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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2623

03/03/2014 Authored by Johnson, B.; Gunther; Davids and Scott  
The bill was read for the first time and referred to the Committee on Government Operations

1.1 A bill for an act  
1.2 relating to state government; limiting a state agency from bringing a court action  
1.3 against another state agency; appropriating money; proposing coding for new  
1.4 law in Minnesota Statutes, chapter 15.

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

1.6 Section 1. **[15.025] COURT ACTIONS BETWEEN STATE AGENCIES LIMITED.**

1.7 Subdivision 1. **Court actions limited.** A state agency may not commence litigation  
1.8 in state or federal court against another state agency. For purposes of this section, "state  
1.9 agency" means an office, board, commission, authority, department, or other agency of  
1.10 the executive branch of state government, and includes the Minnesota State Colleges  
1.11 and Universities. State agency does not include elected constitutional officers or state  
1.12 legislative bodies.

1.13 Subd. 2. **Alternative dispute resolution.** To resolve a legal dispute, a state agency  
1.14 may enter into an alternative dispute resolution agreement with another state agency. If  
1.15 there is no alternative dispute resolution agreement between state agencies, the agencies  
1.16 involved in the dispute must seek mediation through the Bureau of Mediation Services  
1.17 or through another entity agreed to by the affected state agencies. If the state agencies  
1.18 are not successful in settling the dispute through mediation or another form of dispute  
1.19 resolution agreed to by the agencies, the agencies must submit the dispute to a special  
1.20 review panel created under subdivision 3.

1.21 Subd. 3. **Special review panel.** (a) A special review panel shall be appointed if a  
1.22 dispute between state agencies is not resolved under subdivision 2. Each special review  
1.23 panel has authority only over the dispute for which the panel is appointed. Each special  
1.24 review panel consists of:

2.1 (1) one nonlegislator member appointed by each of the following: the speaker of  
2.2 the house, the minority leader of the house of representatives, the majority leader of the  
2.3 senate, and the minority leader of the senate;

2.4 (2) one member appointed by the governor; and

2.5 (3) two members appointed by the Supreme Court.

2.6 Appointing authorities should attempt to appoint members who have some knowledge of  
2.7 the subject matter of the dispute. Members serve on the special review panel only until the  
2.8 panel has issued a decision in the dispute.

2.9 (b) The special review panel may conduct hearings and may adopt dispute resolution  
2.10 procedures. The panel may contract with the Office of Administrative Hearings or  
2.11 with another person or entity to conduct hearings or perform other work for the panel.

2.12 The commissioner of administration shall provide administrative support for the panel,  
2.13 unless the commissioner is a party to the dispute, in which case the governor shall assign  
2.14 another agency to provide administrative support. At the conclusion of hearings or other  
2.15 proceedings for a dispute, the panel shall issue a decision resolving the dispute.

2.16 (c) The panel must bill the state agencies involved in a dispute for the expenses  
2.17 incurred by the panel in resolving a dispute. Unless otherwise agreed to by all of the  
2.18 agencies that are parties to the dispute, the amount billed by the panel must be split  
2.19 equally between the agencies that are parties to the dispute, and each agency must pay  
2.20 the commissioner of administration, as agent for the panel, for the amount billed. Funds  
2.21 received are appropriated to the commissioner of administration for purposes of this section.

2.22 (d) A state agency may appeal a panel decision under sections 14.63 to 14.69. The  
2.23 attorney general shall represent the panel in appeals.

2.24 Subd. 4. **Payment of expenses.** State agencies that are parties to a dispute under this  
2.25 section must evenly split the costs of mediation or other dispute resolution procedures,  
2.26 unless the agencies mutually agree otherwise. Each agency's expenses for legal counsel  
2.27 must be paid from an appropriation to the agency, and not from an appropriation to the  
2.28 attorney general.