

A bill for an act
relating to state government; imposing a moratorium on unfunded mandates to
businesses and units of local government; creating commissions to recommend
elimination of unfunded mandates on units of local government and to reduce
mandates and paperwork imposed on businesses; proposing coding for new
law in Minnesota Statutes, chapter 3.

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

Section 1. **[3.99] MORATORIUM ON UNFUNDED MANDATES.**

(a) Until otherwise provided by law, the legislature may not enact a law and a state
agency may not adopt a rule that imposes a new unfunded mandate, or that increases the
cost of a prior mandate, on a Minnesota business or on a city, county, school district, or
town. For purposes of this section:

(1) a "mandate" is a requirement imposed upon a business or a city, county, school
district, or township that if not complied with results in civil liability, injunctive relief, a
criminal penalty, or administrative sanctions, including reduction or loss of funding; and

(2) a mandate is "unfunded" unless the legislature appropriates money to pay the
expected cost of the mandate upon businesses and political subdivisions.

(b) An exemption may be granted to the requirements in paragraph (a):

(1) by the legislature, if it determines that a new or increased mandate in a law is
necessary to protect public health or the environment or is required to implement federal
law; and

(2) by the governor, with respect to a rule, if the governor determines that a new
or increased mandate in a rule is necessary to protect public health or the environment
or is required to implement federal law.

2.1 **Sec. 2. LOCAL GOVERNMENT MANDATE RELIEF COMMISSION.**

2.2 (a) The Local Government Mandate Relief Commission is created to recommend
2.3 ways of eliminating unfunded mandates that state laws or rules impose on political
2.4 subdivisions. The commission consists of:

2.5 (1) seven representatives of school boards, cities, towns, and counties appointed by
2.6 the governor; and

2.7 (2) one member of the house of representatives appointed by the speaker, one
2.8 member of the house of representatives appointed by the house minority leader, and one
2.9 senator from the majority caucus and one senator from the minority caucus appointed
2.10 according to the rules of the senate.

2.11 (b) Members of the commission serve at the pleasure of the appointing authority.
2.12 Members serve without compensation and do not receive reimbursement for expenses.

2.13 (c) The governor must designate one of the members appointed by the governor as
2.14 the chair of the commission. The chair must convene the first meeting. The governor and
2.15 legislative leaders must arrange for administrative and staff support for the commission.

2.16 (d) The commission must report to the legislature and the governor by December 1,
2.17 2010, on recommendations for eliminating or reducing unfunded state mandates imposed
2.18 on units of local government. The commission expires December 31, 2010.

2.19 **Sec. 3. BUSINESS MANDATE RELIEF AND PAPERWORK REDUCTION**
2.20 **COMMISSION.**

2.21 (a) The Business Mandate Relief and Paperwork Reduction Commission consists of:

2.22 (1) seven representatives of business appointed by the governor; and

2.23 (2) one member of the house of representatives appointed by the speaker, one
2.24 member of the house of representatives appointed by the house minority leader, and one
2.25 senator from the majority caucus and one senator from the minority caucus appointed
2.26 according to the rules of the senate.

2.27 (b) Members of the commission serve at the pleasure of the appointing authority.
2.28 Members serve without compensation and do not receive reimbursement for expenses.

2.29 (c) The governor must designate one of the members appointed by the governor as
2.30 the chair of the commission. The chair must convene the first meeting. The governor and
2.31 legislative leaders must arrange for administrative and staff support for the commission.

2.32 (d) The commission must report to the legislature and the governor by December
2.33 1, 2010, on recommendations for reducing mandates, paperwork, fees, licenses, permits,
2.34 bureaucracy, and red tape that state laws or rules impose on businesses. The commission's
2.35 recommendations must include a comparison to other states and must identify mandates,

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3.1 paperwork, fees, licenses, permits, bureaucracy, and red tape that hurt Minnesota's business
3.2 climate in comparison to other states. The commission expires December 31, 2010.

3.3 Sec. 4. **EFFECTIVE DATE.**

3.4 Sections 1 to 3 are effective the day following final enactment.