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State of Minnesota  
HOUSE OF REPRESENTATIVES  
NINETIETH SESSION

H. F. No. 3269

03/01/2018 Authored by Green, Grossell, Layman and Poston  
The bill was read for the first time and referred to the Committee on Legacy Funding Finance

1.1 A bill for an act  
1.2 relating to the arts and cultural heritage fund; amending requirements for funding;  
1.3 creating civil penalty for projects promoting terrorism or criminal activity;  
1.4 amending Minnesota Statutes 2016, section 129D.17, subdivision 2, by adding a  
1.5 subdivision.

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

1.7 Section 1. Minnesota Statutes 2016, section 129D.17, subdivision 2, is amended to read:

1.8 Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage  
1.9 fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's  
1.10 history and cultural heritage. A project or program receiving funding from the arts and  
1.11 cultural heritage fund must include measurable outcomes, and a plan for measuring and  
1.12 evaluating the results. A project or program must be consistent with current scholarship, or  
1.13 best practices, when appropriate and must incorporate state-of-the-art technology when  
1.14 appropriate.

1.15 (b) Funding from the arts and cultural heritage fund may be granted for an entire project  
1.16 or for part of a project so long as the recipient provides a description and cost for the entire  
1.17 project and can demonstrate that it has adequate resources to ensure that the entire project  
1.18 will be completed.

1.19 (c) Money from the arts and cultural heritage fund shall be expended for benefits across  
1.20 all regions and residents of the state.

1.21 (d) A state agency or other recipient of a direct appropriation from the arts and cultural  
1.22 heritage fund must compile and submit all information for funded projects or programs,  
1.23 including the proposed measurable outcomes and all other items required under section

2.1 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable  
2.2 or by January 15 of the applicable fiscal year, whichever comes first. The Legislative  
2.3 Coordinating Commission must post submitted information on the Web site required under  
2.4 section 3.303, subdivision 10, as soon as it becomes available.

2.5 (e) Grants funded by the arts and cultural heritage fund must be implemented according  
2.6 to section 16B.98 and must account for all expenditures of funds. Priority for grant proposals  
2.7 must be given to proposals involving grants that will be competitively awarded.

2.8 (f) Individual recipients of arts and cultural heritage funds must be residents of Minnesota.  
2.9 All money from the arts and cultural heritage fund must be for projects located in Minnesota.  
2.10 Recipients of funding from the arts and cultural heritage fund must complete the project in  
2.11 Minnesota. If a grant recipient is no longer able to complete the project in Minnesota, the  
2.12 grant recipient must return any remaining grant funds to the state.

2.13 (g) When practicable, a direct recipient of an appropriation from the arts and cultural  
2.14 heritage fund shall prominently display on the recipient's Web site home page the legacy  
2.15 logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws  
2.16 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more  
2.17 information." When a person clicks on the legacy logo image, the Web site must direct the  
2.18 person to a Web page that includes both the contact information that a person may use to  
2.19 obtain additional information, as well as a link to the Legislative Coordinating Commission  
2.20 Web site required under section 3.303, subdivision 10.

2.21 (h) Future eligibility for money from the arts and cultural heritage fund is contingent  
2.22 upon a state agency or other recipient satisfying all applicable requirements in this section,  
2.23 as well as any additional requirements contained in applicable session law. If the Office of  
2.24 the Legislative Auditor, in the course of an audit or investigation, publicly reports that a  
2.25 recipient of money from the arts and cultural heritage fund has not complied with the laws,  
2.26 rules, or regulations in this section or other laws applicable to the recipient, the recipient  
2.27 must be listed in an annual report to the legislative committees with jurisdiction over the  
2.28 legacy funds. The list must be publicly available. The legislative auditor shall remove a  
2.29 recipient from the list upon determination that the recipient is in compliance. A recipient  
2.30 on the list is not eligible for future funding from the arts and cultural heritage fund until the  
2.31 recipient demonstrates compliance to the legislative auditor.

2.32 (i) Any state agency or organization requesting a direct appropriation from the arts and  
2.33 cultural heritage fund must inform the house of representatives and senate committees  
2.34 having jurisdiction over the arts and cultural heritage fund, at the time the request for funding

3.1 is made, whether the request is supplanting or is a substitution for any previous funding that  
3.2 was not from a legacy fund and was used for the same purpose.

3.3 Sec. 2. Minnesota Statutes 2016, section 129D.17, is amended by adding a subdivision to  
3.4 read:

3.5 Subd. 6. **Prohibited activities; civil penalty.** (a) Funding from the arts and cultural  
3.6 heritage fund must not be used for projects that promote domestic terrorism or criminal  
3.7 activities.

3.8 (b) The commissioner of administration may impose a civil penalty not to exceed ten  
3.9 times the amount of the grant or funding awarded for the project for violations of this  
3.10 subdivision. If the commissioner of administration proposes to take action to impose a civil  
3.11 penalty, the commissioner must first notify the person against whom the action is to be  
3.12 taken and provide the person with an opportunity to request a hearing under the contested  
3.13 case provisions of chapter 14. Service of the notice of violation of this subdivision and the  
3.14 proposed penalty may be made personally or by certified mail, return receipt requested. If  
3.15 the person does not request a hearing by notifying the commissioner within 30 days after  
3.16 service of the notice of the proposed action, the commissioner may proceed with the action  
3.17 without a hearing.

3.18 (c) The civil penalty recovered must be deposited in the general fund, except that the  
3.19 amount of the original grant or award must be deposited in the arts and cultural heritage  
3.20 fund. In addition to the civil penalty, a person found in violation of this paragraph must  
3.21 reimburse the commissioner of administration for the costs of the investigation and  
3.22 proceedings, attorney fees, and other administrative hearing or court costs incurred as a  
3.23 result of action taken under this subdivision.