

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 3764**

(SENATE AUTHORS: KIFFMEYER)

DATE	D-PG	OFFICIAL STATUS
03/22/2018	6924	Introduction and first reading
		Referred to State Government Finance and Policy and Elections
04/19/2018	7403a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to state government; specifying conditions of legislative ratification of

1.3 proposed collective bargaining agreements; requiring proposed changes to state

1.4 employee group insurance to be submitted separately to the Legislative

1.5 Coordinating Commission; requiring certain information about collective bargaining

1.6 agreements and compensation plans be submitted to the Legislative Coordinating

1.7 Commission; creating a transition period for the Legislative Budget Office to take

1.8 responsibility for coordinating fiscal notes and local impact notes; establishing a

1.9 Legislative Budget Office Oversight Commission; modifying the effective date

1.10 of certain provisions governing preparation of fiscal notes; abolishing the Office

1.11 of MN.IT Services; establishing a division of information technology within the

1.12 Department of Administration; permitting agencies more flexibility in contracting

1.13 for information technology projects; requiring agencies to determine the impact

1.14 of a proposed rule on the cost of residential construction or remodeling; requiring

1.15 notice to the applicable legislative committees; precluding adoption of residential

1.16 construction rules having a certain cost until after the next legislative session;

1.17 requiring a report to the legislature on the receipt of federal funds by the state;

1.18 exempting hair braiders from cosmetology registration requirements; prohibiting

1.19 an exclusive representative from charging a fair share fee to nonmembers;

1.20 investigating possible registration or voting by ineligible voters and reporting to

1.21 law enforcement; appropriating and transferring money; amending Minnesota

1.22 Statutes 2016, sections 3.855, subdivisions 1a, 2, by adding a subdivision; 10A.01,

1.23 subdivision 35; 13.64, by adding a subdivision; 16E.01, subdivision 1; 16E.015,

1.24 by adding a subdivision; 16E.016; 16E.02; 16E.055; 16E.14; 16E.18, subdivisions

1.25 4, 6; 155A.25, subdivision 1a; 155A.28, by adding a subdivision; 179A.06,

1.26 subdivision 3; 201.022, by adding subdivisions; Minnesota Statutes 2017

1.27 Supplement, sections 3.8853, subdivisions 1, 2, by adding subdivisions; 3.98,

1.28 subdivision 1; 16E.0466, subdivision 1; 477A.03, subdivision 2b; Laws 2017, First

1.29 Special Session chapter 4, article 1, section 10, subdivision 1; article 2, sections

1.30 1; 3; 9; 58; proposing coding for new law in Minnesota Statutes, chapters 3; 14;

1.31 16A; repealing Minnesota Statutes 2016, sections 16E.145; 155A.28, subdivisions

1.32 1, 3, 4; Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4; Laws

1.33 2017, First Special Session chapter 4, article 2, section 59.

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

2.1 Section 1. Minnesota Statutes 2016, section 3.855, subdivision 1a, is amended to read:

2.2 Subd. 1a. **Definitions.** (a) "Commission" means the Legislative Coordinating Commission  
2.3 or a legislative commission established by the coordinating commission, as provided in  
2.4 section 3.305, subdivision 6, to exercise the powers and discharge the duties of the  
2.5 coordinating commission under this section or other law requiring action by the coordinating  
2.6 commission on matters of public employment or compensation.

2.7 (b) "Ratification" must be by law. If a law makes ratification contingent upon the  
2.8 fulfillment of an express condition, or has an effective date contingent upon the fulfillment  
2.9 of an express condition, then ratification occurs on the date that the express condition has  
2.10 been fulfilled or on the effective date, whichever is later. An express condition may include  
2.11 the enactment of a law. The commissioner of management and budget shall determine  
2.12 whether an express condition has been fulfilled.

2.13 Sec. 2. Minnesota Statutes 2016, section 3.855, subdivision 2, is amended to read:

2.14 Subd. 2. **State employee negotiations.** (a) The commissioner of management and budget  
2.15 shall regularly advise the commission on the progress of collective bargaining activities  
2.16 with state employees under the state Public Employment Labor Relations Act. During  
2.17 negotiations, the commission may make recommendations to the commissioner as it deems  
2.18 appropriate but no recommendation shall impose any obligation or grant any right or privilege  
2.19 to the parties.

2.20 (b) The commissioner shall submit to the chair of the commission any negotiated  
2.21 collective bargaining agreements, arbitration awards, compensation plans, or salaries for  
2.22 legislative approval or disapproval. Negotiated agreements shall be submitted within five  
2.23 days of the date of approval by the commissioner or the date of approval by the affected  
2.24 state employees, whichever occurs later. Arbitration awards shall be submitted within five  
2.25 days of their receipt by the commissioner. If the commission disapproves a collective  
2.26 bargaining agreement, award, compensation plan, or salary, the commission shall specify  
2.27 in writing to the parties those portions with which it disagrees and its reasons. If the  
2.28 commission approves a collective bargaining agreement, award, compensation plan, or  
2.29 salary, it shall submit the matter to the legislature to be accepted or rejected under this  
2.30 section.

2.31 (c) The commissioner shall submit to the chair of the commission any negotiated or  
2.32 otherwise proposed changes affecting the provision of insurance to state employees, including  
2.33 any changes to coverage and costs. Any changes must be submitted to the commission  
2.34 within five days of approval of the commissioner and at least 45 days before submitting a

3.1 collective bargaining agreement or compensation plan that incorporates the proposed changes  
 3.2 to the insurance program. If the commission disapproves changes to the state employee  
 3.3 insurance program, the commission shall specify in writing to the commissioner those  
 3.4 portions with which it disagrees and its reasons. The commissioner must not submit to the  
 3.5 commission any collective bargaining agreement or compensation plan that includes any  
 3.6 changes to state employee insurance previously disapproved by the commission unless the  
 3.7 agreement or plan incorporates changes identified by the commission or otherwise addresses  
 3.8 the commission's objections to the changes to the insurance program. The requirements in  
 3.9 this paragraph do not apply to the premiums for insurance that are determined solely by the  
 3.10 commissioner of management and budget and are not negotiated with representatives of  
 3.11 employees.

3.12 ~~(e)~~ (d) When the legislature is not in session, the commission may give interim approval  
 3.13 to a negotiated collective bargaining agreement, salary, compensation plan, or arbitration  
 3.14 award. When the legislature is not in session, failure of the commission to disapprove a  
 3.15 collective bargaining agreement or arbitration award within 30 days constitutes approval.  
 3.16 The commission shall submit the negotiated collective bargaining agreements, salaries,  
 3.17 compensation plans, or arbitration awards for which it has provided approval to the entire  
 3.18 legislature for ratification at a special legislative session called to consider them or at its  
 3.19 next regular legislative session as provided in this section. Approval or disapproval by the  
 3.20 commission is not binding on the legislature.

3.21 ~~(d)~~ (e) When the legislature is not in session, the proposed collective bargaining  
 3.22 agreement, arbitration decision, salary, or compensation plan must be implemented upon  
 3.23 its approval by the commission, and state employees covered by the proposed agreement  
 3.24 or arbitration decision do not have the right to strike while the interim approval is in effect.  
 3.25 Wages and economic fringe benefit increases provided for in the agreement or arbitration  
 3.26 decision paid in accordance with the interim approval by the commission are not affected,  
 3.27 but the wages or benefit increases must cease to be paid or provided effective upon the  
 3.28 rejection of the agreement, arbitration decision, salary, or compensation plan, or upon  
 3.29 adjournment of the legislature without acting on it.

3.30 Sec. 3. Minnesota Statutes 2016, section 3.855, is amended by adding a subdivision to  
 3.31 read:

3.32 Subd. 5. **Information required.** The commissioner of management and budget must  
 3.33 submit to the Legislative Coordinating Commission the following information with the

4.1 submission of a collective bargaining agreement or compensation plan under subdivisions  
 4.2 2 and 3:

4.3 (1) for each agency and for each proposed agreement, a comparison of biennial  
 4.4 compensation costs under the current agreement or plan to the projected biennial  
 4.5 compensation costs under the proposed agreement or plan, paid with funds appropriated  
 4.6 from the general fund;

4.7 (2) for each agency and for each proposed agreement and plan, a comparison of biennial  
 4.8 compensation costs under the current agreement or plan to the projected compensation costs  
 4.9 under the proposed agreement or plan, paid with funds appropriated from each fund other  
 4.10 than the general fund;

4.11 (3) for each agency and for each proposed agreement and plan, an identification of the  
 4.12 amount of the additional biennial compensation costs that are attributable to salary and  
 4.13 wages and to the cost of nonsalary and nonwage benefits; and

4.14 (4) for each agency, for each of clauses (1) to (3), the impact of the aggregate of all  
 4.15 agreements and plans being submitted to the commission.

4.16 Sec. 4. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended  
 4.17 to read:

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

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

4.23 Sec. 5. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended  
 4.24 to read:

4.25 Subd. 2. **Director; staff.** ~~The Legislative Coordinating Commission~~ Legislative Budget  
 4.26 Office Oversight Commission must appoint a director ~~who~~ and establish the director's duties.  
 4.27 The director may hire staff necessary to do the work of the office. The director serves in  
 4.28 the unclassified service for a term of six years and may not be removed during a term except  
 4.29 for cause after a public hearing.

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

5.1 Sec. 6. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a  
5.2 subdivision to read:

5.3 Subd. 3. **Uniform procedures.** The director of the Legislative Budget Office must adopt  
5.4 uniform procedures governing the timely preparation of fiscal notes as required by this  
5.5 section and section 3.98. The procedures are not effective until they are approved by the  
5.6 oversight commission. Upon approval, the procedures must be published in the State Register  
5.7 and on the office's Web site.

5.8 **EFFECTIVE DATE.** This section is effective January 8, 2019, provided that the uniform  
5.9 procedures may be approved by the oversight commission prior to the effective date of this  
5.10 section.

5.11 Sec. 7. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a  
5.12 subdivision to read:

5.13 Subd. 4. **Access to data; treatment.** Upon request of the director of the Legislative  
5.14 Budget Office, the head or chief administrative officer of each department or agency of  
5.15 state government, including the Supreme Court, must promptly supply data that are used  
5.16 to prepare a fiscal note, including data that are not public data under section 13.64. Not  
5.17 public data supplied under this subdivision may only be used by the Legislative Budget  
5.18 Office to review a department or agency's work in preparing a fiscal note and may not be  
5.19 used or disseminated for any other purpose, including use by or dissemination to a legislator  
5.20 or to any officer, department, agency, or committee within the legislative branch. Violation  
5.21 of this paragraph by the director or other staff of the Legislative Budget Office is cause for  
5.22 removal, suspension without pay, or immediate dismissal at the direction of the oversight  
5.23 commission.

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

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

5.27 Subd. 4a. **Fiscal note delivery and posting.** The director of the Legislative Budget  
5.28 Office must deliver a completed fiscal note to the legislative committee chair who made  
5.29 the request, and to the chief author of the legislation to which it relates. Within 24 hours of  
5.30 completion of a fiscal note, the director of the Legislative Budget Office must post a  
5.31 completed fiscal note on the office's public Web site. This subdivision does not apply to an  
5.32 unofficial fiscal note that is not public data under section 13.64, subdivision 3.

6.1 **EFFECTIVE DATE.** This section is effective January 6, 2020.

6.2 Sec. 9. **[3.8854] LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION.**

6.3 (a) The Legislative Budget Office Oversight Commission consists of:

6.4 (1) two members of the senate appointed by the senate majority leader;

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

6.6 (3) two members of the house of representatives appointed by the speaker of the house;

6.7 and

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

6.9 The director of the Legislative Budget Office is the executive secretary of the commission.

6.10 The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan  
6.11 fiscal analyst of the senate, the state budget director, and the legislative auditor are ex-officio,  
6.12 nonvoting members of the commission.

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

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

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

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

6.26 Sec. 10. **[3.9736] EVALUATION OF INFORMATION TECHNOLOGY PROJECTS.**

6.27 Subdivision 1. **Definition.** For purposes of this section, "information technology project"  
6.28 means a project performed by the Division of Information Technology under a service-level  
6.29 agreement for a state agency.

7.1 Subd. 2. Selection of project for review; schedule for evaluation; report. Annually,  
 7.2 the legislative auditor may submit to the Legislative Audit Commission a list of three to  
 7.3 five information technology projects proposed for review. In selecting projects to include  
 7.4 on the list, the legislative auditor may consider the cost of the project to the state, the impact  
 7.5 of the project on state agencies and public users, and the legislature's interest in ensuring  
 7.6 that state agencies meet the needs of the public. The legislative auditor may include  
 7.7 completed projects and ongoing projects and shall give particular consideration to forensic  
 7.8 review of high-profile problematic projects from which recommendations may be developed  
 7.9 to prevent problems on future projects. Annually, the Legislative Audit Commission may  
 7.10 select at least one information technology project for the legislative auditor's evaluation.  
 7.11 The legislative auditor may evaluate the selected information technology project according  
 7.12 to an evaluation plan established under subdivision 3 and submit a written report to the  
 7.13 Legislative Audit Commission.

7.14 Subd. 3. Evaluation plan. The Legislative Audit Commission may establish an evaluation  
 7.15 plan that identifies elements the legislative auditor must include in an evaluation of an  
 7.16 information technology project. The Legislative Audit Commission may modify the  
 7.17 evaluation plan as needed.

7.18 Sec. 11. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to  
 7.19 read:

7.20 Subdivision 1. **Preparation; duties.** ~~(a)~~ The head or chief administrative officer of each  
 7.21 department or agency of the state government, including the Supreme Court, shall ~~cooperate~~  
 7.22 ~~with the Legislative Budget Office and the Legislative Budget Office must~~ prepare a fiscal  
 7.23 note at the request of the chair of the standing committee to which a bill has been referred,  
 7.24 or the chair of the house of representatives Ways and Means Committee, or the chair of the  
 7.25 senate Committee on Finance.

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

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

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

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

8.5        Sec. 12. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, as amended  
 8.6 by section 11, is amended to read:

8.7        Subdivision 1. **Preparation.** The head or chief administrative officer of each department  
 8.8 or agency of the state government, including the Supreme Court, shall, in consultation with  
 8.9 the Legislative Budget Office and consistent with the standards, guidelines, and procedures  
 8.10 adopted under section 3.8853, prepare a fiscal note at the request of the chair of the standing  
 8.11 committee to which a bill has been referred, or the chair of the house of representatives  
 8.12 Ways and Means Committee, or the chair of the senate Committee on Finance.

8.13        For purposes of this subdivision, "Supreme Court" includes all agencies, committees,  
 8.14 and commissions supervised or appointed by the state Supreme Court or the state court  
 8.15 administrator.

8.16        **EFFECTIVE DATE.** This section is effective January 6, 2020.

8.17        Sec. 13. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

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

8.19        (1) member of the legislature;

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

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

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

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



9.1 (6) member, chief administrative officer, or deputy chief administrative officer of a state  
9.2 board or commission that has either the power to adopt, amend, or repeal rules under chapter  
9.3 14, or the power to adjudicate contested cases or appeals under chapter 14;

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

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

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

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

9.9 (11) administrative law judge or compensation judge in the State Office of Administrative  
9.10 Hearings or unemployment law judge in the Department of Employment and Economic  
9.11 Development;

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

9.14 (13) member or chief administrator of a metropolitan agency;

9.15 (14) director of the Division of Alcohol and Gambling Enforcement in the Department  
9.16 of Public Safety;

9.17 (15) member or executive director of the Higher Education Facilities Authority;

9.18 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;

9.19 (17) member of the board of directors or executive director of the Minnesota State High  
9.20 School League;

9.21 (18) member of the Minnesota Ballpark Authority established in section 473.755;

9.22 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

9.23 (20) manager of a watershed district, or member of a watershed management organization  
9.24 as defined under section 103B.205, subdivision 13;

9.25 (21) supervisor of a soil and water conservation district;

9.26 (22) director of Explore Minnesota Tourism;

9.27 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section  
9.28 97A.056;

9.29 (24) citizen member of the Clean Water Council established in section 114D.30;

10.1 (25) member or chief executive of the Minnesota Sports Facilities Authority established  
 10.2 in section 473J.07;

10.3 (26) district court judge, appeals court judge, or Supreme Court justice;

10.4 (27) county commissioner;

10.5 (28) member of the Greater Minnesota Regional Parks and Trails Commission; or

10.6 (29) member of the Destination Medical Center Corporation established in section  
 10.7 469.41.

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

10.9 Sec. 14. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to  
 10.10 read:

10.11 **Subd. 4. Fiscal note data must be shared with Legislative Budget Office.** A head or  
 10.12 chief administrative officer of a department or agency of the state government, including  
 10.13 the Supreme Court, must provide data that are used to prepare a fiscal note, including data  
 10.14 that are not public data under this section to the director of the Legislative Budget Office  
 10.15 upon the director's request and consistent with section 3.8853, subdivision 4. The data must  
 10.16 be supplied according to any procedures adopted under section 3.8853, subdivision 3,  
 10.17 including any procedures governing timeliness. Notwithstanding section 13.05, subdivision  
 10.18 9, a responsible authority may not require the Legislative Budget Office to pay a cost for  
 10.19 supplying data requested under this subdivision.

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

10.21 Sec. 15. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**  
 10.22 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

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

10.25 **Subd. 2. Impact on housing; agency determination.** (a) An agency must determine if  
 10.26 implementation of a proposed rule, or any portion of a proposed rule, will, on average,  
 10.27 increase the cost of residential construction by \$1,000 or more per unit, and whether the  
 10.28 proposed rule meets the state regulatory policy objectives described in section 14.002. In  
 10.29 calculating the cost of implementing a proposed rule, the agency may consider the impact  
 10.30 of other related proposed rules on the overall cost of residential construction. If applicable,

11.1 the agency may include offsetting savings that may be achieved through implementation  
11.2 of related proposed rules in its calculation under this subdivision.

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

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

11.17 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to  
11.18 administrative rules for which a request for comment is published on or after that date.

11.19 Sec. 16. **[16A.104] FEDERAL FUNDS REPORT.**

11.20 The commissioner must report to the chairs and ranking minority members of the house  
11.21 of representatives Ways and Means and senate Finance Committee on receipt of federal  
11.22 funds by the state. The report must be submitted with the governor's detailed operating  
11.23 budget in accordance with section 16A.11, subdivision 1, in an odd-numbered year and  
11.24 within ten days prior to the start of the regular session in accordance with section 3.3005,  
11.25 subdivision 2, in an even-numbered year. The report must include the total amount of federal  
11.26 funds received by the state in the fiscal year ending the prior June 30 and the total amount  
11.27 of federal funds anticipated to be received by the state in the current fiscal year. For each  
11.28 category of federal funding, the report must list:

11.29 (1) the name of the federal grant or federal funding source, the federal agency providing  
11.30 the funding, a federal identification number, a description of the purpose of the federal  
11.31 funding, and an electronic address at which additional relevant documents related to the  
11.32 grant or funding program may be found;

12.1 (2) the amount of federal funding the state received through that grant or source in the  
 12.2 fiscal year ending the prior June 30 and the total amount of federal funds anticipated to be  
 12.3 received by the state in the current fiscal year;

12.4 (3) if there is a federal maintenance-of-effort requirement associated with the funding;

12.5 (4) the number of full-time equivalent state employees assigned to implement the federal  
 12.6 funding's purpose;

12.7 (5) the amount of funds spent, as a match or otherwise, in conjunction with receipt of  
 12.8 the federal funding in the fiscal year ending the prior June 30, and the amount of funds  
 12.9 anticipated to be spent in the current fiscal year, listing state and nonstate sources of spent  
 12.10 funds separately; and

12.11 (6) the maximum amount of the federal funds that may be used for indirect costs  
 12.12 associated with implementing the funds' purpose.

12.13 Sec. 17. Minnesota Statutes 2016, section 16E.01, subdivision 1, is amended to read:

12.14 Subdivision 1. ~~Creation; chief information officer.~~ The Office of MN.IT Services  
 12.15 Division of Information Technology, referred to in this chapter as the "~~office,~~" "division,"  
 12.16 ~~is an agency in the executive branch headed by a~~ under the supervision of the commissioner;  
 12.17 ~~who also is the state chief information officer~~ of administration. The appointment of the  
 12.18 commissioner is subject to the advice and consent of the senate under section 15.066.

12.19 Sec. 18. Minnesota Statutes 2016, section 16E.015, is amended by adding a subdivision  
 12.20 to read:

12.21 Subd. 2a. **Commissioner.** "Commissioner" means the commissioner of administration.

12.22 Sec. 19. Minnesota Statutes 2016, section 16E.016, is amended to read:

12.23 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**  
 12.24 **AND EQUIPMENT.**

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

12.28 (1) state data centers;

12.29 (2) mainframes including system software;

12.30 (3) servers including system software;

- 13.1 ~~(4) desktops including system software;~~
- 13.2 ~~(5) laptop computers including system software;~~
- 13.3 ~~(6)~~ (4) a data network including system software;
- 13.4 ~~(7) database;~~ (5) electronic mail, ~~office systems, reporting, and other standard software~~
- 13.5 ~~tools;~~
- 13.6 ~~(8) business application software and related technical support services;~~
- 13.7 ~~(9)~~ (6) help desk for the components listed in clauses (1) to ~~(8)~~ (5);
- 13.8 ~~(10)~~ (7) maintenance, problem resolution, and break-fix for the components listed in
- 13.9 clauses (1) to ~~(8)~~ (5); and
- 13.10 ~~(11)~~ (8) regular upgrades and replacement for the components listed in clauses (1) to
- 13.11 ~~(8)~~; and (5).
- 13.12 ~~(12) network-connected output devices.~~
- 13.13 (b) The chief information officer is responsible for providing or entering into managed
- 13.14 services contracts for the provision, improvement, and development of the following
- 13.15 information technology systems and services to a state agency, at the request of the agency:
- 13.16 (1) desktops including system software;
- 13.17 (2) laptop computers including system software;
- 13.18 (3) database, office systems, reporting, and other standard software tools;
- 13.19 (4) business application software and related technical support services;
- 13.20 (5) help desk for the components listed in clauses (1) to (4);
- 13.21 (6) maintenance, problem resolution, and break-fix for the components listed in clauses
- 13.22 (1) to (4);
- 13.23 (7) regular upgrades and replacement for the components listed in clauses (1) to (4); and
- 13.24 (8) network-connected output devices.
- 13.25 ~~(b)~~ (c) All state agency employees whose work primarily involves functions specified
- 13.26 in paragraph (a) are employees of the Office of MN.IT Services in the Division of Information
- 13.27 Technology under the Department of Administration. This includes employees who directly
- 13.28 perform the functions in paragraph (a), as well as employees whose work primarily involves
- 13.29 managing, supervising, or providing administrative services or support services to employees

14.1 who directly perform these functions. The chief information officer may assign employees  
 14.2 of the ~~office~~ division to perform work exclusively for another state agency.

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

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

14.14 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to contracts  
 14.15 entered into on or after that date.

14.16 Sec. 20. Minnesota Statutes 2016, section 16E.02, is amended to read:

14.17 **16E.02 OFFICE OF MN.IT SERVICES DIVISION OF INFORMATION**  
 14.18 **TECHNOLOGY; STRUCTURE AND PERSONNEL.**

14.19 Subdivision 1. **Office management and structure.** (a) The chief information officer is  
 14.20 appointed by the ~~governor~~ commissioner, subject to the advice and consent of the senate  
 14.21 under section 15.066. The chief information officer serves in the unclassified service at the  
 14.22 pleasure of the ~~governor~~ commissioner. The chief information officer must have experience  
 14.23 leading enterprise-level information technology organizations. The chief information officer  
 14.24 is the state's chief information officer and information and telecommunications technology  
 14.25 advisor to the governor.

14.26 (b) The chief information officer may appoint other employees of the ~~office~~ division.  
 14.27 The staff of the ~~office~~ division must include individuals knowledgeable in information and  
 14.28 telecommunications technology systems and services and individuals with specialized  
 14.29 training in information security and accessibility.

14.30 (c) The chief information officer may appoint a Webmaster responsible for the supervision  
 14.31 and development of state Web sites under the control of the ~~office~~ division. The Webmaster,  
 14.32 if appointed, shall ensure that these Web sites are maintained in an easily accessible format  
 14.33 that is consistent throughout state government and are consistent with the accessibility

15.1 standards developed under section 16E.03, subdivision 9. The Webmaster, if appointed,  
 15.2 shall provide assistance and guidance consistent with the requirements of this paragraph to  
 15.3 other state agencies for the maintenance of other Web sites not under the direct control of  
 15.4 the ~~office~~ division.

15.5 Subd. 1a. **Accountability.** The chief information officer reports to the ~~governor~~  
 15.6 commissioner. The chief information officer must consult regularly with the commissioners  
 15.7 of ~~administration~~, management and budget, human services, revenue, and other  
 15.8 commissioners as designated by the governor, on technology projects, standards, and services  
 15.9 as well as management of resources and staff utilization.

15.10 Sec. 21. Minnesota Statutes 2017 Supplement, section 16E.0466, subdivision 1, is amended  
 15.11 to read:

15.12 Subdivision 1. **Consultation required.** (a) Every state agency with an information or  
 15.13 telecommunications project must consult with the ~~Office of MN.IT Services~~ Division of  
 15.14 Information Technology to determine the information technology cost of the project if the  
 15.15 division is selected by an agency to perform the project. Upon agreement between the  
 15.16 commissioner of a particular agency and the chief information officer, the agency must  
 15.17 transfer the information technology cost portion of the project to the ~~Office of MN.IT~~  
 15.18 ~~Services~~ commissioner of administration. Service level agreements must document all  
 15.19 project-related transfers under this section. Those agencies specified in section 16E.016,  
 15.20 paragraph ~~(d)~~ (e), are exempt from the requirements of this section.

15.21 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance  
 15.22 appropriated to a state agency may be transferred to the information and telecommunications  
 15.23 technology systems and services account for the information technology cost of a specific  
 15.24 project, subject to the review of the Legislative Advisory Commission, under section 16E.21,  
 15.25 subdivision 3.

15.26 Sec. 22. Minnesota Statutes 2016, section 16E.055, is amended to read:

15.27 **16E.055 ELECTRONIC GOVERNMENT SERVICES.**

15.28 A state agency that implements electronic government services for fees, licenses, sales,  
 15.29 or other purposes ~~must~~ may use the single entry site created by the chief information officer  
 15.30 for all agencies to use for electronic government services.

16.1 Sec. 23. Minnesota Statutes 2016, section 16E.14, is amended to read:

16.2 **16E.14 MN.IT SERVICES INFORMATION TECHNOLOGY REVOLVING**  
 16.3 **FUND.**

16.4 Subdivision 1. **Creation.** The ~~MN.IT services~~ information technology revolving fund  
 16.5 is created in the state treasury.

16.6 Subd. 2. **Appropriation and uses of fund.** Money in the ~~MN.IT services~~ information  
 16.7 technology revolving fund is appropriated annually to the ~~chief information officer~~  
 16.8 commissioner to operate information and telecommunications services, including  
 16.9 management, consultation, and design services.

16.10 Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each  
 16.11 agency shall reimburse the ~~MN.IT services~~ information technology revolving fund for the  
 16.12 cost of all services, supplies, materials, labor, and depreciation of equipment, including  
 16.13 reasonable overhead costs, which the ~~chief information officer~~ commissioner is authorized  
 16.14 and directed to furnish an agency. The ~~chief information officer~~ commissioner shall report  
 16.15 the rates to be charged for the revolving fund no later than ~~July 1 each~~ June 1 each  
 16.16 even-numbered calendar year to the chair of the committee or division in the senate and  
 16.17 house of representatives with primary jurisdiction over the budget of the ~~Office of MN.IT~~  
 16.18 ~~Services~~ Division of Information Technology. These rates shall apply for the biennium  
 16.19 beginning July 1 of the following calendar year.

16.20 Subd. 4. **Cash flow.** The commissioner of management and budget shall make appropriate  
 16.21 transfers to the revolving fund when requested by the chief information officer. The chief  
 16.22 information officer may make allotments and encumbrances in anticipation of such transfers.  
 16.23 In addition, the ~~chief information officer~~ commissioner, with the approval of the  
 16.24 commissioner of management and budget, may require an agency to make advance payments  
 16.25 to the revolving fund sufficient to cover the ~~office's~~ division's estimated obligation for a  
 16.26 period of at least 60 days. All reimbursements and other money received by the ~~chief~~  
 16.27 ~~information officer~~ commissioner under this section must be deposited in the ~~MN.IT services~~  
 16.28 information technology revolving fund.

16.29 Subd. 5. **Liquidation.** If the ~~MN.IT services~~ information technology revolving fund is  
 16.30 abolished or liquidated, the total net profit from the operation of the fund must be distributed  
 16.31 to the various funds from which purchases were made. The amount to be distributed to each  
 16.32 fund must bear to the net profit the same ratio as the total purchases from each fund bears  
 16.33 to the total purchases from all the funds during the same period of time.



17.1 **EFFECTIVE DATE.** This section is effective July 1, 2018, except that the commissioner  
17.2 shall report rates to be charged for the revolving fund no later than July 1, 2018, for the  
17.3 biennium beginning July 1, 2019.

17.4 Sec. 24. Minnesota Statutes 2016, section 16E.18, subdivision 4, is amended to read:

17.5 Subd. 4. **Program participation.** The chief information officer may ~~require~~ request the  
17.6 participation of state agencies ~~and~~, the commissioner of education, ~~and may request the~~  
17.7 ~~participation of~~ the Board of Regents of the University of Minnesota, and the Board of  
17.8 Trustees of the Minnesota State Colleges and Universities, in the planning and  
17.9 implementation of the network to provide interconnective technologies. The Board of  
17.10 Trustees of the Minnesota State Colleges and Universities may opt out of participation as  
17.11 a subscriber on the network, in whole or in part, if the board is able to secure  
17.12 telecommunications services from another source that ensures it will achieve the policy  
17.13 objectives set forth in subdivision 1.

17.14 Sec. 25. Minnesota Statutes 2016, section 16E.18, subdivision 6, is amended to read:

17.15 Subd. 6. **Rates.** (a) The chief information officer shall establish reimbursement rates in  
17.16 cooperation with the commissioner of management and budget to be billed to participating  
17.17 agencies and educational institutions sufficient to cover the operating, maintenance, and  
17.18 administrative costs of the system.

17.19 (b) An invoice or statement to an agency from the chief information officer must include  
17.20 clear descriptions of the services the Office of MN.IT Services has provided. The invoice  
17.21 or statement must categorize or code services in a manner prescribed by the agency, or the  
17.22 chief information office must provide supplemental information with an invoice or statement  
17.23 that categorizes or codes all services reflected on the invoice or statement in a manner  
17.24 prescribed by the agency.

17.25 (c) Except as otherwise provided in subdivision 4, a direct appropriation made to an  
17.26 educational institution for usage costs associated with the state information infrastructure  
17.27 must only be used by the educational institution for payment of usage costs of the network  
17.28 as billed by the chief information officer.

17.29 Sec. 26. Minnesota Statutes 2016, section 155A.25, subdivision 1a, is amended to read:

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

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

- 18.1 (1) \$195 initial practitioner, manager, or instructor license, divided as follows:
- 18.2 (i) \$155 for each initial license; and
- 18.3 (ii) \$40 for each initial license application fee;
- 18.4 (2) \$115 renewal of practitioner license, divided as follows:
- 18.5 (i) \$100 for each renewal license; and
- 18.6 (ii) \$15 for each renewal application fee;
- 18.7 (3) \$145 renewal of manager or instructor license, divided as follows:
- 18.8 (i) \$130 for each renewal license; and
- 18.9 (ii) \$15 for each renewal application fee;
- 18.10 (4) \$350 initial salon license, divided as follows:
- 18.11 (i) \$250 for each initial license; and
- 18.12 (ii) \$100 for each initial license application fee;
- 18.13 (5) \$225 renewal of salon license, divided as follows:
- 18.14 (i) \$175 for each renewal; and
- 18.15 (ii) \$50 for each renewal application fee;
- 18.16 (6) \$4,000 initial school license, divided as follows:
- 18.17 (i) \$3,000 for each initial license; and
- 18.18 (ii) \$1,000 for each initial license application fee; and
- 18.19 (7) \$2,500 renewal of school license, divided as follows:
- 18.20 (i) \$2,000 for each renewal; and
- 18.21 (ii) \$500 for each renewal application fee.
- 18.22 (c) Penalties may be assessed in amounts up to the following:
- 18.23 (1) reinspection fee, \$150;
- 18.24 (2) manager and owner with expired practitioner found on inspection, \$150 each;
- 18.25 (3) expired practitioner or instructor found on inspection, \$200;
- 18.26 (4) expired salon found on inspection, \$500;
- 18.27 (5) expired school found on inspection, \$1,000;

- 19.1 (6) failure to display current license, \$100;
- 19.2 (7) failure to dispose of single-use equipment, implements, or materials as provided  
19.3 under section 155A.355, subdivision 1, \$500;
- 19.4 (8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355,  
19.5 subdivision 2, \$500;
- 19.6 (9) performing nail or cosmetology services in esthetician salon, or performing esthetician  
19.7 or cosmetology services in a nail salon, \$500;
- 19.8 (10) owner and manager allowing an operator to work as an independent contractor,  
19.9 \$200;
- 19.10 (11) operator working as an independent contractor, \$100;
- 19.11 (12) refusal or failure to cooperate with an inspection, \$500;
- 19.12 (13) practitioner late renewal fee, \$45; and
- 19.13 (14) salon or school late renewal fee, \$50.
- 19.14 (d) Administrative fees are as follows:
- 19.15 (1) homebound service permit, \$50 three-year fee;
- 19.16 (2) name change, \$20;
- 19.17 (3) certification of licensure, \$30 each;
- 19.18 (4) duplicate license, \$20;
- 19.19 (5) special event permit, \$75 per year;
- 19.20 ~~(6) registration of hair braiders, \$20 per year;~~
- 19.21 ~~(7)~~ (6) \$100 for each temporary military license for a cosmetologist, nail technician,  
19.22 esthetician, or advanced practice esthetician one-year fee;
- 19.23 ~~(8)~~ (7) expedited initial individual license, \$150;
- 19.24 ~~(9)~~ (8) expedited initial salon license, \$300;
- 19.25 ~~(10)~~ (9) instructor continuing education provider approval, \$150 each year; and
- 19.26 ~~(11)~~ (10) practitioner continuing education provider approval, \$150 each year.

20.1 Sec. 27. Minnesota Statutes 2016, section 155A.28, is amended by adding a subdivision  
20.2 to read:

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

20.5 Sec. 28. Minnesota Statutes 2016, section 179A.06, subdivision 3, is amended to read:

20.6 Subd. 3. **Fair share fee.** An exclusive representative ~~may~~ shall not require employees  
20.7 who are not members of the exclusive representative to contribute a fair share fee for services  
20.8 rendered by the exclusive representative. ~~The fair share fee must be equal to the regular~~  
20.9 ~~membership dues of the exclusive representative, less the cost of benefits financed through~~  
20.10 ~~the dues and available only to members of the exclusive representative. In no event may~~  
20.11 ~~the fair share fee exceed 85 percent of the regular membership dues. The exclusive~~  
20.12 ~~representative shall provide advance written notice of the amount of the fair share fee to~~  
20.13 ~~the employer and to unit employees who will be assessed the fee. The employer shall provide~~  
20.14 ~~the exclusive representative with a list of all unit employees.~~

20.15 A challenge by an employee or by a person aggrieved by the fee must be filed in writing  
20.16 with the commissioner, the public employer, and the exclusive representative within 30  
20.17 days after receipt of the written notice. All challenges must specify those portions of the  
20.18 fee challenged and the reasons for the challenge. The burden of proof relating to the amount  
20.19 of the fair share fee is on the exclusive representative. The commissioner shall hear and  
20.20 decide all issues in these challenges.

20.21 The employer shall deduct the fee from the earnings of the employee and transmit the  
20.22 fee to the exclusive representative 30 days after the written notice was provided. If a challenge  
20.23 is filed, the deductions for a fair share fee must be held in escrow by the employer pending  
20.24 a decision by the commissioner.

20.25 **EFFECTIVE DATE.** This section is effective the day following a decision by the  
20.26 United States Supreme Court holding that public employees who are not members of an  
20.27 exclusive representative shall not be required to pay fair share fees.

20.28 Sec. 29. Minnesota Statutes 2016, section 201.022, is amended by adding a subdivision  
20.29 to read:

20.30 Subd. 4. **Voter records updated due to voting report.** No later than eight weeks after  
20.31 the election, the county auditor must use the statewide voter registration system to produce  
20.32 a report that identifies each voter whose record indicates that it was updated due to voting.

21.1 The county auditor must investigate each record that is challenged for a reason related to  
 21.2 eligibility to determine if the voter appears to have been ineligible to vote. If the county  
 21.3 auditor determines that a voter appears to have been ineligible to vote and either registered  
 21.4 to vote or voted in the previous election, the county auditor must notify the law enforcement  
 21.5 agency or the county attorney as provided in section 201.275.

21.6 Sec. 30. Minnesota Statutes 2016, section 201.022, is amended by adding a subdivision  
 21.7 to read:

21.8 Subd. 5. **Inactive voter report.** By November 6, 2018, the secretary of state must develop  
 21.9 a report within the statewide voter registration system that provides information on inactive  
 21.10 voters who registered on election day and were possibly ineligible. For elections on or after  
 21.11 November 6, 2018, no later than eight weeks after the election, the county auditor must use  
 21.12 the statewide voter registration system to produce the report. The county auditor must  
 21.13 investigate each record to determine if the voter appears to have been ineligible to vote. If  
 21.14 the county auditor determines that a voter appears to have been ineligible to vote and  
 21.15 registered to vote in the previous election, the county auditor must notify the law enforcement  
 21.16 agency or the county attorney as provided in section 201.275.

21.17 Sec. 31. Minnesota Statutes 2017 Supplement, section 477A.03, subdivision 2b, is amended  
 21.18 to read:

21.19 Subd. 2b. **Counties.** (a) For aids payable in 2018 through 2024, the total aid payable  
 21.20 under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be  
 21.21 allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable  
 21.22 in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is  
 21.23 \$100,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the  
 21.24 commissioner of revenue to make reimbursements to the commissioner of management and  
 21.25 budget for payments made under section 611.27. The reimbursements shall be to defray the  
 21.26 additional costs associated with court-ordered counsel under section 611.27. Any retained  
 21.27 amounts not used for reimbursement in a year shall be included in the next distribution of  
 21.28 county need aid that is certified to the county auditors for the purpose of property tax  
 21.29 reduction for the next taxes payable year.

21.30 (b) For aids payable in 2018 and thereafter, the total aid under section 477A.0124,  
 21.31 subdivision 4, is \$130,873,444. The commissioner of revenue shall transfer ~~to the~~  
 21.32 ~~commissioner of management and budget~~ \$207,000 annually for the cost of preparation of

22.1 local impact notes as required by section 3.987, ~~and other local government activities~~ to the  
 22.2 Legislative Coordinating Commission for use by the Legislative Budget Office.

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

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

22.10 Sec. 32. Laws 2017, First Special Session chapter 4, article 1, section 10, subdivision 1,  
 22.11 is amended to read:

22.12				<b>2,662,000</b>
22.13	Subdivision 1. <b>Total Appropriation</b>	\$	<b>2,642,000</b>	\$ <b><u>2,643,000</u></b>

22.14 The amounts that may be spent for each  
 22.15 purpose are specified in the following  
 22.16 subdivisions.

22.17 The state chief information officer must  
 22.18 prioritize use of appropriations provided by  
 22.19 this section to enhance cybersecurity across  
 22.20 state government.

22.21 Sec. 33. Laws 2017, First Special Session chapter 4, article 2, section 1, the effective date,  
 22.22 is amended to read:

22.23 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018.

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

22.25 Sec. 34. Laws 2017, First Special Session chapter 4, article 2, section 3, the effective date,  
 22.26 is amended to read:

22.27 **EFFECTIVE DATE.** Except where otherwise provided by law, this section is effective  
 22.28 ~~January 8, 2019~~ July 1, 2018.

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

23.1 Sec. 35. Laws 2017, First Special Session chapter 4, article 2, section 9, the effective date,  
23.2 is amended to read:

23.3 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ January 6, 2020.

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

23.5 Sec. 36. Laws 2017, First Special Session chapter 4, article 2, section 58, the effective  
23.6 date, is amended to read:

23.7 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018. The contract  
23.8 required under this section must be executed no later than November 1, 2018, and must  
23.9 provide for the Legislative Budget Office to have access to the fiscal note tracking system  
23.10 from December 15, 2018, to January 5, 2020, and for the transfer of operational control of  
23.11 the fiscal note tracking system to the Legislative Budget Office on January 6, 2020.

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

23.13 Sec. 37. **LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION; FIRST**  
23.14 **APPOINTMENTS; FIRST CHAIR; FIRST MEETING.**

23.15 Appointments to the Legislative Budget Office Oversight Commission under Minnesota  
23.16 Statutes, section 3.8854, must be made by June 15, 2018. The chair of the Legislative  
23.17 Coordinating Commission must designate one appointee to convene the commission's first  
23.18 meeting. The designated appointee must convene the first meeting no later than July 1,  
23.19 2018. The first chair of the Legislative Budget Office Oversight Commission shall be a  
23.20 member of the senate and shall serve until the commission elects a chair at a meeting in  
23.21 January 2019.

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

23.23 Sec. 38. **LEGISLATIVE BUDGET OFFICE DELIVERY OF FISCAL NOTES AND**  
23.24 **LOCAL IMPACT NOTES BEFORE JANUARY 6, 2020.**

23.25 Subdivision 1. **Management and budget responsibility.** Until January 6, 2020, the  
23.26 responsibilities of the commissioner of management and budget with regard to fiscal notes  
23.27 and local impact notes remains the same as on May 1, 2017.

23.28 Subd. 2. **Fiscal note request.** Until January 6, 2020, the commissioner of management  
23.29 and budget must submit to the director of the Legislative Budget Office a daily list of all  
23.30 new requests for fiscal notes that have been requested since the previous list submitted under  
23.31 this subdivision. The commissioner must submit the daily fiscal note list at the end of each

24.1 business day. For fiscal note requests received between the end of the business day on Friday  
24.2 and Monday morning, the commissioner shall submit the list on Monday morning.  
24.3 Notwithstanding the daily list requirement in this subdivision, when the legislature is not  
24.4 in session, the commissioner shall submit a weekly list of all fiscal notes received during  
24.5 the previous week.

24.6 Subd. 3. **Local impact note request.** Until January 6, 2020, the commissioner of  
24.7 management and budget will forward to the director of the Legislative Budget Office at the  
24.8 end of each week a list of all requests for local impact notes that the commissioner has  
24.9 received since the previous list submitted under this subdivision.

24.10 Subd. 4. **Legislative Budget Office sampling.** (a) Until January 6, 2020, the director  
24.11 of the Legislative Budget Office shall select from among the requests for fiscal notes and  
24.12 local impact notes a subset for the Legislative Budget Office to coordinate on a test basis.  
24.13 Within 48 hours of receiving a list of requests from the commissioner of management and  
24.14 budget, the director shall communicate to the lead nonpartisan fiscal analyst of the senate  
24.15 and the chief nonpartisan fiscal analyst of the house of representatives whether the Legislative  
24.16 Budget Office will coordinate a fiscal note or local impact note from the listed requests.  
24.17 The subset selected by the director must include a cross-section of the jurisdictions of the  
24.18 standing committees in the house of representatives and senate and must include a  
24.19 representative number of multiagency fiscal notes. During the 2019 legislative session, the  
24.20 Legislative Budget Office shall complete coordination of at least 300 fiscal notes and at  
24.21 least two local impact notes.

24.22 (b) By June 30, 2019, the director of the Legislative Budget Office shall deliver a  
24.23 summary report to the chairs and ranking minority members of the Committee on Finance  
24.24 in the senate and the Committee on Ways and Means in the house of representatives and to  
24.25 the lead nonpartisan fiscal analyst of the senate and the chief nonpartisan fiscal analyst of  
24.26 the house of representatives identifying each fiscal note and local impact note request  
24.27 received, the subset selected for coordination, the date the director received a list from the  
24.28 commissioner of management and budget identifying the request, and the date of delivery  
24.29 of completed notes.

24.30 Subd. 5. **Agency coordination.** (a) Until January 6, 2020, the head or chief administrative  
24.31 officer of each department or agency of the state government, including the Supreme Court,  
24.32 shall, in consultation with the Legislative Budget Office and consistent with the procedures  
24.33 adopted under Minnesota Statutes, section 3.8853, prepare a fiscal note at the request of the  
24.34 chair of the standing committee to which a bill has been referred, or the chair of the house



25.1 of representatives Ways and Means Committee, or the chair of the senate Committee on  
25.2 Finance.

25.3 (b) For purposes of this subdivision, "Supreme Court" includes all agencies, committees,  
25.4 and commissions supervised or appointed by the state Supreme Court or the state court  
25.5 administrator.

25.6 Subd. 6. **Delivery of fiscal notes.** Until January 6, 2020, the director of the Legislative  
25.7 Budget Office shall timely deliver completed fiscal notes and local impact notes, each clearly  
25.8 labeled as "LBO-Coordinated Transition-Year Test Note," to the chair of the committee in  
25.9 the house of representatives or the senate who requested the note and to the chief author of  
25.10 the bill to which it relates.

25.11 Subd. 7. **Legislative Budget Office Oversight Commission performance assessment.**  
25.12 By November 1, 2019, the Legislative Budget Office Oversight Commission shall report  
25.13 to the chairs and members of the Committee on Finance in the senate and the Committee  
25.14 on Ways and Means in the house of representatives on the performance of the Legislative  
25.15 Budget Office in coordinating fiscal notes and local impact notes during the 2019 legislative  
25.16 session. The report shall consider the timeliness of the delivery of the notes and the quality  
25.17 of the notes in comparison to the timeliness and quality of the notes coordinated on the same  
25.18 bills by the commissioner of management and budget, and the cost-effectiveness of the  
25.19 work of the Legislative Budget Office.

25.20 **EFFECTIVE DATE.** This section is effective January 8, 2019, and expires on January  
25.21 6, 2020.

25.22 Sec. 39. **OFFICE OF MN.IT SERVICES; TRANSFER.**

25.23 Minnesota Statutes, sections 15.039 and 43A.045, apply to the transfer from the Office  
25.24 of MN.IT Services to the commissioner of administration.

25.25 Sec. 40. **PURPOSE.**

25.26 The state wishes to honor all Minnesota veterans who have honorably and bravely served  
25.27 in the United States armed forces, both at home and abroad, during World War I.

25.28 Sec. 41. **PLAQUE AUTHORIZED.**

25.29 The commissioner of administration shall place a memorial plaque in the court of honor  
25.30 on the Capitol grounds to recognize the valiant service of Minnesota veterans who have  
25.31 honorably and bravely served in the United States armed forces, both at home and abroad,

26.1 during World War I. This plaque will replace the current plaque honoring veterans who  
 26.2 served abroad during World War I. The Capitol Area Architectural and Planning Board  
 26.3 shall solicit design submissions from the public. Each design submission must include a  
 26.4 commitment to furnish the plaque. The Capitol Area Architectural and Planning Board shall  
 26.5 select a design from those submitted to use as a basis for final production. The selected  
 26.6 design must be approved by the commissioner of veterans affairs and must be furnished by  
 26.7 the person or group who submitted the design.

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

26.9 Sec. 42. **APPROPRIATION AND TRANSFERS; SECRETARY OF STATE.**

26.10 (a) \$1,534,000 is appropriated in fiscal year 2019 from the account established in  
 26.11 Minnesota Statutes, section 5.30, pursuant to the Help America Vote Act, to the secretary  
 26.12 of state for the purposes of modernizing, securing, and updating the statewide voter  
 26.13 registration system and for cyber security upgrades as authorized by federal law. This is a  
 26.14 onetime appropriation and is available until June 30, 2022.

26.15 (b) Of the \$207,000 transferred by the commissioner of revenue to the commissioner of  
 26.16 management and budget as provided in Minnesota Statutes, section 477A.03, subdivision  
 26.17 2b, paragraph (b), the commissioner of management and budget shall deposit \$150,000 in  
 26.18 fiscal year 2019 into the account established in Minnesota Statutes, section 5.30, for the  
 26.19 purposes authorized under the Omnibus Appropriations Act of 2018, Public Law 115-1410,  
 26.20 and Section 101 of the Help America Vote Act of 2002, Public Law 107-252. This is a  
 26.21 onetime transfer.

26.22 (c) \$110,000 expended by the secretary of state in fiscal year 2018 for increasing secure  
 26.23 access to the statewide voter registration system was money appropriated for carrying out  
 26.24 the purposes authorized under the Omnibus Appropriations Act of 2018, Public Law  
 26.25 115-1410, and the Help America Vote Act of 2002, Public Law 107-252, section 101, and  
 26.26 is deemed to be credited towards any match required by those laws.

26.27 Sec. 43. **APPROPRIATION; DEPARTMENT OF HEALTH.**

26.28 \$33,000 is appropriated in fiscal year 2019 from the state government special revenue  
 26.29 fund to the commissioner of health to perform a cost analysis on rules impacting residential  
 26.30 construction or remodeling as specified in Minnesota Statutes, section 14.1275. This is a  
 26.31 onetime appropriation.

27.1 Sec. 44. **REVISOR'S INSTRUCTION.**

27.2 (a) The revisor of statutes shall change "Office of MN.IT Services" to "Division of  
27.3 Information Technology" and change "commissioner of MN.IT Services" to "commissioner  
27.4 of administration" wherever these terms occur in Minnesota Statutes. The revisor of statutes  
27.5 shall change "the office" to "the division" throughout Minnesota Statutes, chapter 16E.

27.6 (b) The revisor of statutes shall recodify Minnesota Statutes, chapter 16E, in Minnesota  
27.7 Statutes, chapter 16B.

27.8 Sec. 45. **REPEALER.**

27.9 (a) Minnesota Statutes 2016, section 16E.145, is repealed.

27.10 (b) Minnesota Statutes 2016, section 155A.28, subdivisions 1, 3, and 4, are repealed.

27.11 (c) Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4, is repealed.

27.12 (d) Laws 2017, First Special Session chapter 4, article 2, section 59, is repealed.

27.13 **EFFECTIVE DATE.** Paragraph (c) is effective January 5, 2020. Paragraph (d) is  
27.14 effective the day following final enactment.

**3.98 FISCAL NOTES.**

Subd. 4. **Uniform procedure.** The Legislative Budget Office shall prescribe a uniform procedure to govern the departments and agencies of the state in complying with the requirements of this section.

**16E.145 INFORMATION TECHNOLOGY APPROPRIATION.**

An appropriation for a state agency information and telecommunications technology project must be made to the chief information officer. The chief information officer must manage and disburse the appropriation on behalf of the sponsoring state agency. Any appropriation for an information and telecommunications technology project made to a state agency other than the Office of MN.IT Services is transferred to the chief information officer.

**155A.28 HAIR BRAIDING.**

Subdivision 1. **Registration.** Any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall register with the Minnesota Board of Cosmetologist Examiners in a form determined by the board.

Subd. 3. **Requirements.** In order to qualify for initial registration, any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall satisfactorily complete instruction at either an accredited school, professional association, or by an individual approved by the board. Instruction includes coursework covering the topics of health, safety, infection control, and state laws related to cosmetology not to exceed 30 hours. The coursework is encouraged to be provided in a foreign language format and such availability shall be reported to and posted by the Minnesota Board of Cosmetologist Examiners.

Subd. 4. **Curriculum.** An accredited school, professional association, or an individual approved by the board desiring to provide the coursework required under subdivision 3 shall have curriculum in place by January 1, 2008.

*Laws 2017, First Special Session chapter 4, article 2, section 59*

Sec. 59. LEGISLATIVE BUDGET OFFICE TRANSITION PLANNING TASK FORCE.

Subdivision 1. **Membership.** The Legislative Budget Office Transition Planning Task Force is established. The task force consists of the following members:

(1) two members of the house of representatives, one appointed by the speaker of the house, and one appointed by the minority leader of the house of representatives;

(2) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, one of whom must represent the majority caucus of the senate, and one of whom must represent the minority caucus of the senate;

(3) the legislative auditor;

(4) the commissioner of management and budget; and

(5) the state budget director.

The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan fiscal analyst of the senate, and two members from executive branch agencies, appointed by the commissioner of management and budget, shall serve as ex-officio, nonvoting members of the task force. Appointments required by this section must be made no later than July 15, 2017. The chair of the Legislative Coordinating Commission shall designate one member of the task force to serve as its chair.

Subd. 2. **Duties; report required.** (a) The task force must develop a plan for the orderly transition of fiscal note and local impact note responsibilities from Minnesota Management and Budget to the Legislative Budget Office, as required by this act. At a minimum, the plan must consider the office's responsibilities for fiscal notes and local impact notes, the duties of state agencies and departments and local governments in facilitating the office's work, and any other issues relevant to the transition of duties to the office, as determined by the task force. The plan may include recommendations for additional legislation as necessary to implement the task force's transition plan, or to further clarify or structure the office's responsibilities.

(b) The task force must submit a preliminary report no later than January 15, 2018, and a final report no later than December 1, 2018, to the chairs and ranking minority members of the house of representatives Ways and Means Committee and the senate Finance Committee. The final report must describe the task force's work, including recommendations for a transition plan and any recommendations for legislation developed under paragraph (a).

Subd. 3. **Staff.** The Legislative Coordinating Commission must provide research and administrative assistance to support the work of the task force.

Subd. 4. **Expiration.** The task force expires upon submission of its final report to the legislature under subdivision 2.