

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 888**

(SENATE AUTHORS: SAXHAUG and Carlson)

DATE	D-PG	OFFICIAL STATUS
02/16/2015	311	Introduction and first reading Referred to State and Local Government
03/11/2015	659a	Comm report: To pass as amended and re-refer to Finance
04/16/2015		Comm report: To pass as amended Second reading

A bill for an act

1.1 relating to the operation of state government; providing funding for the legislature,  
1.2 constitutional officers, and other agencies, boards, councils, commissions, and  
1.3 state entities; changing certain government programs; changing requirement for  
1.4 targeted group business; changing licensing provisions for pari-mutuel horse  
1.5 racing; changing the monthly regulatory fee for lawful gambling; specifying  
1.6 additional uses for the "Support Our Troops Fund"; appropriating money;  
1.7 amending Minnesota Statutes 2014, sections 14.365; 16A.28, subdivision 1;  
1.8 16C.16, subdivision 2, by adding a subdivision; 16C.19; 161.1419, subdivision  
1.9 8; 190.19, subdivision 2a; 240.08, subdivision 4; 240.10; 349.16, subdivision 6a;  
1.10 Laws 2013, chapter 142, article 1, section 10; Laws 2014, chapter 287, section 25.  
1.11

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

**ARTICLE 1**

**STATE GOVERNMENT APPROPRIATIONS**

1.15 Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

1.16 The sums shown in the columns marked "Appropriations" are appropriated to the  
1.17 agencies and for the purposes specified in this article. The appropriations are from the  
1.18 general fund, or another named fund, and are available for the fiscal years indicated  
1.19 for each purpose. The figures "2016" and "2017" used in this article mean that the  
1.20 appropriations listed under them are available for the fiscal year ending June 30, 2016, or  
1.21 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal  
1.22 year 2017. "The biennium" is fiscal years 2016 and 2017.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2016</u></b>	<b><u>2017</u></b>

1.27 Sec. 2. **LEGISLATURE**

2.1	<u>Subdivision 1. <b>Total Appropriation</b></u>		<u>\$</u>	<u>74,774,000</u>	<u>\$</u>	<u>78,969,000</u>
2.2	<u>Appropriations by Fund</u>					
2.3		<u>2016</u>		<u>2017</u>		
2.4	<u>General</u>	<u>74,646,000</u>		<u>78,841,000</u>		
2.5	<u>Health Care Access</u>	<u>128,000</u>		<u>128,000</u>		
2.6	<u>The amounts that may be spent for each</u>					
2.7	<u>purpose are specified in the following</u>					
2.8	<u>subdivisions.</u>					
2.9	<u>Subd. 2. <b>Senate</b></u>			<u>27,223,000</u>		<u>30,943,000</u>
2.10	<u>Subd. 3. <b>House of Representatives</b></u>			<u>30,524,000</u>		<u>30,524,000</u>
2.11	<u>During the biennium ending June 30, 2017,</u>					
2.12	<u>any revenues received by the house of</u>					
2.13	<u>representatives from voluntary donations</u>					
2.14	<u>to support broadcast or print media are</u>					
2.15	<u>appropriated to the house of representatives.</u>					
2.16	<u>Subd. 4. <b>Legislative Coordinating Commission</b></u>			<u>17,027,000</u>		<u>17,502,000</u>
2.17	<u>Appropriations by Fund</u>					
2.18	<u>General</u>	<u>16,899,000</u>		<u>17,374,000</u>		
2.19	<u>Health Care Access</u>	<u>128,000</u>		<u>128,000</u>		
2.20	<u>\$380,000 the first year and \$855,000 the</u>					
2.21	<u>second year are from the general fund</u>					
2.22	<u>for transfer to the Office of the Revisor</u>					
2.23	<u>of Statutes to develop and maintain a</u>					
2.24	<u>Web-based rulemaking system. The base</u>					
2.25	<u>in fiscal year 2018 and fiscal year 2019 is</u>					
2.26	<u>\$430,000 from the general fund for transfer</u>					
2.27	<u>to the Office of the Revisor of Statutes.</u>					
2.28	<u>Sec. 3. <b>GOVERNOR AND LIEUTENANT</b></u>					
2.29	<u><b>GOVERNOR</b></u>		<u>\$</u>	<u>3,615,000</u>	<u>\$</u>	<u>3,616,000</u>
2.30	<u>(a) This appropriation is to fund the Office of</u>					
2.31	<u>the Governor and Lieutenant Governor.</u>					
2.32	<u>(b) \$19,000 the first year and \$19,000 the</u>					
2.33	<u>second year are for necessary expenses in</u>					



4.1 are appropriated for the purposes and uses  
 4.2 authorized by federal law.

4.3 **Sec. 7. CAMPAIGN FINANCE AND PUBLIC**  
 4.4 **DISCLOSURE BOARD** \$ **1,014,000** \$ **1,028,000**

4.5 **Sec. 8. INVESTMENT BOARD** \$ **139,000** \$ **139,000**

4.6 **Sec. 9. ADMINISTRATIVE HEARINGS** \$ **7,695,000** \$ **7,568,000**

4.7	<u>Appropriations by Fund</u>		
4.8	<u>2016</u>	<u>2017</u>	
4.9	<u>General</u>	<u>445,000</u>	<u>318,000</u>
4.10	<u>Workers'</u>		
4.11	<u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

4.12 (a) \$50,000 in fiscal year 2016 and \$50,000  
 4.13 in fiscal year 2017 are appropriated from the  
 4.14 general fund to the Office of Administrative  
 4.15 Hearings for the cost of considering  
 4.16 complaints of unfair campaign practices  
 4.17 filed under Minnesota Statutes, section  
 4.18 211B.32. These amounts may be used in  
 4.19 either year of the biennium. \$50,000 is added  
 4.20 to the agency's base to be available for the  
 4.21 biennium.

4.22 (b) \$6,000 in fiscal year 2016 and \$6,000 in  
 4.23 fiscal year 2017 are appropriated from the  
 4.24 general fund to the Office of Administrative  
 4.25 Hearings for the cost of considering data  
 4.26 practices complaints filed under Minnesota  
 4.27 Statutes, section 13.085. These amounts  
 4.28 may be used in either year of the biennium.  
 4.29 \$6,000 is added to the agency's base to be  
 4.30 available for the biennium.

4.31 (c) \$130,000 the first year is appropriated  
 4.32 from the general fund for the cost of  
 4.33 considering complaints filed under  
 4.34 Minnesota Statutes, section 211B.32. Any

5.1 amount of this appropriation that remains  
 5.2 unspent at the end of the biennium must be  
 5.3 canceled to the general account of the state  
 5.4 elections campaign fund. The base for fiscal  
 5.5 year 2018 is \$130,000 to be available for the  
 5.6 biennium under the same terms.

5.7 Sec. 10. **OFFICE OF MN.IT SERVICES**                    **\$**            **2,526,000** **\$**            **2,622,000**

5.8 The commissioner of management and  
 5.9 budget is authorized to provide cash flow  
 5.10 assistance of up to \$110,000,000 from the  
 5.11 special revenue fund or other statutory  
 5.12 general funds as defined in Minnesota  
 5.13 Statutes, section 16A.671, subdivision  
 5.14 3, paragraph (a), to the Office of MN.IT  
 5.15 Services for the purpose of managing  
 5.16 revenue and expenditure differences during  
 5.17 the initial phases of IT consolidation. These  
 5.18 funds shall be repaid with interest by the end  
 5.19 of the fiscal year 2017 closing period.

5.20 Sec. 11. **ADMINISTRATION**

5.21 **Subdivision 1. Total Appropriation**                    **\$**            **23,933,000** **\$**            **22,673,000**

5.22 The amounts that may be spent for each  
 5.23 purpose are specified in the following  
 5.24 subdivisions.

5.25 **Subd. 2. Government and Citizen Services**                    **9,801,000**                    **8,927,000**

5.26 \$74,000 the first year and \$74,000 the second  
 5.27 year are for the Council on Developmental  
 5.28 Disabilities.

5.29 \$735,000 the first year and \$65,000 the  
 5.30 second year are to conduct a disparity study  
 5.31 required under Minnesota Statutes, section  
 5.32 16C.16, subdivision 5. This is a onetime  
 5.33 appropriation.

6.1 \$392,000 the first year and \$383,000 the  
 6.2 second year are for the expansion of financial  
 6.3 management and human resources services  
 6.4 to small agencies, boards, and councils.

6.5 Subd. 3. **Administrative Management Support** 1,975,000 2,009,000

6.6 Subd. 4. **Fiscal Agent** 12,157,000 11,737,000

6.7 The appropriations under this section are to  
 6.8 the commissioner of administration for the  
 6.9 purposes specified.

6.10 **In Lieu of Rent.** \$8,158,000 the first year  
 6.11 and \$8,158,000 the second year are for  
 6.12 office space costs of the legislature and  
 6.13 veterans organizations, ceremonial space,  
 6.14 and statutorily free space.

6.15 **Public Broadcasting.** (a) \$1,550,000 the  
 6.16 first year and \$1,550,000 the second year are  
 6.17 for matching grants for public television.

6.18 (b) \$250,000 the first year and \$250,000  
 6.19 the second year are for public television  
 6.20 equipment grants. Equipment or matching  
 6.21 grant allocations shall be made after  
 6.22 considering the recommendations of the  
 6.23 Minnesota Public Television Association.

6.24 (c) \$392,000 the first year and \$392,000 the  
 6.25 second year are for community service grants  
 6.26 to public educational radio stations. This  
 6.27 appropriation may be used to disseminate  
 6.28 emergency information in foreign languages.

6.29 (d) \$117,000 the first year and \$117,000  
 6.30 the second year are for equipment grants  
 6.31 to public educational radio stations. This  
 6.32 appropriation may be used for the repair,  
 6.33 rental, and purchase of equipment including  
 6.34 equipment under \$500.

7.1 (e) The grants in paragraphs (c) and (d)  
 7.2 must be allocated after considering the  
 7.3 recommendations of the Association of  
 7.4 Minnesota Public Educational Radio Stations  
 7.5 under Minnesota Statutes, section 129D.14.

7.6 (f) \$310,000 the first year and \$310,000  
 7.7 the second year are for equipment grants  
 7.8 to Minnesota Public Radio, Inc., including  
 7.9 upgrades to Minnesota's Emergency Alert  
 7.10 and AMBER Alert Systems.

7.11 (g) Any unencumbered balance remaining  
 7.12 the first year for grants to public television or  
 7.13 radio stations does not cancel and is available  
 7.14 for the second year.

7.15	Sec. 12. <b><u>CAPITOL AREA</u></b>		
7.16	<b><u>ARCHITECTURAL AND PLANNING</u></b>		
7.17	<b><u>BOARD</u></b>	<b><u>\$ 340,000</u></b>	<b><u>\$ 345,000</u></b>

7.18	Sec. 13. <b><u>MINNESOTA MANAGEMENT AND</u></b>		
7.19	<b><u>BUDGET</u></b>	<b><u>\$ 23,777,000</u></b>	<b><u>\$ 26,069,000</u></b>

7.20 \$2,000,000 in fiscal year 2016 and  
 7.21 \$4,000,000 in fiscal year 2017 is to maintain  
 7.22 and upgrade statewide business systems,  
 7.23 including, but not limited to, the statewide  
 7.24 accounting system, the human resource and  
 7.25 payroll system, the employment application  
 7.26 system, the enterprise learning management  
 7.27 system, the budget planning and analysis  
 7.28 system, the fiscal note tracking system, and  
 7.29 capital budget system.

7.30	Sec. 14. <b><u>REVENUE</u></b>		
7.31	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 146,438,000</u></b>	<b><u>\$ 147,092,000</u></b>

7.32	<u>Appropriations by Fund</u>		
7.33		<u>2016</u>	<u>2017</u>
7.34	<u>General</u>	<u>142,203,000</u>	<u>142,857,000</u>

8.1	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>		
8.2	<u>Highway User Tax</u>				
8.3	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>		
8.4	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>		
8.5	<b><u>Subd. 2. Tax System Management</u></b>			<u>117,822,000</u>	<u>118,476,000</u>
8.6	<u>Appropriations by Fund</u>				
8.7	<u>General</u>	<u>113,587,000</u>	<u>114,241,000</u>		
8.8	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>		
8.9	<u>Highway User Tax</u>				
8.10	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>		
8.11	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>		
8.12	<b><u>Appropriation; Taxpayer Assistance. (a)</u></b>				
8.13	<u>\$400,000 in fiscal year 2016 and \$400,000</u>				
8.14	<u>in fiscal year 2017 from the general fund</u>				
8.15	<u>are for grants to one or more nonprofit</u>				
8.16	<u>organizations, qualifying under section</u>				
8.17	<u>501(c)(3) of the Internal Revenue Code of</u>				
8.18	<u>1986, to coordinate, facilitate, encourage, and</u>				
8.19	<u>aid in the provision of taxpayer assistance</u>				
8.20	<u>services. The unencumbered balance in the</u>				
8.21	<u>first year does not cancel but is available for</u>				
8.22	<u>the second year.</u>				
8.23	<u>(b) For purposes of this appropriation,</u>				
8.24	<u>"taxpayer assistance services" means</u>				
8.25	<u>accounting and tax preparation services</u>				
8.26	<u>provided by volunteers to low-income,</u>				
8.27	<u>elderly, and disadvantaged Minnesota</u>				
8.28	<u>residents to help them file federal and state</u>				
8.29	<u>income tax returns, Minnesota property</u>				
8.30	<u>tax refund claims, and to provide personal</u>				
8.31	<u>representation before the Department of</u>				
8.32	<u>Revenue and Internal Revenue Service.</u>				
8.33	<b><u>Subd. 3. Debt Collection Management</u></b>			<u>28,616,000</u>	<u>28,616,000</u>
8.34	<b><u>Sec. 15. GAMBLING CONTROL</u></b>		<b><u>\$</u></b>	<b><u>3,260,000</u></b>	<b><u>\$</u></b> <b><u>3,324,000</u></b>



10.1	Sec. 19. <u>COUNCIL ON BLACK</u>		
10.2	<u>MINNESOTANS</u>	\$	<u>396,000</u> \$
			<u>401,000</u>
10.3	Sec. 20. <u>COUNCIL ON ASIAN-PACIFIC</u>		
10.4	<u>MINNESOTANS</u>	\$	<u>359,000</u> \$
			<u>364,000</u>
10.5	Sec. 21. <u>COUNCIL ON AFFAIRS OF</u>		
10.6	<u>CHICANO/LATINO PEOPLE</u>	\$	<u>381,000</u> \$
			<u>386,000</u>
10.7	Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	\$	<u>569,000</u> \$
			<u>576,000</u>
10.8	Sec. 23. <u>MINNESOTA HISTORICAL</u>		
10.9	<u>SOCIETY</u>		
10.10	<u>Subdivision 1. Total Appropriation</u>	\$	<u>21,964,000</u> \$
			<u>22,076,000</u>
10.11	<u>The amounts that may be spent for each</u>		
10.12	<u>purpose are specified in the following</u>		
10.13	<u>subdivisions.</u>		
10.14	<u>Subd. 2. Operations and Programs</u>		<u>21,576,000</u>
			<u>21,822,000</u>
10.15	<u>Notwithstanding Minnesota Statutes, section</u>		
10.16	<u>138.668, the Minnesota Historical Society</u>		
10.17	<u>may not charge a fee for its general tours at</u>		
10.18	<u>the Capitol, but may charge fees for special</u>		
10.19	<u>programs other than general tours.</u>		
10.20	<u>Subd. 3. Fiscal Agent</u>		
10.21	<u>(a) Minnesota International Center</u>		<u>39,000</u>
			<u>39,000</u>
10.22	<u>(b) Minnesota Air National Guard Museum</u>		<u>34,000</u>
			<u>-0-</u>
10.23	<u>(c) Minnesota Military Museum</u>		<u>100,000</u>
			<u>-0-</u>
10.24	<u>(d) Farmamerica</u>		<u>115,000</u>
			<u>115,000</u>
10.25	<u>(e) Hockey Hall of Fame</u>		<u>100,000</u>
			<u>100,000</u>
10.26	<u>Balances Forward. Any unencumbered</u>		
10.27	<u>balance remaining in this subdivision the first</u>		
10.28	<u>year does not cancel but is available for the</u>		
10.29	<u>second year of the biennium.</u>		
10.30	Sec. 24. <u>BOARD OF THE ARTS</u>		

11.1	<u>Subdivision 1. <b>Total Appropriation</b></u>		<u>\$</u>	<u>7,522,000</u>	<u>\$</u>	<u>7,530,000</u>
11.2	<u>The amounts that may be spent for each</u>					
11.3	<u>purpose are specified in the following</u>					
11.4	<u>subdivisions.</u>					
11.5	<u>Subd. 2. <b>Operations and Services</b></u>			<u>583,000</u>		<u>591,000</u>
11.6	<u>Subd. 3. <b>Grants Program</b></u>			<u>4,800,000</u>		<u>4,800,000</u>
11.7	<u>Subd. 4. <b>Regional Arts Councils</b></u>			<u>2,139,000</u>		<u>2,139,000</u>
11.8	<u><b>Unencumbered balance available.</b> Any</u>					
11.9	<u>unencumbered balance remaining in this</u>					
11.10	<u>section the first year does not cancel, but is</u>					
11.11	<u>available for the second year of the biennium.</u>					
11.12	<u>Sec. 25. <b>MINNESOTA HUMANITIES</b></u>					
11.13	<u><b>CENTER</b></u>		<u>\$</u>	<u>251,000</u>	<u>\$</u>	<u>251,000</u>
11.14	<u>Sec. 26. <b>SCIENCE MUSEUM OF</b></u>					
11.15	<u><b>MINNESOTA</b></u>		<u>\$</u>	<u>1,079,000</u>	<u>\$</u>	<u>1,079,000</u>
11.16	<u>Sec. 27. <b>GENERAL CONTINGENT</b></u>					
11.17	<u><b>ACCOUNTS</b></u>		<u>\$</u>	<u>1,000,000</u>	<u>\$</u>	<u>500,000</u>
11.18	<u>Appropriations by Fund</u>					
11.19		<u>2016</u>		<u>2017</u>		
11.20	<u>General</u>	<u>500,000</u>		<u>-0-</u>		
11.21	<u>State Government</u>					
11.22	<u>Special Revenue</u>	<u>400,000</u>		<u>400,000</u>		
11.23	<u>Workers'</u>					
11.24	<u>Compensation</u>	<u>100,000</u>		<u>100,000</u>		
11.25	<u>(a) The appropriations in this section</u>					
11.26	<u>may only be spent with the approval of</u>					
11.27	<u>the governor after consultation with the</u>					
11.28	<u>Legislative Advisory Commission pursuant</u>					
11.29	<u>to Minnesota Statutes, section 3.30.</u>					
11.30	<u>(b) If an appropriation in this section for</u>					
11.31	<u>either year is insufficient, the appropriation</u>					
11.32	<u>for the other year is available for it.</u>					



13.1 matching aid authorized under Minnesota  
 13.2 Statutes, section 354.435.

13.3 **Sec. 32. ST. PAUL TEACHERS**  
 13.4 **RETIREMENT FUND**

**\$ 2,827,000 \$ 2,827,000**

13.5 The amounts estimated to be needed for  
 13.6 special direct state aid to first class city  
 13.7 teachers retirement funds authorized under  
 13.8 Minnesota Statutes, section 354A.12,  
 13.9 subdivisions 3a and 3c.

13.10 **Sec. 33. DULUTH TEACHERS**  
 13.11 **RETIREMENT FUND**

**\$ 14,377,000 \$ 14,377,000**

13.12 The amounts estimated to be needed for  
 13.13 special direct state aid to first class city  
 13.14 teachers retirement funds authorized under  
 13.15 Minnesota Statutes, section 354.436.

13.16 Sec. 34. Minnesota Statutes 2014, section 14.365, is amended to read:

13.17 **14.365 OFFICIAL RULEMAKING RECORD.**

13.18 (a) The agency shall maintain the official rulemaking record for every rule adopted  
 13.19 under sections 14.05 to 14.389. The record must be available for public inspection. The  
 13.20 record required by this section constitutes the official and exclusive agency rulemaking  
 13.21 record with respect to agency action on or judicial review of the rule. The record must  
 13.22 contain:

13.23 (1) copies of all publications in the State Register pertaining to the rule;

13.24 ~~(2) all written petitions, and all requests, submissions, or comments received by the~~  
 13.25 ~~agency or the administrative law judge after publication of the notice of intent to adopt or~~  
 13.26 ~~the notice of hearing in the State Register pertaining to the rule;~~

13.27 ~~(3)~~ (2) the statement of need and reasonableness for the rule;

13.28 ~~(4) the official transcript of the hearing if one was held, or the tape recording of the~~  
 13.29 ~~hearing if a transcript was not prepared;~~

13.30 ~~(5)~~ (3) the report of the administrative law judge, if any;

13.31 ~~(6)~~ (4) the rule in the form last submitted to the administrative law judge under  
 13.32 sections 14.14 to 14.20 or first submitted to the administrative law judge under sections  
 13.33 14.22 to 14.28;

- 14.1 ~~(7)~~ (5) the administrative law judge's written statement of required modifications and  
 14.2 of approval or disapproval by the chief administrative law judge, if any;
- 14.3 ~~(8) any documents required by applicable rules of the Office of Administrative~~  
 14.4 ~~Hearings;~~
- 14.5 ~~(9)~~ (6) the agency's order adopting the rule;
- 14.6 ~~(10)~~ (7) the revisor's certificate approving the form of the rule; ~~and~~
- 14.7 ~~(11)~~ (8) a copy of the adopted rule as filed with the secretary of state; ~~;~~
- 14.8 (9) all written petitions and requests, submissions, or comments pertaining to the  
 14.9 rule received by the agency or the administrative law judge after publication of the notice  
 14.10 of intent to adopt or the notice of hearing in the State Register;
- 14.11 (10) the official transcript of the hearing, if one was held, or the recording of the  
 14.12 hearing if a transcript was not prepared; and
- 14.13 (11) any other document required by applicable rules of the Office of Administrative  
 14.14 Hearings.
- 14.15 (b) The agency shall permanently maintain the documents described in paragraph  
 14.16 (a), clauses (1) to (7). The agency shall maintain for at least seven years the documents  
 14.17 described in paragraph (a), clauses (8) to (10). The agency may fulfill this duty by  
 14.18 providing the documents to the revisor of statutes in the form and manner required by the  
 14.19 revisor. The official rulemaking record must be available for public inspection. The  
 14.20 official rulemaking record constitutes the official and exclusive agency rulemaking record  
 14.21 with respect to agency action on or judicial review of the rule.

14.22 Sec. 35. Minnesota Statutes 2014, section 16A.28, subdivision 1, is amended to read:

14.23 Subdivision 1. **Carryforward.** Agencies may carry forward unexpended and  
 14.24 unencumbered nongrant operating balances from ~~the first year of a biennium into the~~  
 14.25 ~~second year of the biennium~~ one fiscal year into the next fiscal year.

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

14.27 Sec. 36. Minnesota Statutes 2014, section 16C.16, subdivision 2, is amended to read:

14.28 Subd. 2. **Small business.** The commissioner shall adopt ~~rules defining the size~~  
 14.29 ~~standards for "small business" found in Code of Federal Relations, title 49, section~~  
 14.30 ~~26.65,~~ for purposes of sections 16C.16 to 16C.21, 137.31, 137.35, 161.321, and 473.142:  
 14.31 ~~The definition must include only businesses with their,~~ provided that the business has  
 14.32 its principal place of business in Minnesota. The definition must establish different  
 14.33 size standards for various types of businesses. In establishing these standards, the  
 14.34 commissioner must consider the differences among industries caused by the size of the

15.1 ~~market for goods or services and the relative size and market share of the competitors~~  
 15.2 ~~operating in those markets.~~

15.3 Sec. 37. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision  
 15.4 to read:

15.5 Subd. 13. **State-funded projects.** (a) Notwithstanding section 16C.001, this  
 15.6 subdivision applies to contracts for state-funded capital improvement projects in excess of  
 15.7 \$100,000 that are issued by organizations not subject to the small business requirements of  
 15.8 this section, including municipalities as defined in section 466.01, subdivision 1.

15.9 (b) Organizations administering contracts described in paragraph (a) shall promote  
 15.10 the use of targeted group businesses designated under this section and take steps to remove  
 15.11 barriers to equitable participation of targeted group businesses.

15.12 (c) Organizations shall cooperate with the commissioner's efforts to monitor and  
 15.13 measure compliance with this subdivision in the performance of state-funded contracts.

15.14 Sec. 38. Minnesota Statutes 2014, section 16C.19, is amended to read:

15.15 **16C.19 ELIGIBILITY; RULES.**

15.16 (a) A small business wishing to participate in the programs under section 16C.16,  
 15.17 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt  
 15.18 by rule standards and procedures for certifying that small targeted group businesses,  
 15.19 small businesses located in economically disadvantaged areas, and veteran-owned small  
 15.20 businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21.  
 15.21 The commissioner shall adopt by rule standards and procedures for hearing appeals and  
 15.22 grievances and other rules necessary to carry out the duties set forth in sections 16C.16  
 15.23 to 16C.21.

15.24 (b) The commissioner may make rules which exclude or limit the participation of  
 15.25 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,  
 15.26 manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

15.27 (c) The commissioner may make rules that set time limits and other eligibility limits  
 15.28 on business participation in programs under sections 16C.16 to 16C.21.

15.29 (d) Notwithstanding paragraph ~~(e)~~ (a), for purposes of sections 16C.16 to 16C.21, a  
 15.30 veteran-owned small business, the principal place of business of which is in Minnesota, is  
 15.31 certified if it has been verified by the United States Department of Veterans Affairs as being  
 15.32 either a veteran-owned small business or a service-disabled veteran-owned small business,  
 15.33 in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.

16.1 (e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying  
16.2 veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may  
16.3 be read to include veteran-owned small businesses. In addition to the documentation  
16.4 required in Minnesota Rules, part 1230.1700, the veteran owner must have been  
16.5 discharged under honorable conditions from active service, as indicated by the veteran  
16.6 owner's most current United States Department of Defense form DD-214.

16.7 (f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a  
16.8 minority- or woman-owned small business, the principal place of business of which is  
16.9 in Minnesota, is certified if it has been certified by the Minnesota unified certification  
16.10 program under the provisions of Code of Federal Regulations, title 49, part 26.

16.11 (g) The commissioner may adopt rules to implement the programs under section  
16.12 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

16.13 Sec. 39. Minnesota Statutes 2014, section 161.1419, subdivision 8, is amended to read:

16.14 Subd. 8. **Expiration.** The commission expires on June 30, ~~2016~~ 2020.

16.15 Sec. 40. Minnesota Statutes 2014, section 240.08, subdivision 4, is amended to read:

16.16 Subd. 4. **License issuance and renewal.** If the commission determines that  
16.17 the applicant is qualified for the occupation for which licensing is sought and will  
16.18 not adversely affect the public health, welfare, and safety or the integrity of racing in  
16.19 Minnesota, it may issue a class C license to the applicant. If it makes a similar finding  
16.20 for a renewal of a class C license it may renew the license. Class C licenses are effective  
16.21 for a minimum of one year for all class C licenses, and up to three years for certain  
16.22 classifications of class C licenses to be determined by the commission.

16.23 **EFFECTIVE DATE.** This section is effective July 1, 2015.

16.24 Sec. 41. Minnesota Statutes 2014, section 240.10, is amended to read:

16.25 **240.10 LICENSE FEES.**

16.26 The fee for a class A license is \$253,000 per year and must be remitted on July 1.  
16.27 The fee for a class B license is \$500 for each assigned racing day and \$100 for each day  
16.28 on which simulcasting is authorized and must be remitted on July 1. Included herein are  
16.29 all days assigned to be conducted after January 1, 2003. The fee for a class D license is  
16.30 \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on  
16.31 class D licenses must be paid to the commission at a time and in a manner as provided by  
16.32 rule of the commission.

17.1 The commission shall by rule establish an annual license fee for each occupation it  
 17.2 licenses under section 240.08 ~~but no annual fee for a class C license may exceed \$100.~~

17.3 **EFFECTIVE DATE.** This section is effective July 1, 2015.

17.4 Sec. 42. Minnesota Statutes 2014, section 349.16, subdivision 6a, is amended to read:

17.5 Subd. 6a. **Monthly regulatory fee.** An organization must pay a monthly regulatory  
 17.6 fee of ~~0.1~~ 0.15 percent of the organization's gross receipts from lawful gambling  
 17.7 conducted each month. The fee must be reported and paid on a monthly basis in a format  
 17.8 as determined by the commissioner of revenue, and remitted to the commissioner of  
 17.9 revenue with the organization's monthly tax return. All monthly regulatory fees received  
 17.10 by the commissioner of revenue under this subdivision must be deposited in the lawful  
 17.11 gambling regulation account in the special revenue fund according to section 349.151.  
 17.12 Failure to pay the monthly regulatory fees in a timely manner may result in disciplinary  
 17.13 action by the board.

17.14 **EFFECTIVE DATE.** This section is effective July 1, 2015.

17.15 Sec. 43. Laws 2013, chapter 142, article 1, section 10, is amended to read:

17.16 Sec. 10. **OFFICE OF ENTERPRISE**  
 17.17 **TECHNOLOGY MN.IT SERVICES** \$ 2,431,000 \$ 2,431,000

17.18 During the biennium ending June 30, 2015,  
 17.19 the Office of ~~Enterprise Technology~~ MN.IT  
 17.20 Services must not charge fees to a public  
 17.21 noncommercial educational television  
 17.22 broadcast station eligible for funding under  
 17.23 Minnesota Statutes, chapter 129D, for  
 17.24 access to the state broadcast infrastructure.  
 17.25 If the access fees not charged to public  
 17.26 noncommercial educational television  
 17.27 broadcast stations total more than \$400,000  
 17.28 for the biennium, the office may charge for  
 17.29 access fees in excess of these amounts.

17.30 The commissioner of Minnesota management  
 17.31 and budget is authorized to provide cash  
 17.32 flow assistance of up to \$110,000,000 from  
 17.33 the special revenue fund or other statutory

18.1 general funds as defined in Minnesota  
 18.2 Statutes, section 16A.671, subdivision 3,  
 18.3 paragraph (a), to the Office of Enterprise  
 18.4 Technology MN.IT Services for the purpose  
 18.5 of managing revenue and expenditure  
 18.6 differences during the initial phases of IT  
 18.7 consolidation. These funds shall be repaid  
 18.8 with interest by ~~June 30, 2015~~ the end of the  
 18.9 fiscal year 2015 closing period.

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

18.11 Sec. 44. Laws 2014, chapter 287, section 25, is amended to read:

18.12 Sec. 25. **PARKING RAMP; REQUIRED USER FINANCING.**

18.13 The amount equivalent to debt service on the design and construction costs allocated  
 18.14 to the parking garage to be located on the block bounded by Sherburne Avenue on the north,  
 18.15 Park Street on the west, University Avenue on the south, and North Capitol Boulevard on  
 18.16 the east ~~must be user-financed from~~ must be transferred from parking fees collected and  
 18.17 deposited into the state parking account ~~and credited to the debt service account for the~~  
 18.18 Legislative Office Facility. to the general fund to offset any direct appropriations made to  
 18.19 the Senate for debt service payments for the legislative parking garage.

## 18.20 **ARTICLE 2**

### 18.21 **MILITARY AND VETERANS AFFAIRS**

18.22 Section 1. **MILITARY AND VETERANS AFFAIRS APPROPRIATIONS.**

18.23 The sums shown in the columns marked "Appropriations" are appropriated to the  
 18.24 agencies and for the purposes specified in this article. The appropriations are from the  
 18.25 general fund and are available for the fiscal years indicated for each purpose. The figures  
 18.26 "2016" and "2017" used in this article mean that the appropriations listed under them are  
 18.27 available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The  
 18.28 first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is  
 18.29 fiscal years 2016 and 2017.

18.30	<b><u>APPROPRIATIONS</u></b>	
18.31	<b><u>Available for the Year</u></b>	
18.32	<b><u>Ending June 30</u></b>	
18.33	<b><u>2016</u></b>	<b><u>2017</u></b>

19.1 **Sec. 2. MILITARY AFFAIRS**

19.2	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>19,368,000</u></b>	<b><u>\$</u></b>	<b><u>19,368,000</u></b>
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19.3 The amounts that may be spent for each  
 19.4 purpose are specified in the following  
 19.5 subdivisions.

19.6	<b><u>Subd. 2. Maintenance of Training Facilities</u></b>		<u>9,661,000</u>		<u>9,661,000</u>
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19.7	<b><u>Subd. 3. General Support</u></b>		<u>2,819,000</u>		<u>2,819,000</u>
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19.8	<b><u>Subd. 4. Enlistment Incentives</u></b>		<u>6,888,000</u>		<u>6,888,000</u>
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19.9 **Appropriation Availability.** If  
 19.10 appropriations for either year of the biennium  
 19.11 are insufficient, the appropriation from the  
 19.12 other year is available. The appropriations  
 19.13 for enlistment incentives are available until  
 19.14 expended.

19.15 **Transfer Authority.** Of the funds carried  
 19.16 forward from fiscal year 2015 to fiscal  
 19.17 year 2016, in the enlistment incentives  
 19.18 appropriation, \$10,000,000 in fiscal year  
 19.19 2016 may be transferred to the maintenance  
 19.20 of training facilities appropriation to  
 19.21 address significant maintenance backlog  
 19.22 to the department's military training and  
 19.23 community centers. This is a onetime  
 19.24 transfer and is available until spent.

19.25 **Sec. 3. VETERANS AFFAIRS**

19.26	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>65,363,000</u></b>	<b><u>\$</u></b>	<b><u>67,581,000</u></b>
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19.27 The amounts that may be spent for each  
 19.28 purpose are specified in the following  
 19.29 subdivisions.

19.30	<b><u>Subd. 2. Veterans Services</u></b>		<u>16,349,000</u>		<u>16,461,000</u>
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19.31 **Honor Guards.** \$200,000 each year is  
 19.32 for compensation for honor guards at

20.1 the funerals of veterans under Minnesota  
20.2 Statutes, section 197.231. This amount is  
20.3 added to the program's base funding.

20.4 **Minnesota GI Bill.** \$200,000 each year is for  
20.5 the costs of administering the Minnesota GI  
20.6 Bill on-the-job training and apprenticeship  
20.7 program under Minnesota Statutes, section  
20.8 197.791.

20.9 **Gold Star Program.** \$100,000 each year  
20.10 is for administering the Gold Star Program  
20.11 for surviving family members of deceased  
20.12 veterans. This amount is added to the  
20.13 program's base funding.

20.14 **County Veterans Service Office.**  
20.15 \$1,100,000 each year is for funding the  
20.16 County Veterans Service Office grant  
20.17 program under Minnesota Statutes, section  
20.18 197.608.

20.19 **Veterans Service Organizations.** \$353,000  
20.20 each year is for grants to the following  
20.21 congressionally chartered veterans service  
20.22 organizations, as designated by the  
20.23 commissioner: Disabled American Veterans,  
20.24 Military Order of the Purple Heart, American  
20.25 Legion, Veterans of Foreign Wars, Vietnam  
20.26 Veterans of America, AMVETS, and  
20.27 Paralyzed Veterans of America. This funding  
20.28 must be allocated in direct proportion to  
20.29 the funding currently being provided by the  
20.30 commissioner to these organizations.

20.31 **Veterans Paramedic Apprenticeship**  
20.32 **Program.** All unspent funds, estimated to  
20.33 be \$110,000, from the Veterans Paramedic  
20.34 Apprenticeship Program, from the onetime  
20.35 appropriation under Laws 2009, chapter 79,

21.1 article 13, section 7, are canceled to the  
 21.2 general fund on July 1, 2013.

21.3 Subd. 3. **Veterans Homes** 49,014,000 51,120,000

21.4 **Veterans Homes Special Revenue Account.**

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

21.13 **Repair and Betterment.** \$500,000 in the  
 21.14 first year and \$500,000 in the second year are  
 21.15 for the repair and betterment of Minnesota  
 21.16 veterans homes.

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 Sec. 4. Minnesota Statutes 2014, section 190.19, subdivision 2a, is amended to read:

21.28 Subd. 2a. **Uses; veterans.** (a) Money appropriated to the Department of Veterans  
 21.29 Affairs from the Minnesota "Support Our Troops" account may be used for:

21.30 (1) grants to veterans service organizations;

21.31 (2) outreach to underserved veterans;

21.32 (3) providing services and programs for veterans and their families; ~~and~~

21.33 (4) transfers to the vehicle services account for Gold Star license plates under  
 21.34 section 168.1253;

22.1 (5) grants of up to \$100,000 to any organization approved by the commissioner of  
22.2 veterans affairs for the purpose of supporting and improving the lives of veterans and  
22.3 their families; and

22.4 (6) grants to an eligible foundation.

22.5 (b) For purposes of this subdivision, "eligible foundation" includes any organization  
22.6 that:

22.7 (1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue  
22.8 Code; and

22.9 (2) has articles of incorporation under chapter 317A specifying the purpose of the  
22.10 organization as including the provision of financial assistance to veterans and their families.

APPENDIX  
Article locations in S0888-1

ARTICLE 1 STATE GOVERNMENT APPROPRIATIONS ..... Page.Ln 1.13  
ARTICLE 2 MILITARY AND VETERANS AFFAIRS ..... Page.Ln 18.20