A bill for an act

relating to the financing and operation of state and local government; appropriating money or reducing appropriations for state government, higher education and economic development, environment and natural resources, activities or programs of Department of Commerce, agriculture, veterans affairs, transportation, public safety, judiciary, Uniform Laws Commission, Private Detective Board, human rights, corrections, Sentencing Guidelines Commission, minority boards, public facilities authority, tourism, humanities, public broadcasting, zoos, science museum, and Housing Finance Agency; modifying loan, grant, and scholarship provisions; funding certain projects for veterans; increasing bond limits; establishing a central system office and governing credit transfers for the Minnesota State Colleges and Universities; requiring bond issues for certain projects; modifying investment disposition of mineral fund; modifying mineral fund payments in lieu of taxes; providing for or modifying certain provisions relating to membership of tourism council and film and TV reimbursement amounts; modifying provisions relating to continuing education for certain licensed occupations, securities transaction exemptions, mortgages, and operation of state government; modifying certain Boards of Barber Examiners and Cosmetology provisions; establishing a new trunk highway emergency relief account; amending provisions related to trunk highway bonding, hazardous materials permits, fire safety account, uses of public safety service fee, grants for emergency shelters, and in-service training for peace officers; authorizing county sentence to service programs to charge fees; changing provisions relating to agriculture and veterans affairs; changing provisions for expenses of governor-elect, disposal of old state-owned buildings, public access to parking spaces, fleet management, and lease purchase agreements; providing for operation of a state recycling center and a state Webmaster for state Web sites; providing for Web access to appropriations information; requiring two-sided printing for state use; requiring standards to enhance public access to state electronic data; providing for zero-based budgeting; creating a commission to reengineer delivery of government services; providing for transfers to Help America Vote Act account; changing and creating funds and accounts; modifying provisions for tax return preparers; requesting proposals for enhancing the state's tax collection process and revenues; modifying calculation of state aids and credits for local government; authorizing and adjusting fees; establishing a pilot project; making technical changes; requiring reports; providing for rulemaking; amending Minnesota Statutes 2008, sections 4.51; 16B.04, subdivision 2; 16B.24, subdivision 3; 16B.48, subdivision 2; 16E.04, subdivision 2; 16E.05, by adding a subdivision; 18G.07; 79.34, subdivision 1; 80A.46;

80A.65, subdivision 1; 97A.061, subdivision 1; 103G.705, subdivision 2; 115A.15, subdivision 6; 116L.17, subdivision 2; 116U.25; 116U.26; 136A.121, subdivision 6; 136A.1701, subdivision 4; 136A.29, subdivision 9; 154.06; 154.065, subdivision 2; 154.07, by adding a subdivision; 154.15, by adding a subdivision; 161.04, by adding a subdivision; 273.1384, by adding a subdivision; 297I.06, subdivision 3; 326B.148, subdivision 1; 403.11, subdivision 1; 471.6175, subdivision 4; 477A.013, subdivision 9; 477A.03, subdivisions 2a, 2b; 477A.12, subdivision 1; 611A.32, subdivisions 1, 2; 626.8458, subdivision 5; 641.12, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 16A.152, subdivision 2; 16A.82; 16E.02, subdivision 1; 45.30, subdivision 6; 136A.121, subdivision 9; 136F.98, subdivision 1; 154.002; 154.003; 155A.23, by adding a subdivision; 155A.24, subdivision 2, by adding subdivisions; 155A.25; 190.19, subdivision 2a; 270C.145; 273.111, subdivision 9; 275.70, subdivision 5; 289A.08, subdivision 16; 298.294; 299A.45, subdivision 1; 357.021, subdivision 7; Laws 2007, chapter 45, article 1, section 3, subdivisions 4, as amended, 5, as amended; Laws 2009, chapter 37, article 2, section 13; Laws 2009, chapter 78, article 1, section 3, subdivision 2; article 7, section 2; Laws 2009, chapter 83, article 1, sections 10, subdivisions 4, 7; 11; 14, subdivision 2; Laws 2009, chapter 94, article 1, section 3, subdivision 5; article 3, section 2, subdivision 3; Laws 2009, chapter 95, article 1, sections 3, subdivisions 6, 21; 5, subdivision 2; Laws 2009, chapter 101, article 1, section 31; proposing coding for new law in Minnesota Statutes, chapters 10; 15B; 16A; 16B; 97A; 136A; 136F; 477A; repealing Minnesota Statutes 2008, sections 13.721, subdivision 4; 136A.127, subdivisions 1, 3, 5, 6, 7, 10, 11; 154.07, subdivision 5; 176.135, subdivision 1b; 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18; 477A.03, subdivision 5; Minnesota Statutes 2009 Supplement, sections 135A.61; 136A.121, subdivision 9b; 136A.127, subdivisions 2, 4, 9, 9b, 10a, 14.

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

ARTICLE 1

HIGHER EDUCATION

Section 1. **SUMMARY OF APPROPRIATIONS.**

Subdivision 1. **Summary Total.** The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		2010		2011		Total
General	$	1,410,000	$	(48,155,000)	$	(46,745,000)
Total	**$**	**1,410,000**	**$**	**(48,155,000)**	**$**	**(46,745,000)**

Subd. 2. **Summary by Agency - All Funds.** The amounts shown in this subdivision summarize direct appropriations, by agency, made in this article.

		2010		2011		Total
Minnesota Office of Higher Education	$	1,410,000	$	(1,568,000)	$	(158,000)
Board of Trustees of the Minnesota State Colleges and Universities		-0-		(10,467,000)		(10,467,000)

Board of Regents of the University of Minnesota		-0-		(36,120,000)		(36,120,000)
Total	**$**	**1,410,000**	**$**	**(48,155,000)**	**$**	**(46,745,000)**

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 95, article 1, 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 "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30			
		2010		**2011**
Sec. 3. **OFFICE OF HIGHER EDUCATION**				
Subdivision 1. **Total Appropriation**	**$**	**1,410,000**	**$**	**(1,568,000)**
The amounts that may be spent for each purpose are specified in the following subdivisions.				
Subd. 2. **State Grants**		-0-		(1,487,000)

The tuition maximum for fiscal year 2011 for students in two-year programs and for students in private, for-profit, four-year programs is $5,364.

Financial aid changes in this article are expected to achieve savings available to the state grant program for fiscal year 2011 as a result of reducing tuition maximums, eliminating eligibility for a ninth semester, and eliminating the high school-to-college developmental transition program grants.

Any additional savings necessary to make grants in fiscal year 2011 must be achieved through the application of Minnesota Statutes, section 136A.121, subdivision 7.

This is a onetime reduction.

Subd. 3. **Interstate Tuition Reciprocity**		1,487,000	-0-
Subd. 4. **Agency Administration**		(77,000)	(81,000)

Sec. 4. **BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES**

Subdivision 1. **Total Appropriation**	**$**	**-0-**	**$**	**(10,467,000)**

The amounts that must be reduced or added for each purpose are specified in the following subdivisions.

Subd. 2. **Central Office and Shared Services Unit**	-0-	(3,000,000)

Reductions under this subdivision must not be allocated to any institution and must not be charged back to any campus or institution.

Subd. 3. **Operations and Maintenance**	-0-	(7,467,000)

Each institution must reduce administrative budgets by at least ten percent. The remaining reductions must be allocated proportionately to all institutions to minimize the impact on students and instruction.

For fiscal years 2012 and 2013, the base for operations and maintenance is $597,467,000 each year.

Subd. 4. **Cook County Higher Education**

$40,000 in fiscal year 2010 and $40,000 in fiscal year 2011 appropriated by Laws 2009, chapter 95, article 1, section 4, to the board of trustees for operations and maintenance is for Cook County higher education.

Sec. 5. **BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation**	**$**	**-0-** **$**	**(36,120,000)**

The amounts that must be reduced or added for each purpose are specified in the following subdivisions.

Subd. 2. **Operations and Maintenance**	-0-	(32,223,000)

The legislature intends that reductions under this subdivision are achieved through at least a ten percent reduction to administrative budgets, distributed proportionately to the Twin Cities campus and the other campuses of the University of Minnesota. Remaining reductions must be made to minimize the impact on students and instruction.

Reductions under this subdivision must not be allocated to the University of Minnesota and Mayo Foundation Partnership.

For fiscal years 2012 and 2013, the base for operations and maintenance is $566,882,000 each year.

Subd. 3. **Special Appropriations**

(a) **Agriculture and Extension Service**	-0-	(2,787,000)
(b) **Health Sciences**	-0-	(281,000)

$18,000 in fiscal year 2011 is a reduction to the appropriation to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program.

Reductions under this paragraph for the graduate family medicine education programs at Hennepin County Medical

Center must be proportional to other reductions under this paragraph.

(c) **Institute of Technology**	-0-	(74,000)
(d) **System Special**	-0-	(328,000)
(e) **University of Minnesota and Mayo Foundation Partnership**	-0-	(427,000)

Sec. 6. Minnesota Statutes 2008, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of allowances specified in law for living and miscellaneous expenses, and an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, ~~or~~ the tuition and fee maximums established in law, or for students in two-year or four-year private, for-profit programs, the maximum tuition and fee amount for a public two-year institution.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

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

Sec. 7. Minnesota Statutes 2009 Supplement, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for ~~nine~~ eight semesters or the equivalent, excluding courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit. A student who withdraws from enrollment for active military service, or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

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

Sec. 8. **[136A.129] LEGISLATIVE NOTICE.**

The office shall notify the chairs of the legislative committees with primary jurisdiction over higher education finance of any proposed material change to the administration of any of the grant or financial aid programs in sections 136A.095 to 136A.128.

Sec. 9. Minnesota Statutes 2008, section 136A.1701, subdivision 4, is amended to read:

Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such terms and conditions as the office may prescribe. ~~The~~ Under the SELF IV program, the principal amount of a loan to an undergraduate student for a single academic year shall not exceed ~~$6,000 for grade levels 1 and 2 effective July 1, 2006, through June 30, 2007. Effective July 1, 2007, the principal amount of a loan for grade levels 1 and 2 shall not exceed $7,500. The principal amount of a loan for grade levels 3, 4, and 5 shall not exceed $7,500 effective July 1, 2006~~ $7,500 per grade level. The aggregate principal amount of all loans made under this section to an undergraduate student shall not exceed ~~$34,500 through June 30, 2007, and~~ $37,500 ~~after June 30, 2007~~. The principal amount of a loan to a graduate student for a single academic year shall not exceed $9,000. The aggregate principal amount of all loans made under this section to a student as an undergraduate and graduate student shall not exceed ~~$52,500 through June 30, 2007, and~~ $55,500 ~~after June 30, 2007~~. The amount of the loan may not exceed the cost of attendance less all other financial aid, including PLUS loans or other similar parent loans borrowed on the student's behalf. The cumulative SELF loan debt must not exceed the borrowing maximums in paragraph (b).

(b) The cumulative undergraduate borrowing maximums for SELF IV loans are:

(1) ~~effective July 1, 2006, through June 30, 2007:~~

~~(i) grade level 1, $6,000;~~

~~(ii) grade level 2, $12,000;~~

~~(iii) grade level 3, $19,500;~~

~~(iv) grade level 4, $27,000; and~~

~~(v) grade level 5, $34,500; and~~

~~(2) effective July 1, 2007:~~

~~(i)~~ grade level 1, $7,500;

~~(ii)~~ (2) grade level 2, $15,000;

~~(iii)~~ (3) grade level 3, $22,500;

~~(iv)~~ (4) grade level 4, $30,000; and

~~(v)~~ (5) grade level 5, $37,500.

(c) The principal amount of a SELF V or subsequent phase loan to students enrolled in a bachelor's degree program, postbaccalaureate, or graduate program must not exceed $10,000 per grade level. For all other eligible students, the principal amount of the loan must not exceed $7,500 per grade level. The aggregate principal amount of all loans made under this section to a student as an undergraduate and graduate student must not exceed $70,000. The amount of the loan must not exceed the cost of attendance less all other financial aid, including PLUS loans or other similar parent loans borrowed on the student's behalf. The cumulative SELF loan debt must not exceed the borrowing maximums in paragraph (d).

(d)(1) The cumulative borrowing maximums for SELF V loans and subsequent phases for students enrolled in a bachelor's degree program or postbaccalaureate program are:

(i) grade level 1, $10,000;

(ii) grade level 2, $20,000;

(iii) grade level 3, $30,000;

(iv) grade level 4, $40,000; and

(v) grade level 5, $50,000.

(2) For graduate level students, the borrowing limit is $10,000 per nine-month academic year, with a cumulative maximum for all SELF loan debt of $70,000.

(3) For all other eligible students, the cumulative borrowing maximums for SELF V loans and subsequent phases are:

(i) grade level 1, $7,500;

(ii) grade level 2, $15,000;

(iii) grade level 3, $22,500;

(iv) grade level 4, $30,000; and

(v) grade level 5, $37,500.

Sec. 10. Minnesota Statutes 2008, section 136A.29, subdivision 9, is amended to read:

Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed

~~$950,000,000~~ $1,300,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

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

Sec. 11. **[136F.08] CENTRAL SYSTEM OFFICE.**

Subdivision 1. **Establishment.** A central system office is established for the Minnesota State Colleges and Universities to provide central support to the institutions enrolling students and to assist the board in fulfilling its missions under section 136F.05. The central office must not assume responsibility for services that are most effectively and efficiently provided at the institution level. The central system office is under the direction of the chancellor.

Subd. 2. **General duties.** The central system office must coordinate system level responsibilities for financial management, personnel management, facilities management, information technology, credit transfer, legal affairs, government relations, and auditing. The central system office shall coordinate its services with the services provided at the institution level so as not to duplicate any functions that are provided by institutions.

Sec. 12. **[136F.302] CREDIT TRANSFER.**

The board of trustees must develop and maintain a systemwide effective and efficient mechanism for seamless student transfer between system institutions that has a goal of minimal loss of credits for transferring students. The Degree Audit and Reporting System (DARS) and u.select database (and successor databases) housed within the office of the chancellor shall be the official repository of course equivalencies between system colleges and universities. Each system college and university shall be responsible for ensuring the accuracy and completeness of course equivalencies listed for courses offered by that college or university. The development and maintenance of the system must, at a minimum, address the following:

(1) alignment of institution curriculum and its communication to stakeholders;

(2) transfer between similar programs;

(3) documentation for transfer-related agreements between institutions;

(4) systemwide transfer information on the Internet that is easily accessible and maintained in a current and accurate status;

(5) training for campus-level staff to provide accurate and consistent advice to students;

(6) institutional rather than student obligation to provide prompt required documentation for course equivalency determinations; and

(7) consistency of transfer policies among institutions in compliance with a system policy.

Sec. 13. Minnesota Statutes 2009 Supplement, section 136F.98, subdivision 1, is amended to read:

Subdivision 1. **Issuance of bonds.** The Board of Trustees of the Minnesota State Colleges and Universities or a successor may issue revenue bonds under sections 136F.90 to 136F.97 whose aggregate principal amount at any time may not exceed ~~$200,000,000~~ $275,000,000, and payable from the revenue appropriated to the fund established by section 136F.94, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures or portions thereof to be used for dormitory, residence hall, student union, food service, parking purposes, or for any other similar revenue-producing building or buildings of such type and character as the board finds desirable for the good and benefit of the state colleges and universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee about the facilities to be financed by the bonds.

Sec. 14. Minnesota Statutes 2009 Supplement, section 299A.45, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** A person is eligible to receive educational benefits under this section if the person:

(1) is certified under section 299A.44 and in compliance with this section and rules of the commissioner of public safety and the Minnesota Office of Higher Education;

(2) is enrolled in an undergraduate degree or certificate program after June 30, 1990, at an eligible Minnesota institution as provided in section 136A.101, subdivision 4;

(3) has not received a baccalaureate degree or been enrolled full time for ~~nine~~ eight semesters or the equivalent, except that a student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of eligibility; and

(4) is related in one of the following ways to a public safety officer killed in the line of duty on or after January 1, 1973:

(i) as a dependent child less than 23 years of age;

(ii) as a surviving spouse; or

(iii) as a dependent child less than 30 years of age who has served on active military duty 181 consecutive days or more and has been honorably discharged or released to the dependent child's reserve or National Guard unit.

Sec. 15. Laws 2009, chapter 95, article 1, section 3, subdivision 6, is amended to read:

Subd. 6. **Achieve Scholarship Program**	4,350,000	4,350,000

For scholarships under Minnesota Statutes, section 136A.127, the office shall transfer the appropriation for fiscal year 2011 to the appropriation for state grants.

Sec. 16. Laws 2009, chapter 95, article 1, section 3, subdivision 21, is amended to read:

Subd. 21. **Transfers**

The Minnesota Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work-study appropriation, the achieve scholarship appropriation, the public safety officers' survivors appropriation, and the Minnesota college savings plan appropriation. Transfers from the state grant, child care, or state work-study appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with prior written notice to the chairs of the senate and house of representatives committees with jurisdiction over higher education finance.

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

Sec. 17. Laws 2009, chapter 95, article 1, section 5, subdivision 2, is amended to read:

Subd. 2. **Operations and Maintenance**	550,345,000	604,239,000

(a) This appropriation includes funding for operation and maintenance of the system.

(b) The Board of Regents shall submit expenditure reduction plans by March 15, 2010, to the committees of the legislature with responsibility for higher education finance to achieve the 2012-2013 base established in this section. The plan must focus on protecting direct instruction.

(c) Appropriations under this subdivision may be used for a new scholarship under Minnesota Statutes, section 137.0225, to complement the University's Founders scholarship.

(d) This appropriation includes amounts for an Ojibwe Indian language program on the Duluth campus.

(e) This appropriation includes money for the Dakota language teacher training immersion program on the Twin Cities campus to prepare teachers to teach in Dakota language immersion programs.

(f) This appropriation includes money for the Veterinary Diagnostic Laboratory to preserve accreditation.

(g) This appropriation includes money in fiscal year 2010 for a onetime grant to the Minnesota Wildlife Rehabilitation Center ~~for their uncompensated expenses~~ in an amount equal to the loan balance as of March 11, 2010, for expenses related to the center's move from the campus.

(h) For fiscal years 2012 and 2013, the base for operations and maintenance is $596,930,000 each year.

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

Sec. 18. **OFFICE OF HIGHER EDUCATION CARRYFORWARD.**

Notwithstanding Minnesota Statutes, section 136A.125, subdivision 7, or 136A.233, subdivision 1, the Office of Higher Education may carry forward to fiscal year 2011, funds allocated to an institution for the child care and work study programs that exceed the actual need and were refunded to the office from fiscal year 2010. Notwithstanding Minnesota Statutes, section 136A.125, subdivision 4c, funds carried forward for the child care program in fiscal year 2011 may be used to expand the number of recipients in the program.

Sec. 19. **REPORT OF CREDIT TRANSFER ACTIVITIES.**

The Board of Trustees of the Minnesota State Colleges and Universities shall report on February 15, 2011, and annually thereafter through 2015, on its activities to achieve the credit transfer goals of Minnesota Statutes, section 136F.302, and the results of those activities. The report shall be made to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education policy and finance. The goals of Minnesota Statutes, section 136F.302, should be fully achieved as soon as possible, but no later than the start of the 2015-2016 academic year.

Sec. 20. **MNSCU REVENUE BONDS FOR STATE UNIVERSITIES.**

Notwithstanding Minnesota Statutes, section 136F.98, subdivision 1, for fiscal years 2010 and 2011, the board of trustees must use the increase in the aggregate revenue bond limit in Minnesota Statutes, section 136F.98, subdivision 1, to issue revenue bonds for eligible projects at state universities.

Sec. 21. **PILOT PROJECT; LOCAL DEPOSIT OF RESERVES OF MINNESOTA STATE COLLEGES AND UNIVERSITIES.**

Subdivision 1. **Establishment.** To increase the distribution of potential economic benefit of deposits of reserve funds of the institutions of the Minnesota State Colleges and Universities, a pilot project is established to transfer certain reserve deposits of selected institutions from the state treasury to a community financial institution. Notwithstanding Minnesota Statutes, section 16A.27, on July 1, 2010, the commissioner of management and budget shall transfer the board-required reserve funds of colleges and universities selected by the board of trustees under subdivision 2, to a community financial institution designated for each of the participating colleges and universities.

Subd. 2. **Participating colleges and universities.** By June 11, 2010, colleges and universities must apply to the Board of Trustees of the Minnesota State Colleges and Universities for participation in the pilot project. Each applicant must designate one or more community financial institutions for the deposit of board-required reserves, with the terms of the deposit for each designated community financial institution. The designated community financial institution must be located within 25 miles of a participating campus. From the applicants, the board shall select eight postsecondary institutions to participate in the local deposit pilot project. In making its selection, the board must consider the size of the institution's reserves and the terms offered by the designated community financial institutions. Two-year and four-year institutions must be selected to participate in the pilot project and at least five of the selected institutions must be located in greater Minnesota.

By June 25, 2010, the board must notify the commissioner of management and budget of the participating colleges and universities and the associated community financial institutions.

Subd. 3. **Community financial institution.** As used in this section, "community financial institution" means a federally insured bank or credit union, chartered as a bank or credit union by the state of Minnesota or the United States, that is headquartered in Minnesota and that has no more than $2,500,000,000 in assets.

Subd. 4. **Evaluation and report.** The commissioner of management and budget and the board of trustees shall independently evaluate the effectiveness or harm of the local deposit pilot project in increasing the use of community financial institutions and providing wider distribution of the economic benefit of the deposit of postsecondary reserves. Each evaluation must include the participating colleges, universities, and community financial institutions. The commissioner and the board shall report the results of the pilot project evaluation to the appropriate committees of the legislature by December 1, 2011, with recommendations on the future implementation of the pilot project.

Sec. 22. **APPROPRIATION REDUCTIONS.**

Any reduction in appropriations for the biennium ending June 30, 2011, for the central system office of Minnesota State Colleges and Universities must not be passed through to any institution or campus. The board of trustees must not charge any institution for appropriation reductions made to the central office.

Sec. 23. **REPEALER.**

(a) Minnesota Statutes 2008, section 136A.127, subdivisions 1, 3, 5, 6, 7, 10, and 11, are repealed.

(b) Minnesota Statutes 2009 Supplement, sections 135A.61; 136A.121, subdivision 9b; and 136A.127, subdivisions 2, 4, 9, 9b, 10a, and 14, are repealed.

ARTICLE 2

ENVIRONMENT AND NATURAL RESOURCES

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		2010		2011		Total
General	$	(4,032,000)	$	(6,044,000)	$	(10,076,000)
Environmental		-0-		535,000		535,000
Game and Fish		-0-		250,000		250,000
Total	**$**	**(4,032,000)**	**$**	**(5,259,000)**	**$**	**(9,291,000)**

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 37, article 1, 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 "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30 2010	 2011

Sec. 3. **POLLUTION CONTROL AGENCY**

		2010		2011
Subdivision 1. **Total Appropriation**	**$**	**(535,000)**	**$**	**(630,000)**

Appropriations by Fund		
General	(535,000)	(1,165,000)
Environmental	-0-	535,000

The appropriation additions or reductions for each purpose are shown in the following subdivisions.

In order to leverage nonstate money or to address high priority needs identified by the commissioner, the commissioner may shift appropriations in Laws 2009, chapter 37, article 1, section 3, available in one fiscal year to the other fiscal year. Any adjustments made under this paragraph do not affect the agency base for the programs affected.

Subd. 2. **Water**	(392,000)	(456,000)

Appropriations by Fund		
General	(392,000)	(991,000)
Environmental	-0-	535,000

The commissioner shall recover the cost of attorney general services related to environmental assessment worksheets from the project proposers.

$485,000 in 2011 is a reduction in the appropriation for general water program operations.

$485,000 is appropriated from the environmental fund for attorney general costs in water program operations.

$140,000 in 2010 and $304,000 in 2011 are reductions in the appropriations for the clean water partnership program.

$152,000 in 2010 and $152,000 in 2011 are reductions in the appropriations for the county feedlot grant program.

$100,000 in 2010 is a reduction in the appropriation for stormwater compliance grants.

$50,000 in 2011 is a reduction in the appropriation for grants to the Red River Watershed Management Board for the river watch program.

$50,000 in 2011 is appropriated from the environmental fund for grants to the Red River Watershed Management Board for the river watch program.

Subd. 3. **Environmental Assistance and Cross-Media**		(61,000)		(95,000)
Subd. 4. **Administrative Support**		(82,000)		(79,000)

Sec. 4. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**	**$**	**(2,501,000)**	**$**	**(3,184,000)**

Appropriations by Fund

General	(2,501,000)	(3,434,000)
Game and Fish	-0-	250,000

The appropriation additions or reductions for each purpose are shown in the following subdivisions.

In order to leverage nonstate money, or to address high priority needs identified by the commissioner, the commissioner may shift appropriations in Laws 2009, chapter 37, article 1, section 4, available in one fiscal year to the other fiscal year. Any adjustments made under this paragraph do not affect the agency base for the programs affected.

Subd. 2. **Lands and Minerals**	(315,000)	(333,000)

$124,000 in 2010 and $124,000 in 2011 are reductions in the appropriations for land and mineral resources management operations.

$67,000 in 2010 and $85,000 in 2011 are reductions in the appropriations for the iron ore cooperative research program.

$6,000 in 2010 and $6,000 in 2011 are reductions in the appropriations for minerals cooperative research.

$115,000 in 2010 and $115,000 in 2011 are reductions in the appropriations for issuing mining permits in Laws 2009, chapter 88, article 12, section 22.

$3,000 in 2010 and $3,000 in 2011 are reductions in the appropriations for minerals diversification.

Subd. 3. **Water Resource Management**	(447,000)	(533,000)

$447,000 in 2010 and $447,000 in 2011 are reductions in the appropriations for water resource management operations.

$60,000 in 2011 is a reduction in the appropriation for grants to the Mississippi Headwaters Board.

$5,000 in 2011 is a reduction in the appropriation for the payment to the Leech Lake Band of Chippewa Indians.

$10,000 in 2011 is a reduction in the appropriation for the construction of ring dikes.

$11,000 in 2011 is a reduction in the appropriation for the Red River flood damage reduction grants.

Subd. 4. **Forest Management**	(815,000)	(665,000)

Appropriations by Fund

General	(815,000)	(915,000)
Game and Fish	-0-	250,000

$617,000 in 2010 and $617,000 in 2011 are reductions in the appropriations for forest management.

$82,000 in 2010 and $82,000 in 2011 are reductions in the appropriations to maintain forest management operations.

$72,000 in 2010 and $72,000 in 2011 are reductions in the appropriations for prevention, presuppression, and suppression costs of emergency firefighting.

$14,000 in 2010 and $14,000 in 2011 are reductions in the appropriations for the FORIST system.

$30,000 in 2010 and $130,000 in 2011 are reductions in the appropriations for grants to the Forest Resources Council.

$250,000 in fiscal year 2011 is appropriated from the game and fish fund to maintain and expand the ecological classification system program on state forest lands. This is a onetime appropriation.

Subd. 5. **Parks and Trails Management**	(565,000)	(565,000)

$490,000 in 2010 and $490,000 in 2011 are reductions in the appropriations for parks management.

$75,000 in 2010 and $75,000 in 2011 are reductions in the appropriations for trails and waterways management.

Subd. 6. **Fish and Wildlife Management**	-0-	(400,000)

$400,000 in 2011 is a reduction in the appropriation for wildlife health programs.

Subd. 7. **Ecological Services**	(213,000)	(188,000)

$168,000 in 2010 and $168,000 in 2011 are reductions in the appropriations for ecological services operations.

$45,000 in 2010 and $20,000 in 2011 are reductions in the appropriations for the prevention of the spread of invasive species.

Subd. 8. **Enforcement**		(136,000)		(400,000)
Subd. 9. **Operations Support**		(10,000)		(100,000)
Sec. 5. **BOARD OF WATER AND SOIL RESOURCES**	**$**	**(884,000)**	**$**	**(1,145,000)**

$119,000 in 2010 and $119,000 in 2011 are reductions in the appropriations for administration.

$33,000 in 2010 and $33,000 in 2011 are reductions in the appropriations for Wetland Conservation Act oversight.

$14,000 in 2010 and $14,000 in 2011 are reductions in the appropriations for assistance to local drainage officials.

$258,000 in 2010 and $251,000 in 2011 are reductions in the appropriations for natural resources block grants to local governments.

$228,000 in 2010 and $312,000 in 2011 are reductions in the appropriations for general purpose grants to soil and water conservation districts.

$32,000 in 2010 and $32,000 in 2011 are reductions in the appropriations for cost-share feedlot grants.

$105,000 in 2010 and $72,000 in 2011 are reductions in the appropriations for cost-share grants.

$67,000 in 2010 and $58,000 in 2011 are reductions in the appropriations for cost-share grants to establish and maintain riparian vegetative buffers.

$7,000 in 2010 and $7,000 in 2011 are reductions in the appropriations for county cooperative weed management programs.

$7,000 in 2010 and $7,000 in 2011 are reductions in the appropriations for transfers to the Department of Natural Resources for enforcement of the Wetland Conservation Act.

$7,000 in 2010 and $7,000 in 2011 are reductions in the appropriations for grants to local units of government in the 11-county metropolitan area for response to Wetland Conservation Act violations.

$7,000 in 2010 and $7,000 in 2011 are reductions in the appropriations for cost-share grants for drainage records modernization.

$6,000 in 2011 is a reduction in the appropriation for the grant to the Red River Basin Commission.

$90,000 in 2011 is a reduction in the appropriation for the grant to the Minnesota River Basin Joint Powers Board.

$130,000 in 2011 is a reduction in the appropriation for a grant to Area II, Minnesota River Basin Projects for flood plain management.

Notwithstanding Minnesota Statutes, sections 103B.3369 and 103C.501, in order to leverage nonstate money or to address high priority needs identified by board resolution, the board may shift appropriations in Laws 2009, chapter 37, article 1, section 5, available in one fiscal year to the other fiscal year. Any adjustments made under this paragraph do not affect the agency base for the programs affected.

Sec. 6. **METROPOLITAN COUNCIL**	**$**	**(112,000)**	**$**	**(300,000)**

$112,000 in 2010 and $300,000 in 2011 are reductions in the appropriations for metropolitan parks and trails.

The commissioner of management and budget, in consultation with the council, may shift these reductions from the first fiscal year to the second fiscal year if sufficient funds are not available for reduction in the first fiscal year. Any adjustments made under this paragraph do not affect the appropriation base.

Sec. 7. **TRANSFERS AND CANCELLATIONS.**

Subdivision 1. **Department of Natural Resources**

(a) The appropriation in Laws 2007, First Special Session chapter 2, article 1, section 5, for cost-share flood programs in southeastern Minnesota is reduced by $335,000 and that amount is canceled to the general fund.

(b) The balance of surcharges on criminal and traffic offenders, estimated to be $900,000, and credited to the game and fish fund under Minnesota Statutes, section 357.021, subdivision 7, and collected prior to June 30, 2010, must be transferred to the general fund.

(c) By June 30, 2010, the commissioner of management and budget shall transfer any remaining balance, estimated to be $98,000, from the stream protection and improvement fund under Minnesota Statutes, section

103G.705, to the general fund. Beginning in fiscal year 2011, all repayment of loans made and administrative fees assessed under Minnesota Statutes, section 103G.705, must be transferred to the general fund.

Subd. 2. **Board of Water and Soil Resources**

(a) The amounts appropriated from the returned grant accounts in the special revenue fund are reduced by $310,000, and that amount must be transferred to the general fund by June 30, 2011.

(b) The appropriation in Laws 2008, chapter 363, article 5, section 5, for cost-share flood work is reduced by $245,000, and that amount is canceled to the general fund.

(c) The appropriation in Laws 2007, chapter 57, article 1, section 5, for clean water legacy programs and grants is reduced by $775,000, and that amount is canceled to the general fund.

(d) The appropriation in Laws 2007, First Special Session chapter 2, article 1, section 8, for cost-share flood programs in southeastern Minnesota is reduced by $553,000, and that amount is canceled to the general fund.

Sec. 8. Minnesota Statutes 2008, section 97A.061, subdivision 1, is amended to read:

Subdivision 1. **Applicability; amount.** (a) The commissioner shall annually make a payment to each county having public hunting areas and game refuges. Money to make the payments is annually appropriated for that purpose from the general fund. Except as provided in paragraph (b), this section does not apply to state trust fund land and other state land not purchased for game refuge or public hunting purposes. Except as provided in paragraph (b), the payment shall be 87 percent for fiscal year 2011 and 93.5 percent thereafter of the greatest of:

(1) 35 percent of the gross receipts from all special use permits and leases of land acquired for public hunting and game refuges;

(2) 50 cents per acre on land purchased actually used for public hunting or game refuges; or

(3) three-fourths of one percent of the appraised value of purchased land actually used for public hunting and game refuges.

(b) The payment shall be 50 percent of the dollar amount adjusted for inflation as determined under section 477A.12, subdivision 1, paragraph (a), clause (1), multiplied by the number of acres of land in the county that are owned by another state agency for military purposes and designated as a game refuge under section 97A.085.

(c) The payment must be reduced by the amount paid under subdivision 3 for croplands managed for wild geese.

(d) The appraised value is the purchase price for five years after acquisition. The appraised value shall be determined by the county assessor every five years after acquisition.

Sec. 9. **[97A.072] PEACE OFFICER TRAINING ACCOUNT.**

Subdivision 1. **Account established; sources.** The peace officer training account is created in the game and fish fund in the state treasury. Revenue from the portion of the surcharges assessed to criminal and traffic offenders in section 357.021, subdivision 7, clause (1), shall be deposited in the account and is appropriated to the commissioner. Money in the account may be spent only for the purposes provided in subdivision 2.

Subd. 2. **Purposes of account.** Money in the peace officer training account may only be spent by the commissioner for peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863 to enforce game and fish laws.

Sec. 10. Minnesota Statutes 2008, section 103G.705, subdivision 2, is amended to read:

Subd. 2. **Stream protection and improvement fund.** There is established in the state treasury a stream protection and redevelopment fund. All repayments of loans made and administrative fees assessed under subdivision 1 must be deposited in this fund. Interest earned on money in the fund accrues to the fund and money in the fund is appropriated to the commissioner of natural resources for purposes of the stream protection and redevelopment program, including costs incurred by the commissioner to establish and administer the program. Beginning in fiscal year 2010, all repayments of loans made and administrative fees assessed under subdivision 1 must be transferred to the general fund. This includes any balance within the fund from repayments and administrative fees assessed prior to July 1, 2009.

Sec. 11. Minnesota Statutes 2009 Supplement, section 357.021, subdivision 7, is amended to read:

Subd. 7. **Disbursement of surcharges by commissioner of management and budget.** (a) Except as provided in paragraphs (b), (c), and (d), the commissioner of management and budget shall disburse surcharges received under subdivision 6 and section 97A.065, subdivision 2, as follows:

(1) beginning July 1, 2010, one percent shall be credited to the peace officer training account in the game and fish fund and appropriated to the commissioner of natural resources to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws;

(2) 39 percent shall be credited to the peace officers training account in the special revenue fund; and

(3) 60 percent shall be credited to the general fund.

(b) The commissioner of management and budget shall credit $3 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of management and budget shall credit $47 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, and the $12 parking surcharge, to the general fund.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional $1 surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall transmit the surcharge to the commissioner of management and budget. The $1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

Sec. 12. Minnesota Statutes 2008, section 477A.12, subdivision 1, is amended to read:

Subdivision 1. **Types of land; payments.** (a) As an offset for expenses incurred by counties and towns in support of natural resources lands, 87 percent for fiscal year 2011 and 93.5 percent thereafter of the following amounts are annually appropriated to the commissioner of natural resources from the general fund for transfer to the commissioner of revenue. The commissioner of revenue shall pay the transferred funds to counties as required by sections 477A.11 to 477A.145. The amounts are:

(1) for acquired natural resources land, $3, as adjusted for inflation under section 477A.145, multiplied by the total number of acres of acquired natural resources land or, at the county's option three-fourths of one percent of the appraised value of all acquired natural resources land in the county, whichever is greater;

(2) 75 cents, as adjusted for inflation under section 477A.145, multiplied by the number of acres of county-administered other natural resources land;

(3) 75 cents, as adjusted for inflation under section 477A.145, multiplied by the total number of acres of land utilization project land; and

(4) 37.5 cents, as adjusted for inflation under section 477A.145, multiplied by the number of acres of commissioner-administered other natural resources land located in each county as of July 1 of each year prior to the payment year.

(b) The amount determined under paragraph (a), clause (1), is payable for land that is acquired from a private owner and owned by the Department of Transportation for the purpose of replacing wetland losses caused by transportation projects, but only if the county contains more than 500 acres of such land at the time the certification is made under subdivision 2.

ARTICLE 3

ZOOS AND SCIENCE MUSEUM

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		2010		2011		Total
General	**$**	**(26,000)**	**$**	**(234,000)**	**$**	**(260,000)**

Sec. 2. **APPROPRIATIONS.**

The dollar amounts in the columns under "Appropriations" are added to, or, if shown in parentheses, subtracted from appropriations enacted in the 2009 regular legislative session. The appropriations and reductions in appropriations are from the general fund, or another named fund, and are for the fiscal years indicated for each purpose. The figures "2010" and "2011" mean that the appropriations or reductions in appropriations listed under them are for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. Appropriations and reductions in appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30		
		2010		2011
Sec. 3. **ZOOLOGICAL BOARD**	**$**	**(26,000)**	**$**	**(216,000)**
Sec. 4. **SCIENCE MUSEUM OF MINNESOTA**	**$**	**-0-**	**$**	**(18,000)**

ARTICLE 4

ENERGY

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts in this section summarize direct appropriations, or reductions in appropriations, by fund, made in this article.

		2010		2011		Total
General	$	110,000	$	(322,000)	$	(212,000)
Petroleum Tank Cleanup		(25,000)		(32,000)		(57,000)
Special Revenue		(139,000)		(38,000)		(177,000)
Total	**$**	**(54,000)**	**$**	**(392,000)**	**$**	**(446,000)**

Sec. 2. **APPROPRIATIONS.**

The dollar amounts in the columns under "Appropriations" are added to or, if shown in parentheses, subtracted from appropriations enacted in Laws 2009, chapter 37, article 2, unless otherwise stated. The appropriations and reductions in appropriations are from the general fund, or another named fund, and are for the fiscal years indicated for each purpose. The figures "2010" and "2011" mean that the appropriations or reductions in appropriations listed under them are for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. The "first year" is fiscal year 2010. The "second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. Appropriations, reductions in appropriations, cancellations of appropriations, and transfers of appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

APPROPRIATIONS Available for the Year Ending June 30	
2010	2011

Sec. 3. **DEPARTMENT OF COMMERCE**

Subdivision 1. **Total Appropriation**	**$ (54,000)**	**$ (392,000)**

Appropriations by Fund

	2010	2011
General	110,000	(322,000)
Petroleum Tank Release Cleanup	(25,000)	(32,000)
Special Revenue	(139,000)	(38,000)

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

Subd. 2. **Administrative Services**	(66,000)	(126,000)
Subd. 3. **Market Assurance**	(124,000)	(196,000)
Subd. 4. **Financial Institutions**	400,000	

$400,000 the first year is a onetime appropriation for accessing the national mortgage licensing system (NMLS) as required by the federal Secure and Fair Enforcement (SAFE) for Mortgage Licensing Act, United States Code, title 12, chapter 51.

Subd. 5. **Petroleum Tank Release Cleanup Board**	(25,000)	(32,000)

These reductions are from the petroleum tank release cleanup fund.

Subd. 6. **Office of Energy Security**	(239,000)	(38,000)

Appropriations by Fund

	2010	2011
General	(100,000)	-0-
Special Revenue	(139,000)	(38,000)

(a) $100,000 the first year is a reduction in the appropriation for E85 cost-share grants.

(b) $18,000 the first year is a reduction in the grant to the Board of Regents of the University of Minnesota for the Natural

Resources and Research Institute at the University of Minnesota, Duluth, to develop statewide heat flow maps. This reduction is from the appropriation from the special revenue fund.

(c) $31,000 the first year and $38,000 the second year are reductions in funding of community energy technical assistance and outreach on renewable energy and energy efficiency, as described in Minnesota Statutes, section 216C.385. These reductions are from the appropriations from the special revenue fund.

(d) $90,000 the first year is a reduction in the grant to the Board of Trustees of the Minnesota State Colleges and Universities for the International Renewable Energy Technology Institute (IRETI). This reduction is from the appropriation from the special revenue fund.

Sec. 4. **CANCELLATIONS; GENERAL FUND**

(a) Of the unexpended balance from previous appropriations from the general fund to the commissioner of commerce for E85 cost-share grants, $350,000 is canceled.

(b) Of the unexpended balance from the appropriation from the general fund to the commissioner of commerce for the renewable hydrogen initiative in Minnesota Statutes, section 216B.813, $550,000 is canceled.

Sec. 5. **CANCELLATIONS; SPECIAL REVENUE FUND**

(a) Of the unexpended balance from the appropriation from the special revenue fund to the commissioner of commerce in Laws 2007, chapter 57, article 2, section 3, subdivision 6, for biogas recovery grants, $250,000 is canceled.

(b) Of the unexpended balance from the appropriation from the special revenue fund to the commissioner of commerce in Laws 2007, chapter 57, article 2, section 3, subdivision 6, for automotive research grants, $39,000 is canceled.

(c) Of the unexpended balance from the appropriation from the special revenue fund to the commissioner of commerce in Laws 2007, chapter 57, article 2, section 3, subdivision 6, for the hydrogen road map, $50,000 is canceled.

(d) Of the unexpended balance from the appropriation from the special revenue fund to the commissioner of commerce in Laws 2007, chapter 57, article 2, section 3, subdivision 6, for renewable energy grants, $40,000 is canceled.

(e) Of the unexpended balance from the appropriation from the special revenue fund to the commissioner of commerce in Laws 2008, chapter 363, article 6, section 3, subdivision 4, for green economy and manufacturing, $8,000 is canceled.

(f) Of the unexpended balance from the appropriation from the special revenue fund to the commissioner of commerce in Laws 2008, chapter 340, section 5, for studies and activities associated with the legislative greenhouse gas accord advisory group, $13,000 is canceled.

Sec. 6. **TRANSFER; PETROLEUM TANK RELEASE CLEANUP FUND**

Before June 30, 2010, the commissioner of management and budget shall transfer $1,969,000 to the general fund. After July 1, 2010, and before June 30, 2011, the commissioner of management and budget shall transfer $1,032,000 to the general fund. These transfers are from the petroleum tank release cleanup fund established in Minnesota Statutes, chapter 115C.

Sec. 7. **TRANSFERS; SPECIAL REVENUE FUND**

(a) For the purposes of this section, "commissioner" means the commissioner of management and budget.

(b) In the first year, the commissioner shall transfer $3,066,000 from the special revenue fund to the general fund. In the second year, the commissioner shall transfer $2,102,000 from the special revenue fund to the general fund. The transfers must be from the following appropriation reductions and accounts within the special revenue fund:

(1) $539,000 the first year and $38,000 the second year are from the special revenue fund appropriations reductions and cancellations in this article;

(2) $246,000 the first year and $270,000 the second year are from the telecommunications access Minnesota fund established in Minnesota Statutes, section 237.52;

(3) $238,000 the first year is from the assessments collected under Minnesota Statutes, section 216C.052, for the reliability administrator;

(4) $100,000 the first year and $100,000 the second year are from the Department of Commerce technology account established in Minnesota Statutes, section 45.24;

(5) $697,000 the first year and $622,000 the second year are from the energy and conservation account established in Minnesota Statutes, section 216B.241. Of this amount, (i) $100,000 the first year and $17,000 the second year are from the assessments for technical assistance in Minnesota Statutes, section 216B.241, subdivision 1d; (ii) $575,000 the first year and $575,000 the second year are from the assessments for applied research and development grants in Minnesota Statutes, section 216B.241, subdivision 1e; and (iii) $22,000 the first year and $30,000 the second year are from the assessment for facilities energy efficiency in Minnesota Statutes, section 216B.241, subdivision 1f;

(6) $64,000 the first year and $48,000 the second year are from the insurance fraud prevention account established in Minnesota Statutes, section 45.0135;

(7) $420,000 the first year and $420,000 the second year are from the automobile theft prevention account established in Minnesota Statutes, section 168A.40;

(8) $49,000 the first year and $5,000 the second year are from the real estate

education, research and recovery fund established in Minnesota Statutes, section 82.43;

(9) $100,000 the first year is from the consumer education account established in Minnesota Statutes, section 58.10;

(10) $11,000 the first year and $15,000 the second year are from the fees and assessments collected under Minnesota Statutes, section 216E.18;

(11) the remaining balance in the first year, estimated to be $19,000, is from the routing of certain pipelines under Minnesota Statutes, section 216G.02;

(12) $4,000 the first year and $9,000 the second year are from the joint exercise of powers agreements with the Department of Health for regulating health maintenance organizations;

(13) $75,000 the first year and $75,000 the second year are from the liquefied petroleum gas account established in Minnesota Statutes, section 239.785;

(14) $500,000 the first year and $500,000 the second year are from the telephone assistance fund established in Minnesota Statutes, section 237.701; and

(15) $4,000 in the first year is from the petroleum inspection fee established in Minnesota Statutes, section 239.101, for renewable energy equipment grants.

Sec. 8. **TRANSFER; ASSIGNED RISK PLAN**

By June 30, 2010, the commissioner of management and budget shall transfer $15,000,000 in assets of the workers' compensation assigned risk plan created under Minnesota Statutes, section 79.252, to the general fund.

Sec. 9. Minnesota Statutes 2009 Supplement, section 45.30, subdivision 6, is amended to read:

Subd. 6. **Course approval.** (a) Courses must be approved by the commissioner in advance. A course that is required by federal criteria or a reciprocity agreement to receive a substantive review will be approved or disapproved on the basis of its compliance with the provisions of laws and rules relating to the appropriate industry. At the commissioner's discretion, a course that is not required by federal criteria or a reciprocity agreement to receive a substantive review may be approved based on a qualified provider's certification on a form specified by the commissioner that the course complies with the provisions of this chapter and the laws and rules relating to the appropriate industry. For the purposes of this section, a "qualified provider" is one of the following: (1) a degree-granting institution of higher learning located within this state; (2) a private school licensed by the Minnesota Office of Higher Education; or (3) when conducting courses for its members, a bona fide trade association that staffs and maintains in this state a physical location that contains course and student records and that has done so for not less than three years. The commissioner may review any approved course and may cancel its approval with regard to all future offerings. The commissioner must make the final determination as to accreditation and assignment of credit hours for courses. Courses must be at least one hour in length, except courses for real estate appraisers must be at least two hours in length.

~~Individuals wishing to receive credit for continuing education courses that have not been previously approved may submit the course information for approval. Courses must be in compliance with the laws and rules governing the types of courses that will and will not be approved.~~

Approval will not include time spent on meals or other unrelated activities.

(b) Courses must be submitted at least 30 days before the initial proposed course offering.

(c) Approval must be granted for a subsequent offering of identical continuing education courses without requiring a new application. The commissioner must deny future offerings of courses if they are found not to be in compliance with the laws relating to course approval.

(d) When either the content of an approved course or its method of instruction changes, the course is no longer approved for license education credit. A new application must be submitted for the changed course if the education provider intends to offer it for license education credit.

Sec. 10. Minnesota Statutes 2008, section 80A.46, is amended to read:

80A.46 SECTION 202; EXEMPT TRANSACTIONS.

The following transactions are exempt from the requirements of sections 80A.49 through 80A.54, except 80A.50, paragraph (a), clause (3), and 80A.71:

(1) isolated nonissuer transactions, consisting of sale to not more than ten purchasers in Minnesota during any period of 12 consecutive months, whether effected by or through a broker-dealer or not;

(2) a nonissuer transaction by or through a broker-dealer registered, or exempt from registration under this chapter, and a resale transaction by a sponsor of a unit investment trust registered under the Investment Company Act of 1940, in a security of a class that has been outstanding in the hands of the public for at least 90 days, if, at the date of the transaction:

(A) the issuer of the security is engaged in business, the issuer is not in the organizational stage or in bankruptcy or receivership, and the issuer is not a blank check, blind pool, or shell company that has no specific business plan or purpose or has indicated that its primary business plan is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person;

(B) the security is sold at a price reasonably related to its current market price;

(C) the security does not constitute the whole or part of an unsold allotment to, or a subscription or participation by, the broker-dealer as an underwriter of the security or a redistribution;

(D) a nationally recognized securities manual or its electronic equivalent designated by rule adopted or order issued under this chapter or a record filed with the Securities and Exchange Commission that is publicly available contains:

(i) a description of the business and operations of the issuer;

(ii) the names of the issuer's executive officers and the names of the issuer's directors, if any;

(iii) an audited balance sheet of the issuer as of a date within 18 months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had an audited balance sheet, a pro forma balance sheet for the combined organization; and

(iv) an audited income statement for each of the issuer's two immediately previous fiscal years or for the period of existence of the issuer, whichever is shorter, or, in the case of a reorganization or merger when each party to the reorganization or merger had audited income statements, a pro forma income statement; and

(E) any one of the following requirements is met:

(i) the issuer of the security has a class of equity securities listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934 or designated for trading on the National Association of Securities Dealers Automated Quotation System;

(ii) the issuer of the security is a unit investment trust registered under the Investment Company Act of 1940;

(iii) the issuer of the security, including its predecessors, has been engaged in continuous business for at least three years; or

(iv) the issuer of the security has total assets of at least $2,000,000 based on an audited balance sheet as of a date within 18 months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had such an audited balance sheet, a pro forma balance sheet for the combined organization;

(3) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in a security of a foreign issuer that is a margin security defined in regulations or rules adopted by the Board of Governors of the Federal Reserve System;

(4) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in an outstanding security if the guarantor of the security files reports with the Securities and Exchange Commission under the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Sections 78m or 78o(d));

(5) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in a security that:

(A) is rated at the time of the transaction by a nationally recognized statistical rating organization in one of its four highest rating categories; or

(B) has a fixed maturity or a fixed interest or dividend, if:

(i) a default has not occurred during the current fiscal year or within the three previous fiscal years or during the existence of the issuer and any predecessor if less than three fiscal years, in the payment of principal, interest, or dividends on the security; and

(ii) the issuer is engaged in business, is not in the organizational stage or in bankruptcy or receivership, and is not and has not been within the previous 12 months a blank check, blind pool, or shell company that has no specific business plan or purpose or has indicated that its primary business plan is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person;

(6) a nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter effecting an unsolicited order or offer to purchase;

(7) a nonissuer transaction executed by a bona fide pledgee without the purpose of evading this chapter;

(8) a nonissuer transaction by a federal covered investment adviser with investments under management in excess of $100,000,000 acting in the exercise of discretionary authority in a signed record for the account of others;

(9) a transaction in a security, whether or not the security or transaction is otherwise exempt, in exchange for one or more bona fide outstanding securities, claims, or property interests, or partly in such exchange and partly for cash, if the terms and conditions of the issuance and exchange or the delivery and exchange and the fairness of the terms and conditions have been approved by the administrator after a hearing;

(10) a transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters;

(11) a transaction in a note, bond, debenture, or other evidence of indebtedness secured by a mortgage or other security agreement if:

(A) the note, bond, debenture, or other evidence of indebtedness is offered and sold with the mortgage or other security agreement as a unit;

(B) a general solicitation or general advertisement of the transaction is not made; and

(C) a commission or other remuneration is not paid or given, directly or indirectly, to a person not registered under this chapter as a broker-dealer or as an agent;

(12) a transaction by an executor, administrator of an estate, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator;

(13) a sale or offer to sell to:

(A) an institutional investor;

(B) an accredited investor;

(C) a federal covered investment adviser; or

(D) any other person exempted by rule adopted or order issued under this chapter;

(14) a sale or an offer to sell securities by an issuer, if the transaction is part of a single issue in which:

(A) not more than 35 purchasers are present in this state during any 12 consecutive months, other than those designated in paragraph (13);

(B) a general solicitation or general advertising is not made in connection with the offer to sell or sale of the securities;

(C) a commission or other remuneration is not paid or given, directly or indirectly, to a person other than a broker-dealer registered under this chapter or an agent registered under this chapter for soliciting a prospective purchaser in this state; and

(D) the issuer reasonably believes that all the purchasers in this state, other than those designated in paragraph (13), are purchasing for investment.

Any issuer selling to purchasers in this state in reliance on this clause (14) exemption must provide to the administrator notice of the transaction by filing a statement of issuer form as adopted by rule. Notice must be filed at least ten days in advance of any sale or such shorter period as permitted by the administrator. However, an issuer who makes sales to ten or fewer purchasers in Minnesota during any period of 12 consecutive months is not required to provide this notice;

(15) a transaction under an offer to existing security holders of the issuer, including persons that at the date of the transaction are holders of convertible securities, options, or warrants, if a commission or other remuneration, other than a standby commission, is not paid or given, directly or indirectly, for soliciting a security holder in this state. The person making the offer and effecting the transaction must provide to the administrator notice of the transaction by filing a written description of the transaction. Notice must be filed at least ten days in advance of any transaction or such shorter period as permitted by the administrator;

(16) an offer to sell, but not a sale, of a security not exempt from registration under the Securities Act of 1933 if:

(A) a registration or offering statement or similar record as required under the Securities Act of 1933 has been filed, but is not effective, or the offer is made in compliance with Rule 165 adopted under the Securities Act of 1933 (17 C.F.R. 230.165); and

(B) a stop order of which the offeror is aware has not been issued against the offeror by the administrator or the Securities and Exchange Commission, and an audit, inspection, or proceeding that is public and that may culminate in a stop order is not known by the offeror to be pending;

(17) an offer to sell, but not a sale, of a security exempt from registration under the Securities Act of 1933 if:

(A) a registration statement has been filed under this chapter, but is not effective;

(B) a solicitation of interest is provided in a record to offerees in compliance with a rule adopted by the administrator under this chapter; and

(C) a stop order of which the offeror is aware has not been issued by the administrator under this chapter and an audit, inspection, or proceeding that may culminate in a stop order is not known by the offeror to be pending;

(18) a transaction involving the distribution of the securities of an issuer to the security holders of another person in connection with a merger, consolidation, exchange of securities, sale of assets, or other reorganization to which the issuer, or its parent or subsidiary and the other person, or its parent or subsidiary, are parties. The person distributing the issuer's securities must provide to the administrator notice of the transaction by filing a written description of the transaction along with a consent to service of process complying with section 80A.88. Notice must be filed at least ten days in advance of any transaction or such shorter period as permitted by the administrator;

(19) a rescission offer, sale, or purchase under section 80A.77;

(20) an offer or sale of a security to a person not a resident of this state and not present in this state if the offer or sale does not constitute a violation of the laws of the state or foreign jurisdiction in which the offeree or purchaser is present and is not part of an unlawful plan or scheme to evade this chapter;

(21) employees' stock purchase, savings, option, profit-sharing, pension, or similar employees' benefit plan, including any securities, plan interests, and guarantees issued under a compensatory benefit plan or compensation contract, contained in a record, established by the issuer, its parents, its majority-owned subsidiaries, or the majority-owned subsidiaries of the issuer's parent for the participation of their employees including offers or sales of such securities to:

(A) directors; general partners; trustees, if the issuer is a business trust; officers; consultants; and advisors;

(B) family members who acquire such securities from those persons through gifts or domestic relations orders;

(C) former employees, directors, general partners, trustees, officers, consultants, and advisors if those individuals were employed by or providing services to the issuer when the securities were offered; and

(D) insurance agents who are exclusive insurance agents of the issuer, or the issuer's subsidiaries or parents, or who derive more than 50 percent of their annual income from those organizations.

A person establishing an employee benefit plan under the exemption in this clause (21) must provide to the administrator notice of the transaction by filing a written description of the transaction along with a consent to service of process complying with section 80A.88. Notice must be filed at least ten days in advance of any transaction or such shorter period as permitted by the administrator;

(22) a transaction involving:

(A) a stock dividend or equivalent equity distribution, whether the corporation or other business organization distributing the dividend or equivalent equity distribution is the issuer or not, if nothing of value is given by stockholders or other equity holders for the dividend or equivalent equity distribution other than the surrender of a right to a cash or property dividend if each stockholder or other equity holder may elect to take the dividend or equivalent equity distribution in cash, property, or stock;

(B) an act incident to a judicially approved reorganization in which a security is issued in exchange for one or more outstanding securities, claims, or property interests, or partly in such exchange and partly for cash; or

(C) the solicitation of tenders of securities by an offeror in a tender offer in compliance with Rule 162 adopted under the Securities Act of 1933 (17 C.F.R. 230.162);

(23) a nonissuer transaction in an outstanding security by or through a broker-dealer registered or exempt from registration under this chapter, if the issuer is a reporting issuer in a foreign jurisdiction designated by this paragraph or by rule adopted or order issued under this chapter; has been subject to continuous reporting requirements in the foreign jurisdiction for not less than 180 days before the transaction; and the security is listed on the foreign jurisdiction's securities exchange that has been designated by this paragraph or by rule adopted or order issued under this chapter, or is a security of the same issuer that is of senior or substantially equal rank to the listed security or is a warrant or right to purchase or subscribe to any of the foregoing. For purposes of this paragraph, Canada, together with its provinces and territories, is a designated foreign jurisdiction and The Toronto Stock Exchange, Inc., is a designated securities exchange. After an administrative hearing in compliance with chapter 14, the administrator, by rule adopted or order issued under this chapter, may revoke the designation of a securities exchange under this paragraph, if the administrator finds that revocation is necessary or appropriate in the public interest and for the protection of investors;

(24) any transaction effected by or through a Canadian broker-dealer exempted from broker-dealer registration pursuant to section 80A.56(b)(3); or

(25)(A) the offer and sale by a cooperative organized under chapter 308A, or under the laws of another state, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in the cooperative, or when the securities are issued as patronage dividends. This paragraph applies to a cooperative organized under chapter 308A, or under the laws of another state, only if the cooperative has filed with the administrator a consent to service of process under section 80A.88 and has, not less than ten days before the issuance or delivery, furnished the administrator with a written general description of the transaction and any other information that the administrator requires by rule or otherwise;

(B) the offer and sale by a cooperative organized under chapter 308B of its securities when the securities are offered and sold to its existing members or when the purchase of the securities is necessary or incidental to establishing patron membership in the cooperative, or when such securities are issued as patronage dividends. The administrator has the power to define "patron membership" for purposes of this paragraph. This paragraph applies to securities, other than securities issued as patronage dividends, only when:

(i) the issuer, before the completion of the sale of the securities, provides each offeree or purchaser disclosure materials that, to the extent material to an understanding of the issuer, its business, and the securities being offered, substantially meet the disclosure conditions and limitations found in rule 502(b) of Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, section 230.502; and

(ii) within 15 days after the completion of the first sale in each offering completed in reliance upon this exemption, the cooperative has filed with the administrator a consent to service of process under section 80A.88 (or has previously filed such a consent), and has furnished the administrator with a written general description of the transaction and any other information that the administrator requires by rule or otherwise; and

(C) a cooperative may, at or about the same time as offers or sales are being completed in reliance upon the exemptions from registration found in this subpart and as part of a common plan of financing, offer or sell its securities in reliance upon any other exemption from registration available under this chapter. The offer or sale of securities in reliance upon the exemptions found in this subpart will not be considered or deemed a part of or be integrated with any offer or sale of securities conducted by the cooperative in reliance upon any other exemption from registration available under this chapter, nor will offers or sales of securities by the cooperative in reliance upon any other exemption from registration available under this chapter be considered or deemed a part of or be integrated with any offer or sale conducted by the cooperative in reliance upon this paragraph.

Sec. 11. Minnesota Statutes 2008, section 80A.65, subdivision 1, is amended to read:

Subdivision 1. **Registration or notice filing fee.** (a) There shall be a filing fee of $100 for every application for registration or notice filing. There shall be an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the maximum combined fees shall not exceed $300.

(b) When an application for registration is withdrawn before the effective date or a preeffective stop order is entered under section 80A.54, all but the $100 filing fee shall be returned. If an application to register securities is denied, the total of all fees received shall be retained.

(c) Where a filing is made in connection with a federal covered security under section 18(b)(2) of the Securities Act of 1933, there is a fee of $100 for every initial filing. If the filing is made in connection with redeemable securities issued by an open end management company or unit investment trust, as defined in the Investment Company Act of 1940, there is an additional annual fee of ~~1/20~~ 1/10 of one percent of the maximum aggregate offering price at which the securities are to be offered in this state during the notice filing period. The fee must be paid at the time of the initial filing and thereafter in connection with each renewal no later than July 1 of each year and must be sufficient to cover the shares the issuer expects to sell in this state over the next 12 months. If during a current notice filing the issuer determines it is likely to sell shares in excess of the shares for which fees have been paid to the administrator, the issuer shall submit an amended notice filing to the administrator under section 80A.50, together with a fee of ~~1/20~~ 1/10 of one percent of the maximum aggregate offering price of the additional shares. Shares for which a fee has been paid, but which have not been sold at the time of expiration of the notice filing, may not be sold unless an additional fee to cover the shares has been paid to the administrator as provided in this section and section 80A.50. If the filing is made in connection with redeemable securities issued by such a company or trust, there is no maximum fee for securities filings made according to this paragraph. If the filing is made in connection with any other federal covered security under Section 18(b)(2) of the Securities Act of 1933, there is an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the combined fees shall not exceed $300. Fees collected under this subdivision are exempted under section 16A.1285, subdivision 2.

Sec. 12. Laws 2009, chapter 37, article 2, section 13, is amended to read:

Sec. 13. **APPROPRIATIONS; CANCELLATIONS.**

(a) The remaining balance of the fiscal year 2009 special revenue fund appropriation for the Green Jobs Task Force under Laws 2008, chapter 363, article 6, section 3, subdivision 4, is transferred and appropriated to the commissioner of employment and economic development for the purposes of green enterprise assistance under Minnesota Statutes, section 116J.438. This appropriation is available until spent.

(b) The unencumbered balance of the fiscal year 2008 appropriation to the commissioner of commerce for the rural and energy development revolving loan fund under Laws 2007, chapter 57, article 2, section 3, subdivision 6, is canceled and reappropriated to the commissioner of commerce as follows:

(1) $1,500,000 is for a grant to the Board of Trustees of the Minnesota State Colleges and Universities for the International Renewable Energy Technology Institute (IRETI) to be located at Minnesota State University, Mankato, as a public and private partnership to support applied research in renewable energy and energy efficiency to aid in the transfer of technology from Sweden to Minnesota and to support technology commercialization from companies located in Minnesota and throughout the world; and

(2) the remaining balance is for a grant to the Board of Regents of the University of Minnesota for the initiative for renewable energy and the environment to fund start up costs related to a national solar testing and certification laboratory to test, rate, and certify the performance of equipment and devices that utilize solar energy for heating and cooling air and water and for generating electricity.

This appropriation is available until expended.

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

Sec. 13. **ASSESSMENT.**

(a) The commissioner of commerce may levy a pro rata assessment on institutions licensed under Minnesota Statutes, chapter 58, to recover the costs to the Department of Commerce for administering the licensing and registration requirements of Minnesota Statutes, section 58A.10.

(b) The commissioner shall levy the assessments and notify each institution of the amount of the assessment being levied by September 30, 2010. The institution shall pay the assessment to the department no later than November 30, 2010. If an institution fails to pay its assessment by this date, its license may be suspended by the commissioner until it is paid in full.

(c) This section expires December 1, 2010.

ARTICLE 5

AGRICULTURE

Section 1. **APPROPRIATIONS.**

Unless otherwise stated, the sums shown in the columns marked "Appropriations" are added to, or if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 94, article 1, 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 "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30 2010		2011
Sec. 2. **AGRICULTURE**				
Subdivision 1. **Total Appropriation**	$	(1,895,000)	$	(3,411,000)
The amounts that may be spent for each purpose are specified in the following subdivisions.				
Subd. 2. **Protection Services**		(168,000)		(1,626,000)
These reductions include elimination of noncrop invasive species programs and efforts including gypsy moth and emerald ash borer. The commissioner of agriculture must coordinate with the commissioner of natural resources and the commissioners may take actions necessary to retain eligibility for federal invasive species funding, including but not limited to, transferring resources.				
Subd. 3. **Agricultural Marketing and Development**		(127,000)		(8,000)

$6,000 in 2010 is a reduction for grants to farmers for demonstration projects involving sustainable agriculture, as authorized in Minnesota Statutes, section 17.116.

$113,000 in 2010 is a reduction from Laws 2006, chapter 282, article 10, section 4, for the agricultural best management program.

Subd. 4. **Bioenergy and Value-Added Agriculture**	(1,102,000)	(1,153,000)

$1,102,000 in 2010 and $1,153,000 in 2011 are reductions from the appropriation for ethanol producer payments. These are onetime reductions.

Subd. 5. **Administration and Financial Assistance**	(498,000)	(624,000)

$23,000 in 2010 and $52,000 in 2011 are reductions from the appropriation for the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2.

$1,000 in 2011 is a reduction from the appropriation for a grant to the Minnesota Livestock Breeders Association.

$15,000 in 2011 is a reduction from the appropriation for a grant to the Minnesota Agricultural Education and Leadership Council.

$4,000 in 2011 is a reduction from the appropriation for the Northern Crops Institute.

$4,000 in 2010 and $5,000 in 2011 are reductions from the appropriation for grants to the Minnesota Turf Seed Council for basic and applied research on the improved production of forage and turf seed related to new and improved varieties.

$3,000 in 2010 and $4,000 in 2011 are reductions from the appropriation for grants to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants including plant breeding, nutrient management, pest management, disease management yield, and viability.

$60,000 in 2010 is a reduction from the appropriation for the agricultural growth, research, and innovation program.

$8,000 in 2011 is a reduction from the appropriation for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

$1,000 in 2011 is a reduction from the appropriation for a grant to the Minnesota Horticultural Society.

$4,000 in 2010 is a reduction from the appropriation for transfer to the University of Minnesota Extension Service for farm-to-school grants to school districts in Minneapolis, Moorhead, White Earth, and Willmar.

$300,000 in 2010 and $300,000 in 2011 are reductions due to efficiencies and other cost savings realized by various methods including, but not limited to, renegotiating leases and other contracts and resource reorganization or consolidation within the department or in conjunction with other public entities. The commissioner may allocate these reductions to programs. If the commissioner cannot realize $300,000 in savings in each fiscal year from these methods, the commissioner shall achieve the reductions required under this provision by eliminating employees in the unclassified service or reducing the department's operations and maintenance budget.

Subd. 6. **Transfers In**

Notwithstanding any other law to the contrary, the commissioner of management and budget shall transfer $405,000 from the agricultural fund to the general fund by July 15, 2010. By July 15, 2011, the commissioner of management and budget will transfer $629,000 from the agricultural fund to the general fund.

Notwithstanding any other law to the contrary, the commissioner of management and budget shall transfer $6,000 from the miscellaneous special revenue fund to the general fund by July 15, 2010. By July 15, 2011, the commissioner of management and budget shall transfer $6,000 from the miscellaneous special revenue fund to the general fund.

Sec. 3. **BOARD OF ANIMAL HEALTH**	**$**	**(87,000)**	**$**	**(141,000)**

$87,000 in 2010 and $141,000 in 2011 is from the appropriation for general operations.

Sec. 4. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE**	**$**	**(120,000)**	**$**	**(250,000)**

Sec. 5. Minnesota Statutes 2008, section 18G.07, is amended to read:

18G.07 TREE CARE AND TREE TRIMMING COMPANY ~~REGISTRY~~ REGISTRATION.

Subdivision 1. **Creation of registry.** The commissioner shall maintain a list of all persons and companies that provide tree care or tree trimming services in Minnesota. All tree care providers, tree trimmers, and persons who remove trees, limbs, branches, brush, or shrubs for hire must ~~provide the following information to~~ be registered by the commissioner~~:~~.

Subd. 1a. **Registration.** (a) Tree care or tree trimming companies must register annually by providing the following to the commissioner:

(1) accurate and up-to-date business name, address, and telephone number;

(2) a complete list of all Minnesota counties in which they work; and

(3) ~~a complete list of persons in the business who are certified by the International Society of Arborists~~ a nonrefundable fee of $25 for initial application or renewing basic registration.

(b) Registration expires December 31, must be renewed annually, and the fee remitted by January 31 of the year for which it is issued. In addition, a penalty of ten percent of the fee due must be charged for each month, or portion of a month, that the fee is delinquent up to a maximum of 30 percent for any application for renewal postmarked after December 31.

Subd. 2. **Information dissemination.** The commissioner shall provide registered tree care companies with information and data regarding any existing or potential regulated forest pest infestations within the state.

Subd. 3. **Violation.** It is unlawful for a person to provide tree care or tree trimming services in Minnesota for hire without being registered with the commissioner.

Sec. 6. Laws 2007, chapter 45, article 1, section 3, subdivision 4, as amended by Laws 2008, chapter 297, article 1, section 64; and Laws 2008, chapter 363, article 7, section 6, is amended to read:

Subd. 4. **Bioenergy and Value-Added Agricultural Products**	19,918,000	15,168,000

$15,168,000 the first year and $15,168,000 the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for deficiencies in payments during previous fiscal years, the balance in the appropriation is available to the commissioner for value-added agricultural programs including the value-added agricultural product processing and marketing grant program under Minnesota Statutes, section 17.101, subdivision 5. The appropriation remains available until spent.

$3,000,000 the first year is for grants to bioenergy projects. The NextGen Energy Board shall make recommendations to the commissioner on grants for owners of Minnesota facilities producing bioenergy, organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems, or certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material as well as the generation of energy for commercial heat, industrial process heat, or electrical power from cellulosic material via gasification or other processes. The board must give priority to a bioenergy facility that is at least 60 percent owned and controlled by farmers, as defined in Minnesota Statutes, section 500.24, subdivision 2, paragraph (n), or natural persons residing in the county or counties contiguous to where the facility is located. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy production or $1,000,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed $150,000. The board shall make a good faith effort to select projects that have merit and when taken together represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state. Projects must have a qualified engineer certification on the technology and fuel source. Grantees shall provide reports at the request of the commissioner and must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable. No later than February 1, 2009, the commissioner shall report on the projects funded under this appropriation to the house and senate committees with jurisdiction over agriculture finance. The commissioner's costs in administering the program may be paid from the appropriation. ~~Any unencumbered balance does not cancel at the end of the first year and is available in the second year~~ This appropriation is available until June 30, 2011.

$200,000 the first year is for a grant to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

$200,000 the first year is for a grant to a joint venture combined heat and power energy facility located in Scott or LeSueur County for the creation of a centrally located biomass fuel supply depot with the capability of unloading, processing, testing, scaling, and storing renewable biomass fuels. The grant must be matched by at least $3 of nonstate funds for every $1 of state funds. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

$300,000 the first year is for a grant to the Bois Forte Band of Chippewa for a feasibility study of a renewable energy biofuels demonstration facility on the Bois Forte Reservation in St. Louis and Koochiching Counties. The grant shall be used by the Bois Forte Band to conduct a detailed feasibility study of the economic and technical viability of developing a multistream renewable energy biofuels demonstration facility on Bois Forte Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

$300,000 the first year is for a grant to the White Earth Band of Chippewa for a feasibility study of a renewable energy biofuels production, research, and production facility on the White Earth Reservation in Mahnomen County. The grant must be used by the White Earth Band and the University of Minnesota to conduct a detailed feasibility study of the economic and technical viability of (1) developing a multistream renewable energy biofuels demonstration facility on White Earth Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy, and (2) developing, harvesting, and marketing native prairie plants and seeds for bioenergy production. The grant recipient must actively participate in the Agricultural

Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

$200,000 the first year is for a grant to the Elk River Economic Development Authority for upfront engineering and a feasibility study of the Elk River renewable fuels facility. The facility must use a plasma gasification process to convert primarily cellulosic material, but may also use plastics and other components from municipal solid waste, as feedstock for the production of methanol for use in biodiesel production facilities. Any unencumbered balance in fiscal year 2008 does not cancel but is available for fiscal year 2009. Notwithstanding Minnesota Statutes, section 16A.285, the agency must not transfer this appropriation. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

$200,000 the first year is for a grant to Chisago County to conduct a detailed feasibility study of the economic and technical viability of developing a multistream renewable energy biofuels demonstration facility in Chisago, Isanti, or Pine County to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. Chisago County may expend funds to Isanti and Pine Counties and the University of Minnesota for any costs incurred as part of the study. The feasibility study must consider the capacity of: (1) the seed bank at Wild River State Park to expand the existing prairie grass, woody biomass, and cellulosic material resources in Chisago, Isanti, and Pine Counties; (2) willing and interested landowners in Chisago, Isanti, and Pine Counties to grow cellulosic materials; and (3) the Minnesota Conservation Corps, the sentence to serve program, and other existing workforce programs in east central Minnesota to contribute labor to these efforts. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

Sec. 7. Laws 2007, chapter 45, article 1, section 3, subdivision 5, as amended by Laws 2008, chapter 297, article 1, section 65, is amended to read:

Subd. 5. **Administration and Financial Assistance**	7,338,000	6,751,000

$1,005,000 the first year and $1,005,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and

Laws 2001, First Special Session chapter 2, section 9, subdivision 2 . The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a work plan detailing plans for expenditures under this program to the chairs of the house and senate committees dealing with agricultural policy and budget on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs.

$50,000 the first year and $50,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

$19,000 the first year and $19,000 the second year are for a grant to the Minnesota Livestock Breeders Association.

$250,000 the first year and $250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

$600,000 the first year is for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. The amount available to the commissioner pursuant to Minnesota Statutes, section 18C.70, subdivision 2, for administration of this activity is available until February 1, 2009, by which time the commissioner shall report to the house and senate committees with jurisdiction over agriculture finance. The report must include the progress and outcome of funded projects as well as the sentiment of the council concerning the need for additional research funded through an industry checkoff fee. The amount available for grants is available until June 30, 2011.

$465,000 the first year and $465,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed not later than July 15 of each year. These payments are the amount of aid owed by the state for an annual fair held in the previous calendar year.

$65,000 the first year and $65,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on the improved production of forage and turf seed related to new and improved varieties. The grant recipient may subcontract with a qualified third party for some or all of the basic and applied research.

$500,000 the first year and $500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

$100,000 the first year and $100,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

$18,000 the first year and $18,000 the second year are for grants to the Minnesota Horticultural Society.

$50,000 is for a grant to the University of Minnesota, Department of Horticultural Science, Enology Laboratory, to upgrade and purchase instrumentation to allow rapid and accurate measurement of enology components. This is a onetime appropriation and is available until expended.

Sec. 8. Laws 2009, chapter 94, article 1, section 3, subdivision 5, is amended to read:

Subd. 5. **Administration and Financial Assistance**	8,177,000	7,037,000

Appropriations by Fund

	2010	2011
General	7,377,000	6,237,000
Agricultural	800,000	800,000

$780,000 the first year and $755,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a work plan detailing plans for expenditures under this program to the chairs of the house of representatives and senate committees dealing with agricultural policy and budget on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs.

$50,000 the first year and $50,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

$19,000 the first year and $19,000 the second year are for a grant to the Minnesota Livestock Breeders Association.

$250,000 the first year and $250,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

$474,000 the first year and $474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

$1,000 the first year and $1,000 the second year are for grants to the Minnesota State Poultry Association.

$65,000 the first year and $65,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on the improved production of forage and turf seed related to new and improved varieties. The grant recipient may subcontract with a qualified third party for some or all of the basic and applied research.

$50,000 the first year and $50,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2011, must report to the house of representatives and senate committees with jurisdiction over agriculture finance.

$500,000 the first year and $500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

$1,000,000 the first year is for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. Priority must be given to livestock programs under Minnesota Statutes, section 17.118. Priority for livestock grants shall be given to persons who are beginning livestock producers and livestock producers who are rebuilding after a disaster that was due to natural or other unintended conditions. The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year.

$100,000 the first year and $100,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

$18,000 the first year and $18,000 the second year are for grants to the Minnesota Horticultural Society.

Notwithstanding Minnesota Statutes, section 18C.131, $800,000 the first year and $800,000 the second year are from the fertilizer account in the agricultural fund for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. The amount appropriated in either fiscal year must not exceed 57 percent of the inspection fee revenue collected under Minnesota Statutes, section 18C.425, subdivision 6, during the previous fiscal year. No later than February 1, 2011, the commissioner shall report to the legislative committees with jurisdiction over agriculture finance. The report must include the progress and outcome of funded projects as well as the sentiment of the council concerning the need for additional research funds.<u> The appropriation for the first year is available until June 30, 2013, and the appropriation for the second year is available until June 30, 2014.</u>

$60,000 the first year is for a transfer to the University of Minnesota Extension Service for farm-to-school grants to school districts in Minneapolis, Moorhead, White Earth, and Willmar.

$30,000 is for star farms program development. The commissioner, in consultation with other state and local agencies, farm groups, conservation

groups, legislators, and other interested persons, shall develop a proposal for a star farms program. By January 15, 2010, the commissioner shall submit the proposal to the legislative committees and divisions with jurisdiction over agriculture and environmental policy and finance. This is a onetime appropriation. *** (The preceding paragraph beginning "$30,000 is for star farms program" was indicated as vetoed by the governor.)**

$25,000 the first year is for the administration of the Feeding Minnesota Task Force, under new Minnesota Statutes, section 31.97. This is a onetime appropriation.

ARTICLE 6

VETERANS AFFAIRS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to, or if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 94, article 3, 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 "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30	
	2010	**2011**
Sec. 2. **VETERANS AFFAIRS**	**$ -0-**	**$ 250,000**

$250,000 in fiscal year 2011 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 housing, utility, employment, and legal assistance, according to guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance will be coordinated with all other available programs for veterans. This is a onetime appropriation.

Of the appropriation in Laws 2009, chapter 94, article 3, section 2, subdivision 2:

(1) $100,000 in fiscal year 2011 is for compensation for honor guards at the funerals of veterans in accordance with the program established in Minnesota Statutes, section 197.231; and

(2) $200,000 in fiscal year 2010 and $200,000 in fiscal year 2011 are from the Support our Troops account for an increase in the CORE grant program.

Sec. 3. **VETERANS HOMES**

Of the appropriation in Laws 2009, chapter 94, article 3, section 2, subdivision 3, or from funds carried forward from fiscal year 2009:

(1) $1,000,000 in fiscal year 2011 is for operational expenses related to the 21-bed addition at the Fergus Falls Veterans Home; and

(2) $113,000 in fiscal year 2011 is for start-up expenses related to the opening of an adult daycare facility at the Minneapolis Veterans Home.

Sec. 4. **REPORT TO THE LEGISLATURE**

By January 15, 2011, the commissioner shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over veterans affairs policy and finance regarding any unexpended appropriations, revenues, or other actual or projected carryover money provided directly or indirectly through any provision in this article.

Sec. 5. Minnesota Statutes 2009 Supplement, section 190.19, subdivision 2a, is amended to read:

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

(1) grants to veterans service organizations;

(2) outreach to underserved veterans; ~~and~~

(3) providing services and programs for veterans and their families; and

(4) transfers to the vehicle services account for Gold Star license plates under section 168.1253.

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

Sec. 6. Laws 2009, chapter 94, article 3, section 2, subdivision 3, is amended to read:

Subd. 3. **Veterans Homes**	43,673,000	43,916,000

Veterans Homes Special Revenue Account. The general fund appropriations made to the department 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 department for the operation of veterans homes facilities and programs.

Repair and Betterment. Of this appropriation, $1,000,000 in fiscal year 2010 and $500,000 in fiscal year 2011 are to be used for repair, maintenance, rehabilitation, and betterment activities at facilities statewide.

Hastings Veterans Home. $220,000 each year is for increases in the mental health program at the Hastings Veterans Home.

~~**Food.** $92,000 in fiscal year 2010 and $189,000 in fiscal year 2011 are for increases in food costs at the Minnesota veterans homes.~~

~~**Pharmaceuticals.** $287,000 in fiscal year 2010 and $617,000 in fiscal year 2011 are for increases in pharmaceutical costs.~~

~~**Fuel and Utilities.** $277,000 in fiscal year 2010 and $593,000 in fiscal year 2011 are for increases in fuel and utility costs at the Minnesota veterans homes.~~

Medicare Part D. $141,000 in fiscal year 2010 and $141,000 in fiscal year 2011 are for implementation of Minnesota Statutes, section 198.003, subdivision 7.

ARTICLE 7

ECONOMIC DEVELOPMENT

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		2010		2011		Total
General	$	(1,500,000)	$	(1,615,000)	$	(3,115,000)
Total	**$**	**(1,500,000)**	**$**	**(1,615,000)**	**$**	**(3,115,000)**

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 78, article 1, unless otherwise specified, 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 "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30		
		2010		2011
Sec. 3. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**				
Subdivision 1. **Total Appropriation**	**$**	**(1,500,000)**	**$**	**(1,847,000)**
The appropriation reductions for each purpose are specified in the following subdivisions.				
Subd. 2. **Business and Community Development**		-0-		(690,000)
(a) $100,000 in 2011 is from the appropriation for a grant to BioBusiness Alliance of Minnesota.				
(b) $15,000 in 2011 is from the appropriation for a grant to the Minnesota Inventors Congress.				
(c) The general fund base for business and community development is $6,551,000 in fiscal year 2012 and $6,551,000 in fiscal year 2013.				
Subd. 3. **Workforce Development**		-0-		(857,000)
(a) $400,000 in 2011 is from the appropriation for the Minnesota job skills partnership				

program under Minnesota Statutes, sections 116L.01 to 116L.17.

(b) $119,000 in 2011 is from the appropriation for State Services for the Blind activities.

(c) $67,000 in 2011 is from the appropriation for grants to Centers for Independent Living.

(d) $222,000 in 2011 is from the appropriation for extended employment services under Minnesota Statutes, section 268A.15. Notwithstanding Minnesota Rules, parts 3300.2030 to 3300.2055, the commissioner may adjust contracts with eligible extended employment providers in order to achieve required reductions through June 30, 2011. The general fund base for extended employment services is $5,405,000 in fiscal year 2012 and $5,405,000 in fiscal year 2013.

(e) $49,000 in 2011 is from the appropriation for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. $2,000 in each year is from the appropriation for administrative expenses.

(f) The general fund base for workforce development is $29,181,000 in fiscal year 2012 and $29,181,000 in fiscal year 2013.

Subd. 4. **State-Funded Administration** -0- (300,000)

The general fund base for state-funded administration is $2,126,000 in fiscal year 2012 and $2,126,000 in fiscal year 2013.

Subd. 5. **Carryforward** (1,500,000) -0-

The carryforward reduction is for the job skills partnership program.

Subd. 6. **Transfers and Cancellations**

(a) $367,000 in 2010 and $367,000 in 2011 are transferred from the contaminated cleanup grants appropriation in the petroleum tank release cleanup fund under Minnesota Statutes, section 115C.08, subdivision 4, to the general fund.

(b) $80,000 in 2010 is transferred from the unemployment insurance state administration account in the special revenue fund under Minnesota Statutes, section 268.196, subdivision 1, to the general fund.

(c) $160,000 in 2010 is transferred from the capital access program account in the special revenue fund under Minnesota Statutes, section 116J.876, subdivision 4, to the general fund.

(d) The remaining balance from the Laws 2007, chapter 135, article 1, section 3, appropriation for a grant to Le Sueur County is canceled.

Sec. 4. **DEPARTMENT OF LABOR AND INDUSTRY; TRANSFERS**	**$**	**-0-**	**$**	**-0-**

(a) By June 30, 2010, the commissioner of management and budget shall transfer $700,000 from the contractor recovery account in the special revenue fund to the general fund.

(b) By June 30, 2010, the commissioner of management and budget shall transfer $725,000 from the assigned risk safety account in the worker's compensation fund to the general fund.

Sec. 5. **BUREAU OF MEDIATION SERVICES**	**$**	**-0-**	**$**	**(53,000)**

(a) $47,000 in 2011 is from the appropriation for mediation services.

(b) $6,000 in 2011 is from the appropriation for labor management cooperation grants.

Sec. 6. **BOARD OF ACCOUNTANCY**	**$**	**-0-**	**$**	**-0-**
Sec. 7. **BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN**	**$**	**-0-**	**$**	**-0-**
Sec. 8. **BOARD OF COSMETOLOGIST EXAMINERS**	**$**	**-0-**	**$**	**225,000**
Sec. 9. **BOARD OF BARBER EXAMINERS**	**$**	**-0-**	**$**	**60,000**
Sec. 10. **COMBATIVE SPORTS COMMISSION**	**$**	**-0-**	**$**	**-0-**

Sec. 11. Laws 2009, chapter 78, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. **Business and Community Development**	8,980,000	8,980,000

Appropriations by Fund		
General	7,941,000	7,941,000
Remediation	700,000	700,000
Workforce Development	339,000	339,000

(a) $700,000 the first year and $700,000 the second year are from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, section 116J.554. This appropriation is available until expended.

(b) $200,000 each year is from the general fund for a grant to WomenVenture for women's business development programs and for programs that encourage and assist women to enter nontraditional careers in the trades; manual and technical occupations; science, technology, engineering, and mathematics-related occupations; and green jobs. This appropriation may be matched dollar for dollar with any resources available from the federal government for these purposes with priority given to initiatives that have a goal of increasing by at least ten percent the number of women in occupations where women currently comprise less than 25 percent of the workforce. The appropriation is available until expended.

(c) $105,000 each year is from the general fund and $50,000 each year is from the workforce development fund for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area. This appropriation must be used for the sole purpose of providing free or reduced fee business consulting services to minority entrepreneurs and contractors.

(d)(1) $500,000 each year is from the general fund for a grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. This appropriation is added to the department's base. These funds may be used to create, recruit, retain, and expand biobusiness activity in Minnesota; implement the destination 2025 statewide plan; update a statewide assessment of the bioscience industry and the competitive position of Minnesota-based bioscience businesses relative to other states and other nations; and develop and implement business and scenario-planning models to create, recruit, retain, and expand biobusiness activity in Minnesota.

(2) The BioBusiness Alliance must report each year by February 15 to the committees of the house of representatives and the senate having jurisdiction over bioscience industry activity in Minnesota on the use of funds; the number of bioscience businesses and jobs created, recruited, retained, or expanded in the state since the last reporting period; the competitive position of the biobusiness industry; and utilization rates and results of the business and scenario-planning models and outcomes resulting from utilization of the business and scenario-planning models.

(e)(1) Of the money available in the Minnesota Investment Fund, Minnesota Statutes, section 116J.8731, to the commissioner of the Department of Employment and Economic Development, up to $3,000,000 is appropriated in fiscal year 2010 for a loan to an aircraft manufacturing and assembly company, associated with the aerospace industry, for equipment utilized to establish an aircraft completion center at the Minneapolis-St. Paul International Airport. The finishing center must use the state's vocational training programs designed specifically for aircraft maintenance training, and to the extent possible, work to recruit employees from these programs. The center must create at least 200 new manufacturing jobs within 24 months of receiving the loan, and create not less than 500 new manufacturing jobs over a five-year period in Minnesota.

(2) This loan is not subject to loan limitations under Minnesota Statutes, section 116J.8731, subdivision 5. Any match requirements under Minnesota Statutes, section 116J.8731, subdivision 3, may be made from current resources. This is a onetime appropriation and is effective the day following final enactment.

(f) $65,000 each year is from the general fund for a grant to the Minnesota Inventors Congress, of which at least $6,500 must be used for youth inventors.

(g) $200,000 the first year and $200,000 the second year are for the Office of Science and Technology. This is a onetime appropriation.

(h) $500,000 the first year and $500,000 the second year are for a grant to Enterprise Minnesota, Inc., for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation and is available until expended.

(i)(1) $100,000 each year is from the workforce development fund for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions, to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center.

(2) The grant shall be provided upon the condition that each state-appropriated dollar be matched with a nonstate dollar. Acceptable matching funds are nonstate contributions that the center has received and have not been used to match previous state grants. Any funds not spent the first year are available the second year.

(j) Notwithstanding Minnesota Statutes, section 268.18, subdivision 2, $414,000 of funds collected for unemployment insurance administration under this subdivision is appropriated as follows: $250,000 to Lake County for ice storm damage; $64,000 is for the city of Green Isle for reimbursement of fire relief efforts and other expenses incurred as a result of the fire in the city of Green Isle; and $100,000 is to develop the construction mitigation pilot program to make grants for up to five projects statewide available to local government units to mitigate the impacts of transportation construction on local small business. These are onetime appropriations and are available until expended.

(k) Up to $10,000,000 is appropriated from the Minnesota minerals 21st century fund to the commissioner of Iron Range resources and rehabilitation to make ~~a grant~~ grants or forgivable ~~loan~~ loans to ~~a manufacturer~~ manufacturers of windmill blades, other renewable energy manufacturing, or biomass products at ~~a facility~~ facilities to be located within the taconite tax relief area defined in Minnesota Statutes, section 273.134. No match is required for the renewable energy manufacturing or biomass projects.

(l) $1,000,000 is appropriated from the Minnesota minerals 21st century fund to the Board of Trustees of the Minnesota State Colleges and Universities for a grant to the Northeast Higher Education District for planning, design, and construction of classrooms and housing facilities for upper division students in the engineering program.

(m)(1) $189,000 each year is appropriated from the workforce development fund for grants of $63,000 to eligible organizations each year to assist in the development of entrepreneurs and small businesses. Each state grant dollar must be matched with $1 of nonstate funds. Any balance in the first year does not cancel but is available in the second year.

(2) Three grants must be awarded to continue or to develop a program. One grant must be awarded to the Riverbend Center for Entrepreneurial Facilitation in Blue Earth County, and two to other organizations serving Faribault and Martin

Counties. Grant recipients must report to the commissioner by February 1 of each year that the organization receives a grant with the number of customers served; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates. The commissioner must report to the house of representatives and senate committees with jurisdiction over economic development finance on the effectiveness of these programs for assisting in the development of entrepreneurs and small businesses.

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

Sec. 12. **ADJUSTMENT.**

The amounts appropriated in Laws 2009, chapter 78, article 1, section 3, subdivision 3, paragraph (aa), for adult and displaced worker programs, are available for the appropriated purposes until April 1, 2010, and after that date are also available for the purposes of serving formula individual dislocated workers from small layoffs under Minnesota Statutes, section 116L.17. None of these amounts may be used for administrative costs by either the commissioner of employment and economic development or the local workforce investment boards.

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

Sec. 13. **APPROPRIATIONS MADE ONLY ONCE.**

If the appropriations made in this article are enacted more than once in the 2010 regular session, these appropriations must be given effect only once.

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

ARTICLE 8

MISCELLANEOUS ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2008, section 116L.17, subdivision 2, is amended to read:

Subd. 2. **Grants.** The board shall make grants to workforce service areas or other eligible organizations to provide services to dislocated workers as follows:

(a) The board shall allocate funds available for the purposes of this section in its discretion to respond to substantial layoffs and plant closings.

(b) The board shall regularly allocate funds to provide services to individual dislocated workers or small groups. The initial allocation for this purpose must be 50 percent of the deposits and transfers into the workforce development fund, less any collection costs paid out of the fund and any amounts appropriated by the legislature from the workforce development fund for programs other than the state dislocated worker program.

(c) Following the initial allocation, the board may consider additional allocations to provide services to individual dislocated workers. The board's decision to allocate additional funds shall be based on relevant economic indicators including: the number of substantial layoffs to date, notices of substantial layoffs for the remainder of the fiscal year, evidence of declining industries, the number of permanently separated individuals applying for unemployment benefits by workforce service area, and the number of individuals exhausting unemployment benefits by workforce service area. The board must also consider expenditures of allocations to workforce service areas under paragraph (b) made during the first two quarters of the fiscal year and federal resources that have been or are likely to be allocated to Minnesota for the purposes of serving dislocated workers affected by substantial layoffs or plant closings; except that this sentence does not apply in fiscal year 2011.

(d) The board may, in its discretion, allocate funds carried forward from previous years under subdivision 9 for large, small, or individual layoffs.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 2. Minnesota Statutes 2009 Supplement, section 154.002, is amended to read:

154.002 OFFICERS; COMPENSATION; FEES; EXPENSES.

The Board of Barber Examiners shall annually elect a chair and secretary. It shall adopt and use a common seal for the authentication of its orders and records. The board shall appoint an executive secretary ~~who~~ or enter into an interagency agreement to procure the services of an executive secretary. The executive secretary shall not be a member of the board and ~~who~~ shall be in the unclassified civil service. The position of executive secretary may be a part-time position.

The executive secretary shall keep a record of all proceedings of the board. The expenses of administering this chapter shall be paid from the appropriations made to the Board of Barber Examiners.

Each member of the board shall take the oath provided by law for public officers.

A majority of the board, in meeting assembled, may perform and exercise all the duties and powers devolving upon the board.

The members of the board shall receive compensation for each day spent on board activities, but not to exceed 20 days in any calendar month nor 100 days in any calendar year.

The board shall have authority to employ such inspectors, clerks, deputies, and other assistants as it may deem necessary to carry out the provisions of this chapter.

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

Sec. 3. Minnesota Statutes 2009 Supplement, section 154.003, is amended to read:

154.003 FEES.

(a) The fees collected, as required in this chapter, chapter 214, and the rules of the board, shall be paid to the ~~executive secretary of the~~ board. The ~~executive secretary~~ board shall deposit the fees in the general fund in the state treasury.

(b) The board shall charge the following fees:

(1) examination and certificate, registered barber, ~~$65~~ $85;

(2) examination and certificate, apprentice, ~~$60~~ $80;

(3) examination, instructor, ~~$160~~ $180;

(4) certificate, instructor, ~~$45~~ $65;

(5) temporary teacher or apprentice permit, ~~$60~~ $80;

(6) renewal of license, registered barber, ~~$60~~ $80;

(7) renewal of license, apprentice, ~~$50~~ $70;

(8) renewal of license, instructor, ~~$60~~ $80;

(9) renewal of temporary teacher permit, ~~$45~~ $65;

(10) student permit, ~~$25~~ $45;

(11) initial shop registration, ~~$65~~ $85;

(12) initial school registration, ~~$1,010~~ $1,030;

(13) renewal shop registration, ~~$65~~ $85;

(14) renewal school registration, ~~$260~~ $280;

(15) restoration of registered barber license, ~~$75~~ $95;

(16) restoration of apprentice license, ~~$70~~ $90;

(17) restoration of shop registration, ~~$85~~ $105;

(18) change of ownership or location, ~~$35~~ $55;

(19) duplicate license, ~~$20~~ $40; and

(20) home study course, ~~$75; and~~ $95.

~~(21) registration of hair braiders, $20 per year.~~

Sec. 4. Minnesota Statutes 2008, section 154.06, is amended to read:

154.06 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A REGISTERED APPRENTICE.

Subdivision 1. **Qualifications; duration of registration.** (a) A person is qualified to receive a certificate of registration as a registered apprentice:

(1) who has completed at least ten grades of an approved school;

(2) who has graduated from a barber school approved by the board; and

(3) who has passed an examination conducted by the board to determine fitness to practice as a registered apprentice.

(b) An applicant for a certificate of registration to practice as an apprentice who fails to pass the examination conducted by the board is required to complete a further course of study of at least 500 hours, of not more than eight hours in any one working day, in a barber school approved by the board.

(c) A certificate of registration of an apprentice shall be valid for four years from the date the certificate of registration is issued by the board and shall not be renewed. During the four-year period the certificate of registration shall remain in full force and effect only if the apprentice complies with all the provisions of sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, including the payment of an annual fee, and the rules of the board.

Subd. 2. **Limited extension of registration.** (a) If a registered apprentice, during the term in which the certificate of registration is in effect, enters full-time active duty in the armed forces of the United States of America, the expiration date of the certificate of registration shall be extended by a period of time equal to the period or periods of active duty.

(b) This paragraph applies when a person graduates from a barber school approved by the board and is issued a certificate of registration while incarcerated by the Department of Corrections or the Federal Bureau of Prisons. The expiration date of the certificate shall be extended once so that it expires four years from the date of the person's first release from a correctional facility after becoming a registered apprentice.

Sec. 5. Minnesota Statutes 2008, section 154.065, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** A person is qualified to receive a certificate of registration as an instructor of barbering who:

(1) is a graduate from an approved high school, or its equivalent, as determined by examination by the Department of Education;

(2) has ~~qualified for a teacher's or instructor's vocational certificate~~ successfully completed at least 38 hours of training in a program or programs approved by the board and that will provide the knowledge and skills necessary to instruct in the field of barbering;

(3) ~~has at least three years experience as~~ is currently a registered barber in this state~~, or its equivalent as determined by the board~~ with at least 1,400 hours of experience as a registered barber; and

(4) has passed an examination conducted by the board to determine fitness to instruct in barbering.

A certificate of registration under this section is provisional until a teacher's or instructor's vocational certificate has been issued by the Department of Education. A provisional certificate of registration is valid for 30 days and is not renewable.

Sec. 6. Minnesota Statutes 2008, section 154.07, is amended by adding a subdivision to read:

Subd. 7. **Transfer students.** When a student has paid or made arrangement to pay all applicable tuition fees to a barbering school, that school shall certify a student's hours to another school within ten days of the student's written request. The former school may charge a nominal fee for providing this certification and transfer of hours.

Sec. 7. Minnesota Statutes 2008, section 154.15, is amended by adding a subdivision to read:

Subd. 3. **Continuing education required for registered instructors.** (a) A registered instructor of barbering may not renew a certificate of registration without satisfying the following continuing education requirements:

(1) a registered instructor must submit proof of at least five continuing education credits earned since the original certification or latest renewal, whichever is latest, unless the registered instructor has failed to renew as described in subdivision 2; and

(2) a registered instructor who fails to renew may not be reinstated under subdivision 2 without proof of at least five continuing education credits earned since the original certification or latest renewal, whichever is latest, plus an additional 2.5 credits for each

six months, or portion thereof, in excess of the date of the original failure to renew, calculated from the date that the board receives the application for renewal.

(b) For purposes of this subdivision, a registered instructor may earn continuing education credits as follows:

(1) one credit for every five hours of service as a voting member on a board, commission, task force, or nonprofit organization;

(2) one credit for each credit earned for completing a class or course at a postsecondary institution, a degree-granting college or university, or a trade and technical school that grants associate degrees; and

(3) one credit for every five hours of attendance at a trade show or formal class offered by an organization related to barbering or cosmetology.

Sec. 8. Minnesota Statutes 2009 Supplement, section 155A.23, is amended by adding a subdivision to read:

Subd. 5a. **Individual license.** "Individual license" means a license described in section 155A.25, subdivision 1, paragraph (a), clauses (1) and (2).

Sec. 9. Minnesota Statutes 2009 Supplement, section 155A.24, subdivision 2, is amended to read:

Subd. 2. **Hiring and assignment of employees.** The board has the authority to hire qualified personnel in the classified service to assist in administering the law, including those for the testing and licensing of applicants and the continuing inspections required. All staff must receive periodic training to improve and maintain customer service skills.

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

Sec. 10. Minnesota Statutes 2009 Supplement, section 155A.24, is amended by adding a subdivision to read:

Subd. 3. **Feedback.** The board must provide access on its Web site for customers to provide feedback on interaction with the board and board staff. The information posted to the Web site by customers must be readily accessible to the public. The board must also record each complaint it receives, the board's response, and the time elapsed in responding to and resolving each complaint.

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

Sec. 11. Minnesota Statutes 2009 Supplement, section 155A.24, is amended by adding a subdivision to read:

Subd. 4. **Report.** The board must report by January 15 each year to the standing committees of the house of representatives and the senate having jurisdiction over the board on its customer service training and its complaint resolution activities.

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

Sec. 12. Minnesota Statutes 2009 Supplement, section 155A.25, is amended to read:

155A.25 COSMETOLOGY FEES; LICENSE EXPIRATION DATE.

Subdivision 1. **Schedule.** The fee schedule for licensees is as follows for licenses issued prior to July 1, 2010, and after June 30, 2013:

(a) Three-year license fees:

(1) cosmetologist, manicurist, esthetician, $90 for each initial license, and $60 for each renewal;

(2) instructor, manager, $120 for each initial license, and $90 for each renewal;

(3) salon, $130 for each initial license, and $100 for each renewal; and

(4) school, $1,500.

(b) Penalties:

(1) reinspection fee, variable;

(2) manager and owner with lapsed practitioner, $150 each;

(3) expired cosmetologist, manicurist, esthetician, manager, school manager, and instructor license, $45; and

(4) expired salon or school license, $50.

(c) Administrative fees:

(1) certificate of identification, $20;

(2) school original application, $150;

(3) name change, $20;

(4) letter of license verification, $30;

(5) duplicate license, $20;

(6) processing fee, $10; ~~and~~

(7) special event permit, $75 per year; and

(8) registration of hair braiders, $20 per year.

~~(d) All fees established in this subdivision must be paid to the executive secretary of the board. The executive secretary of the board shall deposit the fees in the general fund in the state treasury.~~

Subd. 1a. **Schedule.** The fee schedule for licensees is as follows for licenses issued after June 30, 2010, and prior to July 1, 2013:

(a) Three-year license fees:

(1) cosmetologist, manicurist, or esthetician:

(i) $90 for each initial license and a $40 nonrefundable initial license application fee, for a total of $130; and

(ii) $60 for each renewal and a $15 nonrefundable renewal application fee, for a total of $75;

(2) instructor or manager:

(i) $120 for each initial license and a $40 nonrefundable initial license application fee, for a total of $160; and

(ii) $90 for each renewal and a $15 nonrefundable renewal application fee, for a total of $105;

(3) salon:

(i) $130 for each initial license and a $100 nonrefundable initial license application fee, for a total of $230; and

(ii) $100 for each renewal and a $50 nonrefundable renewal application fee, for a total of $150; and

(4) school:

(i) $1,500 for each initial license and a $1,000 nonrefundable initial license application fee, for a total of $2,500; and

(ii) $1,500 for each renewal and a $500 nonrefundable renewal application fee, for a total of $2,000.

(b) Penalties:

(1) reinspection fee, variable;

(2) manager and owner with lapsed practitioner, $150 each;

(3) expired cosmetologist, manicurist, esthetician, manager, school manager, and instructor license, $45; and

(4) expired salon or school license, $50.

(c) Administrative fees:

(1) certificate of identification, $20;

(2) name change, $20;

(3) letter of license verification, $30;

(4) duplicate license, $20;

(5) processing fee, $10;

(6) special event permit, $75 per year; and

(7) registration of hair braiders, $20 per year.

Subd. 1b. **Fees disposition; appropriation.** (a) All fees established in subdivisions 1 and 1a must be paid to the executive secretary of the board.

(b) The executive secretary of the board shall deposit all fees in the general fund in the state treasury.

Subd. 2. **Refunds.** Refunds shall be given in the following situations: overpayment; death or permanent disability before the effective date of a license; or an individual's ineligibility for licensure. Applicants determined ineligible to receive a license will be refunded the license fee minus any processing fee and minus any application fee this section requires.

Subd. 3. **Other licenses.** A licensee who applies for licensing in a second category shall pay the full license fee and application fee for the second category of license.

Subd. 4. **License expiration date.** The board shall, in a manner determined by the board and without the need for rulemaking under chapter 14, phase in changes to initial and renewal license expiration dates so that by January 1, 2014:

(1) individual licenses expire on the last day of the licensee's birth month of the year due; and

(2) salon licenses expire on the last day of the month of initial licensure of the year due.

Subd. 5. **Board must approve or deny application; timeline.** Within 15 working days of receiving a complete application and the required fees for an initial or renewal individual or salon license, the board must (1) either grant or deny the application, (2) issue the license or notify the applicant of the denial, or (3) issue a temporary license to an applicant for whom no record exists regarding: (i) a complaint filed with the board against the applicant; or (ii) a negative action by the board against the applicant.

Sec. 13. Minnesota Statutes 2008, section 326B.148, subdivision 1, is amended to read:

Subdivision 1. **Computation.** To defray the costs of administering sections 326B.101 to 326B.194, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971. The commissioner may use any surplus in surcharge receipts to award grants for code research and development and education.

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, except that effective July 1, 2010, until June 30, 2011, the permit surcharge is equivalent to one-half mill (.0005) of the fee or $5, whichever amount is greater. For all other permits, the surcharge is as follows:

(1) if the valuation of the structure, addition, or alteration is $1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration;

(2) if the valuation is greater than $1,000,000, the surcharge is $500 plus two-fifths mill (.0004) of the value between $1,000,000 and $2,000,000;

(3) if the valuation is greater than $2,000,000, the surcharge is $900 plus three-tenths mill (.0003) of the value between $2,000,000 and $3,000,000;

(4) if the valuation is greater than $3,000,000, the surcharge is $1,200 plus one-fifth mill (.0002) of the value between $3,000,000 and $4,000,000;

(5) if the valuation is greater than $4,000,000, the surcharge is $1,400 plus one-tenth mill (.0001) of the value between $4,000,000 and $5,000,000; and

(6) if the valuation exceeds $5,000,000, the surcharge is $1,500 plus one-twentieth mill (.00005) of the value that exceeds $5,000,000.

Sec. 14. **RULEMAKING.**

Subdivision 1. **Conforming changes.** The Board of Cosmetologist Examiners must amend Minnesota Rules, parts 2105.0200 and 2105.0330, to conform to the license expiration date requirements of Minnesota Statutes, section 155A.25, subdivision 4, by specifying that individual or salon licenses expire on the last day of an individual's birth month of the year due, or on the last day of the month of initial licensure of the year due.

Subd. 2. **Good cause exemption.** The Board of Cosmetologist Examiners must use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt the rules required by this section. Minnesota Statutes, section 14.386, does not apply except as provided in Minnesota Statutes, section 14.388.

Sec. 15. **EXPEDITED RULES; PLUMBING BOARD.**

The Plumbing Board shall have expedited rulemaking authority provided under Minnesota Statutes, section 14.389 for expedited rules regarding water-free urinals that meet the Minnesota Plumbing Board standards. This authority expires December 31, 2010.

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

Sec. 16. **REPEALER.**

Minnesota Statutes 2008, sections 154.07, subdivision 5; and 176.135, subdivision 1b, are repealed.

ARTICLE 9

HOUSING

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		2010		2011		Total
General	$	(2,297,000)	$	(2,603,000)	$	(4,900,000)
Total	**$**	**(2,297,000)**	**$**	**(2,603,000)**	**$**	**(4,900,000)**

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 78, article 1, 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 "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30	
		2010	**2011**
Sec. 3. **HOUSING FINANCE AGENCY**			
Subdivision 1. **Total Appropriation**	**$**	**(2,297,000) $**	**(2,603,000)**
The amounts that may be spent or must be reduced for each purpose are specified in the following subdivisions.			
Subd. 2. **Affordable Rental Investment Fund**		(2,061,000)	(1,603,000)
These reductions are from the appropriation for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b.			

In fiscal year 2010, the Housing Finance Agency shall transfer $2,061,000 from the affordable rental investment fund program in the housing development fund, to the general fund.

The base appropriation for the affordable rental investment fund program for fiscal years 2012 and 2013 is $7,546,000 for each year.

Subd. 3. **Housing Rehabilitation**	(236,000)	(1,000,000)

These reductions are from the appropriation for the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14, for rental housing developments.

In fiscal year 2010, the Housing Finance Agency shall transfer $236,000 from the housing rehabilitation program in the housing development fund, to the general fund.

The base appropriation for the housing rehabilitation program for fiscal years 2012 and 2013 is $3,287,000 for each year.

ARTICLE 10

PFA AND TOURISM

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		2010		2011		Total
General	**$**	**(909,000)**	**$**	**(1,248,000)**	**$**	**(2,157,000)**

Sec. 2. **APPROPRIATIONS.**

The dollar amounts in the columns under "Appropriations" are added to, or, if shown in parentheses, subtracted from appropriations enacted in the 2009 regular legislative session. The appropriations and reductions in appropriations are from the general fund, or another named fund, and are for the fiscal years indicated for each purpose. The figures "2010" and "2011" mean that the appropriations or reductions in appropriations listed under them are for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. Appropriations and reductions in appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30 2010		2011
Sec. 3. **PUBLIC FACILITIES AUTHORITY**	**$**	**(11,000)**	**$**	**(7,000)**
Sec. 4. **EXPLORE MINNESOTA TOURISM**	**$**	**(311,000)**	**$**	**(313,000)**

(a) $251,000 the first year and $300,000 the second year are reductions to Explore Minnesota Tourism. Of the reduction in the first year, $13,000 is a reduction in the carryforward from fiscal year 2009.

(b) $2,000 the first year and $2,000 the second year are reductions to the incentive grants program.

(c) $11,000 the first year and $11,000 the second year are reductions to the Minnesota Film and TV Board.

(d) $47,000 the first year is a reduction to the grant to the Minnesota Film and TV Board for the film jobs production program under Minnesota Statutes, section 116U.26.

Sec. 5. **MINNESOTA HISTORICAL SOCIETY**	**$**	**(238,000)**	**$**	**(554,000)**

(a) **Education and Outreach**

$136,000 the first year and $314,000 the second year are reductions to education and outreach.

(b) **Preservation and Access**

$102,000 the first year and $236,000 the second year are reductions to the preservation and access program.

(c) **Minnesota International Center**

$1,000 the second year is a reduction to the Minnesota International Center.

(d) **Minnesota Agricultural Interpretive Center**

$2,000 the second year is a reduction to the Minnesota Agricultural Interpretive Center.

(e) **Hockey Hall of Fame Museum**

$1,000 the second year is a reduction to the Hockey Hall of Fame Museum.

Sec. 6. **BOARD OF THE ARTS**	**$**	**(284,000)**	**$**	**(284,000)**

(a) **Operations and Services**

$21,000 the first year and $21,000 the second year are reductions to operations and services.

(b) **Grants Program**

$182,000 the first year and $182,000 the second year are reductions to the grants program.

(c) **Regional Arts Council**

$81,000 the first year and $81,000 the second year are reductions to the Regional Arts Council.

Sec. 7. **MINNESOTA HUMANITIES CENTER**	**$**	**-0-**	**$**	**(7,000)**
Sec. 8. **PUBLIC BROADCASTING**	**$**	**(65,000)**	**$**	**(83,000)**

(a) $38,000 the first year and $48,000 the second year are reductions to matching grants for public television.

(b) $7,000 the first year and $10,000 the second year are reductions to public television equipment grants.

(c) $1,000 the second year is a reduction to the grant to the Twin Cities regional cable channel.

(d) $9,000 the first year and $9,000 the second year are reductions to the community service grants to public educational radio stations.

(e) $3,000 the first year and $3,000 the second year are reductions to the equipment grants to public educational radio stations.

(f) $8,000 the first year and $12,000 the second year are reductions to the equipment grants to Minnesota Public Radio, Inc.

Sec. 9. Minnesota Statutes 2008, section 116U.25, is amended to read:

116U.25 EXPLORE MINNESOTA TOURISM COUNCIL.

(a) The director shall be advised by the Explore Minnesota Tourism Council consisting of up to 28 voting members appointed by the governor for four-year terms, including:

(1) the director of Explore Minnesota Tourism who serves as the chair;

(2) eleven representatives of statewide associations representing bed and breakfast establishments, golf, festivals and events, counties, convention and visitor bureaus, lodging, resorts, trails, campgrounds, restaurants, and chambers of commerce;

(3) one representative from each of the ~~four~~ tourism marketing regions of the state as designated by the office;

(4) six representatives of the tourism business representing transportation, retail, travel agencies, tour operators, travel media, and convention facilities;

(5) one or more ex officio nonvoting members including at least one from the University of Minnesota Tourism Center;

(6) four legislators, two from each house, one each from the two largest political party caucuses in each house, appointed according to the rules of the respective houses; and

(7) other persons, if any, as designated from time to time by the governor.

(b) The council shall act to serve the broader interests of tourism in Minnesota by promoting activities that support, maintain, and expand the state's domestic and international travel market, thereby generating increased visitor expenditures, tax revenue, and employment.

(c) Filling of membership vacancies is as provided in section 15.059. The terms of one-half of the members shall be coterminous with the governor and the terms of the remaining one-half of the members shall end on the first Monday in January one year after the terms of the other members. Members may serve until their successors are appointed and qualify. Members are not compensated. A member may be reappointed.

(d) The council shall meet at least four times per year and at other times determined by the council. Notwithstanding section 15.059, the council does not expire.

(e) If compliance with section 13D.02 is impractical, the Explore Minnesota Tourism Council may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the council can hear clearly all discussion and testimony and all votes of members of the council and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the council is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(f) Each member of the council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(g) If telephone or other electronic means is used to conduct a meeting, the council, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The council may require the person making such a connection to pay for documented marginal costs that the council incurs as a result of the additional connection.

(h) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (g). The timing and method of providing notice is governed by section 13D.04.

Sec. 10. Minnesota Statutes 2008, section 116U.26, is amended to read:

116U.26 FILM PRODUCTION JOBS PROGRAM.

(a) The film production jobs program is created. The program shall be operated by the Minnesota Film and TV Board with administrative oversight and control by the director of Explore Minnesota Tourism. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to the Minnesota Film and TV Board of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

The Minnesota Film and TV Board shall make recommendations to the director of Explore Minnesota Tourism about program payment, but the director has the authority to make the final determination on payments. The director's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

(i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

(v) editing and related services;

(vi) rental of facilities and equipment; or

(vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice; and

(2) "film" means a feature film, television or Internet show, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board may make reimbursements of: (1) up to 20 percent of film production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur production costs in excess of $5,000,000 in ~~Minnesota~~ the metropolitan area within a 12-month period; or (2) up to 15 percent of film production costs for films that incur production costs of $5,000,000 or less in the metropolitan area within a 12-month period.

ARTICLE 11

TRANSPORTATION

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, or reductions in appropriations, by fund, made in this article.

		2010		2011		Total
General	$	0	$	(5,711,000)	$	(5,711,000)
Trunk Highway		0		109,000,000		109,000,000
Total	**$**	**0**	**$**	**103,289,000**	**$**	**103,289,000**

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 36, article 1, to the agencies and for the purposes specified in this article. The appropriations and reductions are from the trunk highway fund or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30	
		2010	**2011**
Sec. 3. **DEPARTMENT OF TRANSPORTATION**			
Subdivision 1. **Total Appropriation**	**$**	**0**	**$ 108,129,000**

Appropriations by Fund

	2010	2011
General	0	(871,000)
Trunk Highway	0	109,000,000

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

Subd. 2. **Multimodal Systems**

	2010	2011
(a) **Transit**	0	(821,000)

This reduction is from the appropriation from the general fund for transit assistance in Laws 2009, chapter 36, article 1, section 3, subdivision 2, paragraph (b).

The base appropriation from the general fund for fiscal years 2012 and 2013 is $16,608,000 for each year.

	2010	2011
(b) **Freight**	0	(50,000)

This reduction is from the appropriation from the general fund for freight and commercial vehicle operations in Laws 2009, chapter 36, article 1, section 3, subdivision 2, paragraph (d).

The base appropriation from the general fund for fiscal years 2012 and 2013 is $315,000 for each year.

Subd. 3. **State Roads**

	2010	2011
(a) **State Road Construction**	0	104,000,000

This appropriation is for state road construction, and is added to appropriations under Laws 2009, chapter 36, article 1, section 3, subdivision 3, paragraph (b), clause (2). This additional appropriation is funded by additional federal highway aid of $104,000,000 above that specified in Laws 2009, chapter 36, article 1, section 3, subdivision 3, paragraph (b), clause (2). This is a onetime appropriation.

(b)**Federal Emergency Relief Account**	0	5,000,000

This appropriation is for deposit in the trunk highway emergency relief account, as defined in Minnesota Statutes, section 161.04, subdivision 5, for the purposes of that account. This is a onetime appropriation.

Sec. 4. **METROPOLITAN COUNCIL**	$ 0	$ **(4,840,000)**

This reduction is from the appropriation from the general fund for bus system operations in Laws 2009, chapter 36, article 1, section 4, subdivision 2.

The base appropriation from the general fund for fiscal years 2012 and 2013 is $63,095,000 for each year.

Sec. 5. Minnesota Statutes 2008, section 161.04, is amended by adding a subdivision to read:

Subd. 5. **Trunk highway emergency relief account.** (a) The trunk highway emergency relief account is created in the trunk highway fund. Money in the account is appropriated to the commissioner to be used to fund relief activities related to an emergency, as defined in section 161.32, subdivision 3.

(b) Reimbursements by the Federal Highway Administration for emergency relief payments made from the trunk highway emergency relief account must be deposited into the account. Interest accrued on the account must be deposited into the account.

Notwithstanding section 16A.28, money in the account is available until spent. If the balance of the account at the end of the fiscal year is greater than $10,000,000, the amount above $10,000,000 must be transferred to the trunk highway fund.

(c) By September 1, 2012, and in every subsequent even-numbered year by September 1, the commissioner shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over transportation policy and finance. The report must include the balance, as well as details of payments made from and deposits made to the trunk highway emergency relief account since the last report.

Sec. 6. **REPEALER.**

Minnesota Statutes 2008, sections 13.721, subdivision 4; and 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, and 18, are repealed.

ARTICLE 12

PUBLIC SAFETY

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		2010		2011		Total
General	$	(7,397,000)	$	(15,279,000)	$	(22,676,000)
Special Revenue	$	(60,000)	$	879,000	$	819,000
Total	**$**	**(7,457,000)**	**$**	**(14,400,000)**	**$**	**(21,857,000)**

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 83, article 1, 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 "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year

		Ending June 30		
		2010		2011
Sec. 3. **SUPREME COURT**				
Subdivision 1. **Total Appropriation**	$	**(455,000)**	$	**(889,000)**
The amounts that may be spent for each purpose are specified in the following subdivisions.				
Subd. 2. **Supreme Court Operations**		(366,000)		(604,000)
Subd. 3. **Civil Legal Services**		(89,000)		(285,000)
Sec. 4. **COURT OF APPEALS**	$	**(57,000)**	$	**(253,000)**
Sec. 5. **TRIAL COURTS**	$	**(2,574,000)**	$	**(5,328,000)**
Existing drug courts shall be maintained at their current levels.				
Sec. 6. **TAX COURT**	$	**(12,000)**	$	**(25,000)**
Sec. 7. **UNIFORM LAWS COMMISSION**	$	**-0-**	$	**(2,000)**
Sec. 8. **BOARD ON JUDICIAL STANDARDS**	$	**(10,000)**	$	**(14,000)**
Sec. 9. **BOARD OF PUBLIC DEFENSE**	$	**(325,000)**	$	**(1,493,000)**
Sec. 10. **DEPARTMENT OF PUBLIC SAFETY**				
Subdivision 1. **Total Appropriation**	$	**(907,000)**	$	**(114,000)**

Appropriations by Fund		
General	(907,000)	(1,114,000)
Special Revenue	-0-	1,000,000

The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Emergency Management**	(29,000)	1,543,000

$1,600,000 in fiscal year 2011 is to provide a match for Federal Emergency Management Agency (FEMA) disaster assistance payments under Minnesota Statutes, section 12.221. This is a onetime appropriation.

Subd. 3. **Criminal Apprehension**		(621,000)		(1,243,000)

Forensic Scientists

The commissioner may not eliminate or leave open positions for forensic lab scientists in order to balance the department's budget.

Subd. 4. **Fire Marshal**		-0-		1,000,000

$1,000,000 is a onetime appropriation for fire safety purposes as recommended by the Fire Service Advisory Committee.

Subd. 5. **Gambling and Alcohol Enforcement**		(25,000)		(49,000)
Subd. 6. **Office of Justice Programs**		(232,000)		(1,365,000)

Of the fiscal year 2011 reduction in this subdivision, funding for the following programs must not be reduced by more than two percent: (1) battered women's shelters and domestic violence programs; (2) general crime victim programs; (3) sexual assault victim programs; and (4) youth intervention programs. This two percent reduction is in addition to the three percent reduction in Laws 2009, chapter 83, article 1, section 10, subdivision 6.

Sec. 11. **PRIVATE DETECTIVE BOARD**	**$**	**(2,000)**	**$**	**(3,000)**
Sec. 12. **HUMAN RIGHTS**	**$**	**(59,000)**	**$**	**(103,000)**

Sec. 13. **CORRECTIONS**

Subdivision 1. **Total Appropriation**	**$**	**(2,985,000)**	**$**	**(6,037,000)**

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

Subd. 2. **Correctional Institutions**	(2,139,000)	(4,345,000)

This reduction may be applied agencywide.

The commissioner must not eliminate correctional officer positions, treatment, education, or reentry programs to achieve the mandated cost savings.

Subd. 3. **Community Services**	(846,000)	(1,692,000)

(a) **Community Corrections**

If the commissioner of corrections determines reductions should be made to the Community Corrections Act formula, Department of Corrections contract counties, or county probation officers, the legislative intent of this reduction is that counties should reduce administrative expenses and executive salaries before direct services, such as probation services, are reduced.

(b) **Sentence to Service**

The commissioner must fund the equivalent of 25 percent of county sentence to service programs. The 25 percent must be calculated based on fiscal year 2010 sentence to service expenditures by counties.

Subd. 4. **Transfers**

Notwithstanding Minnesota Statutes, section 241.27, the commissioner shall transfer $574,000 by June 30, 2010, and $989,000 by June 30, 2011, from the Minnesota correctional industries revolving fund to the general fund. These transfers are onetime.

<u>These transfers are in addition to those in Laws 2009, chapter 83, article 1, section 14, subdivision 2, paragraph (g).</u>

<u>The commissioner shall transfer $201,000 by June 30, 2010, and $402,000 by June 30, 2011, from the special revenue fund to the general fund. These transfers are onetime.</u>

Sec. 14. **<u>SENTENCING GUIDELINES</u>**	**<u>$</u>**	**<u>(11,000)</u>**	**<u>$</u>**	**<u>(18,000)</u>**

Sec. 15. Minnesota Statutes 2009 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches $350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches $653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, paragraph (b), and Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section 20, by the same amount; ~~and~~

(5) to the state airports fund, the amount necessary to restore the amount transferred from the state airports fund under Laws 2008, chapter 363, article 11, section 3, subdivision 5~~.~~<u>; and</u>

<u>(6) to the fire safety account in the special revenue fund, the amount necessary to restore transfers from the account to the general fund made in Laws 2010.</u>

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 16. Minnesota Statutes 2008, section 297I.06, subdivision 3, is amended to read:

Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to be known as the fire safety account, is created in the state treasury. The account consists of the proceeds under subdivisions 1 and 2. $468,000 in fiscal year 2008, $4,268,000 in fiscal year 2009, $9,268,000 in fiscal year 2010, $6,368,000 in fiscal year 2011, and ~~$2,268,000~~ $2,368,000 in each year thereafter is transferred from the fire safety account in the special revenue fund to the general fund to offset the loss of revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums.

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

Sec. 17. Minnesota Statutes 2008, section 403.11, subdivision 1, is amended to read:

Subdivision 1. ~~**Emergency telecommunications**~~ **Public safety service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for 911 emergency telecommunications service~~,~~; to ~~offset~~ pay administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program, including the salaries and benefits of department employees who support the program such as deputy commissioners, directors, and legislative liaisons; to make distributions provided for in section 403.113~~, and~~; to offset the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones; to fund law enforcement emergency response training reimbursement grants; to fund the collection, analysis, and maintenance of criminal evidence, records,

<u>and data; and for any other public safety purpose that relies upon, uses, or involves the efficient operation of the emergency telecommunications system in the state</u>.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid must not cancel and is carried forward to subsequent years and may be appropriated from time to time to the commissioner to provide financial assistance to counties for the improvement of local emergency telecommunications services. The improvements may include providing access to 911 service for telecommunications service subscribers currently without access and upgrading existing 911 service to include automatic number identification, local location identification, automatic location identification, and other improvements specified in revised county 911 plans approved by the commissioner.

(c) The fee may not be less than eight cents nor more than 65 cents a month until June 30, 2008, not less than eight cents nor more than 75 cents a month until June 30, 2009, not less than eight cents nor more than 85 cents a month until June 30, 2010, and not less than eight cents nor more than 95 cents a month on or after July 1, 2010, for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of management and budget, the commissioner of public safety shall establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed. The commissioner shall provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers.

(d) The fee must be collected by each wireless or wire-line telecommunications service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than $250 a month is due, or annually if less than $25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services.

(e) This subdivision does not apply to customers of interexchange carriers.

(f) The installation and recurring charges for integrating wireless 911 calls into enhanced 911 systems are eligible for payment by the commissioner if the 911 service provider is included in the statewide design plan and the charges are made pursuant to contract.

(g) Competitive local exchanges carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services.

EFFECTIVE DATE. <u>This section is effective the day following final enactment.</u>

Sec. 18. Minnesota Statutes 2008, section 611A.32, subdivision 1, is amended to read:

Subdivision 1. **Grants awarded.** The commissioner shall award grants to programs which provide emergency shelter services to battered women and support services to battered women and domestic abuse victims and their children. The commissioner shall also award grants for training, technical assistance, and for the development and implementation of education programs to increase public awareness of the causes of battering, the solutions to preventing and ending domestic violence, and the problems faced by battered women and domestic abuse victims. Grants shall be awarded in a manner that ensures ~~that they are equitably distributed to programs serving metropolitan and nonmetropolitan populations~~ <u>emergency shelter services and support services are available statewide</u>. By July 1, 1995, community-based domestic abuse advocacy and support services programs must be established in every judicial assignment district.

Sec. 19. Minnesota Statutes 2008, section 611A.32, subdivision 2, is amended to read:

Subd. 2. **Applications.** Any public or private nonprofit agency may apply to the commissioner for a grant to provide emergency shelter services to battered women, support services to domestic abuse victims, or both, to battered women and their children. The application shall be submitted in a form approved by the commissioner by rule adopted under chapter 14, after consultation with the advisory council, and shall include:

(1) a proposal for the provision of emergency shelter services for battered women, support services for domestic abuse victims, or both, for battered women and their children;

(2) a proposed budget;

<u>(3) evidence of financial need, including documentation on the retention of financial reserves and availability of additional funding sources;</u>

~~(3)~~ <u>(4)</u> evidence of an ability to integrate into the proposed program the uniform method of data collection and program evaluation established under sections 611A.33 and 611A.34;

~~(4)~~ <u>(5)</u> evidence of an ability to represent the interests of battered women and domestic abuse victims and their children to local law enforcement agencies and courts, county welfare agencies, and local boards or departments of health;

~~(5)~~ (6) evidence of an ability to do outreach to unserved and underserved populations and to provide culturally and linguistically appropriate services; and

~~(6)~~ (7) any other content the commissioner may require by rule adopted under chapter 14, after considering the recommendations of the advisory council.

Programs which have been approved for grants in prior years may submit materials which indicate changes in items listed in clauses (1) to ~~(6)~~ (7), in order to qualify for renewal funding. Nothing in this subdivision may be construed to require programs to submit complete applications for each year of renewal funding.

Sec. 20. Minnesota Statutes 2008, section 626.8458, subdivision 5, is amended to read:

Subd. 5. **In-service training in police pursuits required.** The chief law enforcement officer of every state and local law enforcement agency shall provide in-service training in emergency vehicle operations and in the conduct of police pursuits to every peace officer and part-time peace officer employed by the agency who the chief law enforcement officer determines may be involved in a police pursuit given the officer's responsibilities. The training shall comply with learning objectives developed and approved by the board and shall consist of at least eight hours of classroom and skills-based training every ~~three~~ four years.

Sec. 21. Minnesota Statutes 2008, section 641.12, is amended by adding a subdivision to read:

Subd. 4. **Sentencing to service fees.** (a) A county board may require that an offender who participates in sentencing to service pay a fee.

(b) A county may assess a fee to entities that receive direct benefit from sentencing to service work crews.

Sec. 22. Laws 2009, chapter 83, article 1, section 10, subdivision 4, is amended to read:

Subd. 4. **Fire Marshal**	~~8,125,000~~ 5,025,000	~~8,125,000~~ 13,125,000

This appropriation is from the fire safety account in the special revenue fund.

Of this amount, ~~$5,857,000 each~~ $5,757,000 the first year and $6,757,000 the second year ~~is~~ are for activities under Minnesota Statutes, section 299F.012, and ~~$2,268,000 each~~ $9,268,000 the first year and $6,368,000 the second year ~~is~~ are for transfer to the general fund under Minnesota Statutes, section 297I.06, subdivision 3.

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

Sec. 23. Laws 2009, chapter 83, article 1, section 10, subdivision 7, is amended to read:

Subd. 7. **Emergency Communication Networks**	66,470,000	70,233,000

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services.

(a) **Public Safety Answering Points.** $13,664,000 each year is to be distributed as provided in Minnesota Statutes, section 403.113, subdivision 2.

(b) **Medical Resource Communication Centers.** $683,000 each year is for grants to the Minnesota Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000.

(c) **ARMER Debt Service.** $17,557,000 the first year and $23,261,000 the second year are to the commissioner of finance to pay debt service on revenue bonds issued under Minnesota Statutes, section 403.275.

Any portion of this appropriation not needed to pay debt service in a fiscal year may be used by the commissioner of public safety to pay cash for any of the capital improvements for which bond proceeds were appropriated by Laws 2005, chapter 136, article 1, section 9, subdivision 8, or Laws 2007, chapter 54, article 1, section 10, subdivision 8.

(d) **Metropolitan Council Debt Service.** $1,410,000 each year is to the commissioner of finance for payment to the Metropolitan Council for debt service on bonds issued under Minnesota Statutes, section 403.27.

(e) **ARMER State Backbone Operating Costs.** $5,060,000 each year is to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(f) **ARMER Improvements.** $1,000,000 each year is for the Statewide Radio Board for costs of design, construction, maintenance of, and improvements to those elements of the statewide public safety radio and communication system that support mutual aid communications and emergency medical services or provide enhancement of public safety communication interoperability.

(g) **Next Generation 911.** $3,431,000 the first year and $6,490,000 the second year are to replace the current system with the Next Generation Internet Protocol (IP) based network. The base level of funding for fiscal year 2012 shall be $2,965,000.

(h) **Grants to Local Government.** $5,000,000 the first year is for grants to local units of government to assist with the transition to the ARMER system. This appropriation is available until June 30, 2012.<u> Any portion of this appropriation that is not spent before the date of final enactment of this act may be expended for any purpose authorized in section 403.11, subdivision 1, paragraph (a).</u>

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

Sec. 24. Laws 2009, chapter 83, article 1, section 11, is amended to read:

Sec. 11. **PEACE OFFICER STANDARDS AND TRAINING BOARD (POST)**	**$**	~~**4,012,000**~~ **3,952,000**	**$**	~~**4,012,000**~~ **3,891,000**

(a) **Excess Amounts Transferred.** This appropriation is from the peace officer training account in the special revenue fund. Any new receipts credited to that account in the first year in excess of ~~$4,012,000~~ $3,952,000 must be transferred and credited to the general fund. Any new receipts credited to that account in the second year in excess of ~~$4,012,000~~ $3,891,000 must be transferred and credited to the general fund.

(b) **Peace Officer Training Reimbursements.** ~~$2,859,000 each year is~~ $2,816,000 the first year and $2,773,000 the second year are for reimbursements to local governments for peace officer training costs.

(c) **Prohibition on Use of Appropriation.** No portion of this appropriation may be used for the purchase of motor vehicles or out-of-state travel that is not directly connected with and necessary to carry out the core functions of the board.

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

Sec. 25. Laws 2009, chapter 83, article 1, section 14, subdivision 2, is amended to read:

Subd. 2. **Correctional Institutions**	334,341,000	338,199,000

Appropriations by Fund

General	295,761,000	337,619,000
Special Revenue	580,000	580,000
Federal	38,000,000	0

$38,000,000 the first year is from the fiscal stabilization account in the federal fund. This is a onetime appropriation.

The general fund base for this program shall be $326,085,000 in fiscal year 2012 and $330,430,000 in fiscal year 2013.

(a) **Treatment Alternatives; Report.** By December 15, 2009, the commissioner must submit an electronic report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance concerning alternative chemical dependency treatment opportunities. The report must identify alternatives that represent best practices in chemical dependency treatment of offenders. The report must contain suggestions for reducing the length of time between offender commitment to the custody of the commissioner and graduation from chemical dependency treatment. To the extent possible, the report shall identify options that will (1) reduce the cost of treatment; (2) expand the number of treatment beds; (3) improve treatment outcomes; and (4) lower the rate of substance abuse relapse and criminal recidivism.

(b) **Challenge Incarceration; Maximum Occupancy.** The commissioner shall work to fill all available challenge incarceration beds for both male and female offenders. If the commissioner fails to fill at least 90 percent of the available challenge incarceration beds by December 1, 2009, the commissioner must submit a report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance by January 15, 2010, explaining what steps the commissioner has taken to fill the beds and why those steps failed to reach the goal established by the legislature.

(c) **Institutional Efficiencies.** The commissioner shall strive for institutional efficiencies and must reduce the fiscal year 2008 average adult facility per diem of $89.77 by one percent. The base is cut by $2,850,000 in the first year and $2,850,000 in the second year to reflect a one percent reduction in the projected adult facility per diem. In reducing the projected adult facility per diem, the commissioner must consider the following:

(1) cooperating with the state of Wisconsin to obtain economies of scale;

(2) increasing the bed capacity of the challenge incarceration program;

(3) increasing the number of nonviolent drug offenders who are granted conditional release under Minnesota Statutes, section 244.055;

(4) increasing the use of compassionate release or less costly detention alternatives for elderly and infirm offenders;

(5) discontinuing the department's practice of annually assigning a warden to serve as a legislative liaison during the legislative session;

(6) consolidating staff from correctional institutions in geographical proximity to each other to achieve efficiencies and cost savings, including wardens, deputy wardens, and human resources, technology, and employee development personnel;

(7) consolidating the department's human resources, technology, and employee development functions in a centralized location;

(8) implementing corrections best practices; and

(9) implementing cost-saving measures used by other states and the federal government.

The commissioner must not eliminate correctional officer positions or implement any other measure that will jeopardize public safety to achieve the mandated cost savings. ~~The commissioner also must not eliminate treatment beds to achieve the mandated cost savings.~~

(d) **Per Diem Reduction.** If the commissioner fails to reduce the per diem by one percent, the commissioner must:

(1) reduce the funding for operations support by the amount of unrealized savings; and

(2) submit a report by February 15, 2010, to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance that contains descriptions of what efforts the commissioner made to reduce the per diem, explanations for why those steps failed to

reduce the per diem by one percent, proposed legislative options that would assist the commissioner in reducing the adult facility per diem, and descriptions of the specific actions the commissioner took to reduce funding in operations support.

If the commissioner reduces the per diem by more than one percent, the commissioner must use the savings to provide treatment to offenders.

~~(e)~~ ~~**Reductions to Certain Programming Prohibited.**~~ ~~When allocating reductions in services and programming under this appropriation, the commissioner may not make reductions to inmate educational programs, chemical dependency programs, or reentry programs.~~

~~(f)~~ (e) **Drug Court Bed Savings.** The commissioner must consider the bed impact savings of drug courts in formulating its prison bed projections.

~~(g)~~ (f) **Transfer.** Notwithstanding Minnesota Statutes, section 241.27, the commissioner of finance shall transfer $1,000,000 the first year and $1,000,000 the second year from the Minnesota Correctional Industries revolving fund to the general fund.

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

Sec. 26. **PROPOSED SENTENCING GUIDELINES' CHANGES DELAYED.**

The proposed changes to the sentencing guidelines relating to the crimes of solicitation, inducement, and promotion of prostitution and sex trafficking, and riot described on pages 8 to 9 and Appendix E of the Minnesota Sentencing Guidelines Commission's January 2010 report to the legislature take effect on August 1, 2011.

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

ARTICLE 13

STATE GOVERNMENT

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "APPROPRIATIONS" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 101, article 1, 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 "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30		
		2010		**2011**
Sec. 2. **LEGISLATURE**				
Subdivision 1. **Total Appropriation**	**$**	**(431,000)**	**$**	**(1,580,000)**

Appropriations by Fund	2010	2011
General	(426,000)	(1,575,000)
Health Care Access	(5,000)	(5,000)

	2010	2011
Subd. 2. **Senate**	(205,000)	(668,000)

The base budget for the Senate is $21,824,000 in fiscal year 2012 and $21,824,000 in fiscal year 2013.

	2010	2011
Subd. 3. **House of Representatives**	-0-	(599,000)

The following amounts are canceled to the general fund from the accounts established under Minnesota Statutes, section 16A.281. These are onetime transfers.

$395,000 in fiscal year 2010 and $299,000 in fiscal year 2011 is canceled to the general fund from the house of representatives carryforward account.

During the biennium ending June 30, 2011, any revenues received by the house of representatives from voluntary donations to support broadcast or print media are appropriated to the house of representatives.

Subd. 4. **Legislative Coordinating Commission**			(226,000)	(313,000)

Reductions by Fund		
General	(221,000)	(308,000)
Health Care Access	(5,000)	(5,000)

The following amount is canceled to the general fund from the accounts established under Minnesota Statutes, section 16A.281. This is a onetime transfer.

$154,000 in fiscal year 2011 is canceled to the general fund from the carryforward accounts in the Legislative Coordinating Commission.

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

Sec. 3. **GOVERNOR AND LIEUTENANT GOVERNOR**	**$**	**(64,000)**	**$**	**(146,000)**

$10,000 in fiscal year 2010 and $85,000 in fiscal year 2011 are transferred from the interagency agreements account in the special revenue fund to the general fund. These are onetime transfers.

$30,000 of the amount appropriated to the Office of the Governor for the fiscal year ending June 30, 2011, is transferred to the "Support Our Troops" account.

Sec. 4. **STATE AUDITOR**	**$**	**(32,000)**	**$**	**(78,000)**
Sec. 5. **ATTORNEY GENERAL**	**$**	**(436,000)**	**$**	**(954,000)**
Sec. 6. **SECRETARY OF STATE**	**$**	**(104,000)**	**$**	**(250,000)**
Sec. 7. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**	**$**	**(28,000)**	**$**	**(8,000)**

The base budget for the Campaign Finance and Public Disclosure Board is $726,000 in fiscal year 2012 and $726,000 in fiscal year 2013.

Sec. 8. **INVESTMENT BOARD**	**$**	**(2,000)**	**$**	**(5,000)**
Sec. 9. **OFFICE OF ENTERPRISE TECHNOLOGY**	**$**	**(111,000)**	**$**	**(169,000)**

These reductions are from the enterprise planning and management program.

Sec. 10. **ADMINISTRATIVE HEARINGS**	**$**	**(8,000)**	**$**	**(8,000)**
Sec. 11. **ADMINISTRATION**	**$**	**-0-**	**$**	**(419,000)**

(a) These reductions are from the government and citizens services program. $8,000 of the reductions in fiscal year 2011 is from the transfer to the commissioner of human services for a grant to the Council of Developmental Disabilities. The appropriation for this grant shall be included in the base budget for the commissioner of human services for the biennium beginning July 1, 2011, and is reduced by $8,000 each year of the biennium. The general fund base budget for the government and citizens services program is $8,936,000 in fiscal year 2012 and $8,936,000 in fiscal year 2013.

(b) $209,000 in fiscal year 2010 and $31,000 in fiscal year 2011 are transferred from the central stores fund to the general fund. This is a onetime transfer.

(c) The balance in the commuter van program account in the special revenue fund shall be transferred to the general fund on or before June 30, 2010. This is a onetime transfer.

(d) The balance in the archaeology burial account of the special revenue fund shall be transferred to the general fund on or before June 30, 2010. This is a onetime transfer.

(e) $1,492 in fiscal year 2010 is transferred from the utility rebates account in the special revenue fund to the general fund. This is a onetime transfer.

Sec. 12. **CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD**	**$**	**(6,000)**	**$**	**(11,000)**
Sec. 13. **MANAGEMENT AND BUDGET**	**$**	**(386,000)**	**$**	**(599,000)**

(a) $300 in fiscal year 2010 and $300 in fiscal year 2011 are transferred from the combined charities administration account in the special revenue fund to the general fund. These are onetime transfers.

(b) $8,700 in fiscal year 2010 and $10,700 in fiscal year 2011 are transferred from the information systems division account in the special revenue fund to the general fund. These are onetime transfers.

Sec. 14. **REVENUE**

Subdivision 1. **Total Appropriation**	**$**	**(779,000)**	**$**	**5,362,000**

Appropriations by Fund

	2010	2011
General	(768,000)	5,379,000
Health Care Access	(11,000)	(17,000)

Subd. 2. **Tax System Management**	(779,000)	3,492,000

Appropriations by Fund

	2010	2011
General	(768,000)	3,509,000
Health Care Access	(11,000)	(17,000)

(a) $4,857,000 is for additional activities to identify and collect tax liabilities from individuals and business that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of $13,065,000 for fiscal year 2011.

(b) The department must report to the chairs of the house of representative Ways and Means and senate Finance Committees by March 15, 2011, and January 15, 2012, on the following performance indicators:

(1) the number of corporations noncompliant with the corporate tax system each year and the percentage and dollar amounts of valid tax liabilities collected;

(2) the number of businesses noncompliant with the sales and use tax system and the percentage and dollar amount of the valid tax liabilities collected; and

(3) the number of individual noncompliant cases resolved and the percentage and dollar amount of valid tax liabilities collected.

(c) The reports must also identify base-level expenditures and staff positions related to compliance and audit activities, including baseline information as of January 1, 2009. The information must be provided at the budget activity level.

Subd. 3. **Debt Collection Management**		-0-		1,870,000

$1,870,000 is for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of $13,800,000 for fiscal year 2011.

Sec. 15. **GAMBLING CONTROL**	**$**	**(51,000)**	**$**	**(88,000)**

$51,000 in fiscal year 2010 and $88,000 in fiscal year 2011 are transferred from the lawful gambling account in the special revenue fund to the general fund. These are onetime transfers.

Sec. 16. **RACING COMMISSION**	**$**	**(19,000)**	**$**	**(29,000)**

$19,000 in fiscal year 2010 and $29,000 in fiscal year 2011 are transferred from the racing and card playing regulation accounts in the special revenue fund to the general fund. These are onetime transfers.

Sec. 17. **GENERAL CONTINGENT ACCOUNTS**	**$**	**(750,000)**	**$**	**-0-**

This reduction is from the appropriation for potential state matching requirements under the American Reinvestment and Recovery Act of 2009.

Sec. 18. Minnesota Statutes 2008, section 4.51, is amended to read:

4.51 EXPENSES OF GOVERNOR-ELECT.

Subdivision 1. **Definitions.** ~~This section applies after a state general election in which a person who is not the current governor is elected to take office as the next governor. The commissioner of administration must request a transfer from the general fund contingent account of an amount equal to 1.5 percent of the amount appropriated for operation of the Office of the Governor and Lieutenant Governor for the current fiscal year. This request is subject to the review and advice of the Legislative Advisory Commission pursuant to section 3.30. If the transfer is approved, the commissioner of administration must make this amount available to the governor-elect before he or she takes office. The commissioner must provide office space for the governor-elect and for any employees the governor-elect hires.~~ (a) "Governor-elect" means the person who is not currently governor and is the apparent successful candidate for the office of governor following a general election.

(b) "Commissioner" means the commissioner of the Department of Management and Budget.

Subd. 2. **Transition expenses.** In the fiscal year of a gubernatorial election and subject to availability of funds, the commissioner shall transfer up to $162,000 from the general contingent account in the general fund to the Department of Management and Budget. This transfer is subject to the review and advice of the Legislative Advisory Commission pursuant to section 3.30. In consultation with the governor-elect, the commissioner shall use the transferred funds to pay expenses of the governor-elect associated with preparing for the assumption of official duties as governor. The commissioner may use the transferred funds for expenses necessary and prudent for establishment of a transition office prior to the election and for dissolution of the office if the incumbent governor is reelected or after the inauguration of a new governor. Expenses of the governor-elect may include suitable office space and equipment, communications and technology support, consulting services, compensation and travel costs, and other reasonable expenses. Compensation rates for temporary employees hired to support the governor-elect and rates paid for consulting services for the governor-elect shall be determined by the governor-elect.

Subd. 3. **Unused funds.** No new obligations shall be incurred for expenses of the governor-elect after the date of the inauguration. By March 31 of the year of the inauguration, the commissioner shall return to the general contingent account any funds transferred under this section that the commissioner determines are not needed to pay expenses of the governor-elect.

Sec. 19. **[10.61] TWO-SIDED PRINTING.**

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

Sec. 20. **[15B.055] PUBLIC ACCESS TO PARKING SPACES.**

To provide the public with greater access to legislative proceedings, all parking space on Aurora Avenue in front of the Capitol building must be reserved for the public. Revenue derived from public parking in these spaces must be deposited in the general fund.

Sec. 21. **[16A.0561] MAPPED DATA ON EXPENDITURES.**

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

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

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

Sec. 22. **[16A.106] ZERO-BASED BUDGETING.**

Subdivision 1. **Zero-based budget.** (a) For each biennium to be covered by a proposed state budget, the governor shall require the proposed budgets of each state department, institution, and agency of the executive department to prepare a budget using zero-based budgeting. The commissioner of management and budget shall provide any technical assistance necessary to enable each department, institution, or agency to complete its budgetary requests as specified by the commissioner of management and budget.

(b) The commissioner shall adopt rules necessary to provide instruction and guidance to each department, institution, and agency to facilitate the provisions of this section.

(c) As used in this section, "zero-based budgeting" means a method of determining the budget of a department, institution, or agency for which the budget of the department, institution, or agency for the biennium immediately preceding the biennium covered by the budget is:

(1) deemed to have been zero; and

(2) each proposed expenditure for the biennium covered by the budget must be justified as if it were a new expenditure.

Subd. 2. **Zero-based budget plan.** Each department, institution, and agency shall provide the following information:

(1) a description of activities that comprise the agency, and a justification for the existence of each activity by reference to statute or other legal authority;

(2) for each activity, a quantitative estimate of any adverse impacts that could reasonably be expected should the activity be discontinued, together with a full description of the methods by which the adverse impact is estimated;

(3) a list of quantifiable program outcomes which measure the efficiency and effectiveness of each program;

(4) for each activity, a total account of expenditures that would be required to maintain the activity at the minimum level of service required by the statutory authority, together with a concise statement of the quantity and quality of services required at that minimum level;

(5) for each activity, a total account of expenditures required to maintain the quantity and quality of services being provided and the number of personnel required to accomplish each program; and

(6) a ranking of all activities that shows the relative contribution of each activity to the overall goals and purposes of the agency at current service levels.

Subd. 3. **Legislature, judicial branch, and public employees' retirement system.** The legislature, judicial branch, and public employees' retirement system shall each submit a budget to the legislature in the same format as the proposed executive budget under this section. All projections of revenue and any other information concerning future state revenue contained in those budgets must be based upon projections and estimates prepared by Minnesota Management and Budget.

EFFECTIVE DATE. This section is effective the day following final enactment and must be implemented for the biennium beginning in fiscal year 2012.

Sec. 23. **[16A.1287] SYSTEM NAME.**

Notwithstanding the requirement of section 10.49 that laws not be named for living people, the statewide accounting and procurement system must be known as the Knowledge, Accountability, and Honest Numbers (KAHN) system.

EFFECTIVE DATE. This section is effective the day following final enactment and must be implemented swiftly.

Sec. 24. Minnesota Statutes 2009 Supplement, section 16A.82, is amended to read:

16A.82 TECHNOLOGY LEASE-PURCHASE APPROPRIATION.

~~$3,548,000 in fiscal year 2010; $3,546,000 in fiscal year 2011; and $10,054,000 in each fiscal year 2012 through 2019~~ The following amounts are appropriated from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for replacement of the state's accounting and procurement systems, provided that the state is not obligated to continue such appropriation of funds or to make lease payments in any future fiscal year.

Fiscal year 2010	$ 2,828,038
Fiscal year 2011	$ 3,063,950
Fiscal year 2012	$ 8,967,850
Fiscal year 2013	$ 8,968,950
Fiscal year 2014	$ 8,970,850
Fiscal year 2015	$ 8,971,150
Fiscal year 2016	$ 8,966,450
Fiscal year 2017	$ 8,967,500
Fiscal year 2018	$ 8,970,750
Fiscal year 2019	$ 8,968,500

Of these appropriations, up to $2,000 per year may be used to pay the annual trustee fees for the lease-purchase agreements authorized in this section and section 270C.145. Any unexpended portions of this appropriation cancel to the general fund at the close of each biennium. This section expires June 30, ~~2020~~ 2019.

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

Sec. 25. Minnesota Statutes 2008, section 16B.04, subdivision 2, is amended to read:

Subd. 2. **Powers and duties, generally.** Subject to other provisions of this chapter, the commissioner is authorized to:

(1) supervise, control, review, and approve all state contracts and purchasing;

(2) provide agencies with supplies and equipment and operate all central store or supply rooms serving more than one agency;

(3) investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;

(4) manage and control state property, real and personal;

(5) maintain and operate all state buildings, as described in section 16B.24, subdivision 1;

(6) supervise, control, review, and approve all capital improvements to state buildings and the capitol building and grounds;

(7) provide central duplicating, printing, and mail facilities;

(8) oversee publication of official documents and provide for their sale;

(9) manage and operate parking facilities for state employees and a central motor pool for travel on state business;

(10) provide rental space within the capitol complex for a private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter; ~~and~~

(11) settle state employee workers' compensation claims~~.~~; and

(12) operate a state recycling center.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 26. Minnesota Statutes 2008, section 16B.24, subdivision 3, is amended to read:

Subd. 3. **Disposal of old buildings.** (a) Upon request from the head of an agency with control of a state-owned building with an estimated market value of less than $50,000, as determined by the commissioner, the commissioner may sell, demolish, or otherwise dispose of the building if the commissioner determines that the building is no longer used or is a fire or safety hazard.

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

(c) In the event a sale is made under this subdivision, the proceeds shall be deposited in the ~~proper~~ account ~~or in the general fund~~ from which the appropriation to acquire the building was made, in the general fund or as otherwise provided under state law.

Sec. 27. Minnesota Statutes 2008, section 16B.48, subdivision 2, is amended to read:

Subd. 2. **Purpose of funds.** Money in the state treasury credited to the general services revolving fund and money that is deposited in the fund is appropriated annually to the commissioner for the following purposes:

(1) to operate a central store and equipment service;

(2) to operate the central mailing service, including purchasing postage and related items and refunding postage deposits;

(3) to operate a documents service as prescribed by section 16B.51;

(4) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;

(5) to operate a materials handling service, including interagency mail and product delivery, solid waste removal, courier service, equipment rental, and vehicle and equipment maintenance;

(6) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;

(7) to operate a records center and provide micrographics products and services; ~~and~~

(8) to perform services for any other agency. Money may be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services and other services for the maintenance, operation, and upkeep of buildings and offices of the state government~~.~~; and

(9) to operate a state recycling center.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 28. **[16B.535] FLEET MANAGEMENT; CONSOLIDATION.**

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

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

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

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

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

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

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

Sec. 29. Minnesota Statutes 2009 Supplement, section 16E.02, subdivision 1, is amended to read:

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

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

(c) The chief information officer shall appoint a Webmaster responsible for the supervision and development of state Web sites under the control of the office including, but not limited to, Web sites maintained under section 16E.07. The Webmaster shall ensure that these Web sites are maintained in an easily accessible format that is consistent throughout state government and are consistent with the accessibility standards developed under section 16E.03, subdivision 9. The Webmaster shall provide assistance and guidance consistent with the requirements of this paragraph to other state agencies for the maintenance of other Web sites not under the direct control of the office.

Sec. 30. Minnesota Statutes 2008, section 16E.04, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2008, section 16E.05, is amended by adding a subdivision to read:

Subd. 4. **Standards for transparency.** The chief information officer shall develop standards to enhance public access to electronic data maintained by state government, consistent with the requirements of chapter 13. The standards must ensure that:

(1) the state information architecture facilitates public access to agency data;

(2) publicly available data is managed using an approved state metadata model; and

(3) all geospatial data conform to an approved state geocode model.

Sec. 32. Minnesota Statutes 2008, section 79.34, subdivision 1, is amended to read:

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

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

(2) all group self-insurers granted authority to self-insure pursuant to section 176.181 are considered single entities for purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of its authority to self-insure workers' compensation liability, and for losses incurred after December 31, 1983, the state is a member of the reinsurance association and is bound by its plan of operation. The commissioner of ~~management and budget~~ administration represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The amounts necessary to pay the state's premiums required for coverage by the Workers' Compensation Reinsurance Association are appropriated from the general fund to the commissioner of ~~management and budget~~ administration. The University of Minnesota shall pay its portion of workers' compensation reinsurance premiums directly to the Workers' Compensation Reinsurance Association. For the purposes of this section, "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of management and budget may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association is not a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of labor and industry with respect to the reinsurance association are not subject to chapters 13 and 15. All property owned by the association is exempt from taxation. The reinsurance association is not obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

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

Sec. 33. Minnesota Statutes 2008, section 115A.15, subdivision 6, is amended to read:

Subd. 6. **Use of funds.** All ~~funds appropriated by the state for the resource recovery program, all~~ revenues resulting from the sale of recyclable and reusable commodities made available for sale as a result of the resource recovery program~~, and all reimbursements to the commissioner of expenses incurred by the commissioner in developing and administering resource recovery systems for state agencies, governmental units, and nonprofit organizations must be deposited in the general fund. The commissioner shall determine the waste disposal cost savings associated with recycling and reuse activities.~~ will be used by the service provider to offset the cost of the recycling.

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 34. Minnesota Statutes 2009 Supplement, section 270C.145, is amended to read:

270C.145 TECHNOLOGY LEASE-PURCHASE APPROPRIATION.

~~$855,000 in fiscal year 2010; $853,000 in fiscal year 2011; and $2,519,000 in each fiscal year 2012 through 2019 is~~ The following amounts are appropriated from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for completing the purchase and development of an integrated tax software package; provided that the state is not obligated to continue the appropriation of funds or to make lease payments in any future fiscal year.

Fiscal year 2010	$ 670,213
Fiscal year 2011	$ 748,550
Fiscal year 2012	$ 2,250,150
Fiscal year 2013	$ 2,251,550
Fiscal year 2014	$ 2,250,350
Fiscal year 2015	$ 2,251,550
Fiscal year 2016	$ 2,249,950
Fiscal year 2017	$ 2,251,250
Fiscal year 2018	$ 2,249,000
Fiscal year 2019	$ 2,247,000

Any unexpended portions of this appropriation cancel to the general fund at the close of each biennium. This section expires June 30, 2019.

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

Sec. 35. Minnesota Statutes 2009 Supplement, section 289A.08, subdivision 16, is amended to read:

Subd. 16. **Tax refund or return preparers; electronic filing; paper filing fee imposed.** (a) A "tax refund or return preparer," as defined in section 289A.60, subdivision 13, paragraph (f), who ~~prepared~~ is a tax return preparer for purposes of section 6011(e) of the Internal Revenue Code, and who reasonably expects to prepare more than ~~100~~ ten Minnesota individual income tax returns for the prior calendar year must file all Minnesota individual income tax returns prepared for ~~the current~~ that calendar year by electronic means.

(b) Paragraph (a) does not apply to a return if the taxpayer has indicated on the return that the taxpayer did not want the return filed by electronic means.

(c) For each return that is not filed electronically by a tax refund or return preparer under this subdivision, including returns filed under paragraph (b), a paper filing fee of $5 is imposed upon the preparer. The fee is collected from the preparer in the same manner as income tax. The fee does not apply to returns that the commissioner requires to be filed in paper form.

EFFECTIVE DATE. This section is effective for tax returns filed after December 31, 2010.

Sec. 36. Minnesota Statutes 2008, section 471.6175, subdivision 4, is amended to read:

Subd. 4. **Account maintenance.** (a) A political subdivision or other public entity may establish a trust account to be held under the supervision of the trust administrator for the purposes of this section. A trust administrator shall establish a separate account for each participating political subdivision or public entity. The trust administrator may charge participating political subdivisions and public entities fees for reasonable administrative costs. The amount of any fees charged by the Public Employees Retirement Association is appropriated to the association from the account. A trust administrator may establish other reasonable terms and conditions for creation and maintenance of these accounts.

(b) The trust administrator must report to the political subdivision or other public entity on the investment returns of invested trust assets and on all investment fees or costs incurred by the trust. The annual rates of return, along with investment and administrative fees and costs for the trust, must be disclosed in the political subdivision's or public entity's annual financial audit in a manner prescribed by the state auditor.

(c) Effective for fiscal years beginning after December 31, ~~2009~~ 2013, the trust administrator must report electronically to the state auditor the portfolio and performance information specified in section 356.219, subdivision 3, in the manner prescribed by the state auditor.

Sec. 37. Laws 2009, chapter 101, article 1, section 31, is amended to read:

Sec. 31. **PROBLEM GAMBLING APPROPRIATION.**

$225,000 in fiscal year 2010 and ~~$225,000~~ $175,000 in fiscal year 2011 are appropriated from the lottery prize fund to the Gambling Control Board for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling. These services must be complimentary to and not duplicative of the services provided through the problem gambling program administered by the commissioner of human services. Of this appropriation, $50,000 in fiscal year 2010 ~~and $50,000 in fiscal year 2011 are~~ is contingent on the contribution of nonstate matching funds. Matching funds may be either cash or qualifying in-kind contributions. The commissioner of finance may disburse the state portion of the matching funds in increments of $25,000 upon receipt of a commitment for an equal amount of matching nonstate funds. These are onetime appropriations.

Sec. 38. **ADDITIONAL OPERATING BUDGET REDUCTIONS.**

By July 30, 2010, the commissioner of management and budget must allocate a reduction of $2,630,000 for the fiscal year ending June 30, 2011, to the operating budgets of executive branch state agencies, as defined in Minnesota Statutes, section 16A.011, subdivision 12a. To the extent possible, this reduction must be achieved through estimated savings in expenditures for space, out-of-state travel, fleet management, energy usage in state buildings, contracts for professional or technical services, and through increased employee telecommuting, and through consolidation of information technology functions, or through other operational efficiencies. If expenditure reductions are achieved in dedicated funds other than those established in the state constitution or protected by federal law, the commissioner of management and budget may transfer the amount of the savings to the general fund. Executive branch state agencies must cooperate with the commissioner of management and budget in developing and implementing these reductions. Any amount of the reduction that cannot be achieved through savings in the expenditure types described in this section must be allocated to executive state agency operating budgets by the commissioner. Reductions in fiscal year 2011 must cancel to the general fund and shall be reflected as reductions in agency base budgets for fiscal years 2012 and 2013. The commissioner of management and budget must report to the chairs and ranking minority members of the senate Finance Committee and the house of representatives Ways and Means and Finance Committees regarding the amount of reductions in spending by each agency under this section.

Sec. 39. **TRANSPARENCY STANDARDS REPORT.**

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

Sec. 40. **REQUEST FOR PROPOSALS.**

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

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

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

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

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

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

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

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

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

Sec. 41. **COMMISSION ON SERVICE INNOVATION.**

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

Sec. 42. **HELP AMERICA VOTE ACT.**

If the secretary of state determines that this state is otherwise eligible to receive an additional payment of federal money under the Help America Vote Act, Public Law 107-252, the secretary must certify to the commissioner of management and budget the amount, if any, needed to meet the matching requirement of section 253(b)(5) of the Help America Vote Act. In the certification, the secretary shall specify the portion of the match that should be taken from an unencumbered general fund appropriation to the Office of the Secretary of State not designated for a different purpose. Upon receipt of that certification, or as soon as an unencumbered general fund appropriation becomes available, whichever occurs later, the commissioner must transfer the specified amount to the Help America Vote Act account.

This section expires on June 30, 2011.

ARTICLE 14

MINORITY BOARDS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		2010		2011		Total
General	**$**	**(29,000)**	**$**	**(49,000)**	**$**	**(78,000)**

Sec. 2. APPROPRIATIONS.

The dollar amounts in the columns under "Appropriations" are added to, or, if shown in parentheses, subtracted from appropriations enacted in the 2009 regular legislative session. The appropriations and reductions in appropriations are from the general fund, or another named fund, and are for the fiscal years indicated for each purpose. The figures "2010" and "2011" mean that the appropriations or reductions in appropriations listed under them are for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011. Appropriations and reductions in appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30		
		2010		2011
Sec. 3. AMATEUR SPORTS COMMISSION	$	(4,000)	$	(9,000)
Sec. 4. COUNCIL ON BLACK MINNESOTANS	$	(5,000)	$	(9,000)
Sec. 5. COUNCIL ON CHICANO/LATINO AFFAIRS	$	(6,000)	$	(9,000)
Sec. 6. COUNCIL ON ASIAN-PACIFIC MINNESOTANS	$	(5,000)	$	(8,000)
Sec. 7. INDIAN AFFAIRS COUNCIL	$	(9,000)	$	(14,000)

ARTICLE 15

MINERALS

Section 1. Minnesota Statutes 2009 Supplement, section 298.294, is amended to read:

298.294 INVESTMENT OF FUND.

(a) The trust fund established by section 298.292 shall be invested pursuant to law by the State Board of Investment and the net interest, dividends, and other earnings arising from the investments shall be transferred, except as provided in paragraph (b), on the first day of each month to the trust and shall be included and become part of the trust fund. The amounts transferred, including the interest, dividends, and other earnings earned prior to July 13, 1982, together with the additional amount of $10,000,000 for fiscal year 1983, which is appropriated April 21, 1983, are appropriated from the trust fund to the commissioner of Iron Range resources and rehabilitation for deposit in a separate account for expenditure for the purposes set forth in section 298.292. Amounts appropriated pursuant to this section shall not cancel but shall remain available unless expended.

(b) For fiscal years 2010 and 2011 only, ~~$1,000,000~~ $1,500,000 of the net interest, dividends, and other earnings under paragraph (a) shall be transferred to a special account. Funds in the special account are available for loans or grants to businesses, with priority given to businesses with 25 or fewer employees. Funds may be used for wage subsidies for up to 52 weeks of up to $5 per hour or other activities, including, but not limited to, short-term operating expenses and purchase of equipment and materials by businesses under financial duress, that will create additional jobs in the taconite assistance area under section 273.1341. Expenditures from the special account must be approved by at least seven Iron Range Resources and Rehabilitation Board members.

(c) To qualify for a grant or loan, a business must be currently operating and have been operating for one year immediately prior to its application for a loan or grant, and its corporate headquarters must be located in the taconite assistance area.

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

Sec. 2. Laws 2009, chapter 78, article 7, section 2, is amended to read:

Sec. 2. **IRON RANGE RESOURCES AND REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.**

(a) Notwithstanding any law to the contrary, the commissioner of Iron Range resources and rehabilitation, in consultation with the commissioner of management and budget, ~~may~~ shall offer a targeted early separation incentive program for employees of the commissioner who have attained the age of 60 years or who have received credit for at least 30 years of allowable service under the provisions of Minnesota Statutes, chapter 352.

(b) The early separation incentive program may include one or more of the following:

(1) employer-paid postseparation health, medical, and dental insurance until age 65; and

(2) cash incentives that may, but are not required to be, used to purchase additional years of service credit through the Minnesota State Retirement System, to the extent that the purchases are otherwise authorized by law.

(c) The commissioner of Iron Range resources and rehabilitation shall establish eligibility requirements for employees to receive an incentive.

(d) The commissioner of Iron Range resources and rehabilitation, consistent with the established program provisions under paragraph (b), and with the eligibility requirements under paragraph (c), may designate specific programs or employees as eligible to be offered the incentive program.

(e) Acceptance of the offered incentive must be voluntary on the part of the employee and must be in writing. The incentive may only be offered at the sole discretion of the commissioner of Iron Range resources and rehabilitation.

(f) The cost of the incentive is payable solely by funds made available to the commissioner of Iron Range resources and rehabilitation by law, but only on prior approval of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

(g) This section and section 3 are repealed ~~June 30, 2011~~ December 31, 2012.

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

Sec. 3. **IRON RANGE HERITAGE CENTER AND PERPICH ARCHIVES.**

The Iron Range Resources and Rehabilitation Board shall change the name of "Ironworld Discovery Center" to "Iron Range Heritage Center and Perpich Archives" consistent with the changes in section 5.

Sec. 4. **2010 DISTRIBUTIONS ONLY.**

For distributions in 2010 only, a special fund is established to receive 19.765 cents per ton that otherwise would be allocated under Minnesota Statutes, section 298.28, subdivision 6, and 6.367 cents per ton that would otherwise be allocated under Minnesota Statutes, section 298.28, subdivision 11, to the Douglas J. Johnson economic protection fund. The following amounts are distributed to St. Louis County acting as the fiscal agent for the recipients for the following specified purposes:

(1) 0.764 cent per ton must be paid to Northern Minnesota Dental to provide incentives for at least two dentists to establish dental practices in high-need areas of the taconite tax relief area;

(2) 0.955 cent per ton must be paid to the city of Virginia for repairs and geothermal heat at the Olcott Park Greenhouse/Virginia Commons project;

(3) 0.637 cent per ton must be paid to the city of Virginia for health and safety repairs at the Miners Memorial;

(4) 0.955 cent per ton must be paid to the city of Eveleth for the reconstruction of Highway 142/Grant and Park Avenues;

(5) 0.478 cent per ton must be paid to the Greenway Joint Recreation Board for upgrades and capital improvements to the Hodgkin's Perorate Arena in Coleraine;

(6) 0.796 cent per ton must be paid to the city of Calumet for water treatment and pumphouse modifications;

(7) 0.159 cent per ton must be paid to the city of Bovey for residential and commercial claims for water damage due to water and flood-related damage caused by the Canisteo Pit;

(8) 0.637 cent per ton must be paid to the city of Nashwauk for a community and child care center;

(9) 0.637 cent per ton must be paid to the city of Keewatin for water and sewer upgrades;

(10) 0.637 cent per ton must be paid to the city of Marble for the city hall and library project;

(11) 0.955 cent per ton must be paid to the city of Grand Rapids for extension of water and sewer services for Lakewood Housing;

(12) 0.159 cent per ton must be paid to the city of Grand Rapids for exhibits at the Children's Museum;

(13) 0.637 cent per ton must be paid to the city of Grand Rapids for Block 20/21 soil corrections. This amount must be matched by local sources;

(14) 0.605 cent per ton must be paid to the city of Aitkin for three water loops;

(15) 0.048 cent per ton must be paid to the city of Aitkin for signage;

(16) 0.159 cent per ton must be paid to Itasca County for an ATV trail;

(17) 0.637 cent per ton must be paid to the city of Cohasset for the Beers Road railroad crossing;

(18) 0.088 cent per ton must be paid to the town of Clinton for expansion and striping of the community center parking lot;

(19) 0.398 cent per ton must be paid to the city of Kinney for water line replacement;

(20) 0.796 cent per ton must be paid to the city of Gilbert for infrastructure improvements, milling, and overlay for Summit Street between Alaska Avenue and Highway 135;

(21) 0.318 cent per ton must be paid to the city of Gilbert for sanitary sewer main replacements and improvements in the Northeast Lower Alley area;

(22) 0.637 cent per ton must be paid to the town of White for replacement of the Steep-to Road culvert;

(23) 0.637 cent per ton must be paid to the city of Buhl for reconstruction of Sharon Street and associated infrastructure;

(24) 0.637 cent per ton must be paid to the city of Mountain Iron for site improvements at the Park Ridge development;

(25) 0.796 cent per ton must be paid to the city of Mountain Iron for infrastructure and site preparation for its renewable and sustainable energy park;

(26) 0.637 cent per ton must be paid to the city of Biwabik for sanitary sewer improvements;

(27) 0.796 cent per ton must be paid to the city of Aurora for alley and road rebuilding for the Summit Addition;

(28) 0.955 cent per ton must be paid to the city of Silver Bay for bioenergy facility improvements;

(29) 0.318 cent per ton must be paid to the city of Grand Marais for water and sewer infrastructure improvements;

(30) 0.318 cent per ton must be paid to the city of Orr for airport, water, and sewer improvements;

(31) 0.318 cent per ton must be paid to the city of Cook for street and bridge improvements;

(32) 0.955 cent per ton must be paid to the city of Ely for street, water, and sewer improvements;

(33) 0.318 cent per ton must be paid to the city of Tower for water and sewer improvements;

(34) 0.955 cent per ton must be paid to the city of Two Harbors for water and sewer improvements;

(35) 0.637 cent per ton must be paid to the city of Babbitt for water and sewer improvements;

(36) 0.096 cent per ton must be paid to the township of Duluth for infrastructure improvements;

(37) 0.096 cent per ton must be paid to the township of Tuft for infrastructure improvements;

(38) 3.184 cents per ton must be paid to the city of Hibbing for sewer improvements;

(39) 1.273 cents per ton must be paid to the city of Chisholm for NW Area Project infrastructure improvements;

(40) 0.318 cent per ton must be paid to the city of Chisholm for health and safety improvements at the athletic facility; and

(41) 0.796 cent per ton must be paid to the city of Hoyt Lakes for residential street improvements.

EFFECTIVE DATE. This section is effective the day following final enactment and distribution must be made in August 2010.

Sec. 5. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall change the terms "Douglas J. Johnson economic protection trust fund" or similar terms to "Mesabi miners' memorial economic development fund" or similar terms wherever they appear in Minnesota Statutes. The revisor shall also make grammatical changes related to the changes in terms.

(b) The revisor of statutes shall change the terms "Ironworld Discovery Center" to "Iron Range Heritage Center and Perpich Archives" wherever they appear in Minnesota Statutes.

ARTICLE 16

AIDS AND CREDITS

Section 1. Minnesota Statutes 2009 Supplement, section 273.111, subdivision 9, is amended to read:

Subd. 9. **Additional taxes.** (a) Except as provided in paragraph (b), when real property which is being, or has been valued and assessed under this section no longer qualifies under subdivision 3, the portion no longer qualifying shall be subject to additional taxes, in the amount equal to the difference between the taxes determined in accordance with subdivision 4, and the amount determined under subdivision 5. Provided, however, that the amount determined under subdivision 5 shall not be greater than it would have been had the actual bona fide sale price of the real property at an arm's-length transaction been used in lieu of the market value determined under subdivision 5. Such additional taxes shall be extended against the property on the tax list for the current year, provided, however, that no interest or penalties shall be levied on such additional taxes if timely paid, and provided further, that such additional taxes shall only be levied with respect to the last three years that the said property has been valued and assessed under this section.

(b) Real property that has been valued and assessed under this section prior to May 29, 2008, and that ceases to qualify under this section after May 28, 2008, and is withdrawn from the program before ~~May 1, 2010~~ August 16, 2010, is not subject to additional taxes under this subdivision or subdivision 3, paragraph (c). If additional taxes have been paid under this subdivision with respect to property described in this paragraph prior to April 3, 2009, the county must repay the property owner in the manner prescribed by the commissioner of revenue.

EFFECTIVE DATE. This section is effective for withdrawals after April 30, 2010.

Sec. 2. Minnesota Statutes 2008, section 273.1384, is amended by adding a subdivision to read:

Subd. 6. **Credit reduction.** In 2011 and each year thereafter, the market value credit reimbursement amount for each taxing jurisdiction determined under this section is reduced by the dollar amount of the reduction in market value credit reimbursements for that taxing jurisdiction in 2010 due to unallotment reductions announced prior to February 28, 2010, under section 16A.152. No taxing jurisdiction's market value credit reimbursements are reduced to less than zero under this subdivision. The commissioner of revenue shall pay the annual market value credit reimbursement amounts, after reduction under this subdivision, to the affected taxing jurisdictions as provided in this section.

EFFECTIVE DATE. This section is effective for taxes payable in 2011 and thereafter.

Sec. 3. Minnesota Statutes 2009 Supplement, section 275.70, subdivision 5, is amended to read:

Subd. 5. **Special levies.** "Special levies" means those portions of ad valorem taxes levied by a local governmental unit for the following purposes or in the following manner:

(1) to pay the costs of the principal and interest on bonded indebtedness or to reimburse for the amount of liquor store revenues used to pay the principal and interest due on municipal liquor store bonds in the year preceding the year for which the levy limit is calculated;

(2) to pay the costs of principal and interest on certificates of indebtedness issued for any corporate purpose except for the following:

(i) tax anticipation or aid anticipation certificates of indebtedness;

(ii) certificates of indebtedness issued under sections 298.28 and 298.282;

(iii) certificates of indebtedness used to fund current expenses or to pay the costs of extraordinary expenditures that result from a public emergency; or

(iv) certificates of indebtedness used to fund an insufficiency in tax receipts or an insufficiency in other revenue sources;

(3) to provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(4) to fund payments made to the Minnesota State Armory Building Commission under section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(5) property taxes approved by voters which are levied against the referendum market value as provided under section 275.61;

(6) to fund matching requirements needed to qualify for federal or state grants or programs to the extent that either (i) the matching requirement exceeds the matching requirement in calendar year 2001, or (ii) it is a new matching requirement that did not exist prior to 2002;

(7) to pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes, in accordance with standards formulated by the Emergency Services Division of the state Department of Public Safety, as allowed by the commissioner of revenue under section 275.74, subdivision 2;

(8) pay amounts required to correct an error in the levy certified to the county auditor by a city or county in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.70 to 275.74 in the preceding levy year;

(9) to pay an abatement under section 469.1815;

(10) to pay any costs attributable to increases in the employer contribution rates under chapter 353, or locally administered pension plans, that are effective after June 30, 2001;

(11) to pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (f), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the Department of Corrections, or to pay the operating or maintenance costs of a regional jail as authorized in section 641.262. For purposes of this clause, a district court order is not a rule, minimum requirement, minimum standard, or directive of the Department of Corrections. If the county utilizes this special levy, except to pay operating or maintenance costs of a new regional jail facility under sections 641.262 to 641.264 which will not replace an existing jail facility, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71, shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(12) to pay for operation of a lake improvement district, as authorized under section 103B.555. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71 shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(13) to repay a state or federal loan used to fund the direct or indirect required spending by the local government due to a state or federal transportation project or other state or federal capital project. This authority may only be used if the project is not a local government initiative;

(14) to pay for court administration costs as required under section 273.1398, subdivision 4b, less the (i) county's share of transferred fines and fees collected by the district courts in the county for calendar year 2001 and (ii) the aid amount certified to be paid to the county in 2004 under section 273.1398, subdivision 4c; however, for taxes levied to pay for these costs in the year in which the court financing is transferred to the state, the amount under this clause is limited to the amount of aid the county is certified to receive under section 273.1398, subdivision 4a;

(15) to fund a police or firefighters relief association as required under section 69.77 to the extent that the required amount exceeds the amount levied for this purpose in 2001;

(16) for purposes of a storm sewer improvement district under section 444.20;

(17) to pay for the maintenance and support of a city or county society for the prevention of cruelty to animals under section 343.11, but not to exceed in any year $4,800 or the sum of $1 per capita based on the county's or city's population as of the most recent federal census, whichever is greater. If the city or county uses this special levy, any amount levied by the city or county in the previous levy year for the purposes specified in this clause and included in the city's or county's previous year's levy limit computed under section 275.71, must be deducted from the levy limit base under section 275.71, subdivision 2, in determining the city's or county's current year levy limit;

(18) for counties, to pay for the increase in their share of health and human service costs caused by reductions in federal health and human services grants effective after September 30, 2007;

(19) for a city, for the costs reasonably and necessarily incurred for securing, maintaining, or demolishing foreclosed or abandoned residential properties, as allowed by the commissioner of revenue under section 275.74, subdivision 2. A city must have either (i) a foreclosure rate of at least 1.4 percent in 2007, or (ii) a foreclosure rate in 2007 in

the city or in a zip code area of the city that is at least 50 percent higher than the average foreclosure rate in the metropolitan area, as defined in section 473.121, subdivision 2, to use this special levy. For purposes of this paragraph, "foreclosure rate" means the number of foreclosures, as indicated by sheriff sales records, divided by the number of households in the city in 2007;

(20) for a city, for the unreimbursed costs of redeployed traffic-control agents and lost traffic citation revenue due to the collapse of the Interstate 35W bridge, as certified to the Federal Highway Administration;

(21) to pay costs attributable to wages and benefits for sheriff, police, and fire personnel. If a local governmental unit did not use this special levy in the previous year its levy limit base under section 275.71 shall be reduced by the amount equal to the amount it levied for the purposes specified in this clause in the previous year;

(22) an amount equal to any reductions in the certified aids or credits payable under sections 477A.011 to 477A.014, and section 273.1384, due to unallotment under section 16A.152 or reductions under another provision of law. The amount of the levy allowed under this clause is equal to the amount unallotted or reduced in the calendar year in which the tax is levied unless the unallotment or reduction amount is not known by September 1 of the levy year, and the local government has not adjusted its levy under section 275.065, subdivision 6, or 275.07, subdivision 6, in which case the unallotment or reduction amount may be levied in the following year;

(23) to pay for the difference between one-half of the costs of confining sex offenders undergoing the civil commitment process and any state payments for this purpose pursuant to section 253B.185, subdivision 5;

(24) for a county to pay the costs of the first year of maintaining and operating a new facility or new expansion, either of which contains courts, corrections, dispatch, criminal investigation labs, or other public safety facilities and for which all or a portion of the funding for the site acquisition, building design, site preparation, construction, and related equipment was issued or authorized prior to the imposition of levy limits in 2008. The levy limit base shall then be increased by an amount equal to the new facility's first full year's operating costs as described in this clause; and

(25) for the estimated amount of reduction to ~~credits~~ market value credit reimbursements under section 273.1384 for credits payable in the year in which the levy is payable.

EFFECTIVE DATE. This section is effective for taxes payable in 2011 and thereafter.

Sec. 4. Minnesota Statutes 2008, section 477A.013, subdivision 9, is amended to read:

Subd. 9. **City aid distribution.** (a) In calendar year 2009 and thereafter, each city shall receive an aid distribution equal to the sum of (1) the city formula aid under subdivision 8, and (2) its city aid base.

(b) For aids payable in ~~2009~~ 2010 only, the total aid for any city shall ~~not exceed the sum of (1) 35 percent of the city's net levy for the year prior to the aid distribution, plus (2) its total aid in the previous year~~ mean the amount of aid it was certified to receive for aids payable in 2010 under this section minus the amount of its aid reduction under section 477A.0133. For aids payable in 2011 and thereafter, the total aid for any city means the amount of aid it was certified to receive under this section in the previous payable year.

(c) For aids payable in 2010 and thereafter, the total aid for any city shall not exceed the sum of (1) ten percent of the city's net levy for the year prior to the aid distribution plus (2) its total aid in the previous year. For aids payable in 2009 and thereafter, the total aid for any city with a population of 2,500 or more may not be less than its total aid under this section in the previous year minus the lesser of $10 multiplied by its population, or ten percent of its net levy in the year prior to the aid distribution.

(d) For aids payable in 2010 and thereafter, the total aid for a city with a population less than 2,500 must not be less than the amount it was certified to receive in the previous year minus the lesser of $10 multiplied by its population, or five percent of its 2003 certified aid amount. For aids payable in 2009 only, the total aid for a city with a population less than 2,500 must not be less than what it received under this section in the previous year unless its total aid in calendar year 2008 was aid under section 477A.011, subdivision 36, paragraph (s), in which case its minimum aid is zero.

(e) A city's aid loss under this section may not exceed $300,000 in any year in which the total city aid appropriation under section 477A.03, subdivision 2a, is equal or greater than the appropriation under that subdivision in the previous year, unless the city has an adjustment in its city net tax capacity under the process described in section 469.174, subdivision 28.

(f) If a city's net tax capacity used in calculating aid under this section has decreased in any year by more than 25 percent from its net tax capacity in the previous year due to property becoming tax-exempt Indian land, the city's maximum allowed aid increase under paragraph (c) shall be increased by an amount equal to (1) the city's tax rate in the year of the aid calculation, multiplied by (2) the amount of its net tax capacity decrease resulting from the property becoming tax exempt.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2011 and thereafter.

Sec. 5. **[477A.0133] ADDITIONAL 2010 AID AND CREDIT REDUCTIONS.**

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

(b) The "2010 revenue base" for a county is the sum of the county's certified property tax levy for taxes payable in 2010, plus the amount of county program aid under section 477A.0124 that the county was certified to receive in 2010, plus the amount of taconite aids under sections 298.28 and 298.282 that the county was certified to receive in 2010 including any amounts required to be placed in a special fund for distribution in a later year.

(c) The "2010 revenue base" for a statutory or home rule charter city is the sum of the city's certified property tax levy for taxes payable in 2010, plus the amount of local government aid under section 477A.013, subdivision 9, that the city was certified to receive in 2010, plus the amount of taconite aids under sections 298.28 and 298.282 that the city was certified to receive in 2010 including any amounts required to be placed in a special fund for distribution in a later year.

Subd. 2. **2010 reductions; counties, and cities.** The commissioner of revenue must compute additional 2010 aid and credit reimbursement reduction amounts for each county and city under this section, after implementing any reduction of county program aid under section 477A.0124, local government aid under section 477A.013, or market value credit reimbursements under section 273.1384, to reflect the reduction of allotments under section 16A.152.

The additional reduction amounts under this section are limited to the sum of the amount of county program aid under section 477A.0124, local government aid under section 477A.013, and market value credit reimbursements under section 273.1384 payable to the county or city in 2010 before the reductions in this section, but after the reductions for unallotment.

The reduction amount under this section is applied first to reduce the amount payable to the county or city in 2010 as market value credit reimbursements under section 273.1384, and then if necessary, to reduce the amount payable as either county program aid under section 477A.0124 in the case of a county, or local government aid under section 477A.013 in the case of a city.

No aid or reimbursement amount is reduced to less than zero under this section.

The additional 2010 aid reduction amount for a county is equal to 1.82767 percent of the county's 2010 revenue base. The additional 2010 aid reduction amount for a city is equal to the lesser of (1) 3.4287 percent of the city's 2010 revenue base or (2) $28 multiplied by the city's 2008 population.

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

Sec. 6. Minnesota Statutes 2008, section 477A.03, subdivision 2a, is amended to read:

Subd. 2a. **Cities.** For aids payable in ~~2009~~ 2011 and thereafter, the total aid paid under section 477A.013, subdivision 9, is ~~$526,148,487, subject to adjustment in subdivision 5~~ $520,725,315.

EFFECTIVE DATE. This section is effective for aids payable in 2011 and thereafter.

Sec. 7. Minnesota Statutes 2008, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in ~~2009~~ 2011 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is ~~$111,500,000 minus one-half of the total aid amount determined under section 477A.0124, subdivision 5, paragraph (b), subject to adjustment in subdivision 5~~ $99,572,700. Each calendar year, $500,000 shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. For calendar year 2004, the amount shall be in addition to the payments authorized under section 477A.0124, subdivision 1. For calendar year 2005 and subsequent years, the amount shall be deducted from the appropriation under this paragraph. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in ~~2009~~ 2011 and thereafter, the total aid under section 477A.0124, subdivision 4, is ~~$116,132,923 minus one-half of the total aid amount determined under section 477A.0124, subdivision 5, paragraph (b), subject to adjustment in subdivision 5~~ $104,487,304. The commissioner of management and budget shall bill the commissioner of revenue for the cost of preparation of local impact notes as required by section 3.987, not to exceed $207,000 in fiscal year 2004 and thereafter. The commissioner of education shall bill the commissioner of revenue for the cost of preparation of local impact notes for school districts as required by section 3.987, not to exceed $7,000 in fiscal year 2004 and thereafter. The commissioner of revenue shall deduct the amounts billed under this paragraph from the appropriation under this paragraph. The amounts deducted are appropriated to the commissioner of management and budget and the commissioner of education for the preparation of local impact notes.

EFFECTIVE DATE. This section is effective for aids payable in 2011 and thereafter.

Sec. 8. **REPEALER.**

Minnesota Statutes 2008, section 477A.03, subdivision 5, is repealed.

EFFECTIVE DATE. This section is effective for aids payable in 2011 and thereafter.

APPENDIX
Article locations in H1671-4