

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 3658

(SENATE AUTHORS: KIFFMEYER)

| DATE | D-PG | OFFICIAL STATUS |
|------------|-------|--|
| 03/21/2018 | 6863 | Introduction and first reading |
| | | Referred to State Government Finance and Policy and Elections |
| 03/27/2018 | 7017a | Comm report: To pass as amended and re-refer to Judiciary and Public Safety Finance and Policy |
| 03/29/2018 | 7114 | Comm report: To pass and re-referred to Finance |

1.1 A bill for an act

1.2 relating to state government; modifying the effective date of certain provisions

1.3 governing the preparation of fiscal notes; modifying provisions governing the

1.4 Legislative Budget Office; amending Minnesota Statutes 2016, sections 10A.01,

1.5 subdivision 35; 13.64, by adding a subdivision; Minnesota Statutes 2017

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

1.7 subdivision 1; 477A.03, subdivision 2b; Laws 2017, First Special Session chapter

1.8 4, article 2, sections 1; 3; 58; repealing Minnesota Statutes 2017 Supplement,

1.9 section 3.98, subdivision 4.

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

1.11 Section 1. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended

1.12 to read:

1.13 Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established

1.14 ~~under control of the Legislative Coordinating Commission~~ to provide the house of

1.15 representatives and senate with nonpartisan, accurate, and timely information on the fiscal

1.16 impact of proposed legislation, without regard to political factors.

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

1.18 Sec. 2. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a

1.19 subdivision to read:

1.20 Subd. 1a. **Oversight commission.** (a) The Legislative Budget Office Oversight

1.21 Commission is established. The commission consists of:

1.22 (1) two members of the senate appointed by the Subcommittee on Committees of the

1.23 Committee on Rules and Administration;

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

2.1 (3) two members of the house of representatives appointed by the speaker of the house;
 2.2 and

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

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

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

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

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

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

2.20 **EFFECTIVE DATE; FIRST MEETING.** This section is effective the day following
 2.21 final enactment.

2.22 Sec. 3. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended
 2.23 to read:

2.24 Subd. 2. **Staff.** ~~The Legislative Coordinating Commission~~ Legislative Budget Office
 2.25 Oversight Commission must appoint a director ~~who~~ and establish the director's duties. The
 2.26 director may hire staff necessary to do the work of the office. The director serves in the
 2.27 unclassified service for a term of six years and may not be removed during a term except
 2.28 for cause after a public hearing.

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

3.1 Sec. 4. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
3.2 subdivision to read:

3.3 Subd. 3. **Standards, guidelines, and procedures.** The Legislative Budget Office must
3.4 adopt uniform standards, guidelines, and procedures governing the timely preparation of
3.5 fiscal notes as required by this section and section 3.98. The standards, guidelines, and
3.6 procedures are not effective until they are approved by the oversight commission. Upon
3.7 approval, the standards, guidelines, and procedures must be published in the State Register
3.8 and on the office's Web site.

3.9 **EFFECTIVE DATE.** This section is effective January 8, 2019, provided that the uniform
3.10 standards, guidelines, and procedures to be used may be developed and adopted by the
3.11 oversight commission prior to the effective date of this section.

3.12 Sec. 5. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
3.13 subdivision to read:

3.14 Subd. 4. **Access to data.** (a) Upon request of the director of the Legislative Budget
3.15 Office, the head or chief administrative officer of each department or agency of state
3.16 government, including the Supreme Court, must promptly supply any data that, in the
3.17 director's judgment, is relevant to legislation that is the subject of a fiscal note prepared by
3.18 the department or agency.

3.19 (b) To the extent that data supplied to the Legislative Budget Office are classified as not
3.20 public under chapter 13 or other applicable law, the Legislative Budget Office must maintain
3.21 and administer the data in the same manner as required of a government entity subject to
3.22 that classification. Not public data supplied under this subdivision may only be used by the
3.23 Legislative Budget Office to review a department or agency's work in preparing a fiscal
3.24 note and may not be used or disseminated for any other purpose, including use by or
3.25 dissemination to a legislator or to any officer, department, agency, or committee within the
3.26 legislative branch. Violation of this paragraph by the director or other staff of the Legislative
3.27 Budget Office is cause for removal, suspension without pay, or immediate dismissal at the
3.28 direction of the oversight commission.

3.29 (c) Upon approval by the Legislative Budget Office, a completed fiscal note must be
3.30 delivered to the legislative committee chair who made the request, and to the chief author
3.31 of the legislation to which it relates. Within 24 hours of approval, a completed fiscal note
3.32 must be posted on the office's public Web site, unless data maintained by a government
3.33 entity related to the fiscal note are classified as not public under section 13.64, subdivision
3.34 3.

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

4.2 Sec. 6. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to
4.3 read:

4.4 Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each
4.5 department or agency of the state government, including the Supreme Court, shall ~~cooperate,~~
4.6 in consultation with the Legislative Budget Office ~~and the Legislative Budget Office must~~
4.7 and consistent with the standards, guidelines, and procedures adopted under section 3.8853,
4.8 prepare a fiscal note at the request of the chair of the standing committee to which a bill
4.9 has been referred, or the chair of the house of representatives Ways and Means Committee,
4.10 or the chair of the senate Committee on Finance.

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

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

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

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

4.23 Sec. 7. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

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

4.25 (1) member of the legislature;

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

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

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

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

5.7 (6) member, chief administrative officer, or deputy chief administrative officer of a state
5.8 board or commission that has either the power to adopt, amend, or repeal rules under chapter
5.9 14, or the power to adjudicate contested cases or appeals under chapter 14;

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

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

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

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

5.15 (11) administrative law judge or compensation judge in the State Office of Administrative
5.16 Hearings or unemployment law judge in the Department of Employment and Economic
5.17 Development;

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

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

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

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

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

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

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

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

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

- 6.1 (21) supervisor of a soil and water conservation district;
- 6.2 (22) director of Explore Minnesota Tourism;
- 6.3 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section
- 6.4 97A.056;
- 6.5 (24) citizen member of the Clean Water Council established in section 114D.30;
- 6.6 (25) member or chief executive of the Minnesota Sports Facilities Authority established
- 6.7 in section 473J.07;
- 6.8 (26) district court judge, appeals court judge, or Supreme Court justice;
- 6.9 (27) county commissioner;
- 6.10 (28) member of the Greater Minnesota Regional Parks and Trails Commission; or
- 6.11 (29) member of the Destination Medical Center Corporation established in section
- 6.12 469.41.

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

6.14 Sec. 8. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to

6.15 read:

6.16 **Subd. 4. Fiscal note data must be shared with Legislative Budget Office.** A head or

6.17 chief administrative officer of a department or agency of the state government, including

6.18 the Supreme Court, must provide any data, regardless of its classification, to the director

6.19 of the Legislative Budget Office upon the director's request and consistent with section

6.20 3.8853, subdivision 4. The data must be supplied according to any standards, guidelines,

6.21 or procedures adopted under section 3.8853, subdivision 3, including any standards,

6.22 guidelines, or procedures governing timeliness. Notwithstanding section 13.05, subdivision

6.23 9, a responsible authority may not require the Legislative Budget Office to pay a cost for

6.24 supplying data requested under this subdivision.

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

6.26 Sec. 9. Minnesota Statutes 2017 Supplement, section 477A.03, subdivision 2b, is amended

6.27 to read:

6.28 Subd. 2b. **Counties.** (a) For aids payable in 2018 through 2024, the total aid payable

6.29 under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be

6.30 allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable

7.1 in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is
 7.2 \$100,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the
 7.3 commissioner of revenue to make reimbursements to the commissioner of management and
 7.4 budget for payments made under section 611.27. The reimbursements shall be to defray the
 7.5 additional costs associated with court-ordered counsel under section 611.27. Any retained
 7.6 amounts not used for reimbursement in a year shall be included in the next distribution of
 7.7 county need aid that is certified to the county auditors for the purpose of property tax
 7.8 reduction for the next taxes payable year.

7.9 (b) For aids payable in 2018 and thereafter, the total aid under section 477A.0124,
 7.10 subdivision 4, is \$130,873,444. The commissioner of revenue shall transfer ~~to the~~
 7.11 ~~commissioner of management and budget~~ \$207,000 annually for the cost of preparation of
 7.12 local impact notes as required by section 3.987, ~~and other local government activities to the~~
 7.13 Legislative Coordinating Commission for use by the Legislative Budget Office.

7.14 The commissioner of revenue shall transfer to the commissioner of education \$7,000
 7.15 annually for the cost of preparation of local impact notes for school districts as required by
 7.16 section 3.987. The commissioner of revenue shall deduct the amounts transferred under this
 7.17 paragraph from the appropriation under this paragraph. The amounts transferred are
 7.18 appropriated to the commissioner of management and budget and the commissioner of
 7.19 education respectively.

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

7.21 Sec. 10. Laws 2017, First Special Session chapter 4, article 2, section 1, the effective date,
 7.22 is amended to read:

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

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

7.25 Sec. 11. Laws 2017, First Special Session chapter 4, article 2, section 3, the effective date,
 7.26 is amended to read:

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

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

8.1 Sec. 12. Laws 2017, First Special Session chapter 4, article 2, section 58, the effective
8.2 date, is amended to read:

8.3 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018. The
8.4 contract required under this section must be executed no later than November 1, 2018, and
8.5 must provide for transfer of operational control of the fiscal note tracking system to the
8.6 Legislative Budget Office effective December 15, 2018.

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

8.8 Sec. 13. **LEGISLATIVE OVERSIGHT COMMISSION; FIRST APPOINTMENTS;**
8.9 **FIRST CHAIR; FIRST MEETING.**

8.10 Appointments to the Legislative Oversight Commission under Minnesota Statutes,
8.11 section 3.8853, must be made by June 15, 2018. The chair of the Legislative Coordinating
8.12 Commission must designate one appointee to convene the commission's first meeting. The
8.13 designated appointee must convene the first meeting no later than July 1, 2018. The first
8.14 chair of the Legislative Oversight Commission shall be a member of the senate and shall
8.15 serve until the commission elects a chair at a meeting in January 2019.

8.16 Sec. 14. **REPEALER.**

8.17 Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4, is repealed.

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

APPENDIX
Repealed Minnesota Statutes: SF3658-1

3.98 FISCAL NOTES.

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