SENATE
STATE OF MINNESOTA
SPECIAL SESSION

S.F. No. 10

(SENATE AUTHORS: KIFFMEYER, Koran, Anderson, B., Mathews and Carlson)

DATE	D-PG	OFFICIAL STATUS
05/24/2019		Introduction and first reading

A bill for an act

relating to the operation of state government; appropriating money for the legislature, the governor's office, state auditor, attorney general, secretary of state, and certain agencies, boards, councils, and retirement funds; changing provisions in state government operations; making state payment terminology changes; adding provisions for presidential nomination primary; changing provisions for information technology, military and veterans affairs policy, gambling control board, racing commission, and state board of accountancy; ratifying certain labor agreements; requiring reports; amending Minnesota Statutes 2018, sections 3.855, by adding a subdivision; 3.97, subdivision 3a; 3.971, subdivision 9; 13.599, by adding a subdivision; 15.191, subdivisions 1, 3; 15A.083, subdivision 6a; 16A.065; 16A.13, subdivision 2a; 16A.15, subdivision 3; 16A.272, subdivision 3; 16A.40; 16A.42, subdivision 2, by adding a subdivision; 16A.671, subdivision 1; 16B.37, subdivision 4; 16C.055, subdivision 2; 16D.09, subdivision 1; 16E.03, subdivision 1, by adding subdivisions; 21.116; 43A.10, by adding a subdivision; 43A.15, subdivision 14; 43A.191, subdivisions 2, 3; 80A.65, subdivision 9; 84A.23, subdivision 4; 84A.33, subdivision 4; 84A.52; 88.12, subdivision 1; 94.522; 94.53; 116J.64, subdivision 7; 127A.34, subdivision 1; 127A.40; 136F.70, subdivision 3; 155A.25, subdivision 1a; 155A.28, by adding a subdivision; 176.181, subdivision 2; 176.581; 176.591, subdivision 3; 192.55; 196.05, subdivision 1; 197.603, subdivision 2; 201.091, subdivision 4, by adding a subdivision; 203B.121, subdivision 4; 204C.10; 207A.11; 207A.12; 207A.14, subdivision 2; 207A.15, subdivision 2; 237.30; 240.01, by adding a subdivision; 240.02, subdivisions 2, 6; 240.08, subdivision 5; 240.10; 240.12; 240.13, subdivision 5; 240.131, subdivision 7; 240.135; 240.15, subdivision 6; 240.155, subdivision 1; 240.16, subdivisions 1, 2; 240.18, subdivisions 2, 3; 240.22; 240.27; 240A.09; 244.19, subdivision 7; 256B.20; 273.1245, subdivision 2; 299C.21; 326A.01, subdivision 2; 326A.04, subdivisions 4, 5; 326A.08, subdivisions 4, 5, by adding a subdivision; 326A.10; 349.12, subdivision 2; 349.17, subdivision 6; 349.181, subdivision 5; 349.19, subdivisions 1, 2; 352.04, subdivision 9; 353.05; 354.42, subdivision 7; 375.08; 375A.10, subdivision 5; 375A.12, subdivision 2; 382.01; 382.02; 401.15, subdivision 1; 446A.16, subdivision 1; 462A.18, subdivision 1; 525.841; Laws 2016, chapter 189, article 13, section 64; Laws 2018, chapter 100, section 1; proposing coding for new law in Minnesota Statutes, chapters 3; 5; 10; 240; 326A; 375A; repealing Minnesota Statutes 2018, sections 3.9735; 155A.28, subdivisions 1, 3, 4.

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

ARTICLE 1
STATE GOVERNMENT APPROPRIATIONS

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

	APPROPRIATIONS Available for the Year Ending June 30	
	2020	**2021**
Sec. 2. **LEGISLATURE**		
Subdivision 1. **Total Appropriation**	**$ 91,770,000**	**$ 95,581,000**
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Senate**	34,866,000	35,654,000
Subd. 3. **House of Representatives**	37,420,000	38,857,000
Subd. 4. **Legislative Coordinating Commission**	19,484,000	21,070,000

The base for the Legislative Coordinating Commission is $20,780,000 in fiscal year 2022 and $20,781,000 in fiscal year 2023.

From its funds, $10,000 each year is for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

Legislative Auditor. $7,205,000 the first year and $7,596,000 the second year are for the Office of the Legislative Auditor.

Revisor of Statutes. $6,768,000 the first year and $7,207,000 the second year are for the Office of the Revisor of Statutes.

Legislative Reference Library. $1,664,000 the first year and $1,775,000 the second year are for the Legislative Reference Library.

Legislative Budget Office. $904,000 the first year and $1,483,000 the second year are for the Legislative Budget Office. The base for the Legislative Budget Office is $1,193,000 in fiscal year 2022 and $1,194,000 in fiscal year 2023.

Sec. 3. **GOVERNOR AND LIEUTENANT GOVERNOR**	**$**	**3,622,000**	**$**	**3,622,000**

(a) This appropriation is to fund the Office of the Governor and Lieutenant Governor.

(b) $19,000 the first year and $19,000 the second year are for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

(c) By September 1 of each year, the commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance any personnel costs incurred by the Offices of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs and

ranking minority members of the committees before initiating any interagency agreements.

Sec. 4. **STATE AUDITOR** $ **10,336,000** $ **10,602,000**

Sec. 5. **ATTORNEY GENERAL** $ **25,687,000** $ **26,429,000**

Appropriations by Fund

	2020	2021
General	22,828,000	23,513,000
State Government Special Revenue	2,464,000	2,521,000
Environmental	145,000	145,000
Remediation	250,000	250,000

Sec. 6. **SECRETARY OF STATE** $ **9,334,000** $ **7,292,000**

(a) Of these amounts, $2,000,000 the first year is for election equipment grants under Minnesota Statutes, section 206.95. This is a onetime appropriation and is available until June 30, 2022.

(b) $163,000 the first year is transferred from the general fund to the Help America Vote Act account under Minnesota Statutes, section 5.30, and is credited to the state match requirement of the Omnibus Appropriations Act of 2018, Public Law 115-1410, and the Help America Vote Act of 2002, Public Law 107-252, section 101. This is a onetime appropriation.

Sec. 7. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD** $ **1,123,000** $ **1,123,000**

Sec. 8. **STATE BOARD OF INVESTMENT** $ **139,000** $ **139,000**

Sec. 9. **ADMINISTRATIVE HEARINGS** $ **8,231,000** $ **8,231,000**

Appropriations by Fund

	2020	2021
General	400,000	400,000
Workers' Compensation	7,831,000	7,831,000

$263,000 each year is for municipal boundary adjustments.

Sec. 10. **OFFICE OF MN.IT SERVICES**	**$**	**7,679,000**	**$**	**7,679,000**

(a) $5,000,000 each year is for enhancements to cybersecurity across state government.

(b) The commissioner of management and budget is authorized to provide cash flow assistance of up to $50,000,000 from the special revenue fund or other statutory general funds as defined in Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Office of MN.IT Services for the purpose of managing revenue and expenditure differences. These funds shall be repaid with interest by the end of the fiscal year 2021 closing period.

(c) During the biennium ending June 30, 2021, MN.IT Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than $400,000 for the biennium, the office may charge for access fees in excess of these amounts.

Sec. 11. **ADMINISTRATION**

Subdivision 1. **Total Appropriation**	**$**	**26,085,000**	**$**	**24,965,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Government and Citizen Services**	11,042,000	9,442,000

$74,000 each year is for the Council on Developmental Disabilities.

State Demographer. $2,339,000 the first year and $739,000 the second year are for the state demographer. Of this amount, $1,600,000 the first year is for Minnesota Census 2020 mobilization, including the grant program required under article 2.

State Historic Preservation Office. $527,000 each year is for the State Historic Preservation Office.

Subd. 3. **Strategic Management Services**	2,671,000	2,651,000
Subd. 4. **Fiscal Agent**	12,372,000	12,872,000

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

In-Lieu of Rent. $9,391,000 the first year and $9,891,000 the second year are for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Television. (a) $1,550,000 each year is for matching grants for public television.

(b) $250,000 each year is for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) and (b) for equipment or matching grants.

Public Radio. (a) $392,000 each year is for community service grants to public

educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages.

(b) $117,000 each year is for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under $500.

(c) $510,000 each year is for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(d) The appropriations in paragraphs (a) to (c) may not be used for indirect costs claimed by an institution or governing body.

(e) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (a) and (b). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2019.

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

(g) $162,000 each year is for transfer to the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of $1 in matching contributions of money or in-kind

contributions from nonstate sources for every $3 provided by this appropriation, except that each year up to $50,000 is available on July 1 even if the required matching contribution has not been received by that date. $162,000 in fiscal year 2022 and $162,000 in fiscal year 2023 are transferred and added to the base for the Film and TV Board in the Department of Employment and Economic Development.

Sec. 12. **CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD**	**$**	**351,000**	**$**	**351,000**
Sec. 13. **MINNESOTA MANAGEMENT AND BUDGET**	**$**	**26,946,000**	**$**	**26,723,000**

Of these funds, $141,000 the first year is to pay to Becker County and to Wright County the amount each county demonstrates to the commissioner of management and budget that it spent on legal fees, including costs and disbursements, to defend the lawsuit brought by former state auditor, Rebecca Otto, against Wright, Becker, and Ramsey Counties, Otto v. Wright County, Becker County, and Ramsey County, Minnesota District Court, Second Judicial District, Court File No. 62-CV-16-606, and all appeals from that suit.

Sec. 14. **REVENUE**

Subdivision 1. **Total Appropriation**	**$**	**164,444,000**	**$**	**167,391,000**

Appropriations by Fund

	2020	2021
General	160,184,000	163,131,000
Health Care Access	1,760,000	1,760,000
Highway User Tax Distribution	2,195,000	2,195,000
Environmental	305,000	305,000

Subd. 2. **Tax System Management**	135,658,000	138,075,000

Appropriations by Fund		
General	131,398,000	133,815,000
Health Care Access	1,760,000	1,760,000
Highway User Tax Distribution	2,195,000	2,195,000
Environmental	305,000	305,000

Taxpayer Assistance. (a) $400,000 each year is for the commissioner of revenue to make grants to one or more nonprofit organizations, qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The unencumbered balance in the first year does not cancel but is available for the second year.

(b) For purposes of this section, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

Subd. 3. **Debt Collection Management** 28,786,000 29,316,000

Sec. 15. **GAMBLING CONTROL** **$ 3,472,000 $ 3,472,000**

These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 16. **RACING COMMISSION** **$ 913,000 $ 913,000**

These appropriations are from the racing and card playing regulation accounts in the special revenue fund.

Sec. 17. **STATE LOTTERY**

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the State Lottery's operating budget must not exceed $35,000,000 in fiscal year 2020 and $36,500,000 in fiscal year 2021.

Sec. 18. **AMATEUR SPORTS COMMISSION**	**$**	**341,000**	**$**	**306,000**
Sec. 19. **COUNCIL FOR MINNESOTANS OF AFRICAN HERITAGE**	**$**	**531,000**	**$**	**532,000**
Sec. 20. **COUNCIL ON LATINO AFFAIRS**	**$**	**519,000**	**$**	**525,000**
Sec. 21. **COUNCIL ON ASIAN-PACIFIC MINNESOTANS**	**$**	**510,000**	**$**	**515,000**
Sec. 22. **INDIAN AFFAIRS COUNCIL**	**$**	**853,000**	**$**	**846,000**
Sec. 23. **MINNESOTA HISTORICAL SOCIETY**				
Subdivision 1. **Total Appropriation**	**$**	**22,968,000**	**$**	**23,518,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Operations and Programs**	22,647,000	23,197,000

Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.

Subd. 3. **Fiscal Agent**

(a) Global Minnesota	39,000	39,000
(b) Minnesota Air National Guard Museum	17,000	17,000
(c) Hockey Hall of Fame	100,000	100,000
(d) Farmamerica	115,000	115,000
(e) Minnesota Military Museum	50,000	50,000

Any unencumbered balance remaining in this subdivision the first year does not cancel but

is available for the second year of the biennium.

Sec. 24. **BOARD OF THE ARTS**

Subdivision 1. **Total Appropriation**	**$**	**8,241,000**	**$**	**7,541,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Operations and Services**	1,302,000	602,000

$700,000 in the first year is for moving and relocation expenses for the board. Moving and relocation expenses are limited to the design and construction of new leased office space; moving, installing and reconfiguring information technology systems and audio visual equipment; purchasing and installing work stations; and professional moving services necessary to complete the relocation. The board may use no more than $5,000 for other miscellaneous services, provided that the services must be directly related to the office relocation. On June 30, 2020, any unexpended amounts appropriated for moving and relocation expenses cancel to the general fund.

Subd. 3. **Grants Program**	4,800,000	4,800,000
Subd. 4. **Regional Arts Councils**	2,139,000	2,139,000

Any unencumbered balance remaining in this section the first year does not cancel, but is available for the second year.

Money appropriated in this section and distributed as grants may only be spent on projects located in Minnesota. A recipient of a grant funded by an appropriation in this

section must not use more than ten percent of the total grant for costs related to travel outside the state of Minnesota.

Sec. 25. **MINNESOTA HUMANITIES CENTER**	**$**	**700,000**	**$**	**700,000**

$325,000 each year is for grants under Minnesota Statutes, section 138.912. No more than three percent of the appropriation may be used for the nonprofit administration of the program. $325,000 in fiscal year 2022 and $325,000 in fiscal year 2023 are transferred and added to the base of the Department of Agriculture for grants under Minnesota Statutes, section 138.912.

Sec. 26. **BOARD OF ACCOUNTANCY**	**$**	**694,000**	**$**	**675,000**
Sec. 27. **BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN**	**$**	**855,000**	**$**	**851,000**
Sec. 28. **BOARD OF COSMETOLOGIST EXAMINERS**	**$**	**2,904,000**	**$**	**2,935,000**
Sec. 29. **BOARD OF BARBER EXAMINERS**	**$**	**343,000**	**$**	**343,000**
Sec. 30. **GENERAL CONTINGENT ACCOUNTS**	**$**	**1,000,000**	**$**	**500,000**

Appropriations by Fund

	2020	2021
General	500,000	-0-
State Government Special Revenue	400,000	400,000
Workers' Compensation	100,000	100,000

(a) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(c) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 31. **TORT CLAIMS**	**$**	**161,000**	**$**	**161,000**

These appropriations are to be spent by the commissioner of management and budget according to Minnesota Statutes, section 3.736, subdivision 7. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 32. **MINNESOTA STATE RETIREMENT SYSTEM**

Subdivision 1. **Total Appropriation**	**$**	**15,111,000**	**$**	**15,151,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Combined Legislators and Constitutional Officers Retirement Plan**	9,111,000	9,151,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Subd. 3. **Judges Retirement Plan**	6,000,000	6,000,000

For transfer to the judges retirement fund under Minnesota Statutes, section 490.123. This transfer continues each fiscal year until the judges retirement plan reaches 100 percent funding as determined by an actuarial

valuation prepared according to Minnesota Statutes, section 356.214.

Sec. 33. **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION** **$ 10,500,000** **$ 15,000,000**

(a) $4,500,000 the first year and $9,000,000 the second year are for direct state aid to the public employees police and fire retirement plan authorized under Minnesota Statutes, section 353.65, subdivision 3b.

(b) State payments from the general fund to the Public Employees Retirement Association on behalf of the former MERF division account are $6,000,000 on September 15, 2019, and $6,000,000 on September 15, 2020. These amounts are estimated to be needed under Minnesota Statutes, section 353.505.

Sec. 34. **TEACHERS RETIREMENT ASSOCIATION** **$ 29,831,000** **$ 29,831,000**

The amounts estimated to be needed are as follows:

Special Direct State Aid. $27,331,000 each year is for special direct state aid authorized under Minnesota Statutes, section 354.436.

Special Direct State Matching Aid. $2,500,000 each year is for special direct state matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 35. **ST. PAUL TEACHERS RETIREMENT FUND** **$ 14,827,000** **$ 14,827,000**

The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 36. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation**	**$**	**24,197,000**	**$**	**24,197,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Maintenance of Training Facilities**	9,701,000	9,701,000
Subd. 3. **General Support**	3,382,000	3,382,000

$258,000 each year is for reintegration activities. If the amount for fiscal year 2020 is insufficient, the amount for 2021 is available in fiscal year 2020. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

Subd. 4. **Enlistment Incentives**	11,114,000	11,114,000

The appropriations in this subdivision are available until June 30, 2023, except that any unspent amounts allocated to a program otherwise supported by this appropriation are canceled to the general fund upon receipt of federal funds in the same amount to support administration of that program.

If the amount for fiscal year 2020 is insufficient, the amount for 2021 is available in fiscal year 2020. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

Sec. 37. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation**	**$**	**75,941,000**	**$**	**75,914,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Veterans Programs and Services** 18,180,000 18,153,000

(a) **CORE Program.** $750,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(b) **Veterans Service Organizations.** $353,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Minnesota Assistance Council for Veterans.** $750,000 each year is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with the following:

(1) utilities;

(2) employment; and

(3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that

this assistance is coordinated with all other available programs for veterans.

(d) **State's Veterans Cemeteries.** $1,647,000 in the first year and $1,672,000 in the second year are for the state's veterans cemeteries.

(e) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(f) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(g) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(h) **County Veterans Service Office.** $1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(i) **Armed Forces Service Center.** $100,000 in the first year is for a onetime grant to the Armed Forces Service Center at the Minneapolis-St. Paul Airport for construction costs related to the remodeling of the Armed Forces Service Center and for refurbishing the center's furniture and beds used by service members between connecting flights and while awaiting ground transportation when traveling individually or by unit to and from military duty assignments.

As a condition of issuing this grant, the commissioner must ensure that the center provides matching funding for this purpose. The commissioner must also ensure that no part of this grant may be spent for salary or related benefits for any person or for the operations of the center.

(k) **Medal of Honor Memorial.** $150,000 in the first year is for deposit in the Medal of Honor Memorial account established under Laws 2016, chapter 189, article 13, section 64, subdivision 2. The commissioner shall use the amount transferred under this section to construct the Medal of Honor Commemorative Memorial. This transfer is not available until the commissioner of management and budget determines that an equal amount is committed from other nonstate sources.

Subd. 3. **Veterans Health Care**	57,761,000	57,761,000

(a) **Transfers.** These appropriations may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs.

(b) **Report.** No later than January 15, 2020, the commissioner must submit a report to the legislative committees with jurisdiction over veterans affairs and state government finance on reserve amounts maintained in the veterans homes special revenue account. The report must detail current and historical amounts

maintained as a reserve, and uses of those amounts. The report must also include data on the utilization of existing veterans homes, including current and historical bed capacity and usage, staffing levels and staff vacancy rates, and staff-to-resident ratios.

(c) **Maximize Federal Reimbursements.** The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements received. Contingent upon future federal Medicare receipts, reductions to the homes' general fund appropriation may be made.

Sec. 38. Laws 2018, chapter 100, section 1, is amended to read:

Section 1. **SENATE; APPROPRIATION.**

$32,299,000 in fiscal year 2018 and ~~$32,105,000~~ $37,105,000 in fiscal year 2019 are appropriated from the general fund to the senate.

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

Sec. 39. **APPROPRIATION; SECRETARY OF STATE; COURT ORDERED ATTORNEY FEES.**

$1,290,000 is appropriated in fiscal year 2019 from the general fund to the secretary of state for the payment of attorney fees awarded by court order in *Minnesota Voters Alliance v. Mansky*. This is a onetime appropriation.

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

Sec. 40. **HELP AMERICA VOTE ACT TRANSFERS AND APPROPRIATIONS; SECRETARY OF STATE.**

(a) $6,595,610 is appropriated in fiscal year 2019 from the HAVA account established in Minnesota Statutes, section 5.30, to the secretary of state for the purposes of improving

the administration and security of elections as authorized by federal law. Use of the appropriation is limited to the following activities:

(1) modernizing, securing, and updating the statewide voter registration system and for cybersecurity upgrades as authorized by federal law;

(2) improving accessibility;

(3) preparing training materials and training local election officials; and

(4) implementing security improvements for election systems.

(b) Any amount earned in interest on the amount appropriated under paragraph (a) is appropriated from the HAVA account to the secretary of state for purposes of improving the administration and security of elections as authorized by federal law.

(c) The appropriations under paragraphs (a) and (b) are onetime and available until March 23, 2023.

(d) $167,000 expended by the secretary of state in fiscal years 2018 and 2019 for increasing secure access to the statewide voter registration system is deemed:

(1) to be money used for carrying out the purposes authorized under the Omnibus Appropriations Act of 2018, Public Law 115-1410, and the Help America Vote Act of 2002, Public Law 107-252, section 101; and

(2) to be credited toward any match required by those laws.

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

Sec. 41. **CANCELLATIONS.**

(a) $220,000 from the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21, is canceled to the general fund by June 29, 2019.

(b) All unspent funds, estimated to be $350,000, to provide grants to the veterans Journey Home program in fiscal year 2019 under Laws 2017, First Special Session chapter 4, article 1, section 38, subdivision 2, are canceled to the general fund by June 29, 2019.

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

ARTICLE 2
STATE GOVERNMENT OPERATIONS

Section 1. Minnesota Statutes 2018, section 3.855, is amended by adding a subdivision to read:

Subd. 5. **Information required.** The commissioner of management and budget must submit to the Legislative Coordinating Commission the following information with the submission of a collective bargaining agreement or compensation plan under subdivisions 2 and 3:

(1) for each agency and for each proposed agreement or plan, a comparison of biennial compensation costs under the current agreement or plan to the projected biennial compensation costs under the proposed agreement or plan, paid with funds appropriated from the general fund;

(2) for each agency and for each proposed agreement or plan, a comparison of biennial compensation costs under the current agreement or plan to the projected biennial compensation costs under the proposed agreement or plan, paid with funds appropriated from each fund other than the general fund;

(3) for each agency and for each proposed agreement or plan, an identification of the amount of the additional biennial compensation costs that are attributable to salary and wages and to the cost of nonsalary and nonwage benefits; and

(4) for each agency, for clauses (1) to (3), the impact of the aggregate of all agreements and plans being submitted to the commission.

Sec. 2. **[3.8845] LEGISLATIVE COMMISSION ON HOUSING AFFORDABILITY.**

Subdivision 1. **Membership.** (a) The Legislative Commission on Housing Affordability consists of:

(1) two senators appointed by the senate majority leader;

(2) two senators appointed by the senate minority leader;

(3) two representatives appointed by the speaker of the house; and

(4) two representatives appointed by the minority leader of the house of representatives.

(b) Each appointing authority must make appointments by January 31 of the regular legislative session in the odd-numbered year.

Subd. 2. **Meetings.** The ranking senator from the majority party appointed to the commission must convene the first meeting of a biennium by February 15 in the odd-numbered year.

Subd. 3. **Terms; vacancies.** Members of the commission serve for terms beginning upon appointment and ending at the beginning of the regular legislative session in the next odd-numbered year. The appropriate appointing authority must fill a vacancy for a seat of a current legislator for the remainder of the unexpired term.

Subd. 4. **Officers.** The commission must elect a chair and may elect other officers as it determines are necessary at the first meeting of the commission in an odd-numbered year. The chair alternates between a member of the senate and a member of the house of representatives at the start of the regular legislative session in each odd-numbered year.

Subd. 5. **Staff.** The Legislative Coordinating Commission must provide administrative and research assistance to the commission.

Subd. 6. **Duties.** The commission shall:

(1) define housing affordability and study issues relating to housing affordability and the construction, preservation, and rehabilitation of owner-occupied and rental housing, including subsidized housing, existing and future government regulations impacting housing affordability, market forces impacting housing affordability, and access to homeownership;

(2) review and provide the legislature with research and analysis of emerging issues affecting housing affordability and homeownership access, including but not limited to construction work force, innovation, building practices, and building material costs;

(3) review and provide the legislature with research and analysis of policies to reduce the homeownership equity gap; and

(4) review and make recommendations on legislative and rulemaking proposals positively impacting personal housing affordability, access to homeownership, and other related barriers to homeownership, especially with regard to first-time homebuyers and economically disadvantaged buyers and renters.

Subd. 7. **Expiration.** This section expires June 30, 2023.

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

Sec. 3. Minnesota Statutes 2018, section 3.97, subdivision 3a, is amended to read:

Subd. 3a. **Evaluation topics.** ~~(a)~~ The commission shall periodically select topics for the legislative auditor to evaluate. Topics may include any agency, program, or activity

established by law to achieve a state purpose, or any topic that affects the operation of state government~~, but~~. The commission shall give primary consideration to topics that are likely, upon examination, to produce recommendations for cost savings, increased productivity, or the elimination of duplication among public agencies. The commission shall also give consideration to programs and statutory provisions that authorize grants, tax incentives, and other inducements for economic development. Legislators and legislative committees may suggest topics for evaluation, but the legislative auditor shall only conduct evaluations approved by the commission.

~~(b) The commission is requested to direct the auditor, in response to a suggestion from an individual legislator of an evaluation topic, to estimate the scope of the proposed evaluation and the time required to complete it. The estimate must be reported to the legislator who submitted the suggestion and to the commission. The commission must determine within 60 days of receiving the estimate whether to proceed with the suggested evaluation and must convey its decision to the legislator along with the reasons for its decision.~~

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

Sec. 4. Minnesota Statutes 2018, section 3.971, subdivision 9, is amended to read:

Subd. 9. **Obligation to notify the legislative auditor.** The chief executive, financial, or information officers of an organization subject to audit under this section must promptly notify the legislative auditor when the officer obtains information indicating that public money or other public resources may have been used for an unlawful purpose, or when the officer obtains information indicating that government data classified by chapter 13 as not public may have been accessed ~~or used unlawfully~~ by or provided to a person without lawful authorization. As necessary, the legislative auditor shall coordinate an investigation of the allegation with appropriate law enforcement officials.

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

Sec. 5. **[5.50] EXECUTIVE ORDER LIST SERVE.**

The secretary of state shall maintain a list of e-mail addresses of people who have requested to be notified when an executive order is filed with the secretary of state. The secretary of state shall notify people on the list by e-mail within seven days of the filing of an executive order.

Sec. 6. **[10.5805] HMONG SPECIAL GUERRILLA UNITS REMEMBRANCE DAY.**

May 14 of each year is designated as Hmong Special Guerilla Units Remembrance Day in honor of Southeast Asians, Americans, and their allies who served, suffered, sacrificed, or died in the Secret War in Laos during the Vietnam War in the years 1961 to 1975 in support of the armed forces of the United States, and in recognition of the significance of May 14, 1975, the last day that the overall American-trained Hmong command structure over the Special Guerrilla Units in Laos was operational. At least 35,000 Hmong Special Guerrilla soldiers lost their lives protecting trapped, lost, or captured American soldiers and pilots in Laos and Vietnam. One-half of the Hmong population in Laos perished as a result of the American Secret War in Laos. Ethnic Hmong men, women, and children in Laos faced persecution and forced reeducation in seminar camps after their American support ended. Despite the tremendous cost and sacrifices in the war, the Hmong remain proud to stand by the values of freedom and justice that America symbolizes. Those who survived escaped to western countries to start a new life. Each year, the governor shall issue a proclamation honoring the observance.

Sec. 7. Minnesota Statutes 2018, section 13.599, is amended by adding a subdivision to read:

Subd. 5. **State Arts Board.** Notwithstanding subdivision 3, responses submitted by a grantee to the State Arts Board or to a regional arts council under chapter 129D become public data at the public review meeting at which they are considered, except for trade secret data as defined and classified in section 13.37.

Sec. 8. Minnesota Statutes 2018, section 15A.083, subdivision 6a, is amended to read:

Subd. 6a. **Administrative law judge; salaries.** The salary of the chief administrative law judge is 98.52 percent of the salary of a chief district court judge. The salaries of the assistant chief administrative law judge and administrative law judge supervisors are ~~93.60~~ 100 percent of the salary of a ~~chief~~ district court judge. The salary of an administrative law judge employed by the Office of Administrative Hearings is 98.52 percent of the salary of a district court judge as set under section 15A.082, subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 9. Minnesota Statutes 2018, section 16C.055, subdivision 2, is amended to read:

Subd. 2. **Restriction.** An agency may not enter into a contract or otherwise agree with a nongovernmental entity to receive total nonmonetary consideration valued at more than

$100,000 annually in exchange for the agency providing nonmonetary consideration, unless such an agreement is specifically authorized by law. This subdivision does not apply to the State Lottery, optical fiber owned by the state as of July 1, 2019, or private aquaculture businesses involved in state stocking contracts.

Sec. 10. Minnesota Statutes 2018, section 43A.10, is amended by adding a subdivision to read:

Subd. 2c. **Managerial positions.** (a) The commissioner, and any applicable appointing authority, must ensure that all hiring for classified positions identified as managerial under section 43A.18, subdivision 3, is conducted through a fair and open process where all candidates who meet the minimum qualifications for the position are considered. For classified management positions filled through a competitive selection process, under no circumstances may:

(1) the job requirements be altered to fit a particular candidate prior to the posting of a position; or

(2) internal documents identify a particular candidate as the future holder of a position prior to their official hiring.

(b) Notice of a vacant position subject to this section must be posted, and applications must be accepted, for a period of no fewer than 21 days before the position is filled. Upon request of an appointing authority, the commissioner may waive the requirements of this paragraph. Notice of a waiver must be published in the State Register no more than 14 days after the waiver is granted. The notice must describe the reason for the waiver.

(c) This subdivision does not apply to positions subject to more specific appointment procedures under section 43A.15 or other applicable law, and does not restrict the authority of the commissioner to limit or remove an applicant from consideration under subdivision 6a or 6b.

Sec. 11. Minnesota Statutes 2018, section 43A.15, subdivision 14, is amended to read:

Subd. 14. **On-the-job demonstration process and appointment.** (a) The commissioner shall establish qualifying procedures for applicants whose disabilities are of such a ~~severe~~ significant nature that the applicants are unable to demonstrate their abilities in the selection process. The qualifying procedures must consist of up to 700 hours on-the-job trial work experience ~~for which the disabled person has the option of being paid or unpaid~~. Up to three persons with ~~severe~~ significant disabilities and their job coach may be allowed to demonstrate

their job competence as a unit through the on-the-job trial work experience selection procedure. This on-the-job demonstration process must be limited to applicants for whom there is no reasonable accommodation in the selection process.

(b) The commissioner may authorize the probationary appointment of an applicant based on the request of the appointing authority that documents that the applicant has successfully demonstrated qualifications for the position through completion of an on-the-job trial work experience. The implementation of this subdivision may not be deemed a violation of chapter 43A or 363A.

Sec. 12. Minnesota Statutes 2018, section 43A.191, subdivision 2, is amended to read:

Subd. 2. **Agency affirmative action plans.** (a) The head of each agency in the executive branch shall prepare and implement an agency affirmative action plan consistent with this section and rules issued under section 43A.04, subdivision 3.

(b) The agency plan must include a plan for the provision of reasonable accommodation in the hiring and promotion of qualified disabled persons. The reasonable accommodation plan must consist of at least the following:

(1) procedures for compliance with sections 16E.03, subdivision 9, 363A.08 to 363A.19, and 363A.28, subdivision 10, and, where appropriate, regulations implementing United States Code, title 29, section 794, as amended through December 31, 1984, which is section 504 of the Rehabilitation Act of 1973, as amended and the Americans with Disabilities Act, United States Code, title 42, sections 101 to 108, 201 to 231, 241 to 246, 401, 402, and 501 to 514;

(2) methods and procedures for providing reasonable accommodation for disabled job applicants, current employees, and employees seeking promotion; ~~and~~

(3) provisions for funding reasonable accommodations~~.~~; and

(4) the number of requests made, the number of requests approved, and the number of requests reimbursed from the state accommodation account under section 16B.4805.

(c) The agency plan must be prepared by the agency head with the assistance of the agency affirmative action officer and the director of diversity and equal employment opportunity. The agency may consult with the Council on Disability ~~shall provide assistance with the agency reasonable accommodation plan~~, vocational rehabilitation services, state services for the blind, and other disability experts to review and make recommendations on recruitment and retention of people with disabilities.

(d) The agency plan must identify any positions in the agency that can be used for supported employment as defined in section 268A.01, subdivision 13, of persons with severe disabilities. The agency shall report this information to the commissioner. An agency that hires more than one supported worker in the identified positions must receive recognition for each supported worker toward meeting the agency's affirmative action goals and objectives.

(e) An agency affirmative action plan may not be implemented without the commissioner's approval.

Sec. 13. Minnesota Statutes 2018, section 43A.191, subdivision 3, is amended to read:

Subd. 3. **Audits; sanctions and incentives.** (a) The commissioner shall annually audit the record of each agency to determine the rate of compliance with affirmative action requirements.

(b) By March 1 of each odd-numbered year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the Finance Committee of the senate, the Ways and Means Committee of the house of representatives, the Governmental Operations Committees of both houses of the legislature, and the Legislative Coordinating Commission. The report must include noncompetitive appointments made under section 43A.08, subdivision 2a, or 43A.15, subdivisions 3 to 7, 10, and 12, and cover each agency's rate of compliance with affirmative action requirements.

(c) An agency that does not meet its hiring goals must justify its nonaffirmative action hires in competitive appointments and noncompetitive appointments made under section 43A.08, subdivisions 1, clauses (9), (11), and (16), and 2a; and section 43A.15, subdivisions 3, 10, 12, and 13, according to criteria issued by the Department of Management and Budget. ~~"Missed opportunity" includes failure to justify a nonaffirmative action hire. An agency must have 25 percent or less missed opportunities in competitive appointments and 25 percent or less missed opportunities in appointments made under sections 43A.08, subdivisions 1, clauses (9), (11), and (16); and 2a; and 43A.15, subdivisions 3, 10, 12, and 13.~~ In addition, an agency shall:

(1) demonstrate a good faith effort to recruit protected group members by following an active recruitment plan;

(2) implement a coordinated retention plan; and

(3) have an established complaint resolution procedure.

(d) The commissioner shall develop reporting standards and procedures for measuring compliance.

(e) An agency is encouraged to develop other innovative ways to promote awareness, acceptance, and appreciation for diversity and affirmative action. These innovations will be considered when evaluating an agency's compliance with this section.

(f) An agency not in compliance with affirmative action requirements of this section must identify methods and programs to improve performance, to reallocate resources internally in order to increase support for affirmative action programs, and to submit program and resource reallocation proposals to the commissioner for approval. An agency must submit these proposals within 120 days of being notified by the commissioner that it is out of compliance with affirmative action requirements. The commissioner shall monitor quarterly the affirmative action programs of an agency found to be out of compliance.

(g) The commissioner shall establish a program to recognize an agency that has made significant and measurable progress in implementing an affirmative action plan.

(h) The commissioner must maintain and make available, on an annual basis, summary data as defined in section 13.02, subdivision 19, on the percentage of members of each protected group as defined in section 43A.02, subdivision 33, that were hired in the executive branch in each of the federal Equal Employment Opportunity (EEO) occupational categories applicable to state employment. Nothing in this provision, however, shall require any person to disclose their protected group status, nor shall it require the commissioner or any appointing authority to determine the protected group status of any person.

Sec. 14. Minnesota Statutes 2018, section 155A.25, subdivision 1a, is amended to read:

Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this subdivision.

(b) Three-year license fees are as follows:

(1) $195 initial practitioner, manager, or instructor license, divided as follows:

(i) $155 for each initial license; and

(ii) $40 for each initial license application fee;

(2) $115 renewal of practitioner license, divided as follows:

(i) $100 for each renewal license; and

(ii) $15 for each renewal application fee;

(3) $145 renewal of manager or instructor license, divided as follows:

(i) $130 for each renewal license; and

(ii) $15 for each renewal application fee;

(4) $350 initial salon license, divided as follows:

(i) $250 for each initial license; and

(ii) $100 for each initial license application fee;

(5) $225 renewal of salon license, divided as follows:

(i) $175 for each renewal; and

(ii) $50 for each renewal application fee;

(6) $4,000 initial school license, divided as follows:

(i) $3,000 for each initial license; and

(ii) $1,000 for each initial license application fee; and

(7) $2,500 renewal of school license, divided as follows:

(i) $2,000 for each renewal; and

(ii) $500 for each renewal application fee.

(c) Penalties may be assessed in amounts up to the following:

(1) reinspection fee, $150;

(2) manager and owner with expired practitioner found on inspection, $150 each;

(3) expired practitioner or instructor found on inspection, $200;

(4) expired salon found on inspection, $500;

(5) expired school found on inspection, $1,000;

(6) failure to display current license, $100;

(7) failure to dispose of single-use equipment, implements, or materials as provided under section 155A.355, subdivision 1, $500;

(8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355, subdivision 2, $500;

(9) performing nail or cosmetology services in esthetician salon, or performing esthetician or cosmetology services in a nail salon, $500;

(10) owner and manager allowing an operator to work as an independent contractor, $200;

(11) operator working as an independent contractor, $100;

(12) refusal or failure to cooperate with an inspection, $500;

(13) practitioner late renewal fee, $45; and

(14) salon or school late renewal fee, $50.

(d) Administrative fees are as follows:

(1) homebound service permit, $50 three-year fee;

(2) name change, $20;

(3) certification of licensure, $30 each;

(4) duplicate license, $20;

(5) special event permit, $75 per year;

~~(6) registration of hair braiders, $20 per year;~~

~~(7)~~ (6) $100 for each temporary military license for a cosmetologist, nail technician, esthetician, or advanced practice esthetician one-year fee;

~~(8)~~ (7) expedited initial individual license, $150;

~~(9)~~ (8) expedited initial salon license, $300;

~~(10)~~ (9) instructor continuing education provider approval, $150 each year; and

~~(11)~~ (10) practitioner continuing education provider approval, $150 each year.

Sec. 15. Minnesota Statutes 2018, section 155A.28, is amended by adding a subdivision to read:

Subd. 5. **Hair braiders exempt.** The practice of hair braiding is exempt from the requirements of this chapter.

Sec. 16. Minnesota Statutes 2018, section 240A.09, is amended to read:

240A.09 PLAN DEVELOPMENT; CRITERIA.

The Minnesota Amateur Sports Commission shall develop a plan to promote the development of proposals for new statewide public ice facilities including proposals for ice centers and matching grants based on the criteria in this section.

(a) For ice center proposals, the commission will give priority to proposals that come from more than one local government unit. Institutions of higher education are not eligible to receive a grant.

(b) The commission must give priority to grant applications for indoor air quality improvements and projects that eliminate R-22. For purposes of this section:

(1) "indoor air quality improvements" means: (i) renovation or replacement of heating, ventilating, and air conditioning systems in existing indoor ice arenas whose ice resurfacing and ice edging equipment are not powered by electricity in order to reduce concentrations of carbon monoxide and nitrogen dioxide; and (ii) acquisition of zero-emission ice resurfacing and ice edging equipment. The new or renovated systems may include continuous electronic air monitoring devices to automatically activate the ventilation systems when the concentration of carbon monoxide or nitrogen dioxide reaches a predetermined level; and

(2) "projects that eliminate R-22," means replacement of ice-making systems in existing public facilities that use R-22 as a refrigerant, with systems that use alternative non-ozone-depleting refrigerants.

(c) In the metropolitan area as defined in section 473.121, subdivision 2, the commission is encouraged to give priority to the following proposals:

(1) proposals for construction of two or more ice sheets in a single new facility;

(2) proposals for construction of an additional sheet of ice at an existing ice center;

(3) proposals for construction of a new, single sheet of ice as part of a sports complex with multiple sports facilities; and

(4) proposals for construction of a new, single sheet of ice that will be expanded to a two-sheet facility in the future.

(d) The commission shall administer a site selection process for the ice centers. The commission shall invite proposals from cities or counties or consortia of cities. A proposal for an ice center must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(e) Proposals for ice centers and matching grants must provide for meeting the demand for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m. to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

(f) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway.

(g) To the extent possible, all proposed facilities must be dispersed equitably, must be located to maximize potential for full utilization and profitable operation, and must accommodate noncompetitive family and community skating for all ages.

(h) The commission may also use the money to upgrade current facilities, purchase girls' ice time, or conduct amateur women's hockey and other ice sport tournaments.

(i) To the extent possible, 50 percent of all grants must be awarded to communities in greater Minnesota.

(j) To the extent possible, technical assistance shall be provided to Minnesota communities by the commission on ice arena planning, design, and operation, including the marketing of ice time and on projects described in paragraph (b).

(k) A grant for new facilities may not exceed $250,000.

(l) The commission may make grants for rehabilitation and renovation. A rehabilitation or renovation grant for air quality may not exceed $200,000 and a rehabilitation or renovation grant for R-22 elimination may not exceed ~~$50,000~~ $250,000 for indirect cooling systems and may not exceed ~~$400,000~~ $500,000 for direct cooling systems. Priority must be given to grant applications for indoor air quality improvements, including zero emission ice resurfacing equipment, and for projects that eliminate R-22.

(m) Grant money may be used for ice centers designed for sports other than hockey.

(n) Grant money may be used to upgrade existing facilities to comply with the bleacher safety requirements of section 326B.112.

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

Sec. 17. Minnesota Statutes 2018, section 375.08, is amended to read:

375.08 BOARD TO FILL VACANCIES IN COUNTY OFFICES.

When a vacancy occurs in the office of an elected county auditor, county treasurer, county recorder, sheriff, county attorney, county surveyor, or coroner, the county board shall fill it by appointment. For that purpose it shall meet at the usual place of meeting, upon one day's notice from the chair or clerk, which shall be served personally upon each member in the same manner as a district court summons. The person appointed shall give the bond and take the oath required by law, and serve the remainder of the term, and until a successor qualifies. When a vacancy occurs in an office that has a chief deputy or first assistant, the

chief deputy or first assistant may perform all the duties and functions of the office until it is filled by appointment by the county board.

Sec. 18. Minnesota Statutes 2018, section 375A.10, subdivision 5, is amended to read:

Subd. 5. **Auditor-treasurer.** In any county exercising the option provided in subdivision 2, clause (c), the office shall be known thereafter as the office of auditor-treasurer, if the office is to remain elective. If the board chooses to make the office of auditor-treasurer elective, and not require a referendum, it must act with the concurrence of at least 80 percent of its members.

In the exercise of this option, the county board shall direct which of the offices of auditor or treasurer shall be terminated for the purpose of providing for the election to the single office of auditor-treasurer. The duties, functions and responsibilities which have been heretofore and which shall hereafter be required by statute to be performed by the county auditor and the county treasurer shall be vested in and performed by the auditor-treasurer without diminishing, prohibiting or avoiding those specific duties required by statute to be performed by the county auditor and the county treasurer.

Nothing in this subdivision shall preclude the county from exercising the option to make the combined office of auditor-treasurer appointive as if it had been specifically enumerated in subdivision 2. If the combined office is to be appointive, a referendum under section 375A.12 shall be necessary, except as provided by section 375A.1205.

If the combined office is to be elective, a referendum under section 375A.12 shall be necessary if:

(a) the county board requires a referendum; or

(b) a referendum is required by a petition of a number of voters equal to ten percent of those voting in the county at the last general election that is received by the county auditor within 30 days after the second publication of the board resolution that orders the combination.

The persons last elected to the positions of auditor and treasurer before adoption of the resolution shall serve in those offices and perform the duties of those offices until the completion of the terms to which they were elected.

Sec. 19. Minnesota Statutes 2018, section 375A.12, subdivision 2, is amended to read:

Subd. 2. **Form of government options.** Except as provided in section 375A.1205 or by special law, the options provided in sections 375A.01 to 375A.10 shall be adopted in any

county only after an affirmative vote of the voters in the county on the question of the adoption of the option. Except as provided in section 375A.01, only one such plan may be submitted at any one election.

Sec. 20. **[375A.1205] APPOINTING COUNTY OFFICERS.**

Subdivision 1. **Authority to appoint certain officers.** A county board may appoint the county auditor, county treasurer, or county recorder under section 375A.10, subdivision 2, or the auditor-treasurer under section 375A.10, subdivision 5, by following the process outlined in this section. Notwithstanding section 375A.12, a referendum is not required if the appointment is made pursuant to this section. A county board shall only use the authority to appoint under the following circumstances:

(1) there is a vacancy in the office as provided in section 351.02;

(2) the current office holder has notified the county board that the officer will not file for the office, as provided in subdivision 2; or

(3) there is a signed contract with the county board and the incumbent auditor, treasurer, auditor-treasurer, or recorder that provides that the incumbent officer will be appointed to the position and retain tenure, pay, and benefits equal to or greater than length of service.

Subd. 2. **Responsibility of county officer.** At least 104 days before the filing date for office under section 204B.09, an elected county officer must notify the county board in writing whether the officer will be filing for another term. If the officer indicates in writing that the officer will not file for the office and the county board has passed a resolution under subdivision 6, affidavits of candidacy will not be accepted for that office, and the office will not be placed on the ballot.

Subd. 3. **Board controls; may change as long as duties done.** Upon adoption of a resolution by the county board of commissioners and subject to subdivisions 5 and 6, the duties of an elected official required by statute whose office is made appointive as authorized by this section must be discharged by the county board of commissioners acting through a department head appointed by the board for that purpose. Reorganization, reallocation, delegation, or other administrative change or transfer does not diminish, prohibit, or avoid the discharge of duties required by statute.

Subd. 4. **Discharge or demotion.** (a) A county auditor, county treasurer, county auditor-treasurer, or county recorder who was elected at the most recent election for that office prior to a county board resolution to make the office an appointed position, and the

elected official is subsequently appointed by the county board to the office, may not be involuntarily demoted or discharged except for incompetency or misconduct.

(b) Prior to demoting or discharging an office holder under this subdivision, the board must notify the office holder in writing and state its grounds for the proposed demotion or discharge in reasonable detail. Within ten days after receipt of this notification, the office holder may make a written request for a hearing before an arbitrator and the request must be granted before final action is taken. Failure to request a hearing before an arbitrator during this period is considered acquiescence to the board's action. The board may suspend an office holder with pay pending the conclusion of the hearing and determination of the issues raised in the hearing after charges have been filed which constitute grounds for demotion or discharge. If an office holder has been charged with a felony and the underlying conduct that is the subject of the felony charge is grounds for a proposed discharge, the suspension pending the conclusion of the hearing and determination of the issues may be without pay. If a hearing under this subdivision is held, the board must reimburse the office holder for any salary or compensation withheld if the final decision of the arbitrator does not result in a penalty or discharge of the office holder.

(c) If the office holder and the board are unable to mutually agree on an arbitrator, the board must request from the Bureau of Mediation Services a list of seven persons qualified to serve as an arbitrator. If the office holder and the board are unable to mutually agree on an arbitrator from the list provided, the parties shall alternately strike names from the list until the name of one arbitrator remains. The person remaining after the striking procedure must be the arbitrator. If the parties are unable to agree on who shall strike the first name, the question must be decided by a flip of a coin. The office holder and the board must share equally the costs and fees of the arbitrator except as set forth in paragraph (g).

(d) The arbitrator shall determine, by a preponderance of the evidence, whether the grounds for discharge or demotion exist to support the proposed discharge or demotion. A lesser penalty than demotion or discharge may be imposed by the arbitrator only to the extent that either party proposes such lesser penalty in the proceeding. In making the determination, the arbitration proceeding is governed by sections 572B.15 to 572B.28.

(e) An arbitration hearing conducted under this subdivision is a meeting for preliminary consideration of allegations or charges within the meaning of section 13D.05, subdivision 3, paragraph (a), and must be closed, unless the office holder requests it to be open.

(f) The arbitrator's award is final and binding on the parties, subject to sections 572B.18 to 572B.28.

(g) In the event the arbitrator rules not to demote or discharge the office holder, the board shall pay all of the costs and fees of the arbitrator and the attorney fees of the office holder.

Subd. 5. **Incumbents to complete term.** The person elected at the last general election to an office made appointive under this section must serve in that capacity and perform the duties, functions, and responsibilities required by statute until the completion of the term of office to which the person was elected, or until a vacancy occurs in the office, whichever occurs earlier.

Subd. 6. **Publishing resolution; petition; referendum.** (a) Before the adoption of the resolution to provide for the appointment of an office as described in subdivision 1, the county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week, for two consecutive weeks, in the official publication of the county. Following publication and prior to formally adopting the resolution, the county board shall provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment opportunity, at the same meeting or a subsequent meeting, the county board of commissioners may adopt a resolution that provides for the appointment of the office or offices as permitted in this section. The resolution must be approved by at least 80 percent of the members of the county board. The resolution may take effect 30 days after it is adopted, or at a later date stated in the resolution, unless a petition is filed as provided in paragraph (b).

(b) Except when an office is made appointive under subdivision 1, clause (3), within 30 days after the county board adopts the resolution, a petition requesting a referendum may be filed with the county auditor. The petition must be signed by at least ten percent of the registered voters of the county. The petition must meet the requirements of the secretary of state, as provided in section 204B.071, and any rules adopted to implement that section. If the petition is sufficient, the county board resolution is rescinded.

Subd. 7. **Reverting to elected offices.** (a) The county board may adopt a resolution to provide for the election of an office that was made an appointed position under this section, but not until at least three years after the office was made an appointed position. The county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week, for two consecutive weeks, in the official publication of the county. Following publication and before formally adopting the resolution, the county board must provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment opportunity, at the same meeting or a subsequent meeting, the county board of commissioners may adopt the resolution. The resolution must be approved

by at least 60 percent of the members of the county board and is effective August 1 following adoption of the resolution.

(b) The question of whether an office that was made an appointed position under this section must be made an elected office must be placed on the ballot at the next general election if (1) the position has been an appointed position for at least three years; (2) a petition signed by at least ten percent of the registered voters of the county is filed with the office of the county auditor by August 1 of the year in which the general election is held; and (3) the petition meets the requirements of the secretary of state, as provided in section 204B.071, and any rules adopted to implement that section. If a majority of the voters of the county voting on the question vote in favor of making the office an elected position, the election for that office must be held at the next regular or special election.

Sec. 21. Minnesota Statutes 2018, section 382.01, is amended to read:

382.01 OFFICERS ELECTED; TERMS.

In every county in this state there shall be elected at the general election in 1918 a county auditor, a county treasurer, sheriff, county recorder, county attorney, and coroner.

The terms of office of these officers shall be four years and shall begin on the first Monday in January next succeeding their election. They shall hold office until their successors are elected and qualified. Each of these offices ~~shall~~ must be filled by election every four years thereafter, unless an office is consolidated with another county office or made appointive under chapter 375A or other general or special law.

Sec. 22. Minnesota Statutes 2018, section 382.02, is amended to read:

382.02 VACANCIES, HOW FILLED.

Any appointment made to fill a vacancy in any of the offices named in section 382.01 that has not been made appointive under chapter 375A or other general or special law shall be for the balance of such entire term, and be made by the county board.

Sec. 23. **INITIAL APPOINTMENTS.**

(a) Appointing authorities for the Legislative Commission on Housing Affordability under Minnesota Statutes, section 3.8845, must make initial appointments by June 1, 2019, to serve a term ending in January 2021.

(b) The speaker of the house must designate one member of the commission to convene the first meeting of the commission by June 15, 2019. A member of the house of

representatives shall serve as the first chair of the commission. A member of the senate shall serve as chair of the commission beginning in January 2021.

Sec. 24. **ADVISORY TASK FORCE ON STATE EMPLOYMENT AND RETENTION OF EMPLOYEES WITH DISABILITIES.**

Subdivision 1. **Members.** (a) A task force on state employment and retention of employees consists of the following ten members:

(1) a person serving on the Commission of the Deaf, Deafblind and Hard-of-Hearing, appointed by the executive director of the commission;

(2) a person serving on the governor's Council on Developmental Disabilities, appointed by the executive director;

(3) a person employed by the vocational rehabilitation services from within the Department of Employment and Economic Development, appointed by the director of vocational rehabilitation services;

(4) an employee of the State Services for the Blind from within the Department of Employment and Economic Development, appointed by the director of the State Services for the Blind;

(5) a person serving on the Minnesota Council on Disability, appointed by the executive director of the council;

(6) an employee of the Office of Ombudsman for Mental Health and Developmental Disabilities, appointed by the ombudsman;

(7) an employee of the Olmstead Implementation Office with the Minnesota Housing Finance Agency, appointed by the executive director of the office;

(8) an employee of the MN.IT Office of Accessibility, appointed by the chief information officer;

(9) a representative of A System of Technology to Achieve Results who is an employee of the Department of Administration, appointed by the commissioner of administration; and

(10) an employee of Minnesota Management and Budget, appointed by the commissioner of management and budget.

(b) Appointing authorities must make their appointments by July 31, 2019.

Subd. 2. **Chair; convening authority; first meeting.** The governor shall appoint a chair of the task force, who shall convene the first meeting by September 30, 2019.

Subd. 3. **Duties; timing.** The task force must submit a report to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over state government finance and policy, the chairs and ranking minority members of the Finance Committee in the senate and the Committee on Ways and Means in the house of representatives, and to the commissioner of management and budget on strategies for attracting and retaining state employees with disabilities. The report must include a proposal for any legislation necessary to implement recommendations of the task force. The report must be submitted by January 15, 2021.

Subd. 4. **Administration.** The commissioner of management and budget shall provide administrative support and meeting space to the task force.

Subd. 5. **Open meetings.** The meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 6. **Compensation.** Members may be compensated and reimbursed for expenses as provided in Minnesota Statutes, section 15.059.

Subd. 7. **Sunset.** This section expires after the task force submits the report, as required in subdivision 3, or February 16, 2021, whichever is later.

Sec. 25. **MINNESOTA CENSUS 2020 MOBILIZATION.**

Subdivision 1. **Duty of commissioner of administration; grants and contracts.** (a) The commissioner of administration must, in collaboration with the Minnesota Census 2020 Mobilization Partnership, facilitate the administration of a census mobilization program. The purpose of the program must be to increase the participation of Minnesotans in the 2020 United States Census by implementing the outreach and mobilization activities described in subdivisions 2 to 5.

(b) At least 45 percent of any appropriation provided to the commissioner for the program required by this section must be allocated for a grant to the Minnesota Council on Foundations. The Minnesota Council on Foundations must use the grant to issue subgrants of up to $5,000 to the identified fiscal hosts of any Minnesota-based complete count committees. To be eligible for a subgrant, a complete count committee must be registered with the United States Census Bureau and be a tribal nation, political subdivision, nonpartisan nonprofit community organization, or public or private college or university engaged in census mobilization work in Minnesota. The commissioner must advance up to 50 percent

of the grant and the Minnesota Council on Foundations may advance all or a portion of a subgrant awarded under this section. Any appropriations not allocated for grants may be used by the commissioner to further implement the outreach and mobilization activities described in subdivisions 2 to 5 by contract or by directing the work of the office of the state demographer.

(c) The commissioner of administration may waive application of all or any portion of Minnesota Statutes, sections 16B.97 to 16B.991, in awarding grants; Minnesota Statutes, chapter 16C, in entering contracts; and Minnesota Statutes, chapter 16E, in purchasing technology systems and software under this section to facilitate the timely distribution of funds and to maximize the impact of the outreach and mobilization activities. Notwithstanding the waivers authorized by this paragraph, the commissioner may not waive application of policies or procedures designed to ensure diversity and the inclusion of traditionally underrepresented groups among grant recipients and contract vendors.

(d) The commissioner must contract with Community Connection Labs to purchase communication and technical tools designed to support census outreach efforts. If the commissioner is unable to enter this contract, the commissioner may contract with another vendor or vendors offering comparable products and tools, or may award grants to support the purchase of comparable communication and technology tools.

Subd. 2. **Engaging hard to reach households.** The census mobilization partnership program must support:

(1) initiatives to increase census response rates among households outside of the 11-county metropolitan area who receive mail through a post office box; and

(2) initiatives to increase awareness among census employees, multiunit apartment managers and owners, and renters on the laws governing access to multiunit apartment buildings by census employees.

Subd. 3. **Adapting to the electronic census.** The census mobilization partnership program must support:

(1) opportunities for Minnesotans to submit their census response electronically through online portals provided in common gathering spaces within a community; and

(2) commit-to-the-census initiatives that organize Minnesotans to commit to participate in the census and include electronic reminders to facilitate their participation.

Subd. 4. **Reaching historically undercounted communities.** The census mobilization partnership program must support:

(1) job sourcing initiatives that encourage a sufficient pool of qualified candidates to apply for positions with the Census Bureau, and efforts to ensure that the pool of candidates reflects the diversity of Minnesota's communities, including those communities historically undercounted in census reports; and

(2) initiatives that engage historically undercounted communities and reduce census participation gaps in these communities compared to Minnesota's historically high overall census response rate.

Subd. 5. **Shared services.** The census mobilization partnership program must support efficiency in census mobilization efforts by providing shared services to support local and community census outreach, including development of multilingual educational and promotional materials and tools to reach respondents through a variety of communication platforms and services.

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

Sec. 26. **LABOR AGREEMENTS AND COMPENSATION PLANS.**

Subdivision 1. **Minnesota Law Enforcement Association.** The labor agreement between the state of Minnesota and the Minnesota Law Enforcement Association, submitted to the Legislative Coordinating Commission Subcommittee on Employee Relations on April 5, 2019, is ratified.

Subd. 2. **Minnesota State Board of Investment salary administration plan.** The salary administration plan for the Minnesota State Board of Investment, submitted to the Legislative Coordinating Commission Subcommittee on Employee Relations on February 7, 2019, is ratified.

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

Sec. 27. **REPEALER.**

Subdivision 1. **Hair braiding.** Minnesota Statutes 2018, section 155A.28, subdivisions 1, 3, and 4, are repealed.

Subd. 2. **Legislative auditor.** Minnesota Statutes 2018, section 3.9735, is repealed effective the day following final enactment.

ARTICLE 3
STATE PAYMENTS TERMINOLOGY

Section 1. Minnesota Statutes 2018, section 15.191, subdivision 1, is amended to read:

Subdivision 1. **Emergency disbursements.** Imprest cash funds for the purpose of making minor disbursements, providing for change, and providing employees with travel advances or a portion or all of their payroll ~~warrant~~ where the ~~warrant~~ payment has not been received through the payroll system, may be established by state departments or agencies from existing appropriations in the manner prescribed by this section.

Sec. 2. Minnesota Statutes 2018, section 15.191, subdivision 3, is amended to read:

Subd. 3. ~~**Warrant**~~ **Payment against designated appropriation.** Imprest cash funds established under this section shall be created by ~~warrant drawn~~ payment issued against the appropriation designated by the commissioner of management and budget.

Sec. 3. Minnesota Statutes 2018, section 16A.065, is amended to read:

16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES DOCUMENTS.

Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an agency to make advance deposits or payments for software or software maintenance services for state-owned or leased electronic data processing equipment, for information technology hosting services, for sole source maintenance agreements where it is not cost-effective to pay in arrears, for exhibit booth space or boat slip rental when required by the renter to guarantee the availability of space, for registration fees where advance payment is required or advance payment discount is provided, ~~and~~ for newspaper, magazine, and other subscription fees, and other costs where advance payment discount is provided or are customarily paid for in advance. The commissioner may also allow advance deposits by any department with the Library of Congress and federal Supervisor of Documents for items to be purchased from those federal agencies.

Sec. 4. Minnesota Statutes 2018, section 16A.13, subdivision 2a, is amended to read:

Subd. 2a. **Procedure.** The commissioner shall see that the deduction for the withheld tax is made from an employee's pay on the payroll abstract. The commissioner shall approve one ~~warrant payable~~ payment to the commissioner for the total amount deducted on the abstract. Deductions from the pay of an employee paid direct by an agency shall be made by the employee's payroll authority. A later deduction must correct an error made on an

earlier deduction. The paying authority shall see that a ~~warrant or check~~ payment for the deductions is promptly sent to the commissioner. The commissioner shall deposit the amount of the ~~warrant or check~~ payment to the credit of the proper federal authority or other person authorized by federal law to receive it.

Sec. 5. Minnesota Statutes 2018, section 16A.15, subdivision 3, is amended to read:

Subd. 3. **Allotment and encumbrance.** (a) A payment may not be made without prior obligation. An obligation may not be incurred against any fund, allotment, or appropriation unless the commissioner has certified a sufficient unencumbered balance or the accounting system shows sufficient allotment or encumbrance balance in the fund, allotment, or appropriation to meet it. The commissioner shall determine when the accounting system may be used to incur obligations without the commissioner's certification of a sufficient unencumbered balance. An expenditure or obligation authorized or incurred in violation of this chapter is invalid and ineligible for payment until made valid. A payment made in violation of this chapter is illegal. An employee authorizing or making the payment, or taking part in it, and a person receiving any part of the payment, are jointly and severally liable to the state for the amount paid or received. If an employee knowingly incurs an obligation or authorizes or makes an expenditure in violation of this chapter or takes part in the violation, the violation is just cause for the employee's removal by the appointing authority or by the governor if an appointing authority other than the governor fails to do so. In the latter case, the governor shall give notice of the violation and an opportunity to be heard on it to the employee and to the appointing authority. A claim presented against an appropriation without prior allotment or encumbrance may be made valid on investigation, review, and approval by the agency head in accordance with the commissioner's policy, if the services, materials, or supplies to be paid for were actually furnished in good faith without collusion and without intent to defraud. The commissioner may then ~~draw a warrant to~~ pay the claim just as properly allotted and encumbered claims are paid.

(b) The commissioner may approve payment for materials and supplies in excess of the obligation amount when increases are authorized by section 16C.03, subdivision 3.

(c) To minimize potential construction delay claims, an agency with a project funded by a building appropriation may allow a contractor to proceed with supplemental work within the limits of the appropriation before money is encumbered. Under this circumstance, the agency may requisition funds and allow contractors to expeditiously proceed with a construction sequence. While the contractor is proceeding, the agency shall immediately act to encumber the required funds.

Sec. 6. Minnesota Statutes 2018, section 16A.272, subdivision 3, is amended to read:

Subd. 3. **Section ~~7.19~~ 16A.271 to apply.** The provisions of Minnesota Statutes ~~1941~~, section ~~7.19~~ 16A.271, shall apply to deposits of securities made pursuant to this section.

Sec. 7. Minnesota Statutes 2018, section 16A.40, is amended to read:

16A.40 WARRANTS AND ELECTRONIC FUND TRANSFERS.

Money must not be paid out of the state treasury except upon the warrant of the commissioner or an electronic fund transfer approved by the commissioner. Warrants must be drawn on printed blanks that are in numerical order. The commissioner shall enter, in numerical order in a ~~warrant~~ payment register, the number, amount, date, and payee for every ~~warrant~~ payment issued.

The commissioner may require payees to supply their bank routing information to enable the payments to be made through an electronic fund transfer.

Sec. 8. Minnesota Statutes 2018, section 16A.42, subdivision 2, is amended to read:

Subd. 2. **Approval.** If the claim is approved, the commissioner shall ~~complete and sign a warrant~~ issue a payment in the amount of the claim.

Sec. 9. Minnesota Statutes 2018, section 16A.42, is amended by adding a subdivision to read:

Subd. 5. **Invalid claims.** If the commissioner determines that a claim is invalid after issuing a warrant, the commissioner may void an unpaid warrant. The commissioner is not liable to any holder who took the void warrant for value.

Sec. 10. Minnesota Statutes 2018, section 16A.671, subdivision 1, is amended to read:

Subdivision 1. **Authority; advisory recommendation.** To ensure that cash is available when needed to ~~pay warrants~~ make payments drawn on the general fund under appropriations and allotments, the commissioner may (1) issue certificates of indebtedness in anticipation of the collection of taxes levied for and other revenues appropriated to the general fund for expenditure during each biennium; and (2) issue additional certificates to refund outstanding certificates and interest on them, under the constitution, article XI, section 6.

Sec. 11. Minnesota Statutes 2018, section 16B.37, subdivision 4, is amended to read:

Subd. 4. **Work of department for another.** To avoid duplication and improve efficiency, the commissioner may direct an agency to do work for another agency or may direct a division or section of an agency to do work for another division or section within the same agency and shall require reimbursement for the work. Reimbursements received by an agency are reappropriated to the account making the original expenditure in accordance with the transfer ~~warrant~~ procedure established by the commissioner of management and budget.

Sec. 12. Minnesota Statutes 2018, section 16D.09, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) When a debt is determined by a state agency to be uncollectible, the debt may be written off by the state agency from the state agency's financial accounting records and no longer recognized as an account receivable for financial reporting purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts have been exhausted, (2) the cost of further collection action will exceed the amount recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence, (4) the debtor cannot be located, (5) the available assets or income, current or anticipated, that may be available for payment of the debt are insufficient, (6) the debt has been discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt has expired, or (8) it is not in the public interest to pursue collection of the debt. ~~The determination of the uncollectibility of a~~

(b) Uncollectible debt must be reported by the state agency ~~along with the basis for that decision~~ as part of its quarterly reports to the commissioner of management and budget. The basis for the determination of the uncollectibility of the debt must be maintained by the state agency. If an uncollectible debt equals or exceeds $100,000, the agency shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over the state agency's budget at the time the debt is determined to be uncollectible. The information reported shall contain the entity associated with the uncollected debt, the amount of the debt, the revenue type, the reason the debt is considered uncollectible, and the duration the debt has been outstanding. The commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over Minnesota Management and Budget an annual summary of the number and dollar amount of debts determined to be uncollectible during the previous fiscal year by October 31 of each year. Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

Sec. 13. Minnesota Statutes 2018, section 21.116, is amended to read:

21.116 EXPENSES.

All necessary expenses incurred in carrying out the provisions of sections 21.111 to 21.122 and the compensation of officers, inspectors, and employees appointed, designated, or employed by the commissioner, as provided in such sections, together with their necessary traveling expenses, together with the traveling expenses of the members of the advisory seed potato certification committee, and other expenses necessary in attending committee meetings, shall be paid from, and only from, the seed potato inspection account, on order of the commissioner and commissioner of management and ~~budget's voucher warrant~~ budget.

Sec. 14. Minnesota Statutes 2018, section 80A.65, subdivision 9, is amended to read:

Subd. 9. **Generally.** No filing for which a fee is required shall be deemed to be filed or given any effect until the proper fee is paid. All fees and charges collected by the administrator shall be covered into the state treasury. When any person is entitled to a refund under this section, the administrator shall certify to the commissioner of management and budget the amount of the fee to be refunded to the applicant, and the commissioner of management and budget shall issue a ~~warrant in~~ payment thereof out of the fund to which such fee was credited in the manner provided by law. There is hereby appropriated to the person entitled to such refunds from the fund in the state treasury to which such fees were credited an amount to make such refunds and payments.

Sec. 15. Minnesota Statutes 2018, section 84A.23, subdivision 4, is amended to read:

Subd. 4. **Drainage ditch bonds; reports.** (a) Immediately after a project is approved and accepted and then after each distribution of the tax collections on the June and November tax settlements, the county auditor shall certify to the commissioner of management and budget the following information relating to bonds issued to finance or refinance public drainage ditches wholly or partly within the projects, and the collection of assessments levied on account of the ditches:

(1) the amount of principal and interest to become due on the bonds before the next tax settlement and distribution;

(2) the amount of money collected from the drainage assessments and credited to the funds of the ditches; and

(3) the amount of the deficit in the ditch fund of the county chargeable to the ditches.

(b) On approving the certificate, the commissioner of management and budget shall ~~draw a warrant~~ issue a payment, payable out of the fund pertaining to the project, for the amount of the deficit in favor of the county.

(c) As to public drainage ditches wholly within a project, the amount of money paid to or for the benefit of the county under paragraph (b) must never exceed the principal and interest of the bonds issued to finance or refinance the ditches outstanding at the time of the passage and approval of sections 84A.20 to 84A.30, less money on hand in the county ditch fund to the credit of the ditches. The liabilities must be reduced from time to time by the amount of all payments of assessments after April 25, 1931, made by the owners of lands assessed before that date for benefits on account of the ditches.

(d) As to public drainage ditches partly within and partly outside a project, the amount paid from the fund pertaining to the project to or for the benefit of the county must never exceed a certain percentage of bonds issued to finance and refinance the ditches so outstanding, less money on hand in the county ditch fund to the credit of the ditches on April 25, 1931. The percentage must bear the same proportion to the whole amount of these bonds as the original benefits assessed against lands within the project bear to the original total benefits assessed to the entire system of the ditches. This liability shall be reduced from time to time by the payments of all assessments extended after April 25, 1931, made by the owners of lands within the project of assessments for benefits assessed before that date on account of a ditch.

(e) The commissioner of management and budget may provide and prescribe forms for reports required by sections 84A.20 to 84A.30 and require any additional information from county officials that the commissioner of management and budget considers necessary for the proper administration of sections 84A.20 to 84A.30.

Sec. 16. Minnesota Statutes 2018, section 84A.33, subdivision 4, is amended to read:

Subd. 4. **Ditch bonds; funds; payments to counties.** (a) Upon the approval and acceptance of a project and after each distribution of the tax collections for the June and November tax settlements, the county auditor shall certify to the commissioner of management and budget the following information about bonds issued to finance or refinance public drainage ditches wholly or partly within the projects, and the collection of assessments levied for the ditches:

(1) the amount of principal and interest to become due on the bonds before the next tax settlement and distribution;

(2) the amount of money collected from the drainage assessments and credited to the funds of the ditches, not already sent to the commissioner of management and budget as provided in sections 84A.31 to 84A.42; and

(3) the amount of the deficit in the ditch fund of the county chargeable to the ditches.

(b) On approving this certificate of the county auditor, the commissioner of management and budget shall ~~draw a warrant~~ issue a payment, payable out of the fund provided for in sections 84A.31 to 84A.42, and send it to the county treasurer of the county. These funds must be credited to the proper ditch of the county and placed in the ditch bond fund of the county, which is created, and used only to pay the ditch bonded indebtedness of the county assumed by the state under sections 84A.31 to 84A.42. The total amount of ~~warrants drawn~~ payments issued must not exceed in any one year the total amount of the deficit provided for under this section.

(c) The state is subrogated to all title, right, interest, or lien of the county in or on the lands so certified within these projects.

(d) As to public drainage ditches wholly within a project, the amount paid to, or for the benefit of, the county under this subdivision must never exceed the principal and interest of the bonds issued to finance or refinance a ditch outstanding on April 22, 1933, less money on hand in the county ditch fund to the credit of a ditch. These liabilities must be reduced from time to time by the amount of any payments of assessments extended after April 22, 1933, made by the owners of lands assessed before that date for benefits on account of the ditches.

As to public drainage ditches partly within and partly outside a project the amount paid from the fund pertaining to the project to or for the benefit of the county must never exceed a certain percentage of bonds issued to finance and refinance a ditch so outstanding, less money on hand in the county ditch fund to the credit of a ditch on April 22, 1932. The percentage must bear the same proportion to the whole amount of the bonds as the original benefits assessed against these lands within the project bear to the original total benefits assessed to the entire system for a ditch. This liability must be reduced from time to time by the payments of all assessments extended after April 22, 1933, made by the owners of lands within the project of assessments for benefits assessed before that date on account of a ditch.

Sec. 17. Minnesota Statutes 2018, section 84A.52, is amended to read:

84A.52 ACCOUNTS; EXAMINATION, APPROPRIATION, PAYMENT.

(a) As a part of the examination provided for by section 6.481, of the accounts of the several counties within a game preserve, area, or project established under section 84A.01, 84A.20, or 84A.31, the state auditor shall segregate the audit of the accounts reflecting the receipt and disbursement of money collected or disbursed under this chapter or from the sale of tax-forfeited lands held by the state under section 84A.07, 84A.26, or 84A.36. The auditor shall also include in the reports required by section 6.481 summary statements as of December 31 before the examination that set forth the proportionate amount of principal and interest due from the state to the individual county and any money due the state from the county remaining unpaid under this chapter, or from the sale of any tax-forfeited lands referred to in this section, and other information required by the commissioner of management and budget. On receiving a report, the commissioner of management and budget shall determine the net amount due to the county for the period covered by the report and shall ~~draw a warrant~~ issue a payment upon the state treasury payable out of the consolidated fund for that amount. It must be paid to and received by the county as payment in full of all amounts due for the period stated on the ~~warrants~~ payments from the state under any provision of this chapter.

(b) Money to ~~pay the warrants~~ make the payments is appropriated to the counties entitled to payment from the consolidated fund in the state treasury.

Sec. 18. Minnesota Statutes 2018, section 88.12, subdivision 1, is amended to read:

Subdivision 1. **Limitation.** The compensation and expenses of persons temporarily employed in emergencies in suppression or control of wildfires shall be fixed by the commissioner of natural resources or an authorized agent and paid as provided by law. Such compensation shall not exceed the maximum rate for comparable labor established as provided by law or rules, but shall not be subject to any minimum rate so established. The commissioner is authorized to draw and expend from money appropriated for the purposes of sections 88.03 to 88.22 a reasonable sum and through forest officers or other authorized agent be used in paying emergency expenses, including just compensation for services rendered by persons summoned and for private property used, damaged, or appropriated under sections 88.03 to 88.22. The commissioner of management and budget is authorized to ~~draw a warrant~~ issue a payment for this sum when duly approved by the commissioner. The commissioner or agent in charge shall take proper subvouchers or receipts from all persons to whom these moneys are paid, and after these subvouchers have been approved

they shall be filed with the commissioner of management and budget. Authorized funds as herein provided at any time shall be deposited, subject to withdrawal or disbursement by check or otherwise for the purposes herein prescribed, in a bank authorized and bonded to receive state deposits; and the bond of this bank to the state shall cover and include this deposit.

Sec. 19. Minnesota Statutes 2018, section 94.522, is amended to read:

94.522 ~~WARRANTS~~ PAYMENTS TO COUNTY TREASURERS; USE OF PROCEEDS.

It shall be the duty of the commissioner of management and budget to transmit ~~warrants on~~ payments from the state treasury to the county treasurer of the respective counties for the sums that may be due in accordance with section 94.521, which sums are hereby appropriated out of the state treasury from the amounts received from the United States government pursuant to the aforesaid acts of Congress, and such money shall be used by the counties receiving the same for the purposes and in the proportions herein provided.

Sec. 20. Minnesota Statutes 2018, section 94.53, is amended to read:

94.53 ~~WARRANTS~~ PAYMENTS TO COUNTY TREASURERS; FEDERAL LOANS TO COUNTIES.

It shall be the duty of the commissioner of management and budget to transmit ~~warrants on~~ payments from the state treasury to the county treasurers of the respective counties for the sum that may be due in accordance with sections 94.52 to 94.54, which sum or sums are hereby appropriated out of the state treasury from the amounts received from the United States government pursuant to the aforesaid act of Congress. The commissioner of management and budget, upon being notified by the federal government or any agencies thereof that a loan has been made to any such county the repayment of which is to be made from such fund, is authorized to transmit a ~~warrant or warrants~~ payment to the federal government or any agency thereof sufficient to repay such loan out of any money apportioned or due to such county under the provisions of such act of Congress, approved May 23, 1908 (Statutes at Large, volume 35, page 260).

Sec. 21. Minnesota Statutes 2018, section 116J.64, subdivision 7, is amended to read:

Subd. 7. **Processing.** (a) An Indian desiring a loan for the purpose of starting a business enterprise or expanding an existing business shall make application to the appropriate tribal government. The application shall be forwarded to the appropriate eligible organization, if

it is participating in the program, for consideration in conformity with the plans submitted by said tribal governments. The tribal government may approve the application if it determines that the loan would advance the goals of the Indian business loan program. If the tribal government is not participating in the program, the agency may directly approve or deny the loan application.

(b) If the application is approved, the tribal government shall forward the application, together with all relevant documents pertinent thereto, to the commissioner of the agency, who shall ~~cause a warrant~~ request a payment to be ~~drawn in favor of~~ issued to the applicant or the applicable tribal government, ~~or the agency,~~ if it is administering the loan, with appropriate notations identifying the borrower.

(c) The tribal government, eligible organization, or the agency, if it is administering the loan, shall maintain records of transactions for each borrower in a manner consistent with good accounting practice. The interest rate on a loan shall be established by the tribal government or the agency, but may be no less than two percent per annum nor more than ten percent per annum. When any portion of a debt is repaid, the tribal government, eligible organization, or the agency, if it is administering the loan, shall remit the amount so received plus interest paid thereon to the commissioner of management and budget through the agency. The amount so received shall be credited to the Indian business loan account.

(d) On the placing of a loan, additional money equal to ten percent of the total amount made available to any tribal government, eligible organization, or the agency, if it is administering the loan, for loans during the fiscal year shall be paid to the tribal government, eligible organization, or the agency, prior to December 31 for the purpose of financing administrative costs.

Sec. 22. Minnesota Statutes 2018, section 127A.34, subdivision 1, is amended to read:

Subdivision 1. **Copy to commissioner of management and budget; appropriation.** The commissioner shall furnish a copy of the apportionment of the school endowment fund to the commissioner of management and budget, who thereupon shall ~~draw warrants on~~ issue payments from the state treasury, payable to the several districts, for the amount due each district. There is hereby annually appropriated from the school endowment fund the amount of such apportionments.

Sec. 23. Minnesota Statutes 2018, section 127A.40, is amended to read:

127A.40 MANNER OF PAYMENT OF STATE AIDS.

It shall be the duty of the commissioner to deliver to the commissioner of management and budget a certificate for each district entitled to receive state aid under the provisions of this chapter. Upon the receipt of such certificate, it shall be the duty of the commissioner of management and budget to ~~draw a warrant in favor of~~ issue a payment to the district for the amount shown by each certificate to be due to the district. The commissioner of management and budget shall transmit such ~~warrants~~ payments to the district together with a copy of the certificate prepared by the commissioner.

Sec. 24. Minnesota Statutes 2018, section 136F.70, subdivision 3, is amended to read:

Subd. 3. **Refunds.** The board may make refunds to students for tuition, activity fees, union fees, and any other fees from imprest cash funds. The imprest cash fund shall be reimbursed periodically by ~~checks or warrants drawn on~~ payments issued from the funds and accounts to which the refund should ultimately be charged. The amounts necessary to pay the refunds are appropriated from the funds and accounts to which they are charged.

Sec. 25. Minnesota Statutes 2018, section 176.181, subdivision 2, is amended to read:

Subd. 2. **Compulsory insurance; self-insurers.** (a) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to paragraph (d), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. An employer

may establish financial ability to pay compensation by providing financial statements of the employer to the commissioner of commerce. Upon ten days' written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter, consistent with subdivision 2b. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the commissioner of management and budget. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days' notice to the self-insurer, the commissioner of commerce may by written order to the commissioner of management and budget require the commissioner of management and budget to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the commissioner of management and budget upon ~~warrants prepared~~ payments requested by the commissioner of commerce out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days' notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(b) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed, or exempt from licensure, pursuant to section 60A.23, subdivision 8, to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on

the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(c) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of commerce.

(d) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules pursuant to sections 14.001 to 14.69. These rules may:

(1) establish reporting requirements for administrators of group self-insurance plans;

(2) establish standards and guidelines consistent with subdivision 2b to assure the adequacy of the financing and administration of group self-insurance plans;

(3) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(4) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(5) establish standards or guidelines governing the formation, operation, administration, and dissolution of self-insurance plans; and

(6) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 26. Minnesota Statutes 2018, section 176.581, is amended to read:

176.581 PAYMENT TO STATE EMPLOYEES.

Upon a ~~warrant~~ request prepared by the commissioner of administration, and in accordance with the terms of the order awarding compensation, the commissioner of management and budget shall pay compensation to the employee or the employee's dependent. These payments shall be made from money appropriated for this purpose.

Sec. 27. Minnesota Statutes 2018, section 176.591, subdivision 3, is amended to read:

Subd. 3. **Compensation payments upon ~~warrants~~ request.** The commissioner of management and budget shall make compensation payments from the fund only as authorized by this chapter upon ~~warrants~~ request of the commissioner of administration.

Sec. 28. Minnesota Statutes 2018, section 192.55, is amended to read:

192.55 PAYMENTS TO BE MADE THROUGH ADJUTANT GENERAL.

All pay and allowances and necessary expenses for any of the military forces shall, when approved by the adjutant general, be paid by commissioner of management and ~~budget's warrants issued~~ budget to the several officers and enlisted members entitled thereto; provided, that upon the request of the adjutant general, approved by the governor, the sum required for any such pay or allowances and necessary expenses shall be paid by commissioner of management and ~~budget's warrant~~ budget to the adjutant general, who shall immediately pay and distribute the same to the several officers or enlisted members entitled thereto or to their commanding officers or to a finance officer designated by the adjutant general. The receipt of any such commanding officer or finance officer for any such payment shall discharge the adjutant general from liability therefor. Every commanding officer or finance officer receiving any such payment shall, as soon as practicable, pay and distribute the same to the several officers or enlisted members entitled thereto. The officer making final payment shall, as evidence thereof, secure the signature of the person receiving the same upon a payroll or other proper voucher.

Sec. 29. Minnesota Statutes 2018, section 237.30, is amended to read:

237.30 TELEPHONE INVESTIGATION FUND; APPROPRIATION.

A Minnesota Telephone Investigation Fund shall exist for the use of the Department of Commerce and of the attorney general in investigations, valuations, and revaluations under section 237.295. All sums paid by the telephone companies to reimburse the department for its expenses pursuant to section 237.295 shall be credited to the revolving fund and shall be deposited in a separate bank account and not commingled with any other state funds or moneys, but any balance in excess of $25,000 in the revolving fund at the end of each fiscal year shall be paid into the state treasury and credited to the general fund. All subsequent credits to said revolving fund shall be paid ~~upon the warrant of~~ by the commissioner of management and budget upon application of the department or of the attorney general to an aggregate amount of not more than one-half of such sums to each of them, which proportion shall be constantly maintained in all credits and withdrawals from the revolving fund.

Sec. 30. Minnesota Statutes 2018, section 244.19, subdivision 7, is amended to read:

Subd. 7. **Certificate of counties entitled to state aid.** On or before January 1 of each year, until 1970 and on or before April 1 thereafter, the commissioner of corrections shall

deliver to the commissioner of management and budget a certificate in duplicate for each county of the state entitled to receive state aid under the provisions of this section. Upon the receipt of such certificate, the commissioner of management and budget shall ~~draw a warrant in favor of~~ issue a payment to the county treasurer for the amount shown by each certificate to be due to the county specified. The commissioner of management and budget shall transmit such ~~warrant~~ payment to the county treasurer together with a copy of the certificate prepared by the commissioner of corrections.

Sec. 31. Minnesota Statutes 2018, section 256B.20, is amended to read:

256B.20 COUNTY APPROPRIATIONS.

The providing of funds necessary to carry out the provisions hereof on the part of the counties and the manner of administering the funds of the counties and the state shall be as follows:

(1) The board of county commissioners of each county shall annually set up in its budget an item designated as the county medical assistance fund and levy taxes and fix a rate therefor sufficient to produce the full amount of such item, in addition to all other tax levies and tax rate, however fixed or determined, sufficient to carry out the provisions hereof and sufficient to pay in full the county share of assistance and administrative expense for the ensuing year; and annually on or before October 10 shall certify the same to the county auditor to be entered by the auditor on the tax rolls. Such tax levy and tax rate shall make proper allowance and provision for shortage in tax collections.

(2) Any county may transfer surplus funds from any county fund, except the sinking or ditch fund, to the general fund or to the county medical assistance fund in order to provide money necessary to pay medical assistance awarded hereunder. The money so transferred shall be used for no other purpose, but any portion thereof no longer needed for such purpose shall be transferred back to the fund from which taken.

(3) Upon the order of the county agency the county auditor shall draw a warrant on the proper fund in accordance with the order, and the county treasurer shall pay out the amounts ordered to be paid out as medical assistance hereunder. When necessary by reason of failure to levy sufficient taxes for the payment of the medical assistance in the county, the county auditor shall carry any such payments as an overdraft on the medical assistance funds of the county until sufficient tax funds shall be provided for such assistance payments. The board of county commissioners shall include in the tax levy and tax rate in the year following the year in which such overdraft occurred, an amount sufficient to liquidate such overdraft in full.

(4) Claims for reimbursement and reports shall be presented to the state agency by the respective counties as required under section 256.01, subdivision 2, paragraph (p). The state agency shall audit such claims and certify to the commissioner of management and budget the amounts due the respective counties without delay. The amounts so certified shall be paid within ten days after such certification, from the state treasury upon ~~warrant~~ payment of the commissioner of management and budget from any money available therefor. The money available to the state agency to carry out the provisions hereof, including all federal funds available to the state, shall be kept and deposited by the commissioner of management and budget in the revenue fund and disbursed ~~upon warrants~~ in the same manner as other state funds.

Sec. 32. Minnesota Statutes 2018, section 299C.21, is amended to read:

299C.21 PENALTY ON LOCAL OFFICER REFUSING INFORMATION.

If any public official charged with the duty of furnishing to the bureau fingerprint records, biological specimens, reports, or other information required by sections 299C.06, 299C.10, 299C.105, 299C.11, 299C.17, shall neglect or refuse to comply with such requirement, the bureau, in writing, shall notify the state, county, or city officer charged with the issuance of ~~a warrant for~~ the payment of the salary of such official. Upon the receipt of the notice the state, county, or city official shall withhold the issuance of ~~a warrant for~~ the payment of the salary or other compensation accruing to such officer for the period of 30 days thereafter until notified by the bureau that such suspension has been released by the performance of the required duty.

Sec. 33. Minnesota Statutes 2018, section 352.04, subdivision 9, is amended to read:

Subd. 9. **Erroneous deductions, canceled ~~warrants~~ payments.** (a) Deductions taken from the salary of an employee for the retirement fund in excess of required amounts must, upon discovery and verification by the department making the deduction, be refunded to the employee.

(b) If a deduction for the retirement fund is taken from a salary ~~warrant or check~~ payment, and the ~~check~~ payment is canceled or the amount of the ~~warrant or check~~ payment returned to the funds of the department making the payment, the sum deducted, or the part of it required to adjust the deductions, must be refunded to the department or institution if the department applies for the refund on a form furnished by the director. The department's payments must likewise be refunded to the department.

(c) If erroneous employee deductions and employer contributions are caused by an error in plan coverage involving the plan and any other plans specified in section 356.99, that section applies. If the employee should have been covered by the plan governed by chapter 352D, 353D, 354B, or 354D, the employee deductions and employer contributions taken in error must be directly transferred to the applicable employee's account in the correct retirement plan, with interest at the applicable monthly rate or rates specified in section 356.59, subdivision 2, compounded annually, from the first day of the month following the month in which coverage should have commenced in the correct defined contribution plan until the end of the month in which the transfer occurs.

Sec. 34. Minnesota Statutes 2018, section 353.05, is amended to read:

353.05 CUSTODIAN OF FUNDS.

The commissioner of management and budget shall be ex officio treasurer of the retirement funds of the association and the general bond of the commissioner of management and budget to the state must be so conditioned as to cover all liability for acts as treasurer of these funds. All money of the association received by the commissioner of management and budget must be set aside in the state treasury to the credit of the proper fund or account. The commissioner of management and budget shall transmit monthly to the executive director a detailed statement of all amounts so received and credited to the funds. Payments out of the funds may only be made ~~on warrants~~ as payments issued by the commissioner of management and budget, upon abstracts signed by the executive director; provided that abstracts for investment may be signed by the executive director of the State Board of Investment.

Sec. 35. Minnesota Statutes 2018, section 354.42, subdivision 7, is amended to read:

Subd. 7. **Erroneous salary deductions or direct payments.** (a) Any deductions taken from the salary of an employee for the retirement fund in excess of amounts required must be refunded to the employee upon the discovery of the error and after the verification of the error by the employing unit making the deduction. The corresponding excess employer contribution and excess additional employer contribution amounts attributable to the erroneous salary deduction must be refunded to the employing unit.

(b) If salary deductions and employer contributions were erroneously transmitted to the retirement fund and should have been transmitted to the plan covered by chapter 352D, 353D, 354B, or 354D, the executive director must transfer these salary deductions and employer contributions to the account of the appropriate person under the applicable plan.

The transfer to the applicable defined contribution plan account must include interest at the rate of 0.71 percent per month, compounded annually, from the first day of the month following the month in which coverage should have commenced in the defined contribution plan until the end of the month in which the transfer occurs.

(c) A potential transfer under paragraph (b) that would cause the plan to fail to be a qualified plan under section 401(a) of the Internal Revenue Code, as amended, must not be made by the executive director. Within 30 days after being notified by the Teachers Retirement Association of an unmade potential transfer under this paragraph, the employer of the affected person must transmit an amount representing the applicable salary deductions and employer contributions, without interest, to the account of the applicable person under the appropriate plan. The retirement association must provide a credit for the amount of the erroneous salary deductions and employer contributions against future contributions from the employer.

(d) If a salary ~~warrant or check~~ payment from which a deduction for the retirement fund was taken has been canceled or the amount of the ~~warrant or if a check~~ payment has been returned to the funds of the employing unit making the payment, a refund of the amount deducted, or any portion of it that is required to adjust the salary deductions, must be made to the employing unit.

(e) Erroneous direct payments of member-paid contributions or erroneous salary deductions that were not refunded during the regular payroll cycle processing must be refunded to the member, plus interest computed using the rate and method specified in section 354.49, subdivision 2.

(f) Any refund under this subdivision that would cause the plan to fail to be a qualified plan under section 401(a) of the Internal Revenue Code, as amended, may not be refunded and instead must be credited against future contributions payable by the employer. The employer is responsible for refunding to the applicable employee any amount that was erroneously deducted from the salary of the employee, with interest as specified in paragraph (e).

(g) If erroneous employee deductions and employer contributions are caused by an error in plan coverage involving the plan and any other plan specified in section 356.99, that section applies.

Sec. 36. Minnesota Statutes 2018, section 401.15, subdivision 1, is amended to read:

Subdivision 1. **Certified statements; determinations; adjustments.** Within 60 days of the end of each calendar quarter, participating counties which have received the payments authorized by section 401.14 shall submit to the commissioner certified statements detailing the amounts expended and costs incurred in furnishing the correctional services provided in sections 401.01 to 401.16. Upon receipt of certified statements, the commissioner shall, in the manner provided in sections 401.10 and 401.12, determine the amount each participating county is entitled to receive, making any adjustments necessary to rectify any disparity between the amounts received pursuant to the estimate provided in section 401.14 and the amounts actually expended. If the amount received pursuant to the estimate is greater than the amount actually expended during the quarter, the commissioner may withhold the difference from any subsequent monthly payments made pursuant to section 401.14. Upon certification by the commissioner of the amount a participating county is entitled to receive under the provisions of section 401.14 or of this subdivision the commissioner of management and budget shall thereupon issue a ~~state warrant~~ payment to the chief fiscal officer of each participating county for the amount due together with a copy of the certificate prepared by the commissioner.

Sec. 37. Minnesota Statutes 2018, section 446A.16, subdivision 1, is amended to read:

Subdivision 1. **Functions of commissioner of management and budget.** Except as otherwise provided in this section, money of the authority must be paid to the commissioner of management and budget as agent of the authority and the commissioner shall not commingle the money with other money. The money in the accounts of the authority must be paid out only ~~on warrants drawn~~ by the commissioner of management and budget on requisition of the chair of the authority or of another officer or employee as the authority authorizes. Deposits of the authority's money must, if required by the commissioner or the authority, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for the deposits.

Sec. 38. Minnesota Statutes 2018, section 462A.18, subdivision 1, is amended to read:

Subdivision 1. **Functions of commissioner of management and budget.** All moneys of the agency, except as otherwise authorized or provided in this section, shall be paid to the commissioner of management and budget as agent of the agency, who shall not commingle such moneys with any other moneys. The moneys in such accounts shall be

paid out ~~on warrants drawn~~ by the commissioner on requisition of the chair of the agency or of such other officer or employee as the agency shall authorize to make such requisition. All deposits of such moneys shall, if required by the commissioner or the agency, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give such security for such deposits.

Sec. 39. Minnesota Statutes 2018, section 525.841, is amended to read:

525.841 ESCHEAT RETURNED.

In all such cases the commissioner of management and budget shall be furnished with a certified copy of the court's order assigning the escheated property to the persons entitled thereto, and upon notification of payment of the estate tax, the commissioner of management and budget shall ~~draw a warrant~~ issue a payment or execute a proper conveyance to the persons designated in such order. In the event any escheated property has been sold pursuant to sections 11A.04, clause (9), and 11A.10, subdivision 2, or 16B.281 to 16B.287, then the ~~warrant~~ payment shall be for the appraised value as established during the administration of the decedent's estate. There is hereby annually appropriated from any moneys in the state treasury not otherwise appropriated an amount sufficient to make payment to all such designated persons. No interest shall be allowed on any amount paid to such persons.

Sec. 40. **REVISOR INSTRUCTION.**

The revisor of statutes shall replace, as the context requires, "warrant," "warrants," or "warrant or check" with "payment" or "payments" in the following sections and subdivisions of Minnesota Statutes: 15.0596; 16A.134; 16A.17, subdivision 5; 16A.42, subdivision 4; 16A.56; 43A.30, subdivision 2; 43A.49; 49.24, subdivisions 13 and 16; 69.031, subdivision 1; 84A.40; 126C.55, subdivisions 2 and 9; 126C.68, subdivision 3; 126C.69, subdivision 14; 136F.46, subdivision 1; 162.08, subdivisions 10 and 11; 162.14, subdivisions 4 and 5; 162.18, subdivision 4; 162.181, subdivision 4; 163.051, subdivision 3; 196.052; 198.16; 241.13, subdivision 1; 260B.331, subdivision 2; 260C.331, subdivision 2; 273.121, subdivision 1; 287.08; 297I.10, subdivision 1; 348.05; 352.05; 352.115, subdivision 12; 352.12, subdivision 13; 353.27, subdivision 7; 354.52, subdivisions 4 and 4b; 446A.086, subdivision 4; and 475A.04, subdivision 1.

ARTICLE 4
PRESIDENTIAL NOMINATION PRIMARY

Section 1. Minnesota Statutes 2018, section 201.091, subdivision 4, is amended to read:

Subd. 4. **Public information lists.** The county auditor shall make available for inspection a public information list which must contain the name, address, year of birth, and voting history of each registered voter in the county. The list must not include the party choice of any voter who voted in ~~the most recent~~ a presidential nomination primary. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The county auditor may adopt reasonable rules governing access to the list. No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists and other information from the statewide registration system for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.

Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

Upon receipt of a statement signed by the voter that withholding the voter's name from the public information list is required for the safety of the voter or the voter's family, the secretary of state and county auditor must withhold from the public information list the name of a registered voter.

Sec. 2. Minnesota Statutes 2018, section 201.091, is amended by adding a subdivision to read:

Subd. 4a. **Presidential primary political party list.** The secretary of state must maintain a list of the voters who voted in a presidential nomination primary and the political party

each voter selected. Information maintained on the list is private data on individuals as defined under section 13.02, subdivision 12, except that the secretary of state must provide the list to the chair of each major political party.

Sec. 3. Minnesota Statutes 2018, section 203B.121, subdivision 4, is amended to read:

Subd. 4. **Opening of envelopes.** After the close of business on the seventh day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the appropriate ballot box. If more than one voted ballot is enclosed in the ballot envelope, the ballots must be returned in the manner provided by section 204C.25 for return of spoiled ballots, and may not be counted.

Sec. 4. Minnesota Statutes 2018, section 204C.10, is amended to read:

204C.10 POLLING PLACE ROSTER; VOTER SIGNATURE CERTIFICATE; VOTER RECEIPT.

(a) An individual seeking to vote shall sign a polling place roster or voter signature certificate which states that the individual is at least 18 years of age, a citizen of the United States, has resided in Minnesota for 20 days immediately preceding the election, maintains residence at the address shown, is not under a guardianship in which the court order revokes the individual's right to vote, has not been found by a court of law to be legally incompetent to vote or has the right to vote because, if the individual was convicted of a felony, the felony sentence has expired or been completed or the individual has been discharged from the sentence, is registered and has not already voted in the election. The roster must also state: "I understand that deliberately providing false information is a felony punishable by not more than five years imprisonment and a fine of not more than $10,000, or both."

(b) At the presidential nomination primary, the polling place roster must also state: "I am in general agreement with the principles of the party for whose candidate I intend to vote~~, and I understand that my choice of a party's ballot will be public information~~." This statement must appear separately from the statements required in paragraph (a). The felony penalty provided for in paragraph (a) does not apply to this paragraph.

(c) A judge may, before the applicant signs the roster or voter signature certificate, confirm the applicant's name, address, and date of birth.

(d) After the applicant signs the roster or voter signature certificate, the judge shall give the applicant a voter's receipt. The voter shall deliver the voter's receipt to the judge in

charge of ballots as proof of the voter's right to vote, and thereupon the judge shall hand to the voter the ballot. The voters' receipts must be maintained during the time for notice of filing an election contest.

(e) Whenever a challenged status appears on the polling place roster, an election judge must ensure that the challenge is concealed or hidden from the view of any voter other than the voter whose status is challenged.

Sec. 5. Minnesota Statutes 2018, section 207A.11, is amended to read:

207A.11 PRESIDENTIAL NOMINATION PRIMARY ESTABLISHED.

(a) A presidential nomination primary must be held each year in which a president and vice president of the United States are to be nominated and elected.

(b) The party chairs must jointly submit to the secretary of state, no later than March 1 in a year prior to a presidential election year, the single date on which the parties have agreed to conduct the presidential nomination primary in the next year. The date selected must not be the date of the town general election provided in section 205.075, subdivision 1. If a date is not jointly submitted by the deadline, the presidential nomination primary must be held on the first Tuesday in March in the year of the presidential election. No other election may be conducted on the date of the presidential nomination primary.

(c) The secretary of state must adopt rules to implement the provisions of this chapter. The secretary of state shall consult with the party chairs throughout the rulemaking process, including seeking advice about possible rules before issuing a notice of intent to adopt rules, consultation before the notice of comment is published, consultation on the statement of need and reasonableness, consultation in drafting and revising the rules, and consultation regarding any modifications to the rule being considered.

(d) <u>This chapter only applies to a major political party that selects delegates at the presidential nomination primary to send to a national convention. A major political party that does not participate in a national convention is not eligible to participate in the presidential nomination primary.</u>

<u>(e)</u> For purposes of this chapter, "political party" or "party" means a major political party as defined in section 200.02, subdivision 7<u>, that is eligible to participate in the presidential nomination primary</u>.

Sec. 6. Minnesota Statutes 2018, section 207A.12, is amended to read:

207A.12 CONDUCTING PRESIDENTIAL NOMINATION PRIMARY.

(a) Except as otherwise provided by law, the presidential nomination primary must be conducted, and the results canvassed and returned, in the manner provided by law for the state primary.

(b) An individual seeking to vote at the presidential nomination primary must be registered to vote pursuant to section 201.054, subdivision 1. The voter must request the ballot of the party for whose candidate the individual wishes to vote. Notwithstanding section 204C.18, subdivision 1, the election judge must record in the polling place roster the name of the political party whose ballot the voter requested. When posting voter history pursuant to section 201.171, the county auditor must include the name of the political party whose ballot the voter requested. ~~The voter instruction posters, pamphlets, and other informational materials prepared for a presidential primary by the secretary of state pursuant to section 204B.27 must include information about the requirements of this paragraph, including a notice that the voter's choice of a political party's ballot will be recorded and is public information~~ The political party ballot selected by a voter is private data on individuals as defined under section 13.02, subdivision 12, except as provided in section 201.091, subdivision 4a.

(c) Immediately after the state canvassing board declares the results of the presidential nomination primary, the secretary of state must notify the chair of each party of the results.

(d) The results of the presidential nomination primary must bind the election of delegates in each party.

Sec. 7. Minnesota Statutes 2018, section 207A.14, subdivision 2, is amended to read:

Subd. 2. **~~Sample~~ Example ballots.** No later than 70 days before the presidential nomination primary, the secretary of state must supply each county auditor with ~~sample~~ example ballots to be used at the presidential nomination primary. The ~~sample~~ example ballots must illustrate the format required for the ballots used in the presidential nomination primary.

Sec. 8. Minnesota Statutes 2018, section 207A.15, subdivision 2, is amended to read:

Subd. 2. **Reimbursable local expenses.** (a) The secretary of state shall reimburse the counties and municipalities for expenses incurred in the administration of the presidential nomination primary from money contained in the presidential nomination primary elections

account. The following expenses are eligible for reimbursement: preparation and printing of ballots; postage for absentee ballots; publication of the sample ballot; preparation of polling places in an amount not to exceed $150 per polling place; preparation of electronic voting systems in an amount not to exceed $100 per precinct; compensation for temporary staff or overtime payments; salaries of election judges; ~~and~~ compensation of county canvassing board members; and other expenses as approved by the secretary of state.

(b) Within 60 days after the results of a presidential nomination primary are certified by the State Canvassing Board, the county auditor must submit a request for payment of the costs incurred by the county for conducting the presidential nomination primary, and the municipal clerk must submit a request for payment of the costs incurred by the municipality for conducting the presidential nomination primary. The request for payment must be submitted to the secretary of state, and must be accompanied by an itemized description of actual county or municipal expenditures, including copies of invoices. In addition, the county auditor or municipal clerk must certify that the request for reimbursement is based on actual costs incurred by the county or municipality in the presidential nomination primary.

(c) The secretary of state shall provide each county and municipality with the appropriate forms for requesting payment and certifying expenses under this subdivision. The secretary of state must not reimburse expenses unless the request for payment and certification of costs has been submitted as provided in this subdivision. The secretary of state must complete the issuance of reimbursements to the counties and municipalities no later than 90 days after the results of the presidential nomination primary have been certified by the State Canvassing Board.

ARTICLE 5
INFORMATION TECHNOLOGY

Section 1. **[3.199] ACCESSIBILITY IN THE LEGISLATURE'S INFORMATION TECHNOLOGY.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following term has the meaning given.

(b) "Responsible authority" means:

(1) for the house of representatives, the chief clerk of the house;

(2) for the senate, the secretary of the senate;

(3) for the Office of the Revisor of Statutes, the revisor of statutes;

(4) for the Office of the Legislative Auditor, the legislative auditor;

(5) for the Legislative Reference Library, the library director;

(6) for the Legislative Budget Office, the director of the Legislative Budget Office; and

(7) for any entity administered by the legislative branch not listed in clauses (1) to (6), the director of the Legislative Coordinating Commission.

Subd. 2. **Accessibility standards; compliance.** The senate, the house of representatives, and joint legislative offices and commissions must comply with accessibility standards adopted for state agencies by the chief information officer under section 16E.03, subdivision 9, for technology, software, and hardware procurement, unless the responsible authority for a legislative body or office has approved an exception for a standard for that body or office.

Subd. 3. **Not subject to MN.IT authority.** The chief information officer is not authorized to manage or direct compliance of the legislature with accessibility standards.

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 2. Minnesota Statutes 2018, section 16E.03, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this chapter, the following terms have the meanings given them.

(b) "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.

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

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

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

(f) "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.

(g) "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 based on the full cost of all phases.

(h) "Cloud computing" has the meaning described by the National Institute of Standards and Technology of the United States Department of Commerce in special publication 800-145, September 2011.

Sec. 3. Minnesota Statutes 2018, section 16E.03, is amended by adding a subdivision to read:

Subd. 4a. **Cloud computing services.** The project evaluation procedure required by subdivision 4 must include a review of cloud computing service options, including any security benefits and cost savings associated with purchasing those service options from a cloud computing service provider.

Sec. 4. Minnesota Statutes 2018, section 16E.03, is amended by adding a subdivision to read:

Subd. 11. **Technical support to the legislature.** The chief information officer, or a designee, must provide technical support to assist the legislature to comply with accessibility standards under section 3.199, subdivision 2. Support under this subdivision must include:

(1) clarifying the requirements of the accessibility standards;

(2) providing templates for common software applications used in developing documents used by the legislature;

(3) assisting the development of training for staff to comply with the accessibility standards and assisting in providing the training; and

(4) assisting the development of technical applications that enable legislative documents to be fully accessible.

The chief information officer must provide these services at no cost to the legislature.

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

Sec. 5. **LEGISLATIVE EMPLOYEE WORKING GROUP ON THE LEGISLATURE'S ACCESSIBILITY MEASURES.**

Subdivision 1. **Membership.** The legislative employee working group on the legislature's accessibility measures consists of 12 members. The senate majority leader and the speaker of the house must each appoint four employees from among the following offices that serve the respective bodies: media offices, information technology offices, legal and fiscal analysis offices, the secretary of the senate, the chief clerk of the house of representatives, and other offices considered appropriate. The chair of the Legislative Coordinating Commission must appoint four members from among the employees who serve in the Office of the Revisor of Statutes, the Legislative Reference Library, the Legislative Coordinating Commission, and the Office of the Legislative Auditor. In conducting its work, the working group may consult with the MN.IT Office of Accessibility; the Commission of Deaf, Deafblind and Hard of Hearing; the Minnesota Council on Disability; State Services for the Blind; and other groups that may be of assistance. Appointments to the working group must be made by July 1, 2021.

Subd. 2. **Duties; report.** (a) The employee working group must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over rules and to the chair and vice-chair of the Legislative Coordinating Commission by January 15, 2023. The report must:

(1) identify ways the legislature's accessibility measures do not meet accessibility standards applicable to state agencies under Minnesota Statutes, section 16E.03, subdivision 9;

(2) identify issues and technologies that may present barriers to compliance;

(3) suggest a compliance exception process;

(4) describe a plan to update the legislature's accessibility measures to be comparable to those required of state agencies under Minnesota Statutes, section 16E.03, subdivision 9; and

(5) estimate the costs for updates to the legislature's accessibility measures.

(b) For purposes of this report, the employee working group does not need to consider making archived documents, recordings, or publications accessible.

Subd. 3. **First meeting; chair.** The executive director of the Legislative Coordinating Commission must convene the first meeting of the working group by August 15, 2021. At the first meeting, the members must elect a chair.

Subd. 4. **Compensation; reimbursement.** Members serve without compensation but may be reimbursed for expenses.

Subd. 5. **Administrative support.** The Legislative Coordinating Commission must provide administrative support to the working group.

Subd. 6. **Expiration.** The working group expires January 15, 2023, or a later date selected by agreement of the appointing authorities in subdivision 1, but not later than January 15, 2028.

EFFECTIVE DATE. This section is effective June 1, 2021.

ARTICLE 6
VETERANS AND MILITARY AFFAIRS POLICY

Section 1. **[10.576] POW AND MIA RECOGNITION DAY.**

The third Friday in September of each year is designated as Prisoners of War (POW) and Missing in Action (MIA) Recognition Day to honor and recognize the courage and sacrifices of individuals from Minnesota who have been prisoners of war or who are missing in action. Each year, the governor shall issue a proclamation honoring this observance.

Sec. 2. **[10.578] VETERANS SUICIDE AWARENESS DAY.**

The first Saturday of every October is designated Veterans Suicide Awareness Day. Each year, the governor shall issue a proclamation honoring this observance.

Sec. 3. **[10.597] AMERICAN ALLIES DAY.**

(a) June 30 of each year is designated American Allies Day for the purpose of honoring foreign-born persons who fought in conflicts around the world on behalf of and alongside the United States armed forces.

(b) Each year the governor shall issue a proclamation honoring this observance.

(c) Schools are encouraged to offer instruction on the role of America's allies during its military conflicts, including but not limited to sharing the stories of those who fought for freedom and democracy against tyranny and despotism with special emphasis on those who fought on behalf of American allies or alongside American armed forces and later emigrated to Minnesota.

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

Sec. 4. Minnesota Statutes 2018, section 196.05, subdivision 1, is amended to read:

Subdivision 1. **General duties.** The commissioner shall:

(1) act as the agent of a resident of the state having a claim against the United States for benefits arising out of or by reason of service in the armed forces and prosecute the claim without charge;

(2) act as custodian of veterans' bonus records;

(3) administer the laws relating to the providing of bronze flag holders at veterans' graves for memorial purposes;

(4) administer the laws relating to recreational or rest camps for veterans so far as applicable to state agencies;

(5) administer the state soldiers' assistance fund and veterans' relief fund and other funds appropriated for the payment of bonuses or other benefits to veterans or for the rehabilitation of veterans;

(6) cooperate with national, state, county, municipal, and private social agencies in securing to veterans and their dependents the benefits provided by national, state, and county laws, municipal ordinances, or public and private social agencies;

(7) provide necessary assistance where other adequate aid is not available to the dependent family of a veteran while the veteran is hospitalized and after the veteran is released for as long a period as is necessary as determined by the commissioner;

(8) cooperate with United States governmental agencies providing compensation, pensions, insurance, or other benefits provided by federal law, by supplementing the benefits prescribed therein, when conditions in an individual case make it necessary;

(9) assist dependent family members of military personnel who are called from reserve status to extended federal active duty during a time of war or national emergency through the state soldiers' assistance fund provided by section 197.03;

(10) exercise other powers as ~~may be~~ authorized and necessary to carry out ~~the provisions of~~ this chapter and ~~chapter~~ chapters 197~~, consistent with that chapter~~ and 198;

(11) provide information, referral, and counseling services to those veterans who may have suffered adverse health conditions as a result of possible exposure to chemical agents; and

(12) in coordination with the Minnesota Association of County Veterans Service Officers, develop a written disclosure statement for use by private providers of veterans benefits

services as required under section 197.6091. At a minimum, the written disclosure statement shall include a signature line, contact information for the department, and a statement that veterans benefits services are offered at no cost by federally chartered veterans service organizations and by county veterans service officers.

Sec. 5. Minnesota Statutes 2018, section 197.603, subdivision 2, is amended to read:

Subd. 2. **Records; data privacy.** Pursuant to chapter 13 the county veterans service officer is the responsible authority with respect to all records in the officer's custody. The data on clients' applications for assistance is private data on individuals, as defined in section 13.02, subdivision 12. The county veterans service officer may disclose to the county or local assessor private data necessary to determine a client's eligibility for the veteran with a disability homestead market value exclusion under section 273.13, subdivision 34.

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

Sec. 6. Minnesota Statutes 2018, section 273.1245, subdivision 2, is amended to read:

Subd. 2. **Disclosure.** The assessor shall disclose the data described in subdivision 1 to the commissioner of revenue as provided by law. The assessor shall also disclose all or portions of the data described in subdivision 1 to:

(1) the county treasurer solely for the purpose of proceeding under the Revenue Recapture Act to recover personal property taxes owing~~.~~; and

(2) the county veterans service officer for the purpose of determining a person's eligibility for the veteran with a disability homestead market value exclusion under section 273.13, subdivision 34.

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

Sec. 7. Laws 2016, chapter 189, article 13, section 64, is amended to read:

Sec. 64. **MEMORIAL COMMEMORATING RECIPIENTS OF THE MEDAL OF HONOR.**

Subdivision 1. **Medal of Honor Memorial on the State Capitol grounds.** Subject to approval by the Capitol Area Architectural and Planning Board, the commissioner of administration shall place a memorial on the State Capitol grounds to honor Minnesotans awarded the Medal of Honor.

Subd. 2. **Gifts and grants.** The commissioner of veterans affairs may solicit gifts, grants, or donations of any kind from any private or public source to carry out the purposes of this section. A Medal of Honor Memorial account is created in the special revenue fund. The account consists of money transferred by law to the account and any other money donated, gifted, granted, allotted, or otherwise provided to the account. All gifts, grants, or donations received by the commissioner shall be deposited in a Medal of Honor Memorial account in the special revenue fund. Money in the account is annually appropriated to the commissioner of administration for predesign, design, construction, and ongoing maintenance of the memorial.

~~Subd. 3. **Restrictions.** Money deposited in the Medal of Honor Memorial account is not available until the commissioner of management and budget has determined an amount sufficient to complete predesign of the memorial has been committed to the project from nonstate sources. The commissioner of administration shall not begin construction on this project until money in the account is sufficient to pay for all costs related to construction and ongoing maintenance of the memorial.~~

Sec. 8. **USS MINNEAPOLIS-ST. PAUL ACCOUNT.**

Subdivision 1. **Account established.** The USS Minneapolis-St. Paul account is established in the gift fund. Money in the account is appropriated to the commissioner of military affairs for the commissioning and preservation of the USS Minneapolis-St. Paul.

Subd. 2. **Gifts and grants.** The commissioner of military affairs may solicit gifts, grants, or donations of any kind from any private or public source for the commissioning and preservation of the USS Minneapolis-St. Paul. All gifts, grants, or donations received by the commissioner shall be deposited in the USS Minneapolis-St. Paul account under subdivision 1.

ARTICLE 7
GAMBLING CONTROL BOARD

Section 1. Minnesota Statutes 2018, section 349.12, subdivision 2, is amended to read:

Subd. 2. **Active member.** "Active member" means a member:

(1) who has paid all dues to the organization~~.~~;

(2) who is 18 years of age or older~~.~~;

(3) who has equal voting rights with all other members~~.~~;

(4) who has equal opportunity to be an elected officer~~,~~;

(5) who has equal right and responsibilities of attendance at the regularly scheduled meetings of the organization~~,~~;

(6) whose name and membership origination date appear with the member's knowledge and consent on a list of members of the organization~~,~~; and

(7) who has been a member of the organization for at least ~~six months~~ the most recent 90 days.

Sec. 2. Minnesota Statutes 2018, section 349.17, subdivision 6, is amended to read:

Subd. 6. **Conduct of bingo.** The price of a face played on an electronic bingo device may not be less than the price of a face on a bingo paper sheet sold for the same game at the same occasion. Bingo gift certificates must only be sold for face value. A game of bingo begins with the first letter and number called or displayed. Each player must cover, mark, or activate the numbers when bingo numbers are randomly selected and announced or displayed to the players. The game is won when a player, using bingo paper, bingo hard card, or a facsimile of a bingo paper sheet, has completed, as described in the bingo program, a previously designated pattern or previously determined requirements of the game and declared bingo. A bingo pattern or bingo game requirement may not be completed with fewer than three bingo numbers having been drawn, unless the game being played is a cover-none game. The game is completed when a winning card, sheet, or facsimile is verified and a prize awarded pursuant to subdivision 3.

Sec. 3. Minnesota Statutes 2018, section 349.181, subdivision 5, is amended to read:

Subd. 5. **Lessor's immediate family.** The lessor's immediate family may not participate directly or indirectly as a player in a pull-tab, a tipboard, ~~or~~ a paddlewheel, or an electronic linked bingo game conducted at that premises.

Sec. 4. Minnesota Statutes 2018, section 349.19, subdivision 1, is amended to read:

Subdivision 1. **Required record of receipts.** (a) A licensed organization must keep a record of each occasion on which it conducts gambling, including each bingo occasion and each day on which other forms of lawful gambling are conducted. The record must include gross receipts, quantities of free plays if any, expenses, prizes, and gross profit. The board may by rule provide for the methods by which expenses are documented.

(b) In the case of bingo~~,~~:

(1) gross receipts must be compared to the checkers' records for the occasion by a person who did not sell cards for the occasion~~.~~; and

(2) the organization must keep a bingo gift certificate log showing each bingo gift certificate number, the face value, the date sold, and the date redeemed.

(c) Separate records must be kept for bingo and all other forms of lawful gambling.

Sec. 5. Minnesota Statutes 2018, section 349.19, subdivision 2, is amended to read:

Subd. 2. **Accounts.** (a) Gross receipts from lawful gambling by each organization must be segregated from all other revenues of the conducting organization and placed in a separate gambling bank account.

(b) All expenditures for allowable expenses, taxes, and lawful purposes must be made from the separate account except (1) in the case of expenditures previously approved by the organization's membership for emergencies as defined by board rule, or (2) when restricted to one electronic fund transaction for the payment of taxes for the organization as a whole, the organization may transfer the amount of taxes related to the conduct of gambling to the general account at the time when due and payable.

(c) The name and address of the bank, the account number for the separate account, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made.

(d) Except as provided in paragraph (e), gambling receipts must be deposited into the gambling bank account within four business days of completion of the bingo occasion, deal, or game from which they are received.

(1) A deal of paper pull-tabs is considered complete when either the last pull-tab of the deal is sold or the organization does not continue the play of the deal during the next scheduled period of time in which the organization will conduct pull-tabs.

(2) A tipboard game is considered complete when the seal on the game flare is uncovered or the organization does not continue the play of the deal during the next scheduled period of time in which the organization will conduct tipboards.

(e) Gambling receipts from electronic gambling must be recorded on a daily basis and deposited into the gambling bank account:

(1) when the total net receipts from all electronic games at the premises reach the sum of $2,000 ~~or on or before~~; and

(2) within four business days of the first day of the month immediately following the month during which the receipts were generated~~, whichever occurs first~~.

(f) Deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game at each permitted premises.

(g) The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

ARTICLE 8
RACING COMMISSION

Section 1. Minnesota Statutes 2018, section 240.01, is amended by adding a subdivision to read:

Subd. 18a. **Racing or gaming-related vendor.** "Racing or gaming-related vendor" means any person or entity that manufactures, sells, provides, distributes, repairs or maintains equipment or supplies used at a Class A facility, or provides services to a Class A facility or Class B license holder that are directly related to the running of a horse race, simulcasting, pari-mutuel betting, or card playing.

Sec. 2. Minnesota Statutes 2018, section 240.02, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** A member of the commission must have been a resident of Minnesota for at least five years before appointment, and must have a background and experience as would qualify for membership on the commission. ~~A member must, before taking a place on the commission, file a bond in the principal sum of $100,000 payable to the state, conditioned upon the faithful performance of duties.~~ No commissioner, nor any member of the commissioner's immediate family residing in the same household, may hold a license issued by the commission or have a direct or indirect financial interest in a corporation, partnership, or association which holds a license issued by the commission.

Sec. 3. Minnesota Statutes 2018, section 240.02, subdivision 6, is amended to read:

Subd. 6. ~~**Annual**~~ **Biennial report.** The commission shall on February 15 of each odd-numbered year submit a report to the governor and legislature on its activities, organizational structure, receipts and disbursements, including specific detail on the use of amounts statutorily appropriated to the commission under this chapter, and recommendations for changes in the laws relating to racing and pari-mutuel betting.

Sec. 4. Minnesota Statutes 2018, section 240.08, subdivision 5, is amended to read:

Subd. 5. **Revocation and suspension.** (a) After providing a licensee with notice and an opportunity to be heard, the commission may:

(1) revoke a class C license for a violation of law or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, the public health, welfare, or safety, or for an intentional false statement made in a license application~~.~~; or

~~The commission may~~ (2) suspend a class C license for up to ~~one year~~ five years for a violation of law, order or rule. If the license expires during the term of suspension, the licensee shall be ineligible to apply for another license from the commission until the expiration of the term of suspension.

(b) The commission may delegate to its designated agents the authority to impose suspensions of class C licenses~~, and~~.

(c) Except as provided in paragraph (d), the ~~revocation or~~ suspension of a class C license may be appealed to the commission according to its rules.

~~(b) A license revocation or suspension for more than 90 days is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed for a violation of law or rule.~~

(d) If the commission revokes or suspends a class C license for more than one year, the licensee has the right to appeal by requesting a contested case hearing under chapter 14. The request must be made in writing and sent to the commission by certified mail or personal service. A request sent by certified mail must be postmarked within ten days after the licensee receives the order of revocation or suspension from the commission. A request sent by personal service must be received by the commission within ten days after the licensee receives the order of revocation or suspension from the commission.

(e) The commission may summarily suspend a license for ~~more than~~ up to 90 days ~~prior to a contested case hearing~~ where it is necessary to ensure the integrity of racing or to protect the public health, welfare, or safety. ~~A contested case hearing must be held within 30 days of the summary suspension and the administrative law judge's report must be issued within 30 days from the close of the hearing record. In all cases involving summary suspension the commission must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.~~ The licensee has the right to appeal a summary suspension to the commission according to its rules.

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

Sec. 5. Minnesota Statutes 2018, section 240.10, is amended to read:

240.10 LICENSE FEES.

(a) The fee for a class A license is $253,000 per year and must be remitted on July 1. The fee for a class B license is $500 for each assigned racing day and $100 for each day on which simulcasting is authorized and must be remitted on July 1. The fee for a class D license is $50 for each assigned racing day on which racing is actually conducted. Fees imposed on class D licenses must be paid to the commission at a time and in a manner as provided by rule of the commission.

(b) The commission shall by rule establish an annual license fee for each occupation it licenses under section 240.08.

(c) The initial annual license application fee for a class C license to provide advance deposit wagering on horse racing under this chapter is $10,000 and an annual license fee of $2,500 applies thereafter.

(d) Notwithstanding section 16A.1283, the commission shall by rule establish an annual license fee for each type of racing or gaming-related vendor it licenses, not to exceed $2,500.

Sec. 6. Minnesota Statutes 2018, section 240.12, is amended to read:

240.12 LICENSE AGREEMENTS.

The commission may enter into agreements or compacts with comparable bodies in other racing jurisdictions for the mutual recognition of occupational licenses issued by each body. The commission may by rule provide for and may charge a fee for the registration of each license issued in another jurisdiction.

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

Sec. 7. Minnesota Statutes 2018, section 240.13, subdivision 5, is amended to read:

Subd. 5. **Purses.** (a) From the amounts deducted from all pari-mutuel pools by a licensee, including breakage, an amount equal to not less than the following percentages of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, provided that a licensee may agree by contract with an organization representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages, if the contract is in writing and ~~filed with~~ reviewed by the commission for compliance with this subdivision:

(1) for live races conducted at a class A facility, 8.4 percent of handle;

(2) for simulcasts conducted any day a class A facility is licensed, not less than 37 percent of the ~~takeout~~ amount remaining after deduction for the state pari-mutuel tax, payment to the breeders fund, and payment to the sending out-of-state racetrack for receipt of the signal.

The commission may by rule provide for the administration and enforcement of this subdivision. The deductions for payment to the sending out-of-state racetrack must be actual, except that when there exists any overlap of ownership, control, or interest between the sending out-of-state racetrack and the receiving licensee, the deduction must not be greater than three percent unless agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races during the existing racing meeting or, if outside of the racing season, during the most recent racing meeting.

The licensee shall pay to the commission for deposit in the Minnesota breeders fund 5-1/2 percent of the takeout from all pari-mutuel pools generated by wagering at the licensee's facility on simulcasts of races not conducted in this state.

(b) ~~From the money set aside for purses,~~ The licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation to its members, an amount as may be determined by agreement by the licensee and the horsepersons' organization sufficient to provide benevolent programs, benefits, and services for horsepersons and their on-track employees. The amount paid may be deducted ~~only~~ from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization or may be paid from breakage retained by the licensee from live or simulcast wagering as agreed between the licensee and horsepersons' organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing. The contract must be in writing and reviewed by the commission for compliance with this subdivision.

(c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.

(d) Money set aside for purses from wagering on simulcasts must be used for purses for live races involving the same breed involved in the simulcast except that money set aside for purses and payments to the breeders fund from wagering on simulcasts of races not

conducted in this state, occurring during a live mixed meet, must be allotted to the purses and breeders fund for each breed participating in the mixed meet as agreed upon by the breed organizations participating in the live mixed meet. The agreement shall be in writing and ~~filed with~~ reviewed by the commission for compliance with this subdivision prior to the first day of the live mixed meet. In the absence of a written agreement ~~filed with~~ reviewed by the commission, the money set aside for purses and payments to the breeders fund from wagering on simulcasts, occurring during a live mixed meet, shall be allotted to each breed participating in the live mixed meet in the same proportion that the number of live races run by each breed bears to the total number of live races conducted during the period of the mixed meet.

(e) The allocation of money set aside for purses to particular racing meets may be adjusted, relative to overpayments and underpayments, by contract between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed involved at the licensee's facility. The contract must be in writing and reviewed by the commission for compliance with this subdivision.

(f) Subject to the provisions of this chapter, money set aside from pari-mutuel pools for purses must be for the breed involved in the race that generated the pool, except that if the breed involved in the race generating the pari-mutuel pool is not racing in the current racing meeting, or has not raced within the preceding 12 months at the licensee's class A facility, money set aside for purses may be distributed proportionately to those breeds that have run during the preceding 12 months or paid to the commission and used for purses or to promote racing for the breed involved in the race generating the pari-mutuel pool, or both, in a manner prescribed by the commission.

(g) This subdivision does not apply to a class D licensee.

Sec. 8. Minnesota Statutes 2018, section 240.131, subdivision 7, is amended to read:

Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

(b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the cost of administering the breeders fund and promote horse breeding in Minnesota.

Sec. 9. Minnesota Statutes 2018, section 240.135, is amended to read:

240.135 CARD CLUB REVENUE.

(a) From the amounts received from charges authorized under section 240.30, subdivision 4, the licensee shall set aside the amounts specified in this section to be used for purse payments. These amounts are in addition to the breeders fund and purse requirements set forth elsewhere in this chapter.

(1) For amounts between zero and $6,000,000, the licensee shall set aside not less than ten percent to be used as purses.

(2) For amounts in excess of $6,000,000, the licensee shall set aside not less than 14 percent to be used as purses.

(b) From all amounts set aside under paragraph (a), the licensee shall set aside ten percent to be deposited in the breeders fund.

(c) It is the intent of the legislature that the proceeds of the card playing activities authorized by this chapter be used to improve the horse racing industry by improving purses. The licensee and the horseperson's organization representing the majority of horsepersons who have raced at the racetrack during the preceding 12 months may negotiate percentages that exceed those stated in this section if the agreement is in writing and ~~filed with~~ reviewed by the commission for compliance with this section. The commission shall annually review the financial details of card playing activities and determine if the present use of card playing proceeds is consistent with the policy established by this paragraph. If the commission determines that the use of the proceeds does not comply with the policy set forth herein, then the commission shall direct the parties to make the changes necessary to ensure compliance. If these changes require legislation, the commission shall make the appropriate recommendations to the legislature.

Sec. 10. Minnesota Statutes 2018, section 240.15, subdivision 6, is amended to read:

Subd. 6. **Disposition of proceeds; account.** The commission shall distribute all money received under this section, and, except as provided otherwise by section 240.131, all money received from license fees, regulatory fees, and fines it collects, according to this subdivision. All money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18 except that all money generated by simulcasts must be distributed as provided in section 240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue from an admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. Taxes received under this section must be paid to the commissioner of management and budget for deposit in the general fund. All revenues from licenses and other fees imposed by the commission must be deposited in the state treasury and credited to a racing and card playing regulation account in the special revenue fund. Receipts in this account are available for the operations of the commission up to the amount authorized in biennial appropriations from the legislature. If a fiscal biennium ends without the enactment of an appropriation to the commission for the following biennium, receipts in this account are annually appropriated to the commission for the operations of the commission up to the amount authorized in the second year of the most recently enacted biennial appropriation, until a biennial appropriation is enacted.

Sec. 11. Minnesota Statutes 2018, section 240.155, subdivision 1, is amended to read:

Subdivision 1. **Reimbursement account credit.** Money received by the commission as reimbursement for the costs of services provided by veterinarians, stewards, ~~and~~ medical testing of horses, and fees received by the commission in the form of fees for regulatory services must be deposited in the state treasury and credited to a racing reimbursement account in the special revenue fund, except as provided under subdivision 2. Receipts are appropriated, within the meaning of Article XI, section 1, of the Minnesota Constitution, to the commission to pay the costs of providing the services and all other costs necessary to allow the commission to fulfill its regulatory oversight duties required by chapter 240 and commission rule. If the major appropriation bills needed to finance state government are not enacted by the beginning of a fiscal biennium, the commission shall continue operations as required by chapter 240 and commission rule.

Sec. 12. **[240.1561] APPROPRIATION FOR FUNCTIONS SUPPORTING ONGOING OPERATION OF THE RACING COMMISSION.**

If, by July 1 of an odd-numbered year, legislation has not been enacted to appropriate money for the next biennium to the commissioner of management and budget for central accounting, procurement, payroll, and human resources functions, amounts necessary to operate those functions associated with operation of the Racing Commission under chapter 240 are appropriated for the next biennium from the general fund to the commissioner of management and budget. As necessary, the commissioner may transfer a portion of this appropriation to other state agencies to support carrying out these functions. Any subsequent appropriation to the commissioner of management and budget for a biennium in which this section has been applied shall supersede and replace the funding authorized in this section.

Sec. 13. Minnesota Statutes 2018, section 240.16, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** All horse races run at a licensed racetrack must be presided over by a board of three stewards, who must be appointees of the commission or persons approved by it. The commission shall designate one steward as chair. At least two stewards for all races either shall be employees of the commission who shall serve in the unclassified service, or shall be under contract with the commission to serve as stewards. The commission may delegate the following duties and powers to a board of stewards:

(1) to ensure that races are run in accordance with the commission's rules;

(2) to supervise the conduct of racing to ensure the integrity of the sport;

(3) to settle disputes arising from the running of horse races, and to certify official results;

(4) to impose on licensees, for violation of law or commission rules, fines ~~not exceeding $5,000 and license suspensions not exceeding 90 days~~ of up to $10,000, suspensions of up to one year, and other sanctions as delegated by the commission or permitted under its rules;

(5) to recommend to the commission where warranted penalties in excess of those in clause (4);

(6) to otherwise enforce the laws and rules of racing; and

(7) to perform other duties and have other powers assigned by the commission.

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

Sec. 14. Minnesota Statutes 2018, section 240.16, subdivision 2, is amended to read:

Subd. 2. **Appeals; hearings.** Except as provided by section 240.08, subdivision 5, a ruling of a board of stewards may be appealed to the commission ~~or be reviewed by it~~. The commission may review any ruling by the board of stewards on its own initiative. The commission may provide for appeals to be heard by less than a quorum of the commission. A hearing on a penalty imposed by a board of stewards must be granted on request.

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

Sec. 15. Minnesota Statutes 2018, section 240.18, subdivision 2, is amended to read:

Subd. 2. **Thoroughbred and quarterhorse categories.** (a) With respect to available money apportioned in the thoroughbred and quarterhorse categories, 20 percent must be expended as follows:

(1) at least one-half in the form of grants, contracts, or expenditures for equine research and related education at ~~the University of Minnesota School of Veterinary Medicine~~ public institutions of postsecondary learning in the state; and

(2) the balance in the form of grants, contracts, or expenditures for one or more of the following:

(i) additional equine research and related education;

(ii) substance abuse programs for licensed personnel at racetracks in this state; and

(iii) promotion and public information regarding industry and commission activities; racehorse breeding, ownership, and management; and development and expansion of economic benefits from racing.

(b) As a condition of a grant, contract, or expenditure under paragraph (a), the commission shall require an annual report from the recipient on the use of the funds ~~to the commission, the chair of the house of representatives Committee on General Legislation, Veterans Affairs, and Gaming, and the chair of the senate committee on Gaming Regulation~~.

(c) The commission shall include in its ~~annual~~ biennial report a summary of each grant, contract, or expenditure under paragraph (a), clause (2), and a description of how the commission has coordinated activities among recipients to ensure the most efficient and effective use of funds.

(d) After deducting the amount for paragraph (a), the balance of the available proceeds in each category may be expended by the commission to:

(1) supplement purses for races held exclusively for Minnesota-bred or Minnesota-foaled horses, and supplement purses for Minnesota-bred or Minnesota-foaled horses racing in nonrestricted races in that category;

(2) pay breeders' or owners' awards to the breeders or owners of Minnesota-bred horses in that category which win money at ~~licensed~~ pari-mutuel racetracks ~~in the state~~ licensed by any state or province; and

(3) provide other financial incentives to encourage the horse breeding industry in Minnesota.

Sec. 16. Minnesota Statutes 2018, section 240.18, subdivision 3, is amended to read:

Subd. 3. **Standardbred category.** (a) With respect to the available money apportioned in the standardbred category, 20 percent must be expended as follows:

(1) one-half of that amount to supplement purses for standardbreds at non-pari-mutuel racetracks in the state; and

~~(2) one-fourth of that amount for the development of non-pari-mutuel standardbred tracks in the state; and~~

~~(3) one-fourth~~ (2) one-half of that amount as grants for equine research and related education at public institutions of postsecondary learning in the state.

(b) After deducting the amount for paragraph (a), the balance of the available proceeds in the standardbred category must be expended by the commission to:

(1) supplement purses for races held exclusively for Minnesota-bred and Minnesota-foaled standardbreds;

(2) pay breeders or owners awards to the breeders or owners of Minnesota-bred standardbreds which win money at licensed racetracks in the state; and

(3) provide other financial incentives to encourage the horse breeding industry in Minnesota.

Sec. 17. Minnesota Statutes 2018, section 240.22, is amended to read:

240.22 FINES.

(a) The commission shall by rule establish a schedule of civil fines of up to $50,000 for a class C licensee and up to $200,000 for a class A, B, or D licensee for violations of laws related to horse racing or of the commission's rules. The schedule must be based on and

reflect the culpability, frequency and severity of the violator's actions. The commission may impose a fine from this schedule on a licensee for a violation of those rules or laws relating to horse racing. The fine is in addition to any criminal penalty imposed for the same violation. Except as provided in paragraph (b), fines may be appealed to the commission according to its rules. Fines imposed by the commission must be paid to the commission and except as provided in paragraph (c), forwarded to the commissioner of management and budget for deposit in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and appropriated to the commission to distribute in the form of grants, contracts, or expenditures to support racehorse adoption, retirement, and repurposing.

(b) If the commission issues a fine in excess of ~~$5,000~~ $10,000, the license holder has the right to request a contested case hearing under chapter 14, to be held as set forth in Minnesota Rules, chapter 1400. The appeal of a fine must be made in writing to the commission by certified mail or personal service. An appeal sent by certified mail must be postmarked within ten days after the license holder receives the fine order from the commission. An appeal sent by personal service must be received by the commission within ten days after the license holder receives the fine order from the commission.

(c) If the commission is the prevailing party in a contested case proceeding, the commission may recover, from amounts to be forwarded under paragraph (a), reasonable attorney fees and costs associated with the contested case.

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

Sec. 18. Minnesota Statutes 2018, section 240.27, is amended to read:

240.27 EXCLUSION OF CERTAIN PERSONS.

Subdivision 1. **Persons excluded.** The commission may exclude from any and all licensed racetracks in the state a person who:

(1) has been convicted of a felony under the laws of any state or the United States;

(2) has had a license suspended, revoked, or denied by the commission or by the racing authority of any other jurisdiction; or

(3) is determined by the commission, on the basis of evidence presented to it, to be a threat to the public safety or the integrity of racing or card playing in Minnesota.

Subd. 2. **Hearing; appeal.** An order to exclude ~~a~~ an unlicensed person from any or all licensed racetracks in the state must be made by the commission ~~at~~ following a public hearing of which the person to be excluded must have had at least five days' notice. If present

at the hearing, the person must be permitted to show cause why the exclusion should not be ordered. An appeal of the order may be made in the same manner as other appeals under section 240.20.

Subd. 3. **Notice to racetracks.** Upon issuing an order excluding a person from any or all licensed racetracks, the commission shall send a copy of the order to the excluded person and to all racetracks or teleracing facilities named in it, along with other information as it deems necessary to permit compliance with the order.

Subd. 4. **Prohibitions.** It is a gross misdemeanor for a person named in an exclusion order to enter, attempt to enter, or be on the premises of a racetrack named in the order while it is in effect, and for a person licensed to conduct racing or operate a racetrack knowingly to permit an excluded person to enter or be on the premises.

Subd. 5. **Exclusions by racetrack.** ~~The holder of a license to conduct racing may eject and exclude from its premises any licensee or any other person who is in violation of any state law or commission rule or order or who is a threat to racing integrity or the public safety. A person so excluded from racetrack premises may appeal the exclusion to the commission and must be given a public hearing on the appeal upon request. At the hearing the person must be given the opportunity to show cause why the exclusion should not have been ordered. If the commission after the hearing finds that the integrity of racing and the public safety do not justify the exclusion, it shall order the racetrack making the exclusion to reinstate or readmit the person. An appeal of a commission order upholding the exclusion is governed by section 240.20.~~ A licensed racetrack may eject and exclude from its premises any person for any lawful reason. If a licensed racetrack excludes a person for a suspected or potential violation of law or rule, or if a licensed racetrack excludes any person for more than five days, the licensed racetrack shall provide the person's name and reason for the exclusion to the commission within 72 hours.

ARTICLE 9
STATE BOARD OF ACCOUNTANCY

Section 1. Minnesota Statutes 2018, section 326A.01, subdivision 2, is amended to read:

Subd. 2. **Attest.** "Attest" means providing any of the following services:

(1) an audit or other engagement performed in accordance with the Statements on Auditing Standards (SAS);

(2) an audit or other engagement performed in accordance with the Generally Accepted Government Auditing Standards (GAGAS);

(3) a review of a financial statement performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS);

~~(3)~~ (4) an examination of prospective financial information performed in accordance with the Statements on Standards for Attestation Engagements (SSAE);

~~(4)~~ (5) an engagement performed in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB); and

~~(5)~~ (6) an examination, review, or agreed-upon procedures engagement performed in accordance with SSAE, other than an examination described in clause (3).

Sec. 2. Minnesota Statutes 2018, section 326A.04, subdivision 4, is amended to read:

Subd. 4. **Program of learning.** Each licensee shall participate in a program of learning designed to maintain professional competency. The program of learning must comply with rules adopted by the board. The board may by rule create an exception to this requirement for licensees who do not perform or offer to perform for the public one or more kinds of services involving the use of ~~accounting or~~ auditing skills, including issuance of reports on ~~financial statements or of one or more kinds of~~: attest or compilation engagements, management advisory services, financial advisory services, or consulting services~~, or the preparation of tax returns or the furnishing of advice on tax matters~~. A licensee granted such an exception by the board must place the word "inactive" or "retired," if applicable, adjacent to the CPA title on any business card, letterhead, or any other document or device, with the exception of the licensee's certificate on which the CPA title appears.

Sec. 3. Minnesota Statutes 2018, section 326A.04, subdivision 5, is amended to read:

Subd. 5. **Fee.** (a) The board shall charge a fee for each application for initial issuance or renewal of a certificate or temporary military certificate under this section as provided in paragraph (b). ~~The fee for the temporary military certificate is $100.~~

(b) The board shall charge the following fees:

(1) initial issuance of certificate, $150;

(2) renewal of certificate with an active status, $100 per year;

(3) initial CPA firm permits, except for sole practitioners, $100;

(4) renewal of CPA firm permits, except for sole practitioners and those firms specified in clause ~~(17)~~ (16), $35 per year;

(5) initial issuance and renewal of CPA firm permits for sole practitioners, except for those firms specified in clause ~~(17)~~ (16), $35 per year;

(6) annual late processing delinquency fee for permit, certificate, or registration renewal applications not received prior to expiration date, $50;

(7) copies of records, per page, 25 cents;

(8) registration of noncertificate holders, nonlicensees, and nonregistrants in connection with renewal of firm permits, $45 per year;

(9) applications for reinstatement, $20;

(10) initial registration of a registered accounting practitioner, $50;

(11) initial registered accounting practitioner firm permits, $100;

(12) renewal of registered accounting practitioner firm permits, except for sole practitioners, $100 per year;

(13) renewal of registered accounting practitioner firm permits for sole practitioners, $35 per year;

~~(14) CPA examination application, $40;~~

~~(15)~~ (14) CPA examination, fee determined by third-party examination administrator;

~~(16)~~ (15) renewal of certificates with an inactive status, $25 per year; ~~and~~

~~(17)~~ (16) renewal of CPA firm permits for firms that have one or more offices located in another state, $68 per year; and

(17) temporary military certificate, $100.

Sec. 4. **[326A.045] RETIRED STATUS.**

Subdivision 1. **Retired status requirements.** The board shall grant retired status to a person who meets the following criteria:

(1) is age 55 or older;

(2) holds a current active license to practice public accounting under this chapter with a license status of active, inactive, or exempt under Minnesota Rules, part 1105.3700;

(3) declares that he or she is not practicing public accounting in any jurisdiction;

(4) was in good standing with the board at the time the person last held a license under this chapter; and

(5) submits an application for retired status on a form provided by the board.

Subd. 2. **Retired status effect.** Retired status is an honorific status. Retired status is not a license to engage in the practice of public accounting. A person granted retired status shall not perform or offer to perform services for which a license under this chapter is required.

Subd. 3. **Documentation of status.** The board shall provide to a person granted retired status a document stating that retired status has been granted.

Subd. 4. **Representation to the public.** A person granted retired status may represent themselves as "Certified Public Accountant - Retired," "CPA - Retired," "Retired Certified Public Accountant," or "Retired CPA," but shall not represent themselves or allow themselves to be represented to the public as a current licensee of the board.

Subd. 5. **Continuing education not required.** A person is not required to comply with the continuing education requirements in section 326A.04, subdivision 4, to acquire or maintain retired status.

Subd. 6. **Renewal not required.** A person granted retired status is not required to renew the person's registration or pay renewal fees to maintain retired status.

Subd. 7. **Change to active or inactive status.** The board shall change a license status from retired to active or inactive if a person with retired status requests a status change and meets requirements for reactivation prescribed by rule.

Sec. 5. Minnesota Statutes 2018, section 326A.08, subdivision 4, is amended to read:

Subd. 4. **Cease and desist orders.** (a) The board, or the complaint committee if authorized by the board, may issue and have served upon a certificate holder, a permit holder, a registration holder, a person with practice privileges granted under section 326A.14, a person who has previously been subject to a disciplinary order by the board, or an unlicensed firm or person an order requiring the person or firm to cease and desist from the act or practice constituting a violation of the statute, rule, or order. The order must be calculated to give reasonable notice of the rights of the person or firm to request a hearing and must state the reasons for the entry of the order. No order may be issued until an investigation of the facts has been conducted pursuant to section 214.10.

(b) Service of the order ~~is effective when the order is served on the person, firm, or counsel of record personally, or by certified mail to the most recent address provided to the board for the person, firm, or counsel of record.~~ may be by first class United States mail, including certified United States mail, or overnight express mail service, postage prepaid and addressed to the party at the party's last known address. Service by United States mail,

including certified mail, is complete upon placing the order in the mail or otherwise delivering the order to the United States mail service. Service by overnight express mail service is complete upon delivering the order to an authorized agent of the express mail service.

(c) Unless otherwise agreed by the board, or the complaint committee if authorized by the board, and the person or firm requesting the hearing, the hearing must be held no later than 30 days after the request for the hearing is received by the board.

(d) The administrative law judge shall issue a report within 30 days of the close of the contested case hearing record, notwithstanding Minnesota Rules, part 1400.8100, subpart 3. Within 30 days after receiving the report and any exceptions to it, the board shall issue a further order vacating, modifying, or making permanent the cease and desist orders as the facts require.

(e) If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until it is modified or vacated by the board.

(f) If the person or firm to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person or firm is in default and the proceeding may be determined against that person or firm upon consideration of the cease and desist order, the allegations of which may be considered to be true.

(g) In lieu of or in addition to the order provided in paragraph (a), the board may require the person or firm to provide to the board a true and complete list of the person's or firm's clientele so that they can, if deemed necessary, be notified of the board's action. Failure to do so, or to provide an incomplete or inaccurate list, is an act discreditable.

Sec. 6. Minnesota Statutes 2018, section 326A.08, subdivision 5, is amended to read:

Subd. 5. **Actions against persons or firms.** (a) The board may, by order, deny, refuse to renew, suspend, temporarily suspend, or revoke the application, or practice privileges, registration or certificate of a person or firm; censure or reprimand the person or firm; prohibit the person or firm from preparing tax returns or reporting on financial statements; limit the scope of practice of any licensee; limit privileges under section 326A.14; refuse to permit a person to sit for examination; or refuse to release the person's examination grades if the board finds that the order is in the public interest and that, based on a preponderance of the evidence presented, the person or firm:

(1) has violated a statute, rule, or order that the board has issued or is empowered to enforce;

(2) has engaged in conduct or acts that are fraudulent, deceptive, or dishonest whether or not the conduct or acts relate to performing or offering to perform professional services, providing that the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's or firm's ability or fitness to provide professional services;

(3) has engaged in conduct or acts that are negligent or otherwise in violation of the standards established by board rule, where the conduct or acts relate to providing professional services, including in the filing or failure to file the licensee's income tax returns;

(4) has been convicted of, has pled guilty or nolo contendere to, or has been sentenced as a result of the commission of a felony or crime, an element of which is dishonesty or fraud; has been shown to have or admitted to having engaged in acts or practices tending to show that the person or firm is incompetent; or has engaged in conduct reflecting adversely on the person's or firm's ability or fitness to provide professional services, whether or not a conviction was obtained or a plea was entered or withheld and whether or not dishonesty or fraud was an element of the conduct;

(5) employed fraud or deception in obtaining a certificate, permit, registration, practice privileges, renewal, or reinstatement or in passing all or a portion of the examination;

(6) has had the person's or firm's permit, registration, practice privileges, certificate, right to examine, or other similar authority revoked, suspended, canceled, limited, or not renewed for cause, or has committed unprofessional acts for which the person or firm was otherwise disciplined or sanctioned, including, but not limited to, being ordered to or agreeing to cease and desist from prescribed conduct, in any state or any foreign country;

(7) has had the person's or firm's right to practice before any federal, state, other government agency, or Public Company Accounting Oversight Board revoked, suspended, canceled, limited, or not renewed for cause, or has committed unprofessional acts for which the person or firm was otherwise disciplined or sanctioned, including, but not limited to, being ordered to or agreeing to cease and desist from prescribed conduct;

(8) failed to meet any requirement for the issuance or renewal of the person's or firm's certificate, registration or permit, or for practice privileges;

(9) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that may result or may have resulted, in the opinion of the board or the complaint committee if authorized by the board, in an immediate threat to the public;

(10) has engaged in any conduct reflecting adversely upon the person's or firm's fitness to perform services while a licensee, individual granted privileges under section 326A.14, or a person registered under section 326A.06, paragraph (b); or

(11) has, prior to a voluntary surrender of a certificate or permit to the board, engaged in conduct which at any time resulted in the discipline or sanction described in clause (6) or (7).

(b) In lieu of or in addition to any remedy provided in paragraph (a), the board, or the complaint committee if authorized by the board, may require, as a condition of continued possession of a certificate, a registration, or practice privileges, termination of suspension, reinstatement of permit, registration of a person or firm or of practice privileges under section 326A.14, a certificate, an examination, or release of examination grades, that the person or firm:

(1) submit to a peer review of the person's or firm's ability, skills, or quality of work, conducted in a fashion and by persons, entity, or entities as required by the board; and

(2) complete to the satisfaction of the board continuing professional education courses specified by the board.

(c) Service of the order ~~is effective if the order is served on the person, firm, or counsel of record personally or by certified mail to the most recent address provided to the board for the person, firm, or counsel of record.~~ may be by first class United States mail, including certified United States mail, or overnight express mail service, postage prepaid and addressed to the party at the party's last known address. Service by United States mail, including certified mail, is complete upon placing the order in the mail or otherwise delivering the order to the United States mail service. Service by overnight express mail service is complete upon delivering the order to an authorized agent of the express mail service. The order shall state the reasons for the entry of the order.

(d) All hearings required by this subdivision must be conducted in accordance with chapter 14 except with respect to temporary suspension orders as provided for in subdivision 6.

(e) In addition to the remedies authorized by this subdivision, the board, or the complaint committee if authorized by the board, may enter into an agreement with the person or firm for corrective action and may unilaterally issue a warning to a person or firm.

(f) The board shall not use agreements for corrective action or warnings in any situation where the person or firm has been convicted of or pled guilty or nolo contendere to a felony

or crime and the felony or crime is the basis of the board's action against the person or firm, where the conduct of the person or firm indicates a pattern of related violations of paragraph (a) or the rules of the board, or where the board concludes that the conduct of the person or firm will not be deterred other than by disciplinary action under this subdivision or subdivision 4 or 6.

(g) Agreements for corrective action may be used by the board, or the complaint committee if authorized by the board, where the violation committed by the person or firm does not warrant disciplinary action pursuant to this subdivision or subdivision 4 or 6, but where the board, or the complaint committee if authorized by the board, determines that corrective action is required to prevent further such violations and to otherwise protect the public. Warnings may be used by the board, or the complaint committee if authorized by the board, where the violation of the person or firm is de minimus, does not warrant disciplinary action under this subdivision or subdivision 4 or 6, and does not require corrective action to protect the public.

(h) Agreements for corrective action must not be considered disciplinary action against the person's or firm's application, permit, registration or certificate, or practice privileges under section 326A.14. However, agreements for corrective action are public data. Warnings must not be considered disciplinary action against the person's or firm's application, permit, registration, or certificate or person's practice privileges and are private data.

Sec. 7. Minnesota Statutes 2018, section 326A.08, is amended by adding a subdivision to read:

Subd. 10. **Actions against lapsed license, certificate, or permit.** If a person's or firm's permit, registration, practice privileges, license, certificate, or other similar authority lapses, expires, is surrendered, withdrawn, terminated, canceled, limited, not renewed, or otherwise becomes invalid, the board may institute a proceeding under this subdivision within two years after the date the license, certificate, or permit was last effective and enter a revocation or suspension order as of the last date on which the license, certificate, or permit was in effect, or impose a civil penalty as provided for in subdivision 7.

Sec. 8. Minnesota Statutes 2018, section 326A.10, is amended to read:

326A.10 UNLAWFUL ACTS.

(a) Only a licensee and individuals who have been granted practice privileges under section 326A.14 may issue a report on financial statements of any person, firm, organization, or governmental unit that results from providing attest services, or offer to render or render

any attest service. Only a certified public accountant, an individual who has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent permitted by board rule, a person registered under section 326A.06, paragraph (b), may issue a report on financial statements of any person, firm, organization, or governmental unit that results from providing compilation services or offer to render or render any compilation service. These restrictions do not prohibit any act of a public official or public employee in the performance of that person's duties or prohibit the performance by any nonlicensee of other services involving the use of accounting skills, including the preparation of tax returns, management advisory services, and the preparation of financial statements without the issuance of reports on them. Nonlicensees may prepare financial statements and issue nonattest transmittals or information on them which do not purport to be in compliance with the Statements on Standards for Accounting and Review Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may, to the extent permitted by board rule, prepare financial statements and issue nonattest transmittals or information on them.

(b) Licensees and individuals who have been granted practice privileges under section 326A.14 performing attest or compilation services must provide those services in accordance with professional standards. To the extent permitted by board rule, registered accounting practitioners performing compilation services must provide those services in accordance with standards specified in board rule.

(c) A person who does not hold a valid certificate issued under section 326A.04 or a practice privilege granted under section 326A.14 shall not use or assume the title "certified public accountant," the abbreviation "CPA," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a certified public accountant.

(d) A firm shall not provide attest services or assume or use the title "certified public accountants," the abbreviation "CPA's," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless (1) the firm has complied with section 326A.05, and (2) ownership of the firm is in accordance with this chapter and rules adopted by the board.

(e) A person or firm that does not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use the title "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "accredited accountant," "accounting practitioner," "public accountant," "licensed public accountant," or any other title or designation likely to be confused with the title "certified

public accountant," or use any of the abbreviations "CA," "LA," "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals so designated by the Internal Revenue Service.

(f) Persons registered under section 326A.06, paragraph (b), may use the title "registered accounting practitioner" or the abbreviation "RAP." A person who does not hold a valid registration under section 326A.06, paragraph (b), shall not assume or use such title or abbreviation.

(g) Except to the extent permitted in paragraph (a), nonlicensees may not use language in any statement relating to the financial affairs of a person or entity that is conventionally used by licensees in reports on financial statements or on an attest service. In this regard, the board shall issue by rule safe harbor language that nonlicensees may use in connection with such financial information. A person or firm that does not hold a valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or 326A.06, paragraph (b), or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use any title or designation that includes the word "accountant" or "accounting" in connection with any other language, including the language of a report, that implies that the person or firm holds such a certificate, permit, or registration or has special competence as an accountant. A person or firm that does not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use any title or designation that includes the word "auditor" in connection with any other language, including the language of a report, that implies that the person or firm holds such a certificate or permit or has special competence as an auditor. However, this paragraph does not prohibit any officer, partner, member, manager, or employee of any firm or organization from affixing that person's own signature to any statement in reference to the financial affairs of such firm or organization with any wording designating the position, title, or office that the person holds, nor prohibit any act of a public official or employee in the performance of the person's duties as such.

(h)(1) No person holding a certificate or registration or firm holding a permit under this chapter shall use a professional or firm name or designation that is misleading about the legal form of the firm, or about the persons who are partners, officers, members, managers, or shareholders of the firm, or about any other matter. However, names of one or more former partners, members, managers, or shareholders may be included in the name of a firm or its successor.

(2) A common brand name or network name part, including common initials, used by a CPA firm in its name, is not misleading if the firm is a network firm as defined in the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct ~~in effect July 1, 2011~~ incorporated by reference in Minnesota Rules, part 1105.0250, and when offering or rendering services that require independence under AICPA standards, the firm must comply with the AICPA code's applicable standards on independence.

(i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification, designation, degree, or license granted in a foreign country entitling the holder to engage in the practice of public accountancy or its equivalent in that country, if:

(1) the activities of the person or firm in this state are limited to the provision of professional services to persons or firms who are residents of, governments of, or business entities of the country in which the person holds the entitlement;

(2) the person or firm performs no attest or compilation services and issues no reports with respect to the information of any other persons, firms, or governmental units in this state; and

(3) the person or firm does not use in this state any title or designation other than the one under which the person practices in the foreign country, followed by a translation of the title or designation into English, if it is in a different language, and by the name of the country.

(j) No holder of a certificate issued under section 326A.04 may perform attest services through any business form that does not hold a valid permit issued under section 326A.05.

(k) No individual licensee may issue a report ~~in standard form~~ upon a compilation of financial information through any form of business that does not hold a valid permit issued under section 326A.05, unless the report discloses the name of the business through which the individual is issuing the report, and the individual:

(1) signs the compilation report identifying the individual as a certified public accountant;

(2) meets the competency requirement provided in applicable standards; and

(3) undergoes no less frequently than once every three years, a peer review conducted in a manner specified by the board in rule, and the review includes verification that the individual has met the competency requirements set out in professional standards for such services.

(l) No person registered under section 326A.06, paragraph (b), may issue a report ~~in standard form~~ upon a compilation of financial information unless the board by rule permits the report and the person:

(1) signs the compilation report identifying the individual as a registered accounting practitioner;

(2) meets the competency requirements in board rule; and

(3) undergoes no less frequently than once every three years a peer review conducted in a manner specified by the board in rule, and the review includes verification that the individual has met the competency requirements in board rule.

(m) Nothing in this section prohibits a practicing attorney or firm of attorneys from preparing or presenting records or documents customarily prepared by an attorney or firm of attorneys in connection with the attorney's professional work in the practice of law.

(n) The board shall adopt rules that place limitations on receipt by a licensee or a person who holds a registration under section 326A.06, paragraph (b), of:

(1) contingent fees for professional services performed; and

(2) commissions or referral fees for recommending or referring to a client any product or service.

(o) Anything in this section to the contrary notwithstanding, it shall not be a violation of this section for a firm not holding a valid permit under section 326A.05 and not having an office in this state to provide its professional services in this state so long as it complies with the applicable requirements of section 326A.05, subdivision 1.

3.9735 EVALUATION OF ECONOMIC DEVELOPMENT INCENTIVE PROGRAMS.

Subdivision 1. **Definitions.** For purposes of this section, the terms defined in this section have the meanings given them.

(a) "General incentive" means a state program, statutory provision, or tax expenditure, including tax credits, tax exemptions, tax deductions, grants, or loans, that is intended to encourage businesses to locate, expand, invest, or remain in Minnesota or to hire or retain employees in Minnesota. To be a general incentive, a state program, statutory provision, or tax expenditure must be funded by an appropriation from the general fund, and be available to multiple entities, projects, or associated projects or include eligibility criteria with the intent that it will be available to multiple entities, projects, or associated projects.

(b) "Exclusive incentive" means a state program, statutory provision, tax expenditure, or section of a general incentive, including tax credits, tax exemptions, tax deductions, grants, or loans, that is intended to encourage a single specific entity, project, or associated projects to locate, expand, invest, or remain in Minnesota or to hire or retain employees in Minnesota.

Subd. 2. **Selection of general incentives for review; schedule for evaluation; report.** Annually, the legislative auditor shall submit to the Legislative Audit Commission a list of three to five general incentives proposed for review. In selecting general incentives to include on this list, the legislative auditor may consider what the incentive will cost state and local governments in actual spending and foregone revenue currently or projected into the future, the legislature's need for information about a general incentive that has an upcoming expiration date, and the legislature's need for regular information on the results of all major general incentives. Annually, the Legislative Audit Commission will select at least one general incentive for the legislative auditor's evaluation. The legislative auditor will evaluate the selected general incentive or incentives, prepared according to the evaluation plan established under subdivision 4, and submit a written report to the Legislative Audit Commission.

Subd. 3. **Exclusive incentive schedule.** The legislative auditor's schedule shall ensure that at least once every four years the legislative auditor will complete an analysis of best practices for exclusive incentives.

Subd. 4. **Evaluation plans.** By February 1, 2016, the Legislative Audit Commission shall establish evaluation plans that identify elements that the legislative auditor must include in evaluations of a general incentive and an exclusive incentive. The Legislative Audit Commission may modify the evaluation plans as needed.

155A.28 HAIR BRAIDING.

Subdivision 1. **Registration.** Any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall register with the Minnesota Board of Cosmetologist Examiners in a form determined by the board.

Subd. 3. **Requirements.** In order to qualify for initial registration, any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall satisfactorily complete instruction at either an accredited school, professional association, or by an individual approved by the board. Instruction includes coursework covering the topics of health, safety, infection control, and state laws related to cosmetology not to exceed 30 hours. The coursework is encouraged to be provided in a foreign language format and such availability shall be reported to and posted by the Minnesota Board of Cosmetologist Examiners.

Subd. 4. **Curriculum.** An accredited school, professional association, or an individual approved by the board desiring to provide the coursework required under subdivision 3 shall have curriculum in place by January 1, 2008.