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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 123

01/17/2019 Authored by Nelson and Carlson, L., The bill was read for the first time and referred to the Committee on Government Operations
01/31/2019 Adoption of Report: Re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to state government; eliminating the Legislative Budget Office; repealing
1.3 Minnesota Statutes 2018, sections 3.8853; 3.8854; Laws 2017, First Special Session
1.4 chapter 4, article 2, sections 1, as amended; 3, as amended; 7; 8; 9, as amended;
1.5 58, as amended; Laws 2018, chapter 214, article 5, sections 1; 2; 3; 4; 5; 6; 7; 8;
1.6 9; 10; 11; 12; 13; 14; 15.

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

1.8 Section 1. LEGISLATIVE BUDGET OFFICE ELIMINATED.

1.9 All operations of the Legislative Budget Office established in Minnesota Statutes, section
1.10 3.8853, and the Legislative Budget Office Oversight Commission established in Minnesota
1.11 Statutes, section 3.8854, must be ended no later than July 1, 2019. Notwithstanding any
1.12 laws in effect at the time of their appointment, the term of employment of all Legislative
1.13 Budget Office employees is terminated effective July 1, 2019. The house of representatives,
1.14 senate, and Legislative Coordinating Commission must offer reasonable opportunities for
1.15 comparable employment in other offices of the legislature to employees whose positions
1.16 are terminated by this section, to the extent practical.

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

1.18 Sec. 2. REPEALER.

1.19 Minnesota Statutes 2018, sections 3.8853; and 3.8854, and Laws 2017, First Special
1.20 Session chapter 4, article 2, sections 1, as amended by Laws 2018, chapter 214, article 5,
1.21 section 10; 3, as amended by Laws 2018, chapter 214, article 5, section 11; 7; 8; 9, as
1.22 amended by Laws 2018, chapter 214, article 5, section 12; and 58, as amended by Laws

- 2.1 2018, chapter 214, article 5, section 13; and Laws 2018, chapter 214, article 5, sections 1;
- 2.2 2; 3; 4; 5; 6; 7; 8; 9; 10; 11; 12; 13; 14; and 15, are repealed.
- 2.3 **EFFECTIVE DATE.** This section is effective July 1, 2019.

3.8853 LEGISLATIVE BUDGET OFFICE.

Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established to provide the house of representatives and senate with nonpartisan, accurate, and timely information on the fiscal impact of proposed legislation, without regard to political factors.

Subd. 2. **Director; staff.** The Legislative Budget Office Oversight Commission must appoint a director and establish the director's duties. The director may hire staff necessary to do the work of the office. The director serves in the unclassified service for a term of six years and may not be removed during a term except for cause after a public hearing.

Subd. 3. **Uniform standards and procedures.** The director of the Legislative Budget Office must adopt uniform standards and procedures governing the timely preparation of fiscal notes as required by this section and section 3.98. The standards and procedures are not effective until they are approved by the Legislative Budget Office Oversight Commission. Upon approval, the standards and procedures must be published in the State Register and on the office's website.

Subd. 4. **Access to data; treatment.** Upon request of the director of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the supreme court, must promptly supply data that are used to prepare a fiscal note, including data that are not public data under section 13.64 or other applicable law, unless there are federal laws or regulations that prohibit the provision of the not public data for this purpose. Not public data supplied under this subdivision may only be used by the Legislative Budget Office to review a department or agency's work in preparing a fiscal note and may not be used or disseminated for any other purpose, including use by or dissemination to a legislator or to any officer, department, agency, or committee within the legislative branch. Violation of this subdivision by the director or other staff of the Legislative Budget Office is cause for removal, suspension without pay, or immediate dismissal at the direction of the oversight commission.

Subd. 5. **Fiscal note delivery and posting.** The director of the Legislative Budget Office must deliver a completed fiscal note to the legislative committee chair who made the request, and to the chief author of the legislation to which it relates. Within 24 hours of completion of a fiscal note, the director of the Legislative Budget Office must post a completed fiscal note on the office's public website. This subdivision does not apply to an unofficial fiscal note that is not public data under section 13.64, subdivision 3.

3.8854 LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION.

(a) The Legislative Budget Office Oversight Commission consists of:

- (1) two members of the senate appointed by the senate majority leader;
- (2) two members of the senate appointed by the senate minority leader;
- (3) two members of the house of representatives appointed by the speaker of the house; and
- (4) two members of the house of representatives appointed by the minority leader.

The director of the Legislative Budget Office is the executive secretary of the commission. The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan fiscal analyst of the senate, the commissioner of management and budget or a designee, and the legislative auditor are ex-officio, nonvoting members of the commission.

(b) Members serve at the pleasure of the appointing authority, or until they are not members of the legislative body from which they were appointed. Appointing authorities shall fill vacancies on the commission within 30 days of a vacancy being created.

(c) The commission shall meet in January of each odd-numbered year to elect its chair and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall alternate biennially between the senate and the house of representatives. The commission shall meet at the call of the chair. The members shall serve without compensation but may be reimbursed for their reasonable expenses consistent with the rules of the legislature governing expense reimbursement.

(d) The commission shall review the work of the Legislative Budget Office and make recommendations, as the commission determines necessary, to improve the office's ability to fulfill its duties, and shall perform other functions as directed by this section, and sections 3.8853 and 3.98.

APPENDIX
Repealed Minnesota Session Laws: 19-1431

Laws 2017, First Special Session chapter 4, article 2, section 1, as amended by Laws 2018, chapter 214, article 5, section 10

EFFECTIVE DATE. This section is effective July 1, 2018.

Laws 2017, First Special Session chapter 4, article 2, section 3, as amended by Laws 2018, chapter 214, article 5, section 11

EFFECTIVE DATE. This section is effective July 1, 2018.

Laws 2017, First Special Session chapter 4, article 2, section 58, as amended by Laws 2018, chapter 214, article 5, section 13

EFFECTIVE DATE. This section is effective July 1, 2018.

Laws 2017, First Special Session chapter 4, article 2, section 7

Sec. 7. Minnesota Statutes 2016, section 3.98, subdivision 1, is amended to read:

Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each department or agency of the state government, including the Supreme Court, shall cooperate with the Legislative Budget Office and the Legislative Budget Office must prepare a fiscal note at the request of the chair of the standing committee to which a bill has been referred, or the chair of the house of representatives Ways and Means Committee, or the chair of the senate Committee on Finance.

(b) Upon request of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the Supreme Court, must promptly supply all information necessary for the Legislative Budget Office to prepare an accurate and timely fiscal note.

(c) The Legislative Budget Office may adopt standards and guidelines governing timing of responses to requests for information and governing access to data, consistent with laws governing access to data. Agencies must comply with these standards and guidelines and the Legislative Budget Office must publish them on the office's Web site.

(d) For purposes of this subdivision, "Supreme Court" includes all agencies, committees, and commissions supervised or appointed by the state Supreme Court or the state court administrator.

EFFECTIVE DATE. This section is effective January 8, 2019.

Laws 2017, First Special Session chapter 4, article 2, section 8

Sec. 8. Minnesota Statutes 2016, section 3.98, subdivision 4, is amended to read:

Subd. 4. **Uniform procedure.** ~~The commissioner of management and budget~~ Legislative Budget Office shall prescribe a uniform procedure to govern the departments and agencies of the state in complying with the requirements of this section.

EFFECTIVE DATE. This section is effective January 8, 2019.

Laws 2017, First Special Session chapter 4, article 2, section 9, as amended by Laws 2018, chapter 214, article 5, section 12

EFFECTIVE DATE. This section is effective July 1, 2018.

Laws 2018, chapter 214, article 5, section 1

Section 1. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended to read:

Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established ~~under control of the Legislative Coordinating Commission~~ to provide the house of representatives and senate with nonpartisan, accurate, and timely information on the fiscal impact of proposed legislation, without regard to political factors.

EFFECTIVE DATE. This section is effective July 1, 2018.

Laws 2018, chapter 214, article 5, section 10

Sec. 10. Laws 2017, First Special Session chapter 4, article 2, section 1, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January 8, 2019~~ July 1, 2018.

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EFFECTIVE DATE. This section is effective July 1, 2018.
Laws 2018, chapter 214, article 5, section 11

Sec. 11. Laws 2017, First Special Session chapter 4, article 2, section 3, the effective date, is amended to read:

EFFECTIVE DATE. Except where otherwise provided by law, this section is effective ~~January 8, 2019~~ July 1, 2018.

EFFECTIVE DATE. This section is effective July 1, 2018.
Laws 2018, chapter 214, article 5, section 12

Sec. 12. Laws 2017, First Special Session chapter 4, article 2, section 9, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January 8, 2019~~ September 1, 2019.

EFFECTIVE DATE. This section is effective July 1, 2018.
Laws 2018, chapter 214, article 5, section 13

Sec. 13. Laws 2017, First Special Session chapter 4, article 2, section 58, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January 8, 2019~~ September 1, 2019. The contract required under this section must be approved by the Legislative Budget Office Oversight Commission and be executed no later than November 1, 2018, and must provide for transfer of operational control of the fiscal note tracking system to the Legislative Budget Office effective September 1, 2019.

EFFECTIVE DATE. This section is effective July 1, 2018.
Laws 2018, chapter 214, article 5, section 14

Sec. 14. **LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION; FIRST APPOINTMENTS; FIRST CHAIR; FIRST MEETING.**

Appointments to the Legislative Budget Office Oversight Commission under Minnesota Statutes, section 3.8854, must be made by July 1, 2018. The chair of the Legislative Coordinating Commission must designate one appointee to convene the commission's first meeting and serve as its chair until a chair is elected by the commission as provided in Minnesota Statutes, section 3.8854. The designated appointee must convene the first meeting no later than July 15, 2018.

Laws 2018, chapter 214, article 5, section 15

Sec. 15. **LEGISLATIVE BUDGET OFFICE DIRECTOR ORIENTATION AND TRAINING.**

Before September 1, 2019, the commissioner of management and budget shall provide orientation and training to the director of the Legislative Budget Office and any staff of the Legislative Budget Office designated by the director on the use of the fiscal note system. The commissioner of management and budget must provide opportunities to the director of the Legislative Budget Office and staff designated by the director of the Legislative Budget Office to learn from the Department of Management and Budget's work on fiscal note requests during the 2019 regular legislative session to facilitate the transfer of duties required by this act.

Laws 2018, chapter 214, article 5, section 2

Sec. 2. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended to read:

Subd. 2. **Director; staff.** The ~~Legislative Coordinating Commission~~ Legislative Budget Office Oversight Commission must appoint a director ~~who~~ and establish the director's duties. The director may hire staff necessary to do the work of the office. The director serves in the unclassified service for a term of six years and may not be removed during a term except for cause after a public hearing.

EFFECTIVE DATE. This section is effective July 1, 2018.
Laws 2018, chapter 214, article 5, section 3

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Sec. 3. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 3. **Uniform standards and procedures.** The director of the Legislative Budget Office must adopt uniform standards and procedures governing the timely preparation of fiscal notes as required by this section and section 3.98. The standards and procedures are not effective until they are approved by the Legislative Budget Office Oversight Commission. Upon approval, the standards and procedures must be published in the State Register and on the office's Web site.

EFFECTIVE DATE. This section is effective September 1, 2019, except that the uniform standards and procedures to be used may be developed and adopted by the oversight commission prior to the effective date of this section.

Laws 2018, chapter 214, article 5, section 4

Sec. 4. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 4. **Access to data; treatment.** Upon request of the director of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the Supreme Court, must promptly supply data that are used to prepare a fiscal note, including data that are not public data under section 13.64 or other applicable law, unless there are federal laws or regulations that prohibit the provision of the not public data for this purpose. Not public data supplied under this subdivision may only be used by the Legislative Budget Office to review a department or agency's work in preparing a fiscal note and may not be used or disseminated for any other purpose, including use by or dissemination to a legislator or to any officer, department, agency, or committee within the legislative branch. Violation of this subdivision by the director or other staff of the Legislative Budget Office is cause for removal, suspension without pay, or immediate dismissal at the direction of the oversight commission.

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

Laws 2018, chapter 214, article 5, section 5

Sec. 5. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 5. **Fiscal note delivery and posting.** The director of the Legislative Budget Office must deliver a completed fiscal note to the legislative committee chair who made the request, and to the chief author of the legislation to which it relates. Within 24 hours of completion of a fiscal note, the director of the Legislative Budget Office must post a completed fiscal note on the office's public Web site. This subdivision does not apply to an unofficial fiscal note that is not public data under section 13.64, subdivision 3.

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

Laws 2018, chapter 214, article 5, section 6

Sec. 6. **[3.8854] LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION.**

(a) The Legislative Budget Office Oversight Commission consists of:

(1) two members of the senate appointed by the senate majority leader;

(2) two members of the senate appointed by the senate minority leader;

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

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

The director of the Legislative Budget Office is the executive secretary of the commission. The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan fiscal analyst of the senate, the commissioner of management and budget or a designee, and the legislative auditor are ex-officio, nonvoting members of the commission.

(b) Members serve at the pleasure of the appointing authority, or until they are not members of the legislative body from which they were appointed. Appointing authorities shall fill vacancies on the commission within 30 days of a vacancy being created.

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(c) The commission shall meet in January of each odd-numbered year to elect its chair and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall alternate biennially between the senate and the house of representatives. The commission shall meet at the call of the chair. The members shall serve without compensation but may be reimbursed for their reasonable expenses consistent with the rules of the legislature governing expense reimbursement.

(d) The commission shall review the work of the Legislative Budget Office and make recommendations, as the commission determines necessary, to improve the office's ability to fulfill its duties, and shall perform other functions as directed by this section, and sections 3.8853 and 3.98.

Laws 2018, chapter 214, article 5, section 7

Sec. 7. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to read:

Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each department or agency of the state government, including the Supreme Court, shall ~~cooperate with the Legislative Budget Office and the Legislative Budget Office~~ must prepare a fiscal note consistent with the standards and procedures adopted under section 3.8853, at the request of the chair of the standing committee to which a bill has been referred, or the chair of the house of representatives Ways and Means Committee, or the chair of the senate Committee on Finance.

~~(b) Upon request of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the Supreme Court, must promptly supply all information necessary for the Legislative Budget Office to prepare an accurate and timely fiscal note.~~

~~(c) The Legislative Budget Office may adopt standards and guidelines governing timing of responses to requests for information and governing access to data, consistent with laws governing access to data. Agencies must comply with these standards and guidelines and the Legislative Budget Office must publish them on the office's Web site.~~

~~(d)~~ (b) For purposes of this subdivision, "Supreme Court" includes all agencies, committees, and commissions supervised or appointed by the state Supreme Court or the state court administrator.

EFFECTIVE DATE. This section is effective September 1, 2019.
Laws 2018, chapter 214, article 5, section 8

Sec. 8. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research, and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;
- (6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;
- (7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- (8) executive director of the State Board of Investment;
- (9) deputy of any official listed in clauses (7) and (8);
- (10) judge of the Workers' Compensation Court of Appeals;
- (11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;

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- (12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;
- (13) member or chief administrator of a metropolitan agency;
- (14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;
- (15) member or executive director of the Higher Education Facilities Authority;
- (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- (17) member of the board of directors or executive director of the Minnesota State High School League;
- (18) member of the Minnesota Ballpark Authority established in section 473.755;
- (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- (20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;
- (21) supervisor of a soil and water conservation district;
- (22) director of Explore Minnesota Tourism;
- (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;
- (24) citizen member of the Clean Water Council established in section 114D.30;
- (25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;
- (26) district court judge, appeals court judge, or Supreme Court justice;
- (27) county commissioner;
- (28) member of the Greater Minnesota Regional Parks and Trails Commission; or
- (29) member of the Destination Medical Center Corporation established in section 469.41.

EFFECTIVE DATE. This section is effective July 1, 2018.
Laws 2018, chapter 214, article 5, section 9

Sec. 9. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to read:

Subd. 4. Fiscal note data must be shared with Legislative Budget Office. A head or chief administrative officer of a department or agency of the state government, including the Supreme Court, must provide data that are used to prepare a fiscal note, including data that are not public data under this section to the director of the Legislative Budget Office upon the director's request and consistent with section 3.8853, subdivision 4, unless there are federal laws or regulations that prohibit the provision of the not public data for this purpose. The data must be supplied according to any standards and procedures adopted under section 3.8853, subdivision 3, including any standards and procedures governing timeliness. Notwithstanding section 13.05, subdivision 9, a responsible authority may not require the Legislative Budget Office to pay a cost for supplying data requested under this subdivision.

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