shall be $6,202,000 in fiscal year 2010 and $6,202,000 in fiscal year 2011.

Sec. 8. **ADMINISTRATION**	**$**	**$**	**(1,039,000)**

(a) $885,000 of the reduction in this section is from the appropriation for Department of Public Safety relocation expenses.

(b) The reduction in this section must not be applied to the Land Management Information Center or the Environmental Quality Board.

(c) $2,000,000 of the balance in the facilities repair and replacement account in the special revenue fund is cancelled to the general fund. This amount is in addition to amounts transferred under Minnesota Statutes, section 16B.24, subdivision 5, paragraph (d).

Sec. 9. **FINANCE**	**$**	**$**	**(312,000)**
Subdivision 1. **State Financial Management**			(178,000)
Subd. 2. **Information and Management Services**			(134,000)

After the Departments of Finance and Employee Relations merge as directed in Laws 2007, chapter 148, article 2, section 80, the commissioner of finance may reallocate fiscal year 2009 general fund appropriation reductions between programs within the merged agency. Any reallocation of funds shall be shown in the program appropriations base for fiscal years 2010 and 2011 according to Minnesota Statutes, section 16A.11, subdivision 3, paragraph (b).

Sec. 10. **EMPLOYEE RELATIONS**	**$**	**$**	**(109,000)**

The base budget for employee relations shall be $5,350,000 in fiscal year 2010 and $5,350,000 in fiscal year 2011 to reflect the reduction and a transfer to the Department of Health for the merger in Laws 2007, chapter 148, article 2, section 80.

Sec. 11. **REVENUE**	**$**	**$**	**1,361,000**

Subdivision 1. **Tax Compliance; Appropriation**

(a) The commissioner of revenue shall undertake expanded tax compliance and collection activities sufficient to collect $6,723,000 in revenue for the general fund for fiscal year 2009 in excess of the sum of:

(1) the amount forecast to be collected by the commissioner of finance for that fiscal year in the February 2008 forecast; and

(2) the appropriation under paragraph (c).

(b) The commissioner shall periodically report to the chairs of committees of the house of representative and senate with jurisdiction over taxation or state government operations on the measures undertaken under this section. The commissioner may make recommendations to the 2009 legislature for changes in the law to improve compliance with the tax law, such as expanded information reporting or withholding requirements that would permit the commissioner to satisfy the requirements of this section in the most cost effective and reasonable manner possible.

(c) $2,241,000 is appropriated from the general fund for fiscal year 2009 to the commissioner of revenue to finance the activities authorized by this section.

(d) The commissioner must maximize the use of telecommuting by employees when implementing any tax compliance and collection activities.

Subd. 2. **Appropriation to the Commissioner of Revenue; Financial Institution Data Match and Payment of Fees and Administrative Costs**

$250,000 is appropriated annually from the general fund to the commissioner of revenue to make payments to financial institutions in exchange for performing data matches between account information held by financial institutions and the commissioner's database of tax debtors as authorized by Minnesota Statutes, section 13B.07, subdivision 7. $110,000 is appropriated annually from the general fund to the commissioner of revenue for the costs of administering the data match system under Minnesota Statutes, section 13B.07.

Subd. 3. **Appropriation to the Commissioner of Finance; 2008 Budget Reserve Escrow Account**

$14,000,000 is appropriated from the budget reserve to the commissioner of finance and shall be placed in the budget reserve escrow account. The commissioner of finance may use this appropriation to support a guarantee by the state of Minnesota that private money will be raised to pay the Minneapolis-St. Paul Host Committee's share of expenses for the

2008 Republican National Convention in St. Paul. The terms of the state guarantee will be negotiated by the commissioner of finance. Any money advanced to the Host Committee under the state guarantee must be repaid by the Host Committee to the commissioner of finance no later than June 30, 2009, and deposited in the budget reserve fund. Any unspent portion of the appropriation cancels to the budget reserve on June 30, 2009.

Sec. 12. Minnesota Statutes 2006, section 3.855, subdivision 3, is amended to read:

Subd. 3. **Other salaries and compensation plans.** The commission shall also:

(1) review and approve, reject, or modify a plan for compensation and terms and conditions of employment prepared and submitted by the commissioner of employee relations under section 43A.18, subdivision 2, covering all state employees who are not represented by an exclusive bargaining representative and whose compensation is not provided for by chapter 43A or other law;

(2) review and approve, reject, or modify a plan for total compensation and terms and conditions of employment for employees in positions identified as being managerial under section 43A.18, subdivision 3, whose salaries and benefits are not otherwise provided for in law or other plans established under chapter 43A;

(3) review and approve, reject, or modify recommendations for salaries submitted by the governor or other appointing authority under section 15A.0815, subdivision 5, covering agency head positions listed in section 15A.0815;

(4) review and approve, reject, or modify recommendations for salaries of officials of higher education systems under section 15A.081, subdivisions 7b and 7c; ~~and~~

(5) review and approve, reject, or modify plans for compensation, terms, and conditions of employment proposed under section 43A.18, subdivisions 3a and 4; and

(6) review and approve, reject, or modify the plan for compensation, terms, and conditions of employment of classified employees in the office of the legislative auditor under section 3.971, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2009.

Sec. 13. Minnesota Statutes 2006, section 3.971, subdivision 2, is amended to read:

Subd. 2. **Staff; compensation.** The legislative auditor shall establish a Financial Audits Division and a Program Evaluation Division to fulfill the duties prescribed in this section. Each division may be supervised by a deputy auditor, appointed by the legislative auditor, with the approval of the commission, for a term coterminous with the legislative auditor's term. The deputy auditors may be removed before the expiration of their terms only for cause. The legislative auditor and deputy auditors may each appoint a confidential secretary to serve at pleasure. The salaries and benefits of the legislative auditor, deputy auditors and confidential secretaries shall be determined by the compensation plan approved by the Legislative Coordinating Commission. The deputy auditors may perform and exercise the powers, duties and responsibilities imposed by law on the legislative auditor when authorized by the legislative auditor. The deputy auditors and the confidential secretaries serve in the unclassified civil service, but all other employees of the legislative auditor are in the classified civil service. Compensation for employees of the legislative auditor in the classified service shall be governed by a plan prepared by the legislative auditor and approved by the Legislative Coordinating Commission and the legislature under section 3.855. While in office, a person appointed deputy for the Financial Audit Division must hold an active license as a certified public accountant.

EFFECTIVE DATE. This section is effective January 1, 2009. Classified employees of the legislative auditor retain compensation provided on December 31, 2008, until a new compensation plan is adopted under section 12.

Sec. 14. **[5.33] RETURNING COMBAT VETERANS.**

If any Minnesota business or nonprofit corporation, limited liability company, cooperative, limited partnership, or limited liability partnership has been administratively or statutorily dissolved, revoked, or terminated after December 31, 2006, for failure to file an annual or periodic report with the Office of the Secretary of State during a calendar year when an individual with substantial responsibility for the operation of the dissolved, revoked, or terminated business or nonprofit corporation, limited liability company, cooperative, limited partnership, or limited liability partnership was serving in active military service in the armed forces of the United States, including the reserves or National Guard, as defined in section 190.05, subdivision 5b or 5c, or was engaged in employment outside of the United States essential to the prosecution of a war or to the national defense, as designated by the United States Congress or the United States Department of Defense, the secretary of state shall waive any reinstatement fee otherwise required by law.

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

Sec. 15. Minnesota Statutes 2006, section 10A.071, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) The prohibitions in this section do not apply if the gift is:

(1) a contribution as defined in section 10A.01, subdivision 11;

(2) services to assist an official in the performance of official duties, including but not limited to providing advice, consultation, information, and communication in connection with legislation, and services to constituents;

(3) services of insignificant monetary value;

(4) a plaque or similar memento ~~recognizing individual services in a field of specialty or to a charitable cause~~;

(5) a trinket or memento costing $5 or less<u> or resale value</u>;

(6) informational material of unexceptional value; or

(7) food or a beverage given at a reception, meal, or meeting away from the recipient's place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.

(b) The prohibitions in this section do not apply if the gift is given:

(1) because of the recipient's membership in a group, a majority of whose members are not officials, and an equivalent gift is given to the other members of the group; or

(2) by a lobbyist or principal who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

Sec. 16. <u>**[13B.07] TAX DEBTOR DATA MATCHES.**</u>

<u>Subdivision 1.</u> <u>**Definitions.**</u> <u>The definitions in this subdivision apply to this section.</u>

<u>(a) "Account" means demand deposit account, checking account, negotiable order of withdrawal account, savings account, time deposit account, money market mutual fund account, or certificate of deposit account, and any funds or property held by a financial institution, as defined in paragraph (e).</u>

<u>(b) "Account information" means the type of account, the account number, whether the account is singly or jointly owned, and in the case of jointly owned accounts the name and address of the nondebtor account owner if available.</u>

<u>(c) "Commissioner" means the commissioner of revenue.</u>

<u>(d) "Debtor" means a person whose property is subject to a tax lien and a notice of lien has been filed by the commissioner as provided by section 270C.63, subdivision 2.</u>

<u>(e) "Financial institution" means any of the following that do business in this state:</u>

<u>(1) federal or state commercial banks and federal or state savings banks, including savings and loan associations and cooperative banks;</u>

<u>(2) federal and state chartered credit unions;</u>

(3) benefit associations;

(4) life insurance companies;

(5) safe deposit companies;

(6) money market mutual funds; or

(7) a similar entity that holds property or maintains accounts reflecting property belonging to others.

(f) "Person" means a person as defined in section 270C.01, subdivision 6.

Subd. 2. **Data match system established.** The commissioner shall establish a process for the comparison of account information data held by financial institutions with the Department of Revenue's database of debtors. The commissioner shall inform the financial industry of the requirements of this section and the means by which financial institutions can comply.

Subd. 3. **Duty to provide data.** Within 30 days of a request by the commissioner, a financial institution shall provide to the commissioner the name, address, and account information for each debtor who maintains an account at the financial institution. The commissioner may request from a financial institution the data concerning any debtor not more than four times a year.

Subd. 4. **Method to provide data.** The commissioner must provide an electronic list of debtors to the financial institution that includes debtors' name, address, and if an individual, the last four digits of the Social Security number. The financial institution must compare that data to the data maintained at the financial institution to identify which of the listed debtors maintains an account at the financial institution.

Subd. 5. **Means to provide data.** A financial institution must provide the required data in encrypted form by secure electronic means authorized by the commissioner.

Subd. 6. **Access to data.** (a) With regard to data on debtors provided by the commissioner to a financial institution under subdivision 4, the financial institution shall retain the reported information only until the financial institution's database is compared against the commissioner's database. Data that does not pertain to an account holder at the financial institution must be immediately destroyed, and no retention or publication of that data shall be made by the financial institution. None of the data provided by the commissioner may be used for solicitation or other commercial purposes by the financial institutions or other commercial entities.

(b) All account information provided by a financial institution that pertains to a debtor listed in the commissioner's database must be incorporated into the commissioner's database. Access to that data is governed by chapters 13 and 270B. Notwithstanding section 16D.06, data collected pursuant to this section is available for the collection of delinquent taxes only and is not available for other debt collection activities undertaken by the state.

Subd. 7. **Fees.** A financial institution may charge and collect a fee from the commissioner for providing account information to the commissioner. The commissioner may pay a financial institution up to $150 each quarter. The commissioner shall develop procedures for the financial institutions to charge and collect the fee. Payment of the fee is limited by the amount of the appropriation for this purpose. If the appropriation is insufficient, or if fund availability in the fourth quarter would allow payments for actual costs in excess of $150, the commissioner shall prorate the available funds among the financial institutions that have submitted a claim for the fee. No financial institution shall charge or collect a fee that exceeds its actual costs of complying with this section.

Subd. 8. **Failure to respond to request for information.** The commissioner shall send a written notice of noncompliance to a financial institution that fails to respond to a first written request for information under this section. The notice must be sent by certified mail and must explain the requirements of this section and advise the financial institution of the penalty for noncompliance. A financial institution that receives a second notice of noncompliance is subject to a civil penalty of $1,000 for its failure to comply. A financial institution that continues to fail to comply with this section is subject to a civil penalty of $5,000 for the third and each subsequent failure to comply. These penalties are imposed and collected under section 270C.33, subdivision 4, paragraph (a), clause (5).

Subd. 9. **Confidentiality.** A financial institution furnishing a report to the commissioner under this section is prohibited from disclosing to a debtor that the name of the debtor has been received from or furnished to the commissioner.

Subd. 10. **Immunity.** A financial institution that provides or reasonably attempts to provide information to the commissioner in compliance with this section is not liable to any person for disclosing the information or for taking any other action in good faith as authorized by this section.

Subd. 11. **Civil action for unauthorized disclosure by financial institution.** (a) An account holder may bring a civil action in district court against a financial institution for unauthorized disclosure of data received from the commissioner under subdivision 4. A financial institution found to have violated this subdivision shall be liable as provided in paragraph (b) or (c).

(b) Any financial institution that willfully and maliciously discloses data received from the commissioner under subdivision 4 is liable to that account holder in an amount equal to the sum of:

(1) any actual damages sustained by the account holder as a result of the disclosure; and

(2) in the case of any successful action to enforce any liability under this subdivision, the costs of the action taken plus reasonable attorney fees as determined by the court.

(c) Any financial institution that negligently discloses data received from the commissioner under subdivision 4 is liable to that account holder in an amount equal to any actual damages sustained by the account holder as a result of the disclosure.

(d) A financial institution shall not be held liable in any action brought under this subdivision if the financial institution shows, by a preponderance of evidence, that the disclosure was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid any error.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 17. Minnesota Statutes 2006, section 16A.133, subdivision 1, is amended to read:

Subdivision 1. **Payroll direct deposit and deductions.** An agency head in the executive, judicial, and legislative branch shall, upon written request signed by an employee, directly deposit all or part of an employee's pay to those credit unions or financial institutions, as defined in section 47.015, designated by the employee.

An agency head in any branch may, upon written request of an employee, deduct from the pay of the employee a requested amount to be paid to the Minnesota Benefit Association, ~~or~~ to any organization contemplated by section 179A.06, of which the employee is a member, or to a political action committee covered under a collective bargaining agreement. If an employee has more than one account with the Minnesota Benefit Association or more than one organization under section 179A.06, only the Minnesota Benefit Association ~~and~~, one organization, as defined under section 179A.06, and one political action committee may be paid money by payroll deduction from the employee's pay.

Sec. 18. **[16A.1395] USE OF STATE FUNDS TO MISIDENTIFY AN AGENCY PROHIBITED.**

A state appropriation may not be used to identify an executive branch state agency by a name other than the name assigned to it by law. It is a misuse of state funds for the head of an executive branch state agency to use state funds to print agency stationery or other official materials that identify the agency with a name other than the name assigned by law.

Sec. 19. Minnesota Statutes 2006, section 16B.281, subdivision 3, is amended to read:

Subd. 3. **Notice to agencies; determination of surplus.** ~~On or before October 1 of each year, the commissioner shall review the certifications of heads of each department or agency provided for in this section.~~ The commissioner <u>of administration</u> shall send written notice to all state departments, agencies, and the University of Minnesota describing any lands or tracts that may be declared surplus. If a department or agency or the University of Minnesota desires custody of the lands or tracts, it shall submit a written request to the commissioner, no later than four calendar weeks after mailing of the notice, setting forth in detail its reasons for desiring to acquire and its intended use of the land or tract. The commissioner shall then determine whether any of the lands described ~~in the certifications of the heads of the departments or agencies~~ should be declared surplus and offered for sale or otherwise disposed of by transferring custodial control to other requesting state departments or agencies or to the Board of Regents of the University of Minnesota for educational purposes, provided however that transfer to the Board of Regents shall not be determinative of tax exemption or immunity. If the commissioner determines that any of the lands are no longer needed for state purposes, the commissioner shall make findings of fact, describe the lands, declare the lands to be surplus state land, <u>and</u> state the reasons for the sale or disposition of the lands~~, and notify the Executive Council of the determination~~.

Sec. 20. Minnesota Statutes 2006, section 16B.282, is amended to read:

16B.282 SURVEYS, APPRAISALS, AND SALE.

Subdivision 1. **Appraisal; notice and offer to public bodies.** (a) Before offering any surplus state-owned lands for sale, the commissioner <u>of administration</u> may survey the lands and, if the value of the lands is estimated to be ~~$40,000~~ <u>$50,000</u> or less, may have the lands appraised. The commissioner shall have the lands appraised if the estimated value is in excess of ~~$40,000~~ <u>$50,000</u>.

(b) ~~The appraiser shall, before entering upon the duties of the office, take and subscribe an oath that the appraiser will faithfully and impartially discharge the duties of appraiser according to the best of the appraiser's ability and that the appraiser is not interested, directly or indirectly, in any of the lands to be appraised or the timber or improvements on the lands or in the purchase of the lands, timber, or improvements and has entered into no agreement or combination to purchase any of the lands, timber, or improvements. The oath shall be attached to the appraisal report.~~ <u>Appraisals must be made by an appraiser that holds a state appraiser license issued by the Department of Commerce. The appraisal must be in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.</u>

(c) Before offering surplus state-owned lands for public sale, the lands shall first be offered to the city, county, town, school district, or other public body corporate or politic in which the lands are situated for public purposes and the lands may be sold for public purposes for not less than the appraised value of the lands. To determine whether a public body desires to purchase the surplus land, the commissioner shall give a written notice to the governing body of each political subdivision whose jurisdictional boundaries include or are adjacent to the surplus land. If a public body desires to purchase the surplus land, it shall submit a written offer to the commissioner no later than two weeks after receipt of notice setting forth in detail its reasons for desiring to acquire and its intended use of the land. In the event that more than one public body tenders an offer, the commissioner shall determine which party shall receive the property and shall submit written findings regarding the decision. If lands are offered for sale for public purposes and if a public body notifies the commissioner of its desire to acquire the lands, the public body may have up to two years from the date of the accepted offer to commence payment for the lands in the manner provided by law.

Subd. 2. **Public sale requirements.** (a) ~~Lands certified as surplus by the head of a department or agency under section 16B.281 shall be offered for public sale by the commissioner as provided in this subdivision.~~ After complying with subdivision 1 and before any public sale of surplus state-owned land is made and at least 30 days before the sale, the commissioner of administration shall publish a notice of the sale ~~at least once each week for four successive weeks in a legal newspaper and also~~ in a newspaper of general distribution in the ~~city or~~ county in which the real property to be sold is situated. The notice shall specify the time and place at which the sale will commence, a general description of the lots or tracts to be offered, and a general statement of the terms of sale. ~~Each tract or lot shall be sold separately and shall be sold for no less than its appraised value.~~

(b) Surplus state-owned land shall be sold for no less than the estimated or appraised value. The minimum bid may include expenses incurred by the commissioner in rendering the property saleable, including survey, appraisal, legal, advertising, and other expenses.

~~(b)~~ (c) Parcels remaining unsold after the offering may be sold to anyone agreeing to pay the appraised value. The sale shall continue until all parcels are sold or until the commissioner orders a reappraisal or withdraws the remaining parcels from sale.

~~(c) Except as provided in section 16B.283, the cost of any survey or appraisal as provided in subdivision 1 shall be added to and made a part of the appraised value of the lands to be sold, whether to any political subdivision of the state or to a private purchaser as provided in this subdivision.~~

Sec. 21. Minnesota Statutes 2006, section 16B.283, is amended to read:

16B.283 TERMS OF PAYMENT.

~~No less than ten percent of the purchase price shall be paid at the time of sale with the balance payable according to this section. If the purchase price of any lot or parcel is $5,000 or less, the balance shall be paid within 90 days of the date of sale. If the purchase price of any lot or parcel is in excess of $5,000, the balance shall be paid in equal annual installments for no more than five years, at the option of the purchaser, with principal and interest payable annually in advance at a rate equal to the rate in effect at the time under section 549.09 on the unpaid balance, payable to the state treasury on or before June 1 each year. Any installment of principal or interest may be prepaid.~~ The purchaser must pay at the time of sale ten percent of the total amount bid and the remainder of the payment is due within 90 days of the sale date. A person who fails to make final payment within 90 days of the sale date is in default. On default, all right, title, and interest of the purchaser or heirs, representatives, or assigns of the purchaser in the premises shall terminate without the state doing any act or thing. A record of the default must be made in the state land records of the commissioner.

Sec. 22. Minnesota Statutes 2006, section 16B.284, is amended to read:

16B.284 ~~CONTRACT FOR DEED AND~~ QUITCLAIM DEED.

~~In the event a purchaser elects to purchase surplus real property on an installment basis, the commissioner shall enter into a contract for deed with the purchaser, in which shall be set forth the description of the real property sold and the price of the property, the consideration paid and to be paid for the property, the rate of interest, and time and terms of payment. The contract for deed shall be made assignable and shall further set forth that in case of the nonpayment of the annual principal or interest payment due by the purchaser, or any person claiming under the purchaser, then the contract for deed, from the time of the failure, is entirely void and of no effect and the state may be repossessed of the lot or tract and may resell the lot or tract as provided in sections 16B.281 to 16B.287. In the event the terms and conditions of a contract for deed are completely fulfilled or if a purchaser makes a lump-sum payment for the subject property in lieu of entering into a contract for deed,~~ The commissioner of administration shall sign and cause to be issued a quitclaim deed on behalf of the state. The quitclaim deed shall be in a form prescribed by the attorney general and shall vest in the purchaser all of the state's interest in the subject property except as provided in section ~~16B.286~~ 16B.285.

Sec. 23. Minnesota Statutes 2006, section 16B.287, subdivision 2, is amended to read:

Subd. 2. **Payment of expenses.** A portion of the proceeds from the sale equal in amount to the survey, appraisal, legal, advertising, and other expenses incurred by the commissioner of administration or other state official in rendering the property salable shall be remitted to the account from which the expenses were paid and are appropriated and immediately available for expenditure in the same manner as other money in the account.

Sec. 24. Minnesota Statutes 2007 Supplement, section 16B.328, is amended by adding a subdivision to read:

Subd. 3. **Standards for state funded outdoor lighting fixtures.** (a) An outdoor lighting fixture may be installed or replaced using state funds only if:

(1) the new or replacement outdoor lighting fixture is a cutoff luminaire if the rated output of the outdoor lighting fixture is greater than 1,800 lumens;

(2) the minimum illuminance adequate for the intended purpose is used with consideration given to nationally recognized standards;

(3) for lighting of a designated highway of the state highway system, the Department of Transportation determines that the purpose of the outdoor lighting fixture cannot be achieved by the installation of reflective road markers, lines, warning or informational signs, or other effective passive methods; and

(4) full consideration has been given to energy conservation and savings, reducing glare, minimizing light pollution, and preserving the natural night environment.

(b) Paragraph (a) does not apply if:

(1) a federal law, rule, or regulation preempts state law;

(2) the outdoor lighting fixture is used on a temporary basis because emergency personnel require additional illumination for emergency procedures;

(3) the outdoor lighting fixture is used on a temporary basis for nighttime work;

(4) special events or situations require additional illumination, provided that the illumination installed shields the outdoor lighting fixtures from direct view and minimizes upward lighting and light pollution;

(5) the outdoor lighting fixture is used solely to highlight the aesthetic aspects of a single object or distinctive building; or

(6) a compelling safety interest exists that cannot be addressed by another method.

(c) This subdivision does not apply to the operation and maintenance of lights or lighting systems purchased or installed, or for which design work is completed, before August 1, 2008.

(d) This section does not apply if a state agency or local unit of government determines that compliance with this section would:

(1) require an increased use of electricity;

(2) increase the construction cost of a lighting system more than 15 percent over the construction cost of a lighting system that does not comply with this section;

(3) increase the cost of operation and maintenance of the lighting system more than ten percent over the cost of operating and maintaining the existing lighting system over the life of the lighting system; or

(4) result in a negative safety impact.

Sec. 25. Minnesota Statutes 2006, section 16C.16, subdivision 5, is amended to read:

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

(b) In addition to designations under paragraph (a), an individual business may be included as a targeted group business if the commissioner determines that inclusion is necessary to remedy discrimination against the owner based on race, gender, or disability in attempting to operate a business that would provide goods or services to public agencies.

(c) In addition to the designations under paragraphs (a) and (b), the commissioner of administration shall designate businesses that are majority owned and operated by veterans who have served in federal active service as defined in section 190.05, subdivision 5c, in support of Operation Enduring Freedom or Operation Iraqi Freedom as targeted group businesses within purchasing categories as determined by the commissioner. "Veteran" has the meaning given in section 197.447, and also includes both currently serving and honorably discharged members of the national guard and other military reserves.

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

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 26. Minnesota Statutes 2006, section 16E.01, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The office shall:

(1) manage the efficient and effective use of available federal, state, local, and public-private resources to develop statewide information and telecommunications technology systems and services and its infrastructure;

(2) approve state agency and intergovernmental information and telecommunications technology systems and services development efforts involving state or intergovernmental funding, including federal funding, provide information to the legislature regarding projects reviewed, and recommend projects for inclusion in the governor's budget under section 16A.11;

(3) ensure cooperation and collaboration among state and local governments in developing intergovernmental information and telecommunications technology systems and services, and define the structure and responsibilities of a representative governance structure;

(4) cooperate and collaborate with the legislative and judicial branches in the development of information and communications systems in those branches;

(5) continue the development of North Star, the state's official comprehensive online service and information initiative;

(6) promote and collaborate with the state's agencies in the state's transition to an effectively competitive telecommunications market;

(7) collaborate with entities carrying out education and lifelong learning initiatives to assist Minnesotans in developing technical literacy and obtaining access to ongoing learning resources;

(8) promote and coordinate public information access and network initiatives, consistent with chapter 13, to connect Minnesota's citizens and communities to each other, to their governments, and to the world;

(9) promote and coordinate electronic commerce initiatives to ensure that Minnesota businesses and citizens can successfully compete in the global economy;

(10) manage and promote the regular and periodic reinvestment in the information and telecommunications technology systems and services infrastructure so that state and local government agencies can effectively and efficiently serve their customers;

(11) facilitate the cooperative development of and ensure compliance with standards and policies for information and telecommunications technology systems and services, electronic data practices and privacy, and electronic commerce among international, national, state, and local public and private organizations;

(12) eliminate unnecessary duplication of existing information and telecommunications technology systems and services provided by other public and private

organizations while building on the existing governmental, educational, business, health care, and economic development infrastructures;

(13) identify, sponsor, develop, and execute shared information and telecommunications technology projects and ongoing operations; and

(14) ensure overall security of the state's information and technology systems and services.

(b) The chief information officer in consultation with the commissioner of finance must determine when it is cost-effective for agencies to develop and use shared information and telecommunications technology systems and services for the delivery of electronic government services. The chief information officer may require agencies to use shared information and telecommunications technology systems and services. The chief information officer shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to agencies and other governmental entities sufficient to cover the actual development, operating, maintenance, and administrative costs of the shared systems. The methodology for billing may include the use of interagency agreements, or other means as allowed by law.

<u>(c) A state agency with any information and telecommunications technology project that has a total expected project cost of more than $1,000,000, whether funded as part of the biennial budget or by any other means, shall for the purpose of registration with the office submit basic project startup documentation as specified by the office in both content and format. Registration must occur prior to the date of commencement of the project and before any project funding is requested or committed. Project leaders must: (1) demonstrate that acceptable and sustainable project management methodology is being followed for the project; (2) provide updates to the project documentation as changes are proposed; and (3) regularly report on the current status of the project on a schedule agreed to by the office.</u>

<u>(d) The office must monitor progress on any active information and telecommunications technology project that has a total expected project cost of more than $1,000,000 and report on performance against plan in terms of time, scope, and budget. Based on the determination of the chief information officer, the office must conduct an independent project audit of the project. The audit analysis and evaluation by the office of the projects registered under paragraph (c) must be presented to agency executive sponsors, the project governance bodies, and the chief information officer. All reports and responses must become part of the project record.</u>

(e) For any active information and telecommunications technology project that has a total expected project cost of more than $5,000,000, an annual independent audit must be performed that conforms to project audit principles published by the office.

(f) The chief information officer shall report to the legislative committees with jurisdiction over the office by January 15 of each year regarding the review process required under paragraph (a), clause (2). The report must include a description of the current status of each project reviewed by the office. The report must include the rationale used for the determination made for each project.

Sec. 27. Minnesota Statutes 2006, section 16E.03, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of chapter 16E, the following terms have the meanings given them.

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

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

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

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

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

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

Sec. 28. Minnesota Statutes 2006, section 16E.04, subdivision 2, is amended to read:

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

(b) The office shall develop and establish a state information architecture to ensure that state agency development and purchase of information and communications systems, equipment, and services is designed to ensure that individual agency information systems complement and do not needlessly duplicate or conflict with the systems of other agencies. When state agencies have need for the same or similar public data, the chief information officer, in coordination with the affected agencies, shall manage the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. The office shall ensure compliance with the architecture.

(c) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's mission and the state's requirements and functions. <u>Each agency shall develop a strategic information technology plan.</u> The office shall review and approve agency technology plans to ensure consistency with enterprise information and telecommunications technology strategy. <u>By December 1 of each year, the office must report to the legislative committees with jurisdiction over the office regarding the plans under this paragraph.</u>

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

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

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

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

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

(f) The office shall review the operation of information systems by state agencies and ensure that these systems are operated efficiently and securely and continually meet the standards and guidelines established by the office. The standards and guidelines must emphasize uniformity that is cost-effective for the enterprise, that encourages information interchange, open systems environments, and portability of information whenever practicable and consistent with an agency's authority and chapter 13.

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

Sec. 29. **[43A.1816] LEAVE TO CARE FOR SIGNIFICANT OTHER.**

(a) An employee must be granted leave to the extent the employee's attendance is necessary to care for a significant other due to the significant other's illness or disability, up to a period of five days within a 12-month period. The leave must be unpaid, unless otherwise provided in a collective bargaining agreement or compensation plan.

(b) For purposes of this section, "significant other" means a person who has entered into a committed interdependent relationship with another adult, where the adults:

(1) are responsible for each other's basic common welfare;

(2) share a common residence and intend to do so indefinitely;

(3) are not related by blood or adoption to an extent that would prohibit marriage in this state; and

(4) are legally competent and qualified to enter into a contract.

For purposes of this section, significant others may share a common residence even if they do not have a legal right to possess the residence or one or both domestic partners possess additional real property. If one significant other temporarily leaves the common residence with the intention to return, the significant others continue to share a common residence for the purposes of this section.

Sec. 30. **[43A.187] BLOOD DONATION LEAVE.**

A state employee must be granted leave from work with 100 percent of pay to donate blood at a location away from the place of work. The total amount of leave used under this paragraph may not exceed three hours in a 12-month period, and must be determined by the employee. A state employee seeking leave from work under this section must provide 14 days notice to the appointing authority. This leave must not affect the employee's vacation leave, pension, compensatory time, personal vacation days, sick leave, earned overtime accumulation, or cause a loss of seniority. For the purposes of this section, "state employee" does not include an employee of the Minnesota State Colleges and Universities.

Sec. 31. Laws 2006, chapter 282, article 2, section 27, subdivision 4, is amended to read:

Subd. 4. **Expiration.** The commission expires ~~December 31, 2008~~ June 30, 2009.

Sec. 32. Laws 2007, chapter 148, article 1, section 7, is amended to read:

Sec. 7. **SECRETARY OF STATE**	**$**	**9,019,000**	**$**	**6,497,000**

Appropriations by Fund

	2008	2009
General	6,175,000	6,497,000
Special Revenue	2,844,000	

(a) $310,000 of this appropriation must be transferred to the Help America Vote Act account and is designated as a portion of the match required by section 253(b)(5) of the Help America Vote Act.

(b) $2,844,000 the first year is appropriated from the Help America Vote Act account for the purposes and uses authorized by federal law. This appropriation is available until June 30, 2009.

(c) Notwithstanding Laws 2005, chapter 162, section 34, subdivision 7, any balance remaining in the Help America Vote Act account after previous appropriations and the appropriations in this section is appropriated to the secretary of state for the purposes of the account. This appropriation is available until June 30, 2011.

(d) The amount necessary to meet federal requirements for interest payments and the additional match for the Help America Vote Act account is transferred from the general fund appropriation to the Help America Vote Act account.

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

Sec. 33. Laws 2007, chapter 148, article 1, section 12, subdivision 4, is amended to read:

Subd. 4. **Administrative Management Services**	5,672,000	5,218,000

(a) $125,000 the first year is to create an Office of Grants Management to standardize state grants management policies and procedures. For the fiscal year beginning July 1, 2008, the commissioner must deduct up to $125,000 from state grants that are subject to Minnesota Statutes, section 16B.97, to ~~nongovernmental~~ nonstate entities, as necessary to fund the commissioner's duties under new Minnesota Statutes, sections 16B.97 and 16B.98. The amount deducted from appropriations for these grants is transferred to the commissioner for purposes of administering these sections.

(b) $250,000 the first year and $250,000 the second year are to establish a small agency resource team to consolidate and streamline the human resources and financial management activities for small state agencies, boards, and councils.

(c) $500,000 the first year is a onetime appropriation for a targeted group business disparity study. The commissioner must cooperate with units of local government conducting similar studies. The commissioner shall ensure that the results of the study are kept current and that any new or upgraded accounting or procurement systems properly record purchases from minority and female-owned businesses through the use of state contracts, and the availability of bids from those businesses.

(d) $74,000 the first year and $74,000 the second year are for the Council on Developmental Disabilities.

(e) $140,000 in fiscal year 2008 and $140,000 in fiscal year 2009 are for a grant to the Council on Developmental Disabilities for the purpose of establishing a statewide self-advocacy network for persons with intellectual and developmental disabilities (ID/DD). The self-advocacy network shall:

(1) ensure that persons with ID/DD are informed of their rights in employment, housing, transportation, voting, government policy, and other issues pertinent to the ID/DD community;

(2) provide public education and awareness of the civil and human rights issues persons with ID/DD face;

(3) provide funds, technical assistance, and other resources for self-advocacy groups across the state; and

(4) organize systems of communications to facilitate an exchange of information between self-advocacy groups.

This appropriation is in addition to any other appropriations and must be added to the base appropriation beginning in fiscal year 2010.

Sec. 34. **MANAGERIAL POSITION REDUCTIONS.**

The governor must reduce the total number of deputy commissioners, assistant commissioners, positions designated as unclassified under authority of Minnesota Statutes, section 43A.08, subdivision 1a, and governor's office personnel supported by interagency agreements by 25 percent. This reduction must be achieved by June 30, 2009.

Sec. 35. **MINNEAPOLIS PARK AND RECREATION BOARD; CONDEMNATION PROCEEDS.**

Notwithstanding the provisions of Minnesota Statutes, section 16A.695, or any other law, the Minneapolis Park and Recreation Board may retain the proceeds from the condemnation of park lands or its interest in land necessary for the reconstruction and expansion of marked Interstate Highway 35W at the Mississippi River in Minneapolis. Proceeds received by the park board from the condemnation proceeding must be deposited into a park land acquisition account controlled by the Minneapolis Park and Recreation Board. Money in the account must be invested pursuant to Minnesota Statutes, chapter 118A, and interest shall accrue to this account. The park land acquisition account must be used solely to acquire land for public park purposes adjacent to the Mississippi River in Minneapolis. Lands acquired from the account must be included in the metropolitan regional recreation open space system and are subject to the provisions of Minnesota Statutes, section 16A.695, and laws governing metropolitan regional park land. The park board shall provide an annual report to the commissioner of finance and the Metropolitan Council regional administrator outlining the use of the funds in the park land acquisition account until such time as no funds remain in the account.

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

Sec. 36. **LEGISLATORS' FORUM.**

During the biennium ending June 30, 2009, the Legislative Coordinating Commission must pay expenses associated with Minnesota legislators' participation in a legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

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

Sec. 37. **LCC STUDY.**

The Legislative Coordinating Commission must report to the chairs of the house and senate Finance Committees by January 15, 2009, on potential savings that could be achieved by having the Legislative Coordinating Commission perform administrative functions that currently are performed separately by the house of representatives and the senate.

Sec. 38. **TEMPORARY HOURS OF SALE.**

From August 29, 2008, through September 8, 2008, holders of an on-sale liquor license may remain open and may serve alcohol until 4:00 a.m. each day, and holders of an off-sale license may be open and sell alcohol between 8:00 a.m. and 10:00 p.m. on Sunday, under the following conditions:

(1) the holder of an on-sale intoxicating liquor license or the holder of an off-sale liquor license must be located within a city or township, any part of which is within ten miles of the site of the Republican National Convention; and

(2) the licensing jurisdiction where the licensee is located must have approved the additional hours of sale authorized in this section for all licensees within its jurisdiction.

Sec. 39. **REPEALER.**

Minnesota Statutes 2006, sections 16B.281, subdivisions 2, 4, and 5; 16B.285; and 645.44, subdivision 19, are repealed.

Sec. 40. **EFFECTIVE DATE.**

Except for those sections with a different effective date, this article is effective the day following final enactment.

ARTICLE 2
MILITARY AFFAIRS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 45, articles 1 to 3, to the agencies and for the purposes specified in this act. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2008, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30	
	2008	**2009**
Sec. 2. **MILITARY AFFAIRS**	**$**	**$ 52,000**

Appropriations by Fund	
General	390,000
Special Revenue	(338,000)

$75,000 in fiscal year 2009 is to establish a state enhancement of the employer support of the guard and reserve program. The funding base for this activity is $35,000 each year in fiscal years 2010 and 2011.

$135,000 in fiscal year 2009 is to make $1,000 biannual bonus payments to National Guard medics who meet recertification requirements during the fiscal year.

$180,000 in fiscal year 2009 is to add "state navigator" positions to coordinate state agency programs and activities to support and assist soldiers and their families during and after the reintegration process.

$338,000 is a reduction in fiscal year 2009 from the special revenue fund appropriation from the account established in Minnesota Statutes, section 190.19. The base appropriation in fiscal year 2010 and 2011 is $0.

Sec. 3. Minnesota Statutes 2006, section 190.19, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The Minnesota "Support Our Troops" account is established in the special revenue fund. The account shall consist of contributions from private sources and appropriations. Money in the account is appropriated in equal shares to the Department of Military Affairs and the Department of Veterans Affairs.

EFFECTIVE DATE. Notwithstanding Laws 2007, chapter 45, article 2, section 1, and article 3, section 2, subdivision 3, this section is effective for distribution of the Minnesota "Support Our Troops" account the day following final enactment.

Sec. 4. Minnesota Statutes 2007 Supplement, section 190.19, subdivision 2, is amended to read:

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

(1) grants directly to eligible individuals;

(2) grants to one or more eligible foundations for the purpose of making grants to eligible individuals, as provided in this section; ~~or~~

(3) veterans' services~~.~~; or

(4) grants to family readiness groups chartered by the adjutant general.

(b) As used in paragraph (a), the term~~,~~ "eligible individual" includes any person who is:

(1) a member of the Minnesota National Guard or a reserve unit based in Minnesota who has been called to active service as defined in section 190.05, subdivision 5;

(2) a Minnesota resident who is a member of a military reserve unit not based in Minnesota, if the member is called to active service as defined in section 190.05, subdivision 5;

(3) any other Minnesota resident performing active service for any branch of the military of the United States;

(4) a person who served in one of the capacities listed in clause (1), (2), or (3) who has current financial needs directly related to that service; and

(5) a member of the immediate family of an individual identified in clause (1), (2), (3), or (4). For purposes of this clause, "immediate family" means the individual's spouse and minor children and, if they are dependents of the member of the military, the member's parents, grandparents, siblings, stepchildren, and adult children.

(c) As used in paragraph (a), the term "eligible foundation" includes any organization that:

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

(2) has articles of incorporation under chapter 317A specifying the purpose of the organization as including the provision of financial assistance to members of the Minnesota National Guard and other United States armed forces reserves and their families and survivors; and

(3) agrees in writing to distribute any grant money received from the adjutant general under this section to eligible individuals as defined in this section and in accordance with any written policies and rules the adjutant general may impose as conditions of the grant to the foundation.

(d) The maximum grant awarded to an eligible individual under paragraph (a) in a calendar year with funds from the Minnesota "Support Our Troops" account, either through an eligible institution or directly from the adjutant general, may not exceed $2,000.

Sec. 5. **[192.341] STATE ENHANCED EMPLOYER SUPPORT OF GUARD AND RESERVE (ESGR) PROGRAM.**

The adjutant general is authorized to establish and administer a state enhancement to the federal Employer Support of Guard and Reserve (ESGR) Program. The adjutant general shall develop policy and guidelines for the administration of the program established under this section.

Sec. 6. Minnesota Statutes 2006, section 192.501, is amended by adding a subdivision to read:

Subd. 1c. **Medic recertification bonus program.** (a) The adjutant general may establish a program to provide a recertification bonus to eligible members of the Minnesota National Guard who recertify as emergency medical technicians (EMTs) in the National Guard within the limitations of this subdivision. The bonus payments are intended to generally encourage a member's continuing certification as an EMT.

(b) Eligibility for the recertification bonus is limited to a member of the National Guard who:

(1) is serving satisfactorily as determined by the adjutant general; and

(2) has successfully completed the training required for recertification and warrants the payment of a bonus.

(c) The adjutant general may, within the limitations of this subdivision and other applicable laws, determine additional eligibility criteria for the bonus, and must specify all of the criteria in regulations and publish changes as necessary.

(d) Payments under this subdivision must be made on a schedule that is determined and published in department regulations by the adjutant general.

Sec. 7. Minnesota Statutes 2006, section 192.501, is amended by adding a subdivision to read:

Subd. 2a. **Usage of tuition and textbook reimbursement grant program by spouse permitted.** (a) Notwithstanding the eligibility limitations of subdivision 2, paragraph (b), the spouse of a person eligible under subdivision 2, paragraph (b), is eligible to use up to 12 semester hours per year, or the equivalent amount of quarter credits, of that eligible person's unused tuition reimbursement benefit for each year of service in the Minnesota National Guard after the eighth year of such service.

(b) Total benefits under this subdivision cannot exceed the total unused portion of the service member's benefit. A service member's and spouse's eligibility for tuition reimbursement under this subdivision is limited by the provisions of subdivision 2, paragraph (g).

Sec. 8. Minnesota Statutes 2006, section 197.585, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires at the end of the first fiscal year in which the number of veterans enrolled in Minnesota public institutions of higher education is fewer than 4,000~~, but no later than June 30, 2011~~.

Sec. 9. **STARBASE STUDY.**

The appropriation in Laws 2007, chapter 45, article 3, section 2, subdivision 3, for a longitudinal study measuring improvement in academic achievement as a result of participation in the Starbase program is available until June 30, 2009. The Department of Military Affairs must contract with the Wilder Foundation to conduct the study.

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

Sec. 10. **NATIONAL GUARD YOUTH CHALLENGE PROGRAM STUDY.**

The adjutant general and the Department of Military Affairs shall study participation by the Minnesota National Guard in the National Guard Youth Challenge Program promoted by the National Guard Youth Foundation. The adjutant general shall report on the study and make recommendations to the governor and the committees of the senate and the house of representatives with jurisdiction over National Guard programs by January 15, 2009. The study must include:

(1) possible locations for the Minnesota National Guard Youth Challenge Program;

(2) estimated start-up costs for the program;

(3) application and establishment procedures and resources required to apply for and establish the program; and

(4) a survey of similar programs established in other states and how each state comes up with the state match required to obtain federal funds.

ARTICLE 3
EXECUTIVE BRANCH COMPENSATION

Section 1. Minnesota Statutes 2006, section 15A.081, subdivision 8, is amended to read:

Subd. 8. **Expense allowance.** Notwithstanding any law to the contrary, positions listed in section 15A.0815, ~~subdivisions 2 and 3,~~ constitutional officers, the commissioner of Iron Range resources and rehabilitation, and the director of the State Lottery are authorized an annual expense allowance not to exceed $1,500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and postaudit. The commissioner of finance may adopt rules to assure the proper expenditure of these funds and to provide for reimbursement.

Sec. 2. Minnesota Statutes 2006, section 15A.0815, is amended to read:

15A.0815 SALARY LIMITS FOR CERTAIN EMPLOYEES.

Subdivision 1. **Salary limits.** The governor or other appropriate appointing authority shall set the salary rates for positions listed in ~~this section~~ subdivision 2 within the salary limits listed in ~~subdivisions~~ subdivision 2 ~~to 4~~ and section 43A.17, subdivision 9, subject to approval of the Legislative Coordinating Commission and the legislature as provided by subdivision 5 and sections 3.855 and 15A.081, subdivision 7b.

Subd. 2. ~~**Group I salary limits**~~ **Positions.** ~~The salaries for positions in this subdivision may not exceed 95 percent of the salary of the governor:~~

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of employee relations;

Commissioner of employment and economic development;

Commissioner of finance;

Director, Gambling Control Board;

Commissioner of health;

Executive director, Minnesota Office of Higher Education;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner, Iron Range Resources and Rehabilitation Board;

Commissioner of labor and industry;

Commissioner, Bureau of Mediation Services;

Ombudsman for Mental Health and Developmental Disabilities;

Chair, Metropolitan Airports Commission;

Chair, Metropolitan Council;

Director, Minnesota State Lottery;

Commissioner of natural resources;

~~Director of Office of Strategic and Long-Range Planning;~~

Commissioner, Pollution Control Agency;

Executive director, Public Employees Retirement Association;

Commissioner of public safety;

Commissioner, Public Utilities Commission;

Director, Minnesota Racing Commission;

Commissioner of revenue;

~~Commissioner of employment and economic development;~~

Executive director, State Retirement System;

Executive director, Teachers Retirement Association;

Commissioner of transportation; and

Commissioner of veterans affairs.

~~Subd. 3.~~ **~~Group II salary limits.~~** ~~The salaries for positions in this subdivision may not exceed 85 percent of the salary of the governor:~~

~~Executive director of Gambling Control Board;~~

~~Commissioner, Iron Range Resources and Rehabilitation Board;~~

~~Commissioner, Bureau of Mediation Services;~~

~~Ombudsman for Mental Health and Developmental Disabilities;~~

~~Chair, Metropolitan Council;~~

~~Executive director of pari-mutuel racing;~~

~~Executive director, Public Employees Retirement Association;~~

~~Commissioner, Public Utilities Commission;~~

~~Executive director, State Retirement System; and~~

~~Executive director, Teachers Retirement Association.~~

~~Subd. 4.~~ **~~Group III salary limits.~~** ~~The salary for a position in this subdivision may not exceed 25 percent of the salary of the governor:~~

~~Chair, Metropolitan Airports Commission.~~

Subd. 5. **Appointing authorities to recommend certain salaries.** (a) The governor, or other appropriate appointing authority, may submit to the Legislative Coordinating Commission recommendations for salaries within the salary limits for the positions listed in subdivisions 2 to 4. An appointing authority may also propose additions or deletions of positions from those listed.

(b) Before submitting the recommendations, the appointing authority shall consult with the commissioner of employee relations concerning the recommendations.

(c) In making recommendations, the appointing authority shall consider the criteria established in section 43A.18, subdivision 8, and the performance of individual incumbents. The performance evaluation must include a review of an incumbent's progress toward attainment of affirmative action goals. The appointing authority shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities, and accountabilities, and in determining recommendations, rate each position by this system.

(d) Before the appointing authority's recommended salaries take effect, the recommendations must be reviewed and approved, rejected, or modified by the Legislative Coordinating Commission and the legislature under section 3.855, subdivisions 2 and 3. If, when the legislature is not in session, the commission fails to reject or modify salary recommendations of the governor within 30 calendar days of their receipt, the recommendations are deemed to be approved.

(e) The appointing authority shall set the initial salary of a head of a new agency or a chair of a new metropolitan board or commission whose salary is not specifically prescribed by law after consultation with the commissioner, whose recommendation is advisory only. The amount of the new salary must be comparable to the salary of an agency head or commission chair having similar duties and responsibilities.

(f) The salary of a newly appointed head of an agency or chair of a metropolitan agency listed in ~~subdivisions~~ subdivision 2 ~~to 4~~, may be increased or decreased by the appointing authority from the salary previously set for that position within 30 days of the new appointment after consultation with the commissioner. If the appointing authority increases a salary under this paragraph, the appointing authority shall submit the new salary to the Legislative Coordinating Commission and the full legislature for approval, modification, or rejection under section 3.855, subdivisions 2 and 3. If, when the legislature is not in session, the commission fails to reject or modify salary recommendations of the governor within 30 calendar days of their receipt, the recommendations are deemed to be approved.

Sec. 3. Minnesota Statutes 2006, section 43A.01, subdivision 3, is amended to read:

Subd. 3. **Equitable compensation relationships.** It is the policy of this state to ~~attempt to~~ establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in the executive branch. Compensation relationships are equitable within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending, and approving total compensation is comparability of the value of the work in relationship to other positions in the executive branch. A recognized system for classification analysis and its concurrent point allocation system must be used in order to attain compensation equity. Classification range maximums must fall within the system's point allocation window. Market-driven forces are recognized as acceptable in order to maintain employee recruitment and retention efforts whenever the compensation rates exceed the allocated points. No contract executed under chapter 179A may modify, waive, or abridge this section and sections 43A.07 to 43A.121, 43A.15, and 43A.17 to 43A.21, except to the extent expressly permitted in those sections. Any compensation equity adjustments must be made from agency appropriations. Fifty percent of the compensation governed by this system must be adjusted in fiscal year 2009 and the remaining compensation in fiscal year 2010.

Sec. 4. Minnesota Statutes 2006, section 43A.17, subdivision 9, is amended to read:

Subd. 9. ~~**Political subdivision**~~ **Compensation limit.** (a) The salary and the value of all other forms of compensation of the positions in section 15A.0815 and a person employed by a political subdivision of this state, excluding a school district, or employed under section 422A.03 may not exceed 110 percent of the salary of the governor as set under section 15A.082, except as provided in this subdivision. For purposes of this subdivision, "political subdivision of this state" includes a statutory or home rule charter city, county, town, metropolitan or regional agency, or other political subdivision, but does not include a hospital, clinic, or health maintenance organization owned by such a governmental unit.

(b) Beginning in 2006, the limit in paragraph (a) shall be adjusted annually in January. The limit shall equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all-urban consumers from October of the second prior year to October of the immediately prior year.

(c) Deferred compensation and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. Other forms of compensation which shall be included to determine an employee's total compensation are all other direct and indirect items of compensation which are not specifically excluded by this subdivision. Other forms of compensation which shall not be included in a determination of an employee's total compensation for the purposes of this subdivision are:

(1) employee benefits that are also provided for the majority of all other full-time employees of the political subdivision, vacation and sick leave allowances, health and dental insurance, disability insurance, term life insurance, and pension benefits or like benefits the cost of which is borne by the employee or which is not subject to tax as income under the Internal Revenue Code of 1986;

(2) dues paid to organizations that are of a civic, professional, educational, or governmental nature; and

(3) reimbursement for actual expenses incurred by the employee which the governing body determines to be directly related to the performance of job responsibilities, including any relocation expenses paid during the initial year of employment.

The value of other forms of compensation shall be the annual cost to the political subdivision for the provision of the compensation.

(d) The salary of a medical doctor or doctor of osteopathy occupying a position that the governing body of the political subdivision has determined requires an M.D. or D.O. degree is excluded from the limitation in this subdivision.

(e) The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state and nation. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the Legislative Coordinating Commission and received the commission's recommendation on it. The recommendation is advisory only. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have made no recommendation. If the commissioner grants or granted an increase under this paragraph, the new limitation shall be adjusted beginning in August 2005 and in each subsequent calendar year in January by the percentage increase equal to the percentage increase, if any, in the Consumer Price Index for all-urban consumers from October of the second prior year to October of the immediately prior year.

Sec. 5. Minnesota Statutes 2006, section 119A.03, subdivision 1, is amended to read:

Subdivision 1. **General.** The department is under the administrative control of the commissioner. The commissioner is appointed by the governor with the advice and consent of the senate. The commissioner must possess broad knowledge and experience in strengthening children and families. The commissioner has the general powers as provided in section 15.06, subdivision 6.

The commissioner's salary must be established according to the procedure in section 15A.0815~~, in the same range as that specified for the commissioner of finance~~.

Sec. 6. Minnesota Statutes 2006, section 124D.385, subdivision 4, is amended to read:

Subd. 4. **Delegation to nonprofit.** The commission may create a private nonprofit corporation that is exempt from taxation under section 501(c)(3) of the federal Internal Revenue Code of 1986. If the commission creates a private nonprofit corporation, the commission must serve as the corporation's board of directors. The private nonprofit corporation is not subject to laws governing state agencies or political subdivisions, except the provisions of chapter 13, the Open Meeting Law under chapter 13D, salary limits under section 15A.0815, ~~subdivision 2,~~ and audits by the legislative auditor under chapter 3 apply. Further provided that the board of directors and the executive director of the nonprofit corporation are each considered an "official" for purposes of section 10A.071. The commission may delegate any or all of its powers and duties under federal law or under sections 124D.37 to 124D.45 to the corporation if the nonprofit corporation is approved under federal law to administer the National and Community Service Trust Act. The commission may revoke a delegation of powers and duties at any time, and must revoke the delegation if the corporation is no longer approved under federal law as the administrator in the state of Minnesota for the National and Community Service Trust Act.

Sec. 7. Minnesota Statutes 2007 Supplement, section 216C.052, subdivision 2, is amended to read:

Subd. 2. **Administrative issues.** (a) The commissioner may select the administrator. The administrator must have at least five years of experience working as a power systems engineer or transmission planner, or in a position dealing with power system reliability issues, and may not have been a party or a participant in a commission energy proceeding for at least one year prior to selection by the commissioner. The commissioner shall oversee and direct the work of the administrator, annually review the expenses of the administrator, and annually approve the budget of the administrator. The administrator may hire staff and may contract for technical expertise in performing duties when existing state resources are required for other state responsibilities or when special expertise is required. The salary of the administrator is governed by section 15A.0815~~, subdivision 2~~.

(b) Costs relating to a specific proceeding, analysis, or project are not general administrative costs. For purposes of this section, "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state.

(c) The Department of Commerce shall pay:

(1) the general administrative costs of the administrator, not to exceed $1,000,000 in a fiscal year, and shall assess energy utilities for those administrative costs. These costs must be consistent with the budget approved by the commissioner under paragraph (a). The department shall apportion the costs among all energy utilities in proportion to their respective gross operating revenues from sales of gas or electric service within the state during the last calendar year, and shall then render a bill to each utility on a regular basis; and

(2) costs relating to a specific proceeding analysis or project and shall render a bill to the specific energy utility or utilities participating in the proceeding, analysis, or project directly, either at the conclusion of a particular proceeding, analysis, or project, or from time to time during the course of the proceeding, analysis, or project.

(d) For purposes of administrative efficiency, the department shall assess energy utilities and issue bills in accordance with the billing and assessment procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision. The amount of the bills rendered by the department under paragraph (c) must be paid by the energy utility into an account in the special revenue fund in the state treasury within 30 days from the date of billing and is appropriated to the department for the purposes provided in this section. The commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover amounts paid by utilities under this section. All amounts assessed under this section are in addition to amounts appropriated to the commission and the department by other law.

Sec. 8. Minnesota Statutes 2006, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. **Director.** A State Lottery is established under the supervision and control of a director. The director of the State Lottery shall be appointed by the governor with the advice and consent of the senate. The director serves in the unclassified service at the pleasure of the governor. ~~The annual salary rate authorized for the director is equal to 95 percent of the salary rate prescribed for the governor.~~