

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1154

(SENATE AUTHORS: SAXHAUG, Chamberlain, Dziedzic and Rest)

| DATE | D-PG | OFFICIAL STATUS |
|------------|------|---|
| 03/07/2013 | 683 | Introduction and first reading Joint rule 2.03, referred to Rules and Administration |
| 03/13/2013 | 905 | Comm report: Re-referred to Finance |
| | 976 | Author added Rest See SF1589, Art. 4, Sec. 3-8, 12; Art. 5 |

A bill for an act

relating to state government finance; modifying provisions of the state auditor for costs and fees; requiring determination of IT costs for certain projects; establishing the e-government advisory council; changing the audit responsibility for job opportunity building zones to the legislative auditor; changing campaign finance provisions and establishing fees; changing provisions that refer to school trust lands director; authorizing "Support Our Veterans" license plates; changing provisions related to veterans; making department of revenue changes; establishing an automobile theft prevention surcharge; making conforming changes; appropriating money; amending Minnesota Statutes 2012, sections 6.48; 6.56, subdivision 2; 10A.01, subdivision 26; 10A.02, subdivision 15; 15A.0815, subdivision 3; 16A.82; 16E.07, subdivision 6, by adding a subdivision; 65B.84, subdivision 1; 94.342, subdivision 5; 127A.30, subdivision 1; 127A.351; 127A.352, subdivisions 1, 2; 197.608, subdivisions 3, 4, 5, 6; 197.791, subdivisions 1, 4, 5; 270C.69, subdivision 1; 289A.20, subdivisions 2, 4; 289A.26, subdivision 2a; 295.55, subdivision 4; 297F.09, subdivision 7; 297G.09, subdivision 6; 297I.30, by adding a subdivision; 297I.35, subdivision 2; 469.3201; 471.699; 473.843, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 6; 10A; 16; 168; 196; 297I; 349A; repealing Minnesota Statutes 2012, sections 6.58; 127A.352, subdivision 3; 127A.353; 168A.40, subdivisions 3, 4; 197.608, subdivision 2a; 270C.145.

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

ARTICLE 1

STATE GOVERNMENT APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

| | <u>2014</u> | <u>2015</u> | <u>Total</u> |
|---------------------------|-----------------------|-----------------------|-----------------------|
| <u>General</u> | \$ <u>443,882,000</u> | \$ <u>435,481,000</u> | \$ <u>879,363,000</u> |
| <u>Health Care Access</u> | <u>1,877,000</u> | <u>1,877,000</u> | <u>3,754,000</u> |

| | | | | |
|-----|---------------------------------|-----------------------|-----------------------|-----------------------|
| 2.1 | <u>State Government Special</u> | | | |
| 2.2 | <u>Revenue</u> | <u>2,222,000</u> | <u>2,222,000</u> | <u>4,444,000</u> |
| 2.3 | <u>Environmental</u> | <u>448,000</u> | <u>448,000</u> | <u>896,000</u> |
| 2.4 | <u>Remediation</u> | <u>250,000</u> | <u>250,000</u> | <u>500,000</u> |
| 2.5 | <u>Special Revenue</u> | <u>4,418,000</u> | <u>4,418,000</u> | <u>8,836,000</u> |
| 2.6 | <u>Highway User Tax</u> | | | |
| 2.7 | <u>Distribution</u> | <u>2,183,000</u> | <u>2,183,000</u> | <u>4,366,000</u> |
| 2.8 | <u>Workers' Compensation</u> | <u>7,350,000</u> | <u>7,350,000</u> | <u>14,700,000</u> |
| 2.9 | <u>Total</u> | <u>\$ 462,630,000</u> | <u>\$ 454,229,000</u> | <u>\$ 916,859,000</u> |

2.10 Sec. 2. STATE GOVERNMENT APPROPRIATIONS.

2.11 The sums shown in the columns marked "appropriations" are appropriated to the
2.12 agencies and for the purposes specified in this article. The appropriations are from the
2.13 general fund, or another named fund, and are available for the fiscal years indicated
2.14 for each purpose. The figures "2014" and "2015" used in this article mean that the
2.15 appropriations listed under them are available for the fiscal year ending June 30, 2014, or
2.16 June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal
2.17 year 2015. "The biennium" is fiscal years 2014 and 2015.

| | |
|------|---|
| 2.18 | APPROPRIATIONS |
| 2.19 | <u>Available for the Year</u> |
| 2.20 | <u>Ending June 30</u> |
| 2.21 | <u>2014</u> <u>2015</u> |

2.22 Sec. 3. LEGISLATURE

| | | | |
|------|---|----------------------|----------------------|
| 2.23 | <u>Subdivision 1. Total Appropriation</u> | <u>\$ 63,209,000</u> | <u>\$ 63,209,000</u> |
|------|---|----------------------|----------------------|

| | | | |
|------|-------------------------------|-------------------|-------------------|
| 2.24 | <u>Appropriations by Fund</u> | | |
| 2.25 | | <u>2014</u> | <u>2015</u> |
| 2.26 | <u>General</u> | <u>63,081,000</u> | <u>63,081,000</u> |
| 2.27 | <u>Health Care Access</u> | <u>128,000</u> | <u>128,000</u> |

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

| | | | |
|------|--|-------------------|-------------------|
| 2.31 | <u>Subd. 2. Senate</u> | <u>20,733,000</u> | <u>20,733,000</u> |
| 2.32 | <u>Subd. 3. House of Representatives</u> | <u>27,874,000</u> | <u>27,874,000</u> |

2.33 During the biennium ending June 30, 2015,
2.34 any revenues received by the house of
2.35 representatives from voluntary donations

3.1 to support broadcast or print media are
 3.2 appropriated to the house of representatives.

3.3 Subd. 4. **Legislative Coordinating Commission** 14,602,000 14,602,000

3.4 Appropriations by Fund

| | | | |
|-----|---------------------------|-------------------|-------------------|
| 3.5 | | <u>2014</u> | <u>2015</u> |
| 3.6 | <u>General</u> | <u>14,474,000</u> | <u>14,474,000</u> |
| 3.7 | <u>Health Care Access</u> | <u>128,000</u> | <u>128,000</u> |

3.8 Sec. 4. **GOVERNOR AND LIEUTENANT**
 3.9 **GOVERNOR** \$ 3,193,000 \$ 3,193,000

3.10 This appropriation is to fund the Office of the
 3.11 Governor and Lieutenant Governor.

3.12 \$19,000 the first year and \$19,000 the
 3.13 second year are for necessary expenses in
 3.14 the normal performance of the governor's
 3.15 and lieutenant governor's duties for which no
 3.16 other reimbursement is provided.

3.17 Sec. 5. **STATE AUDITOR** \$ 1,973,000 \$ 2,024,000

3.18 Sec. 6. **ATTORNEY GENERAL** \$ 23,288,000 \$ 23,288,000

3.19 Appropriations by Fund

| | | | |
|------|-------------------------|-------------------|-------------------|
| 3.20 | | <u>2014</u> | <u>2015</u> |
| 3.21 | <u>General</u> | <u>21,071,000</u> | <u>21,071,000</u> |
| 3.22 | <u>State Government</u> | | |
| 3.23 | <u>Special Revenue</u> | <u>1,822,000</u> | <u>1,822,000</u> |
| 3.24 | <u>Environmental</u> | <u>145,000</u> | <u>145,000</u> |
| 3.25 | <u>Remediation</u> | <u>250,000</u> | <u>250,000</u> |

3.26 Sec. 7. **SECRETARY OF STATE** \$ 5,665,000 \$ 6,310,000

3.27 Any funds available in the account
 3.28 established in Minnesota Statutes, section
 3.29 5.30, pursuant to the Help America Vote Act,
 3.30 are appropriated for the purposes and uses
 3.31 authorized by federal law.

3.32 **Redistricting Case.** \$355,000 the first year
 3.33 is appropriated to the secretary of state to

4.1 be used to pay attorney fees as ordered by
4.2 the court in the legislative and congressional
4.3 redistricting case Hippert et al v. Ritchie
4.4 et al, A11-152, and interest thereon. This
4.5 appropriation is available for expenditure the
4.6 day following final enactment.

4.7 Sec. 8. CAMPAIGN FINANCE AND PUBLIC
4.8 DISCLOSURE BOARD \$ 650,000 \$ 650,000

4.9 Sec. 9. INVESTMENT BOARD \$ 139,000 \$ 139,000

4.10 Sec. 10. OFFICE OF ENTERPRISE
4.11 TECHNOLOGY \$ 2,431,000 \$ 2,431,000

4.12 Sec. 11. ADMINISTRATIVE HEARINGS \$ 7,670,000 \$ 7,504,000

| | | | |
|------|-------------------------------|------------------|------------------|
| 4.13 | <u>Appropriations by Fund</u> | | |
| 4.14 | | <u>2014</u> | <u>2015</u> |
| 4.15 | <u>General</u> | <u>420,000</u> | <u>254,000</u> |
| 4.16 | <u>Workers'</u> | | |
| 4.17 | <u>Compensation</u> | <u>7,250,000</u> | <u>7,250,000</u> |

4.18 Sec. 12. ADMINISTRATION
4.19 Subdivision 1. Total Appropriation \$ 20,121,000 \$ 20,731,000

| | | | |
|------|-------------------------------|-------------------|-------------------|
| 4.20 | <u>Appropriations by Fund</u> | | |
| 4.21 | | <u>2014</u> | <u>2015</u> |
| 4.22 | <u>General</u> | <u>20,121,000</u> | <u>20,731,000</u> |

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

4.26 Subd. 2. Government and Citizen Services 7,668,000 7,668,000

| | | | |
|------|-------------------------------|------------------|------------------|
| 4.27 | <u>Appropriations by Fund</u> | | |
| 4.28 | | <u>2014</u> | <u>2015</u> |
| 4.29 | <u>General</u> | <u>7,668,000</u> | <u>7,668,000</u> |

4.30 \$74,000 the first year and \$74,000 the second
4.31 year are for the Council on Developmental
4.32 Disabilities.

| | | | |
|------|--|-------------------|-------------------|
| 5.1 | <u>Subd. 3. Strategic Services</u> | <u>1,757,000</u> | <u>1,757,000</u> |
| 5.2 | <u>Subd. 4. Fiscal Agent</u> | <u>10,696,000</u> | <u>11,306,000</u> |
| 5.3 | <u>The appropriations under this subdivision are</u> | | |
| 5.4 | <u>to the commissioner of administration for the</u> | | |
| 5.5 | <u>purposes specified.</u> | | |
| 5.6 | <u>(1) \$1,057,000 the first year and \$1,057,000</u> | | |
| 5.7 | <u>the second year are for matching grants for</u> | | |
| 5.8 | <u>public television.</u> | | |
| 5.9 | <u>(2) \$190,000 the first year and \$190,000</u> | | |
| 5.10 | <u>the second year are for public television</u> | | |
| 5.11 | <u>equipment grants. Equipment or matching</u> | | |
| 5.12 | <u>grant allocations shall be made after</u> | | |
| 5.13 | <u>considering the recommendations of the</u> | | |
| 5.14 | <u>Minnesota Public Television Association.</u> | | |
| 5.15 | <u>(3) \$264,000 the first year and \$264,000 the</u> | | |
| 5.16 | <u>second year are for community service grants</u> | | |
| 5.17 | <u>to public educational radio stations.</u> | | |
| 5.18 | <u>(4) \$92,000 the first year and \$92,000 the</u> | | |
| 5.19 | <u>second year are for equipment grants to</u> | | |
| 5.20 | <u>public educational radio stations.</u> | | |
| 5.21 | <u>(5) The grants in paragraphs (3) and (4)</u> | | |
| 5.22 | <u>must be allocated after considering the</u> | | |
| 5.23 | <u>recommendations of the Association of</u> | | |
| 5.24 | <u>Minnesota Public Educational Radio Stations</u> | | |
| 5.25 | <u>under Minnesota Statutes, section 129D.14.</u> | | |
| 5.26 | <u>(6) \$310,000 the first year and \$310,000</u> | | |
| 5.27 | <u>the second year are for equipment grants</u> | | |
| 5.28 | <u>to Minnesota Public Radio, Inc., including</u> | | |
| 5.29 | <u>upgrades to Minnesota's Emergency Alert</u> | | |
| 5.30 | <u>and AMBER Alert Systems.</u> | | |
| 5.31 | <u>(7) Any unencumbered balance remaining</u> | | |
| 5.32 | <u>the first year for grants to public television or</u> | | |

6.1 radio stations does not cancel and is available
6.2 for the second year.
6.3 (8) \$8,158,000 the first year and \$8,158,000
6.4 the second year are for office space and
6.5 storage costs of the legislature and veterans
6.6 organizations, for ceremonial space, and for
6.7 statutorily free space.
6.8 (9) \$625,000 the first year and \$1,235,000 the
6.9 second year are for rent loss and relocation
6.10 expenses incurred with the renovation and
6.11 restoration of the State Capitol building. This
6.12 appropriation is available until spent.

| | | | | |
|------|-----------------------------------|-----------|----------------|-------------------|
| 6.13 | Sec. 13. <u>CAPITOL AREA</u> | | | |
| 6.14 | <u>ARCHITECTURAL AND PLANNING</u> | | | |
| 6.15 | <u>BOARD</u> | <u>\$</u> | <u>325,000</u> | <u>\$ 325,000</u> |

| | | | | |
|------|--|-----------|-------------------|----------------------|
| 6.16 | Sec. 14. <u>MINNESOTA MANAGEMENT AND</u> | | | |
| 6.17 | <u>BUDGET</u> | <u>\$</u> | <u>28,144,000</u> | <u>\$ 20,369,000</u> |

6.18 Electronic System for Matching Applicant
6.19 Resumes. \$2,669,000 in fiscal year 2014 is
6.20 appropriated to the commissioner for transfer
6.21 to the Office of Enterprise Technology to
6.22 develop and deploy a new electronic system
6.23 for collecting, analyzing, and matching
6.24 applicant resumes with state government
6.25 employment needs, and related talent
6.26 management services. This is a onetime
6.27 appropriation and is available until spent.

6.28 Statewide Budget System. \$3,120,000
6.29 in fiscal year 2014 is appropriated to the
6.30 commissioner for transfer to the Office
6.31 of Enterprise Technology to continue
6.32 development of the new statewide budget
6.33 system and to develop new capabilities
6.34 including, but not limited to, capital

budget and fiscal notes. This is a onetime appropriation and is available until spent.

Enterprise-wide Results Management.

\$500,000 the first year and \$500,000 the second year are for building capacity to provide enterprise-wide results management facilitation and coordination.

Budget Reserve Adjustments. On July 1, 2013, the commissioner shall reduce the budget reserve by \$325,000,000. On July 1, 2014, the commissioner shall increase the amount in the budget reserve by \$325,000,000.

Sec. 15. **REVENUE**

| | | | | |
|--|------------------|---------------------------|------------------|---------------------------|
| <u>Subdivision 1. Total Appropriation</u> | <u>\$</u> | <u>140,673,000</u> | <u>\$</u> | <u>140,137,000</u> |
|--|------------------|---------------------------|------------------|---------------------------|

| | | | |
|--------------------------------------|-------------------------------|--------------------|-------------|
| | <u>Appropriations by Fund</u> | | |
| | | <u>2014</u> | <u>2015</u> |
| <u>General</u> | <u>136,438,000</u> | <u>135,902,000</u> | |
| <u>Health Care Access</u> | <u>1,749,000</u> | <u>1,749,000</u> | |
| <u>Highway User Tax Distribution</u> | <u>2,183,000</u> | <u>2,183,000</u> | |
| <u>Environmental</u> | <u>303,000</u> | <u>303,000</u> | |

The amounts that may be spent for each purpose are specified in subdivisions 2 and 3.

| | | |
|--|---------------------------|---------------------------|
| <u>Subd. 2. Tax System Management</u> | <u>112,057,000</u> | <u>111,521,000</u> |
|--|---------------------------|---------------------------|

| | | | |
|--------------------------------------|-------------------------------|--------------------|-------------|
| | <u>Appropriations by Fund</u> | | |
| | | <u>2014</u> | <u>2015</u> |
| <u>General</u> | <u>107,822,000</u> | <u>107,286,000</u> | |
| <u>Health Care Access</u> | <u>1,749,000</u> | <u>1,749,000</u> | |
| <u>Highway User Tax Distribution</u> | <u>2,183,000</u> | <u>2,183,000</u> | |
| <u>Environmental</u> | <u>303,000</u> | <u>303,000</u> | |

County Technical Assistance Grants. (a)

The commissioner of revenue may make technical assistance grants to counties to fund development, implementation, or

8.1 maintenance of data collection and data
8.2 processing systems that will facilitate
8.3 improved reporting of property tax data
8.4 on parcels and portions of parcels to
8.5 the commissioner for analytical and
8.6 administrative use. The grants may be made
8.7 in the order they are requested, or on some
8.8 other basis determined by the commissioner.
8.9 The commissioner shall determine whether to
8.10 require an application or recipient agreement
8.11 and shall determine the form and content of
8.12 the application or agreement.

8.13 (b) \$300,000 is appropriated to the
8.14 commissioner from the general fund in fiscal
8.15 year 2014 to make grants to counties as
8.16 provided in this section. This appropriation
8.17 is available for fiscal years 2014 and 2015
8.18 only, and does not become part of the base.

8.19 **Appropriation; taxpayer assistance. (a)**
8.20 \$200,000 in fiscal year 2014, and \$200,000
8.21 in fiscal year 2015, are appropriated from the
8.22 general fund to the commissioner of revenue
8.23 to make grants to one or more nonprofit
8.24 organizations, qualifying under section
8.25 501(c)(3) of the Internal Revenue Code of
8.26 1986, to coordinate, facilitate, encourage, and
8.27 aid in the provision of taxpayer assistance
8.28 services. The unencumbered balance in the
8.29 first year does not cancel but is available for
8.30 the second year.

8.31 (b) For purposes of this section, "taxpayer
8.32 assistance services" means accounting
8.33 and tax preparation services provided by
8.34 volunteers to low-income, elderly, and
8.35 disadvantaged Minnesota residents to help

9.1 them file federal and state income tax returns
 9.2 and Minnesota property tax refund claims
 9.3 and to provide personal representation before
 9.4 the Department of Revenue and Internal
 9.5 Revenue Service.

9.6 Subd. 3. **Debt Collection Management** 28,616,000 28,616,000

9.7 Sec. 16. **GAMBLING CONTROL** \$ 3,519,000 \$ 3,519,000

9.8 These appropriations are from the lawful
 9.9 gambling regulation account in the special
 9.10 revenue fund.

9.11 Sec. 17. **RACING COMMISSION** \$ 899,000 \$ 899,000

9.12 These appropriations are from the racing
 9.13 and card playing regulation accounts in the
 9.14 special revenue fund.

9.15 Sec. 18. **STATE LOTTERY**

9.16 Notwithstanding Minnesota Statutes, section
 9.17 349A.10, subdivision 3, the operating budget
 9.18 must not exceed \$30,500,000 in fiscal year
 9.19 2014 and \$30,500,000 in fiscal year 2015.

9.20 Sec. 19. **TORT CLAIMS** \$ 161,000 \$ 161,000

9.21 To be spent by the commissioner of
 9.22 Management and Budget according
 9.23 to Minnesota Statutes, section 3.736,
 9.24 subdivision 7. If the appropriation for either
 9.25 year is insufficient, the appropriation for the
 9.26 other year is available for it.

9.27 Sec. 20. **MINNESOTA STATE RETIREMENT**
 9.28 **SYSTEM**

9.29 Subdivision 1. **Total Appropriation** \$ 3,828,000 \$ 3,898,000

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

10.4 Subd. 2. **Legislators** 3,343,000 3,409,000

10.5 Under Minnesota Statutes, sections 3A.03,
 10.6 subdivision 2; 3A.04, subdivisions 3 and 4;
 10.7 and 3A.115.

10.8 Subd. 3. **Constitutional Officers** 485,000 489,000

10.9 Under Minnesota Statutes, section 352C.001.

10.10 If an appropriation in this section for either
 10.11 year is insufficient, the appropriation for the
 10.12 other year is available for it.

10.13 Sec. 21. **MINNEAPOLIS EMPLOYEES**
 10.14 **RETIREMENT FUND** \$ 24,000,000 \$ 24,000,000

10.15 These amounts are estimated to be needed
 10.16 under Minnesota Statutes, section 422A.101,
 10.17 subdivision 3.

10.18 Sec. 22. **TEACHERS RETIREMENT**
 10.19 **ASSOCIATION** \$ 15,454,000 \$ 15,454,000

10.20 The amounts estimated to be needed are as
 10.21 specified in paragraphs (a) and (b):
 10.22 (a) \$12,954,000 the first year and \$12,954,000
 10.23 the second year are for special direct state aid
 10.24 authorized under Minnesota Statutes, section
 10.25 354A.12, subdivisions 3a and 3c.

10.26 (b) \$2,500,000 the first year and \$2,500,000
 10.27 the second year are for special direct state
 10.28 matching aid authorized under Minnesota
 10.29 Statutes, section 354A.12, subdivision 3b.

10.30 Sec. 23. **ST. PAUL TEACHERS**
 10.31 **RETIREMENT FUND** \$ 2,827,000 \$ 2,827,000

10.32 The amounts estimated to be needed for
 10.33 special direct state aid to first class city

| | | | | |
|-------|---|----|--------------------------|-----------------------------|
| 11.1 | <u>teachers retirement funds authorized under</u> | | | |
| 11.2 | <u>Minnesota Statutes, section 354A.12,</u> | | | |
| 11.3 | <u>subdivisions 3a and 3c.</u> | | | |
| 11.4 | Sec. 24. <u>DULUTH TEACHERS</u> | | | |
| 11.5 | <u>RETIREMENT FUND</u> | \$ | <u>346,000</u> | \$ <u>346,000</u> |
| 11.6 | <u>The amounts estimated to be needed for</u> | | | |
| 11.7 | <u>special direct state aid to first class city</u> | | | |
| 11.8 | <u>teachers retirement funds authorized under</u> | | | |
| 11.9 | <u>Minnesota Statutes, section 354A.12,</u> | | | |
| 11.10 | <u>subdivisions 3a and 3c.</u> | | | |
| 11.11 | Sec. 25. <u>AMATEUR SPORTS COMMISSION</u> | \$ | <u>248,000</u> | \$ <u>248,000</u> |
| 11.12 | Sec. 26. <u>SCIENCE MUSEUM</u> | \$ | <u>1,079,000</u> | \$ <u>1,079,000</u> |
| 11.13 | Sec. 27. <u>MINNESOTA CENTER FOR THE</u> | | | |
| 11.14 | <u>HUMANITIES</u> | \$ | <u>251,000</u> | \$ <u>251,000</u> |
| 11.15 | Sec. 28. <u>MINNESOTA HISTORICAL</u> | | | |
| 11.16 | <u>SOCIETY</u> | | | |
| 11.17 | Subdivision 1. <u>Total Appropriation</u> | \$ | <u>20,737,000</u> | \$ <u>20,633,000</u> |
| 11.18 | <u>The amounts that may be spent for each</u> | | | |
| 11.19 | <u>purpose are specified in the following</u> | | | |
| 11.20 | <u>subdivisions.</u> | | | |
| 11.21 | Subd. 2. <u>Programs and Operations</u> | | <u>20,411,000</u> | <u>20,411,000</u> |
| 11.22 | Subd. 3. <u>Fiscal Agent</u> | | | |
| 11.23 | (a) <u>Minnesota International Center</u> | | <u>39,000</u> | <u>39,000</u> |
| 11.24 | (b) <u>Minnesota Air National Guard Museum</u> | | <u>14,000</u> | <u>-0-</u> |
| 11.25 | (c) <u>Minnesota Military Museum</u> | | <u>90,000</u> | <u>-0-</u> |
| 11.26 | (d) <u>Farmamerica</u> | | <u>115,000</u> | <u>115,000</u> |
| 11.27 | (e) <u>Hockey Hall of Fame</u> | | <u>68,000</u> | <u>68,000</u> |
| 11.28 | (f) <u>Balances Forward</u> | | | |
| 11.29 | Subd. 4. <u>Unencumbered Balance Available</u> | | | |

12.1

Any unencumbered balance remaining in this

12.2

section the first year does not cancel, but is

12.3

available for the second year of the biennium.

12.4

Sec. 29. MINNESOTA STATE ARTS BOARD

12.5

Subdivision 1. Total Appropriation

\$

7,506,000

\$

7,506,000

12.6

The amounts that may be spent for each

12.7

purpose are specified in the following

12.8

subdivisions.

12.9

Subd. 2. Operations and Services

567,000

567,000

12.10

Subd. 3. Grants Program

4,800,000

4,800,000

12.11

Subd. 4. Regional Arts Councils

2,139,000

2,139,000

12.12

Subd. 5. Unencumbered Balance Available

12.13

Any unencumbered balance remaining in this

12.14

section the first year does not cancel, but is

12.15

available for the second year of the biennium.

12.16

Sec. 30. COUNCIL ON BLACK

12.17

MINNESOTANS

\$

292,000

\$

292,000

12.18

Sec. 31. COUNCIL ON CHICANO/LATINO

12.19

AFFAIRS

\$

275,000

\$

275,000

12.20

Sec. 32. COUNCIL ON ASIAN-PACIFIC

12.21

MINNESOTANS

\$

254,000

\$

254,000

12.22

Sec. 33. INDIAN AFFAIRS COUNCIL

\$

462,000

\$

462,000

12.23

Sec. 34. GENERAL CONTINGENT

12.24

ACCOUNTS

\$

1,000,000

\$

500,000

12.25

Appropriations by Fund

12.26

20142015

12.27

General500,000-0-

12.28

State Government

12.29

Special Revenue400,000400,000

12.30

Workers'

12.31

Compensation100,000100,000

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

13.6 (b) If an appropriation in this section for
13.7 either year is insufficient, the appropriation
13.8 for the other year is available for it.

13.9 (c) If a contingent account appropriation
13.10 is made in one fiscal year, it should be
13.11 considered a biennial appropriation.

13.12 **ARTICLE 2**

13.13 **STATE GOVERNMENT OPERATIONS**

13.14 **Section 1. [6.475] CITY AND TOWN ACCOUNTING SYSTEM SOFTWARE.**

13.15 (a) The state auditor may charge user fees to cities, towns, and other government
13.16 entities for the development, maintenance, and distribution of the small city and town
13.17 accounting system software.

13.18 (b) A city and town accounting systems (CTAS) account is established in the special
13.19 revenue fund.

13.20 (c) Amounts received under paragraph (a) shall be credited to the CTAS account in
13.21 the special revenue fund and are appropriated to the state auditor for all costs associated
13.22 with the development, maintenance, and distribution of the small city and town accounting
13.23 system software.

13.24 **Sec. 2. Minnesota Statutes 2012, section 6.48, is amended to read:**

13.25 **6.48 EXAMINATION OF COUNTIES; COST, FEES.**

13.26 **All the powers and duties conferred and imposed upon the state auditor shall be**
13.27 **exercised and performed by the state auditor in respect to the offices, institutions, public**
13.28 **property, and improvements of several counties of the state. At least once in each year,**
13.29 **if funds and personnel permit, the state auditor may visit, without previous notice, each**
13.30 **county and make a thorough examination of all accounts and records relating to the**
13.31 **receipt and disbursement of the public funds and the custody of the public funds and**
13.32 **other property. If the audit is performed by a private certified public accountant, the state**
13.33 **auditor may require additional information from the private certified public accountant as**

the state auditor deems in the public interest. The state auditor may accept the audit or make additional examinations as the state auditor deems to be in the public interest. The state auditor shall prescribe and install systems of accounts and financial reports that shall be uniform, so far as practicable, for the same class of offices. A copy of the report of such examination shall be filed and be subject to public inspection in the office of the state auditor and another copy in the office of the auditor of the county thus examined. The state auditor may accept the records and audit, or any part thereof, of the Department of Human Services in lieu of examination of the county social welfare funds, if such audit has been made within any period covered by the state auditor's audit of the other records of the county. If any such examination shall disclose malfeasance, misfeasance, or nonfeasance in any office of such county, such report shall be filed with the county attorney of the county, and the county attorney shall institute such civil and criminal proceedings as the law and the protection of the public interests shall require.

The county receiving any examination shall pay to the ~~state general fund,~~
~~notwithstanding the provisions of section 16A.125,~~ state auditor enterprise fund the total cost and expenses of such examinations, including the salaries paid to the examiners while actually engaged in making such examination. The state auditor on deeming it advisable may bill counties, ~~having a population of 200,000 or over,~~ monthly periodically for services rendered and the officials responsible for approving and paying claims shall cause said bill to be promptly paid. The ~~general~~ state auditor enterprise fund shall be credited with all collections made for any such examinations.

Sec. 3. Minnesota Statutes 2012, section 6.56, subdivision 2, is amended to read:

Subd. 2. **Billings by state auditor.** Upon the examination of the books, records, accounts, and affairs of any political subdivision, as provided by law, such political subdivision shall be liable to the state for the total cost and expenses of such examination, including the salaries paid to the examiners while actually engaged in making such examination. The state auditor may bill such political subdivision ~~monthly~~ periodically for service rendered and the officials responsible for approving and paying claims are authorized to pay said bill promptly. Said payments shall be without prejudice to any defense against said claims that may exist or be asserted. The ~~general~~ state auditor enterprise fund shall be credited with all collections made for any such examinations, including interest payments made pursuant to subdivision 3.

Sec. 4. [6.581] STATE AUDITOR ENTERPRISE FUND.

15.1 Subdivision 1. **State auditor enterprise fund.** A state auditor enterprise fund
15.2 is established in the state treasury. All amounts received for the costs and expenses of
15.3 examinations performed under this chapter shall be credited to the fund. Amounts credited
15.4 to the fund are annually appropriated to the state auditor to pay the costs and expenses
15.5 related to the examinations performed, including, but not limited to, salaries, office
15.6 overhead, equipment, authorized contracts, and other expenses.

15.7 Subd. 2. **Contract with private parties; equipment acquisition.** When full-time
15.8 personnel are not available, the state auditor may contract with a private entity for
15.9 accounting and other technical services. Notwithstanding any law to the contrary, the
15.10 acquisition of equipment may include duplicating equipment to be used in producing the
15.11 reports issued by the Office of the State Auditor.

15.12 Subd. 3. **Schedule of charges.** The state auditor may adjust the schedule of charges
15.13 for the examinations performed so that the charges are sufficient to cover all costs of the
15.14 examinations performed and that the aggregate charges collected are sufficient to pay all
15.15 salaries and other expenses, including the charges for the use of the equipment used in
15.16 connection with the reimbursable examinations performed, and the cost of contracting for
15.17 accounting and other technical services. The schedule of charges shall be based on an
15.18 estimate of the cost of performing reimbursable examinations including, but not limited
15.19 to, salaries, office overhead, equipment, authorized contracts, and other expenses. The
15.20 state auditor may allocate a proportionate part of the total costs to an hourly or daily
15.21 charge for each person or class of persons engaged in the performance of an examination.
15.22 The schedule of charges shall reflect an equitable charge for the expenses incurred in the
15.23 performance of any given examination. The state auditor shall review and adjust the
15.24 schedule of charges for the examinations performed at least annually. All schedules of
15.25 charges must be approved by the commissioner of management and budget before the
15.26 charges are adopted to ensure that the amount collected is sufficient to pay all the costs
15.27 connected with the examinations performed during the fiscal year.

15.28 Sec. 5. **[16.0466] STATE AGENCY TECHNOLOGY PROJECTS.**

15.29 Every state agency with an information or telecommunications project must consult
15.30 with the Office of Enterprise Technology to determine what the IT cost of the project is, and
15.31 transfer the IT cost portion to the Office of Enterprise Technology, unless the commissioner
15.32 of the Office of Enterprise Technology determines that a transfer is not required.

15.33 Sec. 6. Minnesota Statutes 2012, section 16E.07, subdivision 6, is amended to read:

Subd. 6. **Fees.** The office shall establish fees for technical and transaction services for government units through North Star. Fees must be credited to the North Star account. Except for the convenience fee under subdivision 12, the office may not charge a fee for viewing or inspecting data made available through North Star or linked facilities, unless specifically authorized by law.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 7. Minnesota Statutes 2012, section 16E.07, is amended by adding a subdivision to read:

Subd. 12. **Private entity services; fee authority; council established.** (a) The office may enter into a contract with a private entity to manage, maintain, support, and expand North Star and online government information services to citizens and businesses.

(b) A contract established under paragraph (a) may provide for compensation of the private entity through a fee established under paragraph (c).

(c) Upon authorization by the E-Government Advisory Council as created in paragraph (e), a private entity that enters into a contract under paragraph (a) or the office may establish a convenience fee for users of North Star and online government information services up to a total of \$2 per transaction. A fee established under this paragraph is in addition to any fees or surcharges authorized under other law.

(d) Receipts from the convenience fee shall be deposited in the North Star account established in subdivision 7. Notwithstanding section 16A.1285, subdivision 2, receipts credited to the account are appropriated to the office for payment to the contracted private entity under paragraph (a). In lieu of depositing the receipts in the North Star account, the office can directly transfer the receipts to the private entity or allow the private entity to retain the receipts pursuant to a contract established under this subdivision.

(e) The E-Government Advisory Council is established for the purpose of improving online government information services to citizens and businesses. The council shall recommend to the office the priority of North Star projects and online government information services to be developed and supported by convenience fee receipts. The council shall provide oversight on the convenience fee and its receipts in the North Star account. The council shall by majority quorum vote approve or disapprove establishing the convenience fee on particular types of transactions, the fee amount, and any changes in the fee amount. If the convenience fee receipts are retained by or transferred to the private entity in lieu of deposit in the North Star account, the council may audit the private entity's convenience fee receipts, expenses paid by the receipts, and associated financial statements.

(1) The council shall consist of the state chief information officer or the chief information officer's designee, one member appointed by the speaker of the house, one member appointed by the senate majority leader, and six members appointed by the governor representing state executive branch agencies that are actively involved with private businesses, the private business community, or the public.

(2) Membership terms, removal of member, and filling of vacancies are as provided in section 15.059. Members do not receive compensation or reimbursement for expenses.

(3) The council shall select a chair from its members. The office shall provide administrative support to the council.

(f) The office shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance by January 15 of each odd-numbered year regarding the convenience fee receipts and the status of North Star projects and online government information services developed and supported by convenience fee receipts.

Sec. 8. Minnesota Statutes 2012, section 469.3201, is amended to read:

469.3201 STATE LEGISLATIVE AUDITOR; AUDITS OF JOB OPPORTUNITY BUILDING ZONES AND BUSINESS SUBSIDY AGREEMENTS.

As resources allow, the Office of the State Auditor legislative auditor must annually audit the creation and operation of all job opportunity building zones and business subsidy agreements entered into under Minnesota Statutes, sections 469.310 to 469.320. To the extent necessary to perform this audit, the state auditor may request from the commissioner of revenue tax return information of taxpayers who are eligible to receive tax benefits authorized under section 469.315. To the extent necessary to perform this audit, the state auditor may request from the commissioner of employment and economic development wage detail report information required under section 268.044 of taxpayers eligible to receive tax benefits authorized under section 469.315. All public officials and parties to the agreements shall provide the legislative auditor with all documents and data the legislative auditor deems necessary and in all other respects comply with the requirements of section 3.978, subdivision 2.

Sec. 9. Minnesota Statutes 2012, section 471.699, is amended to read:

471.699 ENFORCEMENT OF REPORTING REQUIREMENTS.

Failure of a city to timely file a statement or report under section 471.697 or 471.698 shall, in addition to any other penalties provided by law, authorize the state auditor to send full-time personnel to the city or to contract with private persons, firms, or corporations

pursuant to section ~~6.58~~ 6.581, in order to complete and file the financial statement or report. The expenses related to the completion and filing of the financial statement or report shall be charged to the city. Upon failure by the city to pay the charge within 30 days of billing, the state auditor shall so certify to the commissioner of management and budget who shall forward the amount certified to the general fund and deduct the amount from any state funds due to the city under any shared taxes or aids. The state auditor's annual report on cities shall include a listing of all cities failing to file a statement or report.

Sec. 10. **REPEALER.**

Minnesota Statutes 2012, section 6.58, is repealed.

ARTICLE 3

CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2012, section 10A.01, subdivision 26, is amended to read:

Subd. 26. **Noncampaign disbursement.** "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

- (1) payment for accounting and legal services;
- (2) return of a contribution to the source;
- (3) repayment of a loan made to the principal campaign committee by that committee;
- (4) return of a public subsidy;
- (5) payment for food, beverages, and necessary utensils and supplies, entertainment, and facility rental for a fund-raising event;
- (6) services for a constituent by a member of the legislature or a constitutional officer in the executive branch, including the costs of preparing and distributing a suggestion or idea solicitation to constituents, performed from the beginning of the term of office to adjournment sine die of the legislature in the election year for the office held, and half the cost of services for a constituent by a member of the legislature or a constitutional officer in the executive branch performed from adjournment sine die to 60 days after adjournment sine die;
- (7) payment for food and beverages consumed by a candidate or volunteers while they are engaged in campaign activities;
- (8) payment for food or a beverage consumed while attending a reception or meeting directly related to legislative duties;

- 19.1 (9) payment of expenses incurred by elected or appointed leaders of a legislative
19.2 caucus in carrying out their leadership responsibilities;
- 19.3 (10) payment by a principal campaign committee of the candidate's expenses for
19.4 serving in public office, other than for personal uses;
- 19.5 (11) costs of child care for the candidate's children when campaigning;
- 19.6 (12) fees paid to attend a campaign school;
- 19.7 (13) costs of a postelection party during the election year when a candidate's name
19.8 will no longer appear on a ballot or the general election is concluded, whichever occurs first;
- 19.9 (14) interest on loans paid by a principal campaign committee on outstanding loans;
- 19.10 (15) filing fees paid to be on the ballot, late filing fees, civil penalties, and
19.11 administrative fees paid to the board;
- 19.12 (16) post-general election thank-you notes or advertisements in the news media;
- 19.13 (17) the cost of campaign material purchased to replace defective campaign material,
19.14 if the defective material is destroyed without being used;
- 19.15 (18) contributions to a party unit;
- 19.16 (19) payments for funeral gifts or memorials;
- 19.17 (20) the cost of a magnet less than six inches in diameter containing legislator
19.18 contact information and distributed to constituents;
- 19.19 (21) costs associated with a candidate attending a political party state or national
19.20 convention in this state;
- 19.21 (22) other purchases or payments specified in board rules or advisory opinions as
19.22 being for any purpose other than to influence the nomination or election of a candidate or
19.23 to promote or defeat a ballot question; and
- 19.24 (23) costs paid to a third party for processing contributions made by a credit card,
19.25 debit card, or electronic check.

19.26 The board must determine whether an activity involves a noncampaign disbursement
19.27 within the meaning of this subdivision.

19.28 A noncampaign disbursement is considered to be made in the year in which the
19.29 candidate made the purchase of goods or services or incurred an obligation to pay for
19.30 goods or services.

19.31 Sec. 2. Minnesota Statutes 2012, section 10A.02, subdivision 15, is amended to read:

19.32 Subd. 15. **Disposition of civil penalties and late filing fees.** The board must
19.33 deposit all civil penalties and late filing fees collected under this chapter into the general
19.34 fund in the state treasury.

20.1 Sec. 3. **[10A.023] BOARD FUNDING; ADMINISTRATIVE FEES.**

20.2 Subdivision 1. Fees. (a) The board shall assess annual administrative fees according
20.3 to this subdivision. The fees are to partially fund the cost of administration of the campaign
20.4 finance and lobbying programs administered by the board. Fees assessed for participants
20.5 in one program must not be used to support another program. Administrative fees must be
20.6 paid for each calendar year or portion of a calendar year during which an entity is registered.

20.7 (b) The amount of the fee is as follows:

20.8 (1) The fee for lobbyists registered under this chapter is \$50 per lobbyist/association
20.9 registration, with a maximum fee of \$750 per individual lobbyist.

20.10 (2) The fee for principal campaign committees, party units, political committees,
20.11 and political funds is based on the registrant's receipts as follows:

20.12 (i) an initial administrative fee for a registrant with no receipts history is \$75;

20.13 (ii) a registrant with receipts of \$750.01 to \$5,000, the administrative fee is \$75;

20.14 (iii) a registrant with receipts of \$5,000.01 to \$10,000, the administrative fee is \$100;

20.15 (iv) a registrant with receipts of \$10,000.01 to \$25,000, the administrative fee is \$250;

20.16 (v) a registrant with receipts of \$25,000.01 to \$50,000, the administrative fee is \$500;

20.17 (vi) a registrant with receipts of \$50,000.01 to \$100,000, the administrative fee
20.18 is \$1,000;

20.19 (vii) a registrant with receipts of \$100,000.01 to \$250,000, the administrative fee
20.20 is \$2,000;

20.21 (viii) a registrant with receipts of \$250,000.01 to \$500,000, the administrative fee
20.22 is \$3,000;

20.23 (ix) a registrant with receipts of \$500,000.01 to \$1,000,000, the administrative
20.24 fee is \$4,000; and

20.25 (x) a registrant with receipts greater than \$1,000,000, the administrative fee is \$5,000.

20.26 (c) "Receipts," as used in this subdivision, means all money and in-kind receipts
20.27 from any source. The receipt amount on which the administrative fee is based is the
20.28 average of the registrant's receipts for the most recent four complete calendar years prior
20.29 to the year in which the fee is being paid. If a registrant was not registered during all four
20.30 calendar years, the administrative fee is based on the average of the registrant's receipts
20.31 for the number of calendar years the registrant was registered immediately prior to the
20.32 year for which an administrative fee is being paid.

20.33 (d) A political fund that does not accept contributions, but uses only its own general
20.34 treasury money, is exempt from the requirements of this section. An association whose
20.35 political fund is on inactive status on March 1 of any year is not required to pay the
20.36 administrative fee that is due on March 1 of that year. At the time that an association

21.1 changes the status of its political fund from inactive to active, an initial administrative
21.2 fee is due.

21.3 (e) In a calendar year in which a registrant paid an initial administrative fee under
21.4 this section, the fee must be recalculated based on the registrant's year-end report of
21.5 receipts and expenditures. If the receipts disclosed on that report place the registrant in
21.6 a higher fee category, the board must assess the difference between the fee paid and the
21.7 higher fee. The notice in subdivision 3, paragraph (b), must be given, and the additional
21.8 fee is due 14 days after the notice was sent.

21.9 Subd. 2. **Payment of administrative fees; late payments.** (a) Initial administrative
21.10 fees are due and must be paid when a new registration is filed. Annual administrative fees
21.11 are due on March 1 of each calendar year except that for calendar year 2013, the fee is due
21.12 July 1. If an entity terminates its registration with the board before March 1 in a calendar
21.13 year or before July 1 in 2013, no further administrative fee is due. A registrant who pays
21.14 an initial administrative fee before March 1 of a calendar year is not required to pay the
21.15 annual administrative fee due March 1 of that year.

21.16 (b) The board must provide written or electronic notice prior to the date an
21.17 administrative fee is due. A notice is valid if it is sent to the lobbyist or the treasurer of the
21.18 registrant required to pay an administrative fee at the most recent United States mail or
21.19 electronic mail address provided to the board. The notice must be sent not less than 14
21.20 days before the fee is due. If a notice is sent less than 14 days before the fee is due, the fee
21.21 is due 14 days after the notice was sent.

21.22 (c) The board may impose a penalty equal to 50 percent of the administrative fee
21.23 if the fee is not paid by the due date. The board may impose a penalty of an additional
21.24 50 percent of the original administrative fee if the fee is not paid within 30 days after the
21.25 due date. The board may take such legal or other measures as available to collect unpaid
21.26 administrative fees and penalties.

21.27 (d) The treasurer of the principal campaign committee, party unit, political
21.28 committee, or political fund is responsible for paying any administrative fee or penalty that
21.29 becomes due. Administrative fees and penalties may be paid using principal campaign
21.30 committee, party unit, political committee, or political fund money. In the case of a
21.31 candidate's principal campaign committee, the candidate is also personally liable for
21.32 payment of any administrative fee or penalty.

21.33 Subd. 3. **Campaign finance board administrative fee accounts; appropriation.**

21.34 (a) Two accounts are established in the special revenue fund of the state; one is the
21.35 "campaign finance board lobbyist administrative fee account," and the other is the
21.36 "campaign finance board campaign finance administrative fee account." All fees and

22.1 penalties collected from lobbyists under this subdivision must be deposited in the
22.2 campaign finance board lobbyist administrative fee account. All other fees and penalties
22.3 collected under this subdivision must be deposited in the campaign finance board
22.4 campaign finance administrative fee account.

22.5 (b) \$100,000 per fiscal year is appropriated to the board from the campaign finance
22.6 board lobbyist administrative fee account for administration and improvement of the
22.7 lobbyist registration and disclosure programs established in this chapter. \$250,000 per
22.8 fiscal year is appropriated to the board from the campaign finance board campaign finance
22.9 administrative fee account for administration and improvement of the campaign finance
22.10 registration and disclosure programs established in this chapter.

22.11 (c) Any amount remaining in the accounts established in this section after the
22.12 appropriations specified in paragraph (b) have been made must be carried forward into the
22.13 next fiscal year and is available for the appropriations specified in this section.

22.14 Subd. 4. **Adjustments to administrative fees.** (a) The administrative fee
22.15 amounts in subdivision 1 must be adjusted each general election year as provided in
22.16 this subdivision. Each general election year, the executive director of the board must
22.17 determine the percentage increase in the Consumer Price Index from December of the
22.18 year preceding the last general election year to December of the year preceding the year in
22.19 which the determination is made. The dollar amounts used for the preceding year must be
22.20 multiplied by that percentage. The product of the calculation must be added to each fee
22.21 amount to produce the fee amount to be in effect for the subsequent year. The product
22.22 must be rounded up to the next highest \$10 increment. The index used must be the revised
22.23 Consumer Price Index - All Urban Consumers for the St. Paul-Minneapolis metropolitan
22.24 area prepared by the United States Department of Labor.

22.25 (b) If the amount available in either of the accounts established in subdivision 3 in
22.26 any fiscal year is insufficient to make the appropriations specified in subdivision 4, the
22.27 board may increase the administrative fees for registrants whose fees are deposited into
22.28 that account by ten percent in the next fiscal year. The amount of the appropriation in that
22.29 fiscal year is increased by the amount of the insufficiency from the prior year.

22.30 (c) If the board determines that either of the accounts in subdivision 3 has a surplus
22.31 and that such surplus is likely to continue, the board may, by vote at a regular meeting,
22.32 temporarily decrease the fees assessed to registrants whose fees are deposited into that
22.33 account, on a proportional basis. Any such adjustment must be for an entire calendar year.
22.34 An adjustment under this paragraph is temporary and automatically expires at the end of
22.35 the calendar year for which it was made.

Subd. 5. **Accounting, adjustments, and report.** The board must report to the legislature no later than January 15 of each odd-numbered calendar year concerning the cost of operation of its lobbying and campaign finance programs. The report must include recommendations to the legislature concerning adjustments to the fees imposed in subdivision 1 to ensure that lobbyist administrative fees do not exceed the cost of administering the lobbying programs of the board and to ensure that the fees imposed on principal campaign committees, party units, political committees, and political funds do not exceed the cost of administering the campaign finance programs of the board. The report required under this subdivision must be provided to the chairs and ranking minority members of each policy and finance committee in the legislature having jurisdiction over the board and to the leadership of each legislative body.

Sec. 4. **EFFECTIVE DATE.**

This article is effective the day following final enactment and applies to administrative fees due July 1, 2013.

ARTICLE 4

TRUST LANDS

Section 1. Minnesota Statutes 2012, section 15A.0815, subdivision 3, is amended to read:

Subd. 3. **Group II salary limits.** The salaries for positions in this subdivision may not exceed 85 percent of the salary of the governor:

Executive director of Gambling Control Board;

Commissioner, Iron Range Resources and Rehabilitation Board;

Commissioner, Bureau of Mediation Services;

Ombudsman for Mental Health and Developmental Disabilities;

Chair, Metropolitan Council;

~~School trust lands director;~~

Executive director of pari-mutuel racing; and

Commissioner, Public Utilities Commission.

Sec. 2. Minnesota Statutes 2012, section 94.342, subdivision 5, is amended to read:

Subd. 5. **Additional restrictions on school trust land.** School trust land may be exchanged with other Class A land only if ~~the school trust lands director~~ Legislative Permanent School Fund Commission is appointed as temporary trustee of the school trust

24.1 land for purposes of the exchange. The Legislative Permanent School Fund Commission
24.2 shall provide independent legal counsel to review exchanges.

24.3 Sec. 3. Minnesota Statutes 2012, section 127A.30, subdivision 1, is amended to read:

24.4 Subdivision 1. **Commission established; membership.** (a) The Legislative
24.5 Permanent School Fund Commission of 12 members is established to advise the
24.6 Department of Natural Resources ~~and the school trust lands director~~ on the management
24.7 of permanent school fund land, which is held in trust for the school districts of the state
24.8 and to review legislation affecting permanent school fund land. The commission consists
24.9 of the following persons:

24.10 (1) six members of the senate, including three majority party members appointed by
24.11 the majority leader and three minority party members appointed by the minority leader; and

24.12 (2) six members of the house of representatives, including three majority party
24.13 members appointed by the speaker of the house and three minority party members
24.14 appointed by the minority leader.

24.15 (b) Appointed legislative members serve at the pleasure of the appointing authority
24.16 and continue to serve until their successors are appointed.

24.17 (c) The first meeting of the commission shall be convened by the chair of the
24.18 Legislative Coordinating Commission. Members shall elect a chair, vice-chair, secretary,
24.19 and other officers as determined by the commission. The chair may convene meetings as
24.20 necessary to conduct the duties prescribed by this section.

24.21 Sec. 4. Minnesota Statutes 2012, section 127A.351, is amended to read:

24.22 **127A.351 POLICY AND PURPOSE.**

24.23 (a) The purpose of sections 127A.351 to ~~127A.353~~ 127A.352 is to ~~establish a school~~
24.24 ~~trust lands director position to recommend management~~ ensure the management policies
24.25 for Minnesota's school trust lands, as defined in sections 92.121 and 127A.31, are in
24.26 accordance with the provisions of the Minnesota Constitution, article XI, section 8.

24.27 (b) As trustee, the state must manage the lands and revenues generated from the
24.28 lands consistent with the best interests of the trust beneficiaries as defined in the Minnesota
24.29 Constitution, article XI, section 8. When it is in the best interest of the school trust lands,
24.30 ecological benefits shall be taken into consideration.

24.31 (c) The trustee must be concerned with both income for the current beneficiaries
24.32 and the preservation of trust assets for future beneficiaries, which requires a balancing of
24.33 short-term and long-term interests so that long-term benefits are not lost in an effort to
24.34 maximize short-term gains.

(d) Sections 127A.351 to ~~127A.353~~ 127A.352 shall be liberally construed to enable ~~the school trust lands director and~~ the commissioner of natural resources to faithfully fulfill the state's obligations to the trust beneficiaries.

Sec. 5. Minnesota Statutes 2012, section 127A.352, subdivision 1, is amended to read:

Subdivision 1. **Recommendations.** The Legislative Permanent School Fund Commission shall recommend policies for ~~the school trust lands director and~~ the commissioner of natural resources that are consistent with the Minnesota Constitution, state law, and the goals established under section 84.027, subdivision 18.

Sec. 6. Minnesota Statutes 2012, section 127A.352, subdivision 2, is amended to read:

Subd. 2. **Duties.** The commissioner of natural resources ~~and the school trust lands director~~ shall recommend to the governor and the Legislative Permanent School Fund Commission any necessary or desirable changes in statutes relating to the trust or their trust responsibilities consistent with the policies under section 127A.351.

Sec. 7. **REPEALER.**

Minnesota Statutes 2012, sections 127A.352, subdivision 3; and 127A.353, are repealed.

ARTICLE 5

VETERANS AFFAIRS

Section 1. **VETERANS AFFAIRS APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015.

| <u>APPROPRIATIONS</u> | |
|--------------------------------------|--------------------|
| <u>Available for the Year</u> | |
| <u>Ending June 30</u> | |
| <u>2014</u> | <u>2015</u> |

Sec. 2. **VETERANS AFFAIRS**

| | | | | | |
|-------|---|-------------------|--------------------------|-----------|--------------------------|
| 26.1 | <u>Subdivision 1. Total Appropriation</u> | <u>\$</u> | <u>62,643,000</u> | <u>\$</u> | <u>61,998,000</u> |
| 26.2 | <u>Appropriations by Fund</u> | | | | |
| 26.3 | | <u>2014</u> | <u>2015</u> | | |
| 26.4 | <u>General</u> | <u>62,643,000</u> | <u>61,998,000</u> | | |
| 26.5 | <u>The amounts that may be spent for each</u> | | | | |
| 26.6 | <u>purpose are specified in the following</u> | | | | |
| 26.7 | <u>subdivisions.</u> | | | | |
| 26.8 | <u>Subd. 2. Veterans Services</u> | | <u>15,186,000</u> | | <u>15,485,000</u> |
| 26.9 | <u>Appropriations by Fund</u> | | | | |
| 26.10 | | <u>2014</u> | <u>2015</u> | | |
| 26.11 | <u>General</u> | <u>15,186,000</u> | <u>15,485,000</u> | | |
| 26.12 | <u>IT Upgrades. \$618,000 in fiscal year 2014</u> | | | | |
| 26.13 | <u>and \$382,000 in fiscal year 2015 are to</u> | | | | |
| 26.14 | <u>improve and modernize the department's</u> | | | | |
| 26.15 | <u>information technology systems. These</u> | | | | |
| 26.16 | <u>funds shall be transferred to the Office of</u> | | | | |
| 26.17 | <u>Enterprise Technology. This is a onetime</u> | | | | |
| 26.18 | <u>transfer and is available until spent.</u> | | | | |
| 26.19 | <u>Veterans Cemetery in Fillmore County.</u> | | | | |
| 26.20 | <u>\$425,000 in fiscal year 2015 is for operation</u> | | | | |
| 26.21 | <u>of the new veterans cemetery in Fillmore</u> | | | | |
| 26.22 | <u>County. This amount is added to the</u> | | | | |
| 26.23 | <u>program's base funding.</u> | | | | |
| 26.24 | <u>Honor Guards. \$200,000 each year is</u> | | | | |
| 26.25 | <u>for compensation for honor guards at</u> | | | | |
| 26.26 | <u>the funerals of veterans under Minnesota</u> | | | | |
| 26.27 | <u>Statutes, section 197.231. This amount is</u> | | | | |
| 26.28 | <u>added to the program's base funding.</u> | | | | |
| 26.29 | <u>Minnesota GI Bill. \$100,000 each year is for</u> | | | | |
| 26.30 | <u>the costs of administering the Minnesota GI</u> | | | | |
| 26.31 | <u>Bill on-the-job training and apprenticeship</u> | | | | |
| 26.32 | <u>program under Minnesota Statutes, section</u> | | | | |
| 26.33 | <u>197.791.</u> | | | | |

27.1 **Gold Star Program.** \$100,000 each year

27.2 is for administering the Gold Star Program

27.3 for surviving family members of deceased

27.4 veterans. This amount is added to the

27.5 program's base funding.

27.6 **County Veterans Service Office.** \$595,000

27.7 each year is for funding the County

27.8 Veterans Service Office grant program under

27.9 Minnesota Statutes, section 197.608.

27.10 **Veterans Service Organizations.** \$353,000

27.11 each year is for grants to the following

27.12 congressionally chartered veterans service

27.13 organizations, as designated by the

27.14 commissioner: Disabled American Veterans,

27.15 Military Order of the Purple Heart, American

27.16 Legion, Veterans of Foreign Wars, Vietnam

27.17 Veterans of America, AMVETS, and

27.18 Paralyzed Veterans of America. This funding

27.19 must be allocated in direct proportion to

27.20 the funding currently being provided by the

27.21 commissioner to these organizations.

27.22 **Veterans Paramedic Apprenticeship**

27.23 **Program.** All unspent funds, estimated to

27.24 be \$110,000, from the Veterans Paramedic

27.25 Apprenticeship Program, from the onetime

27.26 appropriation under Laws 2009, chapter 79,

27.27 article 13, section 7, are canceled to the

27.28 general fund on July 1, 2013.

27.29 Subd. 3. **Veterans Homes** 47,457,000 46,513,000

27.30 Appropriations by Fund

27.31 2014 2015

27.32 General 47,457,000 46,513,000

27.33 **Veterans Homes Special Revenue Account.**

27.34 The general fund appropriations made to the

27.35 department may be transferred to a veterans

28.1 homes special revenue account in the special
28.2 revenue fund in the same manner as other
28.3 receipts are deposited according to Minnesota
28.4 Statutes, section 198.34, and are appropriated
28.5 to the department for the operation of
28.6 veterans homes facilities and programs.

28.7 **IT Upgrades.** \$2,472,000 in fiscal year 2014
28.8 and \$1,528,000 in fiscal year 2015 are to
28.9 improve and modernize the department's
28.10 information technology systems. These
28.11 funds shall be transferred to the Office of
28.12 Enterprise Technology. This is a onetime
28.13 transfer and is available until spent.

28.14 **Maximize Federal Reimbursements.**
28.15 The department will seek opportunities
28.16 to maximize federal reimbursements of
28.17 Medicare-eligible expenses and will provide
28.18 annual reports to the commissioner of
28.19 management and budget on the federal
28.20 Medicare reimbursements received.
28.21 Contingent upon future federal Medicare
28.22 receipts, reductions to the homes' general
28.23 fund appropriation may be made.

28.24 **ARTICLE 6**

28.25 **VETERANS PROVISIONS**

28.26 **Section 1. [168.1299] SPECIAL "SUPPORT OUR VETERANS" PLATES.**

28.27 **Subdivision 1. General requirements and procedures.** (a) The commissioner shall
28.28 issue special "Support Our Veterans" plates to an applicant who:

- 28.29 (1) is a registered owner of a passenger automobile;
28.30 (2) pays a fee of \$10 to cover costs of handling and manufacturing the plates;
28.31 (3) pays the registration tax required under section 168.013;
28.32 (4) pays the fees required under this chapter;
28.33 (5) contributes a minimum of \$30 annually to the "Support Our Troops" account
28.34 under section 190.19; and

(6) complies with this chapter and the rules governing registration of motor vehicles and licensing of drivers.

(b) The Support Our Veterans plate application must indicate that the annual contribution specified under paragraph (a), clause (5), is a minimum contribution to receive the special plate and that the applicant may make an additional contribution to the account.

Subd. 2. **Design.** After consultation with interested groups, the commissioner of veterans affairs shall design the "Support Our Veterans" plates, subject to the approval of the commissioner.

Subd. 3. **No refund.** Contributions under this section must not be refunded.

Subd. 4. **Plates transfer.** Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile by the individual to whom the "Support Our Veterans" plates were issued.

Subd. 5. **Contribution and fees credited.** Contributions under subdivision 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the "Support Our Troops" account established in section 190.19. The contribution credited to the "Support Our Troops" account under this subdivision must be transferred to the commissioner of veterans affairs and used only for the purposes established under section 196.31, subdivision 4. The fees collected under this section must be deposited in the vehicle services operating account in the special revenue fund under section 299A.705.

Subd. 6. **Record.** The commissioner shall maintain a record of the number of plates issued under this section.

EFFECTIVE DATE. This section is effective January 1, 2014, for plates issued on or after that date.

Sec. 2. [196.31] SUPPORT OUR VETERANS ACCOUNT.

Subdivision 1. **Establishment.** The Minnesota "Support Our Veterans" account is established in the special revenue fund. The account shall consist of contributions from private sources and appropriations. Money in the account is appropriated to the Department of Veterans Affairs.

Subd. 2. **Purpose.** Money appropriated to the Department of Veterans Affairs from the Minnesota "Support Our Veterans" account shall be used to establish a grant program to address the emerging needs of veterans. The commissioner shall administer a grant program and award grants with the money from this account to eligible individuals or organizations.

30.1 Subd. 3. **Eligibility.** To be eligible for a grant under this section, an individual or
30.2 organization must apply to the commissioner by submitting a proposal that meets the
30.3 criteria specified by the commissioner. In addition, the proposal must:

30.4 (1) not duplicate services provided elsewhere;

30.5 (2) have set goals and performance measures; and

30.6 (3) be used for one of the purposes listed in subdivision 4.

30.7 Subd. 4. **Uses.** Money appropriated to the Department of Veterans Affairs from the
30.8 Minnesota "Support Our Veterans" account may be used to award grants for the following
30.9 purposes:

30.10 (1) outreach to underserved veterans;

30.11 (2) providing services and programs for veterans and their families;

30.12 (3) assisting in the reintegration of combat veterans into society;

30.13 (4) assisting in the reduction of homelessness among veterans; and

30.14 (5) addressing other emerging needs of veterans as determined by the commissioner.

30.15 Subd. 5. **Annual report.** The commissioner of veterans affairs must report by
30.16 February 1, 2014, and each year thereafter, to the chairs and ranking minority members
30.17 of the legislative committees and divisions with jurisdiction over veterans affairs on
30.18 the number, amounts, and use of grants made by the commissioner from the Minnesota
30.19 "Support Our Veterans" account in the previous year.

30.20 Sec. 3. Minnesota Statutes 2012, section 197.608, subdivision 3, is amended to read:

30.21 Subd. 3. **Eligibility.** (a) To be eligible for a grant under ~~this program~~ subdivision 6,
30.22 a county must employ a county veterans service officer as authorized by sections 197.60
30.23 and 197.606, who is certified to serve in this position by the commissioner.

30.24 (b) A county that employs a newly hired county veterans service officer who is
30.25 serving an initial probationary period and who has not been certified by the commissioner
30.26 is eligible to receive a grant under subdivision ~~2a~~ 6 for one year from the date the county
30.27 veterans service officer is appointed.

30.28 (c) ~~Except for the situation described in paragraph (b),~~ A county whose county
30.29 veterans service officer does not receive certification ~~during any year of the three-year~~
30.30 ~~cycle is not eligible to receive a grant during the remainder of that cycle or the next~~
30.31 three-year cycle by the end of the first year of the county veterans service officer's
30.32 appointment is ineligible for the grant under subdivision 6 until the county veterans
30.33 service officer receives certification.

30.34 Sec. 4. Minnesota Statutes 2012, section 197.608, subdivision 4, is amended to read:

Subd. 4. **Grant process.** (a) The commissioner shall determine the process for awarding grants. A grant may be used only for the purpose of enhancing the operations of the County Veterans Service Office.

(b) The commissioner shall provide a list of qualifying uses for grant expenditures as developed in subdivision 5 and shall approve a grant under subdivision 6 only for a qualifying use and if there are sufficient funds remaining in the grant program to cover the full amount of the grant.

(c) The commissioner is authorized to use any unexpended funding for this program to provide training and education for county veterans service officers.

Sec. 5. Minnesota Statutes 2012, section 197.608, subdivision 5, is amended to read:

Subd. 5. **Qualifying uses.** The commissioner shall consult with the Minnesota Association of County Veterans Service Officers in developing a list of qualifying uses for grants awarded under this program subdivision 6.

~~The commissioner is authorized to use any unexpended funding for this program to provide training and education for county veterans service officers.~~

Sec. 6. Minnesota Statutes 2012, section 197.608, subdivision 6, is amended to read:

Subd. 6. **Grant amount.** (a) Each county is eligible to receive an annual grant of \$5,000 for the following purposes:

(1) to provide outreach to the county's veterans;

(2) to assist in the reintegration of combat veterans into society;

(3) to collaborate with other social service agencies, educational institutions, and other community organizations for the purposes of enhancing services offered to veterans;

(4) to reduce homelessness among veterans; and

(5) to enhance the operations of the county veterans service office.

(b) In addition to the grant amount in paragraph (a), each county is eligible to receive an additional annual grant under this paragraph. The amount of each additional annual grant must be determined by the commissioner and may not exceed:

(1) \$1,400 \$0, if the county's veteran population is less than 1,000;

(2) \$2,800 \$1,000, if the county's veteran population is 1,000 or more but less than 3,000;

(3) \$4,200 \$2,000, if the county's veteran population is 3,000 or more but less than 10,000 than 4,999; or

(4) \$5,600 \$5,000, if the county's veteran population is 10,000 5,000 or more: but less than 9,999;

32.1 (5) \$7,500, if the county's veteran population is 10,000 or more but less than 19,999;
32.2 (6) \$10,000, if the county's veteran population is 20,000 or more but less than
32.3 29,999; or

32.4 (7) \$15,000, if the county's veteran population is 30,000 or more.

32.5 (c) The Minnesota Association of County Veterans Service Officers is eligible to
32.6 receive an annual grant of \$2,500. The grant shall be used for administrative costs of
32.7 the association, certification of mandated county veterans service officer training and
32.8 accreditation, and costs associated with reintegration services.

32.9 The veteran population of each county shall be determined by the figure supplied by
32.10 the United States Department of Veterans Affairs, as adopted by the commissioner.

32.11 Sec. 7. Minnesota Statutes 2012, section 197.791, subdivision 1, is amended to read:

32.12 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
32.13 section.

32.14 (b) "Commissioner" means the commissioner of veterans affairs, unless otherwise
32.15 specified.

32.16 (c) "Cost of attendance" for undergraduate students has the meaning given in section
32.17 136A.121, subdivision 6, multiplied by a factor of 1.2. Cost of attendance for graduate
32.18 students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor
32.19 of 1.2, using the tuition and fee maximum established by law for four-year programs. For
32.20 purposes of calculating the cost of attendance for graduate students, full time is eight
32.21 credits or more per term or the equivalent.

32.22 (d) "Child" means a natural or adopted child of a person described in subdivision 4,
32.23 paragraph (a), clause (1), item (i) or (ii).

32.24 (e) "Eligible institution" means a postsecondary institution under section 136A.101,
32.25 subdivision 4, or a graduate school licensed or registered with the state of Minnesota
32.26 serving only graduate students.

32.27 (f) "Program" means the Minnesota GI Bill program established in this section,
32.28 unless otherwise specified.

32.29 (g) "Time of hostilities" means any action by the armed forces of the United States
32.30 that is recognized by the issuance of a presidential proclamation or a presidential executive
32.31 order in which the armed forces expeditionary medal or other campaign service medals
32.32 are awarded according to presidential executive order, and any additional period or place
32.33 that the commissioner determines and designates, after consultation with the United States
32.34 Department of Defense, to be a period or place where the United States is in a conflict that

places persons at such a risk that service in a foreign country during that period or in that place should be considered to be included.

(h) "Veteran" has the meaning given in section 197.447. ~~Veteran also includes a service member who has received an honorable discharge after leaving each period of federal active duty service and has:~~

~~(1) served 90 days or more of federal active duty in a foreign country during a time of hostilities in that country; or~~

~~(2) been awarded any of the following medals:~~

~~(i) Armed Forces Expeditionary Medal;~~

~~(ii) Kosovo Campaign Medal;~~

~~(iii) Afghanistan Campaign Medal;~~

~~(iv) Iraq Campaign Medal;~~

~~(v) Global War on Terrorism Expeditionary Medal; or~~

~~(vi) any other campaign medal authorized for service after September 11, 2001; or~~

~~(3) received a service-related medical discharge from any period of service in a foreign country during a time of hostilities in that country.~~

A service member who has fulfilled the requirements for being a veteran under this paragraph but is still serving actively in the United States armed forces is also a veteran for the purposes of this section.

Sec. 8. Minnesota Statutes 2012, section 197.791, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under this section if:

(1) the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time ~~on or after September 11, 2001;~~

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military ~~at any time on or after September 11, 2001,~~ and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

34.1 (iv) the spouse or child of a person who has served in the military at any time ~~on or~~
34.2 ~~after September 11, 2001~~, and who has a total and permanent service-connected disability
34.3 as rated by the United States Veterans Administration, only if the spouse or child is
34.4 eligible to receive federal education benefits under United States Code, title 38, chapter
34.5 33, as amended, or United States Code, title 38, chapter 35, as amended; and

34.6 (2) the person receiving the educational assistance is a Minnesota resident, as
34.7 defined in section 136A.101, subdivision 8; and

34.8 (3) the person receiving the educational assistance:

34.9 (i) is an undergraduate or graduate student at an eligible institution;

34.10 (ii) is maintaining satisfactory academic progress as defined by the institution for
34.11 students participating in federal Title IV programs;

34.12 (iii) is enrolled in an education program leading to a certificate, diploma, or degree
34.13 at an eligible institution;

34.14 (iv) has applied for educational assistance under this section prior to the end of the
34.15 academic term for which the assistance is being requested;

34.16 (v) is in compliance with child support payment requirements under section
34.17 136A.121, subdivision 2, clause (5); and

34.18 (vi) has completed the Free Application for Federal Student Aid (FAFSA).

34.19 (b) A person's eligibility terminates when the person becomes eligible for benefits
34.20 under section 135A.52.

34.21 (c) To determine eligibility, the commissioner may require official documentation,
34.22 including the person's federal form DD-214 or other official military discharge papers;
34.23 correspondence from the United States Veterans Administration; birth certificate; marriage
34.24 certificate; proof of enrollment at an eligible institution; signed affidavits; proof of
34.25 residency; proof of identity; or any other official documentation the commissioner
34.26 considers necessary to determine eligibility.

34.27 (d) The commissioner may deny eligibility or terminate benefits under this section
34.28 to any person who has not provided sufficient documentation to determine eligibility for
34.29 the program. An applicant may appeal the commissioner's eligibility determination or
34.30 termination of benefits in writing to the commissioner at any time. The commissioner
34.31 must rule on any application or appeal within 30 days of receipt of all documentation that
34.32 the commissioner requires. The decision of the commissioner regarding an appeal is final.
34.33 However, an applicant whose appeal of an eligibility determination has been rejected by
34.34 the commissioner may submit an additional appeal of that determination in writing to the
34.35 commissioner at any time that the applicant is able to provide substantively significant
34.36 additional information regarding the applicant's eligibility for the program. An approval

of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 9. Minnesota Statutes 2012, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Benefit amount.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Veterans Administration and payments made under the Veterans Retraining Assistance Program (VRAP).

(c) The amount of educational assistance for any eligible person who is a full-time student must not exceed the following:

(1) \$1,000 per semester or term of enrollment;

(2) \$3,000 per state fiscal year; and

(3) \$10,000 in a lifetime.

For a part-time student, the amount of educational assistance must not exceed \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is \$50 per term.

Sec. 10. **[349A.17] SPECIAL GAME; VETERANS.**

(a) The Minnesota Lottery shall establish a scratch-off game whose receipts are dedicated to the "Support Our Veterans" account established under section 196.31. The game shall be in play at least once each year, on a theme and with content chosen by the lottery.

(b) The transfer under paragraph (a) shall consist of gross receipts, as defined in section 349A.01, subdivision 7, less the lottery's expenses related to the veterans' scratch-off games, as described in section 349A.10, subdivision 6, and less amounts transmitted to the Environmental and Natural Resources Trust Fund pursuant to the Minnesota Constitution, article XI, section 14.

Sec. 11. **DEPOSIT OF FUNDS.**

The Minnesota Lottery shall deposit any funds created under games authorized under Minnesota Statutes, section 349A.17, on a monthly basis into the "Support Our Veterans" account established under Minnesota Statutes, section 196.31, and shall be made available for those uses listed in Minnesota Statutes, section 196.31, subdivision 4.

Sec. 12. **REPEALER.**

Minnesota Statutes 2012, section 197.608, subdivision 2a, is repealed.

ARTICLE 7

MILITARY AFFAIRS

Section 1. **MILITARY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015.

| <u>APPROPRIATIONS</u> | |
|--------------------------------------|--------------------|
| <u>Available for the Year</u> | |
| <u>Ending June 30</u> | |
| <u>2014</u> | <u>2015</u> |

Sec. 2. **MILITARY AFFAIRS**

| | | | | | |
|-------|---|-----------|--------------------------|-----------|--------------------------|
| 37.1 | <u>Subdivision 1. Total Appropriation</u> | <u>\$</u> | <u>19,368,000</u> | <u>\$</u> | <u>19,368,000</u> |
| 37.2 | <u>The amounts that may be spent for each</u> | | | | |
| 37.3 | <u>purpose are specified in the following</u> | | | | |
| 37.4 | <u>subdivisions.</u> | | | | |
| 37.5 | <u>Subd. 2. Maintenance of Training Facilities</u> | | <u>6,660,000</u> | | <u>6,660,000</u> |
| 37.6 | <u>Subd. 3. General Support</u> | | <u>2,360,000</u> | | <u>2,360,000</u> |
| 37.7 | <u>Subd. 4. Enlistment Incentives</u> | | <u>10,348,000</u> | | <u>10,348,000</u> |
| 37.8 | <u>If appropriations for either year of the</u> | | | | |
| 37.9 | <u>biennium are insufficient, the appropriation</u> | | | | |
| 37.10 | <u>from the other year is available. The</u> | | | | |
| 37.11 | <u>appropriations for enlistment incentives are</u> | | | | |
| 37.12 | <u>available until expended.</u> | | | | |

ARTICLE 8

REVENUE DEPARTMENT

37.15 Section 1. Minnesota Statutes 2012, section 65B.84, subdivision 1, is amended to read:

37.16 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a)

37.17 The commissioner of commerce shall:

37.18 (1) develop and sponsor the implementation of statewide plans, programs, and
 37.19 strategies to combat automobile theft, improve the administration of the automobile theft
 37.20 laws, and provide a forum for identification of critical problems for those persons dealing
 37.21 with automobile theft;

37.22 (2) coordinate the development, adoption, and implementation of plans, programs,
 37.23 and strategies relating to interagency and intergovernmental cooperation with respect
 37.24 to automobile theft enforcement;

37.25 (3) annually audit the plans and programs that have been funded in whole or in part
 37.26 to evaluate the effectiveness of the plans and programs and withdraw funding should the
 37.27 commissioner determine that a plan or program is ineffective or is no longer in need
 37.28 of further financial support from the fund;

37.29 (4) develop a plan of operation including:

37.30 (i) an assessment of the scope of the problem of automobile theft, including areas
 37.31 of the state where the problem is greatest;

37.32 (ii) an analysis of various methods of combating the problem of automobile theft;

37.33 (iii) a plan for providing financial support to combat automobile theft;

(iv) a plan for eliminating car hijacking; and

(v) an estimate of the funds required to implement the plan; and

(5) distribute money, in consultation with the commissioner of public safety, pursuant to subdivision 3 from the automobile theft prevention special revenue account for automobile theft prevention activities, including:

(i) paying the administrative costs of the program;

(ii) providing financial support to the State Patrol and local law enforcement agencies for automobile theft enforcement teams;

(iii) providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of automobile theft and for improved equipment and techniques for responding to automobile thefts;

(iv) providing financial support to local prosecutors for programs designed to reduce the incidence of automobile theft;

(v) providing financial support to judicial agencies for programs designed to reduce the incidence of automobile theft;

(vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft and to educate people about the common methods of automobile theft, the models of automobiles most likely to be stolen, and the times and places automobile theft is most likely to occur; and

(vii) providing financial support for automobile theft educational and training programs for state and local law enforcement officials, driver and vehicle services exam and inspections staff, and members of the judiciary.

(b) The commissioner may not spend in any fiscal year more than ten percent of the money in the fund for the program's administrative and operating costs. The commissioner is annually appropriated and must distribute the amount of the proceeds credited to the automobile theft prevention special revenue account each year, less the transfer of \$1,300,000 each year to the general fund described in section ~~168A.40, subdivision 4~~ 297I.11, subdivision 2.

EFFECTIVE DATE. This section is effective for premiums collected after June 30, 2013.

Sec. 2. Minnesota Statutes 2012, section 270C.69, subdivision 1, is amended to read:

Subdivision 1. Notice and procedures. (a) The commissioner may, within five years after the date of assessment of the tax, or if a lien has been filed under section 270C.63, within the statutory period for enforcement of the lien, give notice to any employer

39.1 deriving income which has a taxable situs in this state regardless of whether the income is
39.2 exempt from taxation, that an employee of that employer is delinquent in a certain amount
39.3 with respect to any taxes, including penalties, interest, and costs. The commissioner can
39.4 proceed under this section only if the tax is uncontested or if the time for appeal of the tax
39.5 has expired. The commissioner shall not proceed under this section until the expiration of
39.6 30 days after mailing to the taxpayer, at the taxpayer's last known address, a written notice
39.7 of (1) the amount of taxes, interest, and penalties due from the taxpayer and demand for
39.8 their payment, and (2) the commissioner's intention to require additional withholding by
39.9 the taxpayer's employer pursuant to this section. The effect of the notice shall expire one
39.10 year after it has been mailed to the taxpayer provided that the notice may be renewed by
39.11 mailing a new notice which is in accordance with this section. The renewed notice shall
39.12 have the effect of reinstating the priority of the original claim. The notice to the taxpayer
39.13 shall be in substantially the same form as that provided in section 571.72. The notice
39.14 shall further inform the taxpayer of the wage exemptions contained in section 550.37,
39.15 subdivision 14. If no statement of exemption is received by the commissioner within 30
39.16 days from the mailing of the notice, the commissioner may proceed under this section.
39.17 The notice to the taxpayer's employer may be served by mail or by delivery by an agent of
39.18 the department and shall be in substantially the same form as provided in section 571.75.
39.19 Upon receipt of notice, the employer shall withhold from compensation due or to become
39.20 due to the employee, the total amount shown by the notice, subject to the provisions of
39.21 section 571.922. The employer shall continue to withhold each pay period until the notice
39.22 is released by the commissioner under section 270C.7109. Upon receipt of notice by the
39.23 employer, the claim of the state of Minnesota shall have priority over any subsequent
39.24 garnishments or wage assignments. The commissioner may arrange between the employer
39.25 and the employee for withholding a portion of the total amount due the employee each pay
39.26 period, until the total amount shown by the notice plus accrued interest has been withheld.

39.27 (b) The "compensation due" any employee is defined in accordance with the
39.28 provisions of section 571.921. The maximum withholding allowed under this section for
39.29 any one pay period shall be decreased by any amounts payable pursuant to a garnishment
39.30 action with respect to which the employer was served prior to being served with the notice
39.31 of delinquency and any amounts covered by any irrevocable and previously effective
39.32 assignment of wages; the employer shall give notice to the commissioner of the amounts
39.33 and the facts relating to such assignments within ten days after the service of the notice of
39.34 delinquency on the form provided by the commissioner as noted in this section.

39.35 (c) Within ten days after the expiration of such pay period, the employer shall remit
39.36 to the commissioner, ~~on a form and~~ in the manner prescribed by the commissioner, the

40.1 amount withheld during each pay period under this section. The employer must file all
40.2 wage levy disclosure forms and remit all wage levy payments by electronic means.

40.3 **EFFECTIVE DATE.** This section is effective for wage levy disclosures or wage
40.4 levy payments filed or made after December 31, 2013.

40.5 Sec. 3. Minnesota Statutes 2012, section 289A.20, subdivision 2, is amended to read:

40.6 Subd. 2. **Withholding from wages, entertainer withholding, withholding**
40.7 **from payments to out-of-state contractors, and withholding by partnerships, small**
40.8 **business corporations, trusts.** (a) A tax required to be deducted and withheld during the
40.9 quarterly period must be paid on or before the last day of the month following the close of
40.10 the quarterly period, unless an earlier time for payment is provided. A tax required to be
40.11 deducted and withheld from compensation of an entertainer and from a payment to an
40.12 out-of-state contractor must be paid on or before the date the return for such tax must be
40.13 filed under section 289A.18, subdivision 2. Taxes required to be deducted and withheld
40.14 by partnerships, S corporations, and trusts must be paid on a quarterly basis as estimated
40.15 taxes under section 289A.25 for partnerships and trusts and under section 289A.26 for S
40.16 corporations.

40.17 (b) An employer who, during the previous quarter, withheld more than \$1,500 of
40.18 tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, must deposit tax
40.19 withheld under those sections with the commissioner within the time allowed to deposit
40.20 the employer's federal withheld employment taxes under Code of Federal Regulations,
40.21 title 26, section 31.6302-1, as amended through December 31, 2001, without regard to the
40.22 safe harbor or de minimis rules in paragraph (f) or the one-day rule in paragraph (c)(3).
40.23 Taxpayers must submit a copy of their federal notice of deposit status to the commissioner
40.24 upon request by the commissioner.

40.25 (c) The commissioner may prescribe by rule other return periods or deposit
40.26 requirements. In prescribing the reporting period, the commissioner may classify payors
40.27 according to the amount of their tax liability and may adopt an appropriate reporting
40.28 period for the class that the commissioner judges to be consistent with efficient tax
40.29 collection. In no event will the duration of the reporting period be more than one year.

40.30 (d) If less than the correct amount of tax is paid to the commissioner, proper
40.31 adjustments with respect to both the tax and the amount to be deducted must be made,
40.32 without interest, in the manner and at the times the commissioner prescribes. If the
40.33 underpayment cannot be adjusted, the amount of the underpayment will be assessed and
40.34 collected in the manner and at the times the commissioner prescribes.

40.35 (e) If the aggregate amount of the tax withheld is:

41.1 ~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~
41.2 ~~(2) \$10,000 or more in the a fiscal year ending June 30, 2006, and fiscal years~~
41.3 ~~thereafter,~~

41.4 the employer must remit each required deposit for wages paid in the all subsequent
41.5 calendar year years by electronic means.

41.6 (f) A third-party bulk filer as defined in section 290.92, subdivision 30, paragraph
41.7 (a), clause (2), who remits withholding deposits must remit all deposits by electronic
41.8 means as provided in paragraph (e), regardless of the aggregate amount of tax withheld
41.9 during a fiscal year for all of the employers.

41.10 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
41.11 2013, and all fiscal years thereafter.

41.12 Sec. 4. Minnesota Statutes 2012, section 289A.20, subdivision 4, is amended to read:

41.13 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and
41.14 payable to the commissioner monthly on or before the 20th day of the month following
41.15 the month in which the taxable event occurred, or following another reporting period
41.16 as the commissioner prescribes or as allowed under section 289A.18, subdivision 4,
41.17 paragraph (f) or (g), except that:

41.18 (1) use taxes due on an annual use tax return as provided under section 289A.11,
41.19 subdivision 1, are payable by April 15 following the close of the calendar year; and

41.20 (2) except as provided in paragraph (f), for a vendor having a liability of \$120,000
41.21 or more during a fiscal year ending June 30, 2009, and fiscal years thereafter, the taxes
41.22 imposed by chapter 297A, except as provided in paragraph (b), are due and payable to the
41.23 commissioner monthly in the following manner:

41.24 (i) On or before the 14th day of the month following the month in which the taxable
41.25 event occurred, the vendor must remit to the commissioner 90 percent of the estimated
41.26 liability for the month in which the taxable event occurred.

41.27 (ii) On or before the 20th day of the month in which the taxable event occurs, the
41.28 vendor must remit to the commissioner a prepayment for the month in which the taxable
41.29 event occurs equal to 67 percent of the liability for the previous month.

41.30 (iii) On or before the 20th day of the month following the month in which the taxable
41.31 event occurred, the vendor must pay any additional amount of tax not previously remitted
41.32 under either item (i) or (ii) or, if the payment made under item (i) or (ii) was greater than
41.33 the vendor's liability for the month in which the taxable event occurred, the vendor may
41.34 take a credit against the next month's liability in a manner prescribed by the commissioner.

42.1 (iv) Once the vendor first pays under either item (i) or (ii), the vendor is required to
42.2 continue to make payments in the same manner, as long as the vendor continues having a
42.3 liability of \$120,000 or more during the most recent fiscal year ending June 30.

42.4 (v) Notwithstanding items (i), (ii), and (iv), if a vendor fails to make the required
42.5 payment in the first month that the vendor is required to make a payment under either item
42.6 (i) or (ii), then the vendor is deemed to have elected to pay under item (ii) and must make
42.7 subsequent monthly payments in the manner provided in item (ii).

42.8 (vi) For vendors making an accelerated payment under item (ii), for the first month
42.9 that the vendor is required to make the accelerated payment, on the 20th of that month, the
42.10 vendor will pay 100 percent of the liability for the previous month and a prepayment for
42.11 the first month equal to 67 percent of the liability for the previous month.

42.12 (b) Notwithstanding paragraph (a), a vendor having a liability of \$120,000 or more
42.13 during a fiscal year ending June 30 must remit the June liability for the next year in the
42.14 following manner:

42.15 (1) Two business days before June 30 of the year, the vendor must remit 90 percent
42.16 of the estimated June liability to the commissioner.

42.17 (2) On or before August 20 of the year, the vendor must pay any additional amount
42.18 of tax not remitted in June.

42.19 (c) A vendor having a liability of:

42.20 (1) \$10,000 or more, but less than \$120,000 during a fiscal year ending June 30,
42.21 ~~2009~~ 2013, and fiscal years thereafter, must remit by electronic means all liabilities on
42.22 returns due for periods beginning in ~~the~~ all subsequent calendar ~~year~~ years on or before
42.23 the 20th day of the month following the month in which the taxable event occurred, or
42.24 on or before the 20th day of the month following the month in which the sale is reported
42.25 under section 289A.18, subdivision 4; or

42.26 (2) \$120,000 or more, during a fiscal year ending June 30, 2009, and fiscal years
42.27 thereafter, must remit by electronic means all liabilities in the manner provided in
42.28 paragraph (a), clause (2), on returns due for periods beginning in the subsequent calendar
42.29 year, except for 90 percent of the estimated June liability, which is due two business days
42.30 before June 30. The remaining amount of the June liability is due on August 20.

42.31 (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's
42.32 religious beliefs from paying electronically shall be allowed to remit the payment by mail.
42.33 The filer must notify the commissioner of revenue of the intent to pay by mail before
42.34 doing so on a form prescribed by the commissioner. No extra fee may be charged to a
42.35 person making payment by mail under this paragraph. The payment must be postmarked

at least two business days before the due date for making the payment in order to be considered paid on a timely basis.

(e) Whenever the liability is \$120,000 or more separately for: (1) the tax imposed under chapter 297A; (2) a fee that is to be reported on the same return as and paid with the chapter 297A taxes; or (3) any other tax that is to be reported on the same return as and paid with the chapter 297A taxes, then the payment of all the liabilities on the return must be accelerated as provided in this subdivision.

(f) At the start of the first calendar quarter at least 90 days after the cash flow account established in section 16A.152, subdivision 1, and the budget reserve account established in section 16A.152, subdivision 1a, reach the amounts listed in section 16A.152, subdivision 2, paragraph (a), the remittance of the accelerated payments required under paragraph (a), clause (2), must be suspended. The commissioner of management and budget shall notify the commissioner of revenue when the accounts have reached the required amounts. Beginning with the suspension of paragraph (a), clause (2), for a vendor with a liability of \$120,000 or more during a fiscal year ending June 30, 2009, and fiscal years thereafter, the taxes imposed by chapter 297A are due and payable to the commissioner on the 20th day of the month following the month in which the taxable event occurred. Payments of tax liabilities for taxable events occurring in June under paragraph (b) are not changed.

EFFECTIVE DATE. This section is effective for the fiscal year ending June 30, 2013, and all fiscal years thereafter.

Sec. 5. Minnesota Statutes 2012, section 289A.26, subdivision 2a, is amended to read:

Subd. 2a. **Electronic payments.** If the aggregate amount of estimated tax payments made is:

- ~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~
- ~~(2) \$10,000 or more in the a fiscal year ending June 30, 2006, and fiscal years thereafter,~~

all estimated tax payments in the all subsequent calendar year years must be paid by electronic means.

EFFECTIVE DATE. This section is effective for the fiscal year ending June 30, 2013, and all fiscal years thereafter.

Sec. 6. Minnesota Statutes 2012, section 295.55, subdivision 4, is amended to read:

Subd. 4. **Electronic payments.** A taxpayer with an aggregate tax liability of:

- ~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~

44.1 (2) \$10,000 or more in the a fiscal year ending June 30, 2006, and fiscal years
44.2 thereafter,
44.3 must remit all liabilities by electronic means in the all subsequent calendar year years.

44.4 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
44.5 2013, and all fiscal years thereafter.

44.6 Sec. 7. Minnesota Statutes 2012, section 297F.09, subdivision 7, is amended to read:

44.7 Subd. 7. **Electronic payment.** A cigarette or tobacco products distributor having a
44.8 liability of \$10,000 or more during a fiscal year ending June 30 must remit all liabilities in
44.9 the all subsequent calendar year years by electronic means.

44.10 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
44.11 2013, and all fiscal years thereafter.

44.12 Sec. 8. Minnesota Statutes 2012, section 297G.09, subdivision 6, is amended to read:

44.13 Subd. 6. **Electronic payments.** A licensed brewer, importer, or wholesaler having
44.14 an excise tax liability of \$10,000 or more during a fiscal year ending June 30 must remit
44.15 all excise tax liabilities in the all subsequent calendar year years by electronic means.

44.16 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
44.17 2013, and all fiscal years thereafter.

44.18 Sec. 9. **[297I.11] AUTOMOBILE THEFT PREVENTION SURCHARGE.**

44.19 Subdivision 1. **Surcharge.** Each insurer engaged in the writing of policies of
44.20 automobile insurance shall collect a surcharge, at the rate of 50 cents per vehicle
44.21 for every six months of coverage, on each policy of automobile insurance providing
44.22 comprehensive insurance coverage issued or renewed in this state. The surcharge may not
44.23 be considered premium for any purpose, including the computation of premium tax or
44.24 agents' commissions. The amount of the surcharge must be separately stated on either a
44.25 billing or policy declaration sent to an insured. Insurers shall remit the revenue derived
44.26 from this surcharge to the commissioner of revenue for purposes of the automobile theft
44.27 prevention program described in section 65B.84. For purposes of this subdivision, "policy
44.28 of automobile insurance" has the meaning given it in section 65B.14, covering only the
44.29 following types of vehicles as defined in section 168.002:

44.30 (1) a passenger automobile;

44.31 (2) a pickup truck;

45.1 (3) a van but not commuter vans as defined in section 168.126; or

45.2 (4) a motorcycle,

45.3 except that no vehicle with a gross vehicle weight in excess of 10,000 pounds is included
45.4 within this definition.

45.5 Subd. 2. **Automobile theft prevention account.** A special revenue account in
45.6 the state treasury shall be credited with the proceeds of the surcharge imposed under
45.7 subdivision 1. Of the revenue in the account, \$1,300,000 each year must be transferred to
45.8 the general fund. Revenues in excess of \$1,300,000 each year may be used only for the
45.9 automobile theft prevention program described in section 65B.84.

45.10 Subd. 3. **Collection and administration.** The commissioner shall collect and
45.11 administer the surcharge imposed by this section in the same manner as the taxes imposed
45.12 by this chapter.

45.13 **EFFECTIVE DATE.** This section is effective for premiums collected after June
45.14 30, 2013.

45.15 Sec. 10. Minnesota Statutes 2012, section 297I.30, is amended by adding a subdivision
45.16 to read:

45.17 Subd. 10. **Automobile theft prevention surcharge.** On or before May 1, August
45.18 1, November 1, and February 1 of each year, every insurer required to pay the surcharge
45.19 under section 297I.11 shall file a return with the commissioner for the preceding
45.20 three-month period ending March 31, June 30, September 30, and December 31, in the
45.21 form prescribed by the commissioner.

45.22 **EFFECTIVE DATE.** This section is effective for premiums collected after June
45.23 30, 2013.

45.24 Sec. 11. Minnesota Statutes 2012, section 297I.35, subdivision 2, is amended to read:

45.25 Subd. 2. **Electronic payments.** If the aggregate amount of tax and surcharges due
45.26 under this chapter during a fiscal year ending June 30 is equal to or exceeds \$10,000, or
45.27 if the taxpayer is required to make payment of any other tax to the commissioner by
45.28 electronic means, then all tax and surcharge payments in the all subsequent calendar year
45.29 years must be paid by electronic means.

45.30 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
45.31 2013, and all fiscal years thereafter.

Sec. 12. Minnesota Statutes 2012, section 473.843, subdivision 3, is amended to read:

Subd. 3. **Payment of fee.** On or before the 20th day of each month each operator shall pay the fee due under this section for the previous month, using a form provided by the commissioner of revenue.

An operator having a fee of \$10,000 or more during a fiscal year ending June 30 must pay all fees in the all subsequent calendar year years by electronic means.

EFFECTIVE DATE. This section is effective for the fiscal year ending June 30, 2013, and all fiscal years thereafter.

Sec. 13. **REPEALER.**

(a) Minnesota Statutes 2012, section 168A.40, subdivisions 3 and 4, are repealed effective for premiums collected after June 30, 2013.

(b) Minnesota Statutes 2012, section 270C.145, is repealed the day following final enactment.

ARTICLE 9

CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2012, section 16A.82, is amended to read:

16A.82 TECHNOLOGY LEASE-PURCHASE APPROPRIATION.

The following amounts are appropriated from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for replacement of the state's accounting and procurement systems, provided that the state is not obligated to continue such appropriation of funds or to make lease payments in any future fiscal year.

| | |
|------------------|-------------|
| Fiscal year 2010 | \$2,828,038 |
| Fiscal year 2011 | \$3,063,950 |
| Fiscal year 2012 | \$8,967,850 |
| Fiscal year 2013 | \$8,968,950 |
| Fiscal year 2014 | \$8,970,850 |
| Fiscal year 2015 | \$8,971,150 |
| Fiscal year 2016 | \$8,966,450 |
| Fiscal year 2017 | \$8,967,500 |
| Fiscal year 2018 | \$8,970,750 |
| Fiscal year 2019 | \$8,968,500 |

Of these appropriations, up to \$2,000 per year may be used to pay the annual trustee fees for the lease-purchase agreements authorized in this section ~~and section 270C.145.~~

47.1 Any unexpended portions of this appropriation cancel to the general fund at the close of
47.2 each biennium. This section expires June 30, 2019.

47.3 Sec. 2. Minnesota Statutes 2012, section 65B.84, subdivision 1, is amended to read:

47.4 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a)

47.5 The commissioner of commerce shall:

47.6 (1) develop and sponsor the implementation of statewide plans, programs, and
47.7 strategies to combat automobile theft, improve the administration of the automobile theft
47.8 laws, and provide a forum for identification of critical problems for those persons dealing
47.9 with automobile theft;

47.10 (2) coordinate the development, adoption, and implementation of plans, programs,
47.11 and strategies relating to interagency and intergovernmental cooperation with respect
47.12 to automobile theft enforcement;

47.13 (3) annually audit the plans and programs that have been funded in whole or in part
47.14 to evaluate the effectiveness of the plans and programs and withdraw funding should the
47.15 commissioner determine that a plan or program is ineffective or is no longer in need
47.16 of further financial support from the fund;

47.17 (4) develop a plan of operation including:

47.18 (i) an assessment of the scope of the problem of automobile theft, including areas
47.19 of the state where the problem is greatest;

47.20 (ii) an analysis of various methods of combating the problem of automobile theft;

47.21 (iii) a plan for providing financial support to combat automobile theft;

47.22 (iv) a plan for eliminating car hijacking; and

47.23 (v) an estimate of the funds required to implement the plan; and

47.24 (5) distribute money, in consultation with the commissioner of public safety,
47.25 pursuant to subdivision 3 from the automobile theft prevention special revenue account
47.26 for automobile theft prevention activities, including:

47.27 (i) paying the administrative costs of the program;

47.28 (ii) providing financial support to the State Patrol and local law enforcement
47.29 agencies for automobile theft enforcement teams;

47.30 (iii) providing financial support to state or local law enforcement agencies for
47.31 programs designed to reduce the incidence of automobile theft and for improved
47.32 equipment and techniques for responding to automobile thefts;

47.33 (iv) providing financial support to local prosecutors for programs designed to reduce
47.34 the incidence of automobile theft;

48.1 (v) providing financial support to judicial agencies for programs designed to reduce
48.2 the incidence of automobile theft;

48.3 (vi) providing financial support for neighborhood or community organizations or
48.4 business organizations for programs designed to reduce the incidence of automobile
48.5 theft and to educate people about the common methods of automobile theft, the models
48.6 of automobiles most likely to be stolen, and the times and places automobile theft is
48.7 most likely to occur; and

48.8 (vii) providing financial support for automobile theft educational and training
48.9 programs for state and local law enforcement officials, driver and vehicle services exam
48.10 and inspections staff, and members of the judiciary.

48.11 (b) The commissioner may not spend in any fiscal year more than ten percent of the
48.12 money in the fund for the program's administrative and operating costs. The commissioner
48.13 is annually appropriated and must distribute the amount of the proceeds credited to
48.14 the automobile theft prevention special revenue account each year, less the transfer of
48.15 \$1,300,000 each year to the general fund described in section 168A.40, subdivision 4.

APPENDIX
Article locations in 13-1489

ARTICLE 1 STATE GOVERNMENT APPROPRIATIONS Page.Ln 1.23

ARTICLE 2 STATE GOVERNMENT OPERATIONS Page.Ln 13.12

ARTICLE 3 CAMPAIGN FINANCE Page.Ln 18.10

ARTICLE 4 TRUST LANDS Page.Ln 23.15

ARTICLE 5 VETERANS AFFAIRS Page.Ln 25.17

ARTICLE 6 VETERANS PROVISIONS Page.Ln 28.24

ARTICLE 7 MILITARY AFFAIRS Page.Ln 36.18

ARTICLE 8 REVENUE DEPARTMENT Page.Ln 37.13

ARTICLE 9 CONFORMING AMENDMENTS Page.Ln 46.14

6.58 GENERAL FUND.

The general fund shall be used to provide personnel, pay other expenses, and for the acquisition of equipment used in connection with reimbursable examinations and other duties pursuant to law. When full-time personnel are not available, the state auditor may contract with private persons, firms, or corporations for accounting and other technical services. Notwithstanding any law to the contrary, the acquisition of equipment may include duplicating equipment to be used in producing the reports issued by the department. All receipts from such reimbursable examinations shall be deposited in the general fund. The state auditor is directed to adjust the schedule of charges for such examinations to provide that such charges shall be sufficient to cover all costs of such examinations and that the aggregate charges collected shall be sufficient to pay all salaries and other expenses including charges for the use of the equipment used in connection with such reimbursable examinations and including the cost of contracting for accounting and other technical services. The schedule of charges shall be based upon an estimate of the cost of performing reimbursable examinations including, but not limited to, salaries, office overhead, equipment, authorized contracts, and other expenses. The state auditor may allocate a proportionate part of the total costs to an hourly or daily charge for each person or class of persons engaged in the performance of an examination. The schedule of charges shall reflect an equitable charge for the expenses incurred in the performance of any given examination. The state auditor shall review and adjust the schedule of charges for such examinations at least annually and have all schedules of charges approved by the commissioner of management and budget before they are adopted so as to ensure that the amount collected shall be sufficient to pay all the costs connected with such examinations during the fiscal year.

127A.352 POLICY RECOMMENDATIONS; DUTIES.

Subd. 3. **Notice to commission and governor.** If the school trust lands director has an irreconcilable disagreement with the commissioner of natural resources pertaining to the fiduciary responsibilities consistent with the school trust lands, it is the duty of the director to report the subject of the disagreement to the Legislative Permanent School Fund Commission and the governor.

127A.353 SCHOOL TRUST LANDS DIRECTOR.

Subdivision 1. **Appointment.** The school trust lands director shall be appointed by the governor. The commissioner of administration shall provide office space for the director. The commissioner shall provide human resources, payroll, accounting, procurement, and other similar administrative services to the school trust lands director. The director's appointment is subject to the advice and consent of the senate.

Subd. 2. **Qualifications.** The governor shall select the school trust lands director on the basis of outstanding professional qualifications and knowledge of finance, business practices, minerals, forest and real estate management, and the fiduciary responsibilities of a trustee to the beneficiaries of a trust. The school trust lands director serves in the unclassified service for a term of four years. The first term shall end on December 31, 2016. The governor may remove the school trust lands director for cause. If a director resigns or is removed for cause, the governor shall appoint a director for the remainder of the term.

Subd. 3. **Compensation.** Compensation of the school trust lands director shall be established under chapter 15A.

Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

- (1) take an oath of office before assuming any duties as the director;
- (2) evaluate the school trust land asset position;
- (3) determine the estimated current and potential market value of school trust lands;
- (4) advise the governor, Executive Council, commissioner of natural resources, and the Legislative Permanent School Fund Commission on the management of school trust lands, including:
 - (i) Department of Natural Resources school trust land management plans;
 - (ii) leases of school trust lands;
 - (iii) royalty agreements on school trust lands;
 - (iv) land sales and exchanges;
 - (v) cost certification; and
 - (vi) revenue generating options;

APPENDIX

Repealed Minnesota Statutes: 13-1489

(5) propose to the Legislative Permanent School Fund Commission legislative changes that will improve the asset allocation of the school trust lands;

(6) develop a ten-year strategic plan and a 25-year framework for management of school trust lands, in conjunction with the commissioner of natural resources, that is updated every five years and implemented by the commissioner, with goals to:

(i) retain core real estate assets;

(ii) increase the value of the real estate assets and the cash flow from those assets;

(iii) rebalance the portfolio in assets with high performance potential and the strategic disposal of selected assets;

(iv) establish priorities for management actions; and

(v) balance revenue enhancement and resource stewardship;

(7) submit to the Legislative Permanent School Fund Commission for review an annual budget and management plan for the director; and

(8) keep the beneficiaries, governor, legislature, and the public informed about the work of the director by reporting to the Legislative Permanent School Fund Commission in a public meeting at least once during each calendar quarter.

(b) In carrying out the duties under paragraph (a), the school trust lands director shall have the authority to:

(1) direct and control money appropriated to the director;

(2) establish job descriptions and employ up to five employees in the unclassified service, within the limitations of money appropriated to the director;

(3) enter into interdepartmental agreements with any other state agency; and

(4) submit recommendations on strategies for school trust land leases, sales, or exchanges to the commissioner of natural resources and the Legislative Permanent School Fund Commission.

168A.40 AUTOMOBILE THEFT PREVENTION PROGRAM.

Subd. 3. **Surcharge.** Each insurer engaged in the writing of policies of automobile insurance shall collect a surcharge, at the rate of 50 cents per vehicle for every six months of coverage, on each policy of automobile insurance providing comprehensive insurance coverage issued or renewed in this state. The surcharge may not be considered premium for any purpose, including the computation of premium tax or agents' commissions. The amount of the surcharge must be separately stated on either a billing or policy declaration sent to an insured. Insurers shall remit the revenue derived from this surcharge at least quarterly to the commissioner of public safety for purposes of the automobile theft prevention program described in section 65B.84. For purposes of this subdivision, "policy of automobile insurance" has the meaning given it in section 65B.14, covering only the following types of vehicles as defined in section 168.002:

(1) a passenger automobile;

(2) a pickup truck;

(3) a van but not commuter vans as defined in section 168.126; or

(4) a motorcycle,

except that no vehicle with a gross vehicle weight in excess of 10,000 pounds is included within this definition.

Subd. 4. **Automobile theft prevention account.** A special revenue account is created in the state treasury to be credited with the proceeds of the surcharge imposed under subdivision 3. Of the revenue in the account, \$1,300,000 each year must be transferred to the general fund. Revenues in excess of \$1,300,000 each year may be used only for the automobile theft prevention program described in section 65B.84.

197.608 VETERANS SERVICE OFFICE GRANT PROGRAM.

Subd. 2a. **Grant cycle.** Counties may become eligible to receive grants on a three-year rotating basis according to a schedule to be developed and announced in advance by the commissioner. The schedule must list no more than one-third of the counties in each year of the three-year cycle. A county may be considered for a grant only in the year of its listing in the schedule.

270C.145 TECHNOLOGY LEASE-PURCHASE APPROPRIATION.

The following amounts are appropriated from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for completing the purchase and development of an integrated tax software package; provided that the state is not obligated to continue the appropriation of funds or to make lease payments in any future fiscal year.

APPENDIX
Repealed Minnesota Statutes: 13-1489

| | |
|------------------|--------------|
| Fiscal year 2010 | \$ 670,213 |
| Fiscal year 2011 | \$ 748,550 |
| Fiscal year 2012 | \$ 2,250,150 |
| Fiscal year 2013 | \$ 2,251,550 |
| Fiscal year 2014 | \$ 2,250,350 |
| Fiscal year 2015 | \$ 2,251,550 |
| Fiscal year 2016 | \$ 2,249,950 |
| Fiscal year 2017 | \$ 2,251,250 |
| Fiscal year 2018 | \$ 2,249,000 |
| Fiscal year 2019 | \$ 2,247,000 |

Any unexpended portions of this appropriation cancel to the general fund at the close of each biennium. This section expires June 30, 2019.