

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2958

03/22/2012 Authored by Lanning
The bill was read for the first time and referred to the Committee on Ways and Means
03/30/2012 Adoption of Report: Pass as Amended and Read Second Time
04/19/2012 Fiscal Calendar
Read Third Time
Passed by the House and transmitted to the Senate

1.1 A bill for an act
1.2 relating to finance; modifying the membership of the Legislative Advisory
1.3 Commission; authorizing the Legislative Advisory Commission to review
1.4 requests to spend federal money; limiting the authority to spend federal money
1.5 without legislative review to certain emergency management purposes; providing
1.6 for the validation of certain appropriation bonds; establishing an apprenticeship
1.7 and on-the-job training program to administer a portion of the Minnesota GI Bill
1.8 program; eliminating a surcharge on special veteran's plates for certain trucks;
1.9 appropriating money for honor guards, soft body armor, and disaster deficiency;
1.10 amending Minnesota Statutes 2010, sections 3.30, subdivision 2; 3.3005,
1.11 subdivisions 2a, 4, 5, 6, by adding a subdivision; 12.22, subdivision 1; 116.03,
1.12 subdivision 3; 197.791, subdivision 6, by adding a subdivision; Minnesota
1.13 Statutes 2011 Supplement, sections 16A.96, by adding a subdivision; 168.123,
1.14 subdivision 1.

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

1.16 Section 1. Minnesota Statutes 2010, section 3.30, subdivision 2, is amended to read:

1.17 Subd. 2. **Members; duties.** The majority leader of the senate or a designee, the
1.18 minority leader of the senate or a designee, the chair of the senate Committee on Finance,
1.19 and the chair of the appropriate finance committee, or division of the senate ~~Division of~~
1.20 ~~Finance~~ responsible for overseeing the items being considered by the commission, the
1.21 speaker of the house or a designee, the minority leader of the house of representatives or a
1.22 designee, the chair of the house of representatives Committee on Ways and Means, and
1.23 the chair of the appropriate finance committee, or division of the house of representatives
1.24 committee responsible for overseeing the items being considered by the ~~commissioner,~~
1.25 commission, constitute the Legislative Advisory Commission. The division chair of
1.26 the Finance Committee in the senate and the division chair of the appropriate finance
1.27 committee or division in the house of representatives shall rotate according to the items
1.28 being considered by the commission. If any of the members elect not to serve on the

2.1 commission, the house of which they are members, if in session, shall select some other
 2.2 member for the vacancy. If the legislature is not in session, vacancies in the house of
 2.3 representatives membership of the commission shall be filled by the last speaker of the
 2.4 house or, if the speaker is not available, by the last chair of the house of representatives
 2.5 Rules Committee, and by the last senate Committee on Committees or other appointing
 2.6 authority designated by the senate rules in case of a senate vacancy. The commissioner
 2.7 of management and budget shall be secretary of the commission and keep a permanent
 2.8 record and minutes of its proceedings, which are public records. The commissioner of
 2.9 management and budget shall transmit, under section 3.195, a report to the next legislature
 2.10 of all actions of the commission. Members shall receive traveling and subsistence
 2.11 expenses incurred attending meetings of the commission. The commission shall meet
 2.12 from time to time upon the call of the governor or upon the call of the secretary at the
 2.13 request of two or more of its members. A recommendation of the commission must be
 2.14 made at a meeting of the commission unless a written recommendation is signed by all
 2.15 the members entitled to vote on the item.

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

2.17 Sec. 2. Minnesota Statutes 2010, section 3.3005, is amended by adding a subdivision
 2.18 to read:

2.19 Subd. 1a. **Application.** The review in this section applies to federal funds
 2.20 appropriated under section 4.07, subdivision 3, or federal funds appropriated under any
 2.21 other section except for federal funds appropriated under section 12.22, subdivision 1.

2.22 Sec. 3. Minnesota Statutes 2010, section 3.3005, subdivision 2a, is amended to read:

2.23 Subd. 2a. **Review of federal funds spending request.** ~~Twenty~~ Thirty days after a
 2.24 governor's budget request that includes a request to spend federal money is submitted to
 2.25 the legislature under subdivision 2, a state agency may expend money included in that
 2.26 request unless, within the ~~20-day~~ 30-day period, ~~a member of~~ the Legislative Advisory
 2.27 Commission requests further review. If ~~a~~ the Legislative Advisory Commission ~~member~~
 2.28 requests further review of a federal funds spending request, the agency may not expend
 2.29 the federal funds until:

2.30 (1) the commission's request has been satisfied and withdrawn;

2.31 (2) the expenditure is approved in law; or

2.32 (3) the regular session of the legislature is adjourned for the year.

2.33 Sec. 4. Minnesota Statutes 2010, section 3.3005, subdivision 4, is amended to read:

3.1 Subd. 4. **Interim procedures; urgencies.** If federal money becomes available to
3.2 the state for expenditure after the deadline in subdivision 2 or while the legislature is not
3.3 in session, and the availability of money from that source or for that purpose or in that
3.4 fiscal year could not reasonably have been anticipated and included in the governor's
3.5 budget request, and an urgency requires that all or part of the money be allotted before the
3.6 legislature reconvenes or prior to the end of the 20-day period specified in subdivision 2, it
3.7 may be allotted to a state agency ~~after the requirements of subdivision 5 are met.~~ after
3.8 a request to spend the federal money has been submitted to the Legislative Advisory
3.9 Commission and the commission has met and made a positive recommendation on the
3.10 request. If the commission makes a positive recommendation, the commissioner of
3.11 management and budget shall approve or disapprove the request and the federal money
3.12 may be allocated for expenditure. If the commission makes a negative recommendation or
3.13 no recommendation, the request, in substantially the same format, may not be submitted
3.14 again. If the commission makes no recommendation within 30 days of the request being
3.15 made, the lack of a recommendation shall be considered a negative recommendation.

3.16 Sec. 5. Minnesota Statutes 2010, section 3.3005, subdivision 5, is amended to read:

3.17 Subd. 5. **Legislative Advisory Commission review.** Federal money that becomes
3.18 available under subdivision 3, 3a, ~~or 3b, or 4~~ may be allotted after the commissioner of
3.19 management and budget has submitted the request to ~~the members of the Legislative~~
3.20 ~~Advisory Commission for their review and recommendation for further review. If~~
3.21 ~~a recommendation is not made within ten days, no further review by the Legislative~~
3.22 ~~Advisory Commission is required, and the commissioner shall approve or disapprove~~
3.23 ~~the request. If a recommendation by any member is for further review the governor~~
3.24 ~~shall submit the request to the Legislative Advisory Commission for its review and~~
3.25 ~~recommendation. Failure or refusal of the commission to make a recommendation~~
3.26 ~~promptly is a negative recommendation. If the commission makes a negative~~
3.27 recommendation or a recommendation for further review on a request within 30 days after
3.28 the date the request was submitted, the commissioner shall not approve expenditure of
3.29 that federal money. If a request to expend federal money submitted under this subdivision
3.30 receives a negative recommendation or a recommendation for further review, the request
3.31 may be submitted again under subdivision 2. If the members of the commission make
3.32 a positive recommendation or no recommendation, the commissioner shall approve or
3.33 disapprove the request and the federal money may be allotted for expenditure.

3.34 Sec. 6. Minnesota Statutes 2010, section 3.3005, subdivision 6, is amended to read:

4.1 Subd. 6. ~~Interim procedures, nonurgencies.~~ If federal money becomes available
 4.2 to the state for expenditure after the deadline in subdivision 2 or while the legislature is
 4.3 not in session, ~~and subdivision 4 does not apply,~~ a request to expend the federal money
 4.4 may be submitted by the commissioner of management and budget to ~~members of~~
 4.5 the Legislative Advisory Commission for ~~their~~ review and recommendation. ~~This~~ The
 4.6 commissioner may submit a request must be submitted by October 1 to the Legislative
 4.7 Advisory Commission under this subdivision on August 1 and October 15 of any year. If
 4.8 ~~any member of~~ the commission makes a negative recommendation or a recommendation
 4.9 for further review on a request ~~by October 20 of the same year~~ within 30 days after the
 4.10 date the request was submitted, the commissioner shall not approve expenditure of that
 4.11 federal money. If a request to expend federal money submitted under this subdivision
 4.12 receives a negative recommendation or a recommendation for further review, the request
 4.13 may be submitted again under subdivision 2. If the members of the commission make
 4.14 a positive recommendation or no recommendation, the commissioner shall approve or
 4.15 disapprove the request and the federal money may be allotted for expenditure.

4.16 Sec. 7. Minnesota Statutes 2010, section 12.22, subdivision 1, is amended to read:

4.17 Subdivision 1. **Federal aid.** Whenever the federal government, or an agency or
 4.18 officer of the federal government, offers to the state, or through the state to any political
 4.19 subdivision of the state, services, equipment, supplies, materials, or funds by way of gift,
 4.20 grant or loan, for the purposes of emergency management, the state, acting through the
 4.21 governor, or the political subdivision, acting with the consent of the governor and through
 4.22 its governing body, may accept the offer and then may authorize an officer of the state
 4.23 or of the political subdivision, as the case may be, to receive the services, equipment,
 4.24 supplies, materials, or funds on behalf of the state or the political subdivision and subject
 4.25 to the terms of the offer and the rules, if any, of the agency making the offer. ~~However,~~
 4.26 Money received by the governor or any state agency under this subdivision is appropriated
 4.27 to the state agency receiving the funds to carry out the emergency management purposes
 4.28 for which the money is received. Section 3.3005 does not apply to money appropriated
 4.29 under this section. No money or other funds may be accepted or received as a loan nor any
 4.30 indebtedness incurred except as provided by law.

4.31 Sec. 8. Minnesota Statutes 2011 Supplement, section 16A.96, is amended by adding a
 4.32 subdivision to read:

4.33 Subd. 10. **Validation.** (a) Appropriation bonds issued under this section may be
 4.34 validated in the manner provided by this subdivision. If comparable appropriation bonds

5.1 are judicially determined to be valid, nothing in this subdivision shall be construed to
5.2 prevent the sale or delivery of any appropriation bonds without entry of a judgment of
5.3 validation by the Minnesota Supreme Court pursuant to this subdivision with respect to
5.4 the appropriation bonds authorized under this section.

5.5 (b) Any appropriation bonds issued under this section that are validated shall be
5.6 validated in the manner provided by this subdivision.

5.7 (c) The Minnesota Supreme Court shall have original jurisdiction to determine the
5.8 validation of appropriation bonds and all matters connected with issuance of the bonds.

5.9 (d) The commissioner may determine the commissioner's authority to issue
5.10 appropriation bonds and the legality of all proceedings in connection with issuing bonds.
5.11 For this purpose, a complaint shall be filed by the commissioner in the Minnesota Supreme
5.12 Court against the state and the taxpayers and citizens.

5.13 (e) As a condition precedent to filing of a complaint for the validation of
5.14 appropriation bonds, the commissioner shall take action providing for the issuance of
5.15 appropriation bonds in accordance with law.

5.16 (f) The complaint shall set out the state's authority to issue appropriation bonds, the
5.17 action or proceeding authorizing the issue and its adoption, all other essential proceedings
5.18 had or taken in connection with issuing bonds, the amount of the appropriation bonds to
5.19 be issued and the maximum interest they are to bear, and all other pertinent matters.

5.20 (g) The Minnesota Supreme Court shall issue an order directed against the state and
5.21 taxpayers, citizens, and others having or claiming any right, title, or interest affected by
5.22 the issuance of appropriation bonds, or to be affected by the bonds, allowing all persons,
5.23 in general terms and without naming them, and the state through its attorney general, to
5.24 appear before the Minnesota Supreme Court at a designated time and place and show
5.25 why the complaint should not be granted and the proceedings and appropriation bonds
5.26 validated. A copy of the complaint and order shall be served on the attorney general at
5.27 least 20 days before the time fixed for hearing. The attorney general shall examine the
5.28 complaint, and, if it appears or there is reason to believe that it is defective, insufficient, or
5.29 untrue, or if in the opinion of the attorney general the issuance of the appropriation bonds
5.30 in question has not been duly authorized, defense shall be made by the attorney general as
5.31 the attorney general deems appropriate.

5.32 (h) Before the date set for hearing, as directed by the Minnesota Supreme Court,
5.33 either the clerk of the Minnesota appellate courts or the commissioner shall publish a copy
5.34 of the order in a legal newspaper of general circulation in Ramsey County and the state, at
5.35 least once each week for two consecutive weeks, commencing with the first publication,
5.36 which shall not be less than 20 days before the date set for hearing. By this publication,

6.1 all taxpayers, citizens, and others having or claiming any right, title, or interest in the
6.2 state are made parties defendant to the action and the Minnesota Supreme Court has
6.3 jurisdiction of them to the same extent as if named as defendants in the complaint and
6.4 personally served with process.

6.5 (i) Any taxpayer, citizen, or person interested may become a party to the action by
6.6 moving against or pleading to the complaint at or before the time set for hearing. The
6.7 Minnesota Supreme Court shall determine all questions of law and fact and make orders
6.8 that will enable it to properly try and determine the action and render a final judgment
6.9 within 30 days of the hearing with the least possible delay.

6.10 (j) If the judgment validates appropriation bonds, the judgment is forever conclusive
6.11 as to all matters adjudicated and as against all parties affected and all others having or
6.12 claiming any right, title, or interest affected by the issuance of appropriation bonds, or to
6.13 be affected in any way by issuing the bonds, and the validity of appropriation bonds or of
6.14 any revenues pledged for the payment of the bonds, or of the proceedings authorizing the
6.15 issuance of the bonds, including any remedies provided for their collection, shall never
6.16 be called in question in any court by any person or party.

6.17 (k)(1) Appropriation bonds, when validated under this section, shall have stamped
6.18 or written on the bonds, by the proper officers of the state issuing them, a statement
6.19 in substantially the following form: "This appropriation bond is one of a series of
6.20 appropriation bonds which were validated by judgment of the Supreme Court of the State
6.21 of Minnesota, rendered on, (year)."

6.22 (2) A certified copy of the judgment or decree shall be received as evidence in any
6.23 court in this state.

6.24 (l) The costs shall be paid by the state, except that when a taxpayer, citizen, or other
6.25 person contests the action or intervenes, the court may tax the whole or any part of the
6.26 costs against the person that is equitable.

6.27 (m) A justice of the Minnesota Supreme Court is not disqualified in any validation
6.28 action because the justice is a landowner or taxpayer of the state.

6.29 Sec. 9. Minnesota Statutes 2010, section 116.03, subdivision 3, is amended to read:

6.30 Subd. 3. **Federal funds.** The commissioner of the Pollution Control Agency is
6.31 the state agent to apply for, receive, and disburse federal funds made available to the
6.32 state by federal law or rules and regulations promulgated thereunder for any purpose
6.33 related to the powers and duties of the Pollution Control Agency or the commissioner.
6.34 The commissioner shall comply with any and all requirements of such federal law or
6.35 such rules and regulations promulgated thereunder to facilitate application for, receipt,

7.1 and disbursement of such funds. All such moneys received by the commissioner
7.2 shall be deposited in the state treasury and are hereby annually appropriated to the
7.3 commissioner for the purposes for which they are received. None of such moneys in the
7.4 state treasury shall cancel and they shall be available for expenditure in accordance with
7.5 the requirements of federal law.

7.6 ~~The provisions of section 3.3005 shall not apply to money available under the~~
7.7 ~~federal Comprehensive Environmental Response, Compensation, and Liability Act of~~
7.8 ~~1980, United States Code, title 42, sections 9601 to 9657, for which a state match is not~~
7.9 ~~required or for which a state match is available under the Environmental Response and~~
7.10 ~~Liability Act or from a political subdivision. The receipt of the money shall be reported~~
7.11 ~~to the Legislative Advisory Commission.~~

7.12 Sec. 10. Minnesota Statutes 2011 Supplement, section 168.123, subdivision 1, is
7.13 amended to read:

7.14 Subdivision 1. **General requirements; fees.** (a) On payment of a fee of \$10 for
7.15 each set of two plates, or for a single plate in the case of a motorcycle plate, payment of
7.16 the registration tax required by law, and compliance with other applicable laws relating to
7.17 vehicle registration and licensing, as applicable, the commissioner shall issue:

7.18 (1) special veteran's plates to an applicant who served in the active military service
7.19 in a branch of the armed forces of the United States or of a nation or society allied with the
7.20 United States in conducting a foreign war, was discharged under honorable conditions, and
7.21 is a registered owner of a passenger automobile as defined in section 168.002, subdivision
7.22 24, recreational motor vehicle as defined in section 168.002, subdivision 27, or one-ton
7.23 pickup truck as defined in section 168.002, subdivision 21b, but which is not a commercial
7.24 motor vehicle as defined in section 169.011, subdivision 16; or

7.25 (2) a veteran's special motorcycle plate as described in subdivision 2, paragraph (a),
7.26 (f), (h), (i), or (j), or another special plate designed by the commissioner to an applicant
7.27 who is a registered owner of a motorcycle as defined in section 168.002, subdivision 19,
7.28 and meets the criteria listed in this paragraph and in subdivision 2, paragraph (a), (f), (h),
7.29 (i), or (j). Plates issued under this clause must be the same size as regular motorcycle
7.30 plates. Special motorcycle license plates issued under this clause are not subject to
7.31 section 168.1293.

7.32 (b) The additional fee of \$10 is payable for each set of veteran's plates, is payable
7.33 only when the plates are issued, and is not payable in a year in which stickers are issued
7.34 instead of plates.

8.1 (c) The veteran must have a certified copy of the veteran's discharge papers,
8.2 indicating character of discharge, at the time of application. If an applicant served in the
8.3 active military service in a branch of the armed forces of a nation or society allied with the
8.4 United States in conducting a foreign war and is unable to obtain a record of that service
8.5 and discharge status, the commissioner of veterans affairs may certify the applicant as
8.6 qualified for the veterans' plates provided under this section.

8.7 ~~(d) For license plates issued for one-ton trucks described in paragraph (a), clause~~
8.8 ~~(1), the commissioner shall collect a surcharge of \$5 on each \$10 fee collected under~~
8.9 ~~paragraph (a). The surcharge must be deposited in the vehicle services operating account~~
8.10 ~~in the special revenue fund.~~

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

8.12 Sec. 11. Minnesota Statutes 2010, section 197.791, is amended by adding a subdivision
8.13 to read:

8.14 Subd. 5a. **Apprenticeship and on-the-job training.** (a) The commissioner, in
8.15 consultation with the commissioners of employment and economic development and labor
8.16 and industry, shall develop and implement an apprenticeship and on-the-job training
8.17 program to administer a portion of the Minnesota GI Bill program to pay benefit amounts
8.18 to eligible applicants, as provided in this subdivision.

8.19 (b) An "eligible employer" means an employer operating a qualifying apprenticeship
8.20 or on-the-job training program that has been approved by the commissioner.

8.21 (c) A person is eligible for apprenticeship and on-the-job training assistance under
8.22 this subdivision if the person meets the criteria established under subdivision 4, paragraphs
8.23 (a), clause (1), and (c) to (e). The amount of assistance paid to or on behalf of an eligible
8.24 individual under this subdivision must not exceed the following:

8.25 (1) \$2,000 per fiscal year for apprenticeship expenses;

8.26 (2) \$2,000 per fiscal year for on-the-job training;

8.27 (3) \$1,000 for a job placement credit payable to an eligible employer upon hiring
8.28 a person receiving assistance under this subdivision; and

8.29 (4) \$1,000 for a job placement credit payable to an eligible employer after a person
8.30 receiving assistance under this subdivision has been employed by the eligible employer
8.31 for at least 12 consecutive months as a full-time employee.

8.32 No more than \$3,000 in aggregate benefits under this paragraph may be paid to or on
8.33 behalf of an individual in one fiscal year, and not more than \$9,000 in aggregate benefits
8.34 under this paragraph may be paid to or on behalf of an individual over any period of time.

- 9.1 (d) Assistance for apprenticeship expenses and on-the-job training is available for
9.2 qualifying programs, which must, at a minimum, meet the following criteria:
- 9.3 (1) the training must be with an eligible employer;
 - 9.4 (2) the training must be documented and reported;
 - 9.5 (3) the training must reasonably be expected to lead to an entry-level position; and
 - 9.6 (4) the position must require at least six months of training to become fully trained.

9.7 Sec. 12. Minnesota Statutes 2010, section 197.791, subdivision 6, is amended to read:

9.8 Subd. 6. **Appropriation.** The amount necessary to pay the benefit amounts
9.9 in ~~subdivision 5~~ subdivisions 5 and 5a is appropriated from the general fund to the
9.10 commissioner. During any fiscal year beginning on or after July 1, ~~2013~~ 2012, the amount
9.11 paid under this subdivision must not exceed \$6,000,000.

9.12 Sec. 13. **APPROPRIATION; HONOR GUARDS.**

9.13 \$100,000 is appropriated from the general fund for the fiscal year ending June 30,
9.14 2013, to the commissioner of veterans affairs for compensation for honor guards at
9.15 the funerals of veterans under Minnesota Statutes, section 197.231. This is a onetime
9.16 appropriation.

9.17 Sec. 14. **APPROPRIATION; SOFT BODY ARMOR.**

9.18 \$515,000 is appropriated from the general fund to the commissioner of public safety
9.19 in fiscal year 2012 for soft body armor reimbursements under Minnesota Statutes, section
9.20 299A.38. This is a onetime appropriation. Any unexpended funds may be carried over
9.21 into fiscal year 2013.

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

9.23 Sec. 15. **APPROPRIATION; DISASTER DEFICIENCY.**

9.24 (a) \$235,000 of the appropriation for disaster relief in Laws 2010, Second Special
9.25 Session chapter 1, article 1, section 11, is canceled and returned to the general fund.

9.26 (b) \$235,000 is appropriated from the general fund to the commissioner of public
9.27 safety in fiscal year 2012. This appropriation is to provide a match for Federal Emergency
9.28 Management Agency (FEMA) disaster assistance to state agencies and political
9.29 subdivisions under Minnesota Statutes, section 12.221, in the area designated under
9.30 Presidential Declaration of Major Disaster, FEMA-DR-1900-MN, whether included in
9.31 the original declaration or added later by federal government action. This is a onetime
9.32 appropriation. This appropriation is available until expended.

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