

1.1 CONFERENCE COMMITTEE REPORT ON H. F. No. 2948

1.2 A bill for an act  
1.3 relating to economic development; repealing obsolete, redundant, and  
1.4 unnecessary laws administered by the Department of Employment and Economic  
1.5 Development; making conforming changes; amending Minnesota Statutes 2012,  
1.6 sections 15.991, subdivision 1; 116C.34, subdivision 3; 116D.04, subdivision 2a;  
1.7 116L.02; 116L.05, subdivision 5; 116L.20, subdivision 2; 256J.49, subdivision  
1.8 4; 256J.51, subdivision 2; 268.105, subdivision 7; 268.186; repealing Minnesota  
1.9 Statutes 2012, sections 116C.22; 116C.23; 116C.24; 116C.25; 116C.26;  
1.10 116C.261; 116C.27; 116C.28; 116C.29; 116C.30; 116C.31; 116C.32; 116C.33;  
1.11 116J.037; 116J.422; 116J.658; 116J.68, subdivision 5; 116J.74, subdivision 7a;  
1.12 116J.874, subdivisions 1, 2, 3, 4, 5; 116J.885; 116J.987; 116J.988; 116J.989;  
1.13 116J.990, subdivisions 1, 2, 3, 4, 5, 6; 116L.06; 116L.10; 116L.11; 116L.12,  
1.14 subdivisions 1, 3, 4, 5, 6; 116L.13; 116L.14; 116L.15; 116L.361, subdivision  
1.15 2; 116L.363; 116L.871; 116L.872; 469.109; 469.124; Minnesota Statutes 2013  
1.16 Supplement, sections 116J.6581; 116J.70, subdivision 2a.

1.17 May 5, 2014  
1.18 The Honorable Paul Thissen  
1.19 Speaker of the House of Representatives

1.20 The Honorable Sandra L. Pappas  
1.21 President of the Senate

1.22 We, the undersigned conferees for H. F. No. 2948 report that we have agreed upon  
1.23 the items in dispute and recommend as follows:

1.24 That the Senate recede from its amendment and that H. F. No. 2948 be further  
1.25 amended as follows:

1.26 Delete everything after the enacting clause and insert:

1.27 **"ARTICLE 1**

1.28 **OBSOLETE AND REDUNDANT STATUTES**

1.29 Section 1. Minnesota Statutes 2012, section 268.105, subdivision 7, is amended to read:

1.30 Subd. 7. **Judicial review.** (a) The Minnesota Court of Appeals must, by writ of  
1.31 certiorari to the department, review the unemployment law judge's decision, provided a  
1.32 petition for the writ is filed with the court and a copy is served upon the unemployment

2.1 law judge or the commissioner and any other involved party within 30 calendar days of  
2.2 the sending of the unemployment law judge's order under subdivision 2.

2.3 (b) Any employer petitioning for a writ of certiorari must pay to the court the  
2.4 required filing fee ~~and upon the service of the writ must furnish a cost bond to the~~  
2.5 ~~department~~ in accordance with the Rules of Civil Appellate Procedure. If the employer  
2.6 requests a written transcript of the testimony received at the evidentiary hearing conducted  
2.7 under subdivision 1, the employer must pay to the department the cost of preparing the  
2.8 transcript. That money is credited to the administration account.

2.9 (c) Upon issuance by the Minnesota Court of Appeals of a writ of certiorari as a result  
2.10 of an applicant's petition, the department must furnish to the applicant at no cost a written  
2.11 transcript of any testimony received at the evidentiary hearing conducted under subdivision  
2.12 1, and, if requested, a copy of all exhibits entered into evidence. No filing fee or cost bond is  
2.13 required of an applicant petitioning the Minnesota Court of Appeals for a writ of certiorari.

2.14 (d) The Minnesota Court of Appeals may affirm the decision of the unemployment  
2.15 law judge or remand the case for further proceedings; or it may reverse or modify the  
2.16 decision if the substantial rights of the petitioner may have been prejudiced because the  
2.17 findings, inferences, conclusion, or decision are:

- 2.18 (1) in violation of constitutional provisions;  
2.19 (2) in excess of the statutory authority or jurisdiction of the department;  
2.20 (3) made upon unlawful procedure;  
2.21 (4) affected by other error of law;  
2.22 (5) unsupported by substantial evidence in view of the entire record as submitted; or  
2.23 (6) arbitrary or capricious.

2.24 (e) The department is considered the primary responding party to any judicial action  
2.25 involving an unemployment law judge's decision. The department may be represented by  
2.26 an attorney licensed to practice law in Minnesota who is an employee of the department.

2.27 Sec. 2. Minnesota Statutes 2012, section 268.186, is amended to read:

2.28 **268.186 RECORDS; AUDITS.**

2.29 (a) Each employer must keep true and accurate records ~~for the periods of time~~  
2.30 ~~and on individuals performing services for the employer,~~ containing the information the  
2.31 commissioner may require ~~by rule~~ under Minnesota Rules, part 3315.1010. The records  
2.32 must be kept for a period of not less than four years in addition to the current calendar year.

2.33 For the purpose of administering this chapter, the commissioner has the power to  
2.34 audit, examine, or cause to be supplied or copied, any books, correspondence, papers,  
2.35 records, or memoranda that are relevant, whether the books, correspondence, papers,

3.1 records, or memoranda are the property of or in the possession of the employer or any  
3.2 other person at any reasonable time and as often as may be necessary.

3.3 (b) Any employer that refuses to allow an audit of its records by the department, or  
3.4 that fails to make all necessary records available for audit in Minnesota upon request of  
3.5 the commissioner, may be assessed an administrative penalty of \$500.

3.6 An employer that fails to provide a weekly breakdown of money earned by an  
3.7 applicant upon request of the commissioner, information necessary for the detection of  
3.8 applicant fraud under section 268.18, subdivision 2, may be assessed an administrative  
3.9 penalty of \$100. Any notice requesting a weekly breakdown must clearly state that a \$100  
3.10 penalty may be assessed for failure to provide the information. The penalty collected is  
3.11 credited to the trust fund.

3.12 (c) The commissioner may make summaries, compilations, photographs,  
3.13 duplications, or reproductions of any records, or reports that the commissioner considers  
3.14 advisable for the preservation of the information contained therein. Any summaries,  
3.15 compilations, photographs, duplications, or reproductions is admissible in any proceeding  
3.16 under this chapter. The commissioner may duplicate records, reports, summaries,  
3.17 compilations, instructions, determinations, or any other written or recorded matter  
3.18 pertaining to the administration of this chapter.

3.19 (d) Regardless of any law to the contrary, the commissioner may provide for the  
3.20 destruction of any records, reports, or reproductions, or other papers that are no longer  
3.21 necessary for the administration of this chapter, including any required audit. In addition,  
3.22 the commissioner may provide for the destruction or disposition of any record, report,  
3.23 or other paper from which the information has been electronically captured and stored,  
3.24 or that has been photographed, duplicated, or reproduced.

3.25 **Sec. 3. REPEALER.**

3.26 **Subdivision 1. Environmental Coordination Procedures Act.** Minnesota Statutes  
3.27 2012, sections 116C.22; 116C.23; 116C.24; 116C.25; 116C.26; 116C.261; 116C.27;  
3.28 116C.28; 116C.29; 116C.30; 116C.31; 116C.32; and 116C.33, are repealed.

3.29 **Subd. 2. E-Commerce ready designations.** Minnesota Statutes 2012, section  
3.30 116J.037, is repealed.

3.31 **Subd. 3. Rural policy and development center fund.** Minnesota Statutes 2012,  
3.32 section 116J.422, is repealed.

3.33 **Subd. 4. Minnesota Entrepreneur Resource Virtual Network (MERNV).**  
3.34 Minnesota Statutes 2013 Supplement, section 116J.6581, is repealed.

4.1 Subd. 5. **Small Business Development Center Advisory Board meetings.**

4.2 Minnesota Statutes 2012, section 116J.68, subdivision 5, is repealed.

4.3 Subd. 6. **Business license assistance exceptions.** Minnesota Statutes 2013

4.4 Supplement, section 116J.70, subdivision 2a, is repealed.

4.5 Subd. 7. **Affirmative enterprise program.** Minnesota Statutes 2012, section

4.6 116J.874, subdivisions 1, 2, 3, 4, and 5, are repealed.

4.7 Subd. 8. **Biomedical Innovation and Commercialization Initiative.** Minnesota

4.8 Statutes 2012, section 116J.885, is repealed.

4.9 Subd. 9. **Board of Invention.** Minnesota Statutes 2012, sections 116J.987;

4.10 116J.988; 116J.989; and 116J.990, subdivisions 1, 2, 3, 4, 5, and 6, are repealed.

4.11 Subd. 10. **HIRE education loan program.** Minnesota Statutes 2012, section

4.12 116L.06, is repealed.

4.13 Subd. 11. **Healthcare and human services worker program.** Minnesota Statutes

4.14 2012, sections 116L.10; 116L.11; 116L.12, subdivisions 1, 3, 4, 5, and 6; 116L.13;

4.15 116L.14; and 116L.15, are repealed.

4.16 Subd. 12. **Youthbuild advisory committee.** Minnesota Statutes 2012, section

4.17 116L.363, is repealed.

4.18 Subd. 13. **Local service unit delivery.** Minnesota Statutes 2012, sections 116L.871;

4.19 and 116L.872, are repealed.

## 4.20 **ARTICLE 2**

### 4.21 **CONFORMING CHANGES**

4.22 Section 1. Minnesota Statutes 2012, section 15.991, subdivision 1, is amended to read:

4.23 Subdivision 1. **Definitions.** For purposes of this section and section 15.992:

4.24 (1) "business license" or "license" has the meaning given it in section 116J.70,  
4.25 ~~subdivision 2, and also includes licenses and other forms of approval listed in section~~  
4.26 ~~116J.70, subdivision 2a, clauses (7) and (8), but does not include those listed in~~  
4.27 ~~subdivision 2a, clauses (1) to (6);~~

4.28 (2) "customer" means an individual; a small business as defined in section 645.445,  
4.29 but also including a nonprofit corporation that otherwise meets the criteria in that  
4.30 section; a family farm, family farm corporation, or family farm partnership as defined in  
4.31 section 500.24, subdivision 2; or a political subdivision as defined in section 103G.005,  
4.32 subdivision 14a;

4.33 (3) "initial agency" means the state agency to which a customer submits an  
4.34 application for a license or inquires about submitting an application; and

5.1 (4) "responsible agency" means the initial agency or another state agency that agrees  
5.2 to be designated the responsible agency.

5.3 Sec. 2. Minnesota Statutes 2012, section 116C.34, subdivision 3, is amended to read:

5.4 Subd. 3. **County responsibility.** The auditor of each county shall post in a  
5.5 conspicuous place in the auditor's office the telephone numbers of the Bureau of Business  
5.6 Licenses and the permit information center in the office of the applicable regional  
5.7 development commission; ~~copies of any master applications or permit applications~~  
5.8 ~~forwarded to the auditor pursuant to section 116C.27, subdivision 1;~~ and copies of any  
5.9 information published by the bureau or an information center pursuant to subdivision 1.

5.10 Sec. 3. Minnesota Statutes 2012, section 116D.04, subdivision 2a, is amended to read:

5.11 Subd. 2a. **When prepared.** Where there is potential for significant environmental  
5.12 effects resulting from any major governmental action, the action shall be preceded by a  
5.13 detailed environmental impact statement prepared by the responsible governmental unit.  
5.14 The environmental impact statement shall be an analytical rather than an encyclopedic  
5.15 document which describes the proposed action in detail, analyzes its significant  
5.16 environmental impacts, discusses appropriate alternatives to the proposed action and  
5.17 their impacts, and explores methods by which adverse environmental impacts of an  
5.18 action could be mitigated. The environmental impact statement shall also analyze those  
5.19 economic, employment, and sociological effects that cannot be avoided should the action  
5.20 be implemented. To ensure its use in the decision-making process, the environmental  
5.21 impact statement shall be prepared as early as practical in the formulation of an action.

5.22 (a) The board shall by rule establish categories of actions for which environmental  
5.23 impact statements and for which environmental assessment worksheets shall be prepared  
5.24 as well as categories of actions for which no environmental review is required under this  
5.25 section. A mandatory environmental assessment worksheet shall not be required for the  
5.26 expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph  
5.27 (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a  
5.28 biobutanol facility as defined in section 41A.105, subdivision 1a, based on the capacity  
5.29 of the expanded or converted facility to produce alcohol fuel, but must be required if  
5.30 the ethanol plant or biobutanol facility meets or exceeds thresholds of other categories  
5.31 of actions for which environmental assessment worksheets must be prepared. The  
5.32 responsible governmental unit for an ethanol plant or biobutanol facility project for which  
5.33 an environmental assessment worksheet is prepared shall be the state agency with the  
5.34 greatest responsibility for supervising or approving the project as a whole.

6.1 A mandatory environmental impact statement shall not be required for a facility  
6.2 or plant located outside the seven-county metropolitan area that produces less than  
6.3 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, if the facility  
6.4 or plant is: an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph  
6.5 (b); a biobutanol facility, as defined in section 41A.105, subdivision 1a, clause (1); or a  
6.6 cellulosic biofuel facility, as defined in section 41A.10, subdivision 1, paragraph (d).

6.7 (b) The responsible governmental unit shall promptly publish notice of the  
6.8 completion of an environmental assessment worksheet by publishing the notice in at least  
6.9 one newspaper of general circulation in the geographic area where the project is proposed,  
6.10 by posting the notice on a Web site that has been designated as the official publication site  
6.11 for publication of proceedings, public notices, and summaries of a political subdivision in  
6.12 which the project is proposed, or in any other manner determined by the board and shall  
6.13 provide copies of the environmental assessment worksheet to the board and its member  
6.14 agencies. Comments on the need for an environmental impact statement may be submitted  
6.15 to the responsible governmental unit during a 30-day period following publication of the  
6.16 notice that an environmental assessment worksheet has been completed. The responsible  
6.17 governmental unit's decision on the need for an environmental impact statement shall be  
6.18 based on the environmental assessment worksheet and the comments received during the  
6.19 comment period, and shall be made within 15 days after the close of the comment period.  
6.20 The board's chair may extend the 15-day period by not more than 15 additional days upon  
6.21 the request of the responsible governmental unit.

6.22 (c) An environmental assessment worksheet shall also be prepared for a proposed  
6.23 action whenever material evidence accompanying a petition by not less than 100  
6.24 individuals who reside or own property in the state, submitted before the proposed  
6.25 project has received final approval by the appropriate governmental units, demonstrates  
6.26 that, because of the nature or location of a proposed action, there may be potential for  
6.27 significant environmental effects. Petitions requesting the preparation of an environmental  
6.28 assessment worksheet shall be submitted to the board. The chair of the board shall  
6.29 determine the appropriate responsible governmental unit and forward the petition to it.  
6.30 A decision on the need for an environmental assessment worksheet shall be made by  
6.31 the responsible governmental unit within 15 days after the petition is received by the  
6.32 responsible governmental unit. The board's chair may extend the 15-day period by not  
6.33 more than 15 additional days upon request of the responsible governmental unit.

6.34 (d) Except in an environmentally sensitive location where Minnesota Rules, part  
6.35 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental  
6.36 review under this chapter and rules of the board, if:

7.1 (1) the proposed action is:

7.2 (i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

7.3 (ii) an expansion of an existing animal feedlot facility with a total cumulative  
7.4 capacity of less than 1,000 animal units;

7.5 (2) the application for the animal feedlot facility includes a written commitment by  
7.6 the proposer to design, construct, and operate the facility in full compliance with Pollution  
7.7 Control Agency feedlot rules; and

7.8 (3) the county board holds a public meeting for citizen input at least ten business  
7.9 days prior to the Pollution Control Agency or county issuing a feedlot permit for the  
7.10 animal feedlot facility unless another public meeting for citizen input has been held with  
7.11 regard to the feedlot facility to be permitted. The exemption in this paragraph is in  
7.12 addition to other exemptions provided under other law and rules of the board.

7.13 (e) The board may, prior to final approval of a proposed project, require preparation  
7.14 of an environmental assessment worksheet by a responsible governmental unit selected  
7.15 by the board for any action where environmental review under this section has not been  
7.16 specifically provided for by rule or otherwise initiated.

7.17 (f) An early and open process shall be utilized to limit the scope of the environmental  
7.18 impact statement to a discussion of those impacts, which, because of the nature or location  
7.19 of the project, have the potential for significant environmental effects. The same process  
7.20 shall be utilized to determine the form, content and level of detail of the statement as well  
7.21 as the alternatives which are appropriate for consideration in the statement. In addition,  
7.22 the permits which will be required for the proposed action shall be identified during the  
7.23 scoping process. Further, the process shall identify those permits for which information  
7.24 will be developed concurrently with the environmental impact statement. The board  
7.25 shall provide in its rules for the expeditious completion of the scoping process. The  
7.26 determinations reached in the process shall be incorporated into the order requiring the  
7.27 preparation of an environmental impact statement.

7.28 (g) The responsible governmental unit shall, to the extent practicable, avoid  
7.29 duplication and ensure coordination between state and federal environmental review  
7.30 and between environmental review and environmental permitting. Whenever practical,  
7.31 information needed by a governmental unit for making final decisions on permits  
7.32 or other actions required for a proposed project shall be developed in conjunction  
7.33 with the preparation of an environmental impact statement. When an environmental  
7.34 impact statement is prepared for a project requiring multiple permits for which two or  
7.35 more agencies' decision processes include either mandatory or discretionary hearings  
7.36 before a hearing officer prior to the agencies' decision on the permit, the agencies

8.1 may, notwithstanding any law or rule to the contrary, conduct the hearings in a single  
8.2 consolidated hearing process if requested by the proposer. All agencies having jurisdiction  
8.3 over a permit that is included in the consolidated hearing shall participate. The responsible  
8.4 governmental unit shall establish appropriate procedures for the consolidated hearing  
8.5 process, including procedures to ensure that the consolidated hearing process is consistent  
8.6 with the applicable requirements for each permit regarding the rights and duties of parties to  
8.7 the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing.  
8.8 ~~The procedures of section 116C.28, subdivision 2, apply to the consolidated hearing.~~

8.9 (h) An environmental impact statement shall be prepared and its adequacy  
8.10 determined within 280 days after notice of its preparation unless the time is extended by  
8.11 consent of the parties or by the governor for good cause. The responsible governmental  
8.12 unit shall determine the adequacy of an environmental impact statement, unless within 60  
8.13 days after notice is published that an environmental impact statement will be prepared,  
8.14 the board chooses to determine the adequacy of an environmental impact statement. If an  
8.15 environmental impact statement is found to be inadequate, the responsible governmental  
8.16 unit shall have 60 days to prepare an adequate environmental impact statement.

8.17 (i) The proposer of a specific action may include in the information submitted to the  
8.18 responsible governmental unit a preliminary draft environmental impact statement under  
8.19 this section on that action for review, modification, and determination of completeness and  
8.20 adequacy by the responsible governmental unit. A preliminary draft environmental impact  
8.21 statement prepared by the project proposer and submitted to the responsible governmental  
8.22 unit shall identify or include as an appendix all studies and other sources of information  
8.23 used to substantiate the analysis contained in the preliminary draft environmental impact  
8.24 statement. The responsible governmental unit shall require additional studies, if needed,  
8.25 and obtain from the project proposer all additional studies and information necessary for  
8.26 the responsible governmental unit to perform its responsibility to review, modify, and  
8.27 determine the completeness and adequacy of the environmental impact statement.

8.28 Sec. 4. Minnesota Statutes 2012, section 116L.02, is amended to read:

8.29 **116L.02 JOB SKILLS PARTNERSHIP PROGRAM.**

8.30 (a) The Minnesota Job Skills Partnership program is created to act as a catalyst to  
8.31 bring together employers with specific training needs with educational or other nonprofit  
8.32 institutions which can design programs to fill those needs. The partnership shall work  
8.33 closely with employers to prepare, train and place prospective or incumbent workers in  
8.34 identifiable positions as well as assisting educational or other nonprofit institutions in  
8.35 developing training programs that coincide with current and future employer requirements.



9.1 The partnership shall provide grants to educational or other nonprofit institutions for  
9.2 the purpose of training workers. A participating business must match the grant-in-aid  
9.3 made by the Minnesota Job Skills Partnership. The match may be in the form of funding,  
9.4 equipment, or faculty.

9.5 ~~(b) The partnership program shall administer the health care and human services~~  
9.6 ~~worker training and retention program under sections 116L.10 to 116L.15.~~

9.7 (e) (b) The partnership program is authorized to use funds to pay for training for  
9.8 individuals who have incomes at or below 200 percent of the federal poverty line.  
9.9 The board may grant funds to eligible recipients to pay for board-certified training.  
9.10 Eligible recipients of grants may include public, private, or nonprofit entities that provide  
9.11 employment services to low-income individuals.

9.12 Sec. 5. Minnesota Statutes 2012, section 116L.05, subdivision 5, is amended to read:

9.13 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year,  
9.14 the board may use workforce development funds for the purposes outlined in sections  
9.15 116L.02, and 116L.04, and 116L.10 to 116L.14, or to provide incumbent worker training  
9.16 services under section 116L.18 if the following conditions have been met:

9.17 (1) the board examines relevant economic indicators, including the projected  
9.18 number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of  
9.19 declining and expanding industries, the number of initial applications for and the number  
9.20 of exhaustions of unemployment benefits, job vacancy data, and any additional relevant  
9.21 information brought to the board's attention;

9.22 (2) the board accounts for all allocations made in section 116L.17, subdivision 2;

9.23 (3) based on the past expenditures and projected revenue, the board estimates future  
9.24 funding needs for services under section 116L.17 for the remainder of the current fiscal  
9.25 year and the next fiscal year;

9.26 (4) the board determines there will be unspent funds after meeting the needs of  
9.27 dislocated workers in the current fiscal year and there will be sufficient revenue to meet  
9.28 the needs of dislocated workers in the next fiscal year; and

9.29 (5) the board reports its findings in clauses (1) to (4) to the chairs of legislative  
9.30 committees with jurisdiction over the workforce development fund, to the commissioners  
9.31 of revenue and management and budget, and to the public.

9.32 Sec. 6. Minnesota Statutes 2012, section 116L.20, subdivision 2, is amended to read:

9.33 Subd. 2. **Disbursement of special assessment funds.** (a) The money collected  
9.34 under this section shall be deposited in the state treasury and credited to the workforce

10.1 development fund to provide for employment and training programs. The workforce  
10.2 development fund is created as a special account in the state treasury.

10.3 (b) All money in the fund not otherwise appropriated or transferred is appropriated  
10.4 to the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for  
10.5 in paragraph (d). The board must act as the fiscal agent for the money and must disburse  
10.6 that money for the purposes of section 116L.17, not allowing the money to be used for  
10.7 any other obligation of the state. All money in the workforce development fund shall be  
10.8 deposited, administered, and disbursed in the same manner and under the same conditions  
10.9 and requirements as are provided by law for the other special accounts in the state treasury,  
10.10 except that all interest or net income resulting from the investment or deposit of money in  
10.11 the fund shall accrue to the fund for the purposes of the fund.

10.12 (c) Reimbursement for costs related to collection of the special assessment shall be  
10.13 in an amount negotiated between the commissioner and the United States Department  
10.14 of Labor.

10.15 (d) If the board determines that the conditions of section 116L.05, subdivision 5,  
10.16 have been met, the board may use funds for the purposes outlined in ~~sections~~ section  
10.17 ~~116L.04 and 116L.10 to 116L.14,~~ or to provide incumbent worker training services under  
10.18 section 116L.18.

10.19 Sec. 7. Minnesota Statutes 2012, section 256J.49, subdivision 4, is amended to read:

10.20 Subd. 4. **Employment and training service provider.** "Employment and training  
10.21 service provider" means:

10.22 (1) a public, private, or nonprofit agency with which a county has contracted to  
10.23 provide employment and training services and which is included in the county's service  
10.24 agreement submitted under section 256J.626, subdivision 4;

10.25 (2) a county agency, if the county has opted to provide employment and training  
10.26 services and the county has indicated that fact in the service agreement submitted under  
10.27 section 256J.626, subdivision 4; or

10.28 (3) a local public health department under section 145A.17, subdivision 4a, that a  
10.29 county has designated to provide employment and training services and is included in the  
10.30 county's service agreement submitted under section 256J.626, subdivision 4.

10.31 ~~Notwithstanding section 116L.871,~~ An employment and training services provider  
10.32 meeting this definition may deliver employment and training services under this chapter.

10.33 Sec. 8. Minnesota Statutes 2012, section 256J.51, subdivision 2, is amended to read:

11.1 Subd. 2. **Appeal; alternate approval.** (a) An employment and training service  
11.2 provider that is not included by a county agency in the service agreement under section  
11.3 256J.626, subdivision 4, and that meets the criteria in paragraph (b), may appeal  
11.4 its exclusion to the commissioner of employment and economic development, and  
11.5 may request alternative approval by the commissioner of employment and economic  
11.6 development to provide services in the county.

11.7 ~~(b) An employment and training services provider that is requesting alternative~~  
11.8 ~~approval must demonstrate to the commissioner that the provider meets the standards~~  
11.9 ~~specified in section 116L.871, subdivision 1, paragraph (b), except that the provider's~~  
11.10 ~~past experience may be in services and programs similar to those specified in section~~  
11.11 ~~116L.871, subdivision 1, paragraph (b).~~

11.12 Sec. 9. **REPEALER.**

11.13 Subdivision 1. Reference to Minnesota Statutes, section 116J.70, subdivision 2a.  
11.14 Minnesota Statutes 2012, section 116J.74, subdivision 7a, is repealed.

11.15 Subd. 2. Reference to Minnesota Statutes, section 116L.363. Minnesota Statutes  
11.16 2012, section 116L.361, subdivision 2, is repealed.

11.17 **ARTICLE 3**

11.18 **METROPOLITAN COUNCIL**

11.19 Section 1. Minnesota Statutes 2012, section 473.123, subdivision 4, is amended to read:

11.20 Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a)  
11.21 The chair of the Metropolitan Council shall be appointed by the governor as the 17th  
11.22 voting member thereof by and with the advice and consent of the senate to serve at the  
11.23 pleasure of the governor to represent the metropolitan area at large. Senate confirmation  
11.24 shall be as provided by section 15.066.

11.25 The chair of the Metropolitan Council shall, if present, preside at meetings of the  
11.26 council, have the primary responsibility for meeting with local elected officials, serve as  
11.27 the principal legislative liaison, present to the governor and the legislature, after council  
11.28 approval, the council's plans for regional governance and operations, serve as the principal  
11.29 spokesperson of the council, and perform other duties assigned by the council or by law.

11.30 (b) The Metropolitan Council shall elect other officers as it deems necessary for the  
11.31 conduct of its affairs for a one-year term. A secretary and treasurer need not be members  
11.32 of the Metropolitan Council. Meeting times and places shall be fixed by the Metropolitan  
11.33 Council and special meetings may be called by a majority of the members of the  
11.34 Metropolitan Council or by the chair. The chair and each Metropolitan Council member

12.1 shall be reimbursed for actual and necessary expenses. ~~The annual budget of the council~~  
12.2 ~~shall provide as a separate account anticipated expenditures for compensation, travel, and~~  
12.3 ~~associated expenses for the chair and members, and compensation or reimbursement shall~~  
12.4 ~~be made to the chair and members only when budgeted.~~

12.5 (c) Each member of the council shall attend and participate in council meetings  
12.6 and meet regularly with local elected officials and legislative members from the council  
12.7 member's district. Each council member shall serve on at least one division committee for  
12.8 transportation, environment, or community development.

12.9 (d) In the performance of its duties the Metropolitan Council may adopt policies  
12.10 and procedures governing its operation, establish committees, and, when specifically  
12.11 authorized by law, make appointments to other governmental agencies and districts.

12.12 Sec. 2. Minnesota Statutes 2012, section 473.125, is amended to read:

12.13 **473.125 REGIONAL ADMINISTRATOR.**

12.14 The Metropolitan Council shall appoint a regional administrator to serve at  
12.15 the council's pleasure as the principal administrative officer for the Metropolitan  
12.16 Council. The regional administrator shall organize the work of the council staff. The  
12.17 regional administrator shall appoint on the basis of merit and fitness, and discipline and  
12.18 discharge all employees in accordance with the council's personnel policy, except ~~(1) the~~  
12.19 ~~performance and budget analysts provided for in section 473.123, subdivision 7, (2) the~~  
12.20 ~~general counsel, as provided in section 473.123, subdivision 8, (3) employees of the~~  
12.21 ~~offices of wastewater services and transit operations, who are appointed, disciplined, and~~  
12.22 ~~discharged in accordance with council personnel policies by their respective operations~~  
12.23 ~~managers, and (4) metropolitan transit police officers.~~ The regional administrator must  
12.24 ensure that all policy decisions of the council are carried out. The regional administrator  
12.25 shall attend meetings of the council and may take part in discussions but may not vote.  
12.26 The regional administrator shall recommend to the council for adoption measures deemed  
12.27 necessary for efficient administration of the council, keep the council fully apprised of  
12.28 the financial condition of the council, and prepare and submit an annual budget to the  
12.29 council for approval. The regional administrator shall prepare and submit for approval by  
12.30 the council an administrative code organizing and codifying the policies of the council,  
12.31 and perform other duties as prescribed by the council. The regional administrator may be  
12.32 chosen from among the citizens of the nation at large, and shall be selected on the basis of  
12.33 training and experience in public administration.

12.34 Sec. 3. Minnesota Statutes 2012, section 473.129, subdivision 6, is amended to read:

13.1 Subd. 6. **On metro agencies.** (a) The Metropolitan Council shall appoint from its  
13.2 membership a member to serve with each metropolitan agency. Each member of the  
13.3 Metropolitan Council so appointed on each of such agencies shall serve without a vote.

13.4 ~~(b) The Metropolitan Council shall also appoint individuals to the governing body~~  
13.5 ~~of the cable communications metropolitan interconnected regional channel entity under~~  
13.6 ~~section 238.43, subdivision 5.~~

13.7 Sec. 4. Minnesota Statutes 2012, section 473.129, subdivision 12, is amended to read:

13.8 Subd. 12. **Best value procurement alternative.** (a) Notwithstanding the provisions  
13.9 of section 471.345, the council may award a contract for the purchase of transit vehicles  
13.10 to the vendor or contractor offering the best value under a request for proposals. For the  
13.11 purposes of this subdivision, "transit vehicles" means buses and coaches, commuter rail  
13.12 locomotives and coach cars, light rail vehicles, and paratransit vehicles that are used to  
13.13 provide transit and special transportation service pursuant to sections 473.371 to 473.449.

13.14 (b) For the purposes of this subdivision, "best value" describes a result intended in  
13.15 the acquisition of goods and services described in paragraph (a). Price must be one of  
13.16 the evaluation criteria ~~when acquiring such goods and services~~. Other evaluation criteria  
13.17 may include, but are not limited to, environmental considerations, quality, and vendor or  
13.18 contractor performance. ~~A best value determination must be based on~~ The evaluation  
13.19 criteria detailed must be included in the solicitation document. ~~If criteria other than~~  
13.20 ~~price are used, the solicitation document must state as well as~~ the relative importance of  
13.21 price and other factors.

13.22 Sec. 5. Minnesota Statutes 2012, section 473.173, subdivision 2, is amended to read:

13.23 Subd. 2. **Rules.** ~~By September 1, 1976,~~ The council shall adopt and put into effect  
13.24 rules establishing standards, guidelines and procedures for determining whether any  
13.25 proposed matter is of metropolitan significance, and establishing a procedure for the review  
13.26 of and final determination on such matters in accordance with the powers and requirements  
13.27 set forth in this section. The purpose of these rules shall be to promote the orderly and  
13.28 ~~economie~~ economical development, public and private, of the metropolitan area.

13.29 Sec. 6. Minnesota Statutes 2012, section 473.181, subdivision 2, is amended to read:

13.30 Subd. 2. **Parks.** The council shall review local government park master plans  
13.31 pursuant to section 473.313. ~~The Metropolitan Council shall approve the use of moneys~~  
13.32 ~~made available for land acquisition to local units of government from the land and~~  
13.33 ~~conservation fund, the open space program of HUD, the natural resources account in the~~

14.1 state treasury, if the use thereof conforms with the system of priorities established by  
14.2 law as part of a comprehensive plan for the development of parks; otherwise it shall  
14.3 disapprove of the use thereof.

14.4 Sec. 7. Minnesota Statutes 2012, section 473.254, subdivision 3a, is amended to read:

14.5 Subd. 3a. **Affordable, life-cycle housing opportunities amount after 2002.**

14.6 ~~(1) Notwithstanding any other provisions of this section, commencing for calendar~~  
14.7 ~~year 2003 and each succeeding calendar year, (a)~~ Each municipality's "affordable and  
14.8 life-cycle housing opportunities amount" for that year must be determined annually by  
14.9 the council using the method in this subdivision. The affordable and life-cycle housing  
14.10 opportunities amount must be determined for each calendar year for all municipalities  
14.11 in the metropolitan area.

14.12 ~~(2)~~ (b) The council must allocate to each municipality its portion of the \$1,000,000  
14.13 of the revenue generated by the levy authorized in section 473.249 which is credited to the  
14.14 local housing incentives account pursuant to subdivision 5, paragraph (b). The allocation  
14.15 must be made by determining the amount levied for and payable in each municipality in  
14.16 the previous calendar year pursuant to the council levy in section 473.249 divided by the  
14.17 total amount levied for and payable in the metropolitan area in the previous calendar year  
14.18 pursuant to such levy and multiplying that result by \$1,000,000.

14.19 ~~(3)~~ (c) The council must also determine the amount levied for and payable in  
14.20 each municipality in the previous calendar year pursuant to the council levy in section  
14.21 473.253, subdivision 1.

14.22 ~~(4)~~ (d) A municipality's affordable and life-cycle housing opportunities amount  
14.23 for the calendar year is the sum of the amounts determined under ~~clauses (2) and (3)~~  
14.24 paragraphs (b) and (c).

14.25 ~~(5) Within 90 days after the effective date of this act, the council must notify each~~  
14.26 ~~municipality of its affordable and life-cycle housing opportunities amount for calendar~~  
14.27 ~~years 2003 and 2004 as determined by the method in this subdivision. These amounts~~  
14.28 ~~replace the affordable and life-cycle housing opportunities amount for each municipality~~  
14.29 ~~for calendar years 2003 and 2004 as previously determined by the method in subdivision 3.~~

14.30 ~~(6)~~ (e) By ~~August 1, 2004, and by August 1 of each succeeding year,~~ the council  
14.31 must notify each municipality of its affordable and life-cycle housing opportunities  
14.32 amount for the following calendar year determined by the method in this subdivision.

14.33 Sec. 8. Minnesota Statutes 2012, section 473.254, subdivision 4, is amended to read:

15.1 Subd. 4. **Affordable and life-cycle housing requirement.** ~~In 1998, and thereafter,~~  
15.2 (a) A municipality that does not spend 85 percent of its affordable and life-cycle housing  
15.3 opportunities amount to create affordable and life-cycle housing opportunities in the  
15.4 previous calendar year must do one of the following with the affordable and life-cycle  
15.5 housing opportunities amount for the previous year as determined under subdivision 3  
15.6 ~~or 3a, as applicable:~~

15.7 (1) distribute it to the local housing incentives account; or

15.8 (2) distribute it to the housing and redevelopment authority of the city or county in  
15.9 which the municipality is located to create affordable and life-cycle housing opportunities  
15.10 in the municipality.

15.11 (b) A municipality may enter into agreements with adjacent municipalities to  
15.12 cooperatively provide affordable and life-cycle housing. The housing may be provided  
15.13 in any of the cooperating municipalities, but must meet the combined housing goals of  
15.14 each participating municipality.

15.15 Sec. 9. Minnesota Statutes 2012, section 473.254, subdivision 5, is amended to read:

15.16 Subd. 5. **Sources of funds.** (a) The council shall credit to the local housing  
15.17 incentives account any revenues derived from municipalities under subdivision 4,  
15.18 paragraph ~~(b)~~ (a), clause (1).

15.19 ~~(b) The council shall credit \$1,000,000 of the proceeds of solid waste bonds issued~~  
15.20 ~~by the council under Minnesota Statutes, section 473.831, before its repeal, to the local~~  
15.21 ~~housing incentives account in the metropolitan livable communities fund. In 1998 and each~~  
15.22 ~~year thereafter,~~ The council shall annually credit \$1,000,000 of the revenues generated by  
15.23 the levy authorized in section 473.249 to the local housing incentives account.

15.24 ~~(c) In 1997, and each year thereafter,~~ The council shall annually transfer \$500,000  
15.25 from the livable communities demonstration account to the local housing incentives  
15.26 account.

15.27 Sec. 10. Minnesota Statutes 2012, section 473.315, subdivision 1, is amended to read:

15.28 Subdivision 1. **To metro local governments.** The Metropolitan Council with the  
15.29 advice of the commission may make grants, from any funds available to it for recreation  
15.30 open space purposes, to any ~~municipality, park district or county located wholly or~~  
15.31 ~~partially within the metropolitan area~~ implementing agency, as defined in section 473.351,  
15.32 to cover the cost, or any portion of the cost, of acquiring or developing regional recreation  
15.33 open space in accordance with the policy plan; and all such agencies may enter into

16.1 contracts for this purpose or rights or interests therein. The cost of acquisition shall  
16.2 include any payments required for relocation pursuant to sections 117.50 to 117.56.

16.3 Sec. 11. Minnesota Statutes 2012, section 473.375, subdivision 11, is amended to read:

16.4 Subd. 11. **Ride sharing.** The council shall administer a ride-sharing program in  
16.5 the metropolitan area, except for the statewide vanpool leasing program conducted by the  
16.6 commissioner of transportation and shall cooperate with the commissioner in the conduct  
16.7 of ride-sharing activities in areas where the commissioner's programs and the council's  
16.8 program overlap. ~~The council shall establish a rideshare advisory committee to advise it in~~  
16.9 ~~carrying out the program.~~ The council may contract for services in operating the program.

16.10 Sec. 12. Minnesota Statutes 2012, section 473.39, subdivision 1e, is amended to read:

16.11 Subd. 1e. **Obligations; additional authority.** In addition to the authority in  
16.12 subdivisions 1a, 1b, 1c, and 1d, the council may issue certificates of indebtedness, bonds,  
16.13 or other obligations under this section in an amount not exceeding \$32,500,000, which may  
16.14 be used for capital expenditures as prescribed in the council's transit capital improvement  
16.15 program and for related costs, including the costs of issuance and sale of the obligations.

16.16 ~~The Metropolitan Council, the city of St. Paul, and the Minnesota Department~~  
16.17 ~~of Transportation shall jointly assess the feasibility of locating a bus storage facility~~  
16.18 ~~near Mississippi and Cayuga Street and I-35E in St. Paul. If the metropolitan council~~  
16.19 ~~determines feasibility, the first priority for siting must be at that location.~~

16.20 Sec. 13. Minnesota Statutes 2012, section 473.391, subdivision 1, is amended to read:

16.21 Subdivision 1. **Contracts.** The council may contract with other operators or local  
16.22 governments for route planning and scheduling services in any configuration of new  
16.23 or reconfiguration of existing transit services and routes, ~~including route planning and~~  
16.24 ~~scheduling necessary for the test marketing program, the service bidding program, and the~~  
16.25 ~~interstate highway described generally as Legislative Routes Nos. 10 and 107 between~~  
16.26 ~~I-494 and the Hawthorne interchange in the city of Minneapolis, commonly known as I-394.~~

16.27 Sec. 14. Minnesota Statutes 2012, section 473.405, subdivision 5, is amended to read:

16.28 Subd. 5. **Acquisition of transit systems.** The council may acquire by purchase,  
16.29 lease, gift, or condemnation proceedings any existing public transit system or any part  
16.30 thereof, including all or any part of the plant, equipment, shares of stock, property, real,  
16.31 personal, or mixed, rights in property, reserve funds, special funds, franchises, licenses,  
16.32 patents, permits and papers, documents and records belonging to any operator of a public



17.1 transit system within the metropolitan area, and may in connection therewith assume any  
17.2 or all liabilities of any operator of a public transit system. The council may take control of  
17.3 and operate a system immediately following the filing and approval of the initial petition  
17.4 for condemnation, if the council, in its discretion, determines this to be necessary, and  
17.5 may take possession of all right, title and other powers of ownership in all properties  
17.6 and facilities described in the petition. Control must be taken by resolution which is  
17.7 effective upon service of a copy on the condemnee and the filing of the resolution in  
17.8 the condemnation action. In the determination of the fair value of the existing public  
17.9 transit system, there must not be included any value attributable to expenditures for  
17.10 improvements made by the former Metropolitan Transit Commission or council.

17.11 ~~The council may continue or terminate within three months of acquisition any~~  
17.12 ~~advertising contract in existence by and between any advertiser and a transit system that~~  
17.13 ~~the council has acquired. If the council determines to terminate the advertising contract,~~  
17.14 ~~it shall acquire all of the advertiser's rights under the contract by purchase or eminent~~  
17.15 ~~domain proceedings as provided by law.~~

17.16 Sec. 15. Minnesota Statutes 2012, section 473.42, is amended to read:

17.17 **473.42 EMPLOYER CONTRIBUTIONS FOR CERTAIN EMPLOYEES.**

17.18 Notwithstanding any contrary provisions of section 352.029, the council shall make  
17.19 the employer contributions required pursuant to section 352.04, subdivision 3, for any  
17.20 employee who was on authorized leave of absence from the transit operating division of the  
17.21 former Metropolitan Transit Commission who is employed by the labor organization which  
17.22 is the exclusive bargaining agent representing Metro Transit Division employees of the  
17.23 Office of Transit Operations council and who is covered by the Minnesota State Retirement  
17.24 System in addition to all other employer contributions the council is required to make.

17.25 Sec. 16. Minnesota Statutes 2012, section 473.504, subdivision 5, is amended to read:

17.26 Subd. 5. **Gifts, grants, loans.** The council may accept gifts, may apply for and  
17.27 accept grants or loans of money or other property from the United States, the state, or any  
17.28 person for any of its purposes, ~~including any grant available under the federal Water~~  
17.29 ~~Pollution Act amendments of 1972~~, whether for construction, research, or pilot project  
17.30 implementation, may enter into any agreement required in connection therewith, and may  
17.31 hold, use, and dispose of such money or property in accordance with the terms of the gift,  
17.32 grant, loan, or agreement relating thereto. ~~The council has all powers necessary to comply~~  
17.33 ~~with the federal Water Pollution Control Act amendments of 1972 and any grant offered to~~  
17.34 ~~it thereunder including, but not limited to, the power to enter into such contracts with,~~

18.1 ~~or to impose such charges upon, persons using the metropolitan disposal system as it~~  
18.2 ~~shall determine to be necessary for the recovery of treatment works and intercepter costs~~  
18.3 ~~paid with federal grant funds. Insofar as possible these costs shall be recovered by local~~  
18.4 ~~government units on behalf of the council.~~

18.5 Sec. 17. Minnesota Statutes 2012, section 473.504, subdivision 11, is amended to read:

18.6 Subd. 11. **Surplus property.** The council may sell or otherwise dispose of any real  
18.7 or personal property acquired by it which is no longer required for accomplishment of its  
18.8 purposes. ~~Such property may be sold in the manner provided by section 469.065, insofar~~  
18.9 ~~as practical. The council may give such notice of sale as it shall deem appropriate. When~~  
18.10 ~~the council determines that any property or any intercepter or treatment works or any part~~  
18.11 ~~thereof which has been acquired from a local government unit without compensation is no~~  
18.12 ~~longer required, but is required as a local facility by the government unit from which it~~  
18.13 ~~was acquired, the council may by resolution transfer it to such government unit.~~

18.14 Sec. 18. Minnesota Statutes 2012, section 473.858, subdivision 1, is amended to read:

18.15 Subdivision 1. **No conflicting zoning, fiscal device, official control.** Within nine  
18.16 months following the receipt of a metropolitan system statement for an amendment to a  
18.17 metropolitan system plan and within three years following the receipt of a metropolitan  
18.18 system statement issued in conjunction with the decennial review required under section  
18.19 473.864, subdivision 2, every local governmental unit shall have reviewed and, if  
18.20 necessary, amended its comprehensive plan in accordance with sections 462.355, 473.175,  
18.21 and 473.851 to 473.871 and the applicable planning statute and shall have submitted the  
18.22 plan to the Metropolitan Council for review pursuant to section 473.175. The provisions  
18.23 of sections 462.355, 473.175, and 473.851 to 473.871 shall supersede the provisions of the  
18.24 applicable planning statute wherever a conflict may exist. If the comprehensive municipal  
18.25 plan is in conflict with the zoning ordinance, the zoning ordinance shall be brought into  
18.26 conformance with the plan by local government units in conjunction with the review  
18.27 and, if necessary, amendment of its comprehensive plan required under section 473.864,  
18.28 subdivision 2. ~~After August 1, 1995,~~ A local government unit shall not adopt any fiscal  
18.29 device or official control which is in conflict with its comprehensive plan, including any  
18.30 amendments to the plan, or which permits activity in conflict with metropolitan system  
18.31 plans, as defined by section 473.852, subdivision 8. The comprehensive plan shall provide  
18.32 guidelines for the timing and sequence of the adoption of official controls to ensure planned,  
18.33 orderly, and staged development and redevelopment consistent with the comprehensive  
18.34 plan. For purposes of this section, a fiscal device or official control shall not be considered

19.1 to be in conflict with a local government unit's comprehensive plan or to permit an activity  
19.2 in conflict with metropolitan system plans if such fiscal device or official control is adopted  
19.3 to ensure the planned, orderly, and staged development of urbanization or redevelopment  
19.4 areas designated in the comprehensive plan pursuant to section 473.859, subdivision 5.

19.5 Sec. 19. Minnesota Statutes 2012, section 473.859, subdivision 6, is amended to read:

19.6 Subd. 6. **Plan review.** The council shall, ~~by January 1, 1994,~~ prepare guidelines  
19.7 for the preparation of the water supply plans required in subdivision 3, clause (4). The  
19.8 plans must be submitted to the council ~~by January 1, 1996~~ as part of the decennial review  
19.9 required under section 473.864, subdivision 2. The council shall review the plans under  
19.10 section 473.175, subdivision 1, after submitting them to affected counties that have  
19.11 adopted groundwater plans under section 103B.255 for their review and comment.

19.12 Sec. 20. Minnesota Statutes 2012, section 473.861, subdivision 2, is amended to read:

19.13 Subd. 2. ~~By 1976~~ Plan preparation. ~~By December 31, 1976,~~ Each town within  
19.14 the counties of Anoka, Carver, Dakota, Scott and Washington, authorized to plan under  
19.15 sections 462.351 to 462.364, or under special law, shall by resolution determine whether it  
19.16 will prepare the comprehensive plan for its jurisdiction. Each such town also shall specify,  
19.17 pursuant to agreement with the county within which it is situated, any parts of its plan and  
19.18 official controls, if any, the preparation of which it delegates to the county.

19.19 Sec. 21. Minnesota Statutes 2012, section 473.862, subdivision 2, is amended to read:

19.20 Subd. 2. ~~Towns with no plan by 1976~~ Town planning. Each county other than  
19.21 Hennepin, Ramsey, Anoka, and Dakota shall prepare, with the participation and assistance  
19.22 of the town, the comprehensive plan for any town within the county which ~~fails by~~  
19.23 ~~December 31, 1976, to take~~ has not taken action by resolution pursuant to section 473.861,  
19.24 subdivision 2 and shall prepare all or part of any plan delegated to it pursuant to section  
19.25 473.861, subdivision 2.

19.26 Sec. 22. **REPEALER.**

19.27 Minnesota Statutes 2012, sections 473.123, subdivision 7; 473.13, subdivision 1c;  
19.28 473.23; 473.241; 473.243; 473.244; 473.254, subdivision 3; 473.315, subdivision 2;  
19.29 473.326; 473.333; 473.375, subdivision 9; 473.382; 473.388, subdivision 8; 473.392;  
19.30 473.516, subdivision 5; 473.523, subdivision 2; 473.535; and 473.852, subdivision 11,  
19.31 and Minnesota Statutes 2013 Supplement, section 473.517, subdivision 9, are repealed.

20.1 Sec. 23. APPLICATION.

20.2 This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
20.3 Scott, and Washington.

20.4 **ARTICLE 4**

20.5 **INFORMATION TECHNOLOGY**

20.6 Section 1. Minnesota Statutes 2012, section 16E.01, as amended by Laws 2013,  
20.7 chapter 134, section 21, is amended to read:

20.8 **16E.01 OFFICE OF MN.IT SERVICES.**

20.9 Subdivision 1. **Creation; chief information officer.** The Office of MN.IT Services,  
20.10 referred to in this chapter as the "office," is an agency in the executive branch headed by  
20.11 a commissioner, who also is the state chief information officer. The appointment of the  
20.12 commissioner is subject to the advice and consent of the senate under section 15.066.

20.13 Subd. 1a. **Responsibilities.** The office shall provide oversight, leadership, and  
20.14 direction for information and telecommunications technology policy and the management,  
20.15 delivery, accessibility, and security of information and telecommunications technology  
20.16 systems and services in Minnesota. The office shall manage strategic investments in  
20.17 information and telecommunications technology systems and services to encourage the  
20.18 development of a technically literate society, to ensure sufficient access to and efficient  
20.19 delivery of accessible government services, and to maximize benefits for the state  
20.20 government as an enterprise.

20.21 Subd. 2. **Discretionary powers.** The office may:

20.22 (1) enter into contracts for goods or services with public or private organizations  
20.23 and charge fees for services it provides;

20.24 (2) apply for, receive, and expend money from public agencies;

20.25 (3) apply for, accept, and disburse grants and other aids from the federal government  
20.26 and other public or private sources;

20.27 (4) enter into contracts with agencies of the federal government, local governmental  
20.28 units, the University of Minnesota and other educational institutions, and private persons  
20.29 and other nongovernmental organizations as necessary to perform its statutory duties;

20.30 ~~(5) appoint committees and task forces of not more than two years' duration to~~  
20.31 ~~assist the office in carrying out its duties;~~

20.32 ~~(6)~~ (5) sponsor and conduct conferences and studies, collect and disseminate  
20.33 information, and issue reports relating to information and communications technology  
20.34 issues;

21.1 ~~(7) participate in the activities of standards bodies and other appropriate conferences~~  
21.2 ~~related to information and communications technology issues;~~

21.3 ~~(8)~~ (6) review the technology infrastructure of regions of the state and cooperate  
21.4 with and make recommendations to the governor, legislature, state agencies, local  
21.5 governments, local technology development agencies, the federal government, private  
21.6 businesses, and individuals for the realization of information and communications  
21.7 technology infrastructure development potential;

21.8 ~~(9)~~ (7) sponsor, support, and facilitate innovative and collaborative economic  
21.9 and community development and government services projects, including technology  
21.10 initiatives related to culture and the arts, with public and private organizations; and

21.11 ~~(10)~~ (8) review and recommend alternative sourcing strategies for state information  
21.12 and communications systems.

21.13 Subd. 3. **Duties.** (a) The office shall:

21.14 (1) manage the efficient and effective use of available federal, state, local, and  
21.15 public-private resources to develop statewide information and telecommunications  
21.16 technology systems and services and its infrastructure;

21.17 (2) approve state agency and intergovernmental information and telecommunications  
21.18 technology systems and services development efforts involving state or intergovernmental  
21.19 funding, including federal funding, provide information to the legislature regarding  
21.20 projects reviewed, and recommend projects for inclusion in the governor's budget under  
21.21 section 16A.11;

21.22 (3) ensure cooperation and collaboration among state and local governments in  
21.23 developing intergovernmental information and telecommunications technology systems  
21.24 and services, and define the structure and responsibilities of a representative governance  
21.25 structure;

21.26 (4) cooperate and collaborate with the legislative and judicial branches in the  
21.27 development of information and communications systems in those branches;

21.28 (5) continue the development of North Star, the state's official comprehensive online  
21.29 service and information initiative;

21.30 (6) promote and collaborate with the state's agencies in the state's transition to an  
21.31 effectively competitive telecommunications market;

21.32 (7) collaborate with entities carrying out education and lifelong learning initiatives  
21.33 to assist Minnesotans in developing technical literacy and obtaining access to ongoing  
21.34 learning resources;

22.1 (8) promote and coordinate public information access and network initiatives,  
22.2 consistent with chapter 13, to connect Minnesota's citizens and communities to each  
22.3 other, to their governments, and to the world;

22.4 (9) promote and coordinate electronic commerce initiatives to ensure that Minnesota  
22.5 businesses and citizens can successfully compete in the global economy;

22.6 (10) manage and promote the regular and periodic reinvestment in the information  
22.7 and telecommunications technology systems and services infrastructure so that state and  
22.8 local government agencies can effectively and efficiently serve their customers;

22.9 (11) facilitate the cooperative development of and ensure compliance with standards  
22.10 and policies for information and telecommunications technology systems and services,  
22.11 electronic data practices and privacy, and electronic commerce among international,  
22.12 national, state, and local public and private organizations;

22.13 (12) eliminate unnecessary duplication of existing information and  
22.14 telecommunications technology systems and services provided by ~~other public and private~~  
22.15 ~~organizations while building on the existing governmental, educational, business, health~~  
22.16 ~~care, and economic development infrastructures~~ state agencies;

22.17 (13) identify, sponsor, develop, and execute shared information and  
22.18 telecommunications technology projects and ongoing operations;

22.19 (14) ensure overall security of the state's information and technology systems and  
22.20 services; and

22.21 (15) manage and direct compliance with accessibility standards for informational  
22.22 technology, including hardware, software, Web sites, online forms, and online surveys.

22.23 (b) The chief information officer, in consultation with the commissioner of  
22.24 management and budget, must determine when it is cost-effective for agencies to develop  
22.25 and use shared information and telecommunications technology systems and services for  
22.26 the delivery of electronic government services. The chief information officer may require  
22.27 agencies to use shared information and telecommunications technology systems and  
22.28 services. The chief information officer shall establish reimbursement rates in cooperation  
22.29 with the commissioner of management and budget to be billed to agencies and other  
22.30 governmental entities sufficient to cover the actual development, operating, maintenance,  
22.31 and administrative costs of the shared systems. The methodology for billing may include  
22.32 the use of interagency agreements, or other means as allowed by law.

22.33 (c) A state agency that has an information and telecommunications technology  
22.34 project with a total expected project cost of more than \$1,000,000, whether funded as part  
22.35 of the biennial budget or by any other means, shall register with the office by submitting  
22.36 basic project startup documentation, as specified by the chief information officer in both

23.1 format and content, before any project funding is requested or committed and before  
23.2 the project commences. State agency project leaders must demonstrate that the project  
23.3 will be properly managed, provide updates to the project documentation as changes are  
23.4 proposed, and regularly report on the current status of the project on a schedule agreed to  
23.5 with the chief information officer.

23.6 (d) The chief information officer shall monitor progress on any active information  
23.7 and telecommunications technology project with a total expected project cost of more than  
23.8 \$5,000,000 and report on the performance of the project in comparison with the plans for  
23.9 the project in terms of time, scope, and budget. The chief information officer may conduct  
23.10 an independent project audit of the project. The audit analysis and evaluation of the  
23.11 projects subject to paragraph (c) must be presented to agency executive sponsors, the  
23.12 project governance bodies, and the chief information officer. All reports and responses  
23.13 must become part of the project record.

23.14 (e) For any active information and telecommunications technology project with a  
23.15 total expected project cost of more than \$10,000,000, the state agency must perform an  
23.16 annual independent audit that conforms to published project audit principles promulgated  
23.17 by the office.

23.18 (f) The chief information officer shall report by January 15 of each year to the  
23.19 chairs and ranking minority members of the legislative committees and divisions with  
23.20 jurisdiction over the office regarding projects the office has reviewed under paragraph (a),  
23.21 clause ~~(2)~~ (13). The report must include the reasons for the determinations made in the  
23.22 review of each project and a description of its current status.

23.23 Sec. 2. Minnesota Statutes 2012, section 16E.03, subdivision 2, is amended to read:

23.24 Subd. 2. **Chief information officer's responsibility.** ~~The chief information officer~~  
23.25 ~~shall coordinate the state's information and telecommunications technology systems and~~  
23.26 ~~services to serve the needs of the state government.~~ The chief information officer shall:

23.27 (1) design a master plan for information and telecommunications technology  
23.28 systems and services in the state and its political subdivisions and shall report on the plan  
23.29 to the governor and legislature at the beginning of each regular session;

23.30 (2) coordinate, review, and approve all information and telecommunications  
23.31 technology projects and oversee the state's information and telecommunications  
23.32 technology systems and services;

23.33 (3) establish and enforce compliance with standards for information and  
23.34 telecommunications technology systems and services that are cost-effective and support

24.1 open systems environments and that are compatible with state, national, and international  
24.2 standards, including accessibility standards;

24.3 (4) maintain a library of systems and programs developed by the state and its  
24.4 political subdivisions for use by agencies of government;

24.5 (5) direct and manage the shared operations of the state's information and  
24.6 telecommunications technology systems and services; and

24.7 (6) establish and enforce standards and ensure acquisition of hardware and software  
24.8 necessary to protect data and systems in state agency networks connected to the Internet.

24.9 Sec. 3. Minnesota Statutes 2012, section 16E.035, is amended to read:

24.10 **16E.035 TECHNOLOGY INVENTORY.**

24.11 The chief information officer must prepare ~~an~~ a financial inventory of technology  
24.12 owned or leased by ~~state agencies~~ MN.IT Services. The inventory must include: (1)  
24.13 information on how the technology fits into the state's information technology architecture;  
24.14 and (2) a projected replacement schedule. The chief information officer must report the  
24.15 inventory to the legislative committees with primary jurisdiction over state technology  
24.16 issues by July 1 of each even-numbered year.

24.17 Sec. 4. Minnesota Statutes 2013 Supplement, section 16E.04, subdivision 2, is  
24.18 amended to read:

24.19 Subd. 2. **Responsibilities.** ~~(a) In addition to other activities prescribed by law, the~~  
24.20 ~~office shall carry out the duties set out in this subdivision.~~

24.21 ~~(b)~~ (a) The office shall develop and establish a state information architecture to ensure:

24.22 (1) that state agency ~~development and purchase of~~ information and communications  
24.23 systems, equipment, and services ~~is designed to ensure that individual agency information~~  
24.24 ~~systems complement and~~ do not needlessly duplicate or conflict with the systems of other  
24.25 agencies; and

24.26 (2) enhanced public access to data can be provided consistent with standards  
24.27 developed under section 16E.05, subdivision 4.

24.28 When state agencies have need for the same or similar public data, the chief information  
24.29 officer, in coordination with the affected agencies, shall manage the most efficient and  
24.30 cost-effective method of producing and storing data for or sharing data between those  
24.31 agencies. The development of this information architecture must include the establishment  
24.32 of standards and guidelines to be followed by state agencies. The office shall ensure  
24.33 compliance with the architecture.



25.1 ~~(e) The office shall, in cooperation with state agencies, plan and manage the~~  
25.2 ~~development and improvement of information systems so that an individual information~~  
25.3 ~~system reflects and supports the state agency's mission and the state's requirements and~~  
25.4 ~~functions.~~

25.5 ~~(d)~~ (b) The office shall review and approve agency requests for funding for the  
25.6 development or purchase of information systems equipment or software before the  
25.7 requests may be included in the governor's budget.

25.8 ~~(e)~~ (c) The office shall review and approve agency requests for grant funding that  
25.9 have an information and technology component.

25.10 ~~(f)~~ (d) The office shall review major purchases of information systems equipment to:  
25.11 (1) ensure that the equipment follows the standards and guidelines of the state  
25.12 information architecture;

25.13 (2) ensure the agency's proposed purchase reflects a cost-effective policy regarding  
25.14 volume purchasing; and

25.15 (3) ensure that the equipment is consistent with other systems in other state agencies  
25.16 so that data can be shared among agencies, unless the office determines that the agency  
25.17 purchasing the equipment has special needs justifying the inconsistency.

25.18 ~~(g)~~ (e) The office shall review the operation of information systems by state agencies  
25.19 and ensure that these systems are operated efficiently and securely and continually meet  
25.20 the standards and guidelines established by the office. The standards and guidelines must  
25.21 emphasize uniformity that is cost-effective for the enterprise, that encourages information  
25.22 interchange, open systems environments, and portability of information whenever  
25.23 practicable and consistent with an agency's authority and chapter 13.

25.24 Sec. 5. Minnesota Statutes 2012, section 16E.05, subdivision 1, is amended to read:

25.25 Subdivision 1. **Duties.** The office, in consultation with interested persons, shall:

25.26 (1) coordinate statewide efforts by units of state and local government to plan for  
25.27 and develop a system for providing access to government services; and

25.28 ~~(2) make recommendations to facilitate coordination and assistance of demonstration~~  
25.29 ~~projects; and~~

25.30 ~~(3)~~ (2) explore ways and means to improve citizen and business access to public  
25.31 services, including implementation of technological improvements.

25.32 Sec. 6. Minnesota Statutes 2013 Supplement, section 16E.18, subdivision 8, is  
25.33 amended to read:

26.1 Subd. 8. **Exemption.** The state information network is exempt from the five-  
26.2 and ten-year limitation on contracts set by sections ~~16C.03, subdivision 17~~; 16C.05,  
26.3 subdivision 2, paragraph (b); 16C.06, subdivision 3b; 16C.08, subdivision 3, clause (5);  
26.4 and 16C.09, clause (6). A contract compliance review must be performed by the office on  
26.5 a five-year basis for any contract that has a total term greater than five years. The review  
26.6 must detail any compliance or performance issues on the part of the contractor.

26.7 Sec. 7. **REPEALER.**

26.8 Minnesota Statutes 2012, sections 16E.02, subdivisions 2 and 3; 16E.03, subdivision  
26.9 8; and 16E.0475, are repealed the day following final enactment."

26.10 Delete the title and insert:

26.11 "A bill for an act  
26.12 relating to state government; repealing obsolete, redundant, and unnecessary laws  
26.13 administered by the Department of Employment and Economic Development,  
26.14 Metropolitan Council, and MN.IT; making conforming changes; amending  
26.15 Minnesota Statutes 2012, sections 15.991, subdivision 1; 16E.01, as amended;  
26.16 16E.03, subdivision 2; 16E.035; 16E.05, subdivision 1; 116C.34, subdivision 3;  
26.17 116D.04, subdivision 2a; 116L.02; 116L.05, subdivision 5; 116L.20, subdivision  
26.18 2; 256J.49, subdivision 4; 256J.51, subdivision 2; 268.105, subdivision 7;  
26.19 268.186; 473.123, subdivision 4; 473.125; 473.129, subdivisions 6, 12;  
26.20 473.173, subdivision 2; 473.181, subdivision 2; 473.254, subdivisions 3a, 4,  
26.21 5; 473.315, subdivision 1; 473.375, subdivision 11; 473.39, subdivision 1e;  
26.22 473.391, subdivision 1; 473.405, subdivision 5; 473.42; 473.504, subdivisions  
26.23 5, 11; 473.858, subdivision 1; 473.859, subdivision 6; 473.861, subdivision 2;  
26.24 473.862, subdivision 2; Minnesota Statutes 2013 Supplement, sections 16E.04,  
26.25 subdivision 2; 16E.18, subdivision 8; repealing Minnesota Statutes 2012, sections  
26.26 16E.02, subdivisions 2, 3; 16E.03, subdivision 8; 16E.0475; 116C.22; 116C.23;  
26.27 116C.24; 116C.25; 116C.26; 116C.261; 116C.27; 116C.28; 116C.29; 116C.30;  
26.28 116C.31; 116C.32; 116C.33; 116J.037; 116J.422; 116J.68, subdivision 5;  
26.29 116J.74, subdivision 7a; 116J.874, subdivisions 1, 2, 3, 4, 5; 116J.885; 116J.987;  
26.30 116J.988; 116J.989; 116J.990, subdivisions 1, 2, 3, 4, 5, 6; 116L.06; 116L.10;  
26.31 116L.11; 116L.12, subdivisions 1, 3, 4, 5, 6; 116L.13; 116L.14; 116L.15;  
26.32 116L.361, subdivision 2; 116L.363; 116L.871; 116L.872; 473.123, subdivision 7;  
26.33 473.13, subdivision 1c; 473.23; 473.241; 473.243; 473.244; 473.254, subdivision  
26.34 3; 473.315, subdivision 2; 473.326; 473.333; 473.375, subdivision 9; 473.382;  
26.35 473.388, subdivision 8; 473.392; 473.516, subdivision 5; 473.523, subdivision 2;  
26.36 473.535; 473.852, subdivision 11; Minnesota Statutes 2013 Supplement, sections  
26.37 116J.6581; 116J.70, subdivision 2a; 473.517, subdivision 9."

We request the adoption of this report and repassage of the bill.

House Conferees:

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Tim Mahoney

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John Persell

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Bob Gunther

Senate Conferees:

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Dan Sparks

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Terri E. Bonoff

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Gary H. Dahms