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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 4016

03/19/2018 Authored by Anderson, S.; Lucero and Christensen
The bill was read for the first time and referred to the Committee on State Government Finance
04/19/2018 Adoption of Report: Amended and re-referred to the Committee on Taxes
04/23/2018 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act

1.2 relating to state government; appropriating money for certain agencies and reducing

1.3 appropriations for certain agencies; approving transfers of money from certain

1.4 accounts; requiring enhanced cybersecurity; establishing principles for districting;

1.5 establishing the Legislative Budget Office Oversight Commission; establishing

1.6 provisions for the Legislative Budget Office; modifying provisions for the

1.7 operations of state government; modifying provisions for the state auditor,

1.8 governor's office, Office of Administrative Hearings, Metropolitan Council, and

1.9 attorney general; establishing emergency operations and continuity of government

1.10 plans; establishing an office to receive and investigate harassment, misconduct,

1.11 and discrimination claims; establishing Fort Snelling National Landmark

1.12 Redevelopment bonding authority; transferring certain duties of Minnesota

1.13 Management and Budget to the Legislative Budget Office; transferring duties for

1.14 data practices and open meeting law from the Department of Administration to

1.15 the Office of Administrative Hearings; requiring a report on valuation method of

1.16 pipeline operating property; establishing certain pension amounts for volunteer

1.17 firefighters relief association; approving submission of a bid to host a Nordic World

1.18 Cup Ski Championship; approving construction of additional veterans homes;

1.19 changing administrative rulemaking provisions; changing campaign finance

1.20 provisions; modifying provisions for Minnesota Sports Facilities Authority;

1.21 requiring reports; amending Minnesota Statutes 2016, sections 1.26, subdivisions

1.22 1, 2; 3.303, by adding a subdivision; 3.8841, subdivision 9; 8.065; 10A.01,

1.23 subdivision 35; 10A.02, subdivisions 7, 13; 10A.31, subdivisions 1, 3, 4, 5, 7, 10,

1.24 10b; 10A.315; 10A.321, subdivision 1; 12.09, subdivision 2; 12.21, subdivision

1.25 3; 13.02, by adding subdivisions; 13.072; 13.08, subdivision 4; 13.085, subdivisions

1.26 2, 3, 4, 5, 6, by adding a subdivision; 13.55, subdivisions 1, 2; 13.64, by adding a

1.27 subdivision; 13.685; 13D.06, subdivision 4; 14.03, subdivision 3; 14.127,

1.28 subdivision 4; 14.381, by adding a subdivision; 16A.013, by adding a subdivision;

1.29 16A.11, subdivision 1, by adding a subdivision; 16A.965, by adding a subdivision;

1.30 16D.09; 16E.016; 16E.03, subdivisions 4, 7, by adding a subdivision; 155A.23,

1.31 subdivision 8; 155A.25, subdivision 1a; 155A.28, by adding a subdivision; 155A.29,

1.32 subdivisions 1, 6; 240.01, by adding a subdivision; 240.02, subdivision 6; 240.08,

1.33 subdivision 5; 240.131, subdivision 7; 240.22; 270C.13, subdivision 1; 290.06,

1.34 subdivision 23; 297A.994, subdivision 4; 297E.021, subdivisions 3, 4; 340A.404,

1.35 subdivision 1; 340A.412, by adding a subdivision; 349A.06, subdivision 11; 352.01,

1.36 subdivision 2a; 424B.20, subdivision 4; 473.121, subdivision 5a; 473.123,

1.37 subdivisions 1, 2a, 3a, 4, by adding subdivisions; 473.146, subdivisions 3, 4;

1.38 473.164; 473.565, subdivision 1; 473.755, subdivision 4; 473.763, subdivision 2;

1.39 473J.03, by adding a subdivision; 473J.07, subdivisions 2, 3, 4, 7, 8, 9, by adding

subdivisions; 473J.09, subdivision 13, by adding subdivisions; 473J.13, subdivisions 2, 3; 473J.25, subdivision 3; 473J.27, subdivision 2; 480.15, by adding a subdivision; Minnesota Statutes 2017 Supplement, sections 3.8853, subdivisions 1, 2, by adding subdivisions; 3.98, subdivision 1; 6.481, subdivision 3; 15A.0815, subdivision 3; 477A.03, subdivision 2b; Laws 2017, First Special Session chapter 4, article 2, sections 1; 3; 58; proposing coding for new law in Minnesota Statutes, chapters 2; 4; 5; 12; 13; 14; 43A; 473J; 474A; repealing Minnesota Statutes 2016, sections 3.93; 3.94; 3.95; 3.96; 8.10; 10A.30, subdivision 2; 10A.31, subdivisions 3a, 5a, 6, 6a; 13.02, subdivision 2; 14.381, subdivision 3; 137.50, subdivision 5; 155A.28, subdivisions 1, 3, 4; 473.123, subdivision 3; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561; 473.564, subdivisions 2, 3; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; 473.76; 473J.09, subdivision 14; Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4; Laws 1994, chapter 628, article 1, section 8; Laws 2017, First Special Session chapter 4, article 2, section 59.

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

ARTICLE 1

STATE GOVERNMENT APPROPRIATIONS

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2017, First Special Session chapter 4, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2018</u>	<u>2019</u>

Sec. 2. LEGISLATURE

.....

314,000

These amounts are from the general fund for the Legislative Coordinating Commission, as follows:

(1) \$120,000 is for the transfer of responsibilities related to the Pew-MacArthur Results First framework. The base for this appropriation is \$177,000 in fiscal year 2020 and \$185,000 in fiscal year 2021;

3.1 (2) \$104,000 is for digital preservation of
3.2 legislative records by the Legislative
3.3 Reference Library. This is a onetime
3.4 appropriation; and
3.5 (3) \$90,000 is for rent payments for the Office
3.6 of the Revisor of Statutes. This is a onetime
3.7 appropriation.

3.8 Sec. 3. ATTORNEY GENERAL \$ \$ (1,000,000)

3.9 This is a general reduction to office operations,
3.10 subject to the requirements of section 14.

3.11 Sec. 4. SECRETARY OF STATE \$ \$ 1,754,000

3.12 Of these amounts:

3.13 (1) \$220,000 is appropriated from the political
3.14 party accounts established in the special
3.15 revenue fund under Minnesota Statutes,
3.16 section 10A.30, subdivision 2, for deposit in
3.17 the Help America Vote Act Account
3.18 established under Minnesota Statutes, section
3.19 5.30. This amount is for purposes that
3.20 constitute the state match necessary to receive
3.21 \$6,595,610 in federal funds for cybersecurity
3.22 under the Omnibus Appropriations Act of
3.23 2018, Public Law 115-1410, and section 101
3.24 of the Help America Vote Act of 2002 under
3.25 Public Law 107-252. This is a onetime
3.26 appropriation; and

3.27 (2) \$1,534,000 is appropriated from the Help
3.28 America Vote Act account established under
3.29 Minnesota Statutes, section 5.30, for the
3.30 purposes of modernizing, securing, and
3.31 updating the statewide voter registration
3.32 system and for cybersecurity upgrades as
3.33 authorized by federal law. This is a onetime

4.1 appropriation and is available until June 30,
4.2 2020.

4.3 Sec. 5. **ADMINISTRATIVE HEARINGS** \$ \$ **525,000**

4.4 These amounts are from the general fund for
4.5 the information policy analysis unit established
4.6 in Minnesota Statutes, section 13.071.

4.7 Sec. 6. **ADMINISTRATION** \$ \$ **(1,243,000)**

4.8 These amounts include reductions as follows:

4.9 (1) the Office of Continuous Improvement is
4.10 reduced by \$418,000;

4.11 (2) the State Historic Preservation Office is
4.12 reduced by \$300,000 in fiscal year 2019. The
4.13 base for this appropriation in fiscal years 2020
4.14 and 2021 is reduced by \$200,000 each year;
4.15 and

4.16 (3) the Data Practices Office is reduced by
4.17 \$525,000.

4.18 Sec. 7. **MINNESOTA MANAGEMENT AND**
4.19 **BUDGET** \$ \$ **3,950,000**

4.20 (a) \$4,000,000 is from the amounts transferred
4.21 to the general fund from the stadium reserve
4.22 account under section 16, to establish an office
4.23 to investigate allegations of harassment,
4.24 misconduct, and discrimination, as provided
4.25 in Minnesota Statutes, section 43A.385. Of
4.26 these amounts:

4.27 (1) \$2,591,000 is to establish the office, to
4.28 review and investigate claims, and to maintain,
4.29 analyze, and report data as required by
4.30 Minnesota Statutes, section 43A.385,
4.31 subdivisions 1 and 2;

5.1 (2) \$255,000 is a onetime appropriation to
5.2 administer and evaluate an employee
5.3 community survey as required by Minnesota
5.4 Statutes, section 43A.385, subdivision 3;

5.5 (3) \$26,000 is to study, develop, and maintain
5.6 a complaint hotline, as provided by Minnesota
5.7 Statutes, section 43A.385, subdivision 4;

5.8 (4) \$316,000 is a onetime appropriation to
5.9 establish an audit process to review policies,
5.10 procedures, and outcomes enterprise-wide, as
5.11 provided by Minnesota Statutes, section
5.12 43A.385, subdivision 5; and

5.13 (5) \$812,000 is to provide training on
5.14 harassment, misconduct, and discrimination
5.15 policy, as provided by Minnesota Statutes,
5.16 section 43A.385, subdivision 6.

5.17 No later than February 15, 2019, the
5.18 commissioner of management and budget must
5.19 submit a report to the chairs and ranking
5.20 minority members of the legislative
5.21 committees with jurisdiction over state
5.22 government finance on the reduced human
5.23 resources workload and other cost savings
5.24 realized by individual agencies due to the
5.25 consolidation of these activities in a single
5.26 office.

5.27 The base for this appropriation is \$3,429,000
5.28 in fiscal year 2020 and thereafter.

5.29 (b) The department's fiscal year 2019
5.30 appropriation includes a reduction of \$50,000
5.31 resulting from the transfer of the
5.32 Pew-MacArthur Results First framework
5.33 responsibilities to the legislature. The
5.34 department's base for fiscal years 2020 and

6.1 2021 is reduced by \$122,000 each year to
6.2 reflect this transfer.

6.3 (c) No later than December 31, 2018, the
6.4 commissioner must credit at least \$500,000
6.5 to the general fund based on savings realized
6.6 through implementation of the employee
6.7 gainsharing program required by Minnesota
6.8 Statutes, section 16A.90. If a credit of at least
6.9 this amount has not been made to the general
6.10 fund as of that date, the appropriation provided
6.11 in this subdivision for fiscal year 2019 is
6.12 reduced in an amount equal to the difference
6.13 between the amount actually credited to the
6.14 general fund and the total credit required by
6.15 this paragraph.

6.16 Sec. 8. **REVENUE** \$ \$ **(3,880,000)**

6.17 (a) These amounts include a general reduction
6.18 to agency operations, subject to the
6.19 requirements of section 14, of \$3,895,000.

6.20 (b) \$15,000 is from the general fund for
6.21 preparing and submitting a supplemental 2018
6.22 tax incidence report meeting the requirements
6.23 of Minnesota Statutes, section 270C.13,
6.24 subdivision 1, as amended in article 2, section
6.25 59. This is a onetime appropriation. The
6.26 supplemental report must be completed and
6.27 submitted no later than January 2, 2019.

6.28 Sec. 9. **HUMAN RIGHTS** \$ \$ **(1,409,000)**

6.29 These amounts may not be used to reduce the
6.30 operations or services of the department's
6.31 regional office in St. Cloud.

6.32 Sec. 10. **MINNESOTA HISTORICAL**
6.33 **SOCIETY** \$ \$ **1,000,000**

7.1 These amounts are from the general fund, for
7.2 digital preservation and access, including
7.3 planning and implementation of a program to
7.4 preserve and make available resources related
7.5 to Minnesota history. This is a onetime
7.6 appropriation.

7.7 Sec. 11. MINNESOTA HUMANITIES CENTER \$ \$ 710,000

7.8 (a) \$210,000 is from the general fund for the
7.9 Healthy Eating, Here at Home program under
7.10 Minnesota Statutes, section 138.912. This is
7.11 a onetime appropriation. No more than three
7.12 percent of the appropriation may be used for
7.13 the nonprofit administration of this program.

7.14 (b) \$250,000 is from the general fund for a
7.15 grant to Everybody Wins!-Minnesota, a
7.16 Minnesota 501(c)(3) corporation, to operate
7.17 a reading program for Minnesota children.
7.18 This is a onetime appropriation.

7.19 (c) \$250,000 is from the general fund for a
7.20 grant to the Minnesota Council on Economic
7.21 Education to provide staff development to
7.22 teachers for the implementation of the state
7.23 graduation standards in learning areas relating
7.24 to economic education. This is a onetime
7.25 appropriation and does not cancel, but is
7.26 available until expended. The commissioner
7.27 of education, in consultation with the council,
7.28 shall develop expected results of staff
7.29 development, eligibility criteria for
7.30 participants, an evaluation procedure, and
7.31 guidelines for direct and in-kind contributions
7.32 by the council.

7.33 Sec. 12. BOARD OF COSMETOLOGIST
7.34 EXAMINERS \$ \$ (518,000)

administration and general operations. Unless otherwise specified, reductions must not be made to programs or services that are provided directly to members of the public.

Sec. 15. EXECUTIVE AGENCY APPROPRIATIONS; MNLARS TARGETED REDUCTIONS.

(a) By October 31, 2018, the commissioner of management and budget must, with the approval of the governor and after consulting the Legislative Advisory Commission, reduce general fund appropriations for executive agency operating expenditures by \$9,650,000 for the biennium ending June 30, 2019. This is a onetime reduction. In making reductions, the commissioner must prioritize reductions to any increased central operating or administrative expenses within an agency that resulted from the enactment of operating adjustments for that agency for the biennium ending June 30, 2019, compared to appropriations enacted for the agency for the biennium ending June 30, 2017. The commissioner must not reduce appropriations for client-facing health care, corrections, public safety, mental health programs, or other services that are provided directly to members of the public.

(b) By June 30, 2018, the commissioner of management and budget must transfer \$7,500,000 from the general fund to the driver services operating account in the special revenue fund, and \$2,150,000 to the vehicle services operating account in the special revenue fund.

(c) For purposes of this subdivision, "executive agency" has the meaning given in Minnesota Statutes, section 16A.011, subdivision 12, and includes constitutional officers.

Sec. 16. MINNESOTA SPORTS FACILITIES AUTHORITY; STADIUM RESERVE TRANSFER.

\$30,817,000 must be transferred to the unrestricted general fund from the general reserve account established by the commissioner of management and budget under Minnesota Statutes, section 297E.021, no later than June 30, 2019. This is a onetime transfer.

Sec. 17. MN.IT PRIORITIZATION OF CYBERSECURITY.

The state chief information officer must prioritize the enhancement of cybersecurity across state government when expending any appropriations or fund transfers provided to the Office of MN.IT Services, including but not limited to those provided by Laws 2017, First Special Session chapter 4, article 1, section 10, and amounts credited to the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21.

10.1 **ARTICLE 2**

10.2 **STATE GOVERNMENT OPERATIONS**

10.3 Section 1. Minnesota Statutes 2016, section 1.26, subdivision 1, is amended to read:

10.4 Subdivision 1. ~~Political subdivision defined~~ **Definitions.** As used in this section:

10.5 (1) "declared emergency" has the meaning given in section 12.03, subdivision 1e; and

10.6 (2) "political subdivision" includes counties, home rule charter and statutory cities,
10.7 towns, townships, school districts, authorities, and other public corporations and entities
10.8 whether organized and existing under charter or general law.

10.9 Sec. 2. Minnesota Statutes 2016, section 1.26, subdivision 2, is amended to read:

10.10 Subd. 2. **State government.** When, due to ~~an emergency resulting from the effects of~~
10.11 ~~enemy attack, or the anticipated effects of a threatened enemy attack~~ a declared emergency,
10.12 it becomes imprudent, inexpedient, or impossible to conduct the affairs of state government
10.13 in the city of St. Paul, Ramsey County, Minnesota, the governor shall, as often as the
10.14 exigencies of the situation require, by proclamation, declare an emergency temporary
10.15 location, or locations, for the seat of government at a place, or places, in or out of the state
10.16 as the governor deems advisable under the circumstances, and shall take action and issue
10.17 orders as necessary for an orderly transition of the affairs of state government to the
10.18 emergency temporary location, or locations. To the extent practical, the governor's orders
10.19 must be consistent with the state comprehensive emergency operations plan required by
10.20 section 12.21, subdivision 3. The emergency temporary location, or locations, shall remain
10.21 the seat of government until the legislature by law establishes a new location, or locations,
10.22 or until the emergency is declared to be ended by the governor and the seat of government
10.23 is returned to its normal location.

10.24 Sec. 3. **[2.92] DISTRICTING PRINCIPLES.**

10.25 Subdivision 1. **Applicability.** The principles in this section apply to legislative and
10.26 congressional districts.

10.27 Subd. 2. **Nesting.** A representative district may not be divided in the formation of a
10.28 senate district.

10.29 Subd. 3. **Equal population.** (a) Legislative districts must be substantially equal in
10.30 population. The population of a legislative district must not deviate from the ideal by more
10.31 than 0.5 percent, plus or minus.

11.1 (b) Congressional districts must be as nearly equal in population as practicable.

11.2 Subd. 4. **Contiguity; compactness.** The districts must be composed of convenient
11.3 contiguous territory. To the extent consistent with the other principles in this section, districts
11.4 should be compact. Contiguity by water is sufficient if the water is not a serious obstacle
11.5 to travel within the district. Point contiguity is not sufficient.

11.6 Subd. 5. **Numbering.** (a) Legislative districts must be numbered in a regular series,
11.7 beginning with house district 1A in the northwest corner of the state and proceeding across
11.8 the state from west to east, north to south, but bypassing the 11-county metropolitan area
11.9 until the southeast corner has been reached; then to the 11-county metropolitan area. In a
11.10 county that includes more than one whole senate district, the districts must be numbered
11.11 consecutively.

11.12 (b) Congressional district numbers must begin with district one in the southeast corner
11.13 of the state and end with district eight in the northeast corner of the state.

11.14 Subd. 6. **Minority representation.** (a) The dilution of racial or ethnic minority voting
11.15 strength is contrary to the laws of the United States and the state of Minnesota. These
11.16 principles must not be construed to supersede any provision of the Voting Rights Act of
11.17 1965, as amended.

11.18 (b) A redistricting plan must not have the intent or effect of dispersing or concentrating
11.19 minority population in a manner that prevents minority communities from electing their
11.20 candidates of choice.

11.21 Subd. 7. **Minor civil divisions.** (a) A county, city, or town must not be unduly divided
11.22 unless required to meet equal population requirements or to form districts composed of
11.23 convenient, contiguous territory.

11.24 (b) A county, city, or town is not unduly divided in the formation of a legislative or
11.25 congressional district if:

11.26 (1) the division occurs because a portion of a city or town is noncontiguous with another
11.27 portion of the same city or town; or

11.28 (2) despite the division, the known population of any affected county, city, or town
11.29 remains wholly located within a single district.

11.30 Subd. 8. **Preserving communities of interest.** (a) Districts should attempt to preserve
11.31 identifiable communities of interest where that can be done in compliance with the principles
11.32 under this section.

12.1 (b) For purposes of this subdivision, "communities of interest" means recognizable areas
12.2 with similarities of interests including but not limited to racial, ethnic, geographic, social,
12.3 or cultural interests.

12.4 Subd. 9. **Data to be used.** (a) The geographic areas and population counts used in maps,
12.5 tables, and legal descriptions of the districts must be those used by the Geographic
12.6 Information Systems Office of the Legislative Coordinating Commission. The population
12.7 counts shall be the block population counts provided to the state under Public Law 94-171
12.8 after each decennial census, subject to correction of any errors acknowledged by the United
12.9 States Census Bureau.

12.10 (b) Nothing in this subdivision prohibits the use of additional data, as determined by the
12.11 legislature.

12.12 Subd. 10. **Consideration of plans.** A redistricting plan must not be considered for
12.13 adoption by the senate or house of representatives until a block equivalency file showing
12.14 the district to which each census block has been assigned, in a form prescribed by the director
12.15 of the Geographic Information Systems Office, has been filed with the director.

12.16 Subd. 11. **Priority of principles.** Where it is not possible to fully comply with the
12.17 principles contained in subdivisions 2 to 8, a redistricting plan must give priority to those
12.18 principles in the order in which they are listed, except to the extent that doing so would
12.19 violate federal or state law.

12.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
12.21 applies to any plan for districts enacted or established for use on or after that date.

12.22 Sec. 4. Minnesota Statutes 2016, section 3.303, is amended by adding a subdivision to
12.23 read:

12.24 Subd. 12. **Emergency operations and continuity of the legislative branch.** The
12.25 commission must adopt and regularly review an emergency operations and continuity of
12.26 government plan for the legislative branch, as required by section 12.401.

12.27 Sec. 5. Minnesota Statutes 2016, section 3.8841, subdivision 9, is amended to read:

12.28 Subd. 9. **Powers; duties; Metropolitan Council appointments oversight.** The
12.29 commission must monitor appointments to the Metropolitan Council and may make
12.30 recommendations on appointments to the nominating committee under section 473.123,
12.31 subdivision 3, or to the governor before the governor makes the appointments. The

13.1 commission may also make recommendations to the senate before appointments are presented
13.2 to the senate for its advice and consent.

13.3 Sec. 6. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended
13.4 to read:

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

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

13.10 Sec. 7. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended
13.11 to read:

13.12 Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established
13.13 under control of the Legislative Coordinating Commission to provide the house of
13.14 representatives and senate with nonpartisan, accurate, and timely information on the fiscal
13.15 impact of proposed legislation, and to evaluate the effectiveness of state and county programs
13.16 authorized by the legislature using the return on taxpayer investment methodology established
13.17 by the Pew-MacArthur Results First framework. The duties of the office must be conducted
13.18 without regard to political factors.

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

13.20 Sec. 8. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
13.21 subdivision to read:

13.22 Subd. 1a. **Oversight commission.** (a) The Legislative Budget Office Oversight
13.23 Commission is established. The commission consists of:

13.24 (1) two members of the senate appointed by the Subcommittee on Committees of the
13.25 Committee on Rules and Administration;

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

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

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

14.1 The director of the Legislative Budget Office is the executive secretary of the commission.
14.2 The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan
14.3 fiscal analyst of the senate, the state budget director, and the legislative auditor are ex-officio,
14.4 nonvoting members of the commission.

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

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

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

14.17 **EFFECTIVE DATE; FIRST MEETING.** This section is effective the day following
14.18 final enactment. Appointments to the oversight commission must be made no later than
14.19 June 15, 2018. The chair of the Legislative Coordinating Commission must designate one
14.20 appointee to convene the commission's first meeting. The designated appointee must convene
14.21 the first meeting no later than July 1, 2018.

14.22 Sec. 9. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended
14.23 to read:

14.24 Subd. 2. **Staff.** ~~The Legislative Coordinating Commission~~ Legislative Budget Office
14.25 Oversight Commission must appoint a director ~~who~~ and establish the director's duties. The
14.26 director may hire staff necessary to do the work of the office. The director serves in the
14.27 unclassified service for a term of six years and may not be removed during a term except
14.28 for cause after a public hearing. The director of the office is a public official for purposes
14.29 of sections 10A.07 to 10A.09.

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

15.1 Sec. 10. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
15.2 subdivision to read:

15.3 Subd. 3. **Standards and guidelines.** The Legislative Budget Office must adopt uniform
15.4 standards, guidelines, and procedures governing the timely preparation of fiscal notes as
15.5 required by this section and section 3.98. The standards, guidelines, and procedures are not
15.6 effective until they are approved by the oversight commission. Upon approval, the standards
15.7 and guidelines must be published in the State Register and on the office's Web site.

15.8 **EFFECTIVE DATE.** This section is effective January 8, 2019, provided that the uniform
15.9 procedures to be used may be developed and adopted by the oversight commission prior to
15.10 the effective date of this section.

15.11 Sec. 11. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
15.12 subdivision to read:

15.13 Subd. 4. **Access to data.** (a) Upon request of the director of the Legislative Budget
15.14 Office, the head or chief administrative officer of each department or agency of state
15.15 government, including the Supreme Court, must promptly supply any data that, in the
15.16 director's judgment, is relevant to legislation that is the subject of a fiscal note prepared by
15.17 the department or agency.

15.18 (b) To the extent that data supplied to the Legislative Budget Office are classified as not
15.19 public under chapter 13 or other applicable law, the Legislative Budget Office must maintain
15.20 and administer the data in the same manner as required of a government entity subject to
15.21 that classification. Not public data supplied under this subdivision may only be used by the
15.22 Legislative Budget Office to review a department or agency's work in preparing a fiscal
15.23 note and may not be used or disseminated for any other purpose, including use by or
15.24 dissemination to a legislator or to any officer, department, agency, or committee within the
15.25 legislative branch. A violation of this paragraph by the director or other staff of the
15.26 Legislative Budget Office is subject to the penalties and remedies provided in sections 13.08
15.27 and 13.09, and any other applicable law governing the unauthorized use or acquisition of
15.28 not public data.

15.29 (c) Upon approval by the Legislative Budget Office, a completed fiscal note must be
15.30 delivered to the legislative committee chair who made the request, and to the chief author
15.31 of the legislation to which it relates. Within 24 hours of approval, a completed fiscal note
15.32 must be posted on the office's public Web site, unless data maintained by a government
15.33 entity related to the fiscal note are classified as not public under section 13.64, subdivision
15.34 3.

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

16.2 Sec. 12. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to
16.3 read:

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

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

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

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

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

16.23 Sec. 13. **[4.074] PAYMENTS FROM EXECUTIVE AGENCIES.**

16.24 The Office of the Governor may not receive payments to the governor's office account
16.25 in the special revenue fund of more than \$750,000, in total, each fiscal year from other
16.26 executive agencies under section 15.53 to support costs, not including the residence
16.27 groundskeeper, incurred by the office.

16.28 Sec. 14. **[5.42] DISPLAY OF BUSINESS ADDRESS ON WEB SITE.**

16.29 (a) A business entity may request in writing that all addresses submitted by the business
16.30 entity to the secretary of state be omitted from display on the secretary of state's Web site.

17.1 A business entity may only request that all addresses be omitted from display if the entity
17.2 certifies that:

17.3 (1) there is only one shareholder, member, manager, or owner of the business entity;

17.4 (2) the shareholder, manager, member, or owner is a natural person; and

17.5 (3) at least one of the addresses provided is the residential address of the sole shareholder,
17.6 manager, member, or owner.

17.7 The secretary of state shall post a notice that this option is available and a link to the form
17.8 needed to make a request on the secretary's Web site. The secretary of state shall also attach
17.9 a copy of the request form to all business filing forms provided in a paper format that require
17.10 a business entity to submit an address.

17.11 (b) This section does not change the classification of data under chapter 13 and addresses
17.12 shall be made available to the public in response to requests made by telephone, mail,
17.13 electronic mail, and facsimile transmission.

17.14 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to business
17.15 entity filings filed with the secretary of state on or after that date.

17.16 Sec. 15. Minnesota Statutes 2017 Supplement, section 6.481, subdivision 3, is amended
17.17 to read:

17.18 Subd. 3. **CPA firm audit.** (a) A county audit performed by a CPA firm must meet the
17.19 standards and be in a form meeting recognized industry auditing standards. The state auditor
17.20 may require additional information from the CPA firm if the state auditor determines that
17.21 is in the public interest, but the state auditor must accept the audit unless the state auditor
17.22 determines the audit or its form does not meet recognized industry auditing standards. The
17.23 state auditor may make additional examinations as the auditor determines to be in the public
17.24 interest.

17.25 (b) When the state auditor requires additional information from the CPA firm or makes
17.26 additional examinations that the state auditor determines to be in the public interest, the
17.27 state auditor must afford counties and CPA firms an opportunity to respond to potential
17.28 findings, conclusions, or questions, as follows:

17.29 (1) at least 30 days before beginning a review for work performed by a certified public
17.30 accountant firm licensed in chapter 326A, the state auditor must notify the county and CPA
17.31 firm that the state auditor will be conducting a review and must identify the type and scope
17.32 of review the state auditor will perform;

18.1 (2) throughout the state auditor's review, the auditor shall allow the county and the CPA
18.2 firm at least 30 days to respond to any request by the auditor for documents or other
18.3 information;

18.4 (3) the state auditor must provide the CPA firm with a draft report of the state auditor's
18.5 findings at least 30 days before issuing a final report;

18.6 (4) at least 20 days before issuing a final report, the state auditor must hold a formal exit
18.7 conference with the CPA firm to discuss the findings in the state auditor's draft report;

18.8 (5) the state auditor shall make changes to the draft report that are warranted as a result
18.9 of information provided by the CPA firm during the state auditor's review; and

18.10 (6) the state auditor's final report must include any written responses provided by the
18.11 CPA firm.

18.12 Sec. 16. Minnesota Statutes 2016, section 8.065, is amended to read:

18.13 **8.065 PRIVATE ATTORNEY CONTRACTS.**

18.14 Subdivision 1. **Contracts for legal services in excess of \$1,000,000.** The attorney
18.15 general may not enter into a contract for legal services in which the fees and expenses paid
18.16 by the state exceed, or can reasonably be expected to exceed, \$1,000,000 unless the attorney
18.17 general first submits the proposed contract to the Legislative Advisory Commission, and
18.18 waits at least 20 days to receive a possible recommendation from the commission.

18.19 Subd. 2. **Contingent fee contracts.** (a) Except as provided in paragraph (b), the attorney
18.20 general may not contract for legal services on a contingent fee basis.

18.21 (b) Paragraph (a) does not apply to contracts for legal services on behalf of the
18.22 Department of Human Services for Medicaid third-party liability or false claims recoveries.
18.23 Contracts for these services may not exceed two years, and are subject to the competitive
18.24 proposal requirements for professional and technical services contracts provided in section
18.25 16C.08. No later than January 15 of each year, the attorney general and the commissioner
18.26 of human services must jointly submit a report to the chairs and ranking minority members
18.27 of the legislative committees with jurisdiction over state government finance that includes
18.28 a copy of the contract for legal services, and details on:

18.29 (1) the number of claims for recovery filed by attorneys providing services on a contingent
18.30 fee basis;

18.31 (2) the number of recovery claims that were successful, including the amounts recovered
18.32 in each successful claim; and

19.1 (3) the total amount of attorney fees due or paid following each successful claim.

19.2 **EFFECTIVE DATE.** This section is effective the day following final enactment and
19.3 applies to contracts entered into on or after that date. Subdivision 2, paragraph (b), applies
19.4 to legal services for claims filed on or after August 1, 2018.

19.5 Sec. 17. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

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

19.7 (1) member of the legislature;

19.8 (2) individual employed by the legislature as secretary of the senate, legislative auditor,
19.9 director of the Legislative Budget Office, chief clerk of the house of representatives, revisor
19.10 of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of
19.11 Senate Counsel, Research, and Fiscal Analysis, House Research, or the House Fiscal Analysis
19.12 Department;

19.13 (3) constitutional officer in the executive branch and the officer's chief administrative
19.14 deputy;

19.15 (4) solicitor general or deputy, assistant, or special assistant attorney general;

19.16 (5) commissioner, deputy commissioner, or assistant commissioner of any state
19.17 department or agency as listed in section 15.01 or 15.06, or the state chief information
19.18 officer;

19.19 (6) member, chief administrative officer, or deputy chief administrative officer of a state
19.20 board or commission that has either the power to adopt, amend, or repeal rules under chapter
19.21 14, or the power to adjudicate contested cases or appeals under chapter 14;

19.22 (7) individual employed in the executive branch who is authorized to adopt, amend, or
19.23 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

19.24 (8) executive director of the State Board of Investment;

19.25 (9) deputy of any official listed in clauses (7) and (8);

19.26 (10) judge of the Workers' Compensation Court of Appeals;

19.27 (11) administrative law judge or compensation judge in the State Office of Administrative
19.28 Hearings or unemployment law judge in the Department of Employment and Economic
19.29 Development;

19.30 (12) member, regional administrator, division director, general counsel, or operations
19.31 manager of the Metropolitan Council;

- 20.1 (13) member or chief administrator of a metropolitan agency;
- 20.2 (14) director of the Division of Alcohol and Gambling Enforcement in the Department
20.3 of Public Safety;
- 20.4 (15) member or executive director of the Higher Education Facilities Authority;
- 20.5 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 20.6 (17) member of the board of directors or executive director of the Minnesota State High
20.7 School League;
- 20.8 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 20.9 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- 20.10 (20) manager of a watershed district, or member of a watershed management organization
20.11 as defined under section 103B.205, subdivision 13;
- 20.12 (21) supervisor of a soil and water conservation district;
- 20.13 (22) director of Explore Minnesota Tourism;
- 20.14 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section
20.15 97A.056;
- 20.16 (24) citizen member of the Clean Water Council established in section 114D.30;
- 20.17 (25) member or chief executive of the Minnesota Sports Facilities Authority established
20.18 in section 473J.07;
- 20.19 (26) district court judge, appeals court judge, or Supreme Court justice;
- 20.20 (27) county commissioner;
- 20.21 (28) member of the Greater Minnesota Regional Parks and Trails Commission; or
- 20.22 (29) member of the Destination Medical Center Corporation established in section
20.23 469.41.

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

20.25 Sec. 18. Minnesota Statutes 2016, section 10A.02, subdivision 7, is amended to read:

20.26 Subd. 7. **Political activity.** All members and employees of the board are subject to any
20.27 provisions of law regulating political activity by state employees. In addition, no member
20.28 or employee of the board may be a candidate for, or holder of, (1) a national, state,
20.29 congressional district, legislative district, county, or precinct office in a political party, or

21.1 (2) an elected public office for which party designation is required by statute. For purposes
21.2 of this subdivision, "employee of the board" includes any board employee and any employee
21.3 of the Office of MN.IT Services assigned to provide information technology services to the
21.4 board.

21.5 Sec. 19. Minnesota Statutes 2016, section 12.09, subdivision 2, is amended to read:

21.6 Subd. 2. **State emergency plan.** The division shall develop and maintain a comprehensive
21.7 state emergency operations plan and emergency management program in accord with section
21.8 12.21, subdivision 3, ~~clause (2)~~ paragraph (b), and ensure that other state emergency plans
21.9 that may be developed are coordinated and consistent with the comprehensive state
21.10 emergency operations plan. The director of the division must provide assistance to the
21.11 legislative branch, the judicial branch, and the executive council in developing the plans
21.12 required by sections 12.401, 12.402, and 12.403.

21.13 Sec. 20. Minnesota Statutes 2016, section 12.21, subdivision 3, is amended to read:

21.14 Subd. 3. **Specific authority.** (a) In performing duties under this chapter and to effect its
21.15 policy and purpose, the governor may:

21.16 (1) make, amend, and rescind the necessary orders and rules to carry out the provisions
21.17 of this chapter and section 216C.15 within the limits of the authority conferred by this
21.18 section, with due consideration of the plans of the federal government and without complying
21.19 with sections 14.001 to 14.69, but no order or rule has the effect of law except as provided
21.20 by section 12.32;

21.21 ~~(2) ensure that a comprehensive emergency operations plan and emergency management~~
21.22 ~~program for this state are developed and maintained, and are integrated into and coordinated~~
21.23 ~~with the emergency plans of the federal government and of other states to the fullest possible~~
21.24 ~~extent;~~

21.25 ~~(3)~~ (2) in accordance with the emergency operations plan and the emergency management
21.26 program of this state, procure supplies, equipment, and facilities; institute training programs
21.27 and public information programs; and take all other preparatory steps, including the partial
21.28 or full activation of emergency management organizations in advance of actual disaster to
21.29 ensure the furnishing of adequately trained and equipped forces of emergency management
21.30 personnel in time of need;

- 22.1 ~~(4)~~ (3) make studies and surveys of the industries, resources, and facilities in this state
22.2 as may be necessary to ascertain the capabilities of the state for emergency management
22.3 and to plan for the most efficient emergency use of those industries, resources, and facilities;
- 22.4 ~~(5)~~ (4) on behalf of this state, enter into mutual aid arrangements or cooperative
22.5 agreements with other states, tribal authorities, and Canadian provinces, and coordinate
22.6 mutual aid plans between political subdivisions of this state;
- 22.7 ~~(6)~~ (5) delegate administrative authority vested in the governor under this chapter, except
22.8 the power to make rules, and provide for the subdelegation of that authority;
- 22.9 ~~(7)~~ (6) cooperate with the president and the heads of the armed forces, the Emergency
22.10 Management Agency of the United States and other appropriate federal officers and agencies,
22.11 and with the officers and agencies of other states in matters pertaining to the emergency
22.12 management of the state and nation, including the direction or control of:
- 22.13 (i) emergency preparedness drills and exercises;
- 22.14 (ii) warnings and signals for drills or actual emergencies and the mechanical devices to
22.15 be used in connection with them;
- 22.16 (iii) shutting off water mains, gas mains, electric power connections and the suspension
22.17 of all other utility services;
- 22.18 (iv) the conduct of persons in the state, including entrance or exit from any stricken or
22.19 threatened public place, occupancy of facilities, and the movement and cessation of
22.20 movement of pedestrians, vehicular traffic, and all forms of private and public transportation
22.21 during, prior, and subsequent to drills or actual emergencies;
- 22.22 (v) public meetings or gatherings; and
- 22.23 (vi) the evacuation, reception, and sheltering of persons;
- 22.24 ~~(8)~~ (7) contribute to a political subdivision, within the limits of the appropriation for
22.25 that purpose, not more than 25 percent of the cost of acquiring organizational equipment
22.26 that meets standards established by the governor;
- 22.27 ~~(9)~~ (8) formulate and execute, with the approval of the Executive Council, plans and
22.28 rules for the control of traffic in order to provide for the rapid and safe movement over
22.29 public highways and streets of troops, vehicles of a military nature, and materials for national
22.30 defense and war or for use in any war industry, for the conservation of critical materials, or
22.31 for emergency management purposes; and coordinate the activities of the departments or

23.1 agencies of the state and its political subdivisions concerned directly or indirectly with
23.2 public highways and streets, in a manner that will best effectuate those plans;

23.3 ~~(10)~~ (9) alter or adjust by executive order, without complying with sections 14.01 to
23.4 14.69, the working hours, workdays and work week of, and annual and sick leave provisions
23.5 and payroll laws regarding all state employees in the executive branch as the governor
23.6 deems necessary to minimize the impact of the disaster or emergency, conforming the
23.7 alterations or adjustments to existing state laws, rules, and collective bargaining agreements
23.8 to the extent practicable;

23.9 ~~(11)~~ (10) authorize the commissioner of education to alter school schedules, curtail
23.10 school activities, or order schools closed as defined in section 120A.05, subdivisions 9, 11,
23.11 13, and 17, and including charter schools under chapter 124E, and elementary schools
23.12 enrolling prekindergarten pupils in district programs; and

23.13 ~~(12)~~ (11) transfer the direction, personnel, or functions of state agencies to perform or
23.14 facilitate response and recovery programs.

23.15 (b) In performing duties under this chapter and to effect its policy and purpose, the
23.16 governor must direct the Division of Emergency Management to adopt and maintain a
23.17 comprehensive emergency operations plan and emergency management program for this
23.18 state that is integrated into and coordinated with the emergency plans of the federal
23.19 government and other states to the fullest possible extent. The comprehensive emergency
23.20 operations plan must incorporate plans for the secure, continued operation of state
23.21 government in the event of a disaster or emergency, including those adopted under sections
23.22 12.401, 12.402, and 12.403.

23.23 Sec. 21. **[12.401] EMERGENCY OPERATIONS AND CONTINUITY PLAN;**
23.24 **LEGISLATIVE BRANCH.**

23.25 Subdivision 1. Adoption of plan required. (a) The Legislative Coordinating Commission
23.26 must adopt and maintain an emergency operations and continuity of government plan to
23.27 ensure the secure, continued operation of the house of representatives, senate, and joint
23.28 legislative offices in the event of a disaster, emergency, or declared emergency. In developing
23.29 the plan, the commission must consult and cooperate with the state director of emergency
23.30 management to ensure the plan's compatibility with the comprehensive state emergency
23.31 operations plan and emergency management program. The commission must also consult
23.32 with the governor or the governor's designee, and the chief justice of the Supreme Court or
23.33 the chief justice's designee, to ensure the plan's compatibility with those adopted for the

24.1 judicial branch under section 12.402 and the executive council under section 12.403, to the
24.2 extent practical.

24.3 (b) At a minimum, the commission's plan must address reasonably foreseeable effects
24.4 of a disaster, emergency, or declared emergency on the ability of the legislature to perform
24.5 its constitutional functions, including but not limited to the following:

24.6 (1) identification of at least three suitable locations within the state at which the legislature
24.7 could conduct operations in the event of a disaster or declared emergency that makes the
24.8 State Capitol unsafe or inaccessible, with one location designated as a primary alternate
24.9 location and two designated as backup alternate locations if the primary location is unsafe
24.10 or inaccessible;

24.11 (2) plans to provide timely and secure communications regarding a disaster, emergency,
24.12 or declared emergency to all affected members and personnel, including alternate methods
24.13 of communication if a primary method is unavailable;

24.14 (3) plans to securely transport all members, designated personnel, and necessary
24.15 equipment and records to an alternate location and begin legislative operations at that location
24.16 in a timely manner;

24.17 (4) plans to ensure reasonable public notice of the legislature's operations and access to
24.18 its proceedings in-person or by electronic, broadcast, or other means as the circumstances
24.19 of the emergency allow;

24.20 (5) additional procedures, as necessary, to implement the requirements of subdivisions
24.21 2 and 3;

24.22 (6) procedures for the orderly return of legislative operations to the State Capitol, as
24.23 soon as circumstances allow; and

24.24 (7) policy decisions that address any other procedures or protocols recommended for
24.25 inclusion by the state director of emergency management.

24.26 (c) The plan must be adopted and maintained by the Legislative Coordinating Commission
24.27 no later than January 30, 2019, and may be subsequently amended at any time. At a minimum,
24.28 the plan must be reviewed by the full commission and designated legislative staff no later
24.29 than January 30 of each odd-numbered year. A meeting of the commission may be closed
24.30 to the public for any of these purposes.

24.31 (d) Copies of the plan must be filed with the governor, the secretary of state, the state
24.32 director of emergency management, and at each of the alternate locations designated in the
24.33 plan. Unless otherwise directed by the Legislative Coordinating Commission, the copies of

the plan must be securely maintained and may not be further disclosed to any person except as required by this chapter, or as necessary to develop and implement the plan's requirements. To the extent data regarding the plan is held by a government entity, as defined in section 13.02, subdivision 7a, the data are security information under section 13.37.

Subd. 2. Implementation of plan. (a) The governor or the chair of the Legislative Coordinating Commission may order that the legislature's emergency operations and continuity of government plan be implemented in whole or in part, if an emergency is declared or if circumstances indicate a disaster or emergency is occurring or a declared emergency may be imminent. If a change in location is ordered, the legislature must be directed to a location designated in the plan, or if those designated locations are unsafe or inaccessible, to any other location within or outside of the state which the governor or chair deems safe and accessible. If implementation of the plan is ordered by the chair of the Legislative Coordinating Commission, the chair must notify the governor and the state director of emergency management as soon as practicable following implementation.

(b) A legislative session convened at an alternate location must be reconvened at the State Capitol as soon as practical after the capitol is secured and restored to accessibility.

Subd. 3. Special session at an alternate location; legislative procedure. (a) In the event of a declared emergency, if the legislature is not in session, the governor shall convene a special session when required by section 12.31, subdivisions 1 and 2.

(b) If the governor fails to convene a special session after declaring a national security emergency, the chair of the Legislative Coordinating Commission shall order implementation of the legislature's emergency operations and continuity of government plan, and the legislature shall convene at the State Capitol, or alternate location designated by the plan, on the first Tuesday after the first Monday more than 30 days after the national security emergency was declared.

(c) At a special session convened at an alternate location due to a disaster, emergency, or declared emergency, the quorum requirement for the legislature is a majority of the members of each house who convene for the session. If the affirmative vote of a specified proportion of members of the legislature would otherwise be required to approve a bill, resolution, or for any other action, the same proportion of the members of each house convening at the session is sufficient. At the time the special session convenes, the legislature shall adopt temporary joint rules as necessary to ensure the orderly conduct of legislative business in the alternate location, including compliance with the requirements of the Minnesota Constitution and the rules of parliamentary practice.

Sec. 22. **[12.402] EMERGENCY OPERATIONS AND CONTINUITY PLAN;
JUDICIAL BRANCH.**

Subdivision 1. Adoption of plan required. (a) The Supreme Court must adopt and maintain an emergency operations and continuity of government plan to ensure the secure, continued operation of the judicial branch in the event of a disaster, emergency, or declared emergency. In developing the plan, the court must consult and cooperate with the state director of emergency management to ensure the plan's compatibility with the comprehensive state emergency operations plan and emergency management program. The court must also consult the governor or the governor's designee, and the chair of the Legislative Coordinating Commission, or the chair's designee, to ensure the plan's compatibility with those adopted for the executive council and legislative branch under sections 12.401 and 12.403, to the extent practical.

(b) At a minimum, the Supreme Court's plan must address reasonably foreseeable effects of a disaster, emergency, or declared emergency, on the ability of the judicial branch to perform its constitutional functions, including but not limited to the following:

(1) identification of at least three suitable locations within the state at which the Supreme Court, Court of Appeals, and central administrative functions of the judicial branch could operate in the event of a disaster or declared emergency that make its regular location unsafe or inaccessible, with one location designated as a primary alternate location and two designated as backup alternate locations if the primary location is unsafe or inaccessible;

(2) plans to provide timely and secure communications regarding a disaster, emergency, or declared emergency to all affected personnel, including alternate methods of communication if a primary method is unavailable;

(3) plans to securely transport affected justices, judges, designated personnel, and necessary equipment and records to an alternate location and begin judicial operations at that location in a timely manner;

(4) plans to ensure reasonable public notice of the judicial branch's operations and access to its proceedings and records in-person or by electronic, broadcast, or other means as the rules of the court require and the circumstances of the emergency allow;

(5) plans to ensure the rights and protections guaranteed by the federal and state constitutions to criminal defendants, petitioners, and civil litigants are preserved;

(6) procedures for the orderly return of judicial branch operations to their regular location, as soon as circumstances allow; and

27.1 (7) policy decisions that address any other procedures or protocols recommended for
27.2 inclusion by the state director of emergency management.

27.3 (c) The plan must be adopted and maintained by the Supreme Court no later than January
27.4 30, 2019, and may be subsequently amended at any time. At a minimum, the plan must be
27.5 reviewed by the justices and judges of the Supreme Court and Court of Appeals, and
27.6 designated staff, no later than January 30 of each odd-numbered year.

27.7 (d) Copies of the plan must be filed with the governor, the secretary of state, the state
27.8 director of emergency management, and at each of the alternate locations designated in the
27.9 plan. Unless otherwise directed by the court, the copies of the plan must be securely
27.10 maintained and may not be further disclosed to any person except as required by this chapter,
27.11 or as necessary to develop and implement the plan's requirements. To the extent data
27.12 regarding the plan is held by a government entity, as defined in section 13.02, subdivision
27.13 7a, the data are security information under section 13.37.

27.14 Subd. 2. **Implementation of plan.** (a) The governor or the chief justice may order that
27.15 the judiciary's emergency operations and continuity of government plan be implemented in
27.16 whole or in part, if an emergency is declared or if circumstances indicate a disaster or
27.17 emergency is occurring or a declared emergency may be imminent. If a change in location
27.18 is ordered, the affected personnel must be directed to a location designated in the plan, or
27.19 if those designated locations are unsafe or inaccessible, to any other location within or
27.20 outside of the state which the governor or chief justice deems safe and accessible. If
27.21 implementation of the plan is ordered by the chief justice, the chief justice must notify the
27.22 governor and the state director of emergency management as soon as practicable following
27.23 implementation.

27.24 (b) A court convened at an alternate location must be reconvened at its regular location
27.25 as soon as practical after the location is secured and restored to accessibility.

27.26 Sec. 23. **[12.403] EMERGENCY OPERATIONS AND CONTINUITY PLAN;**
27.27 **CONSTITUTIONAL OFFICERS.**

27.28 Subdivision 1. **Adoption of plan required.** (a) The executive council must adopt and
27.29 maintain an emergency operations and continuity of government plan to ensure the secure,
27.30 continued operation of each constitutional office in the event of a disaster, emergency, or
27.31 declared emergency. In developing the plan, the council must consult and cooperate with
27.32 the state director of emergency management to ensure the plan's compatibility with the
27.33 comprehensive state emergency operations plan and emergency management program. The
27.34 council must also consult the chair of the Legislative Coordinating Commission or the chair's

28.1 designee, and the chief justice of the Supreme Court or the chief justice's designee, to ensure
28.2 the plan's compatibility with those adopted for the legislative branch and judicial branch
28.3 under sections 12.401 and 12.402, to the extent practical.

28.4 (b) At a minimum, the council's plan must address reasonably foreseeable effects of a
28.5 disaster, emergency, or declared emergency, on the ability of the state constitutional officers
28.6 to perform their constitutional functions, including but not limited to the following:

28.7 (1) identification of at least three suitable locations within the state at which the
28.8 constitutional officers could conduct operations in the event of a disaster, emergency, or
28.9 declared emergency that make their regular locations unsafe or inaccessible, with one
28.10 location designated as a primary alternate location and two designated as backup alternate
28.11 locations if the primary location is unsafe or inaccessible;

28.12 (2) plans to provide timely and secure communications regarding a disaster, emergency,
28.13 or declared emergency to all affected constitutional officers and personnel, including alternate
28.14 methods of communication if a primary method is unavailable;

28.15 (3) plans to securely transport all constitutional officers, designated personnel, and
28.16 necessary equipment and records to an alternate location and begin operations at that location
28.17 in a timely manner;

28.18 (4) plans to ensure reasonable public notice of each constitutional officer's operations
28.19 and access to the officers and records in person or by electronic, broadcast, or other means
28.20 as the circumstances of the emergency allow;

28.21 (5) procedures for the orderly return of operations to the State Capitol, as soon as
28.22 circumstances allow; and

28.23 (6) policy decisions that address any other procedures or protocols recommended for
28.24 inclusion by the state director of emergency management.

28.25 (c) The plan must be adopted no later than January 30, 2019, and may be subsequently
28.26 amended at any time. At a minimum, the plan must be reviewed by the executive council
28.27 and designated staff no later than January 30 of each odd-numbered year. A meeting of the
28.28 council may be closed to the public for any of these purposes.

28.29 (d) Copies of the plan must be filed with each constitutional officer, the state director
28.30 of emergency management, and at each of the alternate locations designated in the plan.
28.31 Unless otherwise directed by the executive council, the copies of the plan are security data
28.32 under section 13.37, must be securely maintained, and may not be further disclosed to any

29.1 person except as required by this chapter, or as necessary to develop and implement its
29.2 requirements.

29.3 Subd. 2. **Implementation of plan.** (a) The governor or any constitutional officer, with
29.4 respect to that officer's constitutional office, may order that the executive council's emergency
29.5 operations and continuity of government plan be implemented in whole or in part, if an
29.6 emergency is declared or if circumstances indicate a disaster or emergency is occurring or
29.7 a declared emergency may be imminent. If a change in location is ordered, affected personnel
29.8 must be directed to a location designated in the plan, or if those designated locations are
29.9 unsafe or inaccessible, to any other location within or outside of the state which the governor
29.10 or constitutional officer deems safe and accessible. If implementation of the plan is ordered
29.11 by a constitutional officer other than the governor, the officer must notify the governor and
29.12 the state director of emergency management as soon as practicable following implementation.

29.13 (b) A constitutional officer's primary office must be returned to its regular location as
29.14 soon as practical after that location is secured and restored to accessibility.

29.15 Sec. 24. Minnesota Statutes 2016, section 13.02, is amended by adding a subdivision to
29.16 read:

29.17 Subd. 1a. **Chief administrative law judge.** "Chief administrative law judge" means the
29.18 chief administrative law judge of the state Office of Administrative Hearings.

29.19 Sec. 25. Minnesota Statutes 2016, section 13.02, is amended by adding a subdivision to
29.20 read:

29.21 Subd. 8b. **Information policy analysis unit.** "Information policy analysis unit" means
29.22 the work unit within the Office of Administrative Hearings established under section 13.071.

29.23 Sec. 26. **[13.071] INFORMATION POLICY ANALYSIS UNIT; DATA PRACTICES**
29.24 **COORDINATOR.**

29.25 Subdivision 1. **Information policy analysis unit established.** An information policy
29.26 analysis unit is established as a work unit within the Office of Administrative Hearings.

29.27 Subd. 2. **Data practices coordinator.** (a) The chief administrative law judge shall
29.28 appoint a data practices coordinator in the unclassified service who shall oversee the
29.29 operations of the information policy analysis unit.

29.30 (b) The coordinator must be knowledgeable about the Minnesota Government Data
29.31 Practices Act, the Minnesota Open Meeting Law, and federal laws and regulations regarding

data privacy. The coordinator must have experience in dealing with both private enterprise and governmental entities, interpreting laws and regulations, record keeping, report writing, public speaking, and management.

Subd. 3. **Duties.** The information policy analysis unit shall:

(1) informally advise and serve as a technical resource for government entities on questions related to public access to government data, rights of subjects of data, classification of data, or applicable duties under chapter 13D;

(2) informally advise persons regarding their rights under this chapter or chapter 13D;

(3) administer training on chapter 13D and the public information policy training program under section 13.073;

(4) issue advisory opinions pursuant to section 13.072;

(5) operate in a manner that effectively screens the work of the information policy analysis unit from any administrative law judges assigned to a contested case pursuant to section 13.085; and

(6) perform other duties as directed by the chief administrative law judge.

Subd. 4. **Effect of informal advice.** Informal advice or trainings offered by the information policy analysis unit is not binding on a government entity or members of a body subject to chapter 13D, does not constitute legal advice or an advisory opinion under section 13.072, and has no effect on liability, fines, or fee awards arising from a violation of this chapter or chapter 13D. This section does not preclude a person from, in addition to or instead of requesting advice from the information policy analysis unit, seeking an advisory opinion under section 13.072, or bringing any other action under this chapter or other law.

Subd. 5. **Data submitted to information policy analysis unit.** A government entity may submit not public data to the information policy analysis unit for the purpose of requesting advice. Government data submitted to the information policy analysis unit by a government entity or copies of government data submitted by other persons have the same classification as the data have when held by the government entity.

Sec. 27. Minnesota Statutes 2016, section 13.072, is amended to read:

13.072 ADVISORY OPINIONS BY THE COMMISSIONER INFORMATION POLICY ANALYSIS UNIT.

Subdivision 1. **Advisory opinion; when required.** (a) Upon request of a government entity, the ~~commissioner may~~ information policy analysis unit shall give a written advisory

opinion on any question relating to public access to government data, rights of subjects of data, or classification of data under this chapter or other Minnesota statutes governing government data practices. Upon request of any person who disagrees with a determination regarding data practices made by a government entity, the ~~commissioner may~~ information policy analysis unit shall give a written advisory opinion regarding the person's rights as a subject of government data or right to have access to government data.

(b) Upon request of a body subject to chapter 13D, the ~~commissioner may~~ information policy analysis unit shall give a written advisory opinion on any question relating to the body's duties under chapter 13D. Upon request of a person who disagrees with the manner in which members of a governing body perform their duties under chapter 13D, the ~~commissioner may~~ information policy analysis unit shall give a written advisory opinion on compliance with chapter 13D. ~~A governing body or person requesting an opinion under this paragraph must pay the commissioner a fee of \$200. Money received by the commissioner under this paragraph is appropriated to the commissioner for the purposes of this section.~~

(c) ~~If the commissioner determines that no opinion will be issued, the commissioner shall give the government entity or body subject to chapter 13D or person requesting the opinion notice of the decision not to issue the opinion within five business days of receipt of the request. If this notice is not given, the commissioner~~ The information policy analysis unit shall issue an advisory opinion within 20 days of receipt of the request.

(d) For good cause and upon written notice to the person requesting the advisory opinion, the ~~commissioner~~ chief administrative law judge may extend this deadline for one additional 30-day period. The notice must state the reason for extending the deadline. The government entity or the members of a body subject to chapter 13D must be provided a reasonable opportunity to explain the reasons for its decision regarding the data or how they perform their duties under chapter 13D. The ~~commissioner~~ information policy analysis unit or the government entity or body subject to chapter 13D may choose to give notice to the subject of the data concerning the dispute regarding the data or compliance with chapter 13D.

(e) This section does not apply to a determination made by the commissioner of health under section 13.3805, subdivision 1, paragraph (b), or 144.6581.

(f) A written, numbered, and published opinion issued by the attorney general shall take precedence over an advisory opinion issued by the ~~commissioner~~ information policy analysis unit under this section.

(g) A decision of the Office of Administrative Hearings issued under section 13.085 shall take precedence over an advisory opinion issued by the information policy analysis unit under this section.

Subd. 2. **Effect.** (a) Advisory opinions issued by the ~~commissioner~~ information policy analysis unit under this section are not binding on the government entity or members of a body subject to chapter 13D whose data or performance of duties is the subject of the advisory opinion, but an advisory opinion described in subdivision 1, paragraph (a), must be given deference by a court or other tribunal in a proceeding involving the data. The ~~commissioner~~ information policy analysis unit shall arrange for public dissemination of advisory opinions issued under this section, and shall indicate when the principles stated in an advisory opinion are not intended to provide guidance to all similarly situated persons or government entities. This section does not preclude a person from bringing any other action under this chapter or other law in addition to or instead of requesting a written advisory opinion. A government entity, members of a body subject to chapter 13D, or person that acts in conformity with a written advisory opinion of the ~~commissioner~~ information policy analysis unit issued to the government entity, members, or person or to another party is not liable for compensatory or exemplary damages or awards of attorneys fees in actions for violations arising under section 13.08 or 13.085, or for a penalty under section 13.09 or for fines, awards of attorney fees, or any other penalty under chapter 13D. A member of a body subject to chapter 13D is not subject to forfeiture of office if the member was acting in reliance on an advisory opinion.

(b) The information policy analysis unit shall publish and maintain all previously issued written opinions of the commissioner of administration in the same manner as advisory opinions issued by the information policy analysis unit. A previously issued written opinion by the commissioner of administration has the same effect as an advisory opinion issued by the information policy analysis unit.

Subd. 4. **Data submitted to ~~commissioner~~ information policy analysis unit.** A government entity may submit not public data to the ~~commissioner~~ information policy analysis unit for the purpose of requesting or responding to a person's request for an advisory opinion. Government data submitted to the ~~commissioner~~ information policy analysis unit by a government entity or copies of government data submitted by other persons have the same classification as the data have when held by the government entity. If the nature of the advisory opinion is such that the release of the advisory opinion would reveal not public data, the ~~commissioner~~ information policy analysis unit may issue an advisory opinion using pseudonyms for individuals. Data maintained by the ~~commissioner~~ information policy

33.1 analysis unit, in the record of an advisory opinion issued using pseudonyms that would
33.2 reveal the identities of individuals protected by the use of the pseudonyms, are private data
33.3 on individuals.

33.4 Sec. 28. Minnesota Statutes 2016, section 13.08, subdivision 4, is amended to read:

33.5 Subd. 4. **Action to compel compliance.** (a) Actions to compel compliance may be
33.6 brought either under this subdivision or section 13.085. For actions under this subdivision,
33.7 in addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved
33.8 person seeking to enforce the person's rights under this chapter or obtain access to data may
33.9 bring an action in district court to compel compliance with this chapter and may recover
33.10 costs and disbursements, including reasonable attorney's fees, as determined by the court.
33.11 If the court determines that an action brought under this subdivision is frivolous and without
33.12 merit and a basis in fact, it may award reasonable costs and attorney fees to the responsible
33.13 authority. If the court issues an order to compel compliance under this subdivision, the court
33.14 may impose a civil penalty of up to \$1,000 against the government entity. This penalty is
33.15 payable to the state general fund and is in addition to damages under subdivision 1. The
33.16 matter shall be heard as soon as possible. In an action involving a request for government
33.17 data under section 13.03 or 13.04, the court may inspect in camera the government data in
33.18 dispute, but shall conduct its hearing in public and in a manner that protects the security of
33.19 data classified as not public. If the court issues an order to compel compliance under this
33.20 subdivision, the court shall forward a copy of the order to the ~~commissioner of administration~~
33.21 chief administrative law judge.

33.22 (b) In determining whether to assess a civil penalty under this subdivision, the court or
33.23 other tribunal shall consider whether the government entity has substantially complied with
33.24 general data practices under this chapter, including but not limited to, whether the government
33.25 entity has:

33.26 (1) designated a responsible authority under section 13.02, subdivision 16;

33.27 (2) designated a data practices compliance official under section 13.05, subdivision 13;

33.28 (3) prepared the data inventory that names the responsible authority and describes the
33.29 records and data on individuals that are maintained by the government entity under section
33.30 13.025, subdivision 1;

33.31 (4) developed public access procedures under section 13.03, subdivision 2; procedures
33.32 to guarantee the rights of data subjects under section 13.025, subdivision 3; and procedures

34.1 to ensure that data on individuals are accurate and complete and to safeguard the data's
34.2 security under section 13.05, subdivision 5;

34.3 (5) acted in conformity with an advisory opinion issued under section 13.072 that was
34.4 sought by a government entity or another person;

34.5 (6) acted in conformity with a decision of the Office of Administrative Hearings issued
34.6 under section 13.085; or

34.7 ~~(6)~~ (7) provided ongoing training to government entity personnel who respond to requests
34.8 under this chapter.

34.9 (c) The court shall award reasonable attorney fees to a prevailing plaintiff who has
34.10 brought an action under this subdivision if the government entity that is the defendant in
34.11 the action was also the subject of ~~a written~~ an advisory opinion issued under section 13.072
34.12 or a decision of the Office of Administrative Hearings issued under section 13.085 and the
34.13 court finds that the opinion or decision is directly related to the cause of action being litigated
34.14 and that the government entity did not act in conformity with the opinion or decision.

34.15 Sec. 29. Minnesota Statutes 2016, section 13.085, subdivision 2, is amended to read:

34.16 Subd. 2. **Complaints.** (a) A complaint alleging a violation of this chapter or chapter
34.17 13D for which an order to compel compliance is requested may be filed with the office. An
34.18 action to compel compliance does not include procedures pursuant to section 13.04,
34.19 subdivision 4 or 4a.

34.20 (b) The complaint must be filed with the office within two years after the occurrence of
34.21 the act or failure to act that is the subject of the complaint, except that if the act or failure
34.22 to act involves concealment or misrepresentation by the government entity that could not
34.23 be discovered during that period, the complaint may be filed with the office within one year
34.24 after the concealment or misrepresentation is discovered.

34.25 (c) The complaint must be made in writing, submitted under oath, and detail the factual
34.26 basis for the claim that a violation of law has occurred. The office may prescribe a standard
34.27 form for the complaint. The complaint must be accompanied by a filing fee of ~~\$1,000~~ \$250
34.28 or a bond to guarantee the payment of this fee.

34.29 (d) Upon receipt of a filed complaint, the office must immediately notify the respondent
34.30 and, if known, the applicable responsible authority for the government entity, if the
34.31 responsible authority is not otherwise named as the respondent. The office must provide
34.32 the respondent with a copy of the complaint by the most expeditious means available. Notice
34.33 to a responsible authority must be delivered by certified mail. The office must also notify,

to the extent practicable, any individual or entity that is the subject of all or part of the data in dispute.

~~(e) The office must notify the commissioner of administration of an action filed under this section.~~ Proceedings under this section must be dismissed without prejudice as untimely and the complainant's filing fee must be refunded if a request for an advisory opinion ~~from the commissioner~~ was accepted on the matter under section 13.072 before the complaint was filed, and the ~~complainant's filing fee must be refunded~~ advisory opinion has not yet been issued.

(f) The respondent must file a response to the complaint within 15 business days of receipt of the notice. For good cause shown, the office may extend the time for filing a response.

Sec. 30. Minnesota Statutes 2016, section 13.085, subdivision 3, is amended to read:

Subd. 3. **Probable cause review.** (a) In conformity with the Minnesota Code of Judicial Conduct, the chief administrative law judge must assign an administrative law judge to review each complaint. The chief administrative law judge must ensure that any assigned administrative law judge is screened from any involvement with any informal advice provided under section 13.071 or with an advisory opinion issued under section 13.072 that involves the parties to the complaint. Within 20 business days after a response is filed, or the respondent's time to file the response, including any extension, has expired, the administrative law judge must make a preliminary determination for its disposition as follows:

(1) if the administrative law judge determines that the complaint and any timely response of the respondent agency do not present sufficient facts to believe that a violation of this chapter has occurred, the complaint must be dismissed; or

(2) if the administrative law judge determines that the complaint and any timely response of the respondent agency do present sufficient facts to believe that a violation of this chapter has occurred, the judge must schedule a hearing as provided in subdivision 4.

(b) The office must notify all parties of the determination made under paragraph (a). The notice must provide as follows:

(1) if the complaint is scheduled for a hearing, the notice must identify the time and place of the hearing and inform all parties that they may submit evidence, affidavits, documentation, and argument for consideration by the administrative law judge; or

(2) if the complaint is dismissed for failure to present sufficient facts to believe that a violation of this chapter has occurred, the notice must inform the parties of the right of the

36.1 complainant to seek reconsideration of the decision on the record by the chief administrative
36.2 law judge, as provided in paragraph (c).

36.3 (c) A petition for reconsideration may be filed no later than five business days after a
36.4 complaint is dismissed for failure to present sufficient facts to believe that a violation of
36.5 this chapter has occurred. The chief administrative law judge must review the petition and
36.6 make a final ruling within ten business days after its receipt. If the chief administrative law
36.7 judge determines that the assigned administrative law judge made a clear material error,
36.8 the chief administrative law judge must schedule the matter for a hearing as provided in
36.9 subdivision 4.

36.10 Sec. 31. Minnesota Statutes 2016, section 13.085, subdivision 4, is amended to read:

36.11 Subd. 4. **Hearing; procedure.** (a) A hearing on a complaint must be held within 30
36.12 business days after the parties are notified that a hearing will be held. An oral hearing to
36.13 resolve questions of law may be waived upon consent of all parties and the ~~presiding~~ assigned
36.14 administrative law judge. For good cause shown, the judge may delay the date of a hearing
36.15 by no more than ten business days. The judge may continue a hearing to enable the parties
36.16 to submit additional evidence or testimony.

36.17 (b) The administrative law judge must consider any evidence and argument submitted
36.18 until the hearing record is closed, including affidavits and documentation.

36.19 (c) All hearings, and any records relating to the hearing, must be open to the public,
36.20 except that the judge may inspect in camera any government data in dispute. If the hearing
36.21 record contains information that is not public data, the judge may conduct a closed hearing
36.22 to consider the information, issue necessary protective orders, and seal all or part of the
36.23 hearing record, as provided in section 14.60, subdivision 2. If a party contends, and the
36.24 judge concludes, that not public data could be improperly disclosed while that party is
36.25 presenting its arguments, the judge shall close any portion of the hearing as necessary to
36.26 prevent the disclosure. A hearing may be conducted by conference telephone call or
36.27 interactive audio/video system, at the discretion of the ~~presiding~~ assigned judge, and upon
36.28 consent of all parties.

36.29 Sec. 32. Minnesota Statutes 2016, section 13.085, subdivision 5, is amended to read:

36.30 Subd. 5. **Disposition.** (a) Following a hearing, the judge must determine whether the
36.31 violation alleged in the complaint occurred and must make at least one of the following
36.32 dispositions. The judge may:

- 37.1 (1) dismiss the complaint;
- 37.2 (2) find that an act or failure to act constituted a violation of this chapter;
- 37.3 (3) impose a civil penalty against the respondent of up to \$300;
- 37.4 (4) issue an order compelling the respondent to comply with a provision of law that has
- 37.5 been violated, and may establish a deadline for production of data, if necessary; and
- 37.6 (5) refer the complaint to the appropriate prosecuting authority for consideration of
- 37.7 criminal charges.

37.8 (b) In determining whether to assess a civil penalty, the office shall consider the factors

37.9 described in section 13.08, subdivision 4.

37.10 (c) The judge must render a decision on a complaint within ten business days after the

37.11 hearing record closes. ~~The chief administrative law judge shall provide for public~~

37.12 ~~dissemination of orders issued under this section. If the judge determines that a government~~

37.13 ~~entity has violated a provision of law and issues an order to compel compliance, the office~~

37.14 ~~shall forward a copy of the order to the commissioner of administration. Any order issued~~

37.15 pursuant to this section is enforceable through the district court for the district in which the

37.16 respondent is located.

37.17 (d) A party aggrieved by a final decision on a complaint filed under this section is entitled

37.18 to judicial review as provided in sections 14.63 to 14.69. Proceedings on a complaint are

37.19 not a contested case within the meaning of chapter 14 and are not otherwise governed by

37.20 chapter 14.

37.21 ~~(e) A decision of the office under this section is not controlling in any subsequent action~~

37.22 ~~brought in district court alleging the same violation and seeking damages.~~

37.23 ~~(f)~~ (e) A government entity or person that releases not public data pursuant to an order

37.24 under this section is immune from civil and criminal liability for that release. A government

37.25 entity or person that acts in conformity with an order issued under this section to the

37.26 government entity or to any other person is not liable for compensatory or exemplary damage

37.27 or awards of attorney fees for acting in conformity with that order in actions under this

37.28 section or section 13.08, or for a penalty under section 13.09.

37.29 Sec. 33. Minnesota Statutes 2016, section 13.085, subdivision 6, is amended to read:

37.30 Subd. 6. **Costs; attorney fees.** (a) A rebuttable presumption shall exist that a complainant

37.31 who substantially prevails on the merits in an action brought under this section is entitled

37.32 to an award of reasonable attorney fees, not to exceed \$5,000. An award of attorney fees

may be denied if the judge determines that the violation is merely technical or that there is a genuine uncertainty about the meaning of the governing law.

(b) Reasonable attorney fees, not to exceed \$5,000, must be awarded to a substantially prevailing complainant if the government entity that is the respondent in the action was also the subject of ~~a written~~ an advisory opinion issued under section 13.072 or a prior decision of the Office of Administrative Hearings issued under this section and the administrative law judge finds that the opinion or decision is directly related to the matter in dispute and that the government entity did not act in conformity with the opinion or decision.

(c) The office shall refund the filing fee of a substantially prevailing complainant in full, less \$50, and the office's costs in conducting the matter shall be billed to the respondent, not to exceed \$1,000.

(d) A complainant that does not substantially prevail on the merits shall be entitled to a refund of the filing fee, less any costs incurred by the office in conducting the matter.

(e) If the administrative law judge determines that a complaint is frivolous, or brought for purposes of harassment, the judge must order that the complainant pay the respondent's reasonable attorney fees, not to exceed \$5,000. The complainant shall not be entitled to a refund of the filing fee.

(f) The court shall award the complainant costs and attorney fees incurred in bringing an action in district court to enforce an order of the Office of Administrative Hearings under this section.

Sec. 34. Minnesota Statutes 2016, section 13.085, is amended by adding a subdivision to read:

Subd. 8. Publication and authority of decisions. (a) The chief administrative law judge shall provide for public dissemination of the office's decisions issued under this section. Public dissemination must include the publication and maintenance of all decisions in a user-friendly, searchable database conspicuously located on the office's Web site. Not public data contained in a decision must be redacted prior to public dissemination.

(b) Unless the decision states otherwise, a decision of the office issued under this section has precedential effect on future complaints under this section and shall, where appropriate, be used to provide guidance to similarly situated persons or government entities.

(c) A government entity, member of a body subject to chapter 13D, or person that acts in conformity with a decision of the office made under this section is not liable for compensatory or exemplary damages or awards of attorney fees in actions for violations

39.1 arising under this section or section 13.08, or for a penalty under section 13.09 or for fines,
39.2 awards of attorney fees, or any other penalty under chapter 13D. A member of a body subject
39.3 to chapter 13D is not subject to forfeiture of office if the member was acting in reliance on
39.4 a decision of the office made under this section.

39.5 Sec. 35. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to
39.6 read:

39.7 Subd. 4. **Fiscal note data must be shared with Legislative Budget Office.** A
39.8 government entity must provide any data, regardless of its classification, to the director of
39.9 the Legislative Budget Office for review, upon the director's request and consistent with
39.10 section 3.8853, subdivision 4. The data must be supplied according to any standards,
39.11 guidelines, or procedures adopted under section 3.8853, subdivision 3, including any
39.12 standards or procedures governing timeliness. Notwithstanding section 13.05, subdivision
39.13 9, a responsible authority may not require the Legislative Budget Office to pay a cost for
39.14 supplying data requested under this subdivision.

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

39.16 Sec. 36. Minnesota Statutes 2016, section 13.685, is amended to read:

39.17 **13.685 MUNICIPAL UTILITY CUSTOMER DATA.**

39.18 Data on customers of municipal electric utilities are private data on individuals or
39.19 nonpublic data, but may be released to:

39.20 (1) a law enforcement agency that requests access to the data in connection with an
39.21 investigation;

39.22 (2) a school for purposes of compiling pupil census data;

39.23 (3) the Metropolitan Council for use in studies or analyses required by law;

39.24 (4) a public child support authority for purposes of establishing or enforcing child support;

39.25 or

39.26 (5) a person where use of the data directly advances the general welfare, health, or safety
39.27 of the public; the ~~commissioner of administration~~ information policy analysis unit may issue
39.28 advisory opinions construing this clause pursuant to section 13.072.

40.1 Sec. 37. Minnesota Statutes 2016, section 13D.06, subdivision 4, is amended to read:

40.2 Subd. 4. **Costs; attorney fees; requirements; limits.** (a) In addition to other remedies,
40.3 the court may award reasonable costs, disbursements, and reasonable attorney fees of up to
40.4 \$13,000 to any party in an action under this chapter.

40.5 (b) The court may award costs and attorney fees to a defendant only if the court finds
40.6 that the action under this chapter was frivolous and without merit.

40.7 (c) A public body may pay any costs, disbursements, or attorney fees incurred by or
40.8 awarded against any of its members in an action under this chapter.

40.9 (d) No monetary penalties or attorney fees may be awarded against a member of a public
40.10 body unless the court finds that there was an intent to violate this chapter.

40.11 (e) The court shall award reasonable attorney fees to a prevailing plaintiff who has
40.12 brought an action under this section if the public body that is the defendant in the action
40.13 was also the subject of a prior ~~written~~ advisory opinion issued under section 13.072 or a
40.14 prior decision of the Office of Administrative Hearings issued under section 13.085, and
40.15 the court finds that the opinion or decision is directly related to the cause of action being
40.16 litigated and that the public body did not act in conformity with the opinion or decision.
40.17 The court shall give deference to the opinion or decision in a proceeding brought under this
40.18 section.

40.19 Sec. 38. Minnesota Statutes 2017 Supplement, section 15A.0815, subdivision 3, is amended
40.20 to read:

40.21 Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall
40.22 not exceed 120 percent of the salary of the governor. This limit must be adjusted annually
40.23 on January 1. The new limit must equal the limit for the prior year increased by the percentage
40.24 increase, if any, in the Consumer Price Index for all urban consumers from October of the
40.25 second prior year to October of the immediately prior year. The commissioner of management
40.26 and budget must publish the limit on the department's Web site. This subdivision applies
40.27 to the following positions:

40.28 Executive director of Gambling Control Board;

40.29 Commissioner of Iron Range resources and rehabilitation;

40.30 Commissioner, Bureau of Mediation Services;

40.31 Ombudsman for Mental Health and Developmental Disabilities;

40.32 ~~Chair, Metropolitan Council;~~

41.1 School trust lands director;
41.2 Executive director of pari-mutuel racing; and
41.3 Commissioner, Public Utilities Commission.

41.4 **EFFECTIVE DATE.** This section is effective January 1, 2019.

41.5 Sec. 39. Minnesota Statutes 2016, section 16A.013, is amended by adding a subdivision
41.6 to read:

41.7 **Subd. 1a. Opportunity to make gifts via Web site.** The commissioner of management
41.8 and budget must maintain a secure Web site which permits any person to make a gift of
41.9 money electronically for any purpose authorized by subdivision 1. Gifts made using the
41.10 Web site are subject to all other requirements of this section, sections 16A.014 to 16A.016,
41.11 and any other applicable law governing the receipt of gifts by the state and the purposes for
41.12 which a gift may be used. The Web site must include historical data on the total amount of
41.13 gifts received using the site, itemized by month.

41.14 Sec. 40. Minnesota Statutes 2016, section 16A.11, subdivision 1, is amended to read:

41.15 Subdivision 1. **When.** The governor shall submit a three-part budget to the legislature.
41.16 Parts one and two, the budget message and detailed operating budget, must be submitted
41.17 by the fourth Tuesday in January in each odd-numbered year. However, in a year following
41.18 the election of a governor who had not been governor the previous year, parts one and two
41.19 must be submitted by the third Tuesday in February. Part three, the detailed recommendations
41.20 as to capital expenditure, must be submitted as follows: agency capital budget requests by
41.21 July 15 of each odd-numbered year, and governor's recommendations by January 15 of each
41.22 even-numbered year. ~~Detailed recommendations as to information technology expenditure~~
41.23 ~~must be submitted as part of the detailed operating budget. Information technology~~
41.24 ~~recommendations must include projects to be funded during the next biennium and planning~~
41.25 ~~estimates for an additional two bienniums. Information technology recommendations must~~
41.26 ~~specify purposes of the funding such as infrastructure, hardware, software, or training.~~

41.27 Sec. 41. Minnesota Statutes 2016, section 16A.11, is amended by adding a subdivision to
41.28 read:

41.29 **Subd. 6a. Information technology and cyber security.** (a) Detailed recommendations
41.30 as to information and telecommunications technology systems and services expenditures
41.31 must be submitted as part of the detailed operating budget. These recommendations must
41.32 include projects to be funded during the next biennium and planning estimates for an

additional two bienniums, and must specify purposes of the funding, such as infrastructure, hardware, software, or training. The detailed operating budget must also separately recommend expenditures for the maintenance and enhancement of cyber security for the state's information and telecommunications technology systems and services.

(b) The commissioner of management and budget, in consultation with the state chief information officer, shall establish budget guidelines for the recommendations required by this subdivision. Unless otherwise set by the commissioner at a higher amount, the amount to be budgeted each fiscal year for maintenance and enhancement of cyber security must be at least 3.5 percent of a department's or agency's total operating budget for information and telecommunications technology systems and services in that year.

(c) As used in this subdivision:

(1) "cyber security" has the meaning given in section 16E.03, subdivision 1, paragraph (d); and

(2) "information and telecommunications technology systems and services" has the meaning given in section 16E.03, subdivision 1, paragraph (a).

Sec. 42. Minnesota Statutes 2016, section 16D.09, is amended to read:

16D.09 UNCOLLECTIBLE DEBTS.

Subdivision 1. **Generally.** (a) When a debt is determined by a state agency to be uncollectible, the debt may be written off by the state agency from the state agency's financial accounting records and no longer recognized as an account receivable for financial reporting purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts have been exhausted, (2) the cost of further collection action will exceed the amount recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence, (4) the debtor cannot be located, (5) the available assets or income, current or anticipated, that may be available for payment of the debt are insufficient, (6) the debt has been discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt has expired, or (8) it is not in the public interest to pursue collection of the debt.

(b) The determination of the uncollectibility of a debt must be reported by the state agency along with the basis for that decision as part of its quarterly reports to the commissioner of management and budget. If a state agency's quarterly report includes an uncollectible debt that exceeds \$10,000, a copy of the report must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over the state agency's budget at the same time the report is delivered to the commissioner of management

43.1 and budget. Determining that the debt is uncollectible does not cancel the legal obligation
43.2 of the debtor to pay the debt.

43.3 Sec. 43. Minnesota Statutes 2016, section 16E.016, is amended to read:

43.4 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**
43.5 **AND EQUIPMENT.**

43.6 (a) The chief information officer is responsible for providing or entering into managed
43.7 services contracts for the provision, improvement, and development of the following
43.8 information technology systems and services to state agencies:

43.9 (1) state data centers;

43.10 (2) mainframes including system software;

43.11 (3) servers including system software;

43.12 (4) desktops including system software;

43.13 (5) laptop computers including system software;

43.14 (6) a data network including system software;

43.15 (7) database, electronic mail, office systems, reporting, and other standard software
43.16 tools;

43.17 (8) business application software and related technical support services;

43.18 (9) help desk for the components listed in clauses (1) to (8);

43.19 (10) maintenance, problem resolution, and break-fix for the components listed in clauses
43.20 (1) to (8);

43.21 (11) regular upgrades and replacement for the components listed in clauses (1) to (8);

43.22 and

43.23 (12) network-connected output devices.

43.24 (b) All state agency employees whose work primarily involves functions specified in
43.25 paragraph (a) are employees of the Office of MN.IT Services. This includes employees who
43.26 directly perform the functions in paragraph (a), as well as employees whose work primarily
43.27 involves managing, supervising, or providing administrative services or support services
43.28 to employees who directly perform these functions. The chief information officer may assign
43.29 employees of the office to perform work exclusively for another state agency.

(c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a state agency to obtain services specified in paragraph (a) through a contract with an outside vendor when the chief information officer and the agency head agree that a contract would provide best value, as defined in section 16C.02, under the service-level agreement. The chief information officer must require that agency contracts with outside vendors ensure that systems and services are compatible with standards established by the Office of MN.IT Services.

~~(d) The Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the State Board of Investment, the Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio Board are not state agencies for purposes of this section.~~

(d) Effective upon certification by the chief information officer that the information technology systems and services provided under this section meet all professional and technical standards necessary for the entity to perform its functions, including functions necessary to meet any fiduciary or other duties of care, the following are state agencies for purposes of this section: the Campaign Finance and Public Disclosure Board, the State Lottery, the Statewide Radio Board, the Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, and the State Board of Investment.

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

Sec. 44. Minnesota Statutes 2016, section 16E.03, subdivision 4, is amended to read:

Subd. 4. **Evaluation procedure.** The chief information officer shall establish and, as necessary, update and modify procedures to evaluate information and communications projects proposed by state agencies. The evaluation procedure must assess the necessity, design and plan for development, ability to meet user requirements, accessibility, feasibility, and flexibility of the proposed data processing device or system, its relationship to other state or local data processing devices or systems, and its costs and benefits when considered by itself and when compared with other options. The evaluation procedure must also include a process for consultation with affected local units of government, if implementation of the proposed project requires the participation of both a state agency and a local government.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to the evaluation procedure for information and telecommunications technology projects reviewed by the state chief information officer on or after January 1, 2019.

Sec. 45. Minnesota Statutes 2016, section 16E.03, subdivision 7, is amended to read:

Subd. 7. **Cyber security systems.** In consultation with the attorney general and appropriate agency heads, the chief information officer shall develop cyber security policies, guidelines, and standards, and shall install and administer state data security systems on the state's computer facilities consistent with these policies, guidelines, standards, and state law to ensure the integrity of computer-based and other data and to ensure applicable limitations on access to data, consistent with the public's right to know as defined in chapter 13. The chief information officer is responsible for overall security of state agency networks connected to the Internet. Each department or agency head is responsible for the security of the department's or agency's data within the guidelines of established enterprise policy. Unless otherwise expressly provided by law, at least 3.5 percent of each department's or agency's expenditures in a fiscal year for information and telecommunications technology systems and services must be directed to the maintenance and enhancement of cyber security.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to expenditures in fiscal years beginning on or after that date.

Sec. 46. Minnesota Statutes 2016, section 16E.03, is amended by adding a subdivision to read:

Subd. 11. **Systems impacting local government.** An information and telecommunications technology project that includes the participation of both a state agency and a local unit of government may not be approved for full release or deployment until the project has been field tested by at least one local unit of government, and the results of the field test successfully demonstrate the integrity, security, and quality of the technology, and that the functionality and usability of the overall project meet the expectations described in the project's proposal. Standards for field testing that meet the requirements of this subdivision must be incorporated into the project's development plan before it may be approved by the chief information officer under subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to information and telecommunications technology projects approved by the state chief information officer on or after that date.

Sec. 47. **[43A.035] USE OF AGENCY SAVINGS FROM VACANT POSITIONS.**

(a) To the extent that an executive branch agency accrues savings in personnel costs resulting from the departure of an agency employee or the maintenance of a vacant position, those savings may only be used to support a new employee in that position at an equal or

lesser rate of compensation, and for an equal or lesser full-time equivalent work status.
Savings accrued from departed personnel or maintenance of a vacant position may not be
transferred or reallocated to another program or activity within the executive branch agency,
or used to increase the number of full-time equivalent employees at the agency, unless
expressly authorized by law.

(b) For purposes of this section, an "executive branch agency" does not include the
Minnesota State Colleges and Universities or statewide pension plans.

Sec. 48. **[43A.385] HARASSMENT, MISCONDUCT, AND DISCRIMINATION;**
INDEPENDENT OFFICE ESTABLISHED.

Subdivision 1. **Office established; purpose.** An independent, centralized office to
receive and investigate complaints of harassment, misconduct, and discrimination, including
sexual harassment, in executive branch state agencies is established. The office shall be led
by a director, appointed by the commissioner of management and budget, who serves in
the unclassified service. The purpose of the office is to apply consistent practices in the
investigation of these complaints across agencies and reinforce a culture that encourages
the reporting of such complaints by increasing confidence in the process and the fairness
of the outcome.

Subd. 2. **Office duties.** (a) In addition to the requirements of subdivisions 3 to 7, the
office must:

(1) collect, maintain, and analyze data related to complaints of harassment, misconduct,
and discrimination across state government and must provide public, de-identified summary
reports on the data;

(2) provide an opportunity for state employees, and members of the public who interact
with state employees, to report a complaint, provided that the office's complaint procedures
must be in addition to existing opportunities for reporting available through other means;

(3) review complaints filed, and provide related investigation services, to all state
agencies;

(4) in the event the office determines that a complaint is substantiated, determine an
appropriate corrective action in response, in consultation with the agency employing the
person found to have engaged in improper conduct;

(5) track the outcomes of disciplinary or other corrective action, and advise agencies as
needed to ensure consistency in these actions; and

47.1 (6) employ trained staff to provide resources and information to all parties to a complaint.

47.2 (b) State agencies must provide applicable data to the office as required by this section,
47.3 and must otherwise assist the office in fulfilling its responsibilities, as requested by the
47.4 director.

47.5 Subd. 3. **State employee community survey.** The office must administer an employee
47.6 community survey to gain feedback on the workplace in state agencies. Results of the survey
47.7 must be used to review the effectiveness of existing agency leadership efforts, and the
47.8 application of existing policies and procedures within each agency. The survey must be
47.9 intended to solicit feedback from employees on:

47.10 (1) whether they feel safe in their workplaces;

47.11 (2) whether they are knowledgeable about the process for reporting complaints of
47.12 harassment, misconduct, or discrimination;

47.13 (3) their level of satisfaction with reporting a complaint, if applicable; and

47.14 (4) suggestions for ways their employing agency can provide additional support to
47.15 employees who have made a complaint.

47.16 Subd. 4. **Complaint hotline.** The office may enter a contract for the development and
47.17 maintenance of a hotline that may be used by state employees to report a complaint of
47.18 harassment, misconduct, or discrimination.

47.19 Subd. 5. **Audits.** The office must conduct audits, to ensure state agencies have effective
47.20 and consistent policies and procedures to prevent and correct harassment, misconduct, and
47.21 discrimination. The audits must include an evaluation of outcomes related to complaints of
47.22 harassment based on a status protected under chapter 363A. The office must provide technical
47.23 guidance and otherwise assist agencies in making corrections in response to an audit's
47.24 findings, and in ensuring consistency in the handling of complaints.

47.25 Subd. 6. **Training.** The office must provide a centralized, consistent, regular training
47.26 program for all state agencies designed to increase the knowledge of state employees in the
47.27 state's harassment, misconduct, and discrimination prevention policies, procedures, and
47.28 resources, and to create a culture of prevention and support for victims. The content of the
47.29 program must include bystander training, retaliation prevention training, and respect in the
47.30 workplace training. Customized training programs must be offered for: (1) general state
47.31 employees; (2) supervisors and managers; and (3) agency affirmative action and human
47.32 resources employees.

48.1 Subd. 7. **Annual legislative report required.** No later than January 15, 2019, and
48.2 annually thereafter, the office must provide a written report to the chairs and ranking minority
48.3 members of the legislative committees with jurisdiction over state government finance and
48.4 state government operations on the work of the office. The report must include detail on
48.5 disciplinary and other corrective actions taken by state agencies in response to a substantiated
48.6 complaint. The report must not identify a party to a complaint, unless the identity is public
48.7 under applicable law.

48.8 Subd. 8. **Transfer of responsibilities to office.** To the extent that a responsibility
48.9 described in subdivisions 1 to 7 conflicts with or duplicates the responsibilities of an existing
48.10 office or department within a state agency, those responsibilities are transferred to the
48.11 centralized office established by this section, consistent with the requirements of section
48.12 15.039. The commissioner of administration may, with the approval of the governor, issue
48.13 reorganization orders under section 16B.37 as necessary to complete the transfer of duties
48.14 required by this subdivision.

48.15 Sec. 49. Minnesota Statutes 2016, section 155A.23, subdivision 8, is amended to read:

48.16 Subd. 8. **Manager.** A "manager" is any person who is a cosmetologist, esthetician,
48.17 advanced practice esthetician, or nail technician practitioner, ~~or eyelash technician~~
48.18 ~~practitioner~~, and who has a manager license and provides any services under that license,
48.19 as defined in subdivision 3.

48.20 Sec. 50. Minnesota Statutes 2016, section 155A.25, subdivision 1a, is amended to read:

48.21 Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this
48.22 subdivision.

48.23 (b) Three-year license fees are as follows:

48.24 (1) \$195 initial practitioner, manager, or instructor license, divided as follows:

48.25 (i) \$155 for each initial license; and

48.26 (ii) \$40 for each initial license application fee;

48.27 (2) \$115 renewal of practitioner license, divided as follows:

48.28 (i) \$100 for each renewal license; and

48.29 (ii) \$15 for each renewal application fee;

48.30 (3) \$145 renewal of manager or instructor license, divided as follows:

- 49.1 (i) \$130 for each renewal license; and
- 49.2 (ii) \$15 for each renewal application fee;
- 49.3 (4) \$350 initial salon license, divided as follows:
- 49.4 (i) \$250 for each initial license; and
- 49.5 (ii) \$100 for each initial license application fee;
- 49.6 (5) \$225 renewal of salon license, divided as follows:
- 49.7 (i) \$175 for each renewal; and
- 49.8 (ii) \$50 for each renewal application fee;
- 49.9 (6) \$4,000 initial school license, divided as follows:
- 49.10 (i) \$3,000 for each initial license; and
- 49.11 (ii) \$1,000 for each initial license application fee; and
- 49.12 (7) \$2,500 renewal of school license, divided as follows:
- 49.13 (i) \$2,000 for each renewal; and
- 49.14 (ii) \$500 for each renewal application fee.
- 49.15 (c) Penalties may be assessed in amounts up to the following:
- 49.16 (1) reinspection fee, \$150;
- 49.17 (2) manager and owner with expired practitioner found on inspection, \$150 each;
- 49.18 (3) expired practitioner or instructor found on inspection, \$200;
- 49.19 (4) expired salon found on inspection, \$500;
- 49.20 (5) expired school found on inspection, \$1,000;
- 49.21 (6) failure to display current license, \$100;
- 49.22 (7) failure to dispose of single-use equipment, implements, or materials as provided
- 49.23 under section 155A.355, subdivision 1, \$500;
- 49.24 (8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355,
- 49.25 subdivision 2, \$500;
- 49.26 (9) performing nail or cosmetology services in esthetician salon, or performing esthetician
- 49.27 or cosmetology services in a nail salon, \$500;

50.1 (10) owner and manager allowing an operator to work as an independent contractor,
50.2 \$200;

50.3 (11) operator working as an independent contractor, \$100;

50.4 (12) refusal or failure to cooperate with an inspection, \$500;

50.5 (13) practitioner late renewal fee, \$45; and

50.6 (14) salon or school late renewal fee, \$50.

50.7 (d) Administrative fees are as follows:

50.8 (1) homebound service permit, \$50 three-year fee;

50.9 (2) name change, \$20;

50.10 (3) certification of licensure, \$30 each;

50.11 (4) duplicate license, \$20;

50.12 (5) special event permit, \$75 per year;

50.13 ~~(6) registration of hair braiders, \$20 per year;~~

50.14 ~~(7)~~ (6) \$100 for each temporary military license for a cosmetologist, nail technician,
50.15 esthetician, or advanced practice esthetician one-year fee;

50.16 ~~(8)~~ (7) expedited initial individual license, \$150;

50.17 ~~(9)~~ (8) expedited initial salon license, \$300;

50.18 ~~(10)~~ (9) instructor continuing education provider approval, \$150 each year; and

50.19 ~~(11)~~ (10) practitioner continuing education provider approval, \$150 each year.

50.20 Sec. 51. Minnesota Statutes 2016, section 155A.28, is amended by adding a subdivision
50.21 to read:

50.22 Subd. 5. **Hair braiders exempt.** The practice of hair braiding is exempt from the
50.23 requirements of this chapter.

50.24 Sec. 52. Minnesota Statutes 2016, section 155A.29, subdivision 1, is amended to read:

50.25 Subdivision 1. **Licensing.** A person must not offer cosmetology services for compensation
50.26 unless the services are provided by a licensee in a licensed salon or as otherwise provided
50.27 in this section. Each salon must be licensed as a cosmetology salon, a nail salon, esthetician

51.1 salon, or advanced practice esthetician salon, ~~or eyelash extension salon~~. A salon may hold
51.2 more than one type of salon license.

51.3 Sec. 53. Minnesota Statutes 2016, section 155A.29, subdivision 6, is amended to read:

51.4 Subd. 6. **Exemption.** The facility in which a person provides threading or eyelash
51.5 extension services and no other services requiring licensure by this chapter is exempt from
51.6 the requirement for a salon license under this section.

51.7 Sec. 54. Minnesota Statutes 2016, section 240.01, is amended by adding a subdivision to
51.8 read:

51.9 Subd. 18a. **Racing or gaming-related vendor.** "Racing or gaming-related vendor"
51.10 means any person or entity that manufactures, sells, provides, distributes, repairs, or maintains
51.11 equipment or supplies used at a Class A facility or provides services to a Class A facility
51.12 or Class B license holder that are directly related to the running of a horse race, simulcasting,
51.13 pari-mutuel betting, or card playing.

51.14 Sec. 55. Minnesota Statutes 2016, section 240.02, subdivision 6, is amended to read:

51.15 Subd. 6. **Annual report.** The commission shall on February 15 of each odd-numbered
51.16 year submit a report to the governor and legislature on its activities, organizational structure,
51.17 receipts and disbursements, and recommendations for changes in the laws relating to racing
51.18 and pari-mutuel betting.

51.19 Sec. 56. Minnesota Statutes 2016, section 240.08, subdivision 5, is amended to read:

51.20 Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C license
51.21 for a violation of law or rule which in the commission's opinion adversely affects the integrity
51.22 of horse racing in Minnesota, the public health, welfare, or safety, or for an intentional false
51.23 statement made in a license application.

51.24 The commission may suspend a class C license for up to one year for a violation of law,
51.25 order or rule.

51.26 The commission may delegate to its designated agents the authority to impose suspensions
51.27 of class C licenses, and the revocation or suspension of a class C license may be appealed
51.28 to the commission according to its rules.

51.29 (b) ~~A license revocation or suspension~~ If the commission revokes or suspends a license
51.30 for more than 90 ~~180~~ days is, in lieu of appealing to the commission under paragraph (a),

the license holder has the right to request a contested case hearing under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed for a violation of law or rule, chapter 14. The request must be made in writing to the commission by certified mail or personal service. A request sent by certified mail must be postmarked within ten days after the license holder receives the revocation or suspension order from the commission. A request sent by personal service must be received by the commission within ten days after the license holder receives the revocation or suspension order from the commission. The commission may summarily suspend a license for ~~more than~~ up to 90 days prior to a contested case hearing where it is necessary to ensure the integrity of racing or to protect the public health, welfare, or safety. The license holder may appeal a summary suspension by making a written request to the commission within five calendar days after the license holder receives notice of the summary suspension. A contested case hearing must be held within 30 ten days of the commission's receipt of the request for appeal of a summary suspension and the administrative law judge's report must be issued within 30 days from the close of the hearing record. In all cases involving summary suspension the commission must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61, to determine whether the license should remain suspended pending a final disciplinary action.

Sec. 57. Minnesota Statutes 2016, section 240.131, subdivision 7, is amended to read:

Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

(b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account

53.1 in the special revenue fund and are appropriated to the commission to offset the cost of
53.2 administering the breeders fund and promote horse breeding in Minnesota.

53.3 Sec. 58. Minnesota Statutes 2016, section 240.22, is amended to read:

53.4 **240.22 FINES.**

53.5 (a) The commission shall by rule establish a schedule of civil fines for violations of laws
53.6 related to horse racing or of the commission's rules. The schedule must be based on and
53.7 reflect the culpability, frequency and severity of the violator's actions. The commission may
53.8 impose a fine from this schedule on a licensee for a violation of those rules or laws relating
53.9 to horse racing. The fine is in addition to any criminal penalty imposed for the same violation.
53.10 Fines imposed by the commission must be paid to the commission and except as provided
53.11 in paragraph (c), forwarded to the commissioner of management and budget for deposit in
53.12 the state treasury and credited to a racing and card-playing regulation account in the special
53.13 revenue fund and appropriated to the commission to distribute in the form of grants, contracts,
53.14 or expenditures to support racehorse adoption, retirement, and repurposing.

53.15 (b) If the commission issues a fine in excess of \$5,000, the license holder has the right
53.16 to request a contested case hearing under chapter 14, to be held as set forth in Minnesota
53.17 Rules, chapter 1400. The appeal of a fine must be made in writing to the commission by
53.18 certified mail or personal service. An appeal sent by certified mail must be postmarked
53.19 within ten days after the license holder receives the fine order from the commission. An
53.20 appeal sent by personal service must be received by the commission within ten days after
53.21 the license holder receives the fine order from the commission.

53.22 (c) If the commission is the prevailing party in a contested case proceeding, the
53.23 commission may recover, from amounts to be forwarded under paragraph (a), reasonable
53.24 attorney fees and costs associated with the contested case.

53.25 Sec. 59. Minnesota Statutes 2016, section 270C.13, subdivision 1, is amended to read:

53.26 Subdivision 1. **Biennial report.** The commissioner shall report to the legislature by
53.27 March 1 of each odd-numbered year on the overall incidence of the income tax, sales and
53.28 excise taxes, and property tax. The report shall present information on the distribution of
53.29 the tax burden as follows: (1) for the overall income distribution, using a systemwide
53.30 incidence measure such as the Suits index or other appropriate measures of equality and
53.31 inequality; (2) by income classes, including at a minimum deciles of the income distribution;
53.32 and (3) by other appropriate taxpayer characteristics. The report must also include information
53.33 on the distribution of the burden of federal taxes borne by Minnesota residents.

54.1 Sec. 60. Minnesota Statutes 2016, section 340A.412, is amended by adding a subdivision
54.2 to read:

54.3 Subd. 12a. **Wine transfers.** Notwithstanding the provisions of subdivision 12, the holder
54.4 of an off-sale retail intoxicating liquor license may transfer wine from one licensed premises
54.5 to another provided that:

54.6 (1) the license for the transferring and receiving premises are held by the same licensee;
54.7 and

54.8 (2) only one transfer is made from a licensed premises in a three-month period.

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

54.10 Sec. 61. Minnesota Statutes 2016, section 349A.06, subdivision 11, is amended to read:

54.11 Subd. 11. **Cancellation, suspension, and refusal to renew contracts or locations.** (a)
54.12 The director shall cancel the contract of any lottery retailer or prohibit a lottery retailer from
54.13 selling lottery tickets at a business location who:

54.14 (1) has been convicted of a felony or gross misdemeanor;

54.15 (2) has committed fraud, misrepresentation, or deceit;

54.16 (3) has provided false or misleading information to the lottery; or

54.17 (4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

54.18 (b) The director may cancel, suspend, or refuse to renew the contract of any lottery
54.19 retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

54.20 (1) changes business location;

54.21 (2) fails to account for lottery tickets received or the proceeds from tickets sold;

54.22 (3) fails to remit funds to the director in accordance with the director's rules;

54.23 (4) violates a law or a rule or order of the director;

54.24 (5) fails to comply with any of the terms in the lottery retailer's contract;

54.25 (6) fails to file a bond, securities, or a letter of credit as required under subdivision 3;

54.26 (7) in the opinion of the director fails to maintain a sufficient sales volume to justify
54.27 continuation as a lottery retailer; ~~or~~

54.28 (8) has violated section 340A.503, subdivision 2, clause (1), two or more times within
54.29 a two-year period; or

(9) has violated the rules adopted pursuant to subdivision 6, clause (1), requiring a lottery retailer to retain appropriate amounts from gross receipts from the sale of lottery tickets in order to pay prizes to holders of winning tickets, three or more times within a one-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract or prohibit a lottery retailer from selling lottery tickets at a business location if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, refusal to renew, or prohibiting a lottery retailer from selling lottery tickets at a business location under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract or temporarily prohibit a lottery retailer from selling lottery tickets at a business location without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or prohibition or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension or prohibition taking effect, the suspension or prohibition becomes permanent unless the director vacates or modifies the order.

(f) A lottery retailer whose contract was solely canceled, suspended, or not renewed pursuant to paragraph (b), clause (9), may petition the director to reinstate a canceled or suspended contract, or enter into a new contract, after two years have passed since the order took effect.

Sec. 62. Minnesota Statutes 2016, section 424B.20, subdivision 4, is amended to read:

Subd. 4. **Benefit trust fund establishment.** (a) After the settlement of nonbenefit legal obligations of the special fund of the volunteer firefighters relief association under subdivision 3, the board of the relief association shall transfer the remaining assets of the special fund, as securities or in cash, as applicable, to the chief financial official of the municipality in which the associated fire department was located if the fire department was a municipal fire department or to the chief financial official of the municipality with the largest population served by the fire department if the fire department was an independent nonprofit firefighting corporation. The board shall also compile a schedule of the relief association members to whom a service pension is or will be owed, any beneficiary to whom a benefit is owed, the amount of the service pension or benefit payable based on the applicable bylaws and state

law and the service rendered to the date of the dissolution, and the date on which the pension or benefit would first be payable under the bylaws of the relief association and state law.

(b) The municipality in which is located a volunteer firefighters relief association that is dissolving under this section shall establish a separate account in the municipal treasury which must function as a trust fund for members of the volunteer firefighters relief association and their beneficiaries to whom the volunteer firefighters relief association owes a service pension or other benefit under the bylaws of the relief association and state law. Upon proper application, on or after the initial date on which the service pension or benefit is payable, the municipal treasurer shall pay the pension or benefit due, based on the schedule prepared under paragraph (a) and the other records of the dissolved relief association. The trust fund under this section must be invested and managed consistent with chapter 356A and section 424A.095.

(c) Upon payment of the last service pension or benefit due and owing, any remaining assets in the trust fund cancel ~~to~~ as follows:

(1) if the municipality was required to make contributions to the fund under chapter 424A at any time during the ten years preceding the date of dissolution, the remaining assets cancel to the general fund of the municipality; or

(2) if the municipality was not required to make contributions to the fund under chapter 424A at any time during the ten years preceding the date of dissolution, the remaining assets cancel to the general fund of the state.

(d) If the special fund of the volunteer firefighters relief association had an unfunded actuarial accrued liability upon dissolution, the municipality is liable for that unfunded actuarial accrued liability.

Sec. 63. Minnesota Statutes 2016, section 473.123, subdivision 1, is amended to read:

Subdivision 1. **Creation; membership.** (a) A Metropolitan Council with jurisdiction in the metropolitan area is established as a public corporation and political subdivision of the state. It shall be under the supervision and control of ~~17~~ 28 members, all of whom shall be residents of the metropolitan area: and who shall be appointed as follows:

(1) a county commissioner from each of Anoka, Carver, Dakota, Ramsey, Scott, and Washington Counties, appointed by the respective county boards;

(2) two county commissioners from Hennepin County appointed by the county board, one of whom must represent a ward that is predominantly located within the city of

57.1 Minneapolis, and one of whom must represent a ward that does not include the city of
57.2 Minneapolis;

57.3 (3) a local elected official appointed from each Metropolitan Council district by the
57.4 municipal committee for the council district established in subdivision 2b;

57.5 (4) the commissioner of transportation or the commissioner's designee;

57.6 (5) one person to represent nonmotorized transportation, appointed by the commissioner
57.7 of transportation;

57.8 (6) one person to represent freight transportation, appointed by the commissioner of
57.9 transportation; and

57.10 (7) one person to represent public transit, appointed by the commissioner of
57.11 transportation.

57.12 (b) The local elected offices identified in paragraph (a) are compatible with the office
57.13 of a Metropolitan Council member.

57.14 (c) Notwithstanding any change to the definition of metropolitan area in section 473.121,
57.15 subdivision 2, the jurisdiction of the Metropolitan Council is limited to the seven-county
57.16 metropolitan area.

57.17 **EFFECTIVE DATE.** Paragraph (c) is effective the day following final enactment.

57.18 Sec. 64. Minnesota Statutes 2016, section 473.123, subdivision 2a, is amended to read:

57.19 Subd. 2a. **Terms.** (a) Following each apportionment of council districts, as provided
57.20 under subdivision 3a, council members must be appointed from newly drawn districts as
57.21 provided in subdivision 3a. Each council member, other than the chair, must reside in the
57.22 council district represented. Each council district must be represented by one member of
57.23 the council. The terms of members end with the term of the governor, except that all terms
57.24 expire on the effective date of the next apportionment. A member serves at the pleasure of
57.25 the governor. the municipal committee for each council district shall appoint a local elected
57.26 official who resides in the district to serve on the Metropolitan Council for a four-year term.
57.27 The terms of members appointed by municipal committees are staggered as follows: members
57.28 representing an odd-numbered district have terms ending the first Monday in January of
57.29 the year ending in the numeral "1" and members representing an even-numbered district
57.30 have terms ending the first Monday in January in the year ending in the numeral "3."
57.31 Thereafter, the term of each member is four years, with terms ending the first Monday in
57.32 January, except that all terms expire on the effective date of the next apportionment. A

member's position on the Metropolitan Council becomes vacant if the member ceases to be a local elected official or as provided in chapter 351, and any vacancy must be filled as soon as practicable for the unexpired term in the same manner as the initial appointment. A member shall continue to serve the member's district until a successor is appointed and qualified; except that, following each apportionment, the member shall continue to serve at large until the ~~governor appoints 16 council members, one~~ municipal committee for the council district appoints a member from each of the newly drawn council ~~districts~~ district as provided under subdivision 3a, to serve terms as provided under this section. The appointment to the council must be made by the first Monday in March of the year in which the term ends.

(b) The terms of members appointed by county boards are staggered as follows: members representing the counties of Anoka, Dakota, Ramsey, and Scott have terms ending the first Monday in January of the year ending in the numeral "1," and members representing the counties of Carver, Hennepin, and Washington have terms ending the first Monday in January of the year ending in the numeral "3." Thereafter, the term for each member is four years. A member's position on the Metropolitan Council becomes vacant if the member ceases to be a local elected official or as provided in chapter 351, and any vacancy must be filled as soon as practicable for the unexpired term in the same manner as the initial appointment.

(c) An individual appointed by the commissioner of transportation under subdivision 1 serves at the pleasure of the appointing authority.

Sec. 65. Minnesota Statutes 2016, section 473.123, is amended by adding a subdivision to read:

Subd. 2b. **Municipal committee in each council district.** The governing body of each home rule charter or statutory city and town in each Metropolitan Council district shall appoint a member to serve on a municipal committee for the council district. If a city or town is in more than one council district, the governing body must appoint a member to serve on each council district's municipal committee. A member appointed to a council district's municipal committee must reside in the council district. The municipal committee must meet at least quarterly to discuss issues relating to the Metropolitan Council. Municipal committee meetings are subject to the Minnesota Open Meeting Law, chapter 13D.

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

59.1 Sec. 66. Minnesota Statutes 2016, section 473.123, subdivision 3a, is amended to read:

59.2 Subd. 3a. **Redistricting.** The legislature shall redraw the boundaries of the council
59.3 districts after each decennial federal census so that each district has substantially equal
59.4 population. Redistricting is effective in the year ending in the numeral "3." Within 60 days
59.5 after a redistricting plan takes effect, the ~~governor~~ municipal committees shall appoint
59.6 members from the newly drawn districts to serve terms as provided under subdivision 2a.

59.7 Sec. 67. Minnesota Statutes 2016, section 473.123, subdivision 4, is amended to read:

59.8 Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a) The
59.9 chair of the Metropolitan Council shall be ~~appointed~~ selected by ~~the governor as the 17th~~
59.10 ~~voting member thereof by and with the advice and consent of the senate to serve at the~~
59.11 ~~pleasure of the governor to represent the metropolitan area at large. Senate confirmation~~
59.12 ~~shall be as provided by section 15.066~~ and from among the members of the Metropolitan
59.13 Council. The chair shall serve at the pleasure of the council. In addition to any compensation
59.14 as a local elected official, the council shall pay the chair \$40,000 per year plus reimbursement
59.15 of actual and necessary expenses as approved by the council.

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

59.21 (b) The Metropolitan Council shall elect other officers as it deems necessary for the
59.22 conduct of its affairs for a one-year term. A secretary and treasurer need not be members
59.23 of the Metropolitan Council. Meeting times and places shall be fixed by the Metropolitan
59.24 Council and special meetings may be called by a majority of the members of the Metropolitan
59.25 Council or by the chair. ~~The chair and~~ In addition to any compensation as a local elected
59.26 official, each Metropolitan Council member shall be reimbursed for actual and necessary
59.27 expenses as approved by the council.

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

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

Sec. 68. Minnesota Statutes 2016, section 473.123, is amended by adding a subdivision to read:

Subd. 9. **Authority to vote; quorum; votes required for action.** (a) The members appointed by the counties and municipal committees may vote on all matters before the council. The commissioner of transportation or the commissioner's designee and the three members appointed by the commissioner may vote only on matters in which the council is acting as the metropolitan planning organization for the region as provided in section 473.146.

(b) A quorum is a majority of the members permitted to vote on a matter. If a quorum is present, the council may act on a majority vote of the members present, except:

(1) if a quorum is present, the council may adopt its levy only if at least 60 percent of the members present vote in favor of the levy; and

(2) if a quorum is present, the council may adopt a metropolitan system plan or plan amendment only if at least 60 percent of the members present vote in favor of its adoption.

EFFECTIVE DATE; TRANSITION; APPLICATION. This section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Metropolitan Council members serving on the effective date of this section shall continue to serve until members are appointed from districts by the municipal committees as provided in this article.

Sec. 69. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

Subd. 3. Development guide: transportation. The transportation chapter must include policies relating to all transportation forms and be designed to promote the legislative determinations, policies, and goals set forth in section 473.371. In addition to the requirements of subdivision 1 regarding the contents of the policy plan, the nontransit element of the transportation chapter must include the following:

(1) a statement of the needs and problems of the metropolitan area with respect to the functions covered, including the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers;

(2) the objectives of and the policies to be forwarded by the policy plan;

(3) a general description of the physical facilities and services to be developed;

(4) a statement as to the general location of physical facilities and service areas;

(5) a general statement of timing and priorities in the development of those physical facilities and service areas;

(6) a detailed statement, updated every two years, of timing and priorities for improvements and expenditures needed on the metropolitan highway system;

(7) a general statement on the level of public expenditure appropriate to the facilities; and

(8) a long-range assessment of air transportation trends and factors that may affect airport development in the metropolitan area and policies and strategies that will ensure a comprehensive, coordinated, and timely investigation and evaluation of alternatives for airport development.

The council shall develop the nontransit element in consultation with ~~the transportation advisory board~~ and the Metropolitan Airports Commission and cities having an airport located within or adjacent to its corporate boundaries. The council shall also take into consideration the airport development and operations plans and activities of the commission. The council shall transmit the results to the state Department of Transportation.

EFFECTIVE DATE; APPLICATION. This section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 70. Minnesota Statutes 2016, section 473.146, subdivision 4, is amended to read:

Subd. 4. **Transportation planning.** ~~(a)~~ The Metropolitan Council is the designated planning agency for any long-range comprehensive transportation planning required by section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal transportation laws. The council shall assure administration and coordination of transportation planning with appropriate state, regional and other agencies, counties, and municipalities.

~~(b) The council shall establish an advisory body consisting of citizens and representatives of municipalities, counties, and state agencies in fulfillment of the planning responsibilities of the council. The membership of the advisory body must consist of:~~

~~(1) the commissioner of transportation or the commissioner's designee;~~

- 62.1 ~~(2) the commissioner of the Pollution Control Agency or the commissioner's designee;~~
62.2 ~~(3) one member of the Metropolitan Airports Commission appointed by the commission;~~
62.3 ~~(4) one person appointed by the council to represent nonmotorized transportation;~~
62.4 ~~(5) one person appointed by the commissioner of transportation to represent the freight~~
62.5 ~~transportation industry;~~
62.6 ~~(6) two persons appointed by the council to represent public transit;~~
62.7 ~~(7) ten elected officials of cities within the metropolitan area, including one representative~~
62.8 ~~from each first-class city, appointed by the Association of Metropolitan Municipalities;~~
62.9 ~~(8) one member of the county board of each county in the seven-county metropolitan~~
62.10 ~~area, appointed by the respective county boards;~~
62.11 ~~(9) eight citizens appointed by the council, one from each council precinct;~~
62.12 ~~(10) one elected official from a city participating in the replacement service program~~
62.13 ~~under section 473.388, appointed by the Suburban Transit Association; and~~
62.14 ~~(11) one member of the council, appointed by the council.~~

62.15 ~~(e) The council shall appoint a chair from among the members of the advisory body.~~

62.16 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2019, and
62.17 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

62.18 Sec. 71. **[474A.22] FORT SNELLING NATIONAL LANDMARK**
62.19 **REDEVELOPMENT.**

62.20 Subdivision 1. **Fort Snelling bonding authority allocation.** Notwithstanding any law,
62.21 rule, or policy to the contrary, the commissioner may reserve bonding authority allocated
62.22 to the Housing Finance Agency entitlement allocation during allocation year 2019 or 2020
62.23 for issuance of residential rental project bonds for purposes of the rehabilitation and
62.24 renovation of the Fort Snelling Upper Post as a qualified residential rental project as provided
62.25 in this section and section 474A.047. The qualified residential rental project shall be required
62.26 to enter into a minimum 25-year agreement with the issuer to provide the applicable rental
62.27 rates and incomes. The commissioner shall determine the needed amount of the bonding
62.28 allocation to qualify for low-income housing tax credits for the project, as selected by the
62.29 commissioner of natural resources, and may provide a preliminary resolution to allocate
62.30 the bonds over one or two years to allow the applicable developer to obtain necessary
62.31 historical and other approvals and be assured of available bond allocation.

63.1 Subd. 2. **Issuance; other issuer.** The commissioner may either issue the obligation
63.2 directly or may allocate the bonds under subdivision 1 to a suitable other issuer to issue the
63.3 obligations. Any such suballocation shall be subject to an agreement that provides for the
63.4 timing, process, and use for the bonds. Any other issuer receiving this allocation shall be
63.5 authorized to act as the issuer regardless of the geographical area of the other issuer. In no
63.6 event shall the bonds issued under this section be guaranteed as to payment by the state or
63.7 the other issuer.

63.8 Subd. 3. **Failure to permanently issue.** In the event the bonds reserved or allocated
63.9 under this section are not permanently issued by December 1, 2019, or December 1, 2020,
63.10 the bonding authority shall be allocated to the Housing Finance Agency for issuance for a
63.11 qualified residential rental project. The commissioner may utilize the bonds allocated under
63.12 this section for an alternative use, consistent with this chapter, in the event the commissioner
63.13 determines no project at the Fort Snelling Upper Post will proceed in a timely fashion.

63.14 Subd. 4. **Low-income housing tax credits.** In the event of issuance of the bonds as
63.15 provided in this section for a qualified residential rental project, notwithstanding any law,
63.16 rule, or policy, the Housing Finance Agency shall approve the project for low-income
63.17 housing tax credits subject to only the minimum requirements as required under section 42
63.18 of the Internal Revenue Code, as amended, and shall be deemed meeting the qualified
63.19 allocation plan in effect at that time. Any such approval shall be timely granted to allow the
63.20 project to proceed.

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

63.22 Sec. 72. Minnesota Statutes 2017 Supplement, section 477A.03, subdivision 2b, is amended
63.23 to read:

63.24 Subd. 2b. **Counties.** (a) For aids payable in 2018 through 2024, the total aid payable
63.25 under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be
63.26 allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable
63.27 in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is
63.28 \$100,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the
63.29 commissioner of revenue to make reimbursements to the commissioner of management and
63.30 budget for payments made under section 611.27. The reimbursements shall be to defray the
63.31 additional costs associated with court-ordered counsel under section 611.27. Any retained
63.32 amounts not used for reimbursement in a year shall be included in the next distribution of
63.33 county need aid that is certified to the county auditors for the purpose of property tax
63.34 reduction for the next taxes payable year.

(b) For aids payable in 2018 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$130,873,444. The commissioner of revenue shall transfer to the ~~commissioner of management and budget~~ \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, ~~and other local government activities~~ to the Legislative Coordinating Commission for use by the Legislative Budget Office.

The commissioner of revenue shall transfer to the commissioner of education \$7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the commissioner of management and budget and the commissioner of education respectively.

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

Sec. 73. Minnesota Statutes 2016, section 480.15, is amended by adding a subdivision to read:

Subd. 13. Emergency operations and continuity of the judicial branch. The court administrator shall assist the Supreme Court in developing an emergency operations and continuity of government plan, as required by section 12.402.

Sec. 74. 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.

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

Sec. 75. 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.

Sec. 76. 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~~ July 1, 2018. The contract required under this section must be executed no later than November 1, 2018, and

65.1 must provide for transfer of operational control of the fiscal note tracking system to the
65.2 Legislative Budget Office effective December 15, 2018.

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

65.4 Sec. 77. **TRANSFER OF DUTIES; RESULTS FIRST PROGRAM EVALUATIONS.**

65.5 Responsibilities of the commissioner of management and budget to develop and
65.6 implement a return on taxpayer investment methodology using the Pew-MacArthur Results
65.7 First framework, as first authorized by Laws 2015, chapter 77, article 1, section 13, including
65.8 the advisory committee established by the commissioner to assist in implementing these
65.9 responsibilities, are transferred from the commissioner to the Legislative Budget Office
65.10 established in Minnesota Statutes, section 3.8853. Minnesota Statutes, section 15.039,
65.11 applies to the transfer of these responsibilities. The commissioner of administration may,
65.12 with the approval of the governor, issue reorganization orders under Minnesota Statutes,
65.13 section 16B.37, as necessary to complete the transfer of duties required by this section.

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

65.15 Sec. 78. **TRANSFER OF DUTIES; DATA PRACTICES AND OPEN MEETINGS**
65.16 **LAW.**

65.17 (a) Responsibilities of the commissioner of administration under Minnesota Statutes,
65.18 sections 13.06, 13.07, 13.072, and 13.073, and any other law providing general oversight
65.19 responsibilities related to operation of the Minnesota Government Data Practices Act and
65.20 the Minnesota Open Meeting Law, are transferred from the commissioner to the chief
65.21 administrative law judge in the Office of Administrative Hearings. Minnesota Statutes,
65.22 section 15.039, applies to the transfer of these responsibilities, except that Minnesota Statutes,
65.23 section 15.039, subdivision 7, does not apply. The commissioner may, with the approval
65.24 of the governor, issue reorganization orders under Minnesota Statutes, section 16B.37, as
65.25 necessary to complete the transfer of duties consistent with the requirements of this section.

65.26 (b) Nothing in this section relieves the commissioner of administration from the duty to
65.27 comply with Minnesota Statutes, chapter 13, or any other applicable law related to data
65.28 collected, created, or maintained by the commissioner, or to comply with Minnesota Statutes,
65.29 chapter 13D, related to meetings conducted by the commissioner.

Sec. 79. **ENTERPRISE SOFTWARE PROJECTS; RECODIFICATION OF
INFORMATION TECHNOLOGY STATUTES.**

Subdivision 1. Enterprise software projects. (a) Except as provided in paragraph (b), an enterprise software project must be either purchased or built through a vendor contract. Vendors must be selected as provided by Minnesota Statutes, chapter 16C. In addition to the requirements of that chapter, a contract required by this section must include terms that provide:

(1) a payment schedule that is conditioned on the vendor's demonstration of satisfactory progress toward project completion; and

(2) a requirement that, upon 30 days written notice to the vendor, the contracting agency must terminate a contract and the vendor must refund to the agency all amounts paid to date, if the vendor fails to demonstrate satisfactory progress towards project completion. The contract terms must permit the contracting agency to fulfill its obligations under this clause without penalty.

(b) Paragraph (a) does not apply to an enterprise software project if the law appropriating money for the project expressly directs the state chief information officer to design or build the project in-house, or otherwise contains an exemption from paragraph (a) by specific reference to this subdivision.

Subd. 2. Recodification recommendations. (a) The state chief information officer must recommend, in consultation with the revisor of statutes and other appropriate legislative staff, legislation to clarify and reorganize Minnesota Statutes, chapter 16E, and any other applicable laws that relate to state information technology services or the scope of duties of the Office of MN.IT Services. Except for implementation of the requirements of subdivision 1, the recommendations must not be intended to change the meaning or prior interpretation of any law.

(b) The recommended legislation must be submitted to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance no later than January 15, 2019.

EFFECTIVE DATE. This section is effective the day following final enactment. The restrictions on enterprise software projects, as described in subdivision 1, apply to projects newly approved for development on or after the effective date of this section.

67.1 Sec. 80. **STUDY OF VALUATION METHOD OF PIPELINE OPERATING**

67.2 **PROPERTY.**

67.3 (a) The commissioner of revenue shall study and prepare a report on the current methods
67.4 used to value pipeline operating property in the state of Minnesota. The commissioner must
67.5 enter a contract with a consultant to assist in completing the study and preparing the report.

67.6 (b) The report must:

67.7 (1) describe, in detail, prior and current methods used to value pipeline operating property
67.8 in Minnesota;

67.9 (2) evaluate whether the current methods used produce an accurate estimate of market
67.10 value;

67.11 (3) compile and explain, in detail, the number of state-assessed pipeline valuations that
67.12 have been appealed in the last 20 years, and the extent to which the market value was
67.13 increased or reduced, by agreement, settlement, or judgment;

67.14 (4) evaluate the extent to which host political subdivisions and communities are
67.15 adequately compensated under the existing Minnesota property tax system for the external
67.16 costs imposed by pipeline systems;

67.17 (5) describe, analyze, and compare the methods used to value pipeline operating property
67.18 in border states; and

67.19 (6) make recommendations and prepare legislation on improvements or alternative
67.20 valuation methods that produce a more accurate estimate of market value.

67.21 (c) The commissioner shall report the findings of the study to the committees of the
67.22 house of representatives and senate having jurisdiction over taxes by February 15, 2019,
67.23 and file the report as required by Minnesota Statutes, section 3.195.

67.24 Sec. 81. **NORDIC WORLD CUP SKI CHAMPIONSHIP.**

67.25 (a) Upon request of U.S. Ski and Snowboard, The Loppet Foundation, or other affiliated
67.26 organization, the Minnesota Amateur Sports Commission must support the preparation and
67.27 submission of a competitive bid to host an International Ski Federation Nordic World Cup
67.28 Ski Championship event in Minnesota. If the event is awarded, the commission must partner
67.29 with the organizing committee as an event host. Commission activities may include but are
67.30 not limited to assisting in the development of public-private partnerships to support the
67.31 event; soliciting sponsors; participating in public outreach activities; permitting the

commission's facilities to be developed and used as event venues; and providing other administrative, technical, logistical, or financial support, within available resources.

(b) Within 30 days after a bid is submitted and, if an event is awarded to Minnesota as a host, within 30 days after receiving notice of the award, the commission must notify the chairs and ranking minority members of the legislative committees with jurisdiction over the commission. The notification must describe the commission's work in support of the event and indicate whether the commission anticipates seeking supplemental state or local funds or other public resources to continue that work.

EFFECTIVE DATE. This section is effective the day following final enactment and expires upon conclusion of a Nordic World Cup Ski Championship event hosted in Minnesota.

Sec. 82. CERTAIN VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION SERVICE PENSIONS.

(a) As used in this section, "qualifying volunteer firefighters relief association" means a volunteer firefighters relief association with a funding ratio of greater than 100 percent as of the most recent fiscal year end, and which provides a lump sum pension benefit based on a lump sum pension amount equal to \$9,500 or more, as of the effective date of this section.

(b) Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision 3, paragraph (d), to the contrary, the maximum lump-sum pension amount for each year of service credited that may be provided for in the bylaws of a qualifying volunteer firefighters relief association is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

<u>Minimum Average Amount of Available Financing per Firefighter</u>	<u>Maximum Lump-Sum Service Pension Amount Payable for Each Year of Service</u>
<u>\$...</u>	<u>\$ 10</u>
<u>11</u>	<u>20</u>
<u>16</u>	<u>30</u>
<u>23</u>	<u>40</u>
<u>27</u>	<u>50</u>
<u>32</u>	<u>60</u>
<u>43</u>	<u>80</u>
<u>54</u>	<u>100</u>

69.1	<u>65</u>	<u>120</u>
69.2	<u>77</u>	<u>140</u>
69.3	<u>86</u>	<u>160</u>
69.4	<u>97</u>	<u>180</u>
69.5	<u>108</u>	<u>200</u>
69.6	<u>131</u>	<u>240</u>
69.7	<u>151</u>	<u>280</u>
69.8	<u>173</u>	<u>320</u>
69.9	<u>194</u>	<u>360</u>
69.10	<u>216</u>	<u>400</u>
69.11	<u>239</u>	<u>440</u>
69.12	<u>259</u>	<u>480</u>
69.13	<u>281</u>	<u>520</u>
69.14	<u>302</u>	<u>560</u>
69.15	<u>324</u>	<u>600</u>
69.16	<u>347</u>	<u>640</u>
69.17	<u>367</u>	<u>680</u>
69.18	<u>389</u>	<u>720</u>
69.19	<u>410</u>	<u>760</u>
69.20	<u>432</u>	<u>800</u>
69.21	<u>486</u>	<u>900</u>
69.22	<u>540</u>	<u>1000</u>
69.23	<u>594</u>	<u>1100</u>
69.24	<u>648</u>	<u>1200</u>
69.25	<u>702</u>	<u>1300</u>
69.26	<u>756</u>	<u>1400</u>
69.27	<u>810</u>	<u>1500</u>
69.28	<u>864</u>	<u>1600</u>
69.29	<u>918</u>	<u>1700</u>
69.30	<u>972</u>	<u>1800</u>
69.31	<u>1026</u>	<u>1900</u>
69.32	<u>1080</u>	<u>2000</u>
69.33	<u>1134</u>	<u>2100</u>
69.34	<u>1188</u>	<u>2200</u>
69.35	<u>1242</u>	<u>2300</u>
69.36	<u>1296</u>	<u>2400</u>
69.37	<u>1350</u>	<u>2500</u>
69.38	<u>1404</u>	<u>2600</u>

70.1	<u>1458</u>	<u>2700</u>
70.2	<u>1512</u>	<u>2800</u>
70.3	<u>1566</u>	<u>2900</u>
70.4	<u>1620</u>	<u>3000</u>
70.5	<u>1672</u>	<u>3100</u>
70.6	<u>1726</u>	<u>3200</u>
70.7	<u>1753</u>	<u>3250</u>
70.8	<u>1780</u>	<u>3300</u>
70.9	<u>1820</u>	<u>3375</u>
70.10	<u>1834</u>	<u>3400</u>
70.11	<u>1888</u>	<u>3500</u>
70.12	<u>1942</u>	<u>3600</u>
70.13	<u>1996</u>	<u>3700</u>
70.14	<u>2023</u>	<u>3750</u>
70.15	<u>2050</u>	<u>3800</u>
70.16	<u>2104</u>	<u>3900</u>
70.17	<u>2158</u>	<u>4000</u>
70.18	<u>2212</u>	<u>4100</u>
70.19	<u>2265</u>	<u>4200</u>
70.20	<u>2319</u>	<u>4300</u>
70.21	<u>2373</u>	<u>4400</u>
70.22	<u>2427</u>	<u>4500</u>
70.23	<u>2481</u>	<u>4600</u>
70.24	<u>2535</u>	<u>4700</u>
70.25	<u>2589</u>	<u>4800</u>
70.26	<u>2643</u>	<u>4900</u>
70.27	<u>2697</u>	<u>5000</u>
70.28	<u>2751</u>	<u>5100</u>
70.29	<u>2805</u>	<u>5200</u>
70.30	<u>2859</u>	<u>5300</u>
70.31	<u>2913</u>	<u>5400</u>
70.32	<u>2967</u>	<u>5500</u>
70.33	<u>3021</u>	<u>5600</u>
70.34	<u>3075</u>	<u>5700</u>
70.35	<u>3129</u>	<u>5800</u>
70.36	<u>3183</u>	<u>5900</u>
70.37	<u>3237</u>	<u>6000</u>
70.38	<u>3291</u>	<u>6100</u>

71.1	<u>3345</u>	<u>6200</u>
71.2	<u>3399</u>	<u>6300</u>
71.3	<u>3453</u>	<u>6400</u>
71.4	<u>3507</u>	<u>6500</u>
71.5	<u>3561</u>	<u>6600</u>
71.6	<u>3615</u>	<u>6700</u>
71.7	<u>3669</u>	<u>6800</u>
71.8	<u>3723</u>	<u>6900</u>
71.9	<u>3777</u>	<u>7000</u>
71.10	<u>3831</u>	<u>7100</u>
71.11	<u>3885</u>	<u>7200</u>
71.12	<u>3939</u>	<u>7300</u>
71.13	<u>3993</u>	<u>7400</u>
71.14	<u>4047</u>	<u>7500</u>
71.15	<u>4101</u>	<u>7600</u>
71.16	<u>4155</u>	<u>7700</u>
71.17	<u>4209</u>	<u>7800</u>
71.18	<u>4263</u>	<u>7900</u>
71.19	<u>4317</u>	<u>8000</u>
71.20	<u>4371</u>	<u>8100</u>
71.21	<u>4425</u>	<u>8200</u>
71.22	<u>4479</u>	<u>8300</u>
71.23	<u>4533</u>	<u>8400</u>
71.24	<u>4587</u>	<u>8500</u>
71.25	<u>4641</u>	<u>8600</u>
71.26	<u>4695</u>	<u>8700</u>
71.27	<u>4749</u>	<u>8800</u>
71.28	<u>4803</u>	<u>8900</u>
71.29	<u>4857</u>	<u>9000</u>
71.30	<u>4911</u>	<u>9100</u>
71.31	<u>4965</u>	<u>9200</u>
71.32	<u>5019</u>	<u>9300</u>
71.33	<u>5073</u>	<u>9400</u>
71.34	<u>5127</u>	<u>9500</u>
71.35	<u>5181</u>	<u>9600</u>
71.36	<u>5235</u>	<u>9700</u>
71.37	<u>5289</u>	<u>9800</u>
71.38	<u>5343</u>	<u>9900</u>

72.1	<u>5397</u>	<u>10,000</u>
72.2	<u>5451</u>	<u>10,100</u>
72.3	<u>5505</u>	<u>10,200</u>
72.4	<u>5559</u>	<u>10,300</u>
72.5	<u>5613</u>	<u>10,400</u>
72.6	<u>5667</u>	<u>10,500</u>
72.7	<u>5721</u>	<u>10,600</u>
72.8	<u>5775</u>	<u>10,700</u>
72.9	<u>5729</u>	<u>10,800</u>
72.10	<u>5883</u>	<u>10,900</u>
72.11	<u>5937</u>	<u>11,000</u>
72.12	<u>5991</u>	<u>11,100</u>
72.13	<u>6045</u>	<u>11,200</u>
72.14	<u>6099</u>	<u>11,300</u>
72.15	<u>6153</u>	<u>11,400</u>
72.16	<u>6207</u>	<u>11,500</u>
72.17	<u>6261</u>	<u>11,600</u>
72.18	<u>6315</u>	<u>11,700</u>
72.19	<u>6369</u>	<u>11,800</u>
72.20	<u>6423</u>	<u>11,900</u>
72.21	<u>6477</u>	<u>12,000</u>
72.22	<u>6531</u>	<u>12,100</u>
72.23	<u>6585</u>	<u>12,200</u>
72.24	<u>6639</u>	<u>12,300</u>
72.25	<u>6693</u>	<u>12,400</u>
72.26	<u>6747</u>	<u>12,500</u>
72.27	<u>any amount in excess of 6747</u>	<u>12,500</u>

72.28 (c) The maximum monthly service pension amount per month for each year of service
72.29 credited that may be provided for in the bylaws of the volunteer firefighters relief association
72.30 must be set pursuant to Minnesota Statutes, section 424A.02, subdivision 3, paragraph (c).

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

72.32 Sec. 83. **VETERANS HOMES CONSTRUCTION.**

72.33 Subdivision 1. **Short title.** This section may be cited as the "People's Veterans Homes
72.34 Act."

73.1 Subd. 2. **Veterans homes established.** (a) The commissioner of veterans affairs may
73.2 apply for federal funding and establish veterans homes with up to 140 beds available to
73.3 provide a continuum of care, including skilled nursing care, for eligible veterans and their
73.4 spouses in the following locations:

73.5 (1) Preston;

73.6 (2) Montevideo; and

73.7 (3) Bemidji.

73.8 (b) The state shall provide the necessary operating costs for the veterans homes in excess
73.9 of any revenue and federal funding for the homes that may be required to continue the
73.10 operation of the homes and care for Minnesota veterans.

73.11 Subd. 3. **Nonstate contribution.** The commissioner of administration may accept
73.12 contributions of land or money from private individuals, businesses, local governments,
73.13 veterans service organizations, and other nonstate sources for the purpose of providing
73.14 matching funding when soliciting federal funding for the development of the homes
73.15 authorized by this section.

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

73.17 Sec. 84. **REPORT ON INFORMATION TECHNOLOGY CONSOLIDATION.**

73.18 No later than January 15, 2019, the Campaign Finance and Public Disclosure Board,
73.19 the State Lottery, the Statewide Radio Board, the Minnesota State Retirement System, the
73.20 Public Employees Retirement Association, the Teachers Retirement Association, and the
73.21 State Board of Investment must each submit a report to the legislative committees with
73.22 jurisdiction over state government finance on the impacts of the information technology
73.23 services consolidation required by this act. The reports required by this section must be
73.24 developed in consultation with the state chief information officer and must detail:

73.25 (1) the expected costs to the entity to complete the consolidation;

73.26 (2) whether the state chief information officer and the entity agree that all conditions
73.27 for the certification required by this act have been met; and

73.28 (3) if all conditions for the certification have not been met, the joint work plan of the
73.29 entity and the state chief information officer to address the unresolved issues in a way that
73.30 leads to certification and, if applicable, recommendations for any additional legislation
73.31 needed to complete that work.

74.1 Sec. 85. **REVISOR'S INSTRUCTION.**

74.2 In Minnesota Statutes, chapter 13, the revisor of statutes shall replace the term
74.3 "commissioner of administration" with "chief administrative law judge" and the term
74.4 "commissioner" with "chief administrative law judge" where it is clear the text is referring
74.5 to the commissioner of administration.

74.6 Sec. 86. **REPEALERS.**

74.7 Subdivision 1. **Continuity of legislature.** Minnesota Statutes 2016, sections 3.93; 3.94;
74.8 3.95; and 3.96, are repealed, effective July 1, 2018.

74.9 Subd. 2. **Data practices transfer.** Minnesota Statutes 2016, section 13.02, subdivision
74.10 2, is repealed, effective July 1, 2018.

74.11 Subd. 3. **Attorney general contingent fees.** Minnesota Statutes 2016, section 8.10, is
74.12 repealed, effective July 1, 2018.

74.13 Subd. 4. **Hair braiding.** Minnesota Statutes 2016, section 155A.28, subdivisions 1, 3,
74.14 and 4, are repealed, effective July 1, 2018.

74.15 Subd. 5. **Legislative Budget Office.** Minnesota Statutes 2017 Supplement, section 3.98,
74.16 subdivision 4, and Laws 2017, First Special Session chapter 4, article 2, section 59, are
74.17 repealed, effective January 8, 2018.

74.18 Subd. 6. **Metropolitan Council.** Minnesota Statutes 2016, section 473.123, subdivision
74.19 3, and Laws 1994, chapter 628, article 1, section 8, are repealed, effective January 1, 2019.

74.20 **ARTICLE 3**74.21 **ADMINISTRATIVE RULE MAKING**

74.22 Section 1. Minnesota Statutes 2016, section 14.03, subdivision 3, is amended to read:

74.23 Subd. 3. **Rulemaking procedures.** (a) The definition of a rule in section 14.02,
74.24 subdivision 4, does not include:

74.25 (1) rules concerning only the internal management of the agency or other agencies that
74.26 do not directly affect the rights of or procedures available to the public;

74.27 (2) an application deadline on a form; and the remainder of a form and instructions for
74.28 use of the form to the extent that they do not impose substantive requirements other than
74.29 requirements contained in statute or rule;

(3) the curriculum adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices.

(b) The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules of the commissioner of corrections relating to the release, placement, term, and supervision of inmates serving a supervised release or conditional release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(2) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(3) opinions of the attorney general;

(4) the data element dictionary and the annual data acquisition calendar of the Department of Education to the extent provided by section 125B.07;

(5) the occupational safety and health standards provided in section 182.655;

(6) revenue notices and tax information bulletins of the commissioner of revenue;

(7) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09;

(8) standards adopted by the Electronic Real Estate Recording Commission established under section 507.0945; ~~or~~

(9) the interpretive guidelines developed by the commissioner of human services to the extent provided in chapter 245A; or

(10) policies established pursuant to section 14.031.

Sec. 2. **[14.031] POLICY PRONOUNCEMENTS.**

Subdivision 1. **Definition.** (a) As used in this section, "policy" means a public written policy, guideline, bulletin, manual, or similar document providing an interpretation, clarification, or explanation of a statute or rule to provide guidance for agency regulatory functions including but not limited to permits or enforcement actions.

The definition of a policy does not include:

(1) policies concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) forms and instructions for use of the form to the extent that they do not impose substantive requirements other than requirements contained in statute or rule;

(3) curriculums adopted by an agency to implement a statute or rule permitting or mandating minimum educational requirements for persons regulated by an agency, provided the topic areas to be covered by the minimum educational requirements are specified in statute or rule;

(4) procedures for sharing data among government agencies, provided these procedures are consistent with chapter 13 and other law governing data practices; or

(5) policies concerning agency actions required to comply with treaty obligations.

(b) A policy does not have the force of law.

(c) Policies established by the agency are subject to all of the following requirements:

(1) a policy shall comply with the statutes and rules that are in existence at the time the policy is established;

(2) a policy shall not establish any new requirement;

(3) a policy shall be established only by the commissioner of the agency; and

(4) the following statement must be printed on the first page of each policy in uppercase letters: "Every five years the agency shall review and update each policy that is established before the effective date of this section or that it establishes after the effective date of this section and shall prepare written documentation certifying that the policy has been reviewed and updated. A policy that has not been reviewed and updated pursuant to this paragraph is void."

Subd. 2. **Notice to legislature.** By January 15 each year, each agency must submit each policy the agency has or intends to publish under subdivision 3 in the upcoming calendar year to the policy and funding committees and divisions with jurisdiction over the agency. Each agency must post a link to its policies on the agency's Web site.

Subd. 3. **Public notice.** Before a policy is in effect, the agency must publish public notice of the proposed policy and solicit public comment. The agency shall use the procedure set forth under section 14.22 to provide public notice and meeting. The agency shall publish the public notice on the agency's Web site. The agency must send a copy of the same notice to the chairs and ranking minority members of the legislative policy and budget committees

77.1 with jurisdiction over the subject matter of the proposed policy. The public comment period
77.2 shall be 30 days after the date of a public meeting on the policy.

77.3 Subd. 4. **Final publication.** The agency must make all policies that conform to this
77.4 section available electronically on the agency's Web site within 60 days of the completion
77.5 of requirements in this section.

77.6 Subd. 5. **Committee action; delay action.** The agency shall not use a policy until the
77.7 legislature adjourns the annual legislative session that began the year the legislature received
77.8 notice of the policy under subdivision 2. The speaker of the house and the president of the
77.9 senate shall determine if a committee has jurisdiction over the agency before a committee
77.10 may act under this section.

77.11 Subd. 6. **Policy docket.** (a) Each agency shall maintain a policy docket with the agency's
77.12 current public rulemaking docket under section 14.366.

77.13 (b) The policy docket must contain:

77.14 (1) a listing of the precise subject matter;

77.15 (2) the name and address of agency personnel with whom persons may communicate
77.16 with respect to the matter and an indication of its present status within the agency;

77.17 (3) any known timetable for agency decisions or other action in the proceeding;

77.18 (4) the date of the public hearing on the policy;

77.19 (5) the schedule for public comments on the policy; and

77.20 (6) the date the policy became or becomes effective.

77.21 Sec. 3. Minnesota Statutes 2016, section 14.127, subdivision 4, is amended to read:

77.22 Subd. 4. **Exceptions.** (a) Subdivision 3 does not apply if the administrative law judge
77.23 approves an agency's determination that the legislature has appropriated money to sufficiently
77.24 fund the expected cost of the rule upon the business or city proposed to be regulated by the
77.25 rule.

77.26 (b) Subdivision 3 does not apply if the administrative law judge approves an agency's
77.27 determination that the rule has been proposed pursuant to a specific federal statutory or
77.28 regulatory mandate.

77.29 (c) This section does not apply if the rule is adopted under section 14.388 or under
77.30 another law specifying that the rulemaking procedures of this chapter do not apply.

77.31 (d) This section does not apply to a rule adopted by the Public Utilities Commission.

~~(e) Subdivision 3 does not apply if the governor waives application of subdivision 3. The governor may issue a waiver at any time, either before or after the rule would take effect, but for the requirement of legislative approval. As soon as possible after issuing a waiver under this paragraph, the governor must send notice of the waiver to the speaker of the house and the president of the senate and must publish notice of this determination in the State Register.~~

Sec. 4. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

Subdivision 1. **Definition.** As used in this section, "residential construction" means the new construction or remodeling of any building subject to the Minnesota Residential Code.

Subd. 2. **Impact on housing; agency determination.** (a) An agency must determine if implementation of a proposed rule, or any portion of a proposed rule, will, on average, increase the cost of residential construction or remodeling by \$1,000 or more per unit, and whether the proposed rule meets the state regulatory policy objectives described in section 14.002. In calculating the cost of implementing a proposed rule, the agency may consider the impact of other related proposed rules on the overall cost of residential construction. If applicable, the agency may include offsetting savings that may be achieved through implementation of related proposed rules in its calculation under this subdivision.

(b) The agency must make the determination required by paragraph (a) before the close of the hearing record, or before the agency submits the record to the administrative law judge if there is no hearing. Upon request of a party affected by the proposed rule, the administrative law judge must review and approve or disapprove an agency's determination under this subdivision.

Subd. 3. **Notice to legislature; legislative review.** If the agency determines that the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or if the administrative law judge separately confirms the cost of any portion of a rule exceeds the cost threshold provided in subdivision 2, the agency must notify, in writing, the chair and ranking minority members of the policy committees of the house of representatives and the senate with jurisdiction over the subject matter of the proposed rule within ten days of the determination. The agency shall not adopt the proposed rule until after the adjournment of the next annual session of the legislature convened on or after the date that notice required in this subdivision is given to the chairs and ranking minority members.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to administrative rules proposed on or after that date.

79.1 Sec. 5. Minnesota Statutes 2016, section 14.381, is amended by adding a subdivision to
79.2 read:

79.3 Subd. 4. **Fees and expenses.** (a) The administrative law judge shall award fees and other
79.4 expenses to the prevailing party under subdivision 1, unless special circumstances make an
79.5 award unjust.

79.6 (b) A party seeking an award of fees and other expenses shall, within 30 days of
79.7 administrative law judge's report issued in the action, submit to the administrative law judge
79.8 an application of fees and other expenses that shows that the party is a prevailing party and
79.9 is eligible to receive an award, and the amount sought, including an itemized statement from
79.10 any attorney or expert witness representing or appearing on behalf of the party stating the
79.11 actual time expended and the rate at which fees and other expenses were computed.

79.12 (c) The administrative law judge may reduce the amount to be awarded under this section,
79.13 or deny an award, to the extent that during the proceedings the prevailing party engaged in
79.14 conduct that unduly and unreasonably protracted the final resolution of the matter in
79.15 controversy. The decision of an administrative law judge under this section must be made
79.16 a part of the record containing the final decision of the agency and must include written
79.17 findings and conclusions.

79.18 (d) This section does not preclude a party from recovering costs, disbursements, fees,
79.19 and expenses under other applicable law.

79.20 Sec. 6. **REPEALER.**

79.21 Minnesota Statutes 2016, section 14.381, subdivision 3, is repealed.

79.22 Sec. 7. **EFFECTIVE DATE; APPLICATION.**

79.23 (a) This article is effective August 1, 2018, and applies to rules for which a notice of
79.24 hearing under Minnesota Statutes, section 14.14; a notice of intent to adopt under Minnesota
79.25 Statutes, section 14.22; or a dual notice under Minnesota Statutes, section 14.225, is published
79.26 in the State Register on or after that date.

79.27 (b) This article also applies to policies established on or after January 1, 2019. All policies
79.28 existing on or before the date of enactment shall be posted on the agency's public docket
79.29 on or before January 1, 2019.

ARTICLE 4**CAMPAIGN FINANCE**

Section 1. Minnesota Statutes 2016, section 10A.02, subdivision 13, is amended to read:

Subd. 13. **Rules.** (a) Chapter 14 applies to the board. The board may adopt rules to carry out the purposes of this chapter if, before June 1, 2018, the board has published a notice of intent to adopt a rule without public hearing under section 14.22, subdivision 1, 14.389, subdivision 2, or 14.3895, subdivision 3; a dual notice under section 14.22, subdivision 2; or a notice of hearing on a proposed rule under section 14.14.

(b) After May 31, 2018, the board may only adopt rules that:

(1) incorporate specific changes set forth in applicable statutes when no interpretation of law is required; or

(2) make changes to rules that do not alter the sense, meaning, or effect of a rule.

(c) In addition to the notice required under chapter 14, the board shall notify the chairs and ranking minority members of the committees or subcommittees in the senate and house of representatives with primary jurisdiction over elections within seven calendar days of taking the following actions:

(1) publication of a notice of intent to adopt rules or a notice of hearing;

(2) publication of proposed rules in the State Register;

(3) issuance of a statement of need and reasonableness; or

(4) adoption of final rules.

EFFECTIVE DATE. This section is effective the day following final enactment for rules for which a notice of intent to adopt a rule without public hearing under Minnesota Statutes, section 14.22, subdivision 1, 14.389, subdivision 2, or 14.3895, subdivision 3; a dual notice under Minnesota Statutes, section 14.22, subdivision 2; or a notice of hearing on a proposed rule under Minnesota Statutes, section 14.14, was published before June 1, 2018.

Sec. 2. Minnesota Statutes 2016, section 10A.31, subdivision 1, is amended to read:

Subdivision 1. **Designation.** An individual resident of this state who files an income tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate on their original return that \$5 be paid from the general fund of the state into the state elections campaign account. If a husband and wife file a joint return,

81.1 each spouse may designate that \$5 be paid. No individual is allowed to designate \$5 more
81.2 than once in any year. ~~The taxpayer may designate that the amount be paid into the account~~
81.3 ~~of a political party or into the general account.~~

81.4 Sec. 3. Minnesota Statutes 2016, section 10A.31, subdivision 3, is amended to read:

81.5 Subd. 3. **Form.** The commissioner of revenue must provide on the first page of the
81.6 income tax form and the renter and homeowner property tax refund return a space for the
81.7 individual to indicate a wish to pay \$5 (\$10 if filing a joint return) from the general fund of
81.8 the state to finance election campaigns. ~~The form must also contain language prepared by~~
81.9 ~~the commissioner that permits the individual to direct the state to pay the \$5 (or \$10 if filing~~
81.10 ~~a joint return) to: (1) one of the major political parties; (2) any minor political party that~~
81.11 ~~qualifies under subdivision 3a; or (3) all qualifying candidates as provided by subdivision~~
81.12 ~~7.~~ The renter and homeowner property tax refund return must include instructions that the
81.13 individual filing the return may designate \$5 on the return only if the individual has not
81.14 designated \$5 on the income tax return.

81.15 Sec. 4. Minnesota Statutes 2016, section 10A.31, subdivision 4, is amended to read:

81.16 Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections
81.17 campaign account, less three percent, ~~are appropriated from the general fund,~~ must be
81.18 transferred and credited to the ~~appropriate account in the~~ state elections campaign account,
81.19 and are annually appropriated for distribution as set forth in ~~subdivisions 5, 5a, 6, and 7~~ this
81.20 section. The remaining three percent must be kept in the general fund for administrative
81.21 costs.

81.22 (b) In addition to the amounts in paragraph (a), \$1,020,000 for each general election is
81.23 appropriated from the general fund for transfer to the general account of the state elections
81.24 campaign account.

81.25 Sec. 5. Minnesota Statutes 2016, section 10A.31, subdivision 5, is amended to read:

81.26 Subd. 5. **Allocation.** ~~(a) General account.~~ In each calendar year the money in the general
81.27 account must be allocated to candidates as follows:

81.28 (1) 21 percent for the offices of governor and lieutenant governor together;

81.29 (2) 4.2 percent for the office of attorney general;

81.30 (3) 2.4 percent each for the offices of secretary of state and state auditor;

82.1 (4) in each calendar year during the period in which state senators serve a four-year
82.2 term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state
82.3 representative; and

82.4 (5) in each calendar year during the period in which state senators serve a two-year term,
82.5 35 percent each for the offices of state senator and state representative.

82.6 ~~(b) **Party account.** In each calendar year the money in each party account must be~~
82.7 ~~allocated as follows:~~

82.8 ~~(1) 14 percent for the offices of governor and lieutenant governor together;~~

82.9 ~~(2) 2.8 percent for the office of attorney general;~~

82.10 ~~(3) 1.6 percent each for the offices of secretary of state and state auditor;~~

82.11 ~~(4) in each calendar year during the period in which state senators serve a four-year~~
82.12 ~~term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state~~
82.13 ~~representative;~~

82.14 ~~(5) in each calendar year during the period in which state senators serve a two-year term,~~
82.15 ~~35 percent each for the offices of state senator and state representative; and~~

82.16 ~~(6) ten percent or \$50,000, whichever is less, for the state committee of a political party;~~
82.17 ~~one-third of any amount in excess of that allocated to the state committee of a political party~~
82.18 ~~under this clause must be allocated to the office of state senator and two-thirds must be~~
82.19 ~~allocated to the office of state representative under clause (4).~~

82.20 ~~Money allocated to each state committee under clause (6) must be deposited in a separate~~
82.21 ~~account and must be spent for only those items enumerated in section 10A.275. Money~~
82.22 ~~allocated to a state committee under clause (6) must be paid to the committee by the board~~
82.23 ~~as it is received in the account on a monthly basis, with payment on the 15th day of the~~
82.24 ~~calendar month following the month in which the returns were processed by the Department~~
82.25 ~~of Revenue, provided that these distributions would be equal to 90 percent of the amount~~
82.26 ~~of money indicated in the Department of Revenue's weekly unedited reports of income tax~~
82.27 ~~returns and property tax refund returns processed in the month, as notified by the Department~~
82.28 ~~of Revenue to the board. The amounts paid to each state committee are subject to biennial~~
82.29 ~~adjustment and settlement at the time of each certification required of the commissioner of~~
82.30 ~~revenue under subdivisions 7 and 10. If the total amount of payments received by a state~~
82.31 ~~committee for the period reflected on a certification by the Department of Revenue is~~
82.32 ~~different from the amount that should have been received during the period according to~~
82.33 ~~the certification, each subsequent monthly payment must be increased or decreased to the~~

83.1 ~~fullest extent possible until the amount of the overpayment is recovered or the underpayment~~
83.2 ~~is distributed.~~

83.3 Sec. 6. Minnesota Statutes 2016, section 10A.31, subdivision 7, is amended to read:

83.4 Subd. 7. **Distribution of general account.** (a) As soon as the board has obtained the
83.5 results of the primary election from the secretary of state, but no later than one week after
83.6 certification of the primary results by the State Canvassing Board, the board must distribute
83.7 the available money in the ~~general~~ state elections campaign account, as certified by the
83.8 commissioner of revenue one week before the state primary and according to allocations
83.9 set forth in subdivision 5, in equal amounts to all candidates of a major political party whose
83.10 names are to appear on the ballot in the general election and who:

83.11 (1) have signed a spending limit agreement under section 10A.322;

83.12 (2) have filed the affidavit of contributions required by section 10A.323; and

83.13 (3) were opposed in either the primary election or the general election.

83.14 (b) The public subsidy paid under this subdivision may not ~~be paid in an amount that~~
83.15 ~~would cause the sum of the public subsidy paid from the party account plus the public~~
83.16 ~~subsidy paid from the general account to exceed 50 percent of the expenditure limit for the~~
83.17 candidate or 50 percent of the expenditure limit that would have applied to the candidate if
83.18 the candidate had not been freed from expenditure limits under section 10A.25, subdivision
83.19 10. Money from the ~~general~~ account not paid to a candidate because of the 50 percent limit
83.20 must be distributed equally among all other qualifying candidates for the same office until
83.21 all have reached the 50 percent limit or the balance in the ~~general~~ account is exhausted.

83.22 Sec. 7. Minnesota Statutes 2016, section 10A.31, subdivision 10, is amended to read:

83.23 Subd. 10. **December distribution.** In the event that on the date of either certification
83.24 by the commissioner of revenue as provided in subdivision ~~6 or~~ 7, less than 98 percent of
83.25 the tax returns have been processed, the commissioner of revenue must certify to the board
83.26 by December 1 the amount accumulated in ~~each~~ the account since the previous certification.
83.27 By December 15, the board must distribute to each candidate according to the ~~allocations~~
83.28 ~~in subdivisions 5 and 5a~~ allocation in subdivision 5 the amounts to which the candidates
83.29 are entitled.

84.1 Sec. 8. Minnesota Statutes 2016, section 10A.31, subdivision 10b, is amended to read:

84.2 Subd. 10b. **Remainder.** Money accumulated after the final certification must be kept
84.3 in the ~~respective accounts~~ state elections campaign account for distribution in the next
84.4 general election year.

84.5 Sec. 9. Minnesota Statutes 2016, section 10A.315, is amended to read:

84.6 **10A.315 SPECIAL ELECTION SUBSIDY.**

84.7 (a) Each eligible candidate for a legislative office in a special election must be paid a
84.8 public subsidy equal to the ~~sum of:~~

84.9 ~~(1) the party account money at the last general election for the candidate's party for the~~
84.10 ~~office the candidate is seeking; and~~

84.11 ~~(2) the general account~~ amount of state elections campaign money paid to a candidate
84.12 for the same office at the last general election.

84.13 (b) A candidate who wishes to receive this public subsidy must submit a signed agreement
84.14 under section 10A.322 to the board and must meet the contribution requirements of section
84.15 10A.323. The special election subsidy must be distributed in the same manner as money in
84.16 the ~~party and general accounts~~ state elections campaign account is distributed to legislative
84.17 candidates in a general election.

84.18 (c) The amount necessary to make the payments required by this section is appropriated
84.19 from the general fund for transfer to the state special elections campaign account for
84.20 distribution by the board as set forth in this section.

84.21 Sec. 10. Minnesota Statutes 2016, section 10A.321, subdivision 1, is amended to read:

84.22 Subdivision 1. **Calculation and certification of estimates.** The commissioner of revenue
84.23 must calculate and certify to the board one week before the first day for filing for office in
84.24 each election year an estimate of the total amount in the ~~state general account of the state~~
84.25 ~~elections campaign account~~ and the amount of money each candidate who qualifies, as
84.26 provided in section 10A.31, ~~subdivisions 6 and~~ subdivision 7, may receive from the
84.27 ~~candidate's party account in the state elections campaign~~ account. This estimate must be
84.28 based upon the allocations and formulas in section 10A.31, ~~subdivisions 5 and 5a, any~~
84.29 ~~necessary vote totals provided by the secretary of state to apply the formulas in section~~
84.30 ~~10A.31, subdivisions 5 and 5a, subdivision 5~~, and the amount of money expected to be
84.31 available after 100 percent of the tax returns have been processed.

85.1 Sec. 11. Minnesota Statutes 2016, section 290.06, subdivision 23, is amended to read:

85.2 Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer
85.3 may claim a refund equal to the amount of the taxpayer's contributions made in the calendar
85.4 year to candidates and to a political party. The maximum refund for an individual must not
85.5 exceed \$50 and for a married couple, filing jointly, must not exceed \$100. A refund of a
85.6 contribution is allowed only if the taxpayer files a form required by the commissioner and
85.7 attaches to the form a copy of an official refund receipt form issued by the candidate or
85.8 party and signed by the candidate, the treasurer of the candidate's principal campaign
85.9 committee, or the chair or treasurer of the party unit, after the contribution was received.
85.10 The receipt forms must be numbered, and the data on the receipt that are not public must
85.11 be made available to the campaign finance and public disclosure board upon its request. A
85.12 claim must be filed with the commissioner no sooner than January 1 of the calendar year
85.13 in which the contribution was made and no later than April 15 of the calendar year following
85.14 the calendar year in which the contribution was made. A taxpayer may file only one claim
85.15 per calendar year. Amounts paid by the commissioner after June 15 of the calendar year
85.16 following the calendar year in which the contribution was made must include interest at the
85.17 rate specified in section 270C.405.

85.18 (b) No refund is allowed under this subdivision for a contribution to a candidate unless
85.19 the candidate:

85.20 (1) has signed an agreement to limit campaign expenditures as provided in section
85.21 10A.322;

85.22 (2) is seeking an office for which voluntary spending limits are specified in section
85.23 10A.25; and

85.24 (3) has designated a principal campaign committee.

85.25 This subdivision does not limit the campaign expenditures of a candidate who does not
85.26 sign an agreement but accepts a contribution for which the contributor improperly claims
85.27 a refund.

85.28 (c) For purposes of this subdivision, "political party" means a major political party as
85.29 defined in section 200.02, subdivision 7, or a minor political party ~~qualifying for inclusion~~
85.30 ~~on the income tax or property tax refund form under section 10A.31, subdivision 3a as~~
85.31 defined in section 200.02, subdivision 23.

86.1 A "major party" or "minor party" includes the aggregate of that party's organization
86.2 within each house of the legislature, the state party organization, and the party organization
86.3 within congressional districts, counties, legislative districts, municipalities, and precincts.

86.4 "Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a
86.5 candidate for judicial office.

86.6 "Contribution" means a gift of money.

86.7 (d) The commissioner shall make copies of the form available to the public and candidates
86.8 upon request.

86.9 (e) The following data collected or maintained by the commissioner under this subdivision
86.10 are private: the identities of individuals claiming a refund, the identities of candidates to
86.11 whom those individuals have made contributions, and the amount of each contribution.

86.12 (f) The commissioner shall report to the campaign finance and public disclosure board
86.13 by each August 1 a summary showing the total number and aggregate amount of political
86.14 contribution refunds made on behalf of each candidate and each political party. These data
86.15 are public.

86.16 (g) The amount necessary to pay claims for the refund provided in this section is
86.17 appropriated from the general fund to the commissioner of revenue.

86.18 (h) For a taxpayer who files a claim for refund via the Internet or other electronic means,
86.19 the commissioner may accept the number on the official receipt as documentation that a
86.20 contribution was made rather than the actual receipt as required by paragraph (a).

86.21 Sec. 12. **REPEALER.**

86.22 Minnesota Statutes 2016, sections 10A.30, subdivision 2; and 10A.31, subdivisions 3a,
86.23 5a, 6, and 6a, are repealed.

86.24 Sec. 13. **EFFECTIVE DATE; APPLICABILITY.**

86.25 This article is effective the day following final enactment, and provisions impacting the
86.26 public subsidy for candidates apply to elections held on or after that date. No later than July
86.27 1, 2018, the Campaign Finance and Public Disclosure Board must notify, in writing, all
86.28 candidates who have signed an agreement applicable for the 2018 general election of the
86.29 changes enacted by this article, and provide each candidate an opportunity, at the candidate's
86.30 discretion, to sign a new agreement that reflects these changes. Agreements applicable for
86.31 the 2018 general election that were signed prior to the effective date of this section remain

87.1 valid for the sole purpose of establishing the candidate's eligibility to participate in the
87.2 political contribution refund program authorized by Minnesota Statutes, section 290.06,
87.3 subdivision 23, but are otherwise unenforceable and invalid for any other purpose.

87.4 **ARTICLE 5**

87.5 **MINNESOTA SPORTS FACILITIES AUTHORITY**

87.6 Section 1. Minnesota Statutes 2016, section 13.55, subdivision 1, is amended to read:

87.7 Subdivision 1. **Not public classification.** The following data received, created, or
87.8 maintained by or for publicly owned and operated convention facilities, civic center
87.9 authorities, or the ~~Metropolitan~~ Minnesota Sports Facilities Commission Authority are
87.10 classified as nonpublic data pursuant to section 13.02, subdivision 9; or private data on
87.11 individuals pursuant to section 13.02, subdivision 12:

87.12 (a) a letter or other documentation from any person who makes inquiry to or who is
87.13 contacted by the facility regarding the availability of the facility for staging events;

87.14 (b) identity of firms and corporations which contact the facility;

87.15 (c) type of event which they wish to stage in the facility;

87.16 (d) suggested terms of rentals; and

87.17 (e) responses of authority staff to these inquiries.

87.18 Sec. 2. Minnesota Statutes 2016, section 13.55, subdivision 2, is amended to read:

87.19 Subd. 2. **Public data.** (a) The data made not public by the provisions of subdivision 1
87.20 shall become public upon the occurrence of any of the following:

87.21 ~~(a)~~ (1) five years elapse from the date on which the lease or contract is entered into
87.22 between the facility and the inquiring party or parties or the event which was the subject of
87.23 inquiry occurs at the facility, whichever occurs earlier;

87.24 ~~(b)~~ (2) the event which was the subject of inquiry does not occur; or

87.25 ~~(c)~~ (3) the event which was the subject of inquiry occurs elsewhere.

87.26 (b) Data regarding persons receiving free or discounted admission, tickets, or other gifts
87.27 from publicly owned and operated convention facilities, civic center authorities, or the
87.28 Minnesota Sports Facilities Authority are public data unless the data are subject to the
87.29 provisions of subdivision 1 or 4, paragraph (b).

88.1 Sec. 3. Minnesota Statutes 2016, section 16A.965, is amended by adding a subdivision to
88.2 read:

88.3 Subd. 11. **Prepayment of bonds.** By June 30, 2024, and every fourth fiscal year
88.4 thereafter, the commissioner shall set aside, in a separate account in the general fund, an
88.5 amount equal to the cumulative reduction in the payment for stadium operating expenses
88.6 under section 473J.13, subdivision 2, paragraph (b), over the previous four fiscal years.
88.7 When a sufficient amount has accumulated in that account to make it practicable, the
88.8 commissioner must use amounts in the account to prepay or defease bonds in a manner that
88.9 preserves the tax exempt status of the bonds.

88.10 **EFFECTIVE DATE.** This section is effective July 1, 2020, and applies to reductions
88.11 to stadium operating expenses payments made in that fiscal year and thereafter.

88.12 Sec. 4. Minnesota Statutes 2016, section 297A.994, subdivision 4, is amended to read:

88.13 Subd. 4. **General fund allocations.** The commissioner must retain and deposit to the
88.14 general fund the following amounts, as required by subdivision 3, clause (3):

88.15 (1) for state bond debt service support beginning in calendar year 2021, and for each
88.16 calendar year thereafter through calendar year 2046, periodic amounts so that not later than
88.17 December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been
88.18 deposited in the general fund. To determine aggregate present value, the commissioner must
88.19 consult with the commissioner of management and budget regarding the present value dates,
88.20 discount rate or rates, and schedules of annual amounts. The present value date or dates
88.21 must be based on the date or dates bonds are sold under section 16A.965, or the date or
88.22 dates other state funds, if any, are deposited into the construction fund. The discount rate
88.23 or rates must be based on the true interest cost of the bonds issued under section 16A.965,
88.24 or an equivalent 30-year bond index, as determined by the commissioner of management
88.25 and budget. The schedule of annual amounts must be certified to the commissioner by the
88.26 commissioner of management and budget and the finance officer of the city;

88.27 (2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities
88.28 Authority beginning in calendar year 2021, and for each calendar year thereafter through
88.29 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for
88.30 this purpose in that calendar year under section 473J.13, subdivision 4;

88.31 (3) for the operating expense appropriation to the Minnesota Sports Facilities Authority
88.32 beginning in calendar year 2021, and for each calendar year thereafter through calendar
88.33 year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose

89.1 in that calendar year under section 473J.13, subdivision 2, determined without regard to
89.2 any reduction under section 473J.13, subdivision 2, paragraph (b);

89.3 (4) for recapture of state advances for capital improvements and operating expenses for
89.4 calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar
89.5 year thereafter until all amounts under this clause have been paid, proportionate amounts
89.6 periodically until an aggregate amount equal to the present value of all amounts paid by the
89.7 state have been deposited in the general fund. To determine the present value of the amounts
89.8 paid by the state to the authority and the present value of amounts deposited to the general
89.9 fund under this clause, the commissioner shall consult with the commissioner of management
89.10 and budget regarding the present value dates, discount rate or rates, and schedule of annual
89.11 amounts. The present value dates must be based on the dates state funds are paid to the
89.12 authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause
89.13 to the general fund. The discount rates must be based on the reasonably equivalent cost of
89.14 state funds as determined by the commissioner of management and budget. The schedule
89.15 of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision
89.16 2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and
89.17 taxes deposited to the general fund from time to time under this clause, and the schedule
89.18 and revised schedules must be certified to the commissioner by the commissioner of
89.19 management and budget and the finance officer of the city, and are transferred as accrued
89.20 from the general fund for repayment of advances made by the state to the authority.
89.21 Determination of the present value amounts must be made without regard to any reduction
89.22 in the state advances resulting from a reduction in the payments under section 473J.13,
89.23 subdivision 2, paragraph (b); and

89.24 (5) to capture increases in taxes imposed under the special law, for the benefit of the
89.25 Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar
89.26 year thereafter through 2046, there shall be deposited to the general fund in proportionate
89.27 periodic payments in the following year, an amount equal to the following:

89.28 (i) 50 percent of the difference, if any, by which the amount of the net annual taxes for
89.29 the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus
89.30 \$1,000,000, inflated at two percent per year since 2011, minus

89.31 (ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for
89.32 the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus
89.33 \$3,000,000, inflated at two percent per year since 2011.

90.1 **EFFECTIVE DATE.** This section is effective upon compliance by the governing body
90.2 of the city of Minneapolis with Minnesota Statutes, section 645.021.

90.3 Sec. 5. Minnesota Statutes 2016, section 297E.021, subdivision 3, is amended to read:

90.4 Subd. 3. **Available revenues.** For purposes of this section, "available revenues" equals
90.5 the amount determined under subdivision 2, ~~plus up to \$20,000,000 each fiscal year from~~
90.6 ~~the taxes imposed under section 290.06, subdivision 1:~~

90.7 (1) reduced by the following amounts paid for the fiscal year under:

90.8 (i) the appropriation to principal and interest on appropriation bonds under section
90.9 16A.965, subdivision 8;

90.10 (ii) the appropriation from the general fund to make operating expense payments under
90.11 section 473J.13, subdivision 2, paragraph (b);

90.12 (iii) the appropriation for contributions to the capital reserve fund under section 473J.13,
90.13 subdivision 4, paragraph (c);

90.14 (iv) the appropriations under Laws 2012, chapter 299, article 4, for administration and
90.15 any successor appropriation;

90.16 (v) the reduction in revenues resulting from the sales tax exemptions under section
90.17 297A.71, subdivision 43;

90.18 (vi) reimbursements authorized by section 473J.15, subdivision 2, paragraph (d);

90.19 (vii) the compulsive gambling appropriations under section 297E.02, subdivision 3,
90.20 paragraph (c), and any successor appropriation; and

90.21 (viii) the appropriation for the city of St. Paul under section 16A.726, paragraph (c); and

90.22 (2) increased by the revenue deposited in the general fund under section 297A.994,
90.23 subdivision 4, clauses (1) to (3), for the fiscal year.

90.24 **EFFECTIVE DATE.** This section is effective for fiscal years beginning after June 30,
90.25 2019.

90.26 Sec. 6. Minnesota Statutes 2016, section 297E.021, subdivision 4, is amended to read:

90.27 Subd. 4. **Appropriation; general reserve account.** (a) To the extent the commissioner
90.28 determines that revenues are available under subdivision 3 for the fiscal year, those amounts
90.29 are appropriated from the general fund for deposit in a general reserve account established
90.30 by order of the commissioner of management and budget. Appropriations under this

91.1 subdivision for each fiscal year are limited to the amounts necessary to provide a balance
91.2 in the reserve account up to the limit under paragraph (b). Amounts in this reserve are
91.3 appropriated as necessary for application against any shortfall in the amounts deposited to
91.4 the general fund under section 297A.994 or, after consultation with the Legislative
91.5 Commission on Planning and Fiscal Policy, amounts in this reserve are appropriated to the
91.6 commissioner of management and budget for other uses related to the stadium authorized
91.7 under section 473J.03, subdivision 8, that the commissioner deems financially prudent
91.8 including but not limited to reimbursements for capital and operating costs relating to the
91.9 stadium, refundings, and prepayment of debt. In no event, shall available revenues be
91.10 pledged, nor shall the appropriations of available revenues made by this section constitute
91.11 a pledge of available revenues as security for the prepayment of principal and interest on
91.12 the appropriation bonds under section 16A.965.

91.13 (b) The balance in the reserve account established by the commissioner under this
91.14 subdivision must not exceed \$26,821,000.

91.15 **EFFECTIVE DATE.** This section is effective July 1, 2019, and any amount above the
91.16 limit set in paragraph (b) on that date cancels to the general fund.

91.17 Sec. 7. Minnesota Statutes 2016, section 340A.404, subdivision 1, is amended to read:

91.18 Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the
91.19 following establishments located within its jurisdiction:

91.20 (1) hotels;

91.21 (2) restaurants;

91.22 (3) bowling centers;

91.23 (4) clubs or congressionally chartered veterans organizations with the approval of the
91.24 commissioner, provided that the organization has been in existence for at least three years
91.25 and liquor sales will only be to members and bona fide guests, except that a club may permit
91.26 the general public to participate in a wine tasting conducted at the club under section
91.27 340A.419;

91.28 (5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the
91.29 Minnesota Sports Facilities Authority; and

91.30 ~~(6) sports facilities located on land owned by the Metropolitan Sports Commission; and~~

91.31 ~~(7)~~ (6) exclusive liquor stores.

92.1 (b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
92.2 an on-sale malt liquor license to a theater within the city, notwithstanding any law, local
92.3 ordinance, or charter provision. A license issued under this paragraph authorizes sales on
92.4 all days of the week to persons attending events at the theater.

92.5 (c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
92.6 an on-sale malt liquor license to a convention center within the city, notwithstanding any
92.7 law, local ordinance, or charter provision. A license issued under this paragraph authorizes
92.8 sales on all days of the week to persons attending events at the convention center. This
92.9 paragraph does not apply to convention centers located in the seven-county metropolitan
92.10 area.

92.11 (d) A city may issue an on-sale wine license and an on-sale malt liquor license to a
92.12 person who is the owner of a summer collegiate league baseball team, or to a person holding
92.13 a concessions or management contract with the owner, for beverage sales at a ballpark or
92.14 stadium located within the city for the purposes of summer collegiate league baseball games
92.15 at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision.
92.16 A license issued under this paragraph authorizes sales on all days of the week to persons
92.17 attending baseball games at the ballpark or stadium.

92.18 Sec. 8. Minnesota Statutes 2016, section 352.01, subdivision 2a, is amended to read:

92.19 Subd. 2a. **Included employees.** (a) "State employee" includes:

92.20 (1) employees of the Minnesota Historical Society;

92.21 (2) employees of the State Horticultural Society;

92.22 (3) employees of the Minnesota Crop Improvement Association;

92.23 (4) employees of the adjutant general whose salaries are paid from federal funds and
92.24 who are not covered by any federal civilian employees retirement system;

92.25 (5) employees of the Minnesota State Colleges and Universities who are employed under
92.26 the university or college activities program;

92.27 (6) currently contributing employees covered by the system who are temporarily
92.28 employed by the legislature during a legislative session or any currently contributing
92.29 employee employed for any special service as defined in subdivision 2b, clause (6);

92.30 (7) employees of the legislature who are appointed without a limit on the duration of
92.31 their employment;

- 93.1 (8) trainees who are employed on a full-time established training program performing
93.2 the duties of the classified position for which they will be eligible to receive immediate
93.3 appointment at the completion of the training period;
- 93.4 (9) employees of the Minnesota Safety Council;
- 93.5 (10) any employees who are on authorized leave of absence from the Transit Operating
93.6 Division of the former Metropolitan Transit Commission and who are employed by the
93.7 labor organization which is the exclusive bargaining agent representing employees of the
93.8 Transit Operating Division;
- 93.9 (11) employees of the Metropolitan Council, Metropolitan Parks and Open Space
93.10 Commission, ~~Metropolitan Sports Facilities Commission~~, or Metropolitan Mosquito Control
93.11 Commission unless excluded under subdivision 2b or are covered by another public pension
93.12 fund or plan under section 473.415, subdivision 3;
- 93.13 (12) judges of the Tax Court;
- 93.14 (13) personnel who were employed on June 30, 1992, by the University of Minnesota
93.15 in the management, operation, or maintenance of its heating plant facilities, whose
93.16 employment transfers to an employer assuming operation of the heating plant facilities, so
93.17 long as the person is employed at the University of Minnesota heating plant by that employer
93.18 or by its successor organization;
- 93.19 (14) personnel who are employed as seasonal employees in the classified or unclassified
93.20 service;
- 93.21 (15) persons who are employed by the Department of Commerce as a peace officer in
93.22 the Commerce Fraud Bureau under section 45.0135 who have attained the mandatory
93.23 retirement age specified in section 43A.34, subdivision 4;
- 93.24 (16) employees of the University of Minnesota unless excluded under subdivision 2b,
93.25 clause (3);
- 93.26 (17) employees of the Middle Management Association whose employment began after
93.27 July 1, 2007, and to whom section 352.029 does not apply;
- 93.28 (18) employees of the Minnesota Government Engineers Council to whom section
93.29 352.029 does not apply;
- 93.30 (19) employees of the Minnesota Sports Facilities Authority;
- 93.31 (20) employees of the Minnesota Association of Professional Employees;
- 93.32 (21) employees of the Minnesota State Retirement System;

94.1 (22) employees of the State Agricultural Society;

94.2 (23) employees of the Gillette Children's Hospital Board who were employed in the
94.3 state unclassified service at the former Gillette Children's Hospital on March 28, 1974; and

94.4 (24) if approved for coverage by the Board of Directors of Conservation Corps Minnesota,
94.5 employees of Conservation Corps Minnesota so employed on June 30, 2003.

94.6 (b) Employees specified in paragraph (a), clause (13), are included employees under
94.7 paragraph (a) if employer and employee contributions are made in a timely manner in the
94.8 amounts required by section 352.04. Employee contributions must be deducted from salary.
94.9 Employer contributions are the sole obligation of the employer assuming operation of the
94.10 University of Minnesota heating plant facilities or any successor organizations to that
94.11 employer.

94.12 Sec. 9. Minnesota Statutes 2016, section 473.121, subdivision 5a, is amended to read:

94.13 Subd. 5a. **Metropolitan agency.** "Metropolitan agency" means the Metropolitan Parks
94.14 and Open Space Commission, and the Metropolitan Airports Commission, ~~and Metropolitan~~
94.15 ~~Sports Facilities Commission.~~

94.16 Sec. 10. Minnesota Statutes 2016, section 473.164, is amended to read:

94.17 **473.164 SPORTS, AIRPORT COMMISSIONS COMMISSION TO PAY COUNCIL**
94.18 **COSTS.**

94.19 Subdivision 1. **Annually reimburse.** ~~The Metropolitan Sports Facilities Commission~~
94.20 ~~and the Metropolitan Airports Commission~~ shall annually reimburse the council for costs
94.21 incurred by the council in the discharge of its responsibilities relating to the commission.
94.22 The costs may be charged against any revenue sources of the commission as determined
94.23 by the commission.

94.24 Subd. 2. **Estimates, budget, transfer.** On or before May 1 of each year, the council
94.25 shall transmit to ~~each~~ the commission an estimate of the costs which the council will incur
94.26 in the discharge of its responsibilities related to the commission in the next budget year
94.27 including, without limitation, costs in connection with the preparation, review,
94.28 implementation and defense of plans, programs and budgets of the commission. ~~Each~~ The
94.29 commission shall include the estimates in its budget for the next budget year and may
94.30 transmit its comments concerning the estimated amount to the council during the budget
94.31 review process. Prior to December 15 of each year, the amount budgeted by ~~each~~ the
94.32 commission for the next budget year may be changed following approval by the council.

95.1 During each budget year, the commission shall transfer budgeted funds to the council in
95.2 advance when requested by the council.

95.3 Subd. 3. **Final statement.** At the conclusion of each budget year, the council, in
95.4 cooperation with ~~each~~ the commission, shall adopt a final statement of costs incurred by
95.5 the council for ~~each~~ the commission. Where costs incurred in the budget year have exceeded
95.6 the amount budgeted, ~~each~~ the commission shall transfer to the council the additional moneys
95.7 needed to pay the amount of the costs in excess of the amount budgeted, and shall include
95.8 a sum in its next budget. Any excess of budgeted costs over actual costs may be retained
95.9 by the council and applied to the payment of budgeted costs in the next year.

95.10 Sec. 11. Minnesota Statutes 2016, section 473.565, subdivision 1, is amended to read:

95.11 Subdivision 1. **In MSRS; exceptions.** All employees of the former commission shall
95.12 be members of the Minnesota State Retirement System with respect to service rendered on
95.13 or after May 17, 1977, except as provided in this section.

95.14 Sec. 12. Minnesota Statutes 2016, section 473.755, subdivision 4, is amended to read:

95.15 Subd. 4. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the
95.16 powers and duties of its officers, and other matters relating to the governance of the authority
95.17 and the exercise of its powers. Except as provided in this section, the bylaws adopted under
95.18 this subdivision shall be similar in form and substance to bylaws adopted by the Metropolitan
95.19 Sports Facilities Commission pursuant to Minnesota Statutes 2012, section 473.553.

95.20 Sec. 13. Minnesota Statutes 2016, section 473.763, subdivision 2, is amended to read:

95.21 Subd. 2. **Acquisition.** Subject to the rules of Major League Baseball, the governor ~~and~~
95.22 ~~the Metropolitan Sports Facilities Commission~~ must attempt to facilitate the formation of
95.23 a corporation to acquire the baseball franchise and to identify an individual private managing
95.24 owner of the corporation. The corporation formed to acquire the franchise shall have a
95.25 capital structure in compliance with all of the following provisions:

95.26 (1) there may be two classes of capital stock: common stock and preferred stock. Both
95.27 classes of stock must give holders voting rights with respect to any relocation or voluntary
95.28 contraction of the franchise;

95.29 (2) the private managing owner must own no less than 25 percent and no more than 35
95.30 percent of the common stock. For purposes of this restriction, shares of common stock
95.31 owned by the private managing owner include shares of common stock owned by any related
95.32 taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as amended.

96.1 Other than the rights of all other holders of common stock and preferred stock with respect
96.2 to relocation or voluntary contraction of the franchise, the private managing owner must
96.3 control all aspects of the operation of the corporation;

96.4 (3) other than the private managing owner, no individual or entity may own more than
96.5 five percent of the common stock of the corporation;

96.6 (4) at least 50 percent of the ownership of the common stock must be sold to members
96.7 of the general public in a general solicitation and a person or entity must not own more than
96.8 one percent of common stock of the corporation; and

96.9 (5) the articles of incorporation, bylaws, and other governing documents must provide
96.10 that the franchise may not move outside of the state or agree to voluntary contraction without
96.11 approval of at least 75 percent of the shares of common stock and at least 75 percent of the
96.12 shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent approval
96.13 requirements shall not be amended by the shareholders or by any other means.

96.14 Except as specifically provided by Laws 2006, chapter 257, no state agency may spend
96.15 money from any state fund for the purpose of generating revenue under this subdivision or
96.16 for the purpose of providing operating support or defraying operating losses of a professional
96.17 baseball franchise.

96.18 Sec. 14. Minnesota Statutes 2016, section 473J.03, is amended by adding a subdivision
96.19 to read:

96.20 Subd. 13. **Stadium space.** "Stadium space" means a seat, personal seat license, suite,
96.21 club room, parking, or any other part of the stadium or license to access any part of the
96.22 stadium that a member of the general public would have to pay to use or access.

96.23 Sec. 15. Minnesota Statutes 2016, section 473J.07, subdivision 2, is amended to read:

96.24 Subd. 2. **Membership.** (a) The authority shall consist of five members.

96.25 (b) ~~The chair and two~~ Three members shall be appointed by the governor and confirmed
96.26 by the house of representatives and the senate. One member appointed by the governor shall
96.27 serve until December 31 of the third year following appointment and one member shall
96.28 serve until December 31 of the fourth year following appointment. Thereafter, members
96.29 appointed by the governor shall serve four-year terms, beginning January 1. Each member
96.30 serves until a successor is appointed and takes office unless removed by the appointing
96.31 authority for cause. Cause for removal includes violation of the employee code of ethics in
96.32 section 43A.38. ~~The chair serves at the pleasure of the governor.~~

(c) The mayor of the city shall appoint and the house of representatives and the senate shall confirm two members to the authority. One member appointed by the mayor of the city shall serve until December 31 of the third year following appointment and one member shall serve until December 31 of the fourth year following appointment. Thereafter, members appointed under this paragraph shall serve four-year terms beginning January 1. Each member serves until a successor is appointed and takes office unless removed by the appointing authority for cause. Cause for removal includes violation of the employee code of ethics in section 43A.38. Members appointed under this paragraph may reside within the city and may be appointed officials of a political subdivision.

~~(d) The initial members of the authority must be appointed not later than June 13, 2012.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to members appointed on or after the day following final enactment.

Sec. 16. Minnesota Statutes 2016, section 473J.07, subdivision 3, is amended to read:

Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the chair,~~ as provided in section 15.0575. The chair shall receive, ~~unless otherwise provided by other law, a salary in an amount fixed by the authority, no more than half of the salary of the executive director of the authority in fiscal year 2019~~ and shall be reimbursed for reasonable expenses to the same extent as a member.

Sec. 17. Minnesota Statutes 2016, section 473J.07, subdivision 4, is amended to read:

Subd. 4. **Chair.** The chair presides at all meetings of the authority, if present, and performs all other assigned duties and functions. The members of the authority shall biennially elect a chair from among its members. The authority may appoint from among its members a vice-chair to act for the chair during the temporary absence or disability of the chair, and any other officers the authority determines are necessary or convenient.

Sec. 18. Minnesota Statutes 2016, section 473J.07, subdivision 7, is amended to read:

Subd. 7. **Audit.** The legislative auditor shall audit the books and accounts of the authority once each year or as often as the legislative auditor's funds and personnel permit. The authority shall pay the total cost of the audit pursuant to section 3.9741. The legislative auditor may conduct examinations of the authority's finances, budgets, expenditures, revenues, and its operation. The legislative auditor may periodically examine the authority's use of stadium space by the authority's members, staff, family, friends, charitable organizations, and vendors.

98.1 Sec. 19. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:

98.2 Subd. 8. **Executive director; employees.** The authority may appoint an executive director
98.3 to serve as the chief executive officer of the authority. The executive director serves at the
98.4 pleasure of the authority and receives compensation as determined by the authority not to
98.5 exceed \$135,000. The executive director may be responsible for the operation, management,
98.6 and promotion of activities of the authority, as prescribed by the authority. The executive
98.7 director has the powers necessarily incident to the performance of duties required and powers
98.8 granted by the authority, but does not have authority to incur liability or make expenditures
98.9 on behalf of the authority without general or specific directions by the authority, as shown
98.10 by the bylaws or minutes of a meeting of the authority. The executive director is responsible
98.11 for hiring, supervision, and dismissal of all other employees of the authority. The authority
98.12 must conduct an annual employee evaluation of the executive director, which must be
98.13 reviewed and approved by the entire board.

98.14 Sec. 20. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision
98.15 to read:

98.16 Subd. 8a. **Budget; report.** After adoption, the authority shall submit its annual budget
98.17 to the commissioner of management and budget and to the chairs and ranking minority
98.18 members of the senate finance and house of representatives ways and means committees.

98.19 Sec. 21. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision
98.20 to read:

98.21 Subd. 8b. **Contracts.** The authority may not enter a contract with a value of more than
98.22 \$5,000 unless the terms of the contract have been approved by the authority by public vote
98.23 at a regular or special meeting. The authority may not delegate or authorize the executive
98.24 director to execute contracts on behalf of the authority in a manner that conflicts with this
98.25 subdivision.

98.26 Sec. 22. Minnesota Statutes 2016, section 473J.07, subdivision 9, is amended to read:

98.27 Subd. 9. **Web site.** The authority shall establish a Web site for purposes of providing
98.28 information to the public concerning all actions taken by the authority. At a minimum, the
98.29 Web site must contain a current version of the authority's bylaws, notices of upcoming
98.30 meetings, minutes of the authority's meetings, each annual budget, each use agreement,
98.31 each management agreement, each sponsorship agreement, meeting minutes for all meetings,
98.32 policies, and procedures, and contact telephone, electronic mail, and facsimile numbers for

99.1 public comments. This subdivision does not apply to information that is classified as not
99.2 public data, as defined in section 13.02, subdivision 8a, under other law.

99.3 Sec. 23. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
99.4 to read:

99.5 Subd. 7a. **Code of conduct and political activities.** (a) The authority shall adopt and
99.6 comply with the latest version of the state code of conduct promulgated by Minnesota
99.7 Management and Budget, and sections 43A.32 and 43A.38 apply to the authority members
99.8 and the authority's employees.

99.9 (b) For purposes of section 43A.38, subdivision 4, use of or preferential access to stadium
99.10 space by an authority member or employee constitutes an impermissible use of state property
99.11 for the employee's private interest, unless the use or terms of access are expressly permitted
99.12 by this section.

99.13 Sec. 24. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:

99.14 Subd. 13. **Legislative report.** (a) The authority must report in writing to the chairs and
99.15 ranking minority members of the legislative committees with jurisdiction over state
99.16 government finance and to the senate Finance Committee and the house of representatives
99.17 Ways and Means Committee by January 15 of each year ~~on the following~~, and in person to
99.18 the Legislative Commission on Minnesota Sports Facilities at least quarterly. The reports
99.19 must describe:

99.20 (1) any recommended increases in the rate or dollar amount of tax;

99.21 (2) any recommended increases in the debt of the authority;

99.22 (3) the overall work and role of the authority;

99.23 (4) the authority's proposed operating and capital budgets; ~~and~~

99.24 (5) the authority's implementation of the operating and capital budgets, including
99.25 information on actual revenues and expenditures, events conducted, and all expected or
99.26 unexpected maintenance and capital repair needs arising since the time of the last report;

99.27 (6) a listing of all stadium amenities under the control of the authority since the time of
99.28 the last report, and how the amenities were used; and

99.29 (7) at least once each year, a detailed accounting of amounts expended for operating
99.30 expenses of the stadium for the most recently available year by functional category or object

or both, estimates of those expenses for the current and coming year, and description of any plans for managing and improving efficiencies in the operation of the stadium.

(b) Copies of each report containing the information required by paragraph (a), clause (5), must also be provided to the commissioner of management and budget. The authority must also provide, at the request of the commissioner, any additional information on its expenditures on and plans for managing and budgeting for the costs of operating the stadium, including the reserve for capital expenditures. The commissioner must, at least once each biennium, review the amounts expended for stadium operations and make recommendations to the governor on the amount needed for state payment of those costs. The governor's budget must include recommendations for the payments under section 473J.13, subdivisions 2, paragraph (b), and 4, paragraph (c), and whether modification of the statutorily appropriated amounts is recommended or required.

Sec. 25. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:

Subd. 15. Consignment agreement; authority's suites. (a) The authority must negotiate an agreement providing for consignment of the authority's suites to the primary tenant consistent with the use agreement and subject to this subdivision. The final terms of the consignment must be approved by the chairs of the committees of the house of representatives and the senate with jurisdiction over state government finance and must include the following:

(1) the primary tenant is the consignee and must make all commercially reasonable efforts to sell access to the suites to third parties;

(2) the authority must receive a percentage of the revenues from consignment of the suites each year equal to at least 90 percent of the first \$400,000 of revenue and 65 percent of any amount in excess of that and the amount of revenue retained by the primary tenant must not exceed its actual transaction, marketing, and administrative costs that it would not have incurred but for the consignment; and

(3) the terms of the consignment agreement are effective for a period of five years beginning no later than August 1, 2018, and must be renegotiated no later than August 1, 2023, and every five years thereafter.

(b) Data collected, created, or maintained by the authority related to negotiation of the consignment required by this paragraph are nonpublic data, as defined in section 13.02, subdivision 9. Data provided to the legislative chairs under the approval requirement in paragraph (a) may not be disclosed without the consent of the primary tenant.

101.1 (c) The authority must use revenues from the consignment agreement to pay the operating
101.2 expenses of the stadium.

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

101.4 Sec. 26. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
101.5 to read:

101.6 **Subd. 16. Report on stadium space use by authority members, staff, and vendors.**
101.7 The authority shall report the following information annually to the governor, the mayor of
101.8 the city of Minneapolis, the chair of the Legislative Commission on Minnesota Sports
101.9 Facilities, and the chairs and ranking minority members of the senate Finance Committee
101.10 and the house of representatives Ways and Means Committee regarding use of stadium
101.11 space by authority members, staff, family, friends, charitable organizations, and vendors or
101.12 their guests:

101.13 (1) the costs of use;

101.14 (2) the identity of each adult attendee and their legitimate business purpose for attendance;

101.15 (3) the date, time, and a general description of the stadium event at which the suite was
101.16 used; and

101.17 (4) the value and description of any food, parking, or other benefits provided to attendees.

101.18 Sec. 27. **[473J.095] AUTHORITY'S USE OF STADIUM SPACE.**

101.19 **Subdivision 1. Application.** The restrictions in this section apply to the use of stadium
101.20 space provided to the authority under the terms of the lease or use agreement required under
101.21 section 473J.15, subdivision 3.

101.22 **Subd. 2. Use of stadium space by authority members and staff.** (a) Authority members
101.23 and authority staff, including the executive director of the authority, may not use stadium
101.24 space unless the use is for a legitimate business purpose. For purposes of this subdivision,
101.25 "legitimate business purpose" means:

101.26 (1) in the case of a suite, the executive director's use of the suite to conduct oversight of
101.27 stadium operations; or

101.28 (2) in the case of stadium space other than a suite:

101.29 (i) participating in a marketing effort arranged by the authority's management vendor;

101.30 (ii) conducting oversight of stadium operations; or

102.1 (iii) making stadium space available to nonprofit charitable organizations to provide
102.2 access to events at the stadium for people served by the charitable organization.

102.3 The executive director of the authority must ensure that use of stadium space does not
102.4 violate open meeting laws.

102.5 (b) Use of stadium space by authority staff must be based on an express written
102.6 assignment of duties by the executive director or, in the case of use by the executive director,
102.7 an express written assignment of duties by the authority chair. In all cases, use of stadium
102.8 space by authority staff must be approved by a vote of the authority at a public meeting,
102.9 and the legitimate business purpose for use must be made a part of the public record.
102.10 Authority staff may not be provided free food, beverages, or stadium parking unless necessary
102.11 to complete the assigned duties.

102.12 Subd. 4. **Use of stadium space by family, friends, and other guests.** The authority or
102.13 its members may not grant access to stadium space to family members, friends, or other
102.14 guests of the authority's members or staff unless the use is for a legitimate business purpose.
102.15 The use must be approved by a vote of the authority at a public meeting, and the legitimate
102.16 business purpose must be made a part of the public record. For purposes of this subdivision,
102.17 "legitimate business purpose" means being a prospective user of the stadium.

102.18 Subd. 5. **Open market purchase.** This section does not prohibit an authority member,
102.19 authority staff, or family, friends, or other guests of authority members or staff from attending
102.20 events or renting stadium space, if a ticket or a right of access to the space was purchased
102.21 on the open market through the same channels, and for the same price, as those available
102.22 to the general public.

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

102.24 Sec. 28. Minnesota Statutes 2016, section 473J.13, subdivision 2, is amended to read:

102.25 Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating
102.26 expenses of the stadium. The authority must require in the lease or use agreement with the
102.27 NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as
102.28 mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000
102.29 each year, increased by a three percent annual inflation rate.

102.30 (b)(1) Beginning January 1, 2016, or other date as mutually agreed upon by the parties,
102.31 and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000
102.32 each year, increased by an annual adjustment factor. The payment of \$6,000,000 per year
102.33 beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds

103.1 as provided under section 297A.994, subdivision 4, clause (4). After 2020, the state shall
103.2 assume this payment, using funds generated in accordance with the city of Minneapolis as
103.3 specified under section 297A.994, subdivision 4, clause (3); and

103.4 (2) beginning for fiscal year 2020, the payment under this section must be reduced by
103.5 the additional revenue received by the authority under the consignment under section 473J.09,
103.6 subdivision 15, in the prior fiscal year.

103.7 (c) The authority may establish an operating reserve to cover operating expense shortfalls
103.8 and may accept funds from any source for deposit in the operating reserve. The establishment
103.9 or funding of an authority operating reserve must not decrease the amounts required to be
103.10 paid to the authority toward operating costs under this subdivision unless agreed to by the
103.11 authority.

103.12 (d) The authority will be responsible for operating cost overruns.

103.13 (e) After the joint selection of the third-party manager or program manager, the authority
103.14 may agree with a program manager or other third-party manager of the stadium on a fixed
103.15 cost operating, management, or employment agreement with operating cost protections
103.16 under which the program manager or third-party manager assumes responsibility for stadium
103.17 operating costs and shortfalls. The agreement with the manager must require the manager
103.18 to prepare an initial and ongoing operating plan and operating budgets for approval by the
103.19 authority in consultation with the NFL team. The manager must agree to operate the stadium
103.20 in accordance with the approved operating plan and operating budget.

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

103.22 Sec. 29. Minnesota Statutes 2016, section 473J.13, subdivision 3, is amended to read:

103.23 Subd. 3. **Public access.** The authority will work to maximize access for public and
103.24 amateur sports, community, and civic events, and other public events in type and on terms
103.25 consistent with those ~~currently~~ held at the ~~existing~~ football stadium, as defined in Minnesota
103.26 Statutes 2012, section 473.551, subdivision 9. The authority may provide that these events
103.27 have exclusive use of the premises at agreed-upon times subject to the scheduling rights of
103.28 the NFL team under the lease or use agreement.

103.29 Sec. 30. Minnesota Statutes 2016, section 473J.25, subdivision 3, is amended to read:

103.30 Subd. 3. **Metropolitan Sports Facilities Commission abolished; interim powers**
103.31 **conferred on authority.** Upon transfer to the authority of all remaining assets, liabilities,
103.32 and obligations of the Metropolitan Sports Facilities Commission, in subdivision 2, the

Metropolitan Sports Facilities Commission is abolished. When the remaining assets, liabilities, and obligations of the Metropolitan Sports Facilities Commission have been transferred to the authority and the commission has been abolished, the powers and duties of the commission under Minnesota Statutes 2012, sections 473.551 to 473.599, and any other law shall devolve upon the authority, in addition to the powers and duties of the authority under chapter 473J, until the first NFL home game is played at the stadium.

Sec. 31. Minnesota Statutes 2016, section 473J.27, subdivision 2, is amended to read:

Subd. 2. **High school league.** The lessee of the stadium must make the facilities of the stadium available for use by the Minnesota State High School League for at least seven days each year for high school soccer and football tournaments. The lessee of the stadium must provide, and may not directly, or through a management company, charge the league a fee for, this use, including security, ticket takers, custodial or cleaning services, or other similar services in connection with this use.

Sec. 32. **RECOVERY; MINNESOTA SPORTS FACILITIES AUTHORITY.**

The Minnesota Sports Facilities Authority must make every effort to recover the fair market value of any food, parking, tickets, and access to stadium suites provided to a person prior to January 1, 2017, if the provision of those benefits to the person was not in the public interest. The authority shall report on recovery efforts to the commissioner of management and budget and to the chairs and ranking minority members of the senate finance and house of representatives ways and means committees by May 31, 2018. Money recovered under this section is transferred by July 1, 2018, to the commissioner of management and budget for deposit in the general reserve account established under Minnesota Statutes, section 297E.021, subdivision 4.

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

Sec. 33. **CHAIR SALARY; MINNESOTA SPORTS FACILITIES AUTHORITY.**

By February 15, 2019, the committees in the house of representatives and the senate with jurisdiction over state government finance shall recommend legislation limiting the salary of the chair of the Minnesota Sports Facilities Authority that shall apply beginning in fiscal year 2020.

105.1 Sec. 34. **REPEALER.**

105.2 (a) Minnesota Statutes 2016, sections 137.50, subdivision 5; 473.551; 473.552; 473.553,
105.3 subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; 473.556, subdivisions 1, 2, 3, 4, 5,
105.4 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17; 473.561; 473.564, subdivisions 2 and 3; 473.572;
105.5 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; and 473.76, are repealed.

105.6 (b) Minnesota Statutes 2016, section 473J.09, subdivision 14, is repealed.

105.7 Sec. 35. **EFFECTIVE DATE.**

105.8 This article is effective the day following final enactment. The terms of all current
105.9 members of the Minnesota Sports Facilities Authority terminate January 31, 2019. Appointing
105.10 authorities must appoint new members of the authority by January 15, 2019, to serve terms
105.11 beginning February 1, 2019. Appointments shall be effective and the appointees may exercise
105.12 the duties of the office upon receipt of the letter of appointment by the president of the
105.13 senate and the speaker of the house.

APPENDIX
Article locations in HF4016-2

ARTICLE 1 STATE GOVERNMENT APPROPRIATIONS..... Page.Ln 2.18

ARTICLE 2 STATE GOVERNMENT OPERATIONS..... Page.Ln 10.1

ARTICLE 3 ADMINISTRATIVE RULE MAKING..... Page.Ln 74.20

ARTICLE 4 CAMPAIGN FINANCE..... Page.Ln 80.1

ARTICLE 5 MINNESOTA SPORTS FACILITIES AUTHORITY..... Page.Ln 87.4

3.93 DEFINITIONS.

As used in sections 3.93 to 3.96 "attack" means an action or series of actions taken by an enemy of the United States resulting in substantial damage or injury to persons or property in this state through sabotage, bombs, missiles, shellfire, or atomic, radiological, chemical, bacteriological, or biological means.

3.94 PLACE OF SESSION.

Whenever, in the event of an attack, or a finding by the executive council that an attack may be imminent, the governor deems the place of the legislative session then prescribed to be unsafe, the governor may change it to any other place within or without the state which the governor deems safe and convenient.

3.95 SPECIAL SESSION IN EVENT OF ATTACK.

In the event of an attack, if the legislature is not in session, the governor shall convene a special session as soon as practicable, but within 30 days after the inception of the attack. If the governor fails to issue the call, the legislature, on the first Tuesday after the first Monday more than 30 days after the inception of the attack, shall convene without call at the place where the governor then maintains official office.

3.96 QUORUM AND VOTE REQUIREMENTS.

In the event of an attack the quorum requirement for the legislature is a majority of the members of each house who convene for the session. If the affirmative vote of a specified proportion of members of the legislature would otherwise be required to approve a bill, resolution, or for any other action, the same proportion of the members of each house convening at the session is sufficient.

3.98 FISCAL NOTES.

Subd. 4. **Uniform procedure.** The 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.

8.10 COMPENSATION OF ATTORNEYS.

The compensation of these attorneys for this service shall be 25 percent of the sums and amounts collected and received by the state, such compensation to be contingent upon collection and payment thereof to the state, with no further liability on the part of the state, and the amount of such compensation is hereby appropriated, payable upon the certificate of the attorney general filed with the commissioner of management and budget.

10A.30 STATE ELECTIONS CAMPAIGN ACCOUNT.

Subd. 2. **Separate account.** Within the state elections campaign account there must be maintained a separate political party account for the state committee and the candidates of each political party and a general account.

10A.31 DESIGNATION OF INCOME TAX PAYMENTS.

Subd. 3a. **Qualification of political parties.** (a) A major political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a major political party by July 1 of the taxable year.

(b) A minor political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a minor party statewide by July 1 of the taxable year.

(c) The secretary of state shall notify each major and minor political party by the first Monday in January of each odd-numbered year of the conditions necessary for the party to participate in income tax form and property tax refund return programs.

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(d) The secretary of state shall notify each political party, the commissioner of revenue, and the Campaign Finance and Public Disclosure Board by July 1 of each year and following certification of the results of each general election of the political parties that qualify for inclusion on the income tax form and property tax refund return as provided in subdivision 3.

Subd. 5a. **Party account for legislative candidates.** To ensure that money will be returned to the counties from which it was collected and to ensure that the distribution of money rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates must be distributed as provided in this subdivision.

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election must receive money from the candidate's party account allocated to candidates for the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district, the candidate's share of the dollars designated by taxpayers who resided in that county and credited to the candidate's party account and allocated to that office must be:

(1) the sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, divided by

(2) the sum of the votes cast in the entire county in the last general election for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, multiplied by

(3) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For a party under whose name no candidate's name appeared on the ballot statewide in the last general election, amounts in the party's account must be allocated based on (i) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (ii) the number of the people voting in the entire county in the last general election, multiplied by (iii) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

In the first general election after the legislature is redistricted, "the candidate's district" means the newly drawn district and voting data from the last general election must be applied to the area encompassing the newly drawn district, notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party is the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (1) and (2). The average vote must be added to the sums in clauses (1) and (2) before the calculation is made for all districts in the county.

Subd. 6. **Distribution of party accounts.** As soon as the board has obtained from the secretary of state the results of the primary election, but no later than one week after certification by the State Canvassing Board of the results of the primary, the board must distribute the available money in each party account, as certified by the commissioner of revenue one week before the state primary, to the candidates of that party who have signed a spending limit agreement under section 10A.322 and filed the affidavit of contributions required by section 10A.323, who were opposed in either the primary election or the general election, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivisions 5 and 5a. The public subsidy from the party account may not be paid in an amount greater than the expenditure limit of the candidate or the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10.

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Subd. 6a. **Party account money not distributed.** Money from a party account not distributed to candidates for state senator or representative in any election year must be returned to the general fund of the state, except that the subsidy from the party account an unopposed candidate would otherwise have been eligible to receive must be paid to the state committee of the candidate's political party to be deposited in a special account under subdivision 5, paragraph (b), clause (6), and used for only those items permitted under section 10A.275. Money from a party account not distributed to candidates for other offices in an election year must be returned to the party account for reallocation to candidates as provided in subdivision 5, paragraph (b), in the following year.

13.02 DEFINITIONS.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of the Department of Administration.

14.381 UNADOPTED RULES.

Subd. 3. **Costs.** The agency is liable for all Office of Administrative Hearings costs associated with review of the petition. If the administrative law judge rules in favor of the agency, the agency may recover all or a portion of the costs from the petitioner unless the petitioner is entitled to proceed in forma pauperis under section 563.01 or the administrative law judge determines that the petition was brought in good faith and that an assessment of the costs would constitute an undue hardship for the petitioner. If an agency has reason to believe it will prevail in the consideration of a petition, and that an effort to recover costs from the petitioner will be unsuccessful, it may request the chief administrative law judge to require the petitioner to provide bond or a deposit to the agency in an amount the chief administrative law judge estimates will be the cost to the Office of Administrative Hearings to review the petition.

137.50 DEFINITIONS.

Subd. 5. **Commission.** "Commission" means the Metropolitan Sports Facilities Commission.

155A.28 HAIR BRAIDING.

Subdivision 1. **Registration.** Any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall register with the Minnesota Board of Cosmetologist Examiners in a form determined by the board.

Subd. 3. **Requirements.** In order to qualify for initial registration, any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall satisfactorily complete instruction at either an accredited school, professional association, or by an individual approved by the board. Instruction includes coursework covering the topics of health, safety, infection control, and state laws related to cosmetology not to exceed 30 hours. The coursework is encouraged to be provided in a foreign language format and such availability shall be reported to and posted by the Minnesota Board of Cosmetologist Examiners.

Subd. 4. **Curriculum.** An accredited school, professional association, or an individual approved by the board desiring to provide the coursework required under subdivision 3 shall have curriculum in place by January 1, 2008.

473.123 METROPOLITAN COUNCIL.

Subd. 3. **Membership; appointment; qualifications.** (a) Sixteen members must be appointed by the governor from districts defined by this section. Each council member must reside in the council district represented. Each council district must be represented by one member of the council.

(b) In addition to the notice required by section 15.0597, subdivision 4, notice of vacancies and expiration of terms must be published in newspapers of general circulation in the metropolitan area and the appropriate districts. The governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which a member is to be appointed must be notified in writing. The notices must describe the appointments process and invite participation and recommendations on the appointment.

(c) The governor shall create a nominating committee, composed of seven metropolitan citizens appointed by the governor, to nominate persons for appointment to the council from districts. Three

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of the committee members must be local elected officials. Following the submission of applications as provided under section 15.0597, subdivision 5, the nominating committee shall conduct public meetings, after appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the governor a list of nominees for each appointment. The governor is not required to appoint from the list.

(d) Before making an appointment, the governor shall consult with all members of the legislature from the council district for which the member is to be appointed.

(e) Appointments to the council are subject to the advice and consent of the senate as provided in section 15.066.

(f) Members of the council must be appointed to reflect fairly the various demographic, political, and other interests in the metropolitan area and the districts.

(g) Members of the council must be persons knowledgeable about urban and metropolitan affairs.

(h) Any vacancy in the office of a council member shall immediately be filled for the unexpired term. In filling a vacancy, the governor may forgo the requirements of paragraph (c) if the governor has made appointments in full compliance with the requirements of this subdivision within the preceding 12 months.

473.551 DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of sections 473.551 to 473.599, the following terms shall have the meanings given in this section.

Subd. 2. **Cities.** "Cities" means the cities of Minneapolis, Bloomington, and Richfield.

Subd. 3. **Commission.** "Commission" means the Metropolitan Sports Facilities Commission.

Subd. 4. **Metrodome debt service.** "Metrodome debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.581.

Subd. 5. **Metropolitan sports area.** "Metropolitan sports area" means the real estate in the city of Bloomington described in the ownership and operations agreement, and all buildings, structures, improvements and equipment thereon including the met center, owned by the cities on May 17, 1977, the date of enactment of sections 473.551 to 473.595, and since transferred to the commission pursuant to sections 473.551 to 473.595.

Subd. 6. **Metropolitan Sports Area Commission.** "Metropolitan Sports Area Commission" means that commission established by an ownership and operations agreement made and entered into as of August 13, 1954, validated by Laws 1955, Chapter 445, to which the cities were parties on May 17, 1977.

Subd. 7. **Multipurpose sports facility.** "Multipurpose sports facility" means a single unit sports facility suitable for university or major league professional baseball, football, and soccer.

Subd. 8. **Sports facility or sports facilities.** "Sports facility" or "sports facilities" means real or personal property comprising a stadium, stadiums, or arenas suitable for university or major league professional baseball, for university or major league professional football and soccer, or for both, or for university or major league hockey or basketball, or for both, together with adjacent parking facilities, including on the effective date of Laws 1994, chapter 648, the metrodome, the met center, and, upon acquisition by the commission, the basketball and hockey arena.

Subd. 9. **Metrodome.** "Metrodome" means the Hubert H. Humphrey Metrodome located in the city of Minneapolis constructed and owned by the commission and financed by the bonds of the council issued pursuant to sections 473.551 to 473.595, including all real estate, buildings, improvements, and equipment in and on them.

Subd. 10. **Basketball and hockey arena.** "Basketball and hockey arena" means the indoor arena building currently occupied and utilized for the playing of university or major league basketball, hockey, and other purposes located in the city of Minneapolis, including all improvements and

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equipment in the arena and the leasehold or other interest in the arena land appurtenant to the arena, but excluding the health club.

Subd. 11. **Health club.** "Health club" means that separate portion of the basketball and hockey arena building occupied and utilized by a private sports and health club on the effective date of Laws 1994, chapter 648, the improvements and equipment in and on it, and the leasehold or other interest in the arena land appurtenant to it.

Subd. 12. **Met Center.** "Met Center" means the real estate in the city of Bloomington presently owned by the commission, formerly utilized for major league hockey, and all buildings, improvements, and equipment in and on it.

Subd. 13. **Development agreement.** "Development agreement" means the second amended and restated development agreement among the Minneapolis Community Development Agency, Northwest Racquet, Swim & Health Clubs, Inc., and the city of Minneapolis dated August 5, 1988, and as amended before the effective date of Laws 1994, chapter 648.

Subd. 14. **Ground lease.** "Ground lease" means the ground lease of the arena land between the Minneapolis Community Development Agency and Northwest Racquet, Swim & Health Clubs, Inc., dated August 5, 1988, and as amended before the effective date of Laws 1994, chapter 648.

Subd. 15. **Guarantors.** "Guarantors" means the individuals who have guaranteed to the Minneapolis Community Development Agency and the city of Minneapolis the performance of the development agreement, ground lease, and certain other obligations pursuant to written guaranty dated February 17, 1988.

Subd. 16. **Arena land.** "Arena land" means the real estate upon which the basketball and hockey arena and health club have been constructed and any adjacent parcel or parcels which are owned by the city of Minneapolis and subject to the development agreement or the ground lease and all rights, privileges, and easements appertaining to it.

Subd. 17. **Basketball and hockey arena debt service.** "Basketball and hockey arena debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.599.

473.552 LEGISLATIVE POLICY; PURPOSE.

The legislature finds that

(a) the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area,

(b) the commission's ownership and operation of the metrodome and met center has met in part the foregoing need and has promoted the economic and social interests of the metropolitan area, of the state, and of the public, and

(c) the commission's acquisition of the basketball and hockey arena on the terms and conditions provided in sections 473.598 and 473.599 shall similarly and more fully meet the foregoing needs and promote these interests.

It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a Metropolitan Sports Facilities Commission.

473.553 COMMISSION; MEMBERSHIP; ADMINISTRATION.

Subdivision 1. **General.** The Metropolitan Sports Facilities Commission is established and shall be organized, structured, and administered as provided in this section.

Subd. 2. **Membership.** The commission shall consist of six members, appointed by the city council of the city in which the stadium is located plus a chair appointed as provided in subdivision 3.

Subd. 3. **Chair.** The chair shall be appointed by the governor as the ninth voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the city of Minneapolis. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may

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appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Subd. 4. **Qualifications.** A member shall not during a term of office hold the office of Metropolitan Council member or be a member of another metropolitan agency or hold any judicial office or office of state government. None of the members appointed by the city council of the city in which the stadium is located shall be an elected public official of that city or of another political subdivision any part of whose territory is shared with that city. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, article V, section 6. The oath, duly certified by the official administering it, shall be filed with the chair of the Metropolitan Council.

Subd. 5. **Terms.** The terms of three members shall end the first Monday in January in the year ending in the numeral "5." The terms of the other members and the chair shall end the first Monday in January in the year ending in the numeral "7." The term of each member and the chair shall be four years. The terms shall continue until a successor is appointed and qualified. Members may be removed only for cause.

Subd. 6. **Vacancies.** A vacancy shall be filled by the appointing authority in the same manner in which the original appointment was made.

Subd. 7. **Compensation.** Each commission member shall be paid \$50 for each day when the member attends one or more meetings or provides other services, as authorized by the commission, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties. The chair of the Metropolitan Sports Facilities Commission shall receive, unless otherwise provided by other law, a salary in an amount fixed by the members of the commission and shall be reimbursed for reasonable expenses to the same extent as a member. The annual budget of each commission shall provide as a separate account anticipated expenditures for per diem, travel, and associated expenses for the chair and members, and compensation or reimbursement shall be made to the chair and members only when budgeted.

Subd. 8. **Regular and special meetings.** The commission shall meet regularly at least once each month, at such time and place as the commission shall by resolution designate. Special meetings may be held at any time upon the call of the chair or a majority of the members, upon written notice to each member at least three days prior to the meeting, or upon such other notice as the commission may by resolution provide. Unless otherwise provided, any action within the authority of the commission may be taken by the affirmative vote of a majority of the members. A majority of all of the members of the commission shall constitute a quorum, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members.

Subd. 9. **Personnel code; merit system.** (a) The council shall by resolution adopt guidelines for a personnel code relating to the employees of the commission, except that nothing in Laws 1974, chapter 422, shall impair the rights of the commission or employee under sections 473.405 and 473.415. After adoption of the guidelines, the commission shall by resolution adopt a personnel code in general conformance therewith. The code shall include a job classification plan, procedures for employment and promotion of personnel based on merit, procedures for the demotion, suspension, or discharge of employees, procedures for hearing grievances, procedures for salary administration, and such other provisions as the council deems appropriate. In addition, the code shall provide for the development by the commission of affirmative action plans, as provided in section 473.143. The executive director of the commission shall administer the code, and the commission shall not take any action inconsistent with the personnel code.

(b) When a commission employee has been demoted, suspended, or dismissed by the executive director, the employee may, within 30 days after such action becomes effective, file with the commission a written request for a hearing showing the position from which the employee was dismissed, the date of dismissal, and the reason for requesting the hearing, full name and present mailing address. Upon receipt of a request for a hearing the commission shall appoint three of its members to act as an appeal committee and preside at a hearing on the action of the executive director. The hearing shall be held within 30 days after the request is received by the commission, upon written notice mailed or delivered to the employee at the employee's present mailing address, not less than seven days before the hearing. The appeal committee shall approve or disapprove the action of the executive director, and in the case of approval the action of the executive director shall be final. In the case of disapproval the appeal committee may reinstate the employee under such conditions as it deems proper, and may order the payment to the employee of compensation lost as a result of the demotion, suspension or dismissal.

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Subd. 10. **Secretary and treasurer.** At its first regular meeting each year the commission shall appoint a secretary and a treasurer or, in the alternative, a secretary-treasurer. The secretary and treasurer, or secretary-treasurer, may, but need not be, members of the commission, and shall hold office at the pleasure of the commission, subject to the terms of any contract of employment which the commission may enter into with the secretary or treasurer. The secretary shall record the minutes of all meetings of the commission and shall be the custodian of all books and records of the commission except such as the commission shall entrust to the custody of a designated employee. The treasurer shall be the custodian of all moneys received by the commission except such as the commission shall entrust to the custody of a designated employee. The commission may appoint a deputy to perform any and all functions of either the secretary or the treasurer.

Subd. 11. **Executive director.** The chair of the commission shall, subject to the approval of the commission, appoint an executive director who shall be chosen solely on the basis of training, experience, and other qualifications, and who shall serve at the pleasure of the commission. The executive director shall attend meetings of the commission, but shall not vote, and shall have the following powers and duties:

- (a) See that all resolutions, rules, or orders of the commission are enforced.
- (b) Appoint and remove, subject to the provisions of the personnel code adopted pursuant to subdivision 9, upon the basis of merit and fitness, all subordinate officers and regular employees of the commission.
- (c) Present to the commission plans, studies, and reports prepared for commission purposes and recommend to the commission for adoption such measures as the executive director deems necessary to enforce or carry out the powers and duties of the commission, or to the efficient administration of the affairs of the commission.
- (d) Keep the commission fully advised as to its financial condition, and prepare and submit to the commission its annual budget and such other financial information as it may request.
- (e) Recommend to the commission for adoption such rules as the executive director deems necessary for the efficient operation of the commission's functions.
- (f) Perform such other duties as may be prescribed by the commission.

Subd. 12. **Commission operating procedures.** (a) The commission shall adopt resolutions and bylaws, an administrative code establishing procedures for commission action, keeping records, approving claims, authorizing and making disbursements, authorizing contracts, safekeeping funds and audit of all financial operations of the commission.

(b) The commission and the council may enter into contracts with each other and with other commissions and governmental units for the joint exercise of powers in the manner provided by section 471.59; provided that the commission shall not enter into any contract with the council which would assign any operations authority, responsibility or function, other than planning or making studies, from the commission to the council.

Subd. 13. **Relocation payment standards.** In all acquisitions the commission shall provide as a cost of acquisition the relocation assistance, services, payments and benefits required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1894 (1971), United States Code, title 42, section 4601, et seq.

473.556 POWERS OF COMMISSION.

Subdivision 1. **General.** The commission shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to those specified in this section.

Subd. 2. **Actions.** The commission may sue and be sued, and shall be a public body within the meaning of chapter 562.

Subd. 3. **Acquisition of property.** The commission may acquire by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 473.551 to 473.599 within the limits of the metropolitan area.

Subd. 4. **Exemption of property.** Any real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for any of the purposes of sections 473.551 to 473.599 is declared to be acquired, owned, leased, controlled, used and occupied for public,

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governmental, and municipal purposes, and shall be exempt from ad valorem taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any such properties in any manner different from their use under sections 473.551 to 473.599 at the time shall be considered in determining the special benefit received by the properties. All assessments shall be subject to final confirmation by the council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 473.551 to 473.599, including the operation of the metrodome, met center, and, if acquired by the commission, the basketball and hockey arena shall be exempt from taxation regardless of the length of the lease. The provisions of this subdivision, insofar as they require exemption or special treatment, shall not apply to any real property comprising the met center which is leased by the commission for residential, business, or commercial development or other purposes different from those contemplated in sections 473.551 to 473.599.

Subd. 5. **Facility operation.** The commission may equip, improve, operate, manage, maintain, and control the Metrodome, Met Center, basketball and hockey arena and sports facilities constructed, remodeled, or acquired under the provisions of sections 473.551 to 473.599.

Subd. 6. **Disposition of property.** (a) The commission may sell, lease, or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property shall be sold in accordance with the procedures provided by section 469.065, insofar as practical and consistent with sections 473.551 to 473.599.

(b) The proceeds from the sale of any real property at the metropolitan sports area shall be paid to the council and used for debt service or retirement.

Subd. 7. **Contracts.** The commission may contract for materials, supplies, and equipment in accordance with section 471.345, except that the commission may employ persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or any part of a project to build or remodel sports facilities. Contractors shall be selected through the process of public bidding, provided that it shall be permissible for the commission to narrow the listing of eligible bidders to those which the commission determines to possess sufficient expertise to perform the intended functions. Any construction manager or contractor shall certify, before the contracts are finally signed, a construction price and completion date to the commission and shall post a bond in an amount at least equal to 100 percent of the certified price, to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date. The commission shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the commission under the provisions of sections 514.01 to 514.16.

Subd. 8. **Employees; contracts for services.** The commission may employ persons and contract for services necessary to carry out its functions. The commission may employ on such terms as it deems advisable persons or firms for the purpose of providing traffic officers to direct traffic on property under the control of the commission and on the city streets in the general area of the property controlled by the commission. The traffic officers shall not be peace officers and shall not have authority to make arrests for violations of traffic rules.

Subd. 9. **Gifts and grants.** The commission may accept gifts of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of the state, or any person for any of its purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money, property, or services in accordance with the terms of the gift, grant, loan or agreement relating thereto. Except for the acquisition, clearance, relocation, and legal costs referred to in section 473.581, subdivision 3, clauses (d) and (e), the commission shall not accept gifts, grants, or loans valued in excess of \$2,000,000 without the prior approval of the council. In evaluating proposed gifts, grants, loans, and agreements required in connection therewith, the council shall examine the possible short-range and long-range impact on commission revenues and commission operating expenditures.

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Subd. 10. **Research.** The commission may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with its functions.

Subd. 11. **Agreements with university.** The commission and the Board of Regents of the University of Minnesota may enter into agreements and do all other acts necessary to further the functions prescribed in sections 473.551 to 473.599.

Subd. 12. **Use agreements.** The commission may lease, license, or enter into agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial or other entertainment, instruction, or activity for the citizens of the metropolitan area. Any such use agreement may provide that the other contracting party shall have exclusive use of the premises at the times agreed upon.

Subd. 13. **Insurance.** The commission may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it deems necessary against liability of the commission or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 14. **Small business contracts.** In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to subdivisions 5, 7, 8 and 10, the commission shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts and subcontracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16C.16 to 16C.19. The commission shall follow the rules promulgated by the commissioner of administration pursuant to section 16C.19, and shall submit reports of the kinds required of the commissioners of administration and economic development by section 16C.18.

Subd. 16. **Agreements with Amateur Sports Commission.** (a) The commission and the Minnesota Amateur Sports Commission created pursuant to chapter 240A may enter into long-term leases, use or other agreements for the conduct of amateur sports activities at the basketball and hockey arena, and the net revenues from the activities may be pledged for basketball and hockey arena debt service. The commission, with the advice of the Minnesota Amateur Sports Commission, shall establish standards to provide reasonable assurances to other public bodies owning or operating an entertainment or sports complex or indoor sports arena in the metropolitan area that the agreements between the commission and the Minnesota Amateur Sports Commission with respect to the basketball and hockey arena shall not remove the conduct of amateur sports activities currently and traditionally held at such facilities.

(b) Any long-term lease, use, or other agreement entered into by the Minnesota Amateur Sports Commission with the commission under paragraph (a) must also:

(1) provide for a release of the Minnesota Amateur Sports Commission from its commitment under the agreement if the legislature repeals or amends a standing appropriation or otherwise does not appropriate sufficient money to fund the lease or agreement to the Minnesota Amateur Sports Commission; and

(2) provide for a release of the Minnesota Amateur Sports Commission from its commitment under the agreement and permit it to agree to a per event use fee when the bonds issued for the metro dome under section 473.581 have been retired.

(c) No long-term lease, use, or other agreement entered into by the Minnesota Amateur Sports Commission under paragraph (a) may commit the amateur sports commission to paying more than \$750,000 per year.

(d) Any long-term lease, use, or other agreement entered into under paragraph (a) shall provide that the Minnesota Amateur Sports Commission shall be entitled to use of the basketball and hockey arena for 50 event days per year. In addition, any long-term lease, use, or other agreement entered into under paragraph (a) shall permit the Minnesota Amateur Sports Commission to allow another person or organization to use one or more of its days.

Subd. 17. **Creating a condominium.** The commission may, by itself or together with the Minneapolis Community Development Agency and any other person, as to real or personal property comprising or appurtenant or ancillary to the basketball and hockey arena and the health club, act as a declarant and establish a condominium or leasehold condominium under chapter 515A or a

common interest community or leasehold common interest community under chapter 515B, and may grant, establish, create, or join in other or related easements, agreements and similar benefits and burdens that the commission may deem necessary or appropriate, and exercise any and all rights and privileges and assume obligations under them as a declarant, unit owner or otherwise, insofar as practical and consistent with sections 473.551 to 473.599. The commission may be a member of an association and the chair, any commissioners and any officers and employees of the commission may serve on the board of an association under chapter 515A or 515B.

473.561 EXEMPTION FROM COUNCIL REVIEW.

The acquisition and betterment of sports facilities by the commission shall be conducted pursuant to sections 473.551 to 473.599 and shall not be affected by the provisions of sections 473.165 and 473.173.

473.564 METROPOLITAN SPORTS AREA.

Subd. 2. **Assumption of obligations.** Nothing herein shall be construed as imposing upon the council or commission an obligation to compensate the cities or the metropolitan sports area commission for all or any part of the metropolitan sports area or to continue to operate and maintain the metropolitan sports area facilities taken over by the commission.

Subd. 3. **Employees.** Upon transfer of ownership all persons then employed by the metropolitan sports area commission shall be transferred to the metropolitan sports facilities commission without loss of right or privilege. Nothing in this section shall be construed to give any such person the right or privilege to continue in the same level or classification of employment previously held. The metropolitan sports facilities commission may assign any such person to an employment level and classification which it deems appropriate and desirable in accordance with its personnel code.

473.572 REVISED FINAL DETERMINATION.

Subdivision 1. **Determinations before bonds.** The council shall make all determinations required by sections 473.581, subdivision 3, and 473.599 before it authorizes the issuance of bonds.

Subd. 2. **Self-supporting effort.** It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of section 473.581, subdivision 3, impose rates, rentals and other charges in the operation of the metrodomes which will make the metrodomes self supporting so that the taxes imposed under section 473.592 for the metrodomes will be at the lowest possible rate consistent with the obligations of the city of Minneapolis as provided in sections 473.551 to 473.595.

473.581 DEBT OBLIGATIONS.

Subdivision 1. **Bonds.** The council may by resolution authorize the sale and issuance of its bonds for any or all of the following purposes:

(a) To provide funds for the acquisition or betterment of the Metrodome by the commission pursuant to sections 473.551 to 473.595;

(b) To refund bonds issued hereunder ; and

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the commission's functions related to the Metrodome and the Met Center.

Subd. 2. **Procedure.** The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.595, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.595, excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, the taxes for the basketball and hockey arena provided in section 473.592, and other revenues attributable to the basketball and hockey arena. The bonds shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, provided that nothing herein shall affect the obligation of the city of Minneapolis to levy a tax pursuant to agreements made under

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the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 3.

Subd. 3. **Limitations.** The principal amount of the bonds issued pursuant to subdivision 1, clause (a), shall not exceed the amounts hereinafter authorized. If the commission's proposal and the construction contracts referred to in clause (g) of this subdivision provide for the construction of a covered multipurpose sports facility, the total cost of constructing the facility under the construction contracts, not including costs paid from funds provided by others, and the principal amount of bonds issued pursuant to subdivision 1, clause (a), shall be limited to \$55,000,000. If the commission's proposal and the construction contracts do not provide for the construction of a cover on a proposed multipurpose sports facility and the commission does not otherwise contract for the construction or acquisition of a cover for the sports facility, the principal amount shall be limited to \$42,000,000. If the commission's proposal and the construction contracts provide for the construction of a new sports facility for football and soccer and for remodeling the existing metropolitan stadium for baseball, the principal amount shall be limited to \$37,500,000. If the commission's proposal and the construction contracts provide for the reconstruction and remodeling of the existing Metropolitan Stadium as an uncovered multipurpose sports facility, the principal amount shall be limited to \$25,000,000. The bonds issued pursuant to subdivision 1, clause (a), shall bear an average annual rate of interest, including discount, not in excess of 7-1/2 percent. The proceeds of the bonds issued pursuant to subdivision 1, clause (a), shall be used only for the acquisition and betterment of sports facilities suitable for baseball, football and soccer, with a seating capacity for football and soccer of approximately 65,000 persons. The council shall issue its bonds and construction of sports facilities may commence when the council has made the following determinations:

(a) The commission has executed agreements with major league professional baseball and football organizations to use the Metrodome for all scheduled regular season home games and play-off home games and, in the case of the football organization, for at least one-half of its exhibition games played each season. The agreements shall be for a period of not more than 30 years nor less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the acquisition and betterment of the Metrodome. The agreements may contain provisions negotiated between the organizations and the commission which provide for termination upon conditions related and limited to the bankruptcy, insolvency, or financial capability of the organization. The agreements shall provide that, in the event of breach of the agreements, the defaulting organization shall pay damages annually to the commission. The annual payment shall be in an amount equal to the annual average of all revenue derived by the commission from attendance at events and activities of the defaulting organization during the years prior to default, provided that the damages shall not exceed in any year an amount sufficient, with other revenues of the commission but excluding proceeds of the taxes under section 473.592, to pay all expenses of operation, maintenance, administration, and debt service for the use of the Metrodome by the defaulting organization during the same year. The damages shall be payable during the period from the occurrence of the default to the date on which another major league professional baseball or football organization, replacing the defaulting organization, enters into a use agreement with the commission for not less than the then remaining term of the original agreement. The agreements with the teams shall provide that no closed circuit or pay television broadcasting of events in the Metrodome may be allowed without the approval of the commission. The agreements shall include provisions protecting the commission and the council in the event of change in ownership of the professional teams.

(b) The commission has executed agreements with professional baseball and football major leagues which guarantee the continuance of franchises in the metropolitan area for the period of the agreements referred to in clause (a).

(c) The proceeds of bonds provided for in this subdivision will be sufficient, together with other capital funds that may be available to the commission for expenditures on the Metrodome, to construct or remodel and to furnish the Metrodome proposed by the commission, including the appropriate professional fees and charges but excluding, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses (d) and (e).

(d) The commission has acquired, without cost to the commission or the council except as provided in this subdivision, title to all real property including all easements and other appurtenances needed for the construction and operation of the Metrodome or has received a grant of funds or has entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.

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(e) The commission has received a grant of funds or entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of the Metrodome of all buildings, railroad tracks and other structures, including without limitation all relocation costs, all utility relocation costs, and all legal costs.

(f) The commission has executed agreements with appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay or impede construction.

(g) The commission has executed agreements which will provide for the construction of the Metrodome for a certified construction price and completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date.

(h) The environmental impact statement for the Metrodome has been accepted by the Environmental Quality Board, and the Pollution Control Agency and any other department, agency, or unit of government have taken the actions necessary to permit the construction of the Metrodome.

(i) At least 50 percent of the private boxes provided for in the commission's proposal for the Metrodome are sold or leased for at least five years.

(j) The anticipated revenue from the operation of the Metrodome plus any additional available revenue of the commission and the revenue from the taxes under section 473.592 will be an amount sufficient to pay when due all debt service plus all administration, operating and maintenance expense.

(k) The commission has studied and considered the needs of the University of Minnesota for athletic facilities for a prospective 20 year period.

(l) The city of Minneapolis has entered into an agreement as contemplated in section 473.592 as security for the Metrodome debt service.

(m) The commission has entered into an agreement or agreements with a purchaser or purchasers of tickets of admission for a period of not less than 20 years which will assure that whenever more than 90 and less than 100 percent of the tickets of admission for seats at any professional football game, which were available for purchase by the general public 120 hours or more before the scheduled beginning time of the game either at the Metrodome where the game is to be played or at the box office closest to the Metrodome, have been purchased 72 hours or more before the beginning time of the game, then all of such tickets which remain unsold will be purchased in sufficient time to permit the telecast to areas within the state which otherwise would not receive the telecast because of the terms of an agreement in which the professional football league has sold or otherwise transferred all or part of the rights of the league's member organizations in the sponsored telecasting of games of the organizations. The party or parties agreeing to the purchase of such unsold tickets shall be obligated for a period of at least 20 years in an amount determined by the council to be sufficient to assure the purchase of all such unsold tickets.

(n) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the city of Minneapolis.

The validity of any bonds issued under subdivision 1, clause (a), and the obligations of the council and commission related thereto, shall not be conditioned upon or impaired by the council's determinations made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

Subd. 4. **Security.** To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the Metrodome, the tax and other revenues of the commission described in section 473.595, subdivision 1, and any other revenues of the commission attributable to the Metrodome shall be and remain pledged and appropriated for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the Metrodome until all bonds and certificates issued pursuant to this section are fully paid or

discharged in accordance with law. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other Metrodome and Met Center revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax and other revenues referred to in sections 473.551 to 473.595 (excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, taxes described in section 473.592 for the basketball and hockey arena, and other revenues attributable to the basketball and hockey arena) from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing such payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council hereunder, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof, and without possession or filing as provided in the Uniform Commercial Code or any other law. In the bond resolution or trust indenture the council may make such covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council thereunder are fully discharged.

Subd. 5. **Revenue anticipation certificates.** At any time or times after approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of the Metrodome, and in anticipation of the proceeds from the taxes under section 473.592 for the Metrodome and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the first annual budget of the commission, the council may authorize up to \$300,000 in revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax and other revenues received, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 1 may be used, provided that the proceeds of certificates issued after May 26, 1979, shall not be used to pay capital costs of the Metrodome constructed or remodeled pursuant to sections 473.551 to 473.595.

473.592 TAX REVENUES.

Subdivision 1. **Local sales tax.** The city of Minneapolis may enter into agreements with the Metropolitan Council and the commission which requires the municipality to impose a sales tax, supplemental to the general sales tax imposed in chapter 297A, for the purposes and in accordance with the requirements specified in sections 473.551 to 473.599. The tax may be imposed:

(a) on the gross receipts from all retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores located within the municipality,

(b) notwithstanding any limitations of Laws 1986, chapter 396, section 5, clause (2), on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the municipality,

(c) on the gross receipts on all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the city, or

(d) on any one or combination of the foregoing.

A tax under this subdivision shall be imposed only within a downtown taxing area to be determined by the council.

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The agreement or agreements between the city, the Metropolitan Council, and the commission shall require the municipality to impose the tax or taxes at whatever rate or rates may be necessary to produce revenues which are determined by the council from year to year to be required, together with the revenues available to the commission, to pay when due all debt service on bonds and revenue anticipation certificates issued under section 473.581, all debt service on bonds and revenue anticipation certificates issued under section 473.599, and all expenses of operation, administration, and maintenance of the Metrodome and the basketball and hockey arena. When it is determined that a tax must be imposed under this subdivision after the effective date of Laws 1994, chapter 648, there shall be added to the rate of the tax imposed for the purposes described in the previous sentence a tax at a rate of 0.25 percent for use by the city to fund recreational facilities and programs in the city's neighborhoods for children and youth through the Minneapolis Park and Recreation Board. The agreements shall provide for the suspension, reimposition, reduction, or increase in tax collections upon determination by the Metropolitan Council that such actions are appropriate or necessary for the purposes for which the tax is imposed, provided that the balance in each of the Metrodome debt service and the basketball and hockey arena debt service fund or funds, including any reserve for debt service, shall be maintained at least at an amount sufficient to pay the principal and interest on bonds which will become due within the next succeeding one year period and, except as otherwise provided by agreement, shall not be maintained at an amount greater than that required to pay principal and interest on bonds which will become due within the next succeeding two-year period. Once the tax is imposed by the city, the tax imposed for the benefit of the Minneapolis Park and Recreation Board shall remain in effect at the rate of 0.25 percent until the bonds issued under section 473.599 have been retired. The agreements shall be executed by the city, after approval by resolution of the city council and before the issuance of the bonds under section 473.581 and commencement of construction of the Metrodome or the issuance of bonds under section 473.599 and acquisition of the basketball and hockey arena and shall constitute a contract or contracts with and for the security of all holders of the bonds and revenue anticipation certificates secured by the tax. The Metrodome shall not be constructed or remodeled in a municipality which has not entered into an agreement for the Metrodome in accordance with this section. A basketball and hockey arena shall not be acquired in the city of Minneapolis unless the city has entered into an agreement in accordance with this section as security for bonds issued pursuant to section 473.599 and expenses of operation, administration, and maintenance of the basketball and hockey arena. The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions. The collections of the tax, less refunds and a proportionate share of the costs of collection, shall be remitted at least quarterly to the Metropolitan Council and the city of Minneapolis for use by the Minneapolis Park and Recreation Board. The commissioner of revenue shall deduct from the proceeds remitted to the council and the city an amount that equals the indirect statewide costs as well as the direct and indirect department costs necessary to administer, audit, and collect this tax. The amount deducted shall be deposited in the general fund of the state. The proceeds remitted with respect to the Metrodome shall be placed, together with the net revenues of the commission attributable to the Metrodome under section 473.595, into the debt service fund or reserve or special funds, established under section 473.581, and any funds established to secure payment of operating deficits of the commission arising from its ownership and operation of the Metrodome. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.581, and expenses of operation, administration, and maintenance of the Metrodome. The proceeds shall not be used for any capital costs of the Metrodome, except that the proceeds may be used to pay interest on bonds during the construction period.

The proceeds remitted with respect to the basketball and hockey arena shall be placed, together with the net revenues of the commission attributable to the basketball and hockey arena under section 473.595, subdivision 1a, into the debt service fund or reserve or special funds, established under section 473.599, and any funds established to secure payment of operating deficits of the commission arising from its acquisition, ownership, operation, or maintenance of the basketball and hockey arena. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.599, and expenses of operation, administration, and maintenance of the basketball and hockey arena.

473.595 COMMISSION FINANCES.

Subdivision 1. **Metrodome admission tax.** The commission shall by resolution impose and maintain a ten percent admission tax upon the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities at the Metrodome. No other tax, surcharge, or governmental imposition, except the taxes imposed by

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chapter 297A, may be levied by any other unit of government upon any such sale or distribution. The admission tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the grantor, seller, or distributor from the person admitted and shall be a debt from that person to the grantor, issuer, seller, or distributor, and the tax required to be collected shall constitute a debt owed by the grantor, issuer, seller, or distributor to the commission, which shall be recoverable at law in the same manner as other debts. Every person granting, issuing, selling, or distributing tickets for such admissions may be required, as provided in resolutions of the commission, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay such penalties for nonpayment and interest on late payments, as shall be deemed necessary or expedient to assure the prompt and uniform collection of the tax.

Notwithstanding any other provisions of this subdivision, the imposition of an admission tax upon a national superbowl football game conducted at the Metrodome is discretionary with the commission.

Subd. 1a. **Arena admission tax.** The commission shall impose a ten percent admission tax on all tickets sold, issued, granted, or distributed for the privilege of admission to the basketball and hockey arena. In addition, the commission shall impose a surcharge in an amount to be determined by the commission, but not less than \$1 per ticket, on all tickets sold, issued, granted, or distributed for the privilege of admission to activities at the basketball and hockey arena. The sales price shall include the price of the ticket and any service or other charge imposed by the grantor, issuer, seller, or distributor upon the reservation, processing, distribution, delivery, or sale of the ticket. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon such a sale or distribution. The admission tax and surcharge for the privilege of admission to activities at the basketball and hockey arena shall be charged and added to the sales price of the ticket, and imposed and collected in the same manner provided for the Metrodome pursuant to subdivision 1. The tax and surcharge provided for in this subdivision shall be effective from and after the date of the commission's acquisition of the basketball and hockey arena.

Subd. 2. **Rentals; fees; charges.** Rentals, fees, and charges provided for in use agreements at the Metrodome and basketball and hockey arena entered into by the commission shall be those estimated by the commission to be necessary and feasible to produce so far as possible, with commission revenues from other sources, the amounts needed for current operation, maintenance, and debt service. The commission shall with respect to the Met Center, the Metrodome, and the basketball and hockey arena meet and confer with any public body, authority, or agency owning or operating an entertainment or sports complex, or indoor sports arena, in the metropolitan area, for the purpose of undertaking measures or agreements maximizing revenues and eliminating unnecessary operational expenditures.

Subd. 3. **Budget preparation; review and approval.** The commission shall prepare a proposed budget by August 1 of each year. The budget shall include operating revenues and expenditures for operation, administration, and maintenance. In addition, the budget must show for each year:

(a) The estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;

(b) Capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year; all in such detail and form as the council may prescribe; and

(c) The estimated source and use of pass-through funds.

As early as practicable before August 15 of each year, the commission shall hold a public hearing on a draft of the proposed budget. Along with the draft, the commission shall publish a report on user charges. The report must include an estimate and analysis of the changes in user charges, rates, and fees that will be required by the commission's budget. Not less than 14 days before the hearing, the commission shall publish notice of the hearing in a newspaper having general circulation in the metropolitan area, stating the date, time, and place of hearing, and the place where the proposed budget and report on user charges may be examined by any interested person. Following the hearing, the commission shall publish a report of the hearing that summarizes the comments received and the commission's response. The council shall approve or disapprove the entire budget by October 1 of each year. Before December 15 of each year, the commission shall by resolution adopt a final budget. The commission shall file its final budget with the council on or before December 20 of

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each year. The council shall file the budgets with the secretary of the senate and the clerk of the house of representatives not later than January 1 of each year.

Except in an emergency, for which procedures must be established by the commission, the commission and its officers, agents, and employees may not spend money for any purpose, other than debt service, without an appropriation by the commission, and no obligation to make such an expenditure shall be enforceable except as the obligation of the person or persons incurring it. The creation of any debt obligation or the receipt of any federal or state grant is a sufficient appropriation of the proceeds for the purpose for which it is authorized, and of the tax or other revenues pledged to pay the obligation and interest on it whether or not specifically included in any annual budget. After obtaining approval of the council, the commission may amend the budget at any time by transferring any appropriation from one purpose to another, except appropriations of the proceeds of bonds issued for a specific purpose.

Subd. 4. **Payment of council costs.** The commission shall comply with the provisions of section 473.164.

Subd. 5. **Audit.** The legislative auditor shall make an independent audit of the commission's books and accounts once each year or as often as the legislative auditor's funds and personnel permit. The costs of the audits shall be paid by the commission pursuant to section 3.9741. The council may examine the commission's books and accounts at any time.

Subd. 6. **General.** The commission shall receive and account for all tax and other revenue of the commission and from the revenue shall provide, contract, and pay for proper operation, administration, and maintenance of all of its property and facilities and shall maintain, as authorized by resolutions of the council, reserves for major repairs, replacements, and improvements and for working capital. The commission shall remit to the council for deposit in its Metrodome debt service funds, at the times required by resolution of the council, the net revenue attributable to the Metrodome in excess of these requirements and for deposit in its basketball and hockey arena debt service fund or funds, at the times required by resolution of the council, the net revenue attributable to the basketball and hockey arena in excess of these requirements.

Subd. 7. **Sale of seats.** The commission may sell seats in any multipurpose sports facility constructed after June 30, 1979 at prices and subject to conditions consistent with this section. Ownership of a seat shall give the owner first preference for purchase of a season ticket of admission for professional sports exhibitions with a right to be seated in the owned seat. An owner may sell or otherwise transfer the rights on whatever terms the owner chooses. Rights to a seat may not be divided. No fee may be charged for a transfer of ownership of a seat. The commission may charge a maintenance fee not exceeding \$10 per year for each seat.

473.598 ARENA ACQUISITION.

Subdivision 1. **Commission determination.** The commission shall first determine whether to pursue negotiations to acquire the basketball and hockey arena.

Subd. 2. **Examination and disclosure of loan terms.** Before making a final decision to acquire the basketball and hockey arena, the commission must obtain and examine all the terms, conditions, covenants, and other provisions of any loan agreements between the owners of the arena and third parties that provided financing secured by mortgages on or other security interests in the basketball and hockey arena. These terms specifically include any agreements that require a professional team affiliated with the owner to lease or use the arena or that restrict or limit the authority of the team owners or affiliates to relocate the team. The commission shall make the terms of the agreements available for public inspection.

Subd. 3. **Commission proposal.** (a) If the commission makes a final determination to acquire the basketball and hockey arena, the commission may then submit to the Metropolitan Council a proposal to bond for and acquire the basketball and hockey arena. The commission's proposal shall contain all information deemed appropriate or necessary by the council to its determinations pursuant to section 473.599, subdivision 4. The commission, in preparing the proposal for the council, shall require of the sellers and of the professional teams that are potential lessees or other potential lessees and all of their affiliated entities any and all data relevant to the acquisition, financing, ownership, and operation of the basketball and hockey arena, including, but not limited to, contracts, agreements, profit and loss statements, annual audit statements and balance sheets. The commission shall contract with an independent, nationally recognized firm of certified public accountants to perform due diligence and provide an economic feasibility study or report with regard to the data received by the commission from the sellers, the potential lessees, and affiliated entities. In evaluating whether

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to acquire the basketball and hockey arena, the commission shall consider among other factors, (a) total capital and operating costs of the basketball and hockey arena to the commission and total commission revenues from the basketball and hockey arena over the expected life of the facility, including any contributions by the state, local units of government or other organizations, (b) the total governmental costs associated with the acquisition and operation of the basketball and hockey arena, including the cost to all units and agencies of government as well as the costs to the commission, (c) the net gain or loss of taxes to the state and all local government units, and (d) economic and other benefits accruing to the public.

(b) Before submitting its proposal to the Metropolitan Council under paragraph (a), the commission shall submit the proposal to the Department of Management and Budget for review, evaluation, and comment. Any data which is not public data under subdivision 4 shall remain not public data when given to the Department of Management and Budget.

Subd. 4. **Treatment of data.** (a) Except as specifically provided in this subdivision, all data received by the commission or council in the course of its negotiations and acquisition of the basketball and hockey arena is public data.

(b) The commission may keep confidential data received or prepared by its accountants or counsel for purposes of negotiations with existing or potential lessees of the basketball and hockey arena. That data shall be confidential data on individuals under section 13.02, subdivision 3, or protected nonpublic data under section 13.02, subdivision 13, as the case may be, unless the commission determines that public release of the data would advance the negotiations, or until the potential lessees have executed agreements with the commission or the negotiations are unfavorably concluded.

(c) The following data shall be private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, as the case may be:

(1) data received by the commission or council from the present lessees or potential lessees of the basketball and hockey arena which if made public would, due to the disclosure, permit a competitive economic advantage to other persons;

(2) data relating to affiliated entities of the parties referred to in subdivision 3 which is not relevant to the due diligence and economic feasibility study referred to under subdivision 3; and

(3) data on individuals which is not relevant to the finances of the basketball and hockey arena or useful to demonstrate the financial ability of the potential lessees of the arena to perform their agreements with the commission.

(d) For purposes of this subdivision, the terms "commission" and "council" include their members and employees, accountants, counsel, and consultants and the firm of independent certified public accountants to be engaged under subdivision 2.

(e) Notwithstanding the exceptions in this subdivision, summary data which demonstrates the financial ability of the lessees and potential lessees of the basketball and hockey arena to perform their obligations under agreements with the commission and data which relates in any way to the value of the basketball and hockey arena and the amount by which the owners' investment in the arena, including debt obligations, exceeds the commission's payments to and assumption of the owners' debt obligations, shall be public data.

Subd. 5. **Hockey agreement.** The commission shall exercise its best efforts, consistent with its other obligations under sections 473.551 to 473.599 to attempt to secure an agreement with a major league professional hockey organization to play its home games at the basketball and hockey arena.

473.599 DEBT OBLIGATIONS.

Subdivision 1. **Revenues.** It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of this section, impose rates, rentals, and other charges in the operation of the basketball and hockey arena which together with the admissions tax and surcharge provided in section 473.595, subdivision 1a, will make the basketball and hockey arena self-supporting so that the taxes imposed under section 473.592 for the basketball and hockey arena will be at the lowest possible rate consistent with the obligations of the city of Minneapolis as provided in sections 473.551 to 473.599.

Subd. 2. **Bonds.** The council shall by resolution authorize the sale and issuance of its bonds for any of the following purposes upon its determination that the conditions of subdivision 4 have been met:

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(a) To provide funds for the acquisition or betterment of the basketball and hockey arena by the commission pursuant to sections 473.598 and 473.599;

(b) To refund bonds issued under this section; and

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the basketball and hockey arena.

Subd. 3. **Procedure.** The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.599, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475. The council may pledge for the payment of the bonds the net revenues of the commission arising from the commission's operation of the basketball and hockey arena, the tax provided by section 473.592 for the basketball and hockey arena, and the admission tax and surcharge authorized in section 473.595, subdivision 1a. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.599, and shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, but nothing in this section shall affect the obligation of the city of Minneapolis to levy a tax pursuant to an agreement made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 4.

Subd. 4. **Limits.** The principal amount of the bonds issued pursuant to subdivision 2, clause (a), exclusive of any original issue discount, shall not exceed the total amount of \$42,000,000 plus such amount as the council determines necessary to pay the costs of issuance, fund reserves for operation and debt service, and pay for any bond insurance or other credit enhancement. The bonds may be issued as tax-exempt revenue bonds or as taxable revenue bonds in the proportions that the commission may determine. The proceeds of the bonds issued pursuant to subdivision 2, clause (a), shall be used only for acquisition and betterment of sports facilities suitable for a basketball and hockey arena and the arena land and the related purposes referred to in this subdivision, and for reimbursement of any expenses of the commission related to its determination of whether to acquire the basketball and hockey arena, whenever incurred. The council shall issue its bonds pursuant to subdivision 2, clause (a), and the commission may acquire the basketball and hockey arena and the arena land when the council has made the following determinations:

(a) The commission, the city of Minneapolis or the Minneapolis Community Development Agency, or any or all of them, as the commission may deem appropriate, has executed agreements with a major league professional basketball organization to use the arena for all scheduled regular season home games and play-off home games, and for at least one of its exhibition games played each season. The agreements shall be for a period of 30 years. The agreements may contain provisions negotiated with the organization which provide for earlier termination of the use of the basketball and hockey arena by the commission upon conditions related to and limited to the bankruptcy or insolvency of the organization. The agreements shall afford to the commission, the city of Minneapolis, or the Minneapolis Community Development Agency, or each or all of them, as the commission deems appropriate, the remedies that are deemed necessary and appropriate to provide reasonable assurances that the major league professional basketball organization or another major league professional basketball organization shall comply with the agreements. The remedies shall include the payment of liquidated damages equivalent to direct and consequential damages incurred by reason of the breach of the agreements and any additional remedies or security arrangements the commission reasonably determines to be effective in accomplishing the purposes of this paragraph. The damages payment may be payable in a lump sum or in installments as the commission may deem appropriate. The commission may require that the agreements include other terms and conditions to provide reasonable assurances that the major league professional basketball team or a successor major league professional basketball team will play the required games at the basketball and hockey arena during the 30-year term of the agreements, or, in the event of a breach, to assure the payment of the required damages. The agreements shall address contingencies that may arise in the event of change of ownership of the professional teams. The agreements with the professional basketball organization for the use of the basketball and hockey arena shall provide for arrangements which the commission may deem necessary or appropriate to accommodate a future agreement between the commission and a professional hockey organization to occupy the basketball and hockey arena, consistent with this section.

(b) The commission has exercised its reasonable efforts to obtain assurances and/or agreements from the professional basketball major league to the extent permitted under applicable federal and state law, that it will not approve the relocation of the major league professional basketball

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organization if the relocation is in violation of the terms of the agreements referred to in paragraph (a).

(c) The professional basketball team has provided information sufficient to satisfy the council and the commission of the team's ability to comply with the terms of the 30-year lease.

(d) The proceeds of bonds provided for in this subdivision will be sufficient for the purposes for which they are issued.

(e) The commission has acquired, or has contracted to acquire, (i) leasehold title to the arena land together with the estate of the tenant and other rights demised under the ground lease, subject to amendment as provided in clause (o), (ii) ownership of all real and personal property comprising the basketball and hockey arena, and (iii) all easements, appurtenances and other rights, title, or interest deemed by the commission necessary or desirable in connection with the acquisition, financing, ownership, and operation of the basketball and hockey arena.

(f) The percentage of the private boxes provided for in the commission's proposal for the basketball and hockey arena are sold or leased for the period that the commission finds advisable.

(g) The anticipated admission taxes and surcharges and other revenue from the operation of the basketball and hockey arena will be sufficient to pay when due all basketball and hockey arena debt service plus all administration, operating and maintenance expense of the arena.

(h) The city of Minneapolis has entered into an agreement as contemplated in clause (n) and an agreement or agreements as contemplated in section 473.592 with respect to the basketball and hockey arena.

(i) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the city of Minneapolis.

The validity of any bonds issued under subdivision 2, clause (a), and the obligations of the council and commission related to them, shall not be conditioned upon or impaired by the council's determination made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the commission and council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

(j) The commission has entered into arrangements with any other persons to create a condominium or leasehold condominium, or common interest community or leasehold common interest community, with respect to the building containing the basketball and hockey arena, including the arena playing and spectator areas, and all other portions of the building, and together with the arena land and all other related improvements, easements and other appurtenant and ancillary property and property rights. The Minneapolis Community Development Agency in its capacity as ground lease landlord may be a party to the condominium or common interest community declaration. The condominium or common interest community declaration shall establish the portion of the building containing the health club as a separate unit of the condominium or common interest community, and the commission shall have entered into an agreement or agreements with a private sports and health club organization which shall require that the organization shall purchase or retain ownership of the unit with its own funds and at no cost or expense to the commission, and that the organization shall pay for all utility and other operating costs and expenses including allocated common expenses and pay ad valorem property taxes for the unit. The condominium or common interest community declaration may also establish other units in the condominium or common interest community which shall include the arena playing and spectator areas and may also include office space, restaurant space, locker rooms, private spectator suites or boxes, signage, and other areas, and may also establish common elements, limited common elements and other easements and interests as the commission deems necessary or appropriate. The agreement or agreements between the commission and the private sports and health club organization may also address additional matters which may be the subject of the bylaws or other agreements or arrangements among unit owners of condominiums or common interest communities, either as part of, or separately from, the provisions of chapter 515A or 515B, or any other items as may be ordinarily and customarily negotiated between the commission and the organization.

(k) The private sports and health club organization has executed an assessment agreement pursuant to section 469.177, subdivision 8, obligating payment of ad valorem taxes based on a

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minimum market value of the health club of at least \$10,000,000 with the city of Minneapolis or the Minneapolis Community Development Agency.

(l) The commission has executed an agreement requiring the commission to remit annually to the Minneapolis Community Development Agency or appropriate agency an amount which together with any ad valorem taxes or other amounts received by the city of Minneapolis or the Minneapolis Community Development Agency from the health club as tax increments equals the debt service required by the tax increment district attributable to the basketball and hockey arena until the current outstanding indebtedness or any refunding thereof has been paid or retired.

(m) The development agreement shall be amended:

(i) so that no payments are due to the city of Minneapolis or the Minneapolis Community Development Agency from the commission or any other person with respect to the sale, ownership or operation of the basketball and hockey arena, except as provided in clauses (k), (l), and (n); and

(ii) to confirm the satisfactory performance of the obligations of the parties to the development agreement on the effective date of the commission's acquisition; provided, that the city of Minneapolis and the Minneapolis Community Development Agency shall not be required to release any claim they may have under the development agreement with respect to the operations or sale of the health club (except as such claim may arise from the commission's acquisition of the basketball and hockey arena and the contemporaneous sale or transfer of the health club to those persons who own the basketball and hockey arena and the health club on the date of the commission's acquisition) or from the operations or sale of the professional basketball organization occupying the basketball and hockey arena or the security they may have under the development agreement or the ground lease to assure its performance, pursuant to the guaranty of the guarantors in the event of any default of the commission under the ground lease, or of the owners of the health club with respect to the payment of ad valorem taxes or any payment due from them under the development agreement as amended in accordance with the provisions of this subdivision.

(n) The commission has executed an agreement with the city of Minneapolis providing that for so long as the commission owns the basketball and hockey arena the city shall not impose any entertainment tax or surcharge on tickets purchased for any and all events at the basketball and hockey arena. The agreement may also provide that the commission shall compensate the city for the forbearance of the entertainment tax in effect on the effective date of Laws 1994, chapter 648, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance, and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. The required funding of the capital reserve shall be in an amount mutually agreed to by the commission and the city.

(o) The ground lease shall be amended by the Minneapolis Community Development Agency to the reasonable satisfaction of the commission to provide:

(i) that the commission's sole financial obligation to the landlord shall be to make the payment provided for in clause (1) from the net revenues of the commission attributable to the operation of the basketball and hockey arena;

(ii) that the term of the lease shall be 99 years;

(iii) that the commission shall have the option to purchase the arena land upon the payment of \$10 at any time during the term of the ground lease, but, unless otherwise agreed to by the Minneapolis Community Development Agency, only after the payment or retirement of the general obligation tax increment bonds previously issued by the city of Minneapolis to assist in financing the acquisition of the arena land; and

(iv) other amendments as the commission deems necessary and reasonable to accomplish its purposes as provided in sections 473.598 and 473.599.

(p) The commission has received a report or reports by qualified consultants on the basketball and hockey arena, the health club and the arena land, based on thorough inspection in accordance with generally accepted professional standards and any correction, repair, or remediation disclosed by the reports has been made to the satisfaction of commission.

Subd. 5. **Security.** To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the basketball and hockey arena, the tax, surcharge and other revenues of the commission described in section 473.595, subdivision 1a, attributable to the basketball and hockey arena and any other revenues of the commission attributable to the basketball

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and hockey arena shall be and remain pledged and appropriated for the purposes specified in Laws 1994, chapter 648, article 1, and for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the basketball and hockey arena until all bonds referred to in section 473.599, subdivision 2, are fully paid or discharged in accordance with law. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax, surcharge and other revenues attributable to the basketball and hockey arena referred to in sections 473.592, 473.595, subdivision 1a, 473.598, and 473.599 from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing the payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council under sections 473.592 to the extent of the tax imposed as security for the debt service of the basketball and hockey arena, 473.595, subdivision 1a, 473.598, and 473.599, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether the parties have notice of them, and without possession or filing as provided in the Uniform Commercial Code or any other law. In the bond resolution or trust indenture the council may make the covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council under the resolution or indenture are fully discharged.

Subd. 6. Revenue anticipation certificates. After approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of the basketball and hockey arena, and in anticipation of the proceeds from the taxes under section 473.592 and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in the form and manner and upon the terms that it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the annual budget of the commission, the council may authorize revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest on them shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax, surcharge and other revenues received attributable to the basketball and hockey arena, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 2 may be used.

Subd. 7. Arena free of mortgages, liens, and obligations. With the exception of the obligations imposed by sections 473.598 and 473.599, the commission shall not assume any notes, pledges, mortgages, liens, encumbrances, contracts, including advertising contracts or marquee agreements, or other obligations upon acquisition of the basketball and hockey arena or the arena land, including but not by way of limitation, management or concession agreements. Upon acquisition by the commission, the basketball and hockey arena and the arena land shall be free of all liens and encumbrances, including the foregoing but excluding the easements and rights-of-way that the commission shall determine do not materially impair or affect its ownership and operation of the basketball and hockey arena. Upon acquisition, the commission shall, through a process involving statewide public participation, select a name for the basketball and hockey arena. In the process of selecting the name, the commission shall consider its obligation under section 473.599, subdivision 1, but that obligation must not be the principal consideration in making the selection.

Subd. 8. Reimbursement to state. The commission shall compensate the state for its contribution from the general fund under Minnesota Statutes 2008, section 240A.08, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. Compensation paid to the state shall occur at the same time that compensation is paid to the city of Minneapolis, as provided in paragraph (n) of subdivision 4, on

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a basis proportionate to the amount of forbearance of the entertainment tax or surcharge as provided in paragraph (n) to that date, and the amount of general fund appropriations paid by the state under Minnesota Statutes 2008, section 240A.08, to that date. No reimbursement will be paid under this subdivision after (1) the aggregate amount of the appropriations granted under Minnesota Statutes 2008, section 240A.08, to that time, plus accrued interest, has been reimbursed under this subdivision, or (2) December 31, 2024, whichever is earlier.

473.76 METROPOLITAN SPORTS FACILITIES COMMISSION.

The Metropolitan Sports Facilities Commission may authorize, by resolution, technical, professional, or financial assistance to the county and authority for the development and operation of the ballpark upon such terms and conditions as the county or authority and the Metropolitan Sports Facilities Commission may agree, including reimbursement of financial assistance from the proceeds of the bonds authorized in this chapter. Without limiting the foregoing permissive powers, the Metropolitan Sports Facilities Commission shall transfer \$300,000 from its cash reserves to the county on or prior to January 1, 2007, for use in connection with preliminary ballpark and public infrastructure costs, which amount shall be repaid by the county from collections of the tax authorized by section 473.757, if any.

473J.09 POWERS, DUTIES OF THE AUTHORITY.

Subd. 14. **Study; raffle.** The authority shall study the feasibility of conducting a raffle for chances to win a pair or other limited numbers of prime seats (such as lower deck, 50 yard line seats) in the stadium for professional football games for the duration of the lease or use agreement. In conducting the study, the authority must consult with the NFL team. If the authority determines that conducting the raffle is financially feasible, the authority in cooperation with the director of the Gambling Control Board shall conduct the raffle. The proceeds of the raffle must be transmitted to the commissioner of revenue for deposit in the general fund and are appropriated to the commissioner of management and budget for prepayment of principal and interest on appropriation bonds under section 16A.965.

Laws 1994, chapter 628, article 1, section 8

Sec. 8. **SALARIES OF MEMBERS.**

Until changed in law after recommendation by the compensation council as provided in Minnesota Statutes, section 15A.082, the chair of the metropolitan council shall receive a salary of \$52,500 per year, and the other members shall receive a salary of \$20,000 per year.

Laws 2017, First Special Session chapter 4, article 2, section 59

Sec. 59. **LEGISLATIVE BUDGET OFFICE TRANSITION PLANNING TASK FORCE.**

Subdivision 1. **Membership.** The Legislative Budget Office Transition Planning Task Force is established. The task force consists of the following members:

(1) two members of the house of representatives, one appointed by the speaker of the house, and one appointed by the minority leader of the house of representatives;

(2) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, one of whom must represent the majority caucus of the senate, and one of whom must represent the minority caucus of the senate;

(3) the legislative auditor;

(4) the commissioner of management and budget; and

(5) the state budget director.

The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan fiscal analyst of the senate, and two members from executive branch agencies, appointed by the commissioner of management and budget, shall serve as ex-officio, nonvoting members of the task force. Appointments required by this section must be made no later than July 15, 2017. The chair of the Legislative Coordinating Commission shall designate one member of the task force to serve as its chair.

Subd. 2. **Duties; report required.** (a) The task force must develop a plan for the orderly transition of fiscal note and local impact note responsibilities from Minnesota Management and Budget to the Legislative Budget Office, as required by this act. At a minimum, the plan must consider the office's responsibilities for fiscal notes and local impact notes, the duties of state agencies and departments and local governments in facilitating the office's work, and any other issues relevant to the transition of duties to the office, as determined by the task force. The plan may include recommendations for additional legislation as necessary to implement the task force's transition plan, or to further clarify or structure the office's responsibilities.

(b) The task force must submit a preliminary report no later than January 15, 2018, and a final report no later than December 1, 2018, to the chairs and ranking minority members of the house of representatives Ways and Means Committee and the senate Finance Committee. The final report must describe the task force's work, including recommendations for a transition plan and any recommendations for legislation developed under paragraph (a).

Subd. 3. **Staff.** The Legislative Coordinating Commission must provide research and administrative assistance to support the work of the task force.

Subd. 4. **Expiration.** The task force expires upon submission of its final report to the legislature under subdivision 2.