A bill for an act
relating to the operation of state government; providing funding for the legislature, constitutional officers, and other agencies, boards, councils, commissions, and state entities; changing certain government programs; changing requirement for targeted group business; changing licensing provisions for pari-mutuel horse racing; changing the monthly regulatory fee for lawful gambling; specifying additional uses for the "Support Our Troops Fund"; appropriating money; amending Minnesota Statutes 2014, sections 14.365; 16A.28, subdivision 1; 16C.16, subdivision 2, by adding a subdivision; 16C.19; 161.1419, subdivision 8; 190.19, subdivision 2a; 240.08, subdivision 4; 240.10; 349.16, subdivision 6a; Laws 2013, chapter 142, article 1, section 10; Laws 2014, chapter 287, section 25.

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

ARTICLE 1

STATE GOVERNMENT APPROPRIATIONS

Section 1. STATE GOVERNMENT APPROPRIATIONS.
The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.

<table>
<thead>
<tr>
<th>APPROPRIATIONS</th>
<th>Available for the Year</th>
<th>Ending June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2017</td>
</tr>
</tbody>
</table>

Sec. 2. LEGISLATURE
Subdivision 1. Total Appropriation

<table>
<thead>
<tr>
<th>Appropriations by Fund</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>74,646,000</td>
<td>78,841,000</td>
</tr>
<tr>
<td>Health Care Access</td>
<td>128,000</td>
<td>128,000</td>
</tr>
</tbody>
</table>

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

Subd. 2. Senate

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>27,223,000</td>
<td>30,943,000</td>
</tr>
</tbody>
</table>

Subd. 3. House of Representatives

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30,524,000</td>
<td>30,524,000</td>
</tr>
</tbody>
</table>

During the biennium ending June 30, 2017, any revenues received by the house of representatives from voluntary donations to support broadcast or print media are appropriated to the house of representatives.

Subd. 4. Legislative Coordinating Commission

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17,027,000</td>
<td>17,502,000</td>
</tr>
</tbody>
</table>

Appropriations by Fund

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>16,899,000</td>
<td>17,374,000</td>
</tr>
<tr>
<td>Health Care Access</td>
<td>128,000</td>
<td>128,000</td>
</tr>
</tbody>
</table>

$380,000 the first year and $855,000 the second year are from the general fund for transfer to the Office of the Revisor of Statutes to develop and maintain a Web-based rulemaking system. The base in fiscal year 2018 and fiscal year 2019 is $430,000 from the general fund for transfer to the Office of the Revisor of Statutes.

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,615,000</td>
<td>3,616,000</td>
</tr>
</tbody>
</table>

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

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

(c) By September 1 of each year, the
commissioner of management and budget
shall report to the chairs and ranking
minority members of the senate State
Government Innovation and Veterans Affairs
Committee and the house of representatives
State Government Finance Committee any
personnel costs incurred by the Offices of the
Governor and Lieutenant Governor that were
supported by appropriations to other agencies
during the previous fiscal year. The Office
of the Governor shall inform the chairs and
ranking minority members of the committees
before initiating any interagency agreements.

Sec. 4. STATE AUDITOR $ 2,437,000 $ 2,333,000
$150,000 from the general fund is for an
infrastructure stress study. This is a onetime
appropriation and may be used in either year
of the biennium.

Sec. 5. ATTORNEY GENERAL $ 24,342,000 $ 24,342,000
Appropriations by Fund

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>22,125,000</td>
<td>22,125,000</td>
</tr>
<tr>
<td>State Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Revenue</td>
<td>1,822,000</td>
<td>1,822,000</td>
</tr>
<tr>
<td>Environmental</td>
<td>145,000</td>
<td>145,000</td>
</tr>
<tr>
<td>Remediation</td>
<td>250,000</td>
<td>250,000</td>
</tr>
</tbody>
</table>

Sec. 6. SECRETARY OF STATE $ 6,631,000 $ 6,631,000
Any funds available in the account
established in Minnesota Statutes, section
5.30, pursuant to the Help America Vote Act,
are appropriated for the purposes and uses authorized by federal law.

Sec. 7. CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD  $ 1,014,000  $ 1,028,000

Sec. 8. INVESTMENT BOARD  $ 139,000  $ 139,000

Sec. 9. ADMINISTRATIVE HEARINGS  $ 7,695,000  $ 7,568,000

Appropriations by Fund

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>445,000</td>
<td>318,000</td>
</tr>
<tr>
<td>Workers' Compensation</td>
<td>7,250,000</td>
<td>7,250,000</td>
</tr>
</tbody>
</table>

(a) $50,000 in fiscal year 2016 and $50,000 in fiscal year 2017 are appropriated from the general fund to the Office of Administrative Hearings for the cost of considering complaints of unfair campaign practices filed under Minnesota Statutes, section 211B.32. These amounts may be used in either year of the biennium. $50,000 is added to the agency's base to be available for the biennium.

(b) $6,000 in fiscal year 2016 and $6,000 in fiscal year 2017 are appropriated from the general fund to the Office of Administrative Hearings for the cost of considering data practices complaints filed under Minnesota Statutes, section 13.085. These amounts may be used in either year of the biennium. $6,000 is added to the agency's base to be available for the biennium.

(c) $130,000 the first year is appropriated from the general fund for the cost of considering complaints filed under Minnesota Statutes, section 211B.32. Any
amount of this appropriation that remains
unspent at the end of the biennium must be
canceled to the general account of the state
elections campaign fund. The base for fiscal
year 2018 is $130,000 to be available for the
biennium under the same terms.

Sec. 10. OFFICE OF MN.IT SERVICES

$2,526,000 $2,622,000

The commissioner of management and
budget is authorized to provide cash flow
assistance of up to $110,000,000 from the
special revenue fund or other statutory
general funds as defined in Minnesota
Statutes, section 16A.671, subdivision
3, paragraph (a), to the Office of MN.IT
Services for the purpose of managing
revenue and expenditure differences during
the initial phases of IT consolidation. These
funds shall be repaid with interest by the end
of the fiscal year 2017 closing period.

Sec. 11. ADMINISTRATION

Subdivision 1. Total Appropriation

$23,933,000 $22,673,000

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

Subd. 2. Government and Citizen Services

$9,801,000 $8,927,000

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

$735,000 the first year and $65,000 the
second year are to conduct a disparity study
required under Minnesota Statutes, section
16C.16, subdivision 5. This is a onetime
appropriation.
$392,000 the first year and $383,000 the second year are for the expansion of financial management and human resources services to small agencies, boards, and councils.

Subd. 3. **Administrative Management Support**  
1,975,000  
2,009,000

Subd. 4. **Fiscal Agent**  
12,157,000  
1,737,000

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

**In Lieu of Rent.** $8,158,000 the first year and $8,158,000 the second year are for office space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

**Public Broadcasting.**  
(a) $1,550,000 the first year and $1,550,000 the second year are for matching grants for public television.
(b) $250,000 the first year and $250,000 the second year are for public television equipment grants. Equipment or matching grant allocations shall be made after considering the recommendations of the Minnesota Public Television Association.
(c) $392,000 the first year and $392,000 the second year are for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages.
(d) $117,000 the first year and $117,000 the second year are for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under $500.
7.1 (e) The grants in paragraphs (c) and (d) must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations under Minnesota Statutes, section 129D.14.

7.6 (f) $310,000 the first year and $310,000 the second year are for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

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

7.15 Sec. 12. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD $340,000 $345,000

7.18 Sec. 13. MINNESOTA MANAGEMENT AND BUDGET $23,777,000 $26,069,000

7.20 $2,000,000 in fiscal year 2016 and $4,000,000 in fiscal year 2017 is to maintain and upgrade statewide business systems, including, but not limited to, the statewide accounting system, the human resource and payroll system, the employment application system, the enterprise learning management system, the budget planning and analysis system, the fiscal note tracking system, and capital budget system.

7.30 Sec. 14. REVENUE

7.31 Subdivision 1. Total Appropriation $146,438,000 $147,092,000

7.32 Appropriations by Fund

7.33

<table>
<thead>
<tr>
<th>Fund</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>142,203,000</td>
<td>142,857,000</td>
</tr>
</tbody>
</table>
8.1 Health Care Access 1,749,000 1,749,000
8.2 Highway User Tax
8.3 Distribution 2,183,000 2,183,000
8.4 Environmental 303,000 303,000
8.5 Subd. 2. Tax System Management 117,822,000 118,476,000

Appropriations by Fund
8.6 General 113,587,000 114,241,000
8.7 Health Care Access 1,749,000 1,749,000
8.8 Highway User Tax
8.9 Distribution 2,183,000 2,183,000
8.10 Environmental 303,000 303,000

8.12 Appropriation: Taxpayer Assistance. (a)
8.13 $400,000 in fiscal year 2016 and $400,000 in fiscal year 2017 from the general fund
8.14 are for grants to one or more nonprofit organizations, qualifying under section
8.15 501(c)(3) of the Internal Revenue Code of
8.16 1986, to coordinate, facilitate, encourage, and
8.17 aid in the provision of taxpayer assistance
8.18 services. The unencumbered balance in the first year does not cancel but is available for
8.19 the second year.
8.20 (b) For purposes of this appropriation,
8.21 "taxpayer assistance services" means
8.22 accounting and tax preparation services
8.23 provided by volunteers to low-income,
8.24 elderly, and disadvantaged Minnesota residents to help them file federal and state
8.25 income tax returns, Minnesota property
8.26 tax refund claims, and to provide personal
8.27 representation before the Department of
8.28 Revenue and Internal Revenue Service.
8.33 Subd. 3. Debt Collection Management 28,616,000 28,616,000

8.34 Sec. 15. GAMBLING CONTROL $ 3,260,000 $ 3,324,000
These appropriations are from the lawful
9.2 gambling regulation account in the special
9.3 revenue fund.

Sec. 16. **RACING COMMISSION**

<table>
<thead>
<tr>
<th>Appropriations by Fund</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>269,000</td>
<td>72,000</td>
</tr>
<tr>
<td>Special Revenue Fund</td>
<td>899,000</td>
<td>1,081,000</td>
</tr>
</tbody>
</table>

The general fund appropriation is for fiscal
9.11 years 2016 and 2017 only.

The appropriations from the special revenue
9.12 fund are from the racing and card playing
9.13 regulation accounts. The funding base for
9.14 the special revenue fund appropriation is
9.15 $972,000 in fiscal year 2018 and $971,000 in
9.16 fiscal year 2019.

The racing commission is directed to work
9.18 in consultation with the racing industry
9.19 to propose permanent dedicated funding
9.20 changes to fully support the operations of
9.21 the commission to ensure that racing is
9.22 conducted in the public interest. These
9.23 changes shall be reported to the Office
9.24 of the Governor and to the majority and
9.25 minority leadership of the relevant legislative
9.26 committees by November 1, 2015.

Sec. 17. **STATE LOTTERY**

Notwithstanding Minnesota Statutes, section
9.29 349A.10, subdivision 3, the operating budget
9.30 must not exceed $31,000,000 in fiscal year
9.31 2016 and $31,000,000 in fiscal year 2017.

Sec. 18. **AMATEUR SPORTS COMMISSION**

<p>| $ | 300,000 | 300,000 |</p>
<table>
<thead>
<tr>
<th>Paragraph</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Sec. 19. COUNCIL ON BLACK MINNESOTANS</td>
</tr>
<tr>
<td>10.2</td>
<td>$396,000 $401,000</td>
</tr>
<tr>
<td>10.3</td>
<td>Sec. 20. COUNCIL ON ASIAN-PACIFIC MINNESOTANS</td>
</tr>
<tr>
<td>10.4</td>
<td>$359,000 $364,000</td>
</tr>
<tr>
<td>10.5</td>
<td>Sec. 21. COUNCIL ON AFFAIRS OF CHICANO/LATINO PEOPLE</td>
</tr>
<tr>
<td>10.6</td>
<td>$381,000 $386,000</td>
</tr>
<tr>
<td>10.7</td>
<td>Sec. 22. INDIAN AFFAIRS COUNCIL</td>
</tr>
<tr>
<td>10.8</td>
<td>$569,000 $576,000</td>
</tr>
<tr>
<td>10.9</td>
<td>Sec. 23. MINNESOTA HISTORICAL SOCIETY</td>
</tr>
<tr>
<td>10.10</td>
<td>Subdivision 1. Total Appropriation</td>
</tr>
<tr>
<td>10.11</td>
<td>$21,964,000 $22,076,000</td>
</tr>
<tr>
<td>10.12</td>
<td>The amounts that may be spent for each purpose are specified in the following subdivisions.</td>
</tr>
<tr>
<td>10.13</td>
<td>Subd. 2. Operations and Programs</td>
</tr>
<tr>
<td>10.14</td>
<td>21,576,000 21,822,000</td>
</tr>
<tr>
<td>10.15</td>
<td>Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.</td>
</tr>
<tr>
<td>10.16</td>
<td>Subd. 3. Fiscal Agent</td>
</tr>
<tr>
<td>10.17</td>
<td>(a) Minnesota International Center 39,000 39,000</td>
</tr>
<tr>
<td>10.18</td>
<td>(b) Minnesota Air National Guard Museum 34,000 -0-</td>
</tr>
<tr>
<td>10.19</td>
<td>(c) Minnesota Military Museum 100,000 -0-</td>
</tr>
<tr>
<td>10.20</td>
<td>(d) Farmamerica 115,000 115,000</td>
</tr>
<tr>
<td>10.21</td>
<td>(e) Hockey Hall of Fame 100,000 100,000</td>
</tr>
<tr>
<td>10.22</td>
<td>Balances Forward. Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.</td>
</tr>
<tr>
<td>10.23</td>
<td>Sec. 24. BOARD OF THE ARTS</td>
</tr>
</tbody>
</table>

Article 1 Sec. 24.
Subdivision 1. **Total Appropriation**  
$7,522,000 $7,530,000

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

1.5 Subd. 2. **Operations and Services**  
583,000 591,000

1.6 Subd. 3. **Grants Program**  
4,800,000 4,800,000

1.7 Subd. 4. **Regional Arts Councils**  
2,139,000 2,139,000

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

1.13 Sec. 25. **MINNESOTA HUMANITIES CENTER**  
$251,000 $251,000

1.15 Sec. 26. **SCIENCE MUSEUM OF MINNESOTA**  
$1,079,000 $1,079,000

1.17 Sec. 27. **GENERAL CONTINGENT ACCOUNTS**  
$1,000,000 $500,000

1.19 Appropriations by Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>500,000</td>
<td>-0-</td>
</tr>
<tr>
<td>State Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Revenue</td>
<td>400,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Workers' Compensation</td>
<td>100,000</td>
<td>100,000</td>
</tr>
</tbody>
</table>

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

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.
(c) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 28. **TORT CLAIMS**

| Amount   | $161,000 | $161,000 |

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

Sec. 29. **MINNESOTA STATE RETIREMENT SYSTEM**

| Total Appropriation | $5,642,000 | $8,953,000 |

The amounts are to be spent for the Consolidated Legislators and Constitutional Officers Retirement.

Sec. 30. **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

| Amount   | $24,000,000 | $24,000,000 |

These amounts are relating to the merged former MERF division and estimated to be needed under Minnesota Statutes, section 353.505.

Sec. 31. **TEACHERS RETIREMENT ASSOCIATION**

| Amount   | $15,454,000 | $15,454,000 |

The amounts estimated to be needed are as follows:

(a) **Special direct state aid.** $12,954,000 the first year and $12,954,000 the second year are for special direct state aid authorized under Minnesota Statutes, section 354.436.

(b) **Special direct state matching aid.** $2,500,000 the first year and $2,500,000 the second year are for special direct state aid...
matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 32. ST. PAUL TEACHERS RETIREMENT FUND

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

Sec. 33. DULUTH TEACHERS RETIREMENT FUND

The amounts estimated to be needed for special direct state aid to first class city teachers retirement funds authorized under Minnesota Statutes, section 354.436.

Sec. 34. Minnesota Statutes 2014, section 14.365, is amended to read:

14.365 OFFICIAL RULEMAKING RECORD.

(a) The agency shall maintain the official rulemaking record for every rule adopted under sections 14.05 to 14.389. The record must be available for public inspection. The record required by this section constitutes the official and exclusive agency rulemaking record with respect to agency action on or judicial review of the rule. The record must contain:

(1) copies of all publications in the State Register pertaining to the rule;

(2) all written petitions, and all requests, submissions, or comments received by the agency or the administrative law judge after publication of the notice of intent to adopt or the notice of hearing in the State Register pertaining to the rule;

(2) the statement of need and reasonableness for the rule;

(4) the official transcript of the hearing if one was held, or the tape recording of the hearing if a transcript was not prepared;

(5) the report of the administrative law judge, if any;

(6) the rule in the form last submitted to the administrative law judge under sections 14.14 to 14.20 or first submitted to the administrative law judge under sections 14.22 to 14.28;
14.1 (7) (5) the administrative law judge's written statement of required modifications and
of approval or disapproval by the chief administrative law judge, if any;
14.2 (8) any documents required by applicable rules of the Office of Administrative
Hearings;
14.3 (9) (6) the agency's order adopting the rule;
14.4 (10) (7) the revisor's certificate approving the form of the rule; and
14.5 (11) (8) a copy of the adopted rule as filed with the secretary of state;
14.6 (9) all written petitions and requests, submissions, or comments pertaining to the
rule received by the agency or the administrative law judge after publication of the notice
of intent to adopt or the notice of hearing in the State Register;
14.7 (10) the official transcript of the hearing, if one was held, or the recording of the
hearing if a transcript was not prepared; and
14.8 (11) any other document required by applicable rules of the Office of Administrative
Hearings.

(b) The agency shall permanently maintain the documents described in paragraph
(a), clauses (1) to (7). The agency shall maintain for at least seven years the documents
described in paragraph (a), clauses (8) to (10). The agency may fulfill this duty by
providing the documents to the revisor of statutes in the form and manner required by the
revisor. The official rulemaking record must be available for public inspection. The
official rulemaking record constitutes the official and exclusive agency rulemaking record
with respect to agency action on or judicial review of the rule.

Sec. 35. Minnesota Statutes 2014, section 16A.28, subdivision 1, is amended to read:

Subdivision 1. **Carryforward.** Agencies may carry forward unexpended and
unencumbered nongrant operating balances from the first year of a biennium into the
second year of the biennium one fiscal year into the next fiscal year.

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

Sec. 36. Minnesota Statutes 2014, section 16C.16, subdivision 2, is amended to read:

Subd. 2. **Small business.** The commissioner shall adopt rules defining the size
standards for "small business" found in Code of Federal Relations, title 49, section
26.65, for purposes of sections 16C.16 to 16C.21, 137.31, 137.35, 161.321, and 473.142-
The definition must include only businesses with their principal place of business in Minnesota. The definition must establish different
size standards for various types of businesses. In establishing these standards, the
commissioner must consider the differences among industries caused by the size of the
market for goods or services and the relative size and market share of the competitors operating in those markets.

Sec. 37. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision to read:

Subd. 13. State-funded projects. (a) Notwithstanding section 16C.001, this subdivision applies to contracts for state-funded capital improvement projects in excess of $100,000 that are issued by organizations not subject to the small business requirements of this section, including municipalities as defined in section 466.01, subdivision 1.

(b) Organizations administering contracts described in paragraph (a) shall promote the use of targeted group businesses designated under this section and take steps to remove barriers to equitable participation of targeted group businesses.

(c) Organizations shall cooperate with the commissioner's efforts to monitor and measure compliance with this subdivision in the performance of state-funded contracts.

Sec. 38. Minnesota Statutes 2014, section 16C.19, is amended to read:

16C.19 ELIGIBILITY; RULES.

(a) A small business wishing to participate in the programs under section 16C.16, subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt by rule standards and procedures for certifying that small targeted group businesses, small businesses located in economically disadvantaged areas, and veteran-owned small businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

(b) The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers, manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

(c) The commissioner may make rules that set time limits and other eligibility limits on business participation in programs under sections 16C.16 to 16C.21.

(d) Notwithstanding paragraph (c) (a), for purposes of sections 16C.16 to 16C.21, a veteran-owned small business, the principal place of business of which is in Minnesota, is certified if it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service-disabled veteran-owned small business, in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.
(e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may be read to include veteran-owned small businesses. In addition to the documentation required in Minnesota Rules, part 1230.1700, the veteran owner must have been discharged under honorable conditions from active service, as indicated by the veteran owner's most current United States Department of Defense form DD-214.

(f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a minority- or woman-owned small business, the principal place of business of which is in Minnesota, is certified if it has been certified by the Minnesota unified certification program under the provisions of Code of Federal Regulations, title 49, part 26.

(g) The commissioner may adopt rules to implement the programs under section 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

Sec. 39. Minnesota Statutes 2014, section 161.1419, subdivision 8, is amended to read:


Sec. 40. Minnesota Statutes 2014, section 240.08, subdivision 4, is amended to read:

Subd. 4. **License issuance and renewal.** If the commission determines that the applicant is qualified for the occupation for which licensing is sought and will not adversely affect the public health, welfare, and safety or the integrity of racing in Minnesota, it may issue a class C license to the applicant. If it makes a similar finding for a renewal of a class C license it may renew the license. Class C licenses are effective for a minimum of one year for all class C licenses, and up to three years for certain classifications of class C licenses to be determined by the commission.

**EFFECTIVE DATE.** This section is effective July 1, 2015.

Sec. 41. Minnesota Statutes 2014, section 240.10, is amended to read:

**240.10 LICENSE FEES.**

The fee for a class A license is $253,000 per year and must be remitted on July 1. The fee for a class B license is $500 for each assigned racing day and $100 for each day on which simulcasting is authorized and must be remitted on July 1. Included herein are all days assigned to be conducted after January 1, 2003. The fee for a class D license is $50 for each assigned racing day on which racing is actually conducted. Fees imposed on class D licenses must be paid to the commission at a time and in a manner as provided by rule of the commission.
The commission shall by rule establish an annual license fee for each occupation it licenses under section 240.08 but no annual fee for a class C license may exceed $100.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 42. Minnesota Statutes 2014, section 349.16, subdivision 6a, is amended to read:

Subd. 6a. Monthly regulatory fee. An organization must pay a monthly regulatory fee of 0.15 percent of the organization's gross receipts from lawful gambling conducted each month. The fee must be reported and paid on a monthly basis in a format as determined by the commissioner of revenue, and remitted to the commissioner of revenue with the organization's monthly tax return. All monthly regulatory fees received by the commissioner of revenue under this subdivision must be deposited in the lawful gambling regulation account in the special revenue fund according to section 349.151.

Failure to pay the monthly regulatory fees in a timely manner may result in disciplinary action by the board.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 43. Laws 2013, chapter 142, article 1, section 10, is amended to read:

Sec. 10. OFFICE OF ENTERPRISE TECHNOLOGY MN.IT SERVICES

During the biennium ending June 30, 2015, the Office of Enterprise Technology MN.IT Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than $400,000 for the biennium, the office may charge for access fees in excess of these amounts.

The commissioner of Minnesota management and budget is authorized to provide cash flow assistance of up to $110,000,000 from the special revenue fund or other statutory Article 1 Sec. 43.
general funds as defined in Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Office of Enterprise Technology MN.IT Services for the purpose of managing revenue and expenditure differences during the initial phases of IT consolidation. These funds shall be repaid with interest by June 30, 2015 the end of the fiscal year 2015 closing period.

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

Sec. 44. Laws 2014, chapter 287, section 25, is amended to read:

The amount equivalent to debt service on the design and construction costs allocated to the parking garage to be located on the block bounded by Sherburne Avenue on the north, Park Street on the west, University Avenue on the south, and North Capitol Boulevard on the east must be user-financed from must be transferred from parking fees collected and deposited into the state parking account and credited to the debt service account for the Legislative Office Facility to the general fund to offset any direct appropriations made to the Senate for debt service payments for the legislative parking garage.

ARTICLE 2
MILITARY AND VETERANS AFFAIRS

Section 1. MILITARY AND VETERANS AFFAIRS APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.

<table>
<thead>
<tr>
<th>APPROPRIATIONS</th>
<th>Available for the Year</th>
<th>Ending June 30</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
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Sec. 2. MILITARY AFFAIRS

Subdivision 1. Total Appropriation $19,368,000 $19,368,000

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

Subd. 2. Maintenance of Training Facilities 9,661,000 9,661,000

Subd. 3. General Support 2,819,000 2,819,000

Subd. 4. Enlistment Incentives 6,888,000 6,888,000

Appropriation Availability. If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended.

Transfer Authority. Of the funds carried forward from fiscal year 2015 to fiscal year 2016, in the enlistment incentives appropriation, $10,000,000 in fiscal year 2016 may be transferred to the maintenance of training facilities appropriation to address significant maintenance backlog to the department's military training and community centers. This is a onetime transfer and is available until spent.

Sec. 3. VETERANS AFFAIRS

Subdivision 1. Total Appropriation $65,363,000 $67,581,000

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

Subd. 2. Veterans Services 16,349,000 16,461,000

Honor Guards. $200,000 each year is for compensation for honor guards at
the funerals of veterans under Minnesota Statutes, section 197.231. This amount is added to the program's base funding.

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

**Gold Star Program.** $100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans. This amount is added to the program's base funding.

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

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

**Veterans Paramedic Apprenticeship Program.** All unspent funds, estimated to be $110,000, from the Veterans Paramedic Apprenticeship Program, from the onetime appropriation under Laws 2009, chapter 79.
article 13, section 7, are canceled to the

Subd. 3. Veterans Homes 49,014,000 51,120,000

Veterans Homes Special Revenue Account.
The general fund appropriations made to the
department may be transferred to a veterans
homes special revenue account in the special
revenue fund in the same manner as other
receipts are deposited according to Minnesota
Statutes, section 198.34, and are appropriated
to the department for the operation of
veterans homes facilities and programs.

Repair and Betterment. $500,000 in the
first year and $500,000 in the second year are
for the repair and betterment of Minnesota
veterans homes.

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

Sec. 4. Minnesota Statutes 2014, section 190.19, subdivision 2a, is amended to read:
Subd. 2a. Uses; veterans. (a) Money appropriated to the Department of Veterans
Affairs from the Minnesota "Support Our Troops" account may be used for:
(1) grants to veterans service organizations;
(2) outreach to underserved veterans;
(3) providing services and programs for veterans and their families; and
(4) transfers to the vehicle services account for Gold Star license plates under
section 168.1253-2.
(5) grants of up to $100,000 to any organization approved by the commissioner of veterans affairs for the purpose of supporting and improving the lives of veterans and their families; and

(6) grants to an eligible foundation.

(b) For purposes of this subdivision, "eligible foundation" includes any organization that:

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

(2) has articles of incorporation under chapter 317A specifying the purpose of the organization as including the provision of financial assistance to veterans and their families.
APPENDIX
Article locations in S0888-1

ARTICLE 1  STATE GOVERNMENT APPROPRIATIONS ...............................  Page.Ln 1.13
ARTICLE 2  MILITARY AND VETERANS AFFAIRS .................................  Page.Ln 18.20