

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1589

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

DATE	D-PG	OFFICIAL STATUS
04/10/2013	1742	Introduction and first reading Referred to Finance
04/11/2013	1782a 1784	Comm report: To pass as amended Second reading
04/16/2013		Special Order: Amended Third reading Passed

A bill for an act

1.1 relating to the operation of state government finance; allowing the secretary
1.2 of state authority to accept funds from local government units for election
1.3 systems enhancements and to receive certain funds for the address confidentiality
1.4 program; allowing the state auditor to charge a onetime user fee for a small
1.5 city and town accounting system software; changing provisions for bid
1.6 solicitations and proposals; changing certain provisions for service contracts
1.7 and the solicitation process; requiring a determination of the IT cost for agency
1.8 technology projects; expanding E-Government initiative and establishing the
1.9 E-Government Advisory Council; changing certain audit provisions from
1.10 the state auditor to the legislative auditor; repealing the Minnesota Sunset
1.11 Act; changing provisions for barbering and cosmetology; changing licensing
1.12 provisions for accountants; changing a paid military leave provision; modifying
1.13 provisions in the Veterans Service Office grant program; changing provision
1.14 in the Minnesota GI Bill program; establishing a veterans home in Beltrami
1.15 County; making Department of Revenue changes; making compensation council
1.16 changes and requiring a compensation study; adjusting certain salary groups;
1.17 establishing administrative penalties; establishing fees; appropriating money;
1.18 amending Minnesota Statutes 2012, sections 3.099, subdivision 1; 3.855,
1.19 subdivision 3; 13.591, subdivision 3; 15A.0815, subdivisions 1, 2, 3, 5; 15A.082,
1.20 subdivision 2; 16A.82; 16C.02, subdivision 13; 16C.06, subdivision 2; 16C.09;
1.21 16C.10, subdivision 6; 16C.145; 16C.33, subdivision 3; 16C.34, subdivision 1;
1.22 16E.07, subdivision 6, by adding a subdivision; 32C.04; 43A.17, subdivisions
1.23 1, 3; 65B.84, subdivision 1; 154.001, by adding a subdivision; 154.003;
1.24 154.02; 154.05; 154.06; 154.065, subdivision 2; 154.07, subdivision 1; 154.08;
1.25 154.09; 154.10, subdivision 1; 154.11, subdivision 1; 154.12; 154.14; 154.15,
1.26 subdivision 2; 154.26; 155A.23, subdivision 3; 155A.25, subdivisions 1a, 4;
1.27 155A.27, subdivisions 4, 7, 10; 155A.29, subdivision 2; 155A.30, subdivision
1.28 1, by adding subdivisions; 192.26; 197.608, subdivisions 1, 3, 4, 5, 6; 197.791,
1.29 subdivisions 4, 5; 254A.035, subdivision 2; 254A.04; 256B.093, subdivision
1.30 1; 260.835, subdivision 2; 270C.69, subdivision 1; 289A.20, subdivisions 2,
1.31 4; 289A.26, subdivision 2a; 295.55, subdivision 4; 297F.09, subdivision 7;
1.32 297G.09, subdivision 6; 297I.30, by adding a subdivision; 297I.35, subdivision
1.33 2; 326A.04, subdivisions 2, 3, 5, 7; 326A.10; 469.3201; 473.843, subdivision 3;
1.34 Laws 2012, chapter 278, article 1, section 5; article 2, sections 27; 34; proposing
1.35 coding for new law in Minnesota Statutes, chapters 4; 5; 5B; 6; 16E; 154;
1.36 155A; 198; 297I; 349A; repealing Minnesota Statutes 2012, sections 3D.01;
1.37 3D.02; 3D.03; 3D.04; 3D.045; 3D.05; 3D.06; 3D.065; 3D.07; 3D.08; 3D.09;
1.38 3D.10; 3D.11; 3D.12; 3D.13; 3D.14; 3D.15; 3D.16; 3D.17; 3D.18; 3D.19;

2.1 3D.20; 3D.21, subdivisions 2, 3, 4, 5, 6, 7, 8; 43A.17, subdivision 4; 155A.25,
 2.2 subdivision 1; 168A.40, subdivisions 3, 4; 197.608, subdivision 2a; 270C.145;
 2.3 326A.03, subdivisions 2, 5, 8; Laws 2012, chapter 278, article 1, section 6;
 2.4 Minnesota Rules, parts 1105.0600; 1105.2550; 1105.2700.

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

2.6 **ARTICLE 1**

2.7 **STATE GOVERNMENT APPROPRIATIONS**

2.8 Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

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

2.20 Sec. 2. **LEGISLATURE**

2.21 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>69,220,000</u>	<u>\$</u>	<u>69,220,000</u>
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2.22 Appropriations by Fund

	<u>2014</u>	<u>2015</u>
2.23 <u>General</u>	<u>69,092,000</u>	<u>69,092,000</u>
2.24 <u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

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

2.29 <u>Subd. 2. Senate</u>	<u>22,633,000</u>	<u>22,633,000</u>
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2.30 <u>Subd. 3. House of Representatives</u>	<u>30,524,000</u>	<u>30,524,000</u>
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2.31 During the biennium ending June 30, 2015,
 2.32 any revenues received by the house of
 2.33 representatives from voluntary donations
 2.34 to support broadcast or print media are
 2.35 appropriated to the house of representatives.

3.1	<u>Subd. 4. Legislative Coordinating Commission</u>	<u>16,063,000</u>	<u>16,063,000</u>
3.2	<u>Appropriations by Fund</u>		
3.3	<u>General</u>	<u>15,935,000</u>	<u>15,935,000</u>
3.4	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>
3.5	<u>\$6,185,000 each year from the general fund</u>		
3.6	<u>is for the Office of the Legislative Auditor.</u>		
3.7	<u>From its funds, \$10,000 each year is for</u>		
3.8	<u>purposes of the legislators' forum, through</u>		
3.9	<u>which Minnesota legislators meet with</u>		
3.10	<u>counterparts from South Dakota, North</u>		
3.11	<u>Dakota, and Manitoba to discuss issues of</u>		
3.12	<u>mutual concern.</u>		
3.13	<u>The Legislative Coordinating Commission</u>		
3.14	<u>is authorized to enter into an agreement</u>		
3.15	<u>with the National Conference of State</u>		
3.16	<u>Legislatures to provide the organization up to</u>		
3.17	<u>\$100,000 of its funds to support activities in</u>		
3.18	<u>preparation for the annual conference to be</u>		
3.19	<u>held in Minnesota in 2014. It is anticipated</u>		
3.20	<u>that these funds will be returned to the</u>		
3.21	<u>Legislative Coordinating Commission, and</u>		
3.22	<u>are reappropriated to the commission.</u>		
3.23	<u>Sec. 3. GOVERNOR AND LIEUTENANT</u>		
3.24	<u>GOVERNOR</u>	<u>\$ 3,193,000</u>	<u>\$ 3,193,000</u>
3.25	<u>(a) This appropriation is to fund the Office of</u>		
3.26	<u>the Governor and Lieutenant Governor.</u>		
3.27	<u>(b) \$19,000 the first year and \$19,000 the</u>		
3.28	<u>second year are for necessary expenses in the</u>		
3.29	<u>normal performance of the Governor's and</u>		
3.30	<u>Lieutenant Governor's duties for which no</u>		
3.31	<u>other reimbursement is provided.</u>		
3.32	<u>(c) By September 1 of each year, the</u>		
3.33	<u>commissioner of management and budget</u>		
3.34	<u>shall report to the chairs and ranking minority</u>		

4.1 members of the senate State Departments
 4.2 and Veterans Affairs Budget Division and the
 4.3 house of representatives State Government
 4.4 Finance Committee any personnel costs
 4.5 incurred by the Offices of the Governor and
 4.6 Lieutenant Governor that were supported
 4.7 by appropriations to other agencies during
 4.8 the previous fiscal year. The Office of the
 4.9 Governor shall inform the chairs and ranking
 4.10 minority members of the committees before
 4.11 initiating any interagency agreements.

4.12 (d) During the biennium ending June 30,
 4.13 2015, the Office of the Governor may not
 4.14 receive payments of more than \$750,000
 4.15 each fiscal year from other executive
 4.16 agencies under Minnesota Statutes, section
 4.17 15.53, to support office costs, not including
 4.18 the residence groundskeeper, incurred by
 4.19 the office. Payments received under this
 4.20 paragraph must be deposited in a special
 4.21 revenue account. Money in the account is
 4.22 appropriated to the Office of the Governor.
 4.23 The authority in this paragraph supersedes
 4.24 other law enacted in 2013 that limits the
 4.25 ability of the office to enter into agreements
 4.26 relating to office costs with other executive
 4.27 branch agencies or prevents the use of
 4.28 appropriations made to other agencies for
 4.29 agreements with the office under Minnesota
 4.30 Statutes, section 15.53.

4.31 Sec. 4. **STATE AUDITOR** \$ 8,559,000 \$ 8,559,000

4.32 Sec. 5. **ATTORNEY GENERAL** \$ 23,288,000 \$ 23,288,000

4.33 Appropriations by Fund
 4.34 2014 2015

5.1	<u>General</u>	<u>21,071,000</u>	<u>21,071,000</u>
5.2	<u>State Government</u>		
5.3	<u>Special Revenue</u>	<u>1,822,000</u>	<u>1,822,000</u>
5.4	<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
5.5	<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

5.6 Of this appropriation, \$65,000 in the first
5.7 year and \$65,000 in the second year are
5.8 from the general fund for transfer to the
5.9 commissioner of public safety for a grant to
5.10 the Minnesota County Attorneys Association
5.11 for prosecutor and law enforcement training.

5.12	Sec. 6. <u>SECRETARY OF STATE</u>	\$	<u>5,665,000</u>	\$	<u>5,810,000</u>
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5.13 Any funds available in the account
5.14 established in Minnesota Statutes, section
5.15 5.30, pursuant to the Help America Vote Act,
5.16 is appropriated for the purposes and uses
5.17 authorized by federal law.

5.18 **Redistricting Case.** \$355,000 the first year
5.19 is appropriated to the secretary of state to
5.20 be used to pay attorney fees as ordered by
5.21 the court in the legislative and congressional
5.22 redistricting case Hippert et al. v. Ritchie
5.23 et al., A11-152, and interest thereon. This
5.24 appropriation is available for expenditure the
5.25 day following final enactment.

5.26	Sec. 7. <u>CAMPAIGN FINANCE AND PUBLIC</u>				
5.27	<u>DISCLOSURE BOARD</u>	\$	<u>1,000,000</u>	\$	<u>1,000,000</u>

5.28	Sec. 8. <u>INVESTMENT BOARD</u>	\$	<u>139,000</u>	\$	<u>139,000</u>
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5.29	Sec. 9. <u>ADMINISTRATIVE HEARINGS</u>	\$	<u>7,730,000</u>	\$	<u>7,504,000</u>
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5.30		<u>Appropriations by Fund</u>	
5.31		<u>2014</u>	<u>2015</u>
5.32	<u>General</u>	<u>480,000</u>	<u>254,000</u>
5.33	<u>Workers'</u>		
5.34	<u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

6.1 **Campaign Violations Hearings. (a)**
 6.2 \$130,000 the first year is appropriated from
 6.3 the general fund for the cost of considering
 6.4 complaints filed under Minnesota Statutes,
 6.5 section 211B.32. Any amount of this
 6.6 appropriation that remains unspent at the
 6.7 end of the biennium must be canceled to
 6.8 the general account of the state elections
 6.9 campaign fund. The base for fiscal year 2016
 6.10 is \$130,000, to be available for the biennium,
 6.11 under the same terms.

6.12 (b) \$60,000 the first year is appropriated
 6.13 from the general fund to cover the fiscal year
 6.14 2013 costs of campaign violations hearings.
 6.15 This is a onetime appropriation.

6.16 **Data Practices Hearings. \$36,000 the first**
 6.17 year is appropriated from the general fund
 6.18 to cover the fiscal year 2013 costs for data
 6.19 practices hearings.

6.20 **Sec. 10. OFFICE OF ENTERPRISE**
 6.21 **TECHNOLOGY** **\$ 2,431,000 \$ 2,431,000**

6.22 During the biennium ending June 30, 2015,
 6.23 the Office of Enterprise Technology must
 6.24 not charge fees to a public noncommercial
 6.25 educational television broadcast station
 6.26 eligible for funding under Minnesota
 6.27 Statutes, chapter 129D, for access to the
 6.28 state broadcast infrastructure. If the access
 6.29 fees not charged to public noncommercial
 6.30 educational television broadcast stations total
 6.31 more than \$400,000 for the biennium, the
 6.32 office may charge for access fees in excess
 6.33 of these amounts.

6.34 The commissioner of Minnesota management
 6.35 and budget is authorized to provide cash

7.1 flow assistance of up to \$110,000,000 from
 7.2 the special revenue fund or other statutory
 7.3 general funds as defined in Minnesota
 7.4 Statutes, section 16A.671, subdivision 3,
 7.5 paragraph (a), to the Office of Enterprise
 7.6 Technology for the purpose of managing
 7.7 revenue and expenditure differences during
 7.8 the initial phases of IT consolidation. These
 7.9 funds shall be repaid with interest by June
 7.10 30, 2015.

7.11 Sec. 11. **ADMINISTRATION**

7.12 <u>Subdivision 1. Total Appropriation</u>	<u>\$ 21,276,000</u>	<u>\$ 20,246,000</u>
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7.13 The amounts that may be spent for each
 7.14 purpose are specified in the following
 7.15 subdivisions.

7.16 <u>Subd. 2. Government and Citizen Services</u>	<u>7,698,000</u>	<u>7,668,000</u>
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7.17 \$74,000 the first year and \$74,000 the second
 7.18 year are for the Council on Developmental
 7.19 Disabilities.

7.20 \$30,000 the first year is for a bust of Nellie
 7.21 Stone Johnson. Notwithstanding Minnesota
 7.22 Statutes, section 138.68, the commissioner
 7.23 of administration shall place a bust of Nellie
 7.24 Stone Johnson in the State Capitol Building.
 7.25 The Department of Administration, in
 7.26 consultation with the Minnesota Historical
 7.27 Society and the Capitol Area Architectural
 7.28 and Planning Board, shall apply existing
 7.29 guidelines for design and placement of works
 7.30 of art in the State Capitol Building. This
 7.31 appropriation is available until expended.

7.32 <u>Subd. 3. Strategic Management Services</u>	<u>1,757,000</u>	<u>1,757,000</u>
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7.33 <u>Subd. 4. Fiscal Agent</u>	<u>11,821,000</u>	<u>10,821,000</u>
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8.1 The appropriations under this section are to
8.2 the commissioner of administration for the
8.3 purposes specified.

8.4 **In-Lieu of Rent.** \$8,158,000 the first year
8.5 and \$8,158,000 the second year are for
8.6 office space costs of the legislature and
8.7 veterans organizations, ceremonial space,
8.8 and statutorily free space.

8.9 **Public Broadcasting.** (a) \$1,695,000 the
8.10 first year and \$1,695,000 the second year are
8.11 for matching grants for public television.
8.12 The base is \$1,057,000 for fiscal year 2016
8.13 and \$1,057,000 for fiscal year 2017.

8.14 (b) \$302,000 the first year and \$302,000
8.15 the second year are for public television
8.16 equipment grants. The base is \$190,000 for
8.17 fiscal year 2016 and \$190,000 for fiscal year
8.18 2017.

8.19 (c) The equipment or matching grants in
8.20 paragraphs (a) and (b) must be allocated
8.21 after considering the recommendations of the
8.22 Minnesota Public Television Association.

8.23 (d) \$634,000 the first year and \$264,000 the
8.24 second year are for community service grants
8.25 to public educational radio stations, for the
8.26 repair, rental, and purchase of equipment,
8.27 including equipment under \$500.

8.28 (e) \$222,000 the first year and \$92,000 the
8.29 second year are for equipment grants to
8.30 public educational radio stations.

8.31 (f) Notwithstanding eligibility requirements
8.32 in Minnesota Statutes, section 129D.14,
8.33 station KOJB in Cass Lake on the Leech
8.34 Lake Reservation; station KBFT in Nett Lake

9.1 on the Bois Forte Reservation; and station
 9.2 KKWE in Callaway on the White Earth
 9.3 Reservation are eligible to receive matching
 9.4 grants and equipment grants in paragraphs
 9.5 (d) and (e).

9.6 (g) The grants in paragraphs (d) and (e)
 9.7 must be allocated after considering the
 9.8 recommendations of the Association of
 9.9 Minnesota Public Educational Radio Stations
 9.10 under Minnesota Statutes, section 129D.14.

9.11 (h) \$810,000 the first year and \$310,000
 9.12 the second year are for equipment grants
 9.13 to Minnesota Public Radio, Inc., including
 9.14 upgrades to Minnesota's Emergency Alert
 9.15 and AMBER Alert Systems.

9.16 (i) Any unencumbered balance remaining the
 9.17 first year for grants to public television or
 9.18 radio stations does not cancel and is available
 9.19 for the second year.

9.20 **Sec. 12. CAPITOL AREA**
 9.21 **ARCHITECTURAL AND PLANNING**
 9.22 **BOARD**

<u>\$</u>	<u>325,000</u>	<u>\$</u>	<u>325,000</u>
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9.23 **Sec. 13. MINNESOTA MANAGEMENT AND**
 9.24 **BUDGET**

<u>\$</u>	<u>26,644,000</u>	<u>\$</u>	<u>20,369,000</u>
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9.25 **Statewide Budget System.** \$4,500,000 the
 9.26 first year and \$725,000 the second year are
 9.27 for the statewide budget system. \$3,120,000
 9.28 in fiscal year 2014 is for transfer to the
 9.29 Office of Enterprise Technology to continue
 9.30 development of the new statewide budget
 9.31 system and to develop new capabilities
 9.32 including, but not limited to, capital budget
 9.33 and fiscal notes. The transfer is onetime and
 9.34 is available until spent.

10.1 **Enterprise-Wide Results Management.**
 10.2 \$500,000 the first year and \$500,000 the
 10.3 second year are for building capacity to
 10.4 provide enterprise-wide results management
 10.5 facilitation and coordination.

10.6 **Enterprise Human Resources Capacity.**
 10.7 \$900,000 the first year and \$900,000 the
 10.8 second year are for rebuilding the state's
 10.9 human resources infrastructure.

10.10 **Compensation Council Increases.**
 10.11 \$2,500,000 from the general fund is
 10.12 appropriated to the commissioner for
 10.13 implementation of the compensation
 10.14 increases in article 7 for executive branch
 10.15 agencies and constitutional offices. The
 10.16 commissioner shall determine the amount
 10.17 of general fund increases for the biennium
 10.18 to each agency and office, and within the
 10.19 available appropriation, make a transfer that
 10.20 is added to the base of each agency or office.
 10.21 Of this amount, up to \$200,000 is to conduct
 10.22 the compensation study in article 7, section
 10.23 11. The total amount added to the base is not
 10.24 to exceed \$2,500,000 in fiscal years 2016
 10.25 and 2017.

10.26 Any funds remaining nontransferred after
 10.27 implementation of the compensation
 10.28 increases and the compensation study
 10.29 in article 7 may be transferred by the
 10.30 commissioner and added to the base of each
 10.31 agency or office to cover increased general
 10.32 fund compensation costs due to the most
 10.33 recent collective bargaining agreements.

10.34 Sec. 14. **REVENUE**

10.35 **Subdivision 1. Total Appropriation** **\$** **140,673,000** **\$** **140,137,000**

11.1	<u>Appropriations by Fund</u>		
11.2		<u>2014</u>	<u>2015</u>
11.3	<u>General</u>	<u>136,438,000</u>	<u>135,902,000</u>
11.4	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
11.5	<u>Highway User Tax</u>		
11.6	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
11.7	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>
11.8	<u>Subd. 2. Tax System Management</u>		
		<u>112,057,000</u>	<u>111,521,000</u>

11.9	<u>Appropriations by Fund</u>		
11.10	<u>General</u>	<u>107,822,000</u>	<u>107,286,000</u>
11.11	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
11.12	<u>Highway User Tax</u>		
11.13	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
11.14	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

11.15 **County Technical Assistance Grants. (a)**

11.16 The commissioner of revenue may make
 11.17 technical assistance grants to counties to
 11.18 fund development, implementation, or
 11.19 maintenance of data collection and data
 11.20 processing systems that will facilitate
 11.21 improved reporting of property tax data
 11.22 on parcels and portions of parcels to
 11.23 the commissioner for analytical and
 11.24 administrative use. The grants may be made
 11.25 in the order they are requested, or on some
 11.26 other basis determined by the commissioner.
 11.27 The commissioner shall determine whether to
 11.28 require an application or recipient agreement
 11.29 and shall determine the form and content of
 11.30 the application or agreement.

11.31 (b) \$300,000 is appropriated to the
 11.32 commissioner from the general fund in fiscal
 11.33 year 2014 to make grants to counties as
 11.34 provided in this section. This appropriation
 11.35 is available for fiscal years 2014 and 2015
 11.36 only, and does not become part of the base.

12.1 **Appropriation; Taxpayer Assistance.** (a)
 12.2 \$200,000 in fiscal year 2014, and \$200,000
 12.3 in fiscal year 2015, are added to the base
 12.4 appropriation of \$200,000 each year. These
 12.5 amounts are appropriated from the general
 12.6 fund to the commissioner of revenue to
 12.7 make grants to one or more nonprofit
 12.8 organizations, qualifying under section
 12.9 501(c)(3) of the Internal Revenue Code of
 12.10 1986, to coordinate, facilitate, encourage, and
 12.11 aid in the provision of taxpayer assistance
 12.12 services. The unencumbered balance in the
 12.13 first year does not cancel but is available for
 12.14 the second year.

12.15 (b) For purposes of this section, "taxpayer
 12.16 assistance services" means accounting
 12.17 and tax preparation services provided by
 12.18 volunteers to low-income, elderly, and
 12.19 disadvantaged Minnesota residents to help
 12.20 them file federal and state income tax returns
 12.21 and Minnesota property tax refund claims
 12.22 and to provide personal representation before
 12.23 the Department of Revenue and Internal
 12.24 Revenue Service.

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

12.26 **Sec. 15. GAMBLING CONTROL** **\$ 3,959,000** **\$ 3,959,000**

12.27 These appropriations are from the lawful
 12.28 gambling regulation account in the special
 12.29 revenue fund.

12.30 **Sec. 16. RACING COMMISSION** **\$ 899,000** **\$ 899,000**

12.31 These appropriations are from the racing
 12.32 and card playing regulation accounts in the
 12.33 special revenue fund.

13.1	Sec. 17. <u>STATE LOTTERY</u>			
13.2	<u>Notwithstanding Minnesota Statutes, section</u>			
13.3	<u>349A.10, subdivision 3, the operating budget</u>			
13.4	<u>must not exceed \$30,500,000 in fiscal year</u>			
13.5	<u>2014 and \$30,500,000 in fiscal year 2015.</u>			
13.6	Sec. 18. <u>AMATEUR SPORTS COMMISSION</u>	\$	<u>278,000</u>	\$ <u>278,000</u>
13.7	Sec. 19. <u>COUNCIL ON BLACK</u>			
13.8	<u>MINNESOTANS</u>	\$	<u>417,000</u>	\$ <u>417,000</u>
13.9	Sec. 20. <u>COUNCIL ON ASIAN-PACIFIC</u>			
13.10	<u>MINNESOTANS</u>	\$	<u>379,000</u>	\$ <u>379,000</u>
13.11	Sec. 21. <u>COUNCIL ON AFFAIRS OF</u>			
13.12	<u>CHICANO/LATINO PEOPLE</u>	\$	<u>400,000</u>	\$ <u>400,000</u>
13.13	Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	\$	<u>587,000</u>	\$ <u>587,000</u>
13.14	<u>Of this appropriation, \$167,000 each year is</u>			
13.15	<u>for a cultural resources specialist to assist the</u>			
13.16	<u>council with the duties assigned to it relating</u>			
13.17	<u>to Indian burial grounds under Minnesota</u>			
13.18	<u>Statutes, section 307.08.</u>			
13.19	Sec. 23. <u>MINNESOTA HISTORICAL</u>			
13.20	<u>SOCIETY</u>			
13.21	Subdivision 1. <u>Total Appropriation</u>	\$	<u>21,059,000</u>	\$ <u>20,925,000</u>
13.22	<u>The amounts that may be spent for each</u>			
13.23	<u>purpose are specified in the following</u>			
13.24	<u>subdivisions.</u>			
13.25	Subd. 2. <u>Operations and Programs</u>		<u>20,611,000</u>	<u>20,611,000</u>
13.26	<u>Notwithstanding Minnesota Statutes, section</u>			
13.27	<u>138.668, the Minnesota Historical Society</u>			
13.28	<u>may not charge a fee for its general tours at</u>			
13.29	<u>the Capitol, but may charge fees for special</u>			
13.30	<u>programs other than general tours. \$150,000</u>			
13.31	<u>the first year and \$150,000 the second year are</u>			

14.1 for expanding education outreach, including
 14.2 curriculum workshops, curriculum materials,
 14.3 and summer internships for at-risk youth.

14.4 \$50,000 the first year and \$50,000 the second
 14.5 year are for the Minnesota Forest History
 14.6 Center.

14.7 Subd. 3. **Fiscal Agent**

14.8	<u>(a) Minnesota International Center</u>	<u>39,000</u>	<u>39,000</u>
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14.9	<u>(b) Minnesota Air National Guard Museum</u>	<u>34,000</u>	<u>-0-</u>
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14.10	<u>(c) Minnesota Military Museum</u>	<u>160,000</u>	<u>60,000</u>
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14.11 Of this amount, \$60,000 each year is for an
 14.12 archivist staff position. The base for fiscal
 14.13 year 2016 is \$100,000.

14.14	<u>(d) Farmamerica</u>	<u>115,000</u>	<u>115,000</u>
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14.15	<u>(e) Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>
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14.16 **Balances Forward.** Any unencumbered
 14.17 balance remaining in this subdivision the first
 14.18 year does not cancel but is available for the
 14.19 second year of the biennium.

14.20 Sec. 24. **BOARD OF THE ARTS**

14.21	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 7,567,000</u>	<u>\$ 7,567,000</u>
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14.22 The amounts that may be spent for each
 14.23 purpose are specified in the following
 14.24 subdivisions.

14.25	<u>Subd. 2. Operations and Services</u>	<u>567,000</u>	<u>567,000</u>
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14.26	<u>Subd. 3. Grants Program</u>	<u>4,800,000</u>	<u>4,800,000</u>
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14.27	<u>Subd. 4. Regional Arts Councils</u>	<u>2,200,000</u>	<u>2,200,000</u>
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14.28 **Unencumbered Balance Available.** Any
 14.29 unencumbered balance remaining in this
 14.30 section the first year does not cancel, but is
 14.31 available for the second year of the biennium.

15.1	Sec. 25. <u>MINNESOTA HUMANITIES</u>			
15.2	<u>CENTER</u>	<u>\$</u>	<u>301,000</u>	<u>\$</u> <u>251,000</u>
15.3	<u>\$50,000 the first year is for a grant to</u>			
15.4	<u>Everybody Wins!-Minnesota, a Minnesota</u>			
15.5	<u>501(c)(3) corporation, to operate a reading</u>			
15.6	<u>program for Minnesota children.</u>			
15.7	Sec. 26. <u>BOARD OF ACCOUNTANCY</u>	<u>\$</u>	<u>480,000</u>	<u>\$</u> <u>736,000</u>
15.8	<u>The base is \$652,000 for fiscal year 2016 and</u>			
15.9	<u>\$652,000 for fiscal year 2017.</u>			
15.10	Sec. 27. <u>BOARD OF ARCHITECTURE,</u>			
15.11	<u>ENGINEERING, LAND SURVEYING,</u>			
15.12	<u>LANDSCAPE ARCHITECTURE,</u>			
15.13	<u>GEOSCIENCE, AND INTERIOR DESIGN</u>	<u>\$</u>	<u>774,000</u>	<u>\$</u> <u>774,000</u>
15.14	Sec. 28. <u>BOARD OF COSMETOLOGIST</u>			
15.15	<u>EXAMINERS</u>	<u>\$</u>	<u>1,353,000</u>	<u>\$</u> <u>1,347,000</u>
15.16	Sec. 29. <u>BOARD OF BARBER EXAMINERS</u>	<u>\$</u>	<u>317,000</u>	<u>\$</u> <u>317,000</u>
15.17	Sec. 30. <u>GENERAL CONTINGENT</u>			
15.18	<u>ACCOUNTS</u>	<u>\$</u>	<u>1,000,000</u>	<u>\$</u> <u>500,000</u>
15.19	<u>Appropriations by Fund</u>			
15.20		<u>2014</u>	<u>2015</u>	
15.21	<u>General</u>	<u>500,000</u>	<u>-0-</u>	
15.22	<u>State Government</u>			
15.23	<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>	
15.24	<u>Workers'</u>			
15.25	<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>	
15.26	<u>(a) The appropriations in this section</u>			
15.27	<u>may only be spent with the approval of</u>			
15.28	<u>the governor after consultation with the</u>			
15.29	<u>Legislative Advisory Commission pursuant</u>			
15.30	<u>to Minnesota Statutes, section 3.30.</u>			
15.31	<u>(b) If an appropriation in this section for</u>			
15.32	<u>either year is insufficient, the appropriation</u>			
15.33	<u>for the other year is available for it.</u>			

16.1 (c) If a contingent account appropriation
 16.2 is made in one fiscal year, it should be
 16.3 considered a biennial appropriation.

16.4 Sec. 31. **TORT CLAIMS** \$ **161,000** \$ **161,000**

16.5 These appropriations are to be spent by the
 16.6 commissioner of management and budget
 16.7 according to Minnesota Statutes, section
 16.8 3.736, subdivision 7. If the appropriation for
 16.9 either year is insufficient, the appropriation
 16.10 for the other year is available for it.

16.11 Sec. 32. **MINNESOTA STATE RETIREMENT**
 16.12 **SYSTEM**

16.13 Subdivision 1. **Total Appropriation** \$ **3,891,000** \$ **3,964,000**

16.14 The amounts that may be spent for each
 16.15 purpose are specified in the following
 16.16 subdivisions.

16.17 Subd. 2. **Legislators** **3,406,000** **3,475,000**

16.18 Under Minnesota Statutes, sections 3A.03,
 16.19 subdivision 2; 3A.04, subdivisions 3 and 4;
 16.20 and 3A.115.

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

16.22 Under Minnesota Statutes, section 352C.001,
 16.23 if an appropriation in this section for either
 16.24 year is insufficient, the appropriation for the
 16.25 other year is available for it.

16.26 Sec. 33. **MINNEAPOLIS EMPLOYEES**
 16.27 **RETIREMENT FUND DIVISION ACCOUNT** \$ **24,000,000** \$ **24,000,000**

16.28 These amounts are estimated to be needed
 16.29 under Minnesota Statutes, section 353.505.

16.30 Sec. 34. **TEACHERS RETIREMENT**
 16.31 **ASSOCIATION** \$ **15,454,000** \$ **15,454,000**

17.1 The amounts estimated to be needed are as
 17.2 follows:

17.3 **Special Direct State Aid.** \$12,954,000 the
 17.4 first year and \$12,954,000 the second year
 17.5 are for special direct state aid authorized
 17.6 under Minnesota Statutes, section 354A.12,
 17.7 subdivisions 3a and 3c.

17.8 **Special Direct State Matching Aid.**
 17.9 \$2,500,000 the first year and \$2,500,000
 17.10 the second year are for special direct state
 17.11 matching aid authorized under Minnesota
 17.12 Statutes, section 354.435.

17.13 **Sec. 35. ST. PAUL TEACHERS**
 17.14 **RETIREMENT FUND** \$ **2,827,000** \$ **2,827,000**

17.15 The amounts estimated to be needed for
 17.16 special direct state aid to first class city
 17.17 teachers retirement funds authorized under
 17.18 Minnesota Statutes, section 354A.12,
 17.19 subdivisions 3a and 3c.

17.20 **Sec. 36. DULUTH TEACHERS**
 17.21 **RETIREMENT FUND** \$ **346,000** \$ **346,000**

17.22 The amounts estimated to be needed for
 17.23 special direct state aid to first class city
 17.24 teachers retirement funds authorized under
 17.25 Minnesota Statutes, section 354A.12,
 17.26 subdivisions 3a and 3c.

17.27 **Sec. 37. MILITARY AFFAIRS**
 17.28 **Subdivision 1. Total Appropriation** \$ **19,568,000** \$ **19,368,000**

17.29 The amounts that may be spent for each
 17.30 purpose are specified in the following
 17.31 subdivisions.

17.32 **Subd. 2. Maintenance of Training Facilities** **6,661,000** **6,661,000**

17.33 **Subd. 3. General Support** **2,559,000** **2,359,000**

18.1 \$200,000 in fiscal year 2014 is for a grant
 18.2 to the USS Minnesota Commissioning
 18.3 Committee to support activities related to
 18.4 the commissioning of the USS Minnesota.
 18.5 The grant shall be provided upon the
 18.6 condition that each state-appropriated dollar
 18.7 be matched with a private sector dollar. The
 18.8 USS Minnesota Commissioning Committee
 18.9 shall certify to the adjutant general by July
 18.10 15, 2013, the amount of private sector funds
 18.11 raised to support the commissioning of the
 18.12 USS Minnesota. Acceptable matching funds
 18.13 are private sector contributions that the USS
 18.14 Minnesota Commissioning Committee has
 18.15 received and that have not been used to
 18.16 match any other state grant.

18.17 Subd. 4. **Enlistment Incentives** 10,348,000 10,348,000

18.18 If appropriations for either year of the
 18.19 biennium are insufficient, the appropriation
 18.20 from the other year is available. The
 18.21 appropriations for enlistment incentives are
 18.22 available until expended.

18.23 Sec. 38. **VETERANS AFFAIRS**

18.24 Subdivision 1. **Total Appropriation** \$ 63,003,000 \$ 62,248,000

18.25 The amounts that may be spent for each
 18.26 purpose are specified in the following
 18.27 subdivisions.

18.28 Subd. 2. **Veterans Services** 15,546,000 15,735,000

18.29 **Veterans Service Organizations.** \$353,000
 18.30 each year is for grants to the following
 18.31 congressionally chartered veterans service
 18.32 organizations, as designated by the
 18.33 commissioner: Disabled American Veterans,
 18.34 Military Order of the Purple Heart, the

19.1 American Legion, Veterans of Foreign Wars,
19.2 Vietnam Veterans of America, AMVETS,
19.3 and Paralyzed Veterans of America. This
19.4 funding must be allocated in direct proportion
19.5 to the funding currently being provided by
19.6 the commissioner to these organizations.

19.7 **Minnesota Assistance Council for**
19.8 **Veterans.** \$750,000 each year is for a grant
19.9 to the Minnesota Assistance Council for
19.10 Veterans to provide assistance throughout
19.11 Minnesota to veterans and their families who
19.12 are homeless or in danger of homelessness,
19.13 including assistance with the following:

19.14 (1) utilities;
19.15 (2) employment; and
19.16 (3) legal issues.

19.17 The assistance authorized under this
19.18 paragraph must be made only to veterans who
19.19 have resided in Minnesota for 30 days prior
19.20 to application for assistance and according
19.21 to other guidelines established by the
19.22 commissioner. In order to avoid duplication
19.23 of services, the commissioner must ensure
19.24 that this assistance is coordinated with all
19.25 other available programs for veterans. The
19.26 base is \$500,000 for fiscal year 2016 and
19.27 \$500,000 for fiscal year 2017.

19.28 **IT Upgrades.** \$618,000 in fiscal year 2014
19.29 and \$382,000 in fiscal year 2015 are to
19.30 improve and modernize the department's
19.31 information technology systems. These
19.32 funds shall be transferred to the Office of
19.33 Enterprise Technology. This is a onetime
19.34 transfer and is available until spent.

20.1 **Veterans Cemetery in Fillmore County.**
 20.2 \$425,000 in fiscal year 2015 is for operation
 20.3 of the new veterans cemetery in Fillmore
 20.4 County. This amount is added to the
 20.5 program's base funding.

20.6 **Honor Guards.** \$200,000 each year is
 20.7 for compensation for honor guards at
 20.8 the funerals of veterans under Minnesota
 20.9 Statutes, section 197.231. This amount is
 20.10 added to the program's base funding.

20.11 **Minnesota GI Bill.** \$200,000 each year is
 20.12 for the costs of administering the Minnesota
 20.13 GI Bill postsecondary educational benefits,
 20.14 on-the-job training, and apprenticeship
 20.15 program under Minnesota Statutes, section
 20.16 197.791. Of this amount, \$100,000 is for
 20.17 transfer to the Office of Higher Education.

20.18 **Gold Star Program.** \$100,000 each year
 20.19 is for administering the Gold Star Program
 20.20 for surviving family members of deceased
 20.21 veterans. This amount is added to the
 20.22 program's base funding.

20.23 **County Veterans Service Office.** \$595,000
 20.24 each year is for funding the County
 20.25 Veterans Service Office grant program under
 20.26 Minnesota Statutes, section 197.608.

20.27 **Veterans Paramedic Apprenticeship**
 20.28 **Program.** All unspent funds, estimated to
 20.29 be \$110,000, from the Veterans Paramedic
 20.30 Apprenticeship Program, from the onetime
 20.31 appropriation under Laws 2009, chapter 79,
 20.32 article 13, section 7, are canceled to the
 20.33 general fund on July 1, 2013.

20.34 **Subd. 3. Veterans Homes**

47,457,000

46,513,000

21.1 **Veterans Homes Special Revenue Account.**

21.2 The general fund appropriations made to the
 21.3 department may be transferred to a veterans
 21.4 homes special revenue account in the special
 21.5 revenue fund in the same manner as other
 21.6 receipts are deposited according to Minnesota
 21.7 Statutes, section 198.34, and are appropriated
 21.8 to the department for the operation of
 21.9 veterans homes facilities and programs.

21.10 **IT Upgrades.** \$2,472,000 in fiscal year 2014
 21.11 and \$1,528,000 in fiscal year 2015 are to
 21.12 improve and modernize the department's
 21.13 information technology systems. These
 21.14 funds shall be transferred to the Office of
 21.15 Enterprise Technology. This is a onetime
 21.16 transfer and is available until spent.

21.17 **Maximize Federal Reimbursements.**

21.18 The department will seek opportunities
 21.19 to maximize federal reimbursements of
 21.20 Medicare-eligible expenses and will provide
 21.21 annual reports to the commissioner of
 21.22 management and budget on the federal
 21.23 Medicare reimbursements received.
 21.24 Contingent upon future federal Medicare
 21.25 receipts, reductions to the homes' general
 21.26 fund appropriation may be made.

21.27 **ARTICLE 2**

21.28 **MINNESOTA SUNSET ACT**

21.29 Section 1. Minnesota Statutes 2012, section 254A.035, subdivision 2, is amended to
 21.30 read:

21.31 Subd. 2. **Membership terms, compensation, removal and expiration.** The
 21.32 membership of this council shall be composed of 17 persons who are American Indians
 21.33 and who are appointed by the commissioner. The commissioner shall appoint one
 21.34 representative from each of the following groups: Red Lake Band of Chippewa Indians;

22.1 Fond du Lac Band, Minnesota Chippewa Tribe; Grand Portage Band, Minnesota
 22.2 Chippewa Tribe; Leech Lake Band, Minnesota Chippewa Tribe; Mille Lacs Band,
 22.3 Minnesota Chippewa Tribe; Bois Forte Band, Minnesota Chippewa Tribe; White Earth
 22.4 Band, Minnesota Chippewa Tribe; Lower Sioux Indian Reservation; Prairie Island Sioux
 22.5 Indian Reservation; Shakopee Mdewakanton Sioux Indian Reservation; Upper Sioux
 22.6 Indian Reservation; International Falls Northern Range; Duluth Urban Indian Community;
 22.7 and two representatives from the Minneapolis Urban Indian Community and two from the
 22.8 St. Paul Urban Indian Community. The terms, compensation, and removal of American
 22.9 Indian Advisory Council members shall be as provided in section 15.059. The council
 22.10 expires June 30, 2014, ~~or in accordance with section 3D.21, whichever is later.~~

22.11 Sec. 2. Minnesota Statutes 2012, section 254A.04, is amended to read:

22.12 **254A.04 CITIZENS ADVISORY COUNCIL.**

22.13 There is hereby created an Alcohol and Other Drug Abuse Advisory Council to
 22.14 advise the Department of Human Services concerning the problems of alcohol and
 22.15 other drug dependency and abuse, composed of ten members. Five members shall be
 22.16 individuals whose interests or training are in the field of alcohol dependency and abuse;
 22.17 and five members whose interests or training are in the field of dependency and abuse of
 22.18 drugs other than alcohol. The terms, compensation and removal of members shall be as
 22.19 provided in section 15.059. The council expires June 30, 2014, ~~or in accordance with~~
 22.20 ~~section 3D.21, whichever is later.~~ The commissioner of human services shall appoint
 22.21 members whose terms end in even-numbered years. The commissioner of health shall
 22.22 appoint members whose terms end in odd-numbered years.

22.23 Sec. 3. Minnesota Statutes 2012, section 256B.093, subdivision 1, is amended to read:

22.24 Subdivision 1. **State traumatic brain injury program.** The commissioner of
 22.25 human services shall:

22.26 (1) maintain a statewide traumatic brain injury program;

22.27 (2) supervise and coordinate services and policies for persons with traumatic brain
 22.28 injuries;

22.29 (3) contract with qualified agencies or employ staff to provide statewide
 22.30 administrative case management and consultation;

22.31 (4) maintain an advisory committee to provide recommendations in reports to the
 22.32 commissioner regarding program and service needs of persons with brain injuries;

22.33 (5) investigate the need for the development of rules or statutes for the brain injury
 22.34 home and community-based services waiver;

23.1 (6) investigate present and potential models of service coordination which can be
23.2 delivered at the local level; and

23.3 (7) the advisory committee required by clause (4) must consist of no fewer than ten
23.4 members and no more than 30 members. The commissioner shall appoint all advisory
23.5 committee members to one- or two-year terms and appoint one member as chair.
23.6 Notwithstanding section 15.059, subdivision 5, the advisory committee does not terminate
23.7 until June 30, 2014, ~~or in accordance with section 3D.21, whichever is later.~~

23.8 Sec. 4. Minnesota Statutes 2012, section 260.835, subdivision 2, is amended to read:

23.9 Subd. 2. **Expiration.** Notwithstanding section 15.059, subdivision 5, the American
23.10 Indian Child Welfare Advisory Council expires June 30, 2014, ~~or in accordance with~~
23.11 ~~section 3D.21, whichever is later.~~

23.12 Sec. 5. Laws 2012, chapter 278, article 1, section 5, is amended to read:

23.13 Sec. 5. **COUNCIL ON BLACK MINNESOTANS.**

23.14 The Office of the Legislative Auditor should conduct a financial audit of the
23.15 Council on Black Minnesotans by December 1, 2013. In its next report to the ~~Sunset~~
23.16 ~~Advisory Commission~~ governor and legislature under Minnesota Statutes, section 3.9225,
23.17 subdivision 7, the Council on Black Minnesotans must respond to any issues raised in this
23.18 audit and to issues raised in previous audits.

23.19 Sec. 6. Laws 2012, chapter 278, article 2, section 27, is amended to read:

23.20 Sec. 27. **HEALTH-RELATED LICENSING BOARDS REPORTING**
23.21 **OBLIGATIONS.**

23.22 (a) By January 15, 2013, the health-related boards and the commissioner of health,
23.23 as the regulator for occupational therapy practitioners, speech-language pathologists,
23.24 audiologists, and hearing instrument dispensers, shall jointly study and submit draft
23.25 legislation to ~~the Sunset Commission~~ and the chairs and ranking minority members of
23.26 the legislative committees with jurisdiction over health and human services developing
23.27 consistent reporting requirements that require institutions, professional societies, other
23.28 licensed professionals, courts, insurers, and other entities to report conduct constituting
23.29 grounds for disciplinary action to the respective regulatory entity. The study and draft
23.30 legislation shall include a self-reporting requirement that requires the licensed individual
23.31 to report to the respective regulatory entity any action that would require a report to be
23.32 filed by another specified entity. The study and draft legislation shall also include penalties
23.33 that may be imposed for failure to report.

24.1 (b) Health-related boards with existing statutory reporting obligations shall
 24.2 participate to ensure that the existing reporting requirements are consistent with the
 24.3 recommended requirements and draft legislation.

24.4 Sec. 7. Laws 2012, chapter 278, article 2, section 34, is amended to read:

24.5 Sec. 34. **BOARD OF MEDICAL PRACTICE REVIEW.**

24.6 The legislative auditor is requested to conduct a special investigation of the
 24.7 Minnesota Board of Medical Practice and its implementation of the Medical Practice
 24.8 Act. The legislative auditor is requested to submit the results of the investigation to the
 24.9 Legislative Audit Commission, ~~the Sunset Advisory Commission~~, and the chairs and
 24.10 ranking minority members of the senate and house of representatives policy committees
 24.11 having jurisdiction over the board by January 1, 2013.

24.12 Sec. 8. **REVISOR'S INSTRUCTION.**

24.13 The revisor of statutes shall delete all references to "the Sunset Advisory
 24.14 Commission" wherever they appear in Minnesota Statutes, and shall make other changes
 24.15 as necessary in Minnesota Statutes as a result of the enactment of this act.

24.16 Sec. 9. **REPEALER.**

24.17 (a) Minnesota Statutes 2012, sections 3D.01; 3D.02; 3D.03; 3D.04; 3D.045; 3D.05;
 24.18 3D.06; 3D.065; 3D.07; 3D.08; 3D.09; 3D.10; 3D.11; 3D.12; 3D.13; 3D.14; 3D.15; 3D.16;
 24.19 3D.17; 3D.18; 3D.19; 3D.20; and 3D.21, subdivisions 2, 3, 4, 5, 6, 7, and 8, are repealed.

24.20 (b) Laws 2012, chapter 278, article 1, section 6, is repealed.

24.21 Sec. 10. **EFFECTIVE DATE.**

24.22 Sections 1 to 9 are effective the day following final enactment.

24.23 **ARTICLE 3**

24.24 **STATE GOVERNMENT OPERATIONS**

24.25 Section 1. **[5.38] AUTHORITY TO ACCEPT FUNDS.**

24.26 The secretary of state may enter into agreements with a local governmental unit to
 24.27 provide a technological service or project to enhance the state's election system. The
 24.28 secretary of state and the local governmental unit shall agree to the amount of consideration
 24.29 to be paid under the agreement. In addition, the secretary of state may accept federal funds
 24.30 for election purposes. If the secretary of state accepts federal funds and the terms of the
 24.31 grant do not require the state to maintain its effort, section 3.3005 does not apply. If the

25.1 secretary of state accepts federal funds and the terms of the grant do require the state to
25.2 maintain its effort, section 3.3005 applies. The funds accepted under this section must be
25.3 deposited in accounts in the special revenue fund and are appropriated to the secretary of
25.4 state for the uses authorized by this section. The secretary of state shall report by January
25.5 15 each year to the chair and ranking minority members of the finance committees of the
25.6 house of representatives and the senate with jurisdiction over the secretary of state the total
25.7 amounts received in the preceding calendar year, the sources of those funds, and the uses
25.8 to which those funds were or will be put. For purposes of this section, "local governmental
25.9 unit" means a county, home rule charter or statutory city, town, or school district.

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

25.11 **Sec. 2. [5B.12] AUTHORITY TO ACCEPT FUNDS.**

25.12 Notwithstanding sections 16A.013 to 16A.016, the secretary of state may accept
25.13 funds contributed by individuals and may apply for grants from charitable foundations, to
25.14 be used for the address confidentiality program established in section 5B.03. In addition,
25.15 the secretary of state may apply for grants from the federal government for purposes of
25.16 the address confidentiality program. If the secretary of state accepts federal funds and the
25.17 terms of the grant do not require the state to maintain its effort, section 3.3005 does not
25.18 apply. If the secretary of state accepts federal funds and the terms of the grant do require
25.19 the state to maintain its effort, section 3.3005 applies. The funds accepted under this
25.20 section must be deposited in accounts in the special revenue fund and are appropriated
25.21 to the secretary of state for use in the address confidentiality program. The secretary of
25.22 state shall report by January 15 each year to the chair and ranking minority members of
25.23 the finance committees of the house of representatives and the senate with jurisdiction
25.24 over the secretary of state the total amounts received in the preceding calendar year, the
25.25 sources of those funds, except that contributions from program participants, if any, must
25.26 be aggregated and the names of program participants will not be reported, and the uses
25.27 to which those funds were or will be put.

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

25.29 **Sec. 3. [6.475] CITY AND TOWN ACCOUNTING SYSTEM SOFTWARE.**

25.30 (a) The state auditor may charge a onetime user fee to cities, towns, and other
25.31 government entities for the development, maintenance, and distribution of the small city
25.32 and town accounting system software. The amount of this fee shall be set by the state

26.1 auditor in consultation with the Minnesota Association of Townships, the League of
 26.2 Minnesota Cities, and the Minnesota Association of Small Cities.

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

26.5 (c) Amounts received under paragraph (a) shall be credited to the CTAS account in
 26.6 the special revenue fund and are appropriated to the state auditor for all costs associated
 26.7 with the development, maintenance, and distribution of the small city and town accounting
 26.8 system software. If at any time the small city and town accounting system software ceases
 26.9 to be offered by the state auditor, any amount remaining in the CTAS account shall be
 26.10 equitably refunded to users. The amount of the refund shall be set by the state auditor
 26.11 in consultation with the Minnesota Association of Townships, the League of Minnesota
 26.12 Cities, and the Minnesota Association of Small Cities, and the account shall be closed.

26.13 Sec. 4. Minnesota Statutes 2012, section 13.591, subdivision 3, is amended to read:

26.14 Subd. 3. **Business as vendor.** (a) Data submitted by a business to a government
 26.15 entity in response to a request for bids as defined in section 16C.02, subdivision 11, are
 26.16 private or nonpublic until ~~the bids are opened. Once the bids are opened, the time and date~~
 26.17 specified in the solicitation that bids are due, at which time the name of the bidder and the
 26.18 dollar amount specified in the response are read and become public. All other data in a
 26.19 bidder's response to a bid are private or nonpublic data until completion of the selection
 26.20 process. For purposes of this section, "completion of the selection process" means that
 26.21 the government entity has completed its evaluation and has ranked the responses. After a
 26.22 government entity has completed the selection process, all remaining data submitted by
 26.23 all bidders are public with the exception of trade secret data as defined and classified in
 26.24 section 13.37. A statement by a bidder that submitted data are copyrighted or otherwise
 26.25 protected does not prevent public access to the data contained in the bid.

26.26 If all responses to a request for bids are rejected prior to completion of the selection
 26.27 process, all data, other than ~~that made public at the bid opening~~ the name of the bidder
 26.28 and the dollar amount specified in the response, remain private or nonpublic until a
 26.29 resolicitation of bids results in completion of the selection process or a determination is
 26.30 made to abandon the purchase. If the rejection occurs after the completion of the selection
 26.31 process, the data remain public. If a resolicitation of bids does not occur within one year
 26.32 of the bid opening date, the remaining data become public.

26.33 (b) Data submitted by a business to a government entity in response to a request
 26.34 for proposal, as defined in section 16C.02, subdivision 12, are private or nonpublic until
 26.35 ~~the responses are opened. Once the responses are opened, the time and date specified in~~

27.1 the solicitation that proposals are due, at which time the name of the responder is read
 27.2 ~~and~~ becomes public. All other data in a responder's response to a request for proposal are
 27.3 private or nonpublic data until completion of the evaluation process. For purposes of this
 27.4 section, "completion of the evaluation process" means that the government entity has
 27.5 completed negotiating the contract with the selected vendor. After a government entity
 27.6 has completed the evaluation process, all remaining data submitted by all responders are
 27.7 public with the exception of trade secret data as defined and classified in section 13.37. A
 27.8 statement by a responder that submitted data are copyrighted or otherwise protected does
 27.9 not prevent public access to the data contained in the response.

27.10 If all responses to a request for proposal are rejected prior to completion of the
 27.11 evaluation process, all data, other than ~~that made public at the response opening,~~ the
 27.12 names of the responders, remain private or nonpublic until a resolicitation of the requests
 27.13 for proposal results in completion of the evaluation process or a determination is made
 27.14 to abandon the purchase. If the rejection occurs after the completion of the evaluation
 27.15 process, the data remain public. If a resolicitation of proposals does not occur within one
 27.16 year of the proposal opening date, the remaining data become public.

27.17 Sec. 5. Minnesota Statutes 2012, section 16C.02, subdivision 13, is amended to read:

27.18 Subd. 13. **Resident vendor.** "Resident vendor" means a person, firm, or corporation
 27.19 that:

27.20 (1) is authorized to conduct business in the state of Minnesota on the date a
 27.21 solicitation for a contract is first advertised or announced. It includes a foreign corporation
 27.22 duly authorized to engage in business in Minnesota;

27.23 (2) has paid unemployment taxes or income taxes in this state during the 12 calendar
 27.24 months immediately preceding submission of the bid or proposal for which any preference
 27.25 is sought;

27.26 (3) has a business address in the state; and

27.27 (4) has affirmatively claimed that status in the bid or proposal submission.

27.28 Sec. 6. Minnesota Statutes 2012, section 16C.06, subdivision 2, is amended to read:

27.29 Subd. 2. **Solicitation process.** (a) A formal solicitation must be used to acquire all
 27.30 goods, service contracts, and utilities estimated at or more than \$50,000, or in the case of
 27.31 a Department of Transportation solicitation, at or more than \$100,000, unless otherwise
 27.32 provided for. All formal responses must be sealed when they are received and must be
 27.33 ~~opened in public at the hour stated in the solicitation~~ made publicly available as required

28.1 by section 13.591. Formal responses must be authenticated by the responder in a manner
 28.2 specified by the commissioner.

28.3 (b) An informal solicitation may be used to acquire all goods, service contracts,
 28.4 and utilities that are estimated at less than \$50,000, or in the case of a Department of
 28.5 Transportation solicitation, at or less than \$100,000. The number of vendors required to
 28.6 receive solicitations may be determined by the commissioner. Informal responses must be
 28.7 authenticated by the responder in a manner specified by the commissioner.

28.8 Sec. 7. Minnesota Statutes 2012, section 16C.09, is amended to read:

28.9 **16C.09 PROCEDURE FOR SERVICE CONTRACTS.**

28.10 (a) Before entering into or approving a service contract valued in excess of \$5,000,
 28.11 the commissioner must determine, at least, that:

28.12 (1) no current state employee is able and available to perform the services called
 28.13 for by the contract;

28.14 (2) the work to be performed under the contract is necessary to the agency's
 28.15 achievement of its statutory responsibilities and there is statutory authority to enter into
 28.16 the contract;

28.17 (3) the contract will not establish an employment relationship between the state or
 28.18 the agency and any persons performing under the contract;

28.19 (4) the contractor and agents are not employees of the state;

28.20 (5) the contracting agency has specified a satisfactory method of evaluating and
 28.21 using the results of the work to be performed; and

28.22 (6) the combined contract and amendments will not exceed five years without
 28.23 specific, written approval by the commissioner according to established policy, procedures,
 28.24 and standards, or unless otherwise provided for by law. The term of the original contract
 28.25 must not exceed two years, unless the commissioner determines that a longer duration is
 28.26 in the best interest of the state.

28.27 (b) For purposes of paragraph (a), clause (1), employees are available if qualified and:

28.28 (1) are already doing the work in question; or

28.29 (2) are on layoff status in classes that can do the work in question.

28.30 An employee is not available if the employee is doing other work, is retired, or has decided
 28.31 not to do the work in question.

28.32 (c) This section does not apply to an agency's use of inmates pursuant to sections
 28.33 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

28.34 (1) community service; or

29.1 (2) conservation or maintenance services on lands under the jurisdiction and control
 29.2 of the state.

29.3 Sec. 8. Minnesota Statutes 2012, section 16C.10, subdivision 6, is amended to read:

29.4 Subd. 6. **Expenditures under specified amounts.** The solicitation process
 29.5 described in this chapter is not required for:

29.6 (1) acquisition of goods or services, other than professional or technical services,
 29.7 in an amount of ~~\$2,500~~ \$5,000 or less; or

29.8 (2) acquisition of professional or technical services in an amount of \$5,000 or less,
 29.9 provided the requirements of section 16C.08, subdivisions 3 to 6, are met.

29.10 Sec. 9. Minnesota Statutes 2012, section 16C.145, is amended to read:

29.11 **16C.145 NONVISUAL TECHNOLOGY ACCESS STANDARDS.**

29.12 (a) The commissioner shall develop nonvisual technology access standards. The
 29.13 standards must be included in all contracts for the procurement of information technology
 29.14 by, or for the use of, agencies, political subdivisions, and the Minnesota State Colleges and
 29.15 Universities. The University of Minnesota is encouraged to consider similar standards.

29.16 (b) The nonvisual access standards must include the following minimum
 29.17 specifications:

29.18 (1) that effective, interactive control and use of the technology including the
 29.19 operating system, applications programs, prompts, and format of the data presented, are
 29.20 readily achievable by nonvisual means;

29.21 (2) that the nonvisual access technology must be compatible with information
 29.22 technology used by other individuals with whom the blind or visually impaired individual
 29.23 must interact;

29.24 (3) that nonvisual access technology must be integrated into networks used to share
 29.25 communications among employees, program participants, and the public; and

29.26 (4) that the nonvisual access technology must have the capability of providing
 29.27 equivalent access by nonvisual means to telecommunications or other interconnected
 29.28 network services used by persons who are not blind or visually impaired.

29.29 (c) Nothing in this section requires the installation of software or peripheral devices
 29.30 used for nonvisual access when the information technology is being used by individuals
 29.31 who are not blind or visually impaired.

29.32 (d) Executive branch state agencies subject to section 16E.03, subdivision 9, are not
 29.33 required to include nonvisual technology access standards developed under this section in
 29.34 contracts for the procurement of information technology.

30.1 Sec. 10. Minnesota Statutes 2012, section 16C.33, subdivision 3, is amended to read:

30.2 Subd. 3. **Solicitation of qualifications or proposals.** (a) Every user agency, except
30.3 the Capitol Area Architectural and Planning Board, shall submit a written request for a
30.4 design-builder for its project to the commissioner who shall forward the request to the
30.5 board, consistent with section 16B.33, subdivision 3, paragraph (a). The University of
30.6 Minnesota shall follow the process in subdivision 4 to select design-builders for projects
30.7 that are subject to section 16B.33. The written request must include a description of the
30.8 project, the total project cost, a description of any special requirements or unique features
30.9 of the proposed project, and other information requested by the board which will assist the
30.10 board in carrying out its duties and responsibilities set forth in this section.

30.11 (b) A request for qualifications or proposals soliciting design-builders shall be
30.12 prepared for each design-build contract pursuant to subdivision 5 or 7. The request for
30.13 qualifications or proposals shall contain, at a minimum, the following elements:

30.14 (1) the identity of the agency for which the project will be built and that will award
30.15 the design-build contract;

30.16 (2) procedures for submitting qualifications or proposals, the criteria for evaluation
30.17 of qualifications or proposals and the relative weight for each criterion and subcriterion,
30.18 and the procedures for making awards according to the stated criteria and subcriteria,
30.19 including a reference to the requirements of this section;

30.20 (3) the proposed terms and conditions for the contract;

30.21 (4) the desired qualifications of the design-builder and the desired or permitted
30.22 areas of construction to be performed by named members of the design-build team, if
30.23 applicable. The primary designer shall be a named member of the design-build team;

30.24 (5) the schedule for commencement and completion of the project;

30.25 (6) any applicable budget limits for the project;

30.26 (7) the requirements for insurance and statutorily required performance and payment
30.27 bonds;

30.28 (8) the identification and location of any other information in the possession or
30.29 control of the agency that the user agency determines is material, which may include
30.30 surveys, soils reports, drawings or models of existing structures, environmental studies,
30.31 photographs, or references to public records;

30.32 (9) for a design-build design and price-based selection process, the request shall
30.33 also include the design criteria package, including the performance and technical
30.34 requirements for the project, and the functional and operational elements for the delivery
30.35 of the completed project. The request shall also contain a description of the drawings,
30.36 specifications, or other submittals to be included with the proposal, with guidance as to

31.1 the form and level of completeness of the drawings, specifications or submittals that will
 31.2 be acceptable, and the stipend to be paid to the design-builders selected to submit the
 31.3 above described information; and

31.4 (10) the criteria shall not impose unnecessary conditions beyond reasonable
 31.5 requirements to ensure maximum participation of qualified design-builders. The criteria
 31.6 shall not consider the collective bargaining status of the design-builder.

31.7 (c) Notice of requests for qualifications or proposals must be advertised in ~~the State~~
 31.8 ~~Register~~ a manner designated by the commissioner.

31.9 Sec. 11. Minnesota Statutes 2012, section 16C.34, subdivision 1, is amended to read:

31.10 Subdivision 1. **Solicitation of qualifications.** (a) Every user agency, except
 31.11 the Capitol Area Architectural and Planning Board, shall submit a written request for
 31.12 proposals for a construction manager at risk for its project to the commissioner. The
 31.13 written request for proposals must include a description of the project, the estimated cost
 31.14 of completing the project, a description of any special requirements or unique features of
 31.15 the proposed project, and other information which will assist the commissioner in carrying
 31.16 out its duties and responsibilities set forth in this section.

31.17 (b) The commissioner may include in the request for qualifications criteria a
 31.18 requirement that the proposer include the overhead and fee that the construction manager
 31.19 at risk proposes to charge for its services.

31.20 (c) A request for qualifications shall be prepared for each construction manager at
 31.21 risk contract as provided in this section. The request for qualifications shall contain, at a
 31.22 minimum, the following elements:

31.23 (1) the identity of the agency for which the project will be built and that will award
 31.24 the construction manager at risk contract;

31.25 (2) procedures for submitting qualifications, the criteria and subcriteria for evaluation
 31.26 of qualifications and the relative weight for each criteria and subcriteria, and the procedures
 31.27 for making awards in an open, competitive, and objective manner, and according to the
 31.28 stated criteria and subcriteria, including a reference to the requirements of this section;

31.29 (3) the terms and conditions for the contract;

31.30 (4) the qualifications that the construction manager at risk shall be desired to have;

31.31 (5) a schedule for commencement and completion of the project;

31.32 (6) any applicable budget limits for the project;

31.33 (7) requirements for insurance, statutorily required performance and payment bonds;

31.34 (8) identification and location of any other information in the possession or control
 31.35 of the agency that the user agency determines is material, which may include surveys, soils

32.1 reports, drawings or models of existing structures, environmental studies, photographs, or
 32.2 references to public records; and

32.3 (9) criteria shall not impose unnecessary conditions beyond reasonable requirements
 32.4 to ensure maximum participation of construction managers at risk. The criteria shall not
 32.5 consider the collective bargaining status of the construction manager at risk.

32.6 (d) Notice of requests for qualifications must be advertised in ~~the State Register~~ a
 32.7 manner designated by the commissioner.

32.8 Sec. 12. **[16E.0466] STATE AGENCY TECHNOLOGY PROJECTS.**

32.9 Every state agency with an information or telecommunications project must consult
 32.10 with the Office of Enterprise Technology to determine the IT cost of the project. Upon
 32.11 agreement between the commissioner of a particular agency and the chief information
 32.12 officer, the agency must transfer the IT cost portion of the project to the Office of
 32.13 Enterprise Technology, unless the commissioner of the Office of Enterprise Technology
 32.14 determines that an agreement is not required. Those agencies specified in section 16E.016,
 32.15 paragraph (d), are exempt from the requirements of this section.

32.16 Sec. 13. Minnesota Statutes 2012, section 16E.07, subdivision 6, is amended to read:

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

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

32.23 Sec. 14. Minnesota Statutes 2012, section 16E.07, is amended by adding a subdivision
 32.24 to read:

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

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

32.30 (c) The office may charge and may authorize a private entity that enters into a
 32.31 contract under paragraph (a) to charge a convenience fee for users of North Star and
 32.32 online government information services up to a total of \$2 per transaction. The office
 32.33 shall consider the recommendation of the E-Government Advisory Council under section

33.1 16E.071 in setting the convenience fee. A fee established under this paragraph is in
33.2 addition to any fees or surcharges authorized under other law.

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

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

33.14 Sec. 15. **[16E.071] E-GOVERNMENT ADVISORY COUNCIL.**

33.15 Subdivision 1. **E-Government Advisory Council established.** The E-Government
33.16 Advisory Council is established for the purpose of improving online government
33.17 information services to citizens and businesses.

33.18 Subd. 2. **Membership.** The council shall consist of nine members as follows:

33.19 (1) the state chief information officer or the chief information officer's designee;

33.20 (2) one public member appointed by the speaker of the house;

33.21 (3) one public member appointed by the senate Subcommittee on Committees of the
33.22 Rules and Administration Committee; and

33.23 (4) six members appointed by the governor representing state executive branch
33.24 agencies that are actively involved with private businesses, the private business
33.25 community, or the public.

33.26 Subd. 3. **Initial appointments and first meeting.** Appointing authorities shall make
33.27 the first appointments to the council by September 1, 2013. The first member appointed by
33.28 the speaker of the house shall serve until the first Monday in January, 2015. The governor
33.29 shall designate three initial appointees to serve until the first Monday in January 2015. The
33.30 term of the other three initial appointees of the governor and the first member appointed
33.31 by the senate shall be until the first Monday in January 2017. The chief information officer
33.32 or the chief information officer's designee shall convene the council's first meeting by
33.33 November 1, 2013, and shall act as chair until the council elects a chair at its first meeting.

33.34 Subd. 4. **Terms; removal; vacancies; compensation.** Membership terms, removal
33.35 of member, and filling of vacancies are as provided in section 15.059, except that members

34.1 shall not receive compensation or be reimbursed for expenses and except that terms of
 34.2 initial appointees are as provided in subdivision 3.

34.3 Subd. 5. **Chair.** The council shall annually elect a chair from its members.

34.4 Subd. 6. **Duties.** The council shall recommend to the office the priority of North
 34.5 Star projects and online government information services to be developed and supported
 34.6 by convenience fee receipts. The council shall provide oversight on the convenience fee
 34.7 and its receipts in the North Star account. The council shall by majority quorum vote to
 34.8 recommend to approve or disapprove establishing the convenience fee on particular types
 34.9 of transactions, the fee amount, and any changes in the fee amount. If the convenience fee
 34.10 receipts are retained by or transferred to the private entity in lieu of deposit in the North
 34.11 Star account, the council may audit the private entity's convenience fee receipts, expenses
 34.12 paid by the receipts, and associated financial statements.

34.13 Subd. 7. **Staff.** The office shall provide administrative support to the council.

34.14 Subd. 8. **Sunset.** The council shall expire the first Monday in January 2017.

34.15 Subd. 9. **Reports.** By June 1, 2014, and every year thereafter, the council shall
 34.16 report to the office with its recommendations regarding establishing the convenience fee,
 34.17 the fee amount, and changes to the fee amount.

34.18 Sec. 16. Minnesota Statutes 2012, section 32C.04, is amended to read:

34.19 **32C.04 ACCOUNTS; AUDITS.**

34.20 The authority may establish funds and accounts that it determines to be reasonable and
 34.21 necessary to conduct the business of the authority. The board shall ~~provide for and pay the~~
 34.22 ~~cost of an independent annual audit of its official books and records~~ be subject to audit by
 34.23 the state legislative auditor. A copy of ~~this an~~ audit must be filed with the secretary of state.

34.24 Sec. 17. Minnesota Statutes 2012, section 469.3201, is amended to read:

34.25 **469.3201 STATE LEGISLATIVE AUDITOR; AUDITS OF JOB**
 34.26 **OPPORTUNITY BUILDING ZONES AND BUSINESS SUBSIDY AGREEMENTS.**

34.27 As resources allow, the ~~Office of the State Auditor~~ legislative auditor must annually
 34.28 audit the creation and operation of all job opportunity building zones and business subsidy
 34.29 agreements entered into under Minnesota Statutes, sections 469.310 to 469.320. ~~To the~~
 34.30 extent necessary to perform this audit, the state auditor may request from the commissioner
 34.31 of revenue tax return information of taxpayers who are eligible to receive tax benefits
 34.32 authorized under section 469.315. ~~To the extent necessary to perform this audit, the state~~
 34.33 auditor may request from the commissioner of employment and economic development
 34.34 wage detail report information required under section 268.044 of taxpayers eligible to

35.1 ~~receive tax benefits authorized under section 469.315.~~ All public officials and parties to
 35.2 the agreements shall comply with the requirements of section 3.978, subdivision 2.

35.3 Sec. 18. **REVISOR'S INSTRUCTION.**

35.4 In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall:

35.5 (1) substitute the term "Office of MN.IT Services" for "Office of Enterprise
 35.6 Technology" in each place where the latter term appears; and

35.7 (2) substitute the term "MN.IT services revolving fund" for "enterprise technology
 35.8 revolving fund" in each place where the latter term appears.

35.9 **ARTICLE 4**

35.10 **LICENSING BOARDS**

35.11 Section 1. Minnesota Statutes 2012, section 154.001, is amended by adding a
 35.12 subdivision to read:

35.13 Subd. 4. **Comprehensive examination.** "Comprehensive examination" means all
 35.14 parts of a test administered by the board, including but not limited to written, oral, and
 35.15 practical components.

35.16 Sec. 2. Minnesota Statutes 2012, section 154.003, is amended to read:

35.17 **154.003 FEES.**

35.18 (a) The fees collected, as required in this chapter, chapter 214, and the rules of the
 35.19 board, shall be paid to the board. The board shall deposit the fees in the general fund
 35.20 in the state treasury.

35.21 (b) The board shall charge the following fees:

35.22 (1) examination and certificate, registered barber, \$85;

35.23 (2) retake of written examination, registered barber, \$10;

35.24 ~~(2)~~ (3) examination and certificate, apprentice, \$80;

35.25 (4) retake of written examination, apprentice, \$10;

35.26 ~~(3)~~ (5) examination, instructor, \$180;

35.27 ~~(4)~~ (6) certificate, instructor, \$65;

35.28 ~~(5)~~ (7) temporary teacher or apprentice permit, \$80;

35.29 ~~(6)~~ (8) renewal of license, registered barber, \$80;

35.30 ~~(7)~~ (9) renewal of license, apprentice, \$70;

35.31 ~~(8)~~ (10) renewal of license, instructor, \$80;

35.32 ~~(9)~~ (11) renewal of temporary teacher permit, \$65;

- 36.1 ~~(10)~~ (12) student permit, \$45;
- 36.2 (13) renewal of student permit, \$25;
- 36.3 ~~(11)~~ (14) initial shop registration, \$85;
- 36.4 ~~(12)~~ (15) initial school registration, \$1,030;
- 36.5 ~~(13)~~ (16) renewal shop registration, \$85;
- 36.6 ~~(14)~~ (17) renewal school registration, \$280;
- 36.7 ~~(15)~~ (18) restoration of registered barber license, \$95;
- 36.8 ~~(16)~~ (19) restoration of apprentice license, \$90;
- 36.9 ~~(17)~~ (20) restoration of shop registration, \$105;
- 36.10 ~~(18)~~ (21) change of ownership or location, \$55;
- 36.11 ~~(19)~~ (22) duplicate license, \$40; and
- 36.12 ~~(20)~~ (23) home study course, ~~\$95~~ \$75;
- 36.13 (24) letter of license verification, \$25; and
- 36.14 (25) reinspection, \$100.

36.15 Sec. 3. Minnesota Statutes 2012, section 154.02, is amended to read:

36.16 **154.02 WHAT CONSTITUTES BARBERING.**

36.17 Any one or any combination of the following practices when done upon the head
 36.18 and neck for cosmetic purposes and not for the treatment of disease or physical or mental
 36.19 ailments and when done for payment directly or indirectly or without payment for the
 36.20 public generally constitutes the practice of barbering within the meaning of sections
 36.21 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26:
 36.22 to shave the face or neck, trim the beard, cut or bob the hair of any person of either sex
 36.23 for compensation or other reward received by the person performing such service or any
 36.24 other person; to give facial and scalp massage or treatments with oils, creams, lotions,
 36.25 or other preparations either by hand or mechanical appliances; to singe, shampoo the
 36.26 hair, or apply hair tonics; or to apply cosmetic preparations, antiseptics, powders, oils,
 36.27 clays, or lotions to hair, scalp, face, or neck.

36.28 Sec. 4. Minnesota Statutes 2012, section 154.05, is amended to read:

36.29 **154.05 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A**
 36.30 **REGISTERED BARBER.**

36.31 A person is qualified to receive a certificate of registration as a registered barber:

- 36.32 (1) who is qualified under the provisions of section 154.06;
- 36.33 (2) who has practiced as a registered apprentice for a period of 12 months under the
 36.34 immediate personal supervision of a registered barber; and

37.1 (3) who has passed an examination conducted by the board to determine fitness to
37.2 practice barbering.

37.3 An apprentice applicant for a certificate of registration to practice as a registered
37.4 barber who fails to pass the comprehensive examination conducted by the board and
37.5 who fails to pass a onetime retake of the written examination, shall continue to practice
37.6 as an apprentice for an additional ~~two months~~ 300 hours before being ~~again entitled to~~
37.7 ~~take~~ eligible to retake the comprehensive examination for a registered barber as many
37.8 times as necessary to pass.

37.9 Sec. 5. Minnesota Statutes 2012, section 154.06, is amended to read:

37.10 **154.06 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A**
37.11 **REGISTERED APPRENTICE.**

37.12 A person is qualified to receive a certificate of registration as a registered apprentice:

37.13 (1) who has completed at least ten grades of an approved school;

37.14 (2) who has graduated from a barber school approved by ~~the~~ a barber board within
37.15 the previous four years; and

37.16 (3) who has passed an examination conducted by the board to determine fitness to
37.17 practice as a registered apprentice. An applicant who graduated from a barber school
37.18 approved by a barber board more than four years prior to application is required to
37.19 complete a further course of study of at least 500 hours.

37.20 An applicant for a an initial certificate of registration to practice as an apprentice,
37.21 who fails to pass the comprehensive examination conducted by the board, and who fails to
37.22 pass a onetime retake of the written examination, is required to complete a further course
37.23 of study of at least 500 hours, of not more than eight hours in any one working day, in a
37.24 barber school approved by the board before being eligible to retake the comprehensive
37.25 examination as many times as necessary to pass.

37.26 A certificate of registration of an apprentice shall be valid for four years ~~from the~~
37.27 ~~date the certificate of registration is issued by the board~~ and shall not be renewed for a fifth
37.28 year. During the four-year period the certificate of registration shall remain in full force
37.29 and effect only if the apprentice complies with all the provisions of sections 154.001,
37.30 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, including
37.31 the payment of an annual fee, and the rules of the board.

37.32 If a registered apprentice, during the term in which the certificate of registration is in
37.33 effect, enters full-time active duty in the armed forces of the United States of America,
37.34 the expiration date of the certificate of registration shall be extended by a period of time
37.35 equal to the period or periods of active duty.

38.1 If a registered apprentice graduates from a barber school approved by the board and
 38.2 is issued a certificate of registration while incarcerated by the Department of Corrections
 38.3 of the Federal Bureau of Prisons, the expiration date of the certificate of registration shall
 38.4 be extended one time so that it expires four years from the date of first release from a
 38.5 correctional facility.

38.6 Sec. 6. Minnesota Statutes 2012, section 154.065, subdivision 2, is amended to read:

38.7 Subd. 2. **Qualifications.** A person is qualified to receive a certificate of registration
 38.8 as an instructor of barbering who:

38.9 (1) is a graduate ~~from~~ of an approved high school, or its equivalent, as determined
 38.10 by examination by the Department of Education;

38.11 (2) ~~has qualified for a teacher's or instructor's vocational certificate;~~ successfully
 38.12 completed vocational instructor training from a board-approved program or accredited
 38.13 college or university program that includes the following courses or their equivalents as
 38.14 determined by the board:

38.15 (i) introduction to career and technical education training;

38.16 (ii) philosophy and practice of career and technical education;

38.17 (iii) course development for career and technical education;

38.18 (iv) instructional methods for career and technical education; and

38.19 (v) human relations;

38.20 (3) is currently a registered barber and has at least three years experience as a
 38.21 registered barber in this state, or its equivalent as determined by the board; and

38.22 (4) has passed an examination conducted by the board to determine fitness to
 38.23 instruct in barbering.

38.24 ~~A certificate of registration under this section is provisional until a teacher's or~~
 38.25 ~~instructor's vocational certificate has been issued by the Department of Education. A~~
 38.26 ~~provisional certificate of registration is valid for 30 days and is not renewable.~~

38.27 Sec. 7. Minnesota Statutes 2012, section 154.07, subdivision 1, is amended to read:

38.28 Subdivision 1. **Admission requirements; course of instruction.** No barber school
 38.29 shall be approved by the board unless it requires, as a prerequisite to admission, ten grades
 38.30 of an approved school or its equivalent, as determined by an examination conducted by
 38.31 the commissioner of education, which shall issue a certificate that the student has passed
 38.32 the required examination, and unless it requires, as a prerequisite to graduation, a course
 38.33 of instruction of at least 1,500 hours, of not more than eight hours in any one working day.
 38.34 The course of instruction must include the following subjects: scientific fundamentals

39.1 for barbering; hygiene; practical study of the hair, skin, muscles, and nerves; structure of
 39.2 the head, face, and neck; elementary chemistry relating to sterilization and antiseptics;
 39.3 diseases of the skin, hair, and glands; massaging and manipulating the muscles of the face
 39.4 and neck; haircutting; shaving; trimming the beard; bleaching, tinting and dyeing the hair;
 39.5 and the chemical waving and straightening of hair.

39.6 Sec. 8. Minnesota Statutes 2012, section 154.08, is amended to read:

39.7 **154.08 APPLICATION; FEE.**

39.8 Each applicant for an examination shall:

39.9 (1) make application to the Board of Barber Examiners on blank forms prepared and
 39.10 furnished by it, the application to contain proof under the applicant's oath of the particular
 39.11 qualifications and identity of the applicant;

39.12 (2) ~~furnish to the board two five-inch x three-inch signed photographs of the~~
 39.13 ~~applicant, one to accompany the application and one to be returned to the applicant,~~
 39.14 ~~to be presented to the board when the applicant appears for examination~~ provide all
 39.15 documentation required in support of the application; and

39.16 (3) pay to the board the required fee; and

39.17 (4) present a government-issued photo identification as proof of identity upon
 39.18 application and when the applicant appears for examination.

39.19 Sec. 9. Minnesota Statutes 2012, section 154.09, is amended to read:

39.20 **154.09 EXAMINATIONS, CONDUCT AND SCOPE.**

39.21 The board shall conduct examinations of applicants for certificates of registration to
 39.22 practice as barbers and apprentices not more than six times each year, at such time and
 39.23 place as the board may determine. Additional written examinations may be scheduled
 39.24 by the board and conducted by board staff as designated by the board. The proprietor
 39.25 of a barber school must file an affidavit ~~shall be filed with the board by the proprietor~~
 39.26 ~~of a barber school that~~ of hours completed by students applying to take the apprentice
 39.27 examination ~~have completed.~~ Students must complete 1,500 hours in a barber school
 39.28 ~~registered with~~ approved by the board.

39.29 The examination of applicants for certificates of registration as barbers and
 39.30 apprentices shall include ~~both~~ a practical demonstration and a written and oral test ~~and~~
 39.31 ~~embrace.~~ The examination must cover the subjects usually taught in barber schools
 39.32 registered with the board.

39.33 Sec. 10. Minnesota Statutes 2012, section 154.10, subdivision 1, is amended to read:

40.1 Subdivision 1. **Application.** Each applicant for an initial certificate of registration
 40.2 shall make application to the board on forms prepared and furnished by the board with
 40.3 proof under oath of the particular qualifications and identity of each applicant. This
 40.4 application shall be accompanied by a fee prescribed by law or the rules of the board to
 40.5 defray the expenses of making investigation and for the examination of such applicant.

40.6 Sec. 11. Minnesota Statutes 2012, section 154.11, subdivision 1, is amended to read:

40.7 Subdivision 1. **Examination of nonresidents.** A person who meets all of the
 40.8 requirements for barber registration in sections 154.001, 154.002, 154.003, 154.01 to
 40.9 154.161, 154.19 to 154.21, and 154.24 to 154.26 and either has a license, certificate
 40.10 of registration, or an equivalent as a practicing barber or instructor of barbering from
 40.11 another state or country which in the discretion of the board has substantially the same
 40.12 requirements for registering barbers and instructors of barbering as required by sections
 40.13 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 or
 40.14 can prove by sworn affidavits practice as a barber or instructor of barbering in another
 40.15 state or country for at least five years immediately prior to making application in this state,
 40.16 shall, upon payment of the required fee, be issued a certificate of registration without
 40.17 examination, ~~provided that the other state or country grants the same privileges to holders~~
 40.18 ~~of Minnesota certificates of registration.~~

40.19 Sec. 12. Minnesota Statutes 2012, section 154.12, is amended to read:

40.20 **154.12 EXAMINATION OF NONRESIDENT APPRENTICES.**

40.21 A person who meets all of the requirements for registration as a barber in sections
 40.22 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 and
 40.23 who has a license, a certificate of registration, or its equivalent as an apprentice in a state
 40.24 or country which in the discretion of the board has substantially the same requirements for
 40.25 registration as an apprentice as is provided by sections 154.001, 154.002, 154.003, 154.01
 40.26 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, shall, upon payment of the required
 40.27 fee, be issued a certificate of registration without examination, ~~provided that the other state~~
 40.28 ~~or country grants the same privileges to holders of Minnesota certificates of registration.~~

40.29 Sec. 13. Minnesota Statutes 2012, section 154.14, is amended to read:

40.30 **154.14 CERTIFICATES OF REGISTRATION AND TEMPORARY PERMITS**
 40.31 **TO BE DISPLAYED.**

40.32 Every holder of a certificate of registration as a registered barber or registered
 40.33 apprentice or temporary apprentice permit shall display it the certificate or permit, with a

41.1 photograph of the certificate or permit holder that meets the same standards as required for
 41.2 a United States passport, in a conspicuous place adjacent to or near the chair where work
 41.3 is performed. Every holder of a certificate of registration as an instructor of barbering or
 41.4 as a barber school, of a temporary permit as an instructor of barbering, shall display the
 41.5 certificate or permit, with a photograph of the certificate or permit holder that meets the
 41.6 same standards as required for a United States passport, in a conspicuous place accessible
 41.7 to the public. Every holder of a certificate of registration as a barber school and of a shop
 41.8 registration card shall display it in a conspicuous place accessible to the public.

41.9 Sec. 14. Minnesota Statutes 2012, section 154.15, subdivision 2, is amended to read:

41.10 Subd. 2. **Effect of failure to renew.** A registered barber or a registered apprentice
 41.11 who has not renewed a certificate of registration may be reinstated within ~~one year~~ four
 41.12 years of such failure to renew without examination upon the payment of the required
 41.13 restoration fee for each year the certificate is lapsed. A registered instructor of barbering
 41.14 who has not renewed a certificate of registration may be reinstated within ~~three~~ four years
 41.15 of such failure to renew without examination upon payment of the required restoration fee
 41.16 for each year the certificate is lapsed. All registered barbers and registered apprentices
 41.17 who allow their certificates of registration to lapse for more than ~~one year~~ four years shall
 41.18 be required to reexamine before being issued a certificate of registration. All registered
 41.19 instructors of barbering who allow their certificates of registration to lapse for more
 41.20 than ~~three~~ four years shall be required to reexamine before being issued a certificate of
 41.21 registration. A barber shop owner who has not renewed the barber shop certificate for more
 41.22 than one year may reinstate the barber shop registration upon payment of the restoration
 41.23 fee for each year the shop card was lapsed. If lapsed or unlicensed status is discovered by
 41.24 the barber inspector during inspection, penalties under section 154.162 shall apply.

41.25 Sec. 15. **[154.162] ADMINISTRATIVE PENALTIES.**

41.26 The board shall impose and collect the following penalties:

41.27 (1) missing or lapsed shop registration discovered upon inspection; penalty imposed
 41.28 on shop owner: \$500;

41.29 (2) unlicensed or unregistered apprentice or registered barber, first occurrence
 41.30 discovered upon inspection; penalty imposed on shop owner and unlicensed or
 41.31 unregistered individual: \$500; and

41.32 (3) unlicensed or unregistered apprentice or registered barber, second occurrence
 41.33 discovered upon inspection; penalty imposed on shop owner and unlicensed or
 41.34 unregistered individual: \$1,000.

42.1 Sec. 16. Minnesota Statutes 2012, section 154.26, is amended to read:

42.2 **154.26 MUNICIPALITIES ~~MAY REGULATE HOURS~~; REGULATION**
 42.3 **AUTHORIZED.**

42.4 The governing body of any city of this state may regulate by ordinance the opening
 42.5 and closing hours of barber shops within its municipal limits in addition to all other
 42.6 applicable local regulations.

42.7 Sec. 17. **[154.27] MISREPRESENTATION.**

42.8 No person shall represent themselves to the public, solicit business, advertise as a
 42.9 licensed barber or as operating a licensed barber shop, use the title or designation of barber
 42.10 or barber shop, engage in any other act or practice that would create the impression to
 42.11 members of the public that the person is a licensed barber or is operating a licensed barber
 42.12 shop unless the person holds the appropriate license under this chapter. Violation of this
 42.13 section is a petty misdemeanor.

42.14 Sec. 18. **[154.28] SYMBOLS; BARBER POLE.**

42.15 No person shall place a barber pole in a location that would create or tend to create
 42.16 the impression to the public that the business is a barber shop unless the operator holds a
 42.17 valid license under this chapter. For the purposes of this section, "barber pole" means a
 42.18 red and white or red, white, and blue striped vertical cylinder commonly recognized as a
 42.19 barber pole. Violation of this section is a petty misdemeanor.

42.20 Sec. 19. Minnesota Statutes 2012, section 155A.23, subdivision 3, is amended to read:

42.21 Subd. 3. **Cosmetology.** "Cosmetology" is the practice of personal services, for
 42.22 compensation, for the cosmetic care of the hair, nails, and skin. These services include
 42.23 cleaning, conditioning, shaping, reinforcing, coloring and enhancing the body surface in
 42.24 the areas of the head, scalp, face, arms, hands, legs, ~~and feet,~~ and trunk of the body, except
 42.25 where these services are performed by a barber under sections 154.001, 154.002, 154.003,
 42.26 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26.

42.27 Sec. 20. Minnesota Statutes 2012, section 155A.25, subdivision 1a, is amended to read:

42.28 Subd. 1a. **Schedule.** The fee schedule for licensees is as follows ~~for licenses issued~~
 42.29 ~~after June 30, 2010, and prior to July 1, 2013:~~

42.30 (a) Three-year license fees:

42.31 (1) cosmetologist, ~~manicurist~~ nail technician, or esthetician:

- 43.1 (i) \$90 for each initial license and a \$40 nonrefundable initial license application fee,
 43.2 for a total of \$130; and
- 43.3 (ii) \$60 for each renewal and a \$15 nonrefundable renewal application fee, for
 43.4 a total of \$75;
- 43.5 (2) instructor or manager:
- 43.6 (i) \$120 for each initial license and a \$40 nonrefundable initial license application
 43.7 fee, for a total of \$160; and
- 43.8 (ii) \$90 for each renewal and a \$15 nonrefundable renewal application fee, for a
 43.9 total of \$105;
- 43.10 (3) salon:
- 43.11 (i) \$130 for each initial license and a \$100 nonrefundable initial license application
 43.12 fee, for a total of \$230; and
- 43.13 (ii) \$100 for each renewal and a \$50 nonrefundable renewal application fee, for a
 43.14 total of \$150; and
- 43.15 (4) school:
- 43.16 (i) \$1,500 for each initial license and a \$1,000 nonrefundable initial license
 43.17 application fee, for a total of \$2,500; and
- 43.18 (ii) \$1,500 for each renewal and a \$500 nonrefundable renewal application fee,
 43.19 for a total of \$2,000.
- 43.20 (b) Penalties:
- 43.21 (1) reinspection fee, variable;
- 43.22 (2) manager and owner with lapsed practitioner found on inspection, \$150 each;
- 43.23 (3) lapsed practitioner or instructor found on inspection, \$200;
- 43.24 (4) lapsed salon found on inspection, \$500;
- 43.25 (5) lapsed school found on inspection, \$1,000;
- 43.26 (6) failure to display current license, \$100;
- 43.27 (7) failure to dispose of single-use equipment, implements, or materials as provided
 43.28 under section 155A.355, subdivision 1, \$500;
- 43.29 (8) use of prohibited razor-type callus shavers, rasps, or graters under section
 43.30 155A.355, subdivision 2, \$500;
- 43.31 (9) performing manicuring or cosmetology services in esthetician salon, or
 43.32 performing esthetician or cosmetology services in manicure salon, \$500;
- 43.33 (10) owner and manager allowing an operator to work as an independent contractor,
 43.34 \$200;
- 43.35 (11) operator working as an independent contractor, \$100;
- 43.36 (12) refusal or failure to cooperate with an inspection, \$500;

44.1 ~~(3)~~ (13) expired cosmetologist, manicurist, esthetician, manager, school manager,
44.2 and instructor license, \$45; and

44.3 ~~(4)~~ (14) expired salon or school license, \$50.

44.4 (c) Administrative fees:

44.5 (1) certificate of identification, \$20;

44.6 (2) name change, \$20;

44.7 (3) letter of license verification, \$30;

44.8 (4) duplicate license, \$20;

44.9 (5) processing fee, \$10;

44.10 (6) special event permit, \$75 per year; and

44.11 (7) registration of hair braiders, \$20 per year.

44.12 Sec. 21. Minnesota Statutes 2012, section 155A.25, subdivision 4, is amended to read:

44.13 Subd. 4. **License expiration date.** The board shall, in a manner determined by the
44.14 board and without the need for rulemaking under chapter 14, phase in changes to initial
44.15 and renewal license expiration dates so that by January 1, 2014:

44.16 (1) individual licenses expire on the last day of the licensee's birth month of the
44.17 year due; and

44.18 (2) salon and school licenses expire on the last day of the month of initial licensure
44.19 of the year due.

44.20 Sec. 22. Minnesota Statutes 2012, section 155A.27, subdivision 4, is amended to read:

44.21 Subd. 4. **Testing.** All theory, practical, and Minnesota law and rule testing must
44.22 be done by a board-approved provider. Appropriate standardized tests shall be used and
44.23 shall include subject matter relative to the application of Minnesota law. In every case,
44.24 the primary consideration shall be to safeguard the health and safety of consumers by
44.25 determining the competency of the applicants to provide the services indicated.

44.26 Sec. 23. Minnesota Statutes 2012, section 155A.27, subdivision 7, is amended to read:

44.27 Subd. 7. **Renewals.** Renewal of license shall be for a period of three years
44.28 under conditions and process established by rule and subject to continuing education
44.29 requirements of section 155A.271.

44.30 Sec. 24. Minnesota Statutes 2012, section 155A.27, subdivision 10, is amended to read:

44.31 Subd. 10. **Nonresident licenses.** (a) A nonresident cosmetologist, manicurist, or
44.32 esthetician may be licensed in Minnesota if the individual has completed cosmetology

45.1 school in a state or country with the same or greater school hour requirements, has an
45.2 active license in that state or country, and has passed a board-approved theory and
45.3 practice-based examination, the Minnesota-specific written operator examination for
45.4 cosmetologist, manicurist, or esthetician.

45.5 (b) If an individual has less than the required number of school hours, the individual
45.6 may be licensed in Minnesota if the individual has a current active license in another
45.7 state or country for at least three years, and has passed a board-approved theory and
45.8 practice-based examination, the Minnesota-specific written operator examination for
45.9 cosmetologist, manicurist, or esthetician.

45.10 (c) If a test is used to verify the qualifications of trained cosmetologists, the test should
45.11 be translated into the nonresident's native language within the limits of available resources.

45.12 (d) Applicants claiming training and experience in a foreign country shall supply
45.13 official English-language translations of all required documents from a board-approved
45.14 source.

45.15 (e) Licenses shall not be issued under this subdivision for managers or instructors.

45.16 Sec. 25. **[155A.271] CONTINUING EDUCATION REQUIREMENTS.**

45.17 Subdivision 1. **Continuing education requirements.** Effective August 1, 2014,
45.18 to qualify for license renewal under this chapter as an individual cosmetologist, nail
45.19 technician, esthetician, or salon manager, the applicant must attest to the completion of
45.20 four hours of continuing education credits from an accredited school or a professional
45.21 association of cosmetology during the three years prior to the applicant's renewal
45.22 date. One credit hour of the requirement must include instruction pertaining to state
45.23 laws and rules governing the practice of cosmetology. Three credit hours must include
45.24 instruction pertaining to health, safety, and sanitation matters consistent with the United
45.25 States Department of Labor's Occupational Safety and Health Administration standards
45.26 applicable to the practice of cosmetology, or other applicable federal health, sanitation,
45.27 and safety standards, and must be regularly updated so as to incorporate newly developed
45.28 standards and accepted professional best practices. Credit hours earned are valid for three
45.29 years and may be applied simultaneously to all individual licenses held by a licensee under
45.30 this chapter. This subdivision does not apply to instructors or inactive licenses.

45.31 Subd. 2. **Schools and professional association.** Only a board-licensed school of
45.32 cosmetology, a postsecondary institution as defined in section 136A.103, paragraph (a), or
45.33 a board-recognized professional association may offer continuing education curriculum
45.34 for credit under this section. The school or professional association may offer online

46.1 and independent study options to achieve maximum involvement of licensees and is
 46.2 encouraged to offer classes available in foreign language formats.

46.3 Subd. 3. **Proof of credits.** The school or professional association shall provide
 46.4 to licensees who attend a class a receipt to prove completion of the class. Licensees
 46.5 shall retain proof of their continuing education credits for one year beyond the credit's
 46.6 expiration. The school or professional association shall retain documentation of all
 46.7 licensees successfully completing a class and the licensee's credit hours for five years.

46.8 Subd. 4. **Audit.** The board shall conduct random audits of active licensees
 46.9 periodically to ensure compliance with continuing education requirements. To initiate
 46.10 an audit, the board shall notify an active licensee of the audit and request proof of
 46.11 credits earned during a specified period. The licensee must provide the requested proof
 46.12 to the board within 30 days of an audit notice. The board may request that a school or
 46.13 professional association verify a licensee's credits. The school or professional association
 46.14 must furnish verification, or a written statement that the credits are not verified, within
 46.15 15 days of the board's request for verification. If the board determines that a licensee has
 46.16 failed to provide proof of necessary credits earned during the specified time, the board
 46.17 may revoke the individual's license and may deem the individual a lapsed practitioner
 46.18 subject to penalty under section 155A.25 or 155A.36.

46.19 Sec. 26. Minnesota Statutes 2012, section 155A.29, subdivision 2, is amended to read:

46.20 Subd. 2. **Requirements.** (a) The conditions and process by which a salon is licensed
 46.21 shall be established by the board by rule. In addition to those requirements, no license
 46.22 shall be issued unless the board first determines that the conditions in clauses (1) to (5)
 46.23 have been satisfied:

46.24 (1) compliance with all local and state laws, particularly relating to matters of
 46.25 sanitation, health, and safety;

46.26 (2) the employment of a manager, as defined in section 155A.23, subdivision 8;

46.27 ~~(3) inspection and licensing prior to the commencing of business;~~

46.28 ~~(4)~~ (3) if applicable, evidence of compliance with section 176.182; and

46.29 ~~(5)~~ (4) evidence of continued professional liability insurance coverage of at least
 46.30 \$25,000 for each claim and \$50,000 total coverage for each policy year for each operator.

46.31 (b) A licensed esthetician or manicurist who complies with the health, safety,
 46.32 sanitation, inspection, and insurance rules promulgated by the board to operate a salon
 46.33 solely for the performance of those personal services defined in section 155A.23,
 46.34 subdivision 5, in the case of an esthetician, or subdivision 7, in the case of a manicurist.

47.1 Sec. 27. Minnesota Statutes 2012, section 155A.30, subdivision 1, is amended to read:

47.2 Subdivision 1. **Licensing.** Any person who establishes or conducts a school in this
47.3 state shall be licensed. A school manager must maintain an active salon manager's license.
47.4 An instructor must maintain an active operator or manager's license in the area in which
47.5 the instructor holds an instructor's license.

47.6 Sec. 28. Minnesota Statutes 2012, section 155A.30, is amended by adding a
47.7 subdivision to read:

47.8 Subd. 11. **Limit on hours of instruction.** Instruction shall not exceed ten hours
47.9 per day per student.

47.10 Sec. 29. Minnesota Statutes 2012, section 155A.30, is amended by adding a
47.11 subdivision to read:

47.12 Subd. 12. **Instruction location.** Instruction must be given within a licensed school
47.13 building. Online instruction is permitted for board-approved theory-based classes.
47.14 Practice-based classes must not be given online.

47.15 Sec. 30. **[155A.355] PROHIBITED USES.**

47.16 Subdivision 1. **Single-use equipment and materials.** Single-use equipment,
47.17 implements, or materials that are made or constructed of paper, wood, or other porous
47.18 materials must only be used for one application or client service. Presence of used articles
47.19 in the work area is prima facie evidence of reuse. Failure to dispose of the materials in this
47.20 subdivision is punishable by penalty under section 155A.25, subdivision 1a, paragraph
47.21 (b), clause (7).

47.22 Subd. 2. **Skin-cutting equipment.** Razor-type callus shavers, rasps, or graters
47.23 designed and intended to cut growths of skin such as corns and calluses, including but not
47.24 limited to credo blades, are prohibited. Presence of these articles in the work area is prima
47.25 facie evidence of use and is punishable by penalty in section 155A.25, subdivision 1a,
47.26 paragraph (b), clause (8).

47.27 Subd. 3. **Substances.** Licensees must not use any of the following substances or
47.28 products in performing cosmetology services:

47.29 (1) methyl methacrylate liquid monomers, also known as MMA; and

47.30 (2) fumigants, including but not limited to formalin tablets or formalin liquids.

47.31 Sec. 31. Minnesota Statutes 2012, section 326A.04, subdivision 2, is amended to read:

48.1 Subd. 2. **Timing.** (a) Certificates must be initially issued and renewed ~~for periods of~~
48.2 ~~not more than three years~~ annually but in any event must expire on December 31 in the year
48.3 prescribed by the board by rule. Applications for certificates must be made in the form, and
48.4 in the case of applications for renewal between the dates, specified by the board in rule.
48.5 The board shall grant or deny an application no later than 90 days after the application is
48.6 filed in proper form. If the applicant seeks the opportunity to show that issuance or renewal
48.7 of a certificate was mistakenly denied, or if the board is unable to determine whether it
48.8 should be granted or denied, the board may issue to the applicant a provisional certificate
48.9 that expires 90 days after its issuance, or when the board determines whether or not to
48.10 issue or renew the certificate for which application was made, whichever occurs first.

48.11 (b) Certificate holders who do not provide professional services and do not use the
48.12 certified public accountant designation in any manner are not required to renew their
48.13 certificates provided they have notified the board as provided in board rule and comply
48.14 with the requirements for nonrenewal as specified in board rule.

48.15 (c) Applications for renewal of a certificate that are complete and timely filed with
48.16 the board and are not granted or denied by the board before January 1 are renewed on a
48.17 provisional basis as of January 1 and for 90 days thereafter, or until the board grants or
48.18 denies the renewal of the certificate, whichever occurs first, provided the licensee meets
48.19 the requirements in this chapter and rules adopted by the board.

48.20 **EFFECTIVE DATE.** This section is effective for licenses issued or renewed after
48.21 January 1, 2014.

48.22 Sec. 32. Minnesota Statutes 2012, section 326A.04, subdivision 3, is amended to read:

48.23 Subd. 3. **Residents of other states.** (a) With regard to an applicant who must
48.24 obtain a certificate in this state because the applicant does not qualify under the substantial
48.25 equivalency standard in section 326A.14, subdivision 1, the board shall issue a certificate
48.26 to a holder of a certificate, license, or permit issued by another state upon a showing that:

48.27 (1) the applicant passed the examination required for issuance of a certificate in
48.28 this state;

48.29 (2) the applicant had four years of experience of the type described in section
48.30 326A.03, subdivision 6, paragraph (b), ~~if application is made on or after July 1, 2006,~~
48.31 ~~or section 326A.03, subdivision 8, if application is made before July 1, 2006;~~ or the
48.32 applicant meets equivalent requirements prescribed by the board by rule, after passing
48.33 the examination upon which the applicant's certificate was based and within the ten years
48.34 immediately preceding the application;

49.1 (3) if the applicant's certificate, license, or permit was issued more than four years
 49.2 prior to the application for issuance of an initial certificate under this subdivision, that the
 49.3 applicant has fulfilled the requirements of continuing professional education that would
 49.4 have been applicable under subdivision 4; and

49.5 (4) the applicant has met the qualifications prescribed by the board by rule.

49.6 (b) A certificate holder licensed by another state who establishes a principal place
 49.7 of business in this state shall request the issuance of a certificate from the board prior to
 49.8 establishing the principal place of business. The board shall issue a certificate to the person
 49.9 if the person's individual certified public accountant qualifications, upon verification, are
 49.10 substantially equivalent to the certified public accountant licensure requirements of this
 49.11 chapter or the person meets equivalent requirements as the board prescribes by rule.
 49.12 Residents of this state who provide professional services in this state at an office location
 49.13 in this state shall be considered to have their principal place of business in this state.

49.14 Sec. 33. Minnesota Statutes 2012, section 326A.04, subdivision 5, is amended to read:

49.15 Subd. 5. **Fee.** (a) The board shall charge a fee for each application for initial
 49.16 issuance or renewal of a certificate under this section.

49.17 (b) The board shall annually establish a fee schedule not to exceed the following
 49.18 amounts:

49.19 (1) initial issuance of certificate, \$150;

49.20 (2) renewal of certificate with an active status, \$100 per year;

49.21 (3) initial CPA firm permits, except for sole practitioners, \$100;

49.22 (4) renewal of CPA firm permits, except for sole practitioners and those firms
 49.23 specified in clause (17), \$35 per year;

49.24 (5) initial issuance and renewal of CPA firm permits for sole practitioners, except for
 49.25 those firms specified in clause (17), \$35 per year;

49.26 (6) annual late processing delinquency fee for permit, certificate, or registration
 49.27 renewal applications not received prior to expiration date, \$50;

49.28 (7) copies of records, per page, 25 cents;

49.29 (8) registration of noncertificate holders, nonlicensees, and nonregistrants in
 49.30 connection with renewal of firm permits, \$45 per year;

49.31 (9) applications for reinstatement, \$20;

49.32 (10) initial registration of a registered accounting practitioner, \$50;

49.33 (11) initial registered accounting practitioner firm permits, \$100;

49.34 (12) renewal of registered accounting practitioner firm permits, except for sole
 49.35 practitioners, \$100 per year;

- 50.1 (13) renewal of registered accounting practitioner firm permits for sole practitioners,
 50.2 \$35 per year;
 50.3 (14) CPA examination application, \$40;
 50.4 (15) CPA examination, fee determined by third-party examination administrator;
 50.5 (16) renewal of certificates with an inactive status, \$25 per year; and
 50.6 (17) renewal of CPA firm permits for firms that have one or more offices located in
 50.7 another state, \$68 per year.

50.8 Sec. 34. Minnesota Statutes 2012, section 326A.04, subdivision 7, is amended to read:

50.9 Subd. 7. **Certificates issued by foreign countries.** The board shall issue a
 50.10 certificate to a holder of a generally equivalent foreign country designation, provided that:

50.11 (1) the foreign authority that granted the designation makes similar provision to
 50.12 allow a person who holds a valid certificate issued by this state to obtain the foreign
 50.13 authority's comparable designation;

50.14 (2) the foreign designation:

50.15 (i) was duly issued by a foreign authority that regulates the practice of public
 50.16 accountancy and the foreign designation has not expired or been revoked or suspended;

50.17 (ii) entitles the holder to issue reports upon financial statements; and

50.18 (iii) was issued upon the basis of educational, examination, and experience
 50.19 requirements established by the foreign authority or by law; and

50.20 (3) the applicant:

50.21 (i) received the designation, based on educational and examination standards
 50.22 generally equivalent to those in effect in this state, at the time the foreign designation
 50.23 was granted;

50.24 (ii) has, within the ten years immediately preceding the application, completed an
 50.25 experience requirement that is generally equivalent to the requirement in section 326A.03,
 50.26 subdivision 6, paragraph (b), ~~if application is made on or after July 1, 2006, or section~~
 50.27 ~~326A.03, subdivision 8, if application is made before July 1, 2006,~~ in the jurisdiction that
 50.28 granted the foreign designation; completed four years of professional experience in this
 50.29 state; or met equivalent requirements prescribed by the board by rule; and

50.30 (iii) passed a uniform qualifying examination in national standards and an
 50.31 examination on the laws, regulations, and code of ethical conduct in effect in this state
 50.32 as the board prescribes by rule.

50.33 Sec. 35. Minnesota Statutes 2012, section 326A.10, is amended to read:

50.34 **326A.10 UNLAWFUL ACTS.**

51.1 (a) Only a licensee and individuals who have been granted practice privileges
51.2 under section 326A.14 may issue a report on financial statements of any person, firm,
51.3 organization, or governmental unit that results from providing attest services, or offer to
51.4 render or render any attest service. Only a certified public accountant, an individual who
51.5 has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent
51.6 permitted by board rule, a person registered under section 326A.06, paragraph (b), may
51.7 issue a report on financial statements of any person, firm, organization, or governmental
51.8 unit that results from providing compilation services or offer to render or render any
51.9 compilation service. These restrictions do not prohibit any act of a public official or
51.10 public employee in the performance of that person's duties or prohibit the performance
51.11 by any nonlicensee of other services involving the use of accounting skills, including
51.12 the preparation of tax returns, management advisory services, and the preparation of
51.13 financial statements without the issuance of reports on them. Nonlicensees may prepare
51.14 financial statements and issue nonattest transmittals or information on them which do not
51.15 purport to be in compliance with the Statements on Standards for Accounting and Review
51.16 Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may,
51.17 to the extent permitted by board rule, prepare financial statements and issue nonattest
51.18 transmittals or information on them.

51.19 (b) Licensees and individuals who have been granted practice privileges under
51.20 section 326A.14 performing attest or compilation services must provide those services in
51.21 accordance with professional standards. To the extent permitted by board rule, registered
51.22 accounting practitioners performing compilation services must provide those services in
51.23 accordance with standards specified in board rule.

51.24 (c) A person who does not hold a valid certificate issued under section 326A.04
51.25 or a practice privilege granted under section 326A.14 shall not use or assume the title
51.26 "certified public accountant," the abbreviation "CPA," or any other title, designation,
51.27 words, letters, abbreviation, sign, card, or device tending to indicate that the person is a
51.28 certified public accountant.

51.29 (d) A firm shall not provide attest services or assume or use the title "certified public
51.30 accountants," the abbreviation "CPA's," or any other title, designation, words, letters,
51.31 abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless
51.32 (1) the firm has complied with section 326A.05, and (2) ownership of the firm is in
51.33 accordance with this chapter and rules adopted by the board.

51.34 (e) A person or firm that does not hold a valid certificate or permit issued under
51.35 section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or
51.36 326A.05 as required in this chapter shall not assume or use the title "certified accountant,"

52.1 "chartered accountant," "enrolled accountant," "licensed accountant," "registered
52.2 accountant," "accredited accountant," "accounting practitioner," "public accountant,"
52.3 "licensed public accountant," or any other title or designation likely to be confused
52.4 with the title "certified public accountant," or use any of the abbreviations "CA," "LA,"
52.5 "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the
52.6 abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals
52.7 so designated by the Internal Revenue Service.

52.8 (f) Persons registered under section 326A.06, paragraph (b), may use the title
52.9 "registered accounting practitioner" or the abbreviation "RAP." A person who does not
52.10 hold a valid registration under section 326A.06, paragraph (b), shall not assume or use
52.11 such title or abbreviation.

52.12 (g) Except to the extent permitted in paragraph (a), nonlicensees may not use
52.13 language in any statement relating to the financial affairs of a person or entity that is
52.14 conventionally used by licensees in reports on financial statements. In this regard, the
52.15 board shall issue by rule safe harbor language that nonlicensees may use in connection
52.16 with such financial information. A person or firm that does not hold a valid certificate or
52.17 permit, or a registration issued under section 326A.04, 326A.05, or 326A.06, paragraph
52.18 (b), or has not otherwise complied with section 326A.04 or 326A.05 as required in this
52.19 chapter shall not assume or use any title or designation that includes the word "accountant"
52.20 or "accounting" in connection with any other language, including the language of a report,
52.21 that implies that the person or firm holds such a certificate, permit, or registration or has
52.22 special competence as an accountant. A person or firm that does not hold a valid certificate
52.23 or permit issued under section 326A.04 or 326A.05 or has not otherwise complied with
52.24 section 326A.04 or 326A.05 as required in this chapter shall not assume or use any title
52.25 or designation that includes the word "auditor" in connection with any other language,
52.26 including the language of a report, that implies that the person or firm holds such a
52.27 certificate or permit or has special competence as an auditor. However, this paragraph
52.28 does not prohibit any officer, partner, member, manager, or employee of any firm or
52.29 organization from affixing that person's own signature to any statement in reference to the
52.30 financial affairs of such firm or organization with any wording designating the position,
52.31 title, or office that the person holds, nor prohibit any act of a public official or employee in
52.32 the performance of the person's duties as such.

52.33 (h)(1) No person holding a certificate or registration or firm holding a permit under
52.34 this chapter shall use a professional or firm name or designation that is misleading about
52.35 the legal form of the firm, or about the persons who are partners, officers, members,
52.36 managers, or shareholders of the firm, or about any other matter. However, names of one

53.1 or more former partners, members, managers, or shareholders may be included in the
53.2 name of a firm or its successor.

53.3 (2) A common brand name or network name part, including common initials,
53.4 used by a CPA firm in its name, is not misleading if the firm is a network firm as
53.5 defined in the American Institute of Certified Public Accountants (AICPA) Code of
53.6 Professional Conduct in effect July 1, 2011, and when offering or rendering services that
53.7 require independence under AICPA standards, the firm complies with the AICPA code's
53.8 applicable standards on independence.

53.9 (i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification,
53.10 designation, degree, or license granted in a foreign country entitling the holder to engage
53.11 in the practice of public accountancy or its equivalent in that country, if:

53.12 (1) the activities of the person or firm in this state are limited to the provision of
53.13 professional services to persons or firms who are residents of, governments of, or business
53.14 entities of the country in which the person holds the entitlement;

53.15 (2) the person or firm performs no attest or compilation services and issues no reports
53.16 with respect to the financial statements of any other persons, firms, or governmental
53.17 units in this state; and

53.18 (3) the person or firm does not use in this state any title or designation other than
53.19 the one under which the person practices in the foreign country, followed by a translation
53.20 of the title or designation into English, if it is in a different language, and by the name
53.21 of the country.

53.22 (j) No holder of a certificate issued under section 326A.04 may perform attest services
53.23 through any business form that does not hold a valid permit issued under section 326A.05.

53.24 (k) No individual licensee may issue a report in standard form upon a compilation
53.25 of financial information through any form of business that does not hold a valid permit
53.26 issued under section 326A.05, unless the report discloses the name of the business through
53.27 which the individual is issuing the report, and the individual:

53.28 (1) signs the compilation report identifying the individual as a certified public
53.29 accountant;

53.30 (2) meets the competency requirement provided in applicable standards; and

53.31 (3) undergoes no less frequently than once every three years, a peer review
53.32 conducted in a manner specified by the board in rule, and the review includes verification
53.33 that the individual has met the competency requirements set out in professional standards
53.34 for such services.

54.1 (l) No person registered under section 326A.06, paragraph (b), may issue a report
 54.2 in standard form upon a compilation of financial information unless the board by rule
 54.3 permits the report and the person:

54.4 (1) signs the compilation report identifying the individual as a registered accounting
 54.5 practitioner;

54.6 (2) meets the competency requirements in board rule; and

54.7 (3) undergoes no less frequently than once every three years a peer review conducted
 54.8 in a manner specified by the board in rule, and the review includes verification that the
 54.9 individual has met the competency requirements in board rule.

54.10 (m) Nothing in this section prohibits a practicing attorney or firm of attorneys from
 54.11 preparing or presenting records or documents customarily prepared by an attorney or firm
 54.12 of attorneys in connection with the attorney's professional work in the practice of law.

54.13 (n) The board shall adopt rules that place limitations on receipt by a licensee or a
 54.14 person who holds a registration under section 326A.06, paragraph (b), of:

54.15 (1) contingent fees for professional services performed; and

54.16 (2) commissions or referral fees for recommending or referring to a client any
 54.17 product or service.

54.18 (o) Anything in this section to the contrary notwithstanding, it shall not be a violation
 54.19 of this section for a firm not holding a valid permit under section 326A.05 and not having
 54.20 an office in this state to provide its professional services in this state so long as it complies
 54.21 with the applicable requirements of section 326A.05, subdivision 1.

54.22 **Sec. 36. GOOD CAUSE EXEMPTION.**

54.23 The Board of Cosmetology may amend Minnesota Rules so that they conform with
 54.24 this act. The Board of Cosmetology may use the good cause exemption under Minnesota
 54.25 Statutes, section 14.388, subdivision 1, clause (3), in adopting the amendment, and
 54.26 Minnesota Statutes, section 14.386, does not apply, except as it relates to Minnesota
 54.27 Statutes, section 14.388.

54.28 **Sec. 37. REVISOR'S INSTRUCTION.**

54.29 The revisor of statutes shall change the term "manicurist" to "nail technician"
 54.30 wherever it appears in Minnesota Rules and Minnesota Statutes.

54.31 **Sec. 38. REPEALER.**

54.32 (a) Minnesota Statutes 2012, sections 155A.25, subdivision 1; and 326A.03,
 54.33 subdivisions 2, 5, and 8, are repealed.

55.1 (b) Minnesota Rules, parts 1105.0600; 1105.2550; and 1105.2700, are repealed.

55.2 **ARTICLE 5**

55.3 **MILITARY AND VETERANS PROVISIONS**

55.4 Section 1. Minnesota Statutes 2012, section 192.26, is amended to read:

55.5 **192.26 STATE AND MUNICIPAL OFFICERS AND EMPLOYEES NOT TO**
 55.6 **LOSE PAY WHILE ON AUTHORIZED LEAVE FOR MILITARY DUTY.**

55.7 Subdivision 1. **Authorized leave.** Subject to the conditions hereinafter prescribed,
 55.8 any officer or employee of the state or of any political subdivision, municipal corporation,
 55.9 or other public agency of the state who shall be a member of the National Guard, or any
 55.10 other component of the militia of the state now or hereafter organized or constituted
 55.11 under state or federal law, or who shall be a member of the officers' reserve corps, the
 55.12 enlisted reserve corps, the Naval Reserve, the Marine Corps reserve, or any other reserve
 55.13 component of the military or naval forces of the United States now or hereafter organized
 55.14 or constituted under federal law, shall be entitled to leave of absence from the public
 55.15 office or employment without loss of pay, seniority status, efficiency rating, vacation,
 55.16 sick leave, or other benefits for all the time when engaged with such organization or
 55.17 component in training or active service ordered or authorized by proper authority pursuant
 55.18 to law, whether for state or federal purposes, but not exceeding a total of 15 days in any
 55.19 calendar year. The state or political subdivision, municipal corporation, or other public
 55.20 agency shall allow the officer or employee to choose when during the calendar year to
 55.21 take the 15 days of paid military leave. The officer or employee may choose to use all of
 55.22 the 15 days of paid military leave at one time or, in the alternative, the 15 days of paid
 55.23 military leave may be divided and taken throughout the calendar year at the discretion of
 55.24 the officer or employee. Such leave shall be allowed only in case the required military or
 55.25 naval service is satisfactorily performed, which shall be presumed unless the contrary is
 55.26 established. Such leave shall not be allowed unless the officer or employee (1) returns to
 55.27 the public position immediately on being relieved from such military or naval service and
 55.28 not later than the expiration of the time herein limited for such leave, or (2) is prevented
 55.29 from so returning by physical or mental disability or other cause not due to the officer's or
 55.30 employee's own fault, or (3) is required by proper authority to continue in such military or
 55.31 naval service beyond the time herein limited for such leave.

55.32 Sec. 2. Minnesota Statutes 2012, section 197.608, subdivision 1, is amended to read:

56.1 Subdivision 1. **Grant program.** A veterans service office grant program is
56.2 established to be administered by the commissioner of veterans affairs consisting of grants
56.3 to counties to enable them to enhance the effectiveness of their veterans service offices.
56.4 "Commissioner" as used in this section means the commissioner of veterans affairs.

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

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

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

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

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

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

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

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

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

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

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

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

57.4 Subd. 6. **Grant amount.** (a) Each county is eligible to receive an annual grant of
 57.5 \$5,000 for the following purposes:

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

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

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

57.10 (4) to reduce homelessness among veterans; and

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

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

57.15 (1) ~~\$1,400~~ \$0, if the county's veteran population is less than 1,000;

57.16 (2) ~~\$2,800~~ \$1,000, if the county's veteran population is 1,000 or more but less than
 57.17 3,000;

57.18 (3) ~~\$4,200~~ \$2,000, if the county's veteran population is 3,000 or more but less than
 57.19 ~~10,000~~ than 4,999; or

57.20 (4) ~~\$5,600~~ \$5,000, if the county's veteran population is ~~10,000~~ 5,000 or more; but
 57.21 less than 9,999;

57.22 (5) \$7,500, if the county's veteran population is 10,000 or more but less than 19,999;

57.23 (6) \$10,000, if the county's veteran population is 20,000 or more but less than
 57.24 ~~29,999~~; or

57.25 (7) \$15,000, if the county's veteran population is 30,000 or more.

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

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

57.32 Sec. 7. Minnesota Statutes 2012, section 197.791, subdivision 4, is amended to read:

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

58.1 (1) the person is:

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

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

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

58.13 (iv) the spouse or child of a person who has served in the military at any time ~~on or~~
58.14 ~~after September 11, 2001~~, and who has a total and permanent service-connected disability
58.15 as rated by the United States Veterans Administration, only if the spouse or child is
58.16 eligible to receive federal education benefits under United States Code, title 38, chapter
58.17 33, as amended, or United States Code, title 38, chapter 35, as amended; and

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

58.20 (3) the person receiving the educational assistance:

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

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

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

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

58.28 (v) is in compliance with child support payment requirements under section
58.29 136A.121, subdivision 2, clause (5); and

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

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

58.33 (c) To determine eligibility, the commissioner may require official documentation,
58.34 including the person's federal form DD-214 or other official military discharge papers;
58.35 correspondence from the United States Veterans Administration; birth certificate; marriage
58.36 certificate; proof of enrollment at an eligible institution; signed affidavits; proof of

59.1 residency; proof of identity; or any other official documentation the commissioner
59.2 considers necessary to determine eligibility.

59.3 (d) The commissioner may deny eligibility or terminate benefits under this section
59.4 to any person who has not provided sufficient documentation to determine eligibility for
59.5 the program. An applicant may appeal the commissioner's eligibility determination or
59.6 termination of benefits in writing to the commissioner at any time. The commissioner
59.7 must rule on any application or appeal within 30 days of receipt of all documentation that
59.8 the commissioner requires. The decision of the commissioner regarding an appeal is final.
59.9 However, an applicant whose appeal of an eligibility determination has been rejected by
59.10 the commissioner may submit an additional appeal of that determination in writing to the
59.11 commissioner at any time that the applicant is able to provide substantively significant
59.12 additional information regarding the applicant's eligibility for the program. An approval
59.13 of an applicant's eligibility by the commissioner following an appeal by the applicant is
59.14 not retroactively effective for more than one year or the semester of the person's original
59.15 application, whichever is later.

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

59.20 Sec. 8. Minnesota Statutes 2012, section 197.791, subdivision 5, is amended to read:

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

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

59.28 (1) the federal Pell Grant;

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

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

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

60.3 (1) \$1,000 per semester or term of enrollment;

60.4 (2) \$3,000 per state fiscal year; and

60.5 (3) \$10,000 in a lifetime.

60.6 For a part-time student, the amount of educational assistance must not exceed
60.7 \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time
60.8 undergraduate student is a student taking fewer than 12 credits or the equivalent for a
60.9 semester or term of enrollment and a part-time graduate student is a student considered
60.10 part time by the eligible institution the graduate student is attending. The minimum award
60.11 for undergraduate and graduate students is \$50 per term.

60.12 **Sec. 9. [198.365] VETERANS HOME; BELTRAMI COUNTY.**

60.13 Subdivision 1. **Establishment.** The commissioner shall establish a veterans home in
60.14 Beltrami County to provide at least 70 beds for skilled nursing care in conformance with
60.15 licensing rules of the Department of Health.

60.16 Subd. 2. **Funding.** The home must be purchased or built with funds, 65 percent
60.17 of which must be provided by the federal government, and 35 percent by state or other
60.18 funding sources, including local units of government, veterans' organizations, and
60.19 corporations or other business entities.

60.20 Subd. 3. **Support services.** Upon request, the Department of Human Services shall
60.21 arrange for the extension of support services to the veterans home in Beltrami County
60.22 including, but not limited to, the provision of utilities, and kitchen and laundry services.

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

60.24 Subdivision 1. **Game established.** (a) The director shall establish a scratch-off
60.25 game with a theme and content chosen by the director. The available net proceeds from
60.26 the game are intended for the "Support Our Troops" account established under section
60.27 190.19, in the manner provided in this section.

60.28 (b) For the purposes of this section, "available net proceeds" means the net proceeds
60.29 credited to the general fund under section 349A.10, subdivision 5, that are attributed to
60.30 the game authorized under paragraph (a).

60.31 (c) The director shall make the following reports to the commissioners of
60.32 management and budget and veterans affairs:

60.33 (1) by July 1, 2013, an estimate of available net proceeds based on predicted sales;

61.1 (2) on June 30, 2014, an estimate of available net proceeds based on actual sales to
 61.2 date; and

61.3 (3) on June 30, 2015, the actual total of available net proceeds.

61.4 Subd. 2. **Appropriation.** On July 1, 2013, an amount equal to the estimated
 61.5 available net proceeds of the special game as provided in subdivision 1, paragraph (c),
 61.6 clause (1), is appropriated from the general fund to the commissioner of management and
 61.7 budget for transfer to the Minnesota "Support Our Troops" account for the uses provided in
 61.8 section 190.19, subdivision 2a. Notwithstanding section 190.19, subdivision 1, the transfer
 61.9 is appropriated to the commissioner of veterans affairs. The commissioner shall adjust this
 61.10 appropriation to reflect the additional reports required under subdivision 1, paragraph (c).

61.11 Sec. 11. **REPEALER.**

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

61.13 **ARTICLE 6**

61.14 **REVENUE DEPARTMENT**

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

61.16 **16A.82 TECHNOLOGY LEASE-PURCHASE APPROPRIATION.**

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

61.22	Fiscal year 2010	\$2,828,038
61.23	Fiscal year 2011	\$3,063,950
61.24	Fiscal year 2012	\$8,967,850
61.25	Fiscal year 2013	\$8,968,950
61.26	Fiscal year 2014	\$8,970,850
61.27	Fiscal year 2015	\$8,971,150
61.28	Fiscal year 2016	\$8,966,450
61.29	Fiscal year 2017	\$8,967,500
61.30	Fiscal year 2018	\$8,970,750
61.31	Fiscal year 2019	\$8,968,500

61.32 Of these appropriations, up to \$2,000 per year may be used to pay the annual trustee
 61.33 fees for the lease-purchase agreements authorized in this section ~~and section 270C.145.~~
 61.34 Any unexpended portions of this appropriation cancel to the general fund at the close of
 61.35 each biennium. This section expires June 30, 2019.

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

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

62.3 The commissioner of commerce shall:

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

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

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

62.15 (4) develop a plan of operation including:

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

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

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

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

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

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

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

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

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

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

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

62.35 (vi) providing financial support for neighborhood or community organizations or
62.36 business organizations for programs designed to reduce the incidence of automobile

63.1 theft and to educate people about the common methods of automobile theft, the models
 63.2 of automobiles most likely to be stolen, and the times and places automobile theft is
 63.3 most likely to occur; and

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

63.7 (b) The commissioner may not spend in any fiscal year more than ten percent of the
 63.8 money in the fund for the program's administrative and operating costs. The commissioner
 63.9 is annually appropriated and must distribute the amount of the proceeds credited to
 63.10 the automobile theft prevention special revenue account each year, less the transfer
 63.11 of \$1,300,000 each year to the general fund described in section ~~168A.40, subdivision~~
 63.12 ~~4~~ 297I.11, subdivision 2.

63.13 **EFFECTIVE DATE.** This section is effective for premiums collected after June
 63.14 30, 2013.

63.15 Sec. 3. Minnesota Statutes 2012, section 270C.69, subdivision 1, is amended to read:

63.16 Subdivision 1. **Notice and procedures.** (a) The commissioner may, within five years
 63.17 after the date of assessment of the tax, or if a lien has been filed under section 270C.63,
 63.18 within the statutory period for enforcement of the lien, give notice to any employer
 63.19 deriving income which has a taxable situs in this state regardless of whether the income is
 63.20 exempt from taxation, that an employee of that employer is delinquent in a certain amount
 63.21 with respect to any taxes, including penalties, interest, and costs. The commissioner can
 63.22 proceed under this section only if the tax is uncontested or if the time for appeal of the tax
 63.23 has expired. The commissioner shall not proceed under this section until the expiration of
 63.24 30 days after mailing to the taxpayer, at the taxpayer's last known address, a written notice
 63.25 of (1) the amount of taxes, interest, and penalties due from the taxpayer and demand for
 63.26 their payment, and (2) the commissioner's intention to require additional withholding by
 63.27 the taxpayer's employer pursuant to this section. The effect of the notice shall expire one
 63.28 year after it has been mailed to the taxpayer provided that the notice may be renewed by
 63.29 mailing a new notice which is in accordance with this section. The renewed notice shall
 63.30 have the effect of reinstating the priority of the original claim. The notice to the taxpayer
 63.31 shall be in substantially the same form as that provided in section 571.72. The notice
 63.32 shall further inform the taxpayer of the wage exemptions contained in section 550.37,
 63.33 subdivision 14. If no statement of exemption is received by the commissioner within 30
 63.34 days from the mailing of the notice, the commissioner may proceed under this section.
 63.35 The notice to the taxpayer's employer may be served by mail or by delivery by an agent of

64.1 the department and shall be in substantially the same form as provided in section 571.75.
 64.2 Upon receipt of notice, the employer shall withhold from compensation due or to become
 64.3 due to the employee, the total amount shown by the notice, subject to the provisions of
 64.4 section 571.922. The employer shall continue to withhold each pay period until the notice
 64.5 is released by the commissioner under section 270C.7109. Upon receipt of notice by the
 64.6 employer, the claim of the state of Minnesota shall have priority over any subsequent
 64.7 garnishments or wage assignments. The commissioner may arrange between the employer
 64.8 and the employee for withholding a portion of the total amount due the employee each pay
 64.9 period, until the total amount shown by the notice plus accrued interest has been withheld.

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

64.18 (c) Within ten days after the expiration of such pay period, the employer shall remit
 64.19 to the commissioner, ~~on a form and~~ in the manner prescribed by the commissioner, the
 64.20 amount withheld during each pay period under this section. The employer must file all
 64.21 wage levy disclosure forms and remit all wage levy payments by electronic means.

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

64.24 Sec. 4. Minnesota Statutes 2012, section 289A.20, subdivision 2, is amended to read:

64.25 Subd. 2. **Withholding from wages, entertainer withholding, withholding**
 64.26 **from payments to out-of-state contractors, and withholding by partnerships, small**
 64.27 **business corporations, trusts.** (a) A tax required to be deducted and withheld during the
 64.28 quarterly period must be paid on or before the last day of the month following the close of
 64.29 the quarterly period, unless an earlier time for payment is provided. A tax required to be
 64.30 deducted and withheld from compensation of an entertainer and from a payment to an
 64.31 out-of-state contractor must be paid on or before the date the return for such tax must be
 64.32 filed under section 289A.18, subdivision 2. Taxes required to be deducted and withheld
 64.33 by partnerships, S corporations, and trusts must be paid on a quarterly basis as estimated
 64.34 taxes under section 289A.25 for partnerships and trusts and under section 289A.26 for S
 64.35 corporations.

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

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

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

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

65.20 ~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~

65.21 ~~(2) \$10,000 or more in the a fiscal year ending June 30, 2006, and fiscal years~~
 65.22 ~~thereafter;~~

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

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

65.29 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
 65.30 2013, and all fiscal years thereafter.

65.31 Sec. 5. Minnesota Statutes 2012, section 289A.20, subdivision 4, is amended to read:

65.32 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and
 65.33 payable to the commissioner monthly on or before the 20th day of the month following
 65.34 the month in which the taxable event occurred, or following another reporting period

66.1 as the commissioner prescribes or as allowed under section 289A.18, subdivision 4,
66.2 paragraph (f) or (g), except that:

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

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

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

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

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

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

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

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

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

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

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

67.3 (c) A vendor having a liability of:

67.4 (1) \$10,000 or more, but less than \$120,000 during a fiscal year ending June 30,
67.5 ~~2009~~ 2013, and fiscal years thereafter, must remit by electronic means all liabilities on
67.6 returns due for periods beginning in ~~the~~ all subsequent calendar ~~year~~ years on or before
67.7 the 20th day of the month following the month in which the taxable event occurred, or
67.8 on or before the 20th day of the month following the month in which the sale is reported
67.9 under section 289A.18, subdivision 4; or

67.10 (2) \$120,000 or more, during a fiscal year ending June 30, 2009, and fiscal years
67.11 thereafter, must remit by electronic means all liabilities in the manner provided in
67.12 paragraph (a), clause (2), on returns due for periods beginning in the subsequent calendar
67.13 year, except for 90 percent of the estimated June liability, which is due two business days
67.14 before June 30. The remaining amount of the June liability is due on August 20.

67.15 (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's
67.16 religious beliefs from paying electronically shall be allowed to remit the payment by mail.
67.17 The filer must notify the commissioner of revenue of the intent to pay by mail before
67.18 doing so on a form prescribed by the commissioner. No extra fee may be charged to a
67.19 person making payment by mail under this paragraph. The payment must be postmarked
67.20 at least two business days before the due date for making the payment in order to be
67.21 considered paid on a timely basis.

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

67.27 (f) At the start of the first calendar quarter at least 90 days after the cash flow account
67.28 established in section 16A.152, subdivision 1, and the budget reserve account established in
67.29 section 16A.152, subdivision 1a, reach the amounts listed in section 16A.152, subdivision
67.30 2, paragraph (a), the remittance of the accelerated payments required under paragraph (a),
67.31 clause (2), must be suspended. The commissioner of management and budget shall notify
67.32 the commissioner of revenue when the accounts have reached the required amounts.
67.33 Beginning with the suspension of paragraph (a), clause (2), for a vendor with a liability of
67.34 \$120,000 or more during a fiscal year ending June 30, 2009, and fiscal years thereafter, the
67.35 taxes imposed by chapter 297A are due and payable to the commissioner on the 20th day

68.1 of the month following the month in which the taxable event occurred. Payments of tax
 68.2 liabilities for taxable events occurring in June under paragraph (b) are not changed.

68.3 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
 68.4 2013, and all fiscal years thereafter.

68.5 Sec. 6. Minnesota Statutes 2012, section 289A.26, subdivision 2a, is amended to read:

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

68.8 (1) ~~\$20,000 or more in the fiscal year ending June 30, 2005; or~~

68.9 (2) ~~\$10,000 or more in the a fiscal year ending June 30, 2006, and fiscal years~~
 68.10 ~~thereafter,~~

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

68.13 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
 68.14 2013, and all fiscal years thereafter.

68.15 Sec. 7. Minnesota Statutes 2012, section 295.55, subdivision 4, is amended to read:

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

68.17 (1) ~~\$20,000 or more in the fiscal year ending June 30, 2005; or~~

68.18 (2) ~~\$10,000 or more in the a fiscal year ending June 30, 2006, and fiscal years~~
 68.19 ~~thereafter,~~

68.20 must remit all liabilities by electronic means in the all subsequent calendar ~~year~~ years.

68.21 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
 68.22 2013, and all fiscal years thereafter.

68.23 Sec. 8. Minnesota Statutes 2012, section 297F.09, subdivision 7, is amended to read:

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

68.27 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
 68.28 2013, and all fiscal years thereafter.

68.29 Sec. 9. Minnesota Statutes 2012, section 297G.09, subdivision 6, is amended to read:

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

69.4 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
 69.5 2013, and all fiscal years thereafter.

69.6 Sec. 10. **[297L.11] AUTOMOBILE THEFT PREVENTION SURCHARGE.**

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

69.18 (1) a passenger automobile;

69.19 (2) a pickup truck;

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

69.21 (4) a motorcycle,

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

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

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

69.32 **EFFECTIVE DATE.** This section is effective for premiums collected after June
 69.33 30, 2013.

70.1 Sec. 11. Minnesota Statutes 2012, section 297I.30, is amended by adding a subdivision
70.2 to read:

70.3 Subd. 10. **Automobile theft prevention surcharge.** On or before May 1, August
70.4 1, November 1, and February 1 of each year, every insurer required to pay the surcharge
70.5 under section 297I.11 shall file a return with the commissioner for the preceding
70.6 three-month period ending March 31, June 30, September 30, and December 31, in the
70.7 form prescribed by the commissioner.

70.8 **EFFECTIVE DATE.** This section is effective for premiums collected after June
70.9 30, 2013.

70.10 Sec. 12. Minnesota Statutes 2012, section 297I.35, subdivision 2, is amended to read:

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

70.16 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
70.17 2013, and all fiscal years thereafter.

70.18 Sec. 13. Minnesota Statutes 2012, section 473.843, subdivision 3, is amended to read:

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

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

70.24 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
70.25 2013, and all fiscal years thereafter.

70.26 Sec. 14. **REPEALER.**

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

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

ARTICLE 7

COMPENSATION COUNCIL

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Section 1. Minnesota Statutes 2012, section 3.099, subdivision 1, is amended to read:

Subdivision 1. **Salary; paydays; mileage; per diem.** (a) The salary of each member of the legislature is equal to 33 percent of the salary authorized for the governor. An increase in the legislators' salaries resulting from an increase in the salary of the governor takes effect at the first time authorized under the Minnesota Constitution, article IV, section 9.

(b) The compensation of each member of the legislature is due on the first day of the regular legislative session of the term and payable in equal parts on January 15, in the first month of each term and on the first day of each following month during the term for which the member was elected. The compensation of each member of the legislature elected at a special election is due on the day the member takes the oath of office and payable within ten days of taking the oath for the remaining part of the month in which the oath was taken, and then in equal parts on the first day of each following month during the term for which the member was elected.

(c) Each member shall receive mileage for necessary travel to the place of meeting and returning to the member's residence in the amount and for trips as authorized by the senate for senate members and by the house of representatives for house members.

(d) Each member shall also receive per diem living expenses during a regular or special session of the legislature in the amounts and for the purposes as determined by the senate for senate members and by the house of representatives for house members.

(e) On January 15 in the first month of each term and on the first day of each following month, the secretary of the senate and the chief clerk of the house of representatives shall certify to the commissioner of management and budget, in duplicate, the amount of compensation then payable to each member of their respective houses and its total.

EFFECTIVE DATE. This section is effective January 5, 2015. Beginning on January 5, 2015, the salaries of legislators are 33 percent of the salary of the governor on January 1, 2015. Beginning January 1, 2016, the salaries of legislators are 33 percent of the salary of the governor on January 1, 2016.

Sec. 2. Minnesota Statutes 2012, section 3.855, subdivision 3, is amended to read:

Subd. 3. **Other salaries and compensation plans.** The commission shall also:
(1) review and approve, reject, or modify a plan for compensation and terms and conditions of employment prepared and submitted by the commissioner of management and budget under section 43A.18, subdivision 2, covering all state employees who are

72.1 not represented by an exclusive bargaining representative and whose compensation is not
72.2 provided for by chapter 43A or other law;

72.3 (2) review and approve, reject, or modify a plan for total compensation and terms
72.4 and conditions of employment for employees in positions identified as being managerial
72.5 under section 43A.18, subdivision 3, whose salaries and benefits are not otherwise
72.6 provided for in law or other plans established under chapter 43A;

72.7 (3) review and approve, reject, or modify recommendations for salaries submitted
72.8 by ~~the governor or other~~ an appointing authority other than the governor under section
72.9 15A.0815, subdivision 5, covering agency head positions listed in section 15A.0815;

72.10 ~~(4) review and approve, reject, or modify recommendations for salaries of officials~~
72.11 ~~of higher education systems under section 15A.081, subdivisions 7b and 7c;~~

72.12 ~~(5)~~ (4) review and approve, reject, or modify plans for compensation, terms, and
72.13 conditions of employment proposed under section 43A.18, subdivisions 3a, 3b, and 4; and

72.14 ~~(6)~~ (5) review and approve, reject, or modify the plan for compensation, terms, and
72.15 conditions of employment of classified employees in the office of the legislative auditor
72.16 under section 3.971, subdivision 2.

72.17 Sec. 3. **[4.52] SALARY INCREASES.**

72.18 The salary of the governor must be adjusted annually on January 1. The new salary
72.19 must equal the salary for the previous year, increased by the percentage increase, if any, in
72.20 the Consumer Price Index from October of the year preceding the previous year to October
72.21 of the previous year. The commissioner of management and budget must publish the
72.22 salary on the department's Web site. The index used must be the revised Consumer Price
72.23 Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared
72.24 by the United States Department of Labor.

72.25 Sec. 4. Minnesota Statutes 2012, section 15A.0815, subdivision 1, is amended to read:

72.26 Subdivision 1. **Salary limits.** The governor or other appropriate appointing
72.27 authority shall set the salary rates for positions listed in this section within the salary limits
72.28 listed in subdivisions 2 to 4; if the appointing authority is not the governor, the appointing
72.29 authority's action is subject to approval of the Legislative Coordinating Commission and the
72.30 legislature as provided by subdivision 5 and sections 3.855 and 15A.081, subdivision 7b.

72.31 Sec. 5. Minnesota Statutes 2012, section 15A.0815, subdivision 2, is amended to read:

72.32 Subd. 2. **Group I salary limits.** ~~The salaries for positions in this subdivision may~~
72.33 ~~not exceed 95 percent of the salary of the governor.~~ The salary for a position listed in this

- 73.1 subdivision shall not exceed 133 percent of the salary of the governor. This subdivision
 73.2 applies to the following positions:
- 73.3 Commissioner of administration;
 73.4 Commissioner of agriculture;
 73.5 Commissioner of education;
 73.6 Commissioner of commerce;
 73.7 Commissioner of corrections;
 73.8 Commissioner of health;
 73.9 Executive director, Minnesota Office of Higher Education;
 73.10 Commissioner, Housing Finance Agency;
 73.11 Commissioner of human rights;
 73.12 Commissioner of human services;
 73.13 Commissioner of labor and industry;
 73.14 Commissioner of management and budget;
 73.15 Commissioner of natural resources;
 73.16 ~~Director of Office of Strategic and Long-Range Planning;~~
 73.17 Commissioner, Pollution Control Agency;
 73.18 Executive director, Public Employees Retirement Association;
 73.19 Commissioner of public safety;
 73.20 Commissioner of revenue;
 73.21 Executive director, State Retirement System;
 73.22 Executive director, Teachers Retirement Association;
 73.23 Commissioner of employment and economic development;
 73.24 Commissioner of transportation; and
 73.25 Commissioner of veterans affairs.

73.26 Sec. 6. Minnesota Statutes 2012, section 15A.0815, subdivision 3, is amended to read:

- 73.27 Subd. 3. **Group II salary limits.** ~~The salaries for positions in this subdivision may~~
 73.28 ~~not exceed 85 percent of the salary of the governor. The salary for a position listed in this~~
 73.29 subdivision shall not exceed 120 percent of the salary of the governor. This subdivision
 73.30 applies to the following positions:
- 73.31 Executive director of Gambling Control Board;
 73.32 Commissioner, Iron Range Resources and Rehabilitation Board;
 73.33 Commissioner, Bureau of Mediation Services;
 73.34 Ombudsman for Mental Health and Developmental Disabilities;
 73.35 Chair, Metropolitan Council;

74.1 School trust lands director;
 74.2 Executive director of pari-mutuel racing; and
 74.3 Commissioner, Public Utilities Commission.

74.4 Sec. 7. Minnesota Statutes 2012, section 15A.0815, subdivision 5, is amended to read:

74.5 Subd. 5. **Appointing authorities to recommend certain salaries.** (a) When
 74.6 the governor is the appointing authority, the governor, or other appropriate appointing
 74.7 authority, may submit to the Legislative Coordinating Commission recommendations for
 74.8 must establish salaries within the salary limits for the positions listed in subdivisions
 74.9 2 to 4. An appointing authority may also propose additions or deletions of positions
 74.10 from those listed. Before establishing a salary, the governor must consult with the
 74.11 commissioner of management and budget concerning the salary. In establishing the salary,
 74.12 the governor shall consider the criteria established in section 43A.18, subdivision 8, and
 74.13 the performance of individual incumbents. The performance evaluation must include a
 74.14 review of an incumbent's progress toward attainment of affirmative action goals. The
 74.15 governor shall establish an objective system for quantifying knowledge, abilities, duties,
 74.16 responsibilities, and accountabilities, and in determining recommendations rate each
 74.17 position by this system.

74.18 (b) An appointing authority other than the governor may submit to the Legislative
 74.19 Coordinating Commission recommendations for salaries within the salary limits for the
 74.20 positions listed in subdivisions 2 to 4.

74.21 ~~(b)~~ Before submitting the recommendations, the appointing authority shall consult
 74.22 with the commissioner of management and budget concerning the recommendations.

74.23 (e) In making recommendations, the appointing authority shall consider the
 74.24 criteria established in section 43A.18, subdivision 8, and the performance of individual
 74.25 incumbents. The performance evaluation must include a review of an incumbent's progress
 74.26 toward attainment of affirmative action goals. The appointing authority shall establish
 74.27 an objective system for quantifying knowledge, abilities, duties, responsibilities, and
 74.28 accountabilities, and in determining recommendations, rate each position by this system.

74.29 ~~(d)~~ Before the appointing authority's recommended salaries take effect, the
 74.30 recommendations must be reviewed and approved, rejected, or modified by the Legislative
 74.31 Coordinating Commission and the legislature under section 3.855, subdivisions 2 and
 74.32 3. ~~If, when the legislature is not in session, the commission fails to reject or modify~~
 74.33 ~~salary recommendations of the governor within 30 calendar days of their receipt, the~~
 74.34 ~~recommendations are deemed to be approved.~~

75.1 (c) The governor or other appointing authority may propose additions or deletions of
 75.2 positions from those listed in subdivisions 2 to 4.

75.3 (e) (d) The governor or other appointing authority shall set the initial salary of a
 75.4 head of a new agency or a chair of a new metropolitan board or commission whose salary
 75.5 is not specifically prescribed by law after consultation with the commissioner, whose
 75.6 recommendation is advisory only. The amount of the new salary must be comparable to the
 75.7 salary of an agency head or commission chair having similar duties and responsibilities.

75.8 (f) (e) The salary of a newly appointed head of an agency or chair of a metropolitan
 75.9 agency listed in subdivisions 2 to 4 who is appointed by someone other than the governor,
 75.10 may be increased or decreased by the appointing authority from the salary previously
 75.11 set for that position within 30 days of the new appointment after consultation with
 75.12 the commissioner. If the appointing authority increases a salary under this paragraph,
 75.13 the appointing authority shall submit the new salary to the Legislative Coordinating
 75.14 Commission and the full legislature for approval, modification, or rejection under section
 75.15 3.855, subdivisions 2 and 3. ~~If, when the legislature is not in session, the commission fails~~
 75.16 ~~to reject or modify salary recommendations of the governor within 30 calendar days of~~
 75.17 ~~their receipt, the recommendations are deemed to be approved.~~

75.18 Sec. 8. Minnesota Statutes 2012, section 15A.082, subdivision 2, is amended to read:

75.19 Subd. 2. **Membership.** The Compensation Council consists of 16 members: two
 75.20 members of the house of representatives appointed by the speaker of the house, who are
 75.21 not members of the legislature; two members of the senate appointed by the majority
 75.22 leader of the senate, who are not members of the legislature; one member of the house
 75.23 of representatives appointed by the minority leader of the house of representatives, who
 75.24 is not a member of the legislature; one member of the senate appointed by the minority
 75.25 leader of the senate, who is not a member of the legislature; two nonjudges appointed by
 75.26 the chief justice of the Supreme Court; and one member from each congressional district
 75.27 appointed by the governor, of whom no more than four may belong to the same political
 75.28 party. Appointments must be made by October 1. The compensation and removal of
 75.29 members appointed by the governor or the chief justice shall be as provided in section
 75.30 15.059, subdivisions 3 and 4. The Legislative Coordinating Commission shall provide the
 75.31 council with administrative and support services.

75.32 Sec. 9. Minnesota Statutes 2012, section 43A.17, subdivision 1, is amended to read:

75.33 Subdivision 1. **Salary limits.** As used in subdivisions 1 to 9, "salary" means hourly,
 75.34 monthly, or annual rate of pay including any lump-sum payments and cost-of-living

76.1 adjustment increases but excluding payments due to overtime worked, shift or equipment
 76.2 differentials, work out of class as required by collective bargaining agreements or plans
 76.3 established under section 43A.18, and back pay on reallocation or other payments related
 76.4 to the hours or conditions under which work is performed rather than to the salary range
 76.5 or rate to which a class is assigned. For presidents of state universities, "salary" does
 76.6 not include a housing allowance provided through a compensation plan approved under
 76.7 section 43A.18, subdivision 3a.

76.8 ~~The salary, as established in section 15A.0815, of the head of a state agency in the~~
 76.9 ~~executive branch is the upper limit on the salaries of individual employees in the agency.~~
 76.10 ~~However, if an agency head is assigned a salary that is lower than the current salary of~~
 76.11 ~~another agency employee, the employee retains the salary, but may not receive an increase~~
 76.12 ~~in salary as long as the salary is above that of the agency head. The commissioner may~~
 76.13 ~~grant exemptions from these upper limits as provided in subdivisions 3 and 4.~~

76.14 Sec. 10. Minnesota Statutes 2012, section 43A.17, subdivision 3, is amended to read:

76.15 Subd. 3. **Unusual employment situations.** (a) Upon the request of the appointing
 76.16 authority, and when the commissioner determines that changes in employment situations
 76.17 create difficulties in attracting or retaining employees, the commissioner may approve an
 76.18 unusual employment situation increase to advance an employee within the compensation
 76.19 plan salary range.

76.20 (b) ~~If the commissioner determines that a position requires special expertise~~
 76.21 ~~necessitating a higher salary to attract or retain qualified persons, the commissioner may~~
 76.22 ~~grant an exemption not to exceed 120 percent of the salary of the head of the agency or the~~
 76.23 ~~maximum rate established for the position, whichever is less.~~

76.24 (e) The following conditions apply to a request under paragraph (a) to advance an
 76.25 employee within a compensation plan or under paragraph (b) to exceed the salary of the
 76.26 agency head salary range:

76.27 (1) the appointing authority making the request must submit a detailed written
 76.28 statement for each position contained in the request, specifying the changes in employment
 76.29 situations that create difficulties in attracting or retaining an employee for the position;

76.30 (2) the commissioner shall review each proposal giving due consideration to salary
 76.31 rates paid to other employees in the same class and agency and, if other conditions in
 76.32 this paragraph are met, may approve any request that in the commissioner's judgment is
 76.33 in the best interest of the state;

76.34 (3) the action must be consistent with applicable provisions of collective bargaining
 76.35 agreements or plans adopted under section 43A.18;

77.1 (4) each increase or exemption must be separately documented for each employee or
77.2 position and may not be applied to groups of employees; and

77.3 (5) the commissioner shall report the granting of a request to the chair of the
77.4 Legislative Coordinating Commission within three working days.

77.5 Sec. 11. **COMPENSATION STUDY.**

77.6 The commissioner of management and budget must contract with an independent
77.7 consultant to conduct a comprehensive market analysis of compensation for managerial
77.8 positions in the executive branch in order to better align compensation for these positions
77.9 with comparable positions in the private sector and with other relevant public sector
77.10 employers. The analysis should evaluate total compensation, including insurance,
77.11 retirement, and performance pay.

77.12 Sec. 12. **CONSTITUTIONAL OFFICERS SALARIES.**

77.13 The salary of the governor is increased by three percent effective January 1, 2015,
77.14 and by three percent on January 1, 2016. The salaries of the other constitutional officers
77.15 shall be adjusted to retain their proportional relationship as of January 1, 2013, to the
77.16 salary of the governor.

77.17 Sec. 13. **REPEALER.**

77.18 Minnesota Statutes 2012, section 43A.17, subdivision 4, is repealed.

77.19 Sec. 14. **EFFECTIVE DATE.**

77.20 Sections 2, 4, 7, 8, and 10 to 12 are effective the day following final enactment.
77.21 Sections 5, 6, and 9 are effective retroactively from January 1, 2013. Section 3 is effective
77.22 January 1, 2017.

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ARTICLE 2	MINNESOTA SUNSET ACT	Page.Ln 21.27
ARTICLE 3	STATE GOVERNMENT OPERATIONS	Page.Ln 24.23
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ARTICLE 5	MILITARY AND VETERANS PROVISIONS	Page.Ln 55.2
ARTICLE 6	REVENUE DEPARTMENT	Page.Ln 61.13
ARTICLE 7	COMPENSATION COUNCIL	Page.Ln 71.1

3D.01 SHORT TITLE.

This chapter may be cited as the "Minnesota Sunset Act."

3D.02 DEFINITIONS.

Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

Subd. 2. **Advisory committee.** "Advisory committee" means a committee, council, commission, or other entity created under state law whose primary function is to advise a state agency.

Subd. 3. **Commission.** "Commission" means the Sunset Advisory Commission.

Subd. 4. **State agency.** "State agency" means an agency expressly made subject to this chapter.

3D.03 SUNSET ADVISORY COMMISSION.

Subdivision 1. **Membership.** (a) The Sunset Advisory Commission consists of 12 members appointed as follows:

(1) four senators, appointed according to the rules of the senate, with no more than three senators from the majority caucus;

(2) four members of the house of representatives, appointed by the speaker of the house, with no more than three of the house of representatives members from the majority caucus; and

(3) four members appointed by the governor.

(b) The first members of the Sunset Advisory Commission must be appointed before September 1, 2011, for terms ending the first Monday in January 2013.

Subd. 2. **Public member restrictions.** An individual is eligible for appointment by the governor if the individual or the individual's spouse is not:

(1) regulated by a state agency that the commission will review during the term for which the individual would serve;

(2) employed by, participates in the management of, or directly or indirectly has more than a ten percent interest in a business entity or other organization regulated by a state agency the commission will review during the term for which the individual would serve; or

(3) required to register as a lobbyist under chapter 10A because of the person's activities for compensation on behalf of a profession or entity related to the operation of an agency under review.

Subd. 3. **Removal.** It is a ground for removal of a governor's appointee from the commission if the member is not qualified as required by subdivision 2 for appointment to the commission at the time of appointment or does not maintain the qualifications while serving on the commission. The validity of the commission's action is not affected by the fact that it was taken when a ground for removal of a governor's appointee from the commission existed.

Subd. 4. **Terms.** Legislative members serve at the pleasure of the appointing authority. Governor's appointees serve two-year terms expiring the first Monday in January of each odd-numbered year and may be removed at the pleasure of the governor.

Subd. 5. **Limits.** Members are subject to the following restrictions:

(1) after an individual serves four years on the commission, the individual is not eligible for appointment to another term or part of a term;

(2) a legislative member who serves a full term may not be appointed to an immediately succeeding term; and

(3) a governor's appointee may not serve consecutive terms, and, for purposes of this prohibition, a member is considered to have served a term only if the member has served more than one-half of the term.

Subd. 6. **Appointments.** Appointments must be made before the second Monday of January of each odd-numbered year.

Subd. 7. **Legislative members.** If a legislative member ceases to be a member of the legislative body from which the member was appointed, the member vacates membership on the commission.

Subd. 8. **Vacancies.** If a vacancy occurs, the appointing authority shall appoint a person to serve for the remainder of the unexpired term in the same manner as the original appointment.

Subd. 9. **Officers.** The commission shall have a chair and vice-chair as presiding officers.

Subd. 10. **Quorum; voting.** Seven members of the commission constitute a quorum. A final action or recommendation may not be made unless approved by a recorded vote of at least seven

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members. All other actions by the commission shall be decided by a majority of the members present and voting.

3D.04 STAFF; CONTRACTS.

The Legislative Coordinating Commission shall provide staff and administrative services for the commission. The Sunset Advisory Commission may enter into contracts for evaluations of agencies under review.

3D.045 COORDINATION WITH LEGISLATIVE AUDITOR.

To the extent possible, the commission and the Office of the Legislative Auditor shall align their work so that audits and program evaluations conducted by the Office of the Legislative Auditor can inform the work of the commission. The commission may request the Office of the Legislative Auditor to provide updates on financial audits and program evaluations the Office of the Legislative Auditor has prepared on agencies scheduled for Sunset Advisory Commission review.

3D.05 RULES.

The commission may adopt rules necessary to carry out this chapter.

3D.06 AGENCY REPORT TO COMMISSION.

(a) Before September 1 of the odd-numbered year before the year in which a state agency is subject to sunset review, the agency commissioner shall report to the commission:

- (1) information regarding the application to the agency of the criteria in section 3D.10;
- (2) an outcome-based budget for the agency;
- (3) an inventory of all boards, commissions, committees, and other entities related to the agency; and
- (4) any other information that the agency commissioner considers appropriate or that is requested by the commission.

(b) The outcome-based budget required by paragraph (a) must be for each of the agency's activities, as the term activity is used in state budgeting and must:

- (1) identify the statutory authority for the activity;
- (2) include one or more performance goals and associated performance measures that measure outcomes, not inputs;
- (3) discuss the extent to which each performance measure is reliable and verifiable, and can be accurately measured;
- (4) discuss the extent to which the agency has met each performance measure, and the extent to which the budget devoted to the activity has permitted or prevented the agency from meeting its performance goals;
- (5) discuss efficiencies that would allow the agency to better meet its goals; and
- (6) identify agencies at any level of government or private sector entities that provide the same activities, and describe agency interaction with the activities provided by others.

3D.065 REPORT ON PERSONNEL.

By September 1 of the odd-numbered year before the year in which a state agency is subject to sunset review, the commissioner of management and budget must report to the Sunset Advisory Commission on the number of full-time equivalent employees and the salary structure for each agency under review.

3D.07 COMMISSION DUTIES.

Before January 1 of the year in which a state agency subject to this chapter and its advisory committees are subject to sunset review, the commission shall:

- (1) review and take action necessary to verify the reports submitted by the agency; and
- (2) conduct a review of the agency based on the criteria provided in section 3D.10 and prepare a written report.

3D.08 PUBLIC HEARINGS.

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Before February 1 of the year a state agency subject to this chapter and its advisory committees are subject to sunset review, the commission shall conduct public hearings concerning but not limited to the application to the agency of the criteria provided in section 3D.10.

3D.09 COMMISSION REPORT.

By February 1 of each even-numbered year, the commission shall present to the legislature and the governor a report on the agencies and advisory committees reviewed. In the report the commission shall include:

- (1) its findings regarding the criteria prescribed by section 3D.10;
- (2) its recommendations based on the matters prescribed by section 3D.11; and
- (3) other information the commission considers necessary for a complete review of the agency.

3D.10 CRITERIA FOR REVIEW.

The commission and its staff shall consider the following criteria in determining whether a public need exists for the continuation of a state agency or its advisory committees or for the performance of the functions of the agency or its advisory committees:

- (1) the efficiency and effectiveness with which the agency or the advisory committee operates;
- (2) an identification of the mission, goals, and objectives intended for the agency or advisory committee and of the problem or need that the agency or advisory committee was intended to address and the extent to which the mission, goals, and objectives have been achieved and the problem or need has been addressed;
- (3) an identification of any activities of the agency in addition to those granted by statute and of the authority for those activities and the extent to which those activities are needed;
- (4) an assessment of authority of the agency relating to fees, inspections, enforcement, and penalties;
- (5) whether less restrictive or alternative methods of performing any function that the agency performs could adequately protect or provide service to the public;
- (6) the extent to which the jurisdiction of the agency and the programs administered by the agency overlap or duplicate those of other agencies, the extent to which the agency coordinates with those agencies, and the extent to which the programs administered by the agency can be consolidated with the programs of other state agencies;
- (7) the promptness and effectiveness with which the agency addresses complaints concerning entities or other persons affected by the agency, including an assessment of the agency's administrative hearings process;
- (8) an assessment of the agency's rulemaking process and the extent to which the agency has encouraged participation by the public in making its rules and decisions and the extent to which the public participation has resulted in rules that benefit the public;
- (9) the extent to which the agency has complied with federal and state laws and applicable rules regarding equality of employment opportunity and the rights and privacy of individuals, and state law and applicable rules of any state agency regarding purchasing guidelines and programs for historically underutilized businesses;
- (10) the extent to which the agency issues and enforces rules relating to potential conflicts of interest of its employees;
- (11) the extent to which the agency complies with chapter 13 and follows records management practices that enable the agency to respond efficiently to requests for public information; and
- (12) the effect of federal intervention or loss of federal funds if the agency is abolished.

3D.11 RECOMMENDATIONS.

- (a) In its report on a state agency, the commission shall:
- (1) make recommendations on the abolition, continuation, or reorganization of each affected state agency and its advisory committees and on the need for the performance of the functions of the agency and its advisory committees;
 - (2) make recommendations on the consolidation, transfer, or reorganization of programs within state agencies not under review when the programs duplicate functions performed in agencies under review; and

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(3) make recommendations to improve the operations of the agency, its policy body, and its advisory committees, including management recommendations that do not require a change in the agency's enabling statute.

(b) The commission shall include the estimated fiscal impact of its recommendations and may recommend appropriation levels for certain programs to improve the operations of the state agency.

(c) The commission shall have drafts of legislation prepared to carry out the commission's recommendations under this section, including legislation necessary to continue the existence of agencies that would otherwise sunset if the commission recommends continuation of an agency.

(d) After the legislature acts on the report under section 3D.09, the commission shall present to the legislative auditor the commission's recommendations that do not require a statutory change to be put into effect. Subject to the legislative audit commission's approval, the legislative auditor may examine the recommendations and include as part of the next audit of the agency a report on whether the agency has implemented the recommendations and, if so, in what manner.

3D.12 MONITORING OF RECOMMENDATIONS.

During each legislative session, the staff of the commission shall monitor legislation affecting agencies that have undergone sunset review and shall periodically report to the members of the commission on proposed changes that would modify prior recommendations of the commission.

3D.13 REVIEW OF ADVISORY COMMITTEES.

An advisory committee, the primary function of which is to advise a particular state agency, is subject to sunset on the date set for sunset review of the agency unless the advisory committee is expressly continued by law.

3D.14 CONTINUATION BY LAW.

(a) The following departments and agencies must be reviewed according to the schedule in section 3D.21, but do not expire according to that schedule, unless another law is enacted providing that the entity does expire:

- (1) a department or agency listed in section 15.01, or section 15.06, subdivision 1 or 1a; and
- (2) the Office of Higher Education, Explore Minnesota Tourism, and the Public Utilities Commission.

(b) During the regular session immediately before the sunset of a state agency or an advisory committee that expires under section 3D.21, the legislature may enact legislation to continue the agency or advisory committee for a period not to exceed 12 years. This chapter does not prohibit the legislature from:

- (1) terminating a state agency or advisory committee subject to this chapter at a date earlier than that provided in this chapter; or
- (2) considering any other legislation relative to a state agency or advisory committee subject to this chapter.

3D.15 PROCEDURE AFTER TERMINATION.

Subdivision 1. **Termination.** Unless otherwise provided by law:

- (1) if after sunset review a state agency is abolished, the agency may continue in existence until June 30 of the following year to conclude its business;
- (2) abolishment does not reduce or otherwise limit the powers and authority of the state agency during the concluding year; and
- (3) a state agency is terminated and shall cease all activities at the expiration of the one-year period.

Subd. 2. **Funds of abolished agency or advisory committee.** (a) Except as provided by other law, any unobligated and unexpended appropriations of an abolished agency or advisory committee lapse on June 30 of the year after abolishment.

(b) Except as provided by subdivision 4 or as otherwise provided by law, all money in a dedicated fund of an abolished state agency or advisory committee on June 30 of the year after abolishment is transferred to the general fund. The part of the law dedicating the money to a specific fund of an abolished agency becomes void on June 30 of the year after abolishment.

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(c) If an appropriation exists in law for the functions or obligations transferred in subdivision 3 or 4, that appropriation is transferred to the commissioner of administration for the purposes of those subdivisions.

Subd. 3. **Property, rules, and functions of an abolished agency.** (a) Unless the governor designates an appropriate state agency as prescribed by subdivision 4, property and records in the custody of an abolished state agency or advisory committee on June 30 of the year after abolishment must be transferred to the commissioner of administration. If the governor designates an appropriate state agency, the property and records must be transferred to the designated state agency.

(b) Unless otherwise provided by law, statutory duties of an abolished state agency are transferred to the commissioner of administration, and section 16B.38 applies. All rules adopted by the abolished agency remain effective and shall be enforced by the commissioner of administration, and rulemaking authority of the abolished agency is transferred to the commissioner of administration. The commissioner of administration may use authority under section 16B.37 to transfer duties of an abolished agency that have been transferred to the commissioner of administration. Transfers under section 16B.37 are effective upon filing with the secretary of state, even if a reorganization order transfers all or substantially all of the powers or duties of a department.

Subd. 4. **Continuing obligations.** (a) The legislature recognizes the state's continuing obligation to pay bonded indebtedness and all other obligations, including lease, contract, and other written obligations, incurred by a state agency or advisory committee abolished under this chapter, and this chapter does not impair or impede the payment of bonded indebtedness and all other obligations, including lease, contract, and other written obligations, in accordance with their terms. If an abolished state agency or advisory committee has outstanding bonded indebtedness or other outstanding obligations, including lease, contract, and other written obligations, the bonds and all other obligations, including lease, contract, and other written obligations, remain valid and enforceable in accordance with their terms and subject to all applicable terms and conditions of the laws and proceedings authorizing the bonds and all other obligations, including lease, contract, and other written obligations.

(b) The governor shall designate an appropriate state agency that shall continue to carry out all covenants contained in the bonds and in all other obligations, including lease, contract, and other written obligations, and the proceedings authorizing them, including the issuance of bonds, and the performance of all other obligations, including lease, contract, and other written obligations, to complete the construction of projects or the performance of other obligations, including lease, contract, and other written obligations.

(c) The designated state agency shall provide payment from the sources of payment of the bonds in accordance with the terms of the bonds and shall provide payment from the sources of payment of all other obligations, including lease, contract, and other written obligations, in accordance with their terms, whether from taxes, revenues, or otherwise, until the bonds and interest on the bonds are paid in full and all other obligations, including lease, contract, and other written obligations, are performed and paid in full. If the proceedings so provide, all funds established by laws or proceedings authorizing the bonds or authorizing other obligations, including lease, contract, and other written obligations, must remain with the comptroller or the previously designated trustees. If the proceedings do not provide that the funds remain with the comptroller or the previously designated trustees, the funds must be transferred to the designated state agency.

3D.16 ASSISTANCE OF AND ACCESS TO STATE AGENCIES.

The commission may request the assistance of state agencies and officers. When assistance is requested, a state agency or officer shall assist the commission. In carrying out its functions under this chapter, the commission or its designated staff member may inspect the records, documents, and files of any state agency.

3D.17 RELOCATION OF EMPLOYEES.

If an employee is displaced because a state agency or its advisory committee is abolished or reorganized, the state agency shall make a reasonable effort to relocate the displaced employee.

3D.18 SAVING PROVISION.

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Except as otherwise expressly provided, abolition of a state agency does not affect rights and duties that matured, penalties that were incurred, civil or criminal liabilities that arose, or proceedings that were begun before the effective date of the abolition.

3D.19 REVIEW OF PROPOSED LEGISLATION CREATING AN AGENCY.

Each bill filed in a house of the legislature that would create a new state agency or a new advisory committee to a state agency shall be reviewed by the commission. The commission shall review the bill to determine if:

- (1) the proposed functions of the agency or committee could be administered by one or more existing state agencies or advisory committees;
- (2) the form of regulation, if any, proposed by the bill is the least restrictive form of regulation that will adequately protect the public;
- (3) the bill provides for adequate public input regarding any regulatory function proposed by the bill; and
- (4) the bill provides for adequate protection against conflicts of interest within the agency or committee.

3D.20 GIFTS AND GRANTS.

The commission may accept gifts, grants, and donations from any organization described in section 501(c)(3) of the Internal Revenue Code for the purpose of funding any activity under this chapter. All gifts, grants, and donations must be accepted in an open meeting by a majority of the voting members of the commission and reported in the public record of the commission with the name of the donor and purpose of the gift, grant, or donation. Money received under this section is appropriated to the commission.

3D.21 SUNSET REVIEW.

Subd. 2. **Group 2.** The following agencies are sunset and, except as provided in section 3D.14, expire on June 30, 2014: Department of Health, Department of Human Services, Department of Human Rights, Department of Education, Board of Teaching, Minnesota Office of Higher Education, Emergency Medical Services Regulatory Board, Council on Affairs of Chicano/Latino People, Council on Black Minnesotans, Council on Asian-Pacific Minnesotans, Indian Affairs Council, and all advisory groups associated with these agencies.

Subd. 3. **Group 3.** The following agencies are sunset and, except as provided in section 3D.14, expire on June 30, 2016: Department of Commerce, Department of Employment and Economic Development, Department of Labor and Industry, all non-health-related licensing boards listed in section 214.01 except as otherwise provided in this section, Explore Minnesota Tourism, Public Utilities Commission, Iron Range Resources and Rehabilitation Board, Bureau of Mediation Services, and all advisory groups associated with these agencies.

Subd. 4. **Group 4.** The following agencies are sunset and, except as provided in section 3D.14, expire on June 30, 2018: Department of Corrections, Department of Public Safety, Department of Transportation, Peace Officer Standards and Training Board, Capitol Area Architectural and Planning Board, Amateur Sports Commission, all health-related licensing boards listed in section 214.01, Council on Disability, and all advisory groups associated with these agencies.

Subd. 5. **Group 5.** The following agencies are sunset and, except as provided in section 3D.14, expire on June 30, 2020: Department of Agriculture, Department of Natural Resources, Pollution Control Agency, Board of Animal Health, Board of Water and Soil Resources, and all advisory groups associated with these agencies.

Subd. 6. **Group 6.** The following agencies are sunset and, except as provided in section 3D.14, expire on June 30, 2022: Department of Administration, Department of Management and Budget, Department of Military Affairs, Department of Revenue, Department of Veterans Affairs, Arts Board, Minnesota Zoo, Office of Administrative Hearings, Campaign Finance and Public Disclosure Board, Office of Enterprise Technology, Minnesota Racing Commission, and all advisory groups associated with these agencies.

Subd. 7. **Continuation.** Following sunset review of an agency, the legislature may act within the same legislative session in which the sunset report was received on Sunset Advisory Commission recommendations to continue or reorganize the agency.

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Subd. 8. **Other groups.** The commission may review, under the criteria in section 3D.10, and propose to the legislature an expiration date for any agency, board, commission, or program not listed in this section.

43A.17 SALARY LIMITS, RATES, RANGES AND EXCEPTIONS.

Subd. 4. **Exceptions.** (a) The commissioner may without regard to subdivision 1 establish special salary rates and plans of compensation designed to attract and retain exceptionally qualified doctors of medicine and doctors of dental surgery. These rates and plans shall be included in the commissioner's plan. In establishing salary rates and eligibility for nomination for payment at special rates, the commissioner shall consider the standards of eligibility established by national medical specialty boards where appropriate. The incumbents assigned to these special ranges shall be excluded from the collective bargaining process.

(b) The commissioner may without regard to subdivision 1, but subject to collective bargaining agreements or compensation plans, establish special salary rates designed to attract and retain exceptionally qualified employees in the following positions:

- (1) information systems staff;
- (2) actuaries in the Departments of Health, Human Services, and Commerce; and
- (3) epidemiologists in the Department of Health.

155A.25 COSMETOLOGY FEES; LICENSE EXPIRATION DATE.

Subdivision 1. **Schedule.** The fee schedule for licensees is as follows for licenses issued prior to July 1, 2010, and after June 30, 2013:

(a) Three-year license fees:

(1) cosmetologist, manicurist, esthetician, \$90 for each initial license, and \$60 for each renewal;

(2) instructor, manager, \$120 for each initial license, and \$90 for each renewal;

(3) salon, \$130 for each initial license, and \$100 for each renewal; and

(4) school, \$1,500.

(b) Penalties:

(1) reinspection fee, variable;

(2) manager and owner with lapsed practitioner, \$150 each;

(3) expired cosmetologist, manicurist, esthetician, manager, school manager, and instructor license, \$45; and

(4) expired salon or school license, \$50.

(c) Administrative fees:

(1) certificate of identification, \$20;

(2) school original application, \$150;

(3) name change, \$20;

(4) letter of license verification, \$30;

(5) duplicate license, \$20;

(6) processing fee, \$10;

(7) special event permit, \$75 per year; and

(8) registration of hair braiders, \$20 per year.

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,

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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.

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.

326A.03 CERTIFIED PUBLIC ACCOUNTANT QUALIFICATIONS.

Subd. 2. **Examination before July 1, 2006; required education and experience.** Until July 1, 2006, the examination must be administered by the board only to a candidate who:

(1) holds a master's degree with a major in accounting from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education;

(2) holds a baccalaureate degree, with a major in accounting, from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education or who has in the opinion of the board at least an equivalent education;

(3) holds a baccalaureate degree from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education, or who has in the opinion of the board at least an equivalent education, provided that at least one year of experience of the type specified in subdivision 8 has been completed;

(4) provides evidence of having completed two or more years of study with a passing grade average or above from a college, university, technical college, or a Minnesota licensed private school that is fully accredited by a recognized accrediting agency listed with the United States Department of Education, or who has in the opinion of the board at least an equivalent education, provided that at least three years experience of the type specified in subdivision 8 has been completed; or

(5) holds a diploma as a graduate of an accredited high school, or who has in the opinion of the board at least an equivalent education, provided that at least five years experience of the type specified in subdivision 8 has been completed.

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Subd. 5. **Certificate before July 1, 2006; required experience.** Until July 1, 2006, a person who has passed the examination required by this section and who meets all other requirements for a certificate, including payment of required fees, must be granted a certificate as a certified public accountant, providing that the person has completed the following experience requirements of the type specified in subdivision 8 in addition to any experience already required in subdivision 2:

(1) for those whose educational qualifications meet the requirements of subdivision 2, clause (1), the experience requirement is one year;

(2) for those whose educational qualifications meet the requirements of subdivision 2, clause (2), the experience requirement is two years;

(3) for those whose educational and experience qualifications meet the requirements of subdivision 2, clause (3), the additional required experience is two years;

(4) for those whose educational and experience qualifications meet the requirements of subdivision 2, clause (4), the additional required experience is two years; and

(5) for those whose educational and experience qualifications meet the requirements of subdivision 2, clause (5), the additional required experience is one year.

Subd. 8. **Qualifying experience until July 1, 2006.** Until July 1, 2006, qualifying experience includes public accounting experience:

(1) as a staff employee of a certified public accountant, or a firm;

(2) as an auditor in the Office of the Legislative Auditor or State Auditor, or as an auditor or examiner with any other agency of government, if the experience, in the opinion of the board, is equally comprehensive and diversified;

(3) as a self-employed public accountant or as a partner in a firm; or

(4) in any combination of the foregoing capacities.

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Laws 2012, chapter 278, article 1, section 6

Sec. 6. REVIEW OF SUNSET PROCESS.

The Office of the Legislative Auditor is requested to conduct a review of the sunset process in Minnesota Statutes, chapter 3D. The review should be conducted in 2018. The legislative auditor is requested to present the result of the review in a report to the Legislative Audit Commission and Sunset Advisory Commission.

1105.0600 FEES.

The following fees apply:

- A. initial issuance of certificate, \$50;
- B. renewal of certificate with an active status, \$45 per year;
- C. initial CPA firm permits, except for sole practitioners, \$100;
- D. renewal of CPA firm permits, except for sole practitioners and those firms specified in item Q, \$35 per year;
- E. initial issuance and renewal of CPA firm permits for sole practitioners, except for those firms specified in item Q, \$35 per year;
- F. annual late processing delinquency fee for permit, certificate, or registration renewal applications not received prior to expiration date, \$50;
- G. copies of records, per page, 25 cents;
- H. registration of noncertificate holders, nonlicensees, and nonregistrants in connection with renewal of firm permits, \$45 per year;
- I. applications for reinstatement, \$20;
- J. initial registration of a registered accounting practitioner, \$50;
- K. initial registered accounting practitioner firm permits, \$100;
- L. renewal of registered accounting practitioner firm permits, except for sole practitioners, \$35 per year;
- M. renewal of registered accounting practitioner firm permits for sole practitioners, \$35 per year;
- N. CPA examination application, \$40;
- O. CPA examination, fee determined by third-party examination administrator;
- P. renewal of certificates with an inactive status, \$10 per year; and
- Q. renewal of CPA firm permits for firms that have one or more offices located in another state, \$68 per year.

1105.2550 RENEWAL OF CERTIFICATES AFTER 2009.

A. Beginning with certificate renewal applications for calendar year 2010, the board shall renew each certificate as follows:

- (1) for licensees whose last name begins with the letters:
 - (a) A through H, certificates shall be renewed for a three-year period (Cycle A);
 - (b) I through P, certificates shall be renewed for a two-year period (Cycle B); and
 - (c) Q through Z, certificates shall be renewed for a one-year period (Cycle C); and
- (2) renewals of those certificates, after the expiration of the renewals periods specified in subitem (1), shall thereafter follow a three-year cycle.

B. Initial issuances of certificates after January 1, 2010, shall expire on the December 31 following issuance and shall thereafter be renewed so as to place the certificate in the correct renewal cycle established for the licensee's last name in item A.

C. Licensees who have obtained a legal name change shall, upon renewal, have their certificates renewed so as to place the certificate in the correct renewal cycle established for the licensee's last name in item A.

D. Licensees requesting a change in certificate status during the renewal period shall not be entitled to any refund of fees according to part 1105.1000 and can only request a change in status according to this chapter and on a form provided by the board. However, additional fees covering any remaining portion of the renewal period established as a result of items A and B shall be paid if the change in status is to "active." The additional fee is based on a complete calendar year and is not prorated.

E. Licensees electing to change the status of the licensee's active certificate to a status other than active can only do so effective on the January 1 following the licensee's written request for the change and on a form provided by the board. The request shall be accompanied with documentation showing that the licensee completed at least 120 hours of continuing professional education required by this chapter during the three-year period ended June 30 preceding the effective date of the status change, with a minimum of 20 hours each year.

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F. Notwithstanding the three-year renewal period established by this part and except as provided for in part 1105.3000, item J, at each June 30, licensees holding a certificate with an "active" status shall comply with the one- and three-year continuing professional education requirements in part 1105.3000.

1105.2700 EXPERIENCE REQUIRED FOR CPA EXAMINATION AND INITIAL CERTIFICATE UNTIL JULY 1, 2006.

Subpart 1. **Intent.** It is the intent of this requirement that applicants have had practical public accounting experience of reasonable variety and importance, requiring independent thought and judgment on important accounting, auditing, and income tax matters, consistent with the competence generally expected of a certified public accountant.

Subp. 2. **Measurement.** Experience recognized by the board is measured on the basis of calendar months and days worked by the applicant as an employee on the staff of a certified public accountant in public practice or in qualifying governmental experience or self-employment. Part-time work in public accounting is equivalent in proportion to full-time work, with a maximum of eight hours per day or 40 hours per week. The experience must be verified by the employer. Self-employment experience must be verified by five clients.

Subp. 3. **Audit experience.** Persons claiming audit experience for work with governmental entities shall, for individuals other than auditors in the Office of the Legislative Auditor or State Auditor claiming experience under Minnesota Statutes, section 326A.03, subdivision 8, clause (2):

A. have their audit work directly relied upon by third parties outside of their agency or department and, in the case of federal government employees, have experience at the Federal GS 11 range or higher; or

B. have experience similar to that of the auditors in the Office of the Legislative Auditor and the Office of the State Auditor.

The burden rests with the applicant to demonstrate to the board that other governmental experience should be recognized as qualifying. A written statement must be filed with the board, giving a complete description of the purposes, work standards, and procedures of any position believed to be qualifying. This statement shall be approved by a responsible administrative officer of the applicable governmental unit as determined by the board.

Subp. 4. **Qualifying self-employment.** The board shall consider self-employment experience obtained by an applicant to meet the requirements of Minnesota Statutes, section 326A.03, subdivision 8, if an applicant shows to the satisfaction of the board that the applicant's qualifying self-employment is consistent with the intent in subpart 1 and has included experience or education in:

A. applying a variety of auditing procedures and techniques to the usual and customary financial transactions recorded in the accounting records;

B. preparation of audit working papers covering the audit of the accounts usually found in accounting records;

C. planning programs of audit work including the selection of procedures to be followed;

D. preparation of written explanations and comments on the findings of an audit and on the content of accounting records; and

E. preparation and analysis of financial statements together with explanations and notes.