

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 1761

(SENATE AUTHORS: DAHLE)

DATE	D-PG	OFFICIAL STATUS
03/16/2015	898	Introduction and first reading Referred to State and Local Government

A bill for an act

relating to state government; modernizing payment language in statutory provisions; amending Minnesota Statutes 2014, sections 15.0596; 15.191, subdivisions 1, 3; 16A.11, subdivision 3; 16A.125, subdivision 5; 16A.13, subdivision 2a; 16A.134; 16A.15, subdivision 3; 16A.17, subdivision 5; 16A.272, subdivision 3; 16A.40; 16A.42, subdivisions 2, 4; 16A.56; 16A.671, subdivision 1; 16B.37, subdivision 4; 16D.03, subdivision 2; 16D.09, subdivision 1; 21.116; 43A.30, subdivision 2; 43A.49; 49.24, subdivisions 13, 16; 69.031, subdivision 1; 80A.65, subdivision 9; 84A.23, subdivision 4; 84A.33, subdivision 4; 84A.40; 84A.52; 88.12, subdivision 1; 94.522; 94.53; 116J.64, subdivision 7; 126C.55, subdivisions 2, 9; 126C.68, subdivision 3; 126C.69, subdivision 14; 127A.34, subdivision 1; 127A.40; 136F.46, subdivision 1; 136F.70, subdivision 3; 162.08, subdivisions 10, 11; 162.14, subdivisions 4, 5; 162.18, subdivision 4; 162.181, subdivision 4; 163.051, subdivision 3; 176.181, subdivision 2; 176.581; 176.591, subdivision 3; 192.55; 196.052; 198.16; 237.30; 241.13, subdivision 1; 244.19, subdivision 7; 256B.20; 260B.331, subdivision 2; 260C.331, subdivision 2; 273.121, subdivision 1; 287.08; 297I.10, subdivision 1; 299C.21; 348.05; 352.04, subdivision 9; 352.05; 352.115, subdivision 12; 352.12, subdivision 13; 353.05; 353.27, subdivision 7; 353.83; 354.42, subdivision 7; 354.52, subdivisions 4, 4b; 401.15, subdivision 1; 446A.086, subdivision 4; 446A.16, subdivision 1; 462A.18, subdivision 1; 475A.04, subdivision 1; 525.841; repealing Minnesota Statutes 2014, section 16A.27, subdivision 2.

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

Section 1. Minnesota Statutes 2014, section 15.0596, is amended to read:

15.0596 ADDITIONAL COMPENSATION FROM CONTINGENT FUND PROHIBITED.

In all cases where the compensation of an officer of the state is fixed by law at a specified sum, it shall be unlawful for any such officer or employee to receive additional compensation for the performance of official services out of the contingent fund of the officer or the department, and it shall be unlawful for the head of any department of the state government to direct the payment of such additional compensation out of the contingent

fund; and the commissioner of management and budget is hereby prohibited from issuing a ~~warrant~~ payment upon such contingent fund in payment of such additional compensation.

Every person offending against the provisions of this section shall be guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 2014, section 15.191, subdivision 1, is amended to read:

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

Sec. 3. Minnesota Statutes 2014, section 15.191, subdivision 3, is amended to read:

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

Sec. 4. Minnesota Statutes 2014, section 16A.11, subdivision 3, is amended to read:

Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget estimates both of expenditures and revenues, must contain any statements on the financial plan which the governor believes desirable or which may be required by the legislature. The detailed estimates shall include the governor's budget arranged in tabular form.

(b) Tables listing expenditures for the next biennium must show the appropriation base for each year. The appropriation base is the amount appropriated for the second year of the current biennium. The tables must separately show any adjustments to the base required by current law or policies of the commissioner of management and budget. For forecasted programs, the tables must also show the amount of the forecast adjustments, based on the most recent forecast prepared by the commissioner of management and budget under section 16A.103. For all programs, the tables must show the amount of appropriation changes recommended by the governor, after adjustments to the base and forecast adjustments, and the total recommendation of the governor for that year.

(c) ~~The detailed estimates must include a separate line listing the total cost of professional and technical service contracts for the prior biennium and the projected costs of those contracts for the current and upcoming biennium. They~~ The detailed budget must also include a summary of the personnel employed by the agency, reflected as full-time equivalent positions.

(d) The detailed estimates for internal service funds must include the number of full-time equivalents by program; detail on any loans from the general fund, including dollar amounts by program; proposed investments in technology or equipment of \$100,000 or more; an explanation of any operating losses or increases in retained earnings; and a history of the rates that have been charged, with an explanation of any rate changes and the impact of the rate changes on affected agencies.

Sec. 5. Minnesota Statutes 2014, section 16A.125, subdivision 5, is amended to read:

Subd. 5. Forest trust lands. (a) The term "state forest trust fund lands" as used in this subdivision, means public land in trust under the Constitution set apart as "forest lands under the authority of the commissioner" of natural resources as defined by section 89.001, subdivision 13.

(b) The commissioner of management and budget shall credit the revenue from the forest trust fund lands to the forest suspense account. ~~The account must specify the trust funds interested in the lands and the respective receipts of the lands~~ permanent school fund.

(c) After a fiscal year, the commissioner of management and budget shall certify the costs incurred for forestry during that year under appropriations for the improvement, administration, and management of state forest trust fund lands and construction and improvement of forest roads to enhance the forest value of the lands. The certificate must specify the trust funds interested in the lands. After presentation to the Legislative Permanent School Fund Commission, the commissioner of natural resources shall supply the commissioner of management and budget with the information needed for the certificate. The certificate shall include an analysis that compares costs certified under this section with costs incurred on other public and private lands with similar land assets.

(d) After a fiscal year, the commissioner shall ~~distribute~~ transfer the receipts ~~credited to the suspense account~~ during that fiscal year as follows:

(1) the amount of the certified costs incurred by the state for forest management, forest improvement, and road improvement during the fiscal year shall be transferred to the forest management investment account established under section 89.039;

(2) the amount of costs incurred by the Legislative Permanent School Fund Commission under section 127A.30, and by the school trust lands director under section 127A.353, shall be transferred to the general fund;

(3) the balance of the certified costs incurred by the state during the fiscal year shall be transferred to the general fund; and

(4) the balance of the receipts shall then be returned prorated to the trust funds in proportion to their respective interests in the lands which produced the receipts.

4.1 Sec. 6. Minnesota Statutes 2014, section 16A.13, subdivision 2a, is amended to read:

4.2 Subd. 2a. **Procedure.** The commissioner shall see that the deduction for the
4.3 withheld tax is made from an employee's pay on the payroll abstract. The commissioner
4.4 shall approve one ~~warrant payable~~ payment to the commissioner for the total amount
4.5 deducted on the abstract. Deductions from the pay of an employee paid direct by an
4.6 agency shall be made by the employee's payroll authority. A later deduction must
4.7 correct an error made on an earlier deduction. The paying authority shall see that a
4.8 ~~warrant or check~~ payment for the deductions is promptly sent to the commissioner. The
4.9 commissioner shall deposit the amount of the ~~warrant or check~~ payment to the credit of
4.10 the proper federal authority or other person authorized by federal law to receive it.

4.11 Sec. 7. Minnesota Statutes 2014, section 16A.134, is amended to read:

4.12 **16A.134 CHARITABLE ORGANIZATIONS PAYROLL DEDUCTIONS.**

4.13 An employee's contribution to a registered combined charitable organization defined
4.14 in section 43A.50 may be deducted from the employee's pay. On the employee's written
4.15 request, the commissioner shall deduct a requested amount from the pay of the employee
4.16 for each pay period. The commissioner shall issue a ~~warrant~~ payment in that amount to
4.17 the specified organization.

4.18 Sec. 8. Minnesota Statutes 2014, section 16A.15, subdivision 3, is amended to read:

4.19 Subd. 3. **Allotment and encumbrance.** (a) A payment may not be made without
4.20 prior obligation. An obligation may not be incurred against any fund, allotment, or
4.21 appropriation unless the commissioner has certified a sufficient unencumbered balance
4.22 or the accounting system shows sufficient allotment or encumbrance balance in the
4.23 fund, allotment, or appropriation to meet it. The commissioner shall determine when
4.24 the accounting system may be used to incur obligations without the commissioner's
4.25 certification of a sufficient unencumbered balance. An expenditure or obligation
4.26 authorized or incurred in violation of this chapter is invalid and ineligible for payment
4.27 until made valid. A payment made in violation of this chapter is illegal. An employee
4.28 authorizing or making the payment, or taking part in it, and a person receiving any part of
4.29 the payment, are jointly and severally liable to the state for the amount paid or received.
4.30 If an employee knowingly incurs an obligation or authorizes or makes an expenditure
4.31 in violation of this chapter or takes part in the violation, the violation is just cause for
4.32 the employee's removal by the appointing authority or by the governor if an appointing
4.33 authority other than the governor fails to do so. In the latter case, the governor shall give
4.34 notice of the violation and an opportunity to be heard on it to the employee and to the

5.1 appointing authority. A claim presented against an appropriation without prior allotment
5.2 or encumbrance may be made valid on investigation, review, and approval by the agency
5.3 head in accordance with the commissioner's policy, if the services, materials, or supplies
5.4 to be paid for were actually furnished in good faith without collusion and without intent to
5.5 defraud. The commissioner may then ~~draw a warrant to~~ pay the claim just as properly
5.6 allotted and encumbered claims are paid.

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

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

5.15 Sec. 9. Minnesota Statutes 2014, section 16A.17, subdivision 5, is amended to read:

5.16 Subd. 5. **Payroll duties.** When the department prepares the payroll for an agency,
5.17 the commissioner assumes the agency head's duties to make authorized or required
5.18 deductions from, or employer contributions on, the pay of the agency's employees and to
5.19 prepare and issue the necessary ~~warrants~~ payments.

5.20 Sec. 10. Minnesota Statutes 2014, section 16A.272, subdivision 3, is amended to read:

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

5.23 Sec. 11. Minnesota Statutes 2014, section 16A.40, is amended to read:

5.24 **16A.40 WARRANTS PAYMENTS AND ELECTRONIC FUND TRANSFERS.**

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

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

5.32 Sec. 12. Minnesota Statutes 2014, section 16A.42, subdivision 2, is amended to read:

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

Sec. 13. Minnesota Statutes 2014, section 16A.42, subdivision 4, is amended to read:

Subd. 4. **Register.** The commissioner shall enter a ~~warrant~~ payment in the ~~warrant~~ payment register as if it were a cash payment.

Sec. 14. Minnesota Statutes 2014, section 16A.56, is amended to read:

16A.56 COMMISSIONER'S RECEIPT AND CLAIM DUTIES.

The commissioner or a designee shall examine every receipt and claim, and if proper, approve them, name the account to be charged or credited, and issue ~~warrants~~ payments to pay claims.

Sec. 15. Minnesota Statutes 2014, section 16A.671, subdivision 1, is amended to read:

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

Sec. 16. Minnesota Statutes 2014, section 16B.37, subdivision 4, is amended to read:

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

Sec. 17. Minnesota Statutes 2014, section 16D.03, subdivision 2, is amended to read:

Subd. 2. **State agency reports.** State agencies shall report quarterly to the commissioner of management and budget the debts owed to them. The commissioner of management and budget, ~~in consultation with the commissioners of revenue and human services, and the attorney general,~~ shall establish internal guidelines for the recognition,

tracking, ~~and reporting, and collection~~ of debts owed the state. The internal guidelines must include accounting standards, performance measurements, and uniform reporting requirements applicable to all state agencies. The commissioner of management and budget shall require a state agency to recognize, track, report, and attempt to collect debts according to the internal guidelines. The commissioner, in consultation with the commissioners of management and budget and revenue, and the attorney general, shall establish internal guidelines for the collection of debt owed to the state.

Sec. 18. Minnesota Statutes 2014, section 16D.09, subdivision 1, is amended to read:

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

Sec. 19. Minnesota Statutes 2014, section 21.116, is amended to read:

21.116 EXPENSES.

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

8.1 Sec. 20. Minnesota Statutes 2014, section 43A.30, subdivision 2, is amended to read:

8.2 Subd. 2. **Payroll deduction.** If an eligible person who is on any payroll of the
8.3 state or an eligible person's dependents is enrolled for any of the optional coverages
8.4 made available by the commissioner pursuant to section 43A.26 the commissioner of
8.5 management and budget, upon the person's written order, shall deduct from the salary or
8.6 wages of the person those amounts required from time to time to maintain the optional
8.7 coverages in force, and issue a ~~warrant~~ payment therefor to the appropriate carrier.

8.8 Sec. 21. Minnesota Statutes 2014, section 43A.49, is amended to read:

8.9 **43A.49 VOLUNTARY UNPAID LEAVE OF ABSENCE.**

8.10 (a) Appointing authorities in state government may allow each employee to take
8.11 unpaid leaves of absence for up to 1,040 hours in each two-year period beginning July 1 of
8.12 each odd-numbered year. Each appointing authority approving such a leave shall allow
8.13 the employee to continue accruing vacation and sick leave, be eligible for paid holidays
8.14 and insurance benefits, accrue seniority, and accrue service credit and credited salary
8.15 in retirement plans as if the employee had actually been employed during the time of
8.16 leave. An employee covered by the unclassified plan may voluntarily make the employee
8.17 contributions to the unclassified plan during the leave of absence. If the employee makes
8.18 these contributions, the appointing authority must make the employer contribution. If the
8.19 leave of absence is for one full pay period or longer, any holiday pay shall be included in
8.20 the first payroll ~~warrant~~ payment after return from the leave of absence. The appointing
8.21 authority shall attempt to grant requests for the unpaid leaves of absence consistent with
8.22 the need to continue efficient operation of the agency. However, each appointing authority
8.23 shall retain discretion to grant or refuse to grant requests for leaves of absence and to
8.24 schedule and cancel leaves, subject to the applicable provisions of collective bargaining
8.25 agreements and compensation plans.

8.26 (b) To receive eligible service credit and credited salary in a defined benefit plan, the
8.27 member shall pay an amount equal to the applicable employee contribution rates. If an
8.28 employee pays the employee contribution for the period of the leave under this section,
8.29 the appointing authority must pay the employer contribution. The appointing authority
8.30 may, at its discretion, pay the employee contributions. Contributions must be made in a
8.31 time and manner prescribed by the executive director of the applicable retirement system.

8.32 Sec. 22. Minnesota Statutes 2014, section 49.24, subdivision 13, is amended to read:

8.33 Subd. 13. **Disposition of unclaimed dividends.** Upon the liquidation of any
8.34 financial institution liquidated by the commissioner as statutory liquidator, if any dividends

9.1 or other moneys set apart for the payment of claims remain unpaid, and the places of
9.2 residence of the owners thereof are unknown to the commissioner, the commissioner may
9.3 pay same into the state treasury as hereinafter provided. Whenever the commissioner
9.4 shall be satisfied that the process of liquidation should not be further continued the
9.5 commissioner may make and certify triplicate lists of any such unclaimed dividends or
9.6 other moneys, specifying the name of each owner, the amount due, and the last known
9.7 address. Upon one of such lists, to be retained by the commissioner shall be endorsed
9.8 the commissioner's order that such unclaimed moneys be forthwith deposited in the state
9.9 treasury. When so deposited, one of said lists shall be delivered to the commissioner of
9.10 management and budget and the commissioner shall retain in the commissioner's office
9.11 such records and proofs concerning said claims as the commissioner may have, which
9.12 shall thereafter remain on file in the office. The commissioner of management and budget
9.13 shall execute upon the list retained by the commissioner a receipt for such money, which
9.14 shall operate as a full discharge of the commissioner on account of such claims. At any
9.15 time within six years after such receipt, but not afterward, the claimant may apply to the
9.16 commissioner for the amount so deposited for the claimant's benefit, and upon proof
9.17 satisfactory to the governor, the attorney general and the commissioner, or to a majority
9.18 of them, they shall give an order to the commissioner of management and budget to
9.19 issue a warrant payment for such amount, and such warrant payment shall thereupon
9.20 be issued. If no such claim be presented within six years, the commissioner shall so
9.21 note upon the commissioner's copy of said list and certify the fact to the commissioner
9.22 of management and budget who shall make like entries upon the commissioner of
9.23 management and budget's corresponding lists; and all further claims to said money shall
9.24 be barred. Provided, that the commissioner of management and budget shall transfer to
9.25 the commissioner of commerce's liquidation fund created by this section not to exceed
9.26 50 percent of the amount so turned over by the commissioner, to be used to partially
9.27 defray expenses in connection with the liquidation of closed banks and the conduct of the
9.28 liquidation division, in such amounts and at such times as the commissioner shall request.

9.29 There is hereby appropriated to the persons entitled to such amounts, from such
9.30 moneys in the state treasury not otherwise appropriated, an amount sufficient to make
9.31 such payment.

9.32 Sec. 23. Minnesota Statutes 2014, section 49.24, subdivision 16, is amended to read:

9.33 Subd. 16. **Transfers to liquidation fund.** The following moneys shall be transferred
9.34 to and deposited in the commissioner of commerce's liquidation fund:

(1) All moneys paid to the commissioner of management and budget by the commissioner out of funds of any financial institution in the commissioner's hands as reimbursement for services and expenses pursuant to the provisions of subdivision 7.

(2) All moneys in the possession of the commissioner set aside for the purpose of meeting unforeseen and contingent expenses incident to the liquidation of closed financial institutions, which funds have been or shall be hereafter established by withholding portions of final liquidating dividends in such cases.

(3) All moneys which the commissioner shall request the commissioner of management and budget to transfer to such fund pursuant to the provisions of subdivision 13.

(4) All moneys in the possession of the commissioner now carried on the commissioner's books in "stamp account," "suspense account," and "unclaimed deposit account."

(5) All moneys in the possession of the commissioner which the commissioner may be authorized by order of any district court having jurisdiction of any liquidation proceedings to transfer to such fund, or to use for any of the purposes for which the fund is established.

(6) All moneys in the possession of the commissioner carried on the commissioner's books in the "unclaimed bonds account." At any time within six years after any bond the proceeds of the sale of which constitute a portion of the moneys in this paragraph referred to came into the possession of the commissioner as liquidator of any financial institution, any claimant thereto may apply to the commissioner for the proceeds of the sale of such bond, and, upon proof satisfactory to the governor, the attorney general, and the commissioner, or a majority of them, they shall give an order to the commissioner of management and budget to issue a warrant payment for such amount, without interest, and such warrant payment shall thereupon be issued and the amount thereof paid out of the commissioner of commerce's liquidation fund. If no such claim be presented within such period, all further claims to the proceeds of any such bond shall be barred.

(7) All sums which the commissioner may receive from the sale of personal property of liquidated financial institutions where the final dividend has been paid and no disposition of said property made by any order of the court, and the proceeds of sales of any personal property used by the liquidation division which have been purchased with funds of financial institutions in liquidation.

Sec. 24. Minnesota Statutes 2014, section 69.031, subdivision 1, is amended to read:

Subdivision 1. **Commissioner's warrant payment.** (a) The commissioner of management and budget shall issue to the Public Employees Retirement Association on

behalf of a municipality or independent nonprofit firefighting corporation that is a member of the voluntary statewide lump-sum volunteer firefighter retirement plan under chapter 353G, to the Department of Natural Resources, the Department of Public Safety, or the county, municipality, or independent nonprofit firefighting corporation certified to the commissioner of management and budget by the commissioner a ~~warrant~~ payment for an amount equal to the amount of fire state aid or police state aid, whichever applies, certified for the applicable state aid recipient by the commissioner under section 69.021.

(b) Fire state aid and police state aid is payable on October 1 annually. The amount of state aid due and not paid by October 1 accrues interest payable to the state aid recipient at the rate of one percent for each month or part of a month that the amount remains unpaid after October 1.

Sec. 25. Minnesota Statutes 2014, section 80A.65, subdivision 9, is amended to read:

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

Sec. 26. Minnesota Statutes 2014, section 84A.23, subdivision 4, is amended to read:

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

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

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

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

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

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

12.11 (d) As to public drainage ditches partly within and partly outside a project, the
12.12 amount paid from the fund pertaining to the project to or for the benefit of the county must
12.13 never exceed a certain percentage of bonds issued to finance and refinance the ditches so
12.14 outstanding, less money on hand in the county ditch fund to the credit of the ditches on
12.15 April 25, 1931. The percentage must bear the same proportion to the whole amount of
12.16 these bonds as the original benefits assessed against lands within the project bear to the
12.17 original total benefits assessed to the entire system of the ditches. This liability shall be
12.18 reduced from time to time by the payments of all assessments extended after April 25,
12.19 1931, made by the owners of lands within the project of assessments for benefits assessed
12.20 before that date on account of a ditch.

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

12.25 Sec. 27. Minnesota Statutes 2014, section 84A.33, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

Sec. 28. Minnesota Statutes 2014, section 84A.40, is amended to read:

84A.40 COUNTY MAY ASSUME BONDS.

Any county where a project or portion of it is located may voluntarily assume, in the manner specified in this section, the obligation to pay a portion of the principal and interest of the bonds issued before the approval and acceptance of the project and

remaining unpaid at maturity, of any school district or town in the county and wholly or partly within the project. The portion must bear the same proportion to the whole of the unpaid principal and interest as the last net tax capacity, before the acceptance of the project, of lands then acquired by the state under sections 84A.31 to 84A.42 in the school districts or towns bears to the total net tax capacity for the same year of the school district or town. This assumption must be evidenced by a resolution of the county board of the county. A copy of the resolution must be certified to the commissioner of management and budget within one year after the acceptance of the project.

Later, if any of the bonds remains unpaid at maturity, the county board shall, upon demand of the governing body of the school district or town or of a bondholder, provide for the payment of the portion assumed. The county shall levy general taxes on all the taxable property of the county for that purpose, or issue its bonds to raise the sum needed, conforming to law respecting the issuance of county refunding bonds. The proceeds of taxes or bonds must be paid by the county treasurer to the treasurer of the school district or town. No payments shall be made by the county to the school district or town until the money in the treasury of the school district or town, together with the money to be paid by the county, is sufficient to pay in full each of the bonds as it becomes due.

If a county fails to adopt and certify the resolution, the commissioner of management and budget shall withhold from the payments to be made to the county under section 84A.32 a sum equal to that portion of the principal and interest of the outstanding bonds that bears the same proportion to the whole of the bonds as the above determined net tax capacity of lands acquired by the state within the project bears to the total net tax capacity for the same year of the school district or town. Money withheld from the county must be set aside in the state treasury and not paid to the county until the full principal and interest of the school district and town bonds have been paid.

If any bonds remain unpaid at maturity, upon the demand of the governing body of the school district or town, or a bondholder, the commissioner of management and budget shall issue to the treasurer of the school district or town a ~~warrant~~ payment for that portion of the past due principal and interest computed as in the case of the county's liability authorized in this section to be voluntarily assumed. Money received by a school district or town under this section must be applied to the payment of past-due bonds and interest.

Sec. 29. Minnesota Statutes 2014, section 84A.52, is amended to read:

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

As a part of the examination provided for by section 6.48, of the accounts of the several counties within a game preserve, area, or project established under section 84A.01,

84A.20, or 84A.31, the state auditor shall segregate the audit of the accounts reflecting the receipt and disbursement of money collected or disbursed under this chapter or from the sale of tax-forfeited lands held by the state under section 84A.07, 84A.26, or 84A.36. The auditor shall also include in the reports required by section 6.48 summary statements as of December 31 before the examination that set forth the proportionate amount of principal and interest due from the state to the individual county and any money due the state from the county remaining unpaid under this chapter, or from the sale of any tax-forfeited lands referred to in this section, and other information required by the commissioner of management and budget. On receiving a report, the commissioner of management and budget shall determine the net amount due to the county for the period covered by the report and shall ~~draw a warrant~~ issue a payment upon the state treasury payable out of the consolidated fund for that amount. It must be paid to and received by the county as payment in full of all amounts due for the period stated on the ~~warrants~~ payments from the state under any provision of this chapter.

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

Sec. 30. Minnesota Statutes 2014, section 88.12, subdivision 1, is amended to read:

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

Sec. 31. Minnesota Statutes 2014, section 94.522, is amended to read:

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

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

Sec. 32. Minnesota Statutes 2014, section 94.53, is amended to read:

94.53 ~~WARRANT~~ PAYMENT TO COUNTY TREASURERS; FEDERAL LOANS TO COUNTIES.

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

Sec. 33. Minnesota Statutes 2014, section 116J.64, subdivision 7, is amended to read:

Subd. 7. **Processing.** (a) An Indian desiring a loan for the purpose of starting a business enterprise or expanding an existing business shall make application to the appropriate tribal government. The application shall be forwarded to the appropriate eligible organization, if it is participating in the program, for consideration in conformity with the plans submitted by said tribal governments. The tribal government may approve the application if it determines that the loan would advance the goals of the Indian business loan program. If the tribal government is not participating in the program, the agency may directly approve or deny the loan application.

(b) If the application is approved, the tribal government shall forward the application, together with all relevant documents pertinent thereto, to the commissioner of

17.1 the agency, who shall ~~cause a warrant~~ request a payment to be drawn in favor of issued to
17.2 the applicant or the applicable tribal government, or the agency, if it is administering the
17.3 loan, with appropriate notations identifying the borrower.

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

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

17.17 Sec. 34. Minnesota Statutes 2014, section 126C.55, subdivision 2, is amended to read:

17.18 Subd. 2. **Notifications; payment; appropriation.** (a) If a school district or
17.19 intermediate school district believes that it may be unable to make a principal or interest
17.20 payment on any outstanding debt obligation on the date that payment is due, it must
17.21 notify the commissioner as soon as possible, but not less than 15 working days before the
17.22 date that principal or interest payment is due. The notice must include the name of the
17.23 school district or intermediate school district, an identification of the debt obligation issue
17.24 in question, the date the payment is due, the amount of principal and interest due on the
17.25 payment date, the amount of principal or interest that the school district or intermediate
17.26 school district will be unable to repay on that date, the paying agent for the debt obligation,
17.27 the wire transfer instructions to transfer funds to that paying agent, and an indication as to
17.28 whether a payment is being requested by the school district or intermediate school district
17.29 under this section. If a paying agent becomes aware of a potential default, it shall inform
17.30 the commissioner of that fact. After receipt of a notice which requests a payment under
17.31 this section, after consultation with the school district or intermediate school district and
17.32 the paying agent, and after verification of the accuracy of the information provided, the
17.33 commissioner shall notify the commissioner of management and budget of the potential
17.34 default. The notice must include a final figure as to the amount due that the school district
17.35 or intermediate school district will be unable to repay on the date due.

(b) Except as provided in subdivision 9, upon receipt of this notice from the commissioner, the commissioner of management and budget shall issue a warrant payment and authorize the commissioner of education to pay to the paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the department from the state general fund.

(c) The Departments of Education and Management and Budget must jointly develop detailed procedures for school districts and intermediate school districts to notify the state that they have obligated themselves to be bound by the provisions of this section, procedures for school districts or intermediate school districts and paying agents to notify the state of potential defaults and to request state payment under this section, and procedures for the state to expedite payments to prevent defaults. The procedures are not subject to chapter 14.

Sec. 35. Minnesota Statutes 2014, section 126C.55, subdivision 9, is amended to read:

Subd. 9. **State bond rating.** If the commissioner of management and budget determines that the credit rating of the state would be adversely affected thereby, the commissioner of management and budget shall not issue warrants payments under subdivision 2 for the payment of principal or interest on any debt obligations for which a district did not, prior to their issuance, obligate itself to be bound by the provisions of this section.

Sec. 36. Minnesota Statutes 2014, section 126C.68, subdivision 3, is amended to read:

Subd. 3. **Warrant Payment.** The commissioner shall issue to each district whose note has been so received a warrant payment on the debt service loan account of the maximum effort school loan fund, payable on presentation to the commissioner of management and budget out of any money in such account. The warrant payment shall be issued by the commissioner in sufficient time to coincide with the next date on which the district is obligated to make principal or interest payments on its bonded debt in the ensuing year. Interest must accrue from the date such warrant payment is issued. The proceeds thereof must be used by the district to pay principal or interest on its bonded debt falling due in the ensuing year.

Sec. 37. Minnesota Statutes 2014, section 126C.69, subdivision 14, is amended to read:

Subd. 14. **Participation by county auditor; record of contract; payment of loan.** The district must file a copy of the capital loan contract with the county auditor of each

county in which any part of the district is situated. The county auditor shall enter the capital loan, evidenced by the contract, in the auditor's bond register. The commissioner shall keep a record of each capital loan and contract showing the name and address of the district, the date of the contract, and the amount of the loan initially approved. On receipt of the resolution required in subdivision 12, the commissioner shall issue ~~warrants~~ payments, which may be dispersed in accordance with the schedule in the contract, on the capital loan account for the amount that may be disbursed under subdivision 1. Interest on each disbursement of the capital loan amount accrues from the date on which the commissioner of management and budget issues the ~~warrant~~ payment.

Sec. 38. Minnesota Statutes 2014, section 127A.34, subdivision 1, is amended to read:

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

Sec. 39. Minnesota Statutes 2014, section 127A.40, is amended to read:

127A.40 MANNER OF PAYMENT OF STATE AIDS.

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

Sec. 40. Minnesota Statutes 2014, section 136F.46, subdivision 1, is amended to read:

Subdivision 1. **Request; ~~warrant~~ payment.** The commissioner of management and budget, upon the written request of an employee of the board, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit state college or university foundation meeting the requirements in subdivision 2. The commissioner shall issue a ~~warrant~~ payment for the deducted amount to the nonprofit foundation. The Penny Fellowship and the Nellie Stone Johnson Scholarship Program of the Minnesota

20.1 State University Student Association shall be considered nonprofit state college and
20.2 university foundations for purposes of this section.

20.3 Sec. 41. Minnesota Statutes 2014, section 136F.70, subdivision 3, is amended to read:

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

20.9 Sec. 42. Minnesota Statutes 2014, section 162.08, subdivision 10, is amended to read:

20.10 Subd. 10. **Project approval, reports.** When the county board of any county
20.11 determines to do any construction work on a county state-aid highway or other road
20.12 eligible for the expenditure of state aid funds within the county, and desires to expend
20.13 on such work a portion of the money apportioned or allocated to it out of the county
20.14 state-aid highway fund, the county shall first obtain approval of the project by the
20.15 commissioner. Thereafter the county engineer shall make such reports in such manner as
20.16 the commissioner requires under rules of the commissioner. Upon receipt of satisfactory
20.17 reports, the commissioner shall certify to the commissioner of management and budget the
20.18 amount of money that is eligible to be paid from the county's apportionment or allocation
20.19 for the work under contract or actually completed. The commissioner of management and
20.20 budget shall thereupon issue a ~~warrant~~ payment in that amount payable to the county
20.21 treasurer. In no event shall the ~~warrant~~ payment with all other ~~warrants~~ payments issued
20.22 exceed the amount apportioned and allocated to the county.

20.23 Sec. 43. Minnesota Statutes 2014, section 162.08, subdivision 11, is amended to read:

20.24 Subd. 11. **Certification required to issue ~~warrants~~ payment.** The commissioner
20.25 of management and budget shall not issue any ~~warrants~~ payments without the certification
20.26 of the commissioner.

20.27 Sec. 44. Minnesota Statutes 2014, section 162.14, subdivision 4, is amended to read:

20.28 Subd. 4. **Project approval and reports.** When the governing body of any such
20.29 city determines to do any construction work on any municipal state-aid street or other
20.30 streets within the city upon which money apportioned out of the municipal state-aid street
20.31 fund may be used as provided in subdivision 2, the governing body shall first obtain the
20.32 approval of the commissioner. Thereafter, the engineer of the city shall make reports in

21.1 such manner as the commissioner requires in accordance with the commissioner's rules.
21.2 Upon receipt of satisfactory reports the commissioner shall certify to the commissioner of
21.3 management and budget the amount of money that is eligible to be paid from the city's
21.4 apportionment for the work under contract or actually completed. The commissioner of
21.5 management and budget shall thereupon issue a ~~warrant~~ payment in that amount payable
21.6 to the fiscal officers of the city. In no event shall the ~~warrant~~ payment with all other
21.7 ~~warrants~~ payments issued exceed the amount apportioned to the city.

21.8 Sec. 45. Minnesota Statutes 2014, section 162.14, subdivision 5, is amended to read:

21.9 Subd. 5. **Certification required to issue ~~warrant~~ payment.** The commissioner
21.10 of management and budget shall not issue any ~~warrants~~ payments as provided for in
21.11 subdivision 4 without the prior certification of the commissioner.

21.12 Sec. 46. Minnesota Statutes 2014, section 162.18, subdivision 4, is amended to read:

21.13 Subd. 4. **Certification to commissioner of money required.** Any municipality
21.14 issuing and selling bonds pursuant to this section shall certify to the commissioner the
21.15 amount of money required annually for the payment of principal and interest on the
21.16 obligation. Upon receipt thereof, the commissioner shall certify to the commissioner of
21.17 management and budget the sum of money needed annually by the municipality for the
21.18 principal and interest, provided that the amount certified by the commissioner shall not
21.19 exceed the limit heretofore specified. The commissioner of management and budget shall
21.20 thereafter, until said bonds are retired, issue a ~~warrant~~ payment annually in the amount
21.21 certified payable to the fiscal officer of the municipality, and the amount thereof shall be
21.22 deposited by the fiscal officer in the sinking fund from which the obligations are payable.

21.23 Sec. 47. Minnesota Statutes 2014, section 162.181, subdivision 4, is amended to read:

21.24 Subd. 4. **Certification to commissioner of money required.** Any county issuing
21.25 and selling bonds pursuant to this section shall certify to the commissioner the amount
21.26 of money required annually for the payment of principal and interest on the obligation.
21.27 Upon receipt thereof, the commissioner shall certify to the commissioner of management
21.28 and budget the sum of money needed annually by the county for the principal and
21.29 interest, provided that the amount certified by the commissioner shall not exceed the limit
21.30 heretofore specified. The commissioner of management and budget shall thereafter, until
21.31 said bonds are retired, issue a ~~warrant~~ payment annually in the amount certified payable to
21.32 the county treasurer of the county, and the amount thereof shall be deposited by the county
21.33 treasurer in the sinking fund from which the obligations are payable.

22.1 Sec. 48. Minnesota Statutes 2014, section 163.051, subdivision 3, is amended to read:

22.2 Subd. 3. **Distribution to county; appropriation.** On a monthly basis, the registrar
22.3 of motor vehicles shall issue a ~~warrant~~ payment in favor of the treasurer of each county for
22.4 which the registrar has collected a wheelage tax in the amount of such tax then on hand in
22.5 the county wheelage tax account. There is hereby appropriated from the county wheelage
22.6 tax account each year, to each county entitled to payments authorized by this section,
22.7 sufficient moneys to make such payments.

22.8 Sec. 49. Minnesota Statutes 2014, section 176.181, subdivision 2, is amended to read:

22.9 Subd. 2. **Compulsory insurance; self-insurers.** (a) Every employer, except the
22.10 state and its municipal subdivisions, liable under this chapter to pay compensation shall
22.11 insure payment of compensation with some insurance carrier authorized to insure workers'
22.12 compensation liability in this state, or obtain a written order from the commissioner
22.13 of commerce exempting the employer from insuring liability for compensation and
22.14 permitting self-insurance of the liability. The terms, conditions and requirements
22.15 governing self-insurance shall be established by the commissioner pursuant to chapter
22.16 14. The commissioner of commerce shall also adopt, pursuant to paragraph (d), rules
22.17 permitting two or more employers, whether or not they are in the same industry, to enter
22.18 into agreements to pool their liabilities under this chapter for the purpose of qualifying as
22.19 group self-insurers. With the approval of the commissioner of commerce, any employer
22.20 may exclude medical, chiropractic and hospital benefits as required by this chapter.
22.21 An employer conducting distinct operations at different locations may either insure or
22.22 self-insure the other portion of operations as a distinct and separate risk. An employer
22.23 desiring to be exempted from insuring liability for compensation shall make application
22.24 to the commissioner of commerce, showing financial ability to pay the compensation,
22.25 whereupon by written order the commissioner of commerce, on deeming it proper, may
22.26 make an exemption. An employer may establish financial ability to pay compensation by
22.27 providing financial statements of the employer to the commissioner of commerce. Upon
22.28 ten days' written notice the commissioner of commerce may revoke the order granting
22.29 an exemption, in which event the employer shall immediately insure the liability. As a
22.30 condition for the granting of an exemption the commissioner of commerce may require
22.31 the employer to furnish security the commissioner of commerce considers sufficient to
22.32 insure payment of all claims under this chapter, consistent with subdivision 2b. If the
22.33 required security is in the form of currency or negotiable bonds, the commissioner of
22.34 commerce shall deposit it with the commissioner of management and budget. In the event
22.35 of any default upon the part of a self-insurer to abide by any final order or decision of the

commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days' notice to the self-insurer, the commissioner of commerce may by written order to the commissioner of management and budget require the commissioner of management and budget to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the commissioner of management and budget upon ~~warrants prepared~~ payments requested by the commissioner of commerce out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days' notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

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

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

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

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

- 24.1 (2) establish standards and guidelines consistent with subdivision 2b to assure the
 24.2 adequacy of the financing and administration of group self-insurance plans;
 24.3 (3) establish bonding requirements or other provisions assuring the financial
 24.4 integrity of entities administering group self-insurance plans;
 24.5 (4) establish standards, including but not limited to minimum terms of membership
 24.6 in self-insurance plans, as necessary to provide stability for those plans;
 24.7 (5) establish standards or guidelines governing the formation, operation,
 24.8 administration, and dissolution of self-insurance plans; and
 24.9 (6) establish other reasonable requirements to further the purposes of this subdivision.

24.10 Sec. 50. Minnesota Statutes 2014, section 176.581, is amended to read:

24.11 **176.581 PAYMENT TO STATE EMPLOYEES.**

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

24.16 Sec. 51. Minnesota Statutes 2014, section 176.591, subdivision 3, is amended to read:

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

24.20 Sec. 52. Minnesota Statutes 2014, section 192.55, is amended to read:

24.21 **192.55 PAYMENTS TO BE MADE THROUGH ADJUTANT GENERAL.**

24.22 All pay and allowances and necessary expenses for any of the military forces shall,
 24.23 when approved by the adjutant general, be paid by commissioner of management and
 24.24 ~~budget's warrants issued~~ budget to the several officers and enlisted members entitled
 24.25 thereto; provided, that upon the request of the adjutant general, approved by the governor,
 24.26 the sum required for any such pay or allowances and necessary expenses shall be paid
 24.27 by commissioner of management and ~~budget's warrant~~ budget to the adjutant general,
 24.28 who shall immediately pay and distribute the same to the several officers or enlisted
 24.29 members entitled thereto or to their commanding officers or to a finance officer designated
 24.30 by the adjutant general. The receipt of any such commanding officer or finance officer
 24.31 for any such payment shall discharge the adjutant general from liability therefor. Every
 24.32 commanding officer or finance officer receiving any such payment shall, as soon as
 24.33 practicable, pay and distribute the same to the several officers or enlisted members entitled

25.1 thereto. The officer making final payment shall, as evidence thereof, secure the signature
25.2 of the person receiving the same upon a payroll or other proper voucher.

25.3 Sec. 53. Minnesota Statutes 2014, section 196.052, is amended to read:

25.4 **196.052 GIFT ACCEPTANCE AND INVESTMENT.**

25.5 On the behalf of the state, the commissioner may accept any gift, grant, bequest,
25.6 or devise made for the purposes of this chapter and chapter 197. The commissioner
25.7 must administer the funds as directed by the donor. All funds must be deposited in
25.8 the state treasury and credited to the veterans affairs endowment, bequest, and devises
25.9 fund. The balance of the fund is annually appropriated to the commissioner of veterans
25.10 affairs to accomplish the purposes of this chapter and chapter 197. Funds received by the
25.11 commissioner under this section in excess of current needs must be invested by the State
25.12 Board of Investment in accordance with section 11A.24. Disbursements from this fund
25.13 must be in the manner provided for the issuance of other state ~~warrants~~ payments. The
25.14 commissioner may refuse to accept any gift, grant, bequest, or devise if acceptance would
25.15 not be in the best interest of the state or Minnesota's veterans.

25.16 Sec. 54. Minnesota Statutes 2014, section 198.16, is amended to read:

25.17 **198.16 PLANNED GIVING.**

25.18 The commissioner is authorized to accept on behalf of the state any gift, grant,
25.19 bequest, or devise made for the purposes of this chapter, and administer the same as
25.20 directed by the donor. All proceeds therefrom including money derived from the sale of
25.21 any real or personal property must be deposited in the state treasury, invested by the State
25.22 Board of Investment in accordance with sections 11A.24 and 11A.25, and credited to the
25.23 Minnesota veterans home endowment, bequest, and devises fund. That fund consists of
25.24 separate accounts for investing general and restricted gifts, money, and donations received
25.25 and for any currently expendable proceeds.

25.26 The commissioner shall maintain records of all gifts received, clearly showing
25.27 the identity of the donor, the purpose of the donation, and the ultimate disposition of
25.28 the donation. Each donation must be duly receipted and must be expended or used
25.29 by the commissioner as nearly in accordance with the condition of the gift or donation
25.30 as is compatible with the best interests of the residents of the homes. Money in the
25.31 fund is appropriated to the commissioner for the purposes for which it was received.
25.32 Disbursements from this fund shall be made in the manner provided for the issuance
25.33 of other state ~~warrants~~ payments.

Whenever the commissioner shall deem it advisable, in accordance with law, to sell or otherwise dispose of any real or personal property thus acquired, the commissioner of administration upon the request of the commissioner shall sell or otherwise dispose of said property in the manner provided by law for the sale or disposition of other state property by the commissioner of administration.

Sec. 55. Minnesota Statutes 2014, section 237.30, is amended to read:

237.30 TELEPHONE INVESTIGATION FUND; APPROPRIATION.

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

Sec. 56. Minnesota Statutes 2014, section 241.13, subdivision 1, is amended to read:

Subdivision 1. **Contingent account.** The commissioner of corrections may permit a contingent account to remain in the hands of the accounting officer of any such institution from which expenditures may be made in case of actual emergency requiring immediate payment to prevent loss or danger to the institution or its inmates and for the purpose of paying freight, purchasing produce, livestock and other commodities requiring a cash settlement, and for the purpose of discounting bills incurred, but in all cases subject to revision by the commissioner of corrections. An itemized statement of every expenditure made during the month from such account shall be submitted to the commissioner under rules established by the commissioner. If necessary, the commissioner shall make proper requisition upon the commissioner of management and budget for a ~~warrant~~ payment to secure the contingent account for each institution.

Sec. 57. Minnesota Statutes 2014, section 244.19, subdivision 7, is amended to read:

Subd. 7. **Certificate of counties entitled to state aid.** On or before January 1 of each year, until 1970 and on or before April 1 thereafter, the commissioner of corrections shall deliver to the commissioner of management and budget a certificate in duplicate for each county of the state entitled to receive state aid under the provisions of this section. Upon the receipt of such certificate, the commissioner of management and budget shall ~~draw a warrant in favor of~~ issue a payment to the county treasurer for the amount shown by each certificate to be due to the county specified. The commissioner of management and budget shall transmit such ~~warrant~~ payment to the county treasurer together with a copy of the certificate prepared by the commissioner of corrections.

Sec. 58. Minnesota Statutes 2014, section 256B.20, is amended to read:

256B.20 COUNTY APPROPRIATIONS.

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

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

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

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

28.1 tax levy and tax rate in the year following the year in which such overdraft occurred, an
28.2 amount sufficient to liquidate such overdraft in full.

28.3 (4) Claims for reimbursement and reports shall be presented to the state agency by
28.4 the respective counties as required under section 256.01, subdivision 2, paragraph (17).
28.5 The state agency shall audit such claims and certify to the commissioner of management
28.6 and budget the amounts due the respective counties without delay. The amounts so
28.7 certified shall be paid within ten days after such certification, from the state treasury
28.8 upon ~~warrant~~ payment of the commissioner of management and budget from any money
28.9 available therefor. The money available to the state agency to carry out the provisions
28.10 hereof, including all federal funds available to the state, shall be kept and deposited by
28.11 the commissioner of management and budget in the revenue fund and disbursed ~~upon~~
28.12 ~~warrants~~ in the same manner as other state funds.

28.13 Sec. 59. Minnesota Statutes 2014, section 260B.331, subdivision 2, is amended to read:

28.14 Subd. 2. **Cost of group foster care.** Whenever a child is placed in a group foster
28.15 care facility as provided in section 260B.198, subdivision 1, clause (2) or (3), item (v),
28.16 the cost of providing the care shall, upon certification by the juvenile court, be paid
28.17 from the welfare fund of the county in which the proceedings were held. To reimburse
28.18 the counties for the costs of providing group foster care for delinquent children and to
28.19 promote the establishment of suitable group foster homes, the state shall quarterly, from
28.20 funds appropriated for that purpose, reimburse counties 50 percent of the costs not paid
28.21 by federal and other available state aids and grants. Reimbursement shall be prorated if
28.22 the appropriation is insufficient.

28.23 The commissioner of corrections shall establish procedures for reimbursement
28.24 and certify to the commissioner of management and budget each county entitled to
28.25 receive state aid under the provisions of this subdivision. Upon receipt of a certificate
28.26 the commissioner of management and budget shall issue a state ~~warrant~~ payment to the
28.27 county treasurer for the amount due, together with a copy of the certificate prepared by
28.28 the commissioner of corrections.

28.29 Sec. 60. Minnesota Statutes 2014, section 260C.331, subdivision 2, is amended to read:

28.30 Subd. 2. **Cost of group foster care.** Whenever a child is placed in a group foster
28.31 care facility as provided in section 260C.201, subdivision 1, paragraph (b), clause (2) or
28.32 (3), the cost of providing the care shall, upon certification by the juvenile court, be paid
28.33 from the welfare fund of the county in which the proceedings were held. To reimburse
28.34 the counties for the costs of promoting the establishment of suitable group foster homes,

29.1 the state shall quarterly, from funds appropriated for that purpose, reimburse counties
29.2 50 percent of the costs not paid by federal and other available state aids and grants.
29.3 Reimbursement shall be prorated if the appropriation is insufficient.

29.4 The commissioner of corrections shall establish procedures for reimbursement
29.5 and certify to the commissioner of management and budget each county entitled to
29.6 receive state aid under the provisions of this subdivision. Upon receipt of a certificate
29.7 the commissioner of management and budget shall issue a state ~~warrant~~ payment to the
29.8 county treasurer for the amount due, together with a copy of the certificate prepared by
29.9 the commissioner of corrections.

29.10 Sec. 61. Minnesota Statutes 2014, section 273.121, subdivision 1, is amended to read:

29.11 Subdivision 1. **Notice.** Any county assessor or city assessor having the powers of a
29.12 county assessor, valuing or classifying taxable real property shall in each year notify those
29.13 persons whose property is to be included on the assessment roll that year if the person's
29.14 address is known to the assessor, otherwise the occupant of the property. The notice shall
29.15 be in writing and shall be sent by ordinary mail at least ten days before the meeting of
29.16 the local board of appeal and equalization under section 274.01 or the review process
29.17 established under section 274.13, subdivision 1c. Upon written request by the owner of the
29.18 property, the assessor may send the notice in electronic form or by electronic mail instead
29.19 of on paper or by ordinary mail. It shall contain: (1) the market value for the current and
29.20 prior assessment, (2) the qualifying amount of any improvements under section 273.11,
29.21 subdivision 16, for the current assessment, (3) the market value subject to taxation after
29.22 subtracting the amount of any qualifying improvements for the current assessment, (4) the
29.23 classification of the property for the current and prior assessment, (5) the assessor's office
29.24 address, and (6) the dates, places, and times set for the meetings of the local board of
29.25 appeal and equalization, the review process established under section 274.13, subdivision
29.26 1c, and the county board of appeal and equalization. If the classification of the property
29.27 has changed between the current and prior assessments, a specific note to that effect shall
29.28 be prominently listed on the statement. The commissioner of revenue shall specify the
29.29 form of the notice. The assessor shall attach to the assessment roll a statement that the
29.30 notices required by this section have been mailed. Any assessor who is not provided
29.31 sufficient funds from the assessor's governing body to provide such notices, may make
29.32 application to the commissioner of revenue to finance such notices. The commissioner
29.33 of revenue shall conduct an investigation and, if satisfied that the assessor does not have
29.34 the necessary funds, issue a certification to the commissioner of management and budget
29.35 of the amount necessary to provide such notices. The commissioner of management and

30.1 budget shall issue a ~~warrant~~ payment for such amount and shall deduct such amount from
30.2 any state payment to such county or municipality. The necessary funds to make such
30.3 payments are hereby appropriated. Failure to receive the notice shall in no way affect the
30.4 validity of the assessment, the resulting tax, the procedures of any board of review or
30.5 equalization, or the enforcement of delinquent taxes by statutory means.

30.6 Sec. 62. Minnesota Statutes 2014, section 287.08, is amended to read:

30.7 **287.08 TAX, HOW PAYABLE; RECEIPTS.**

30.8 (a) The tax imposed by sections 287.01 to 287.12 must be paid to the treasurer of
30.9 any county in this state in which the real property or some part is located at or before
30.10 the time of filing the mortgage for record. The treasurer shall endorse receipt on the
30.11 mortgage and the receipt is conclusive proof that the tax has been paid in the amount
30.12 stated and authorizes any county recorder or registrar of titles to record the mortgage. Its
30.13 form, in substance, shall be "registration tax hereon of dollars paid." If the
30.14 mortgage is exempt from taxation the endorsement shall, in substance, be "exempt from
30.15 registration tax." In either case the receipt must be signed by the treasurer. In case the
30.16 treasurer is unable to determine whether a claim of exemption should be allowed, the tax
30.17 must be paid as in the case of a taxable mortgage. For documents submitted electronically,
30.18 the endorsements and tax amount shall be affixed electronically and no signature by the
30.19 treasurer will be required. The actual payment method must be arranged in advance
30.20 between the submitter and the receiving county.

30.21 (b) The county treasurer may refund in whole or in part any mortgage registry tax
30.22 overpayment if a written application by the taxpayer is submitted to the county treasurer
30.23 within 3-1/2 years from the date of the overpayment. If the county has not issued a denial
30.24 of the application, the taxpayer may bring an action in Tax Court in the county in which
30.25 the tax was paid at any time after the expiration of six months from the time that the
30.26 application was submitted. A denial of refund may be appealed within 60 days from
30.27 the date of the denial by bringing an action in Tax Court in the county in which the tax
30.28 was paid. The action is commenced by the serving of a petition for relief on the county
30.29 treasurer, and by filing a copy with the court. The county attorney shall defend the action.
30.30 The county treasurer shall notify the treasurer of each county that has or would receive a
30.31 portion of the tax as paid.

30.32 (c) If the county treasurer determines a refund should be paid, or if a refund is
30.33 ordered by the court, the county treasurer of each county that actually received a portion
30.34 of the tax shall immediately pay a proportionate share of three percent of the refund
30.35 using any available county funds. The county treasurer of each county that received, or

would have received, a portion of the tax shall also pay their county's proportionate share of the remaining 97 percent of the court-ordered refund on or before the 20th day of the following month using solely the mortgage registry tax funds that would be paid to the commissioner of revenue on that date under section 287.12. If the funds on hand under this procedure are insufficient to fully fund 97 percent of the court-ordered refund, the county treasurer of the county in which the action was brought shall file a claim with the commissioner of revenue under section 16A.48 for the remaining portion of 97 percent of the refund, and shall pay over the remaining portion upon receipt of a warrant payment from the state issued pursuant to the claim.

(d) When any mortgage covers real property located in more than one county in this state the total tax must be paid to the treasurer of the county where the mortgage is first presented for recording, and the payment must be receipted as provided in paragraph (a). If the principal debt or obligation secured by such a multiple county mortgage exceeds \$10,000,000, the nonstate portion of the tax must be divided and paid over by the county treasurer receiving it, on or before the 20th day of each month after receipt, to the county or counties entitled in the ratio that the estimated market value of the real property covered by the mortgage in each county bears to the estimated market value of all the real property in this state described in the mortgage. In making the division and payment the county treasurer shall send a statement giving the description of the real property described in the mortgage and the estimated market value of the part located in each county. For this purpose, the treasurer of any county may require the treasurer of any other county to certify to the former the estimated market value of any tract of real property in any mortgage.

(e) The mortgagor must pay the tax imposed by sections 287.01 to 287.12. The mortgagee may undertake to collect and remit the tax on behalf of the mortgagor. If the mortgagee collects money from the mortgagor to remit the tax on behalf of the mortgagor, the mortgagee has a fiduciary duty to remit the tax on behalf of the mortgagor as to the amount of the tax collected for that purpose and the mortgagor is relieved of any further obligation to pay the tax as to the amount collected by the mortgagee for this purpose.

Sec. 63. Minnesota Statutes 2014, section 297I.10, subdivision 1, is amended to read:

Subdivision 1. **Cities of the first class.** (a) The commissioner shall order and direct a surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any licensed foreign or domestic fire insurance company on property in a city of the first class, or by its agents for it, in cash or otherwise.

32.1 (b) By July 31 and December 31 of each year, the commissioner of management
32.2 and budget shall ~~pay~~ issue to each city of the first class a ~~warrant~~ payment for an amount
32.3 equal to the total amount of the surcharge on the premiums collected within that city
32.4 since the previous payment.

32.5 (c) The treasurer of the city shall place the money received under this subdivision
32.6 in a special account or fund to defray all or a portion of the employer contribution
32.7 requirement of public employees police and fire plan coverage for city firefighters.

32.8 Sec. 64. Minnesota Statutes 2014, section 299C.21, is amended to read:

32.9 **299C.21 PENALTY ON LOCAL OFFICER REFUSING INFORMATION.**

32.10 If any public official charged with the duty of furnishing to the bureau fingerprint
32.11 records, biological specimens, reports, or other information required by sections 299C.06,
32.12 299C.10, 299C.105, 299C.11, 299C.17, shall neglect or refuse to comply with such
32.13 requirement, the bureau, in writing, shall notify the state, county, or city officer charged
32.14 with the issuance of a ~~warrant~~ for the payment of the salary of such official. Upon the
32.15 receipt of the notice the state, county, or city official shall withhold the issuance of a
32.16 ~~warrant~~ for the payment of the salary or other compensation accruing to such officer for
32.17 the period of 30 days thereafter until notified by the bureau that such suspension has been
32.18 released by the performance of the required duty.

32.19 Sec. 65. Minnesota Statutes 2014, section 348.05, is amended to read:

32.20 **348.05 COMMISSIONER OF MANAGEMENT AND BUDGET TO ISSUE**
32.21 **WARRANT PAYMENT.**

32.22 The commissioner of management and budget shall audit all such claims, and, on
32.23 the first Monday of October, in each year, shall issue a ~~warrant~~ payment to the several
32.24 claimants for the amount to which each is entitled; but, if the aggregate of compensation
32.25 due to all such claimants shall exceed the appropriation therefor, the commissioner shall
32.26 distribute the available amount amongst them pro rata, which distribution shall relieve the
32.27 state from further obligation to such claimants for the year.

32.28 Sec. 66. Minnesota Statutes 2014, section 352.04, subdivision 9, is amended to read:

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

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

(c) If erroneous employee deductions and employer contributions are caused by an error in plan coverage involving the plan and any other plans specified in section 356.99, that section applies. If the employee should have been covered by the plan governed by chapter 352D, 353D, 354B, or 354D, the employee deductions and employer contributions taken in error must be directly transferred to the applicable employee's account in the correct retirement plan, with interest at the rate of 0.71 percent per month, compounded annually, from the first day of the month following the month in which coverage should have commenced in the correct defined contribution plan until the end of the month in which the transfer occurs.

Sec. 67. Minnesota Statutes 2014, section 352.05, is amended to read:

**352.05 COMMISSIONER OF MANAGEMENT AND BUDGET TO BE
TREASURER OF SYSTEM.**

The commissioner of management and budget is ex officio treasurer of the retirement funds of the system. The general bond to the state shall cover all liability for actions as treasurer of these funds. Funds of the system received by the commissioner of management and budget must be set aside in the state treasury to the credit of the proper fund. The commissioner of management and budget shall deliver to the director copies of all payroll abstracts of the state together with the commissioner of management and budget's ~~warrants~~ payments covering the deductions made on these payroll abstracts for the retirement fund. The director shall have a list made of the commissioner of management and budget's ~~warrants~~ payments. These ~~warrants~~ payments must then be credited to the retirement fund. The commissioner of management and budget shall pay out of this fund only upon abstracts signed by the director, or by the finance officer designated by the director during the disability or the absence of the director from the city of St. Paul, Minnesota. Abstracts for investments may be signed by the executive director of the State Board of Investment.

Sec. 68. Minnesota Statutes 2014, section 352.115, subdivision 12, is amended to read:

Subd. 12. **Death, return of ~~warrants~~ payments.** If at the time of death a retired employee, a disabled employee, or a survivor has in possession commissioner of

34.1 management and budget's ~~warrants~~ payments covering a retirement annuity, disability
34.2 benefit or survivor benefit from the retirement fund, in the absence of probate proceedings,
34.3 and upon the return of the ~~warrants~~ payments for cancellation, payment of the accrued
34.4 annuity or benefit, shall be made as provided in subdivision 11, or 352.12, subdivision 4.
34.5 Payments made under this subdivision shall be a bar to recovery by any other person or
34.6 persons.

34.7 Sec. 69. Minnesota Statutes 2014, section 352.12, subdivision 13, is amended to read:

34.8 Subd. 13. **Refund, beneficiary.** If upon death a former employee has in possession
34.9 a commissioner of management and budget's ~~warrant~~ payment which does not exceed
34.10 \$1,000 covering a refund of accumulated contributions in the retirement fund, in the
34.11 absence of probate proceedings the commissioner of management and budget's ~~warrant~~
34.12 payment may be returned for cancellation, and then upon application made by the last
34.13 designated beneficiary of the deceased former employee, refund of the accumulated
34.14 contributions must be paid to the last designated beneficiary. Payments made under this
34.15 subdivision are a bar to recovery by any other person or persons.

34.16 Sec. 70. Minnesota Statutes 2014, section 353.05, is amended to read:

34.17 **353.05 CUSTODIAN OF FUNDS.**

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

34.30 Sec. 71. Minnesota Statutes 2014, section 353.27, subdivision 7, is amended to read:

34.31 Subd. 7. **Adjustment for erroneous receipts or disbursements.** (a) Except
34.32 as provided in paragraph (b), erroneous employee deductions and erroneous employer
34.33 contributions and additional employer contributions to the general employees retirement

plan of the Public Employees Retirement Association or to the public employees police and fire retirement plan for a person who otherwise does not qualify for membership under this chapter, are considered:

(1) valid if the initial erroneous deduction began before January 1, 1990. Upon determination of the error by the association, the person may continue membership in the association while employed in the same position for which erroneous deductions were taken, or file a written election to terminate membership and apply for a refund upon termination of public service or defer an annuity under section 353.34; or

(2) invalid, if the initial erroneous employee deduction began on or after January 1, 1990. Upon determination of the error, the association shall refund all erroneous employee deductions and all erroneous employer contributions as specified in paragraph (e). No person may claim a right to continued or past membership in the association based on erroneous deductions which began on or after January 1, 1990.

(b) Erroneous deductions taken from the salary of a person who did not qualify for membership in the general employees retirement plan of the Public Employees Retirement Association or in the public employees police and fire retirement plan by virtue of concurrent employment before July 1, 1978, which required contributions to another retirement fund or relief association established for the benefit of officers and employees of a governmental subdivision, are invalid. Upon discovery of the error, allowable service credit for all invalid service is forfeited and, upon termination of public service, the association shall refund all erroneous employee deductions to the person, with interest as determined under section 353.34, subdivision 2, and all erroneous employer contributions without interest to the employer. This paragraph has both retroactive and prospective application.

(c) Adjustments to correct employer contributions and employee deductions taken in error from amounts which are not salary under section 353.01, subdivision 10, must be made as specified in paragraph (e). The period of adjustment must be limited to the fiscal year in which the error is discovered by the association and the immediate two preceding fiscal years.

(d) If there is evidence of fraud or other misconduct on the part of the employee or the employer, the board of trustees may authorize adjustments to the account of a member or former member to correct erroneous employee deductions and employer contributions on invalid salary and the recovery of any overpayments for a period longer than provided for under paragraph (c).

(e) Upon discovery of the receipt of erroneous employee deductions and employer contributions under paragraph (a), clause (2), or paragraph (c), the association must require

the employer to discontinue the erroneous employee deductions and erroneous employer contributions reported on behalf of a member. Upon discontinuation, the association must:

(1) for a member, provide a refund in the amount of the invalid employee deductions with interest on the invalid employee deductions at the rate specified under section 353.34, subdivision 2, from the received date of each invalid salary transaction through the date the credit or refund is made;

(2) for a former member who:

(i) is not receiving a retirement annuity or benefit, return the erroneous employee deductions to the former member through a refund with interest at the rate specified under section 353.34, subdivision 2, from the received date of each invalid salary transaction through the date the credit or refund is made; or

(ii) is receiving a retirement annuity or disability benefit, or a person who is receiving an optional annuity or survivor benefit, for whom it has been determined an overpayment must be recovered, adjust the payment amount and recover the overpayments as provided under this section; and

(3) return the invalid employer contributions reported on behalf of a member or former member to the employer by providing a credit against future contributions payable by the employer.

(f) In the event that a salary ~~warrant or check~~ payment from which a deduction for the retirement fund was taken has been canceled or the amount of the ~~warrant or check~~ payment returned to the funds of the department making the payment, a refund of the sum deducted, or any portion of it that is required to adjust the deductions, must be made to the department or institution.

(g) If the association discovers that a retirement annuity, survivor benefit, or disability benefit has been incorrectly calculated by using invalid service or salary, or due to any erroneous calculation procedure, the association must recalculate the annuity or benefit payable and begin payment of the corrected annuity or benefit effective the first of the month following discovery of the error. Any overpayment resulting from the incorrect calculation must be recovered as provided under subdivision 7b, if the accrual date, or any adjustment in the amount of the annuity or benefit calculated after the accrual date, except adjustments required under section 353.656, subdivision 4, falls within the current fiscal year and the two immediate previous fiscal years.

(h) Notwithstanding the provisions of this subdivision, the association may apply the Revenue Procedures defined in the federal Internal Revenue Service Employee Plans Compliance Resolution System and not issue a refund of erroneous employee deductions

and employer contributions or not recover a small overpayment of benefits if the cost to correct the error would exceed the amount of the member refund or overpayment.

(i) Any fees or penalties assessed by the federal Internal Revenue Service for any failure by an employer to follow the statutory requirements for reporting eligible members and salary must be paid by the employer.

Sec. 72. Minnesota Statutes 2014, section 353.83, is amended to read:

353.83 ADDITIONAL PAYMENTS TO CERTAIN ANNUITANTS.

Payments of retirement annuities pursuant to this chapter, to annuitants who (a) retired prior to July 1, 1962, (b) had at least 20 years of allowable service credit in the Public Employees Retirement Association upon their termination of public employment, and (c) receive annuities of less than \$200 per month must, retroactive to July 1, 1967, be supplemented by additional payments of \$15 per month from the Public Employees Retirement Association, if the annuitants have not previously qualified for the additional payments under this section, and the annuities plus the additional payments do not exceed \$200 per month. These additional payments must be made in the same manner and at the same time retirement annuities are paid and must be included in the ~~warrants~~ payments on which the annuities are so paid. The additional payments are to be added to and considered a portion of the annuity otherwise payable to the recipient and must be included in the computation of any monthly survivor benefit or optional annuity which may become due and payable to any person following the death of an annuitant who, during life, received a benefit under this section. If an annuitant entitled to receive additional payment under this section dies before retroactive payment is received, payment must be made upon demand to the designated beneficiary in an amount equal to the accumulated benefit from July 1, 1967, to the date of death, without interest.

Sec. 73. Minnesota Statutes 2014, section 354.42, subdivision 7, is amended to read:

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

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

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

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

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

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

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

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

Sec. 74. Minnesota Statutes 2014, section 354.52, subdivision 4, is amended to read:

Subd. 4. **Reporting and remittance requirements.** An employer shall remit all amounts due to the association and furnish a statement indicating the amount due and

39.1 transmitted with any other information required by the executive director. If an amount
39.2 due is not received by the association within 14 calendar days of the payroll ~~warrant~~
39.3 payment, the amount accrues interest at an annual rate of 8.5 percent compounded annually
39.4 from the due date until the amount is received by the association. All amounts due and
39.5 other employer obligations not remitted within 60 days of notification by the association
39.6 must be certified to the commissioner of management and budget who shall deduct the
39.7 amount from any state aid or appropriation amount applicable to the employing unit.

39.8 Sec. 75. Minnesota Statutes 2014, section 354.52, subdivision 4b, is amended to read:

39.9 Subd. 4b. **Payroll cycle reporting requirements.** An employing unit shall provide
39.10 the following data to the association for payroll ~~warrants~~ payments on an ongoing basis
39.11 within 14 calendar days after the date of the payroll ~~warrant~~ payments in a format
39.12 prescribed by the executive director:

39.13 (1) association member number;

39.14 (2) employer-assigned employee number;

39.15 (3) Social Security number;

39.16 (4) amount of each salary deduction;

39.17 (5) amount of salary as defined in section 354.05, subdivision 35, from which each
39.18 deduction was made;

39.19 (6) reason for payment;

39.20 (7) the beginning and ending dates of the payroll period covered and the date
39.21 of actual payment;

39.22 (8) fiscal year of salary earnings;

39.23 (9) total remittance amount including employee, employer, and additional employer
39.24 contributions;

39.25 (10) reemployed annuitant salary under section 354.44, subdivision 5; and

39.26 (11) other information as may be required by the executive director.

39.27 Sec. 76. Minnesota Statutes 2014, section 401.15, subdivision 1, is amended to read:

39.28 Subdivision 1. **Certified statements; determinations; adjustments.** Within 60
39.29 days of the end of each calendar quarter, participating counties which have received
39.30 the payments authorized by section 401.14 shall submit to the commissioner certified
39.31 statements detailing the amounts expended and costs incurred in furnishing the
39.32 correctional services provided in sections 401.01 to 401.16. Upon receipt of certified
39.33 statements, the commissioner shall, in the manner provided in sections 401.10 and
39.34 401.12, determine the amount each participating county is entitled to receive, making any

adjustments necessary to rectify any disparity between the amounts received pursuant to the estimate provided in section 401.14 and the amounts actually expended. If the amount received pursuant to the estimate is greater than the amount actually expended during the quarter, the commissioner may withhold the difference from any subsequent monthly payments made pursuant to section 401.14. Upon certification by the commissioner of the amount a participating county is entitled to receive under the provisions of section 401.14 or of this subdivision the commissioner of management and budget shall thereupon issue a ~~state warrant~~ payment to the chief fiscal officer of each participating county for the amount due together with a copy of the certificate prepared by the commissioner.

Sec. 77. Minnesota Statutes 2014, section 446A.086, subdivision 4, is amended to read:

Subd. 4. **Notifications; payment; appropriation.** (a) After receipt of a notice of a default or potential default in payment of principal or interest in debt obligations covered by this section or an agreement under this section, and after consultation with the governmental unit and the paying agent, and after verification of the accuracy of the information provided, the authority shall notify the commissioner of the potential default. The notice must include a final figure as to the amount due that the governmental unit will be unable to repay on the date due.

(b) Upon receipt of this notice from the authority, the commissioner shall issue a ~~warrant~~ payment and authorize the authority to pay to the bond holders or paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the authority from the general fund.

Sec. 78. Minnesota Statutes 2014, section 446A.16, subdivision 1, is amended to read:

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

41.1 Sec. 79. Minnesota Statutes 2014, section 462A.18, subdivision 1, is amended to read:

41.2 Subdivision 1. **Functions of commissioner of management and budget.** All
41.3 moneys of the agency, except as otherwise authorized or provided in this section, shall be
41.4 paid to the commissioner of management and budget as agent of the agency, who shall
41.5 not commingle such moneys with any other moneys. The moneys in such accounts shall
41.6 be paid out ~~on warrants drawn~~ by the commissioner on requisition of the chair of the
41.7 agency or of such other officer or employee as the agency shall authorize to make such
41.8 requisition. All deposits of such moneys shall, if required by the commissioner or the
41.9 agency, be secured by obligations of the United States or of the state of a market value
41.10 equal at all times to the amount of the deposit and all banks and trust companies are
41.11 authorized to give such security for such deposits.

41.12 Sec. 80. Minnesota Statutes 2014, section 475A.04, subdivision 1, is amended to read:

41.13 Subdivision 1. **Procedure.** In the event that funds sufficient to pay all of the
41.14 principal and interest due on any guaranteed bond are not in the hands of the municipal
41.15 treasurer or the paying agent at least 15 days before the due date, the treasurer or agent
41.16 shall report the amount of the deficiency to the paying agent and the auditor who shall
41.17 grant a loan to the issuer in this amount and shall certify to the issuer, the paying agent,
41.18 and the auditor and treasurer of each county in which property subject to taxation by the
41.19 issuer is situated, the amount of the loan and interest to accrue thereon to the due date of
41.20 the loan, and the commissioner of management and budget shall issue a warrant payment
41.21 for the principal amount and shall remit it to the paying agent on or before the due date. If
41.22 the municipal treasurer fails to deposit funds with the paying agent sufficient to pay all
41.23 principal and interest due on any guaranteed bond on any date, without having previously
41.24 given the notice herein required, the paying agent may report the amount of the deficiency
41.25 to the commissioner of management and budget, who shall forthwith grant a loan to the
41.26 issuer for this amount plus interest to accrue thereon for one month at the rate represented
41.27 by the coupons then due, and the loan shall be certified and remitted as provided above.
41.28 The paying agent may advance its own funds for the payment of any guaranteed bonds
41.29 and interest due for which it has not received sufficient funds from the municipality,
41.30 and may contract with the municipality to make such advances, and shall be entitled to
41.31 reimbursement therefor from the proceeds of the loan, with interest at the rate represented
41.32 by the coupons due. The issuing municipality shall give a receipt to the commissioner of
41.33 management and budget for the amount of the loan and interest.

42.1 Sec. 81. Minnesota Statutes 2014, section 525.841, is amended to read:

42.2 **525.841 ESCHEAT RETURNED.**

42.3 In all such cases the commissioner of management and budget shall be furnished
42.4 with a certified copy of the court's order assigning the escheated property to the persons
42.5 entitled thereto, and upon notification of payment of the estate tax, the commissioner
42.6 of management and budget shall ~~draw a warrant~~ issue a payment or execute a proper
42.7 conveyance to the persons designated in such order. In the event any escheated property
42.8 has been sold pursuant to sections 11A.04, clause (9), and 11A.10, subdivision 2, or
42.9 16B.281 to 16B.287, then the ~~warrant~~ payment shall be for the appraised value as
42.10 established during the administration of the decedent's estate. There is hereby annually
42.11 appropriated from any moneys in the state treasury not otherwise appropriated an amount
42.12 sufficient to make payment to all such designated persons. No interest shall be allowed on
42.13 any amount paid to such persons.

42.14 Sec. 82. **REPEALER.**

42.15 Minnesota Statutes 2014, section 16A.27, subdivision 2, is repealed.

APPENDIX
Repealed Minnesota Statutes: 15-0498

16A.27 STATE FUNDS; DEPOSIT; CONTROL BY COMMISSIONER.

Subd. 2. **Daily record.** Each day the commissioner shall maintain a record on the department's Web site of all depositories holding noninterest bearing state deposits in excess of \$100,000.