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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-NINTH SESSION

**H. F. No. 495**

02/02/2015 Authored by Anderson, S.; Howe; Kresha; O'Driscoll; Newberger and others  
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy  
02/25/2015 Adoption of Report: Re-referred to the Committee on State Government Finance  
04/20/2015 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act  
1.2 relating to the operation of state government; appropriating money for the  
1.3 legislature, governor's office, state auditor, attorney general, secretary of state,  
1.4 certain agencies, boards, councils, retirement funds, and military affairs and  
1.5 veterans affairs; creating an ethnic councils account; specifying how legislative  
1.6 and congressional districts must be drawn; evaluating economic development  
1.7 incentive programs; transferring responsibility fiscal notes, local impact notes,  
1.8 or revenue estimates to the legislative auditor; specifying county audits by  
1.9 the state auditor; modifying campaign finance provisions; defining substantial  
1.10 economic impact for rulemaking; changing rulemaking provisions; requiring the  
1.11 legislative auditor to conduct an impact analysis on certain rules; establishing  
1.12 three ethnic councils; requiring a tracking list of agency projects; allowing  
1.13 prepay for certain software and information technology hosting services;  
1.14 changing state budget requirements; providing free rehearsal and storage space  
1.15 for the state band; modifying notice provisions for state construction and  
1.16 remodeling plans; providing reimbursement for reasonable accommodations;  
1.17 modifying grant agreement provisions; making changes to provisions governing  
1.18 veteran-owned small businesses; changing provisions governing the Office of  
1.19 MN.IT Services; limiting the number of full-time equivalent executive branch  
1.20 agency employees; changing certain MNsure provisions; establishing the  
1.21 healthy eating, here at home program; establishing expedited and temporary  
1.22 licensing for former and current military members for certain occupations;  
1.23 adjusting certain barber board fees for members of the military; modifying  
1.24 provisions governing the National Guard; modifying the Veterans Preference  
1.25 Act; designating an Honor and Remember flag; changing provisions governing  
1.26 pari-mutuel horse racing; changing a fee provision for federal tax liens; changing  
1.27 a contracting provision for the Office of the Commissioner of Iron Range  
1.28 resources and rehabilitation; changing certain requirements for corporations;  
1.29 modifying provisions for accountants; changing a farm product lien; adding an  
1.30 exception to the rehabilitation of criminal offenders provisions; limiting railroad  
1.31 condemnation powers over certain properties; providing that school employees  
1.32 and districts are subject to certain group health insurance requirements; changing  
1.33 provisions governing the Metropolitan Council; designating the salary for the  
1.34 chair of the Metropolitan Council; limiting the salary increase for agency heads;  
1.35 establishing the Legislative Surrogacy Commission; limiting compensation  
1.36 for employees in the managerial plan; limiting expenditures for advertising;  
1.37 specifying debt service on a certain parking ramp financing; specifying terms for  
1.38 members of the Metropolitan Council; requiring reports; amending Minnesota  
1.39 Statutes 2014, sections 3.971, by adding a subdivision; 3.979, subdivision 3;

2.1 3.98; 3.987, subdivision 1; 10A.01, subdivision 26; 10A.105, subdivision 1;  
 2.2 10A.15, subdivision 1; 10A.245, subdivision 2; 10A.257, subdivision 1; 10A.38;  
 2.3 14.02, by adding a subdivision; 14.05, subdivisions 1, 2; 14.116; 14.127;  
 2.4 14.131; 14.388, subdivision 2; 14.389, subdivision 2; 14.44; 14.45; 16A.065;  
 2.5 16A.103, by adding a subdivision; 16A.11, by adding subdivisions; 16B.24, by  
 2.6 adding a subdivision; 16B.335, subdivision 1; 16B.371; 16B.97, subdivision  
 2.7 1, by adding a subdivision; 16C.03, subdivision 16; 16C.16, subdivision 6a;  
 2.8 16C.19; 16E.01; 16E.016; 16E.0465; 16E.14, subdivision 3; 16E.145; 16E.19,  
 2.9 by adding a subdivision; 62V.03, subdivision 2; 148.57, by adding a subdivision;  
 2.10 148.624, subdivision 5; 148B.33, by adding a subdivision; 148B.53, by adding  
 2.11 a subdivision; 148B.5301, by adding a subdivision; 148F.025, by adding a  
 2.12 subdivision; 153.16, subdivisions 1, 4; 154.003; 154.11, subdivision 3; 190.19,  
 2.13 subdivision 2a; 192.38, subdivision 1; 192.501, by adding a subdivision; 197.46;  
 2.14 211B.37; 240.01, subdivision 22, by adding subdivisions; 240.011; 240.03;  
 2.15 240.08, subdivisions 2, 4, 5; 240.10; 240.13, subdivisions 5, 6; 240.135; 240.15,  
 2.16 subdivisions 1, 6; 240.16, subdivision 1; 240.22; 240.23; 272.484; 298.22,  
 2.17 subdivision 1; 303.19; 304A.301, subdivisions 1, 5, 6, by adding a subdivision;  
 2.18 326A.01, subdivisions 2, 12, 13a, 15, 16; 326A.02, subdivisions 3, 5; 326A.05,  
 2.19 subdivisions 1, 3; 326A.10; 336A.09, subdivision 1; 364.09; 471.6161,  
 2.20 subdivision 8; 473.123, subdivisions 2a, 3, 4; 473J.07, subdivision 3; Laws 2013,  
 2.21 chapter 142, article 1, section 10; Laws 2015, chapter 3, section 4; proposing  
 2.22 coding for new law in Minnesota Statutes, chapters 2; 3; 6; 15; 16A; 16B; 16E;  
 2.23 43A; 138; 197; 383B; repealing Minnesota Statutes 2014, sections 3.886; 3.9223;  
 2.24 3.9225; 3.9226, subdivisions 1, 2, 3, 4, 5, 6, 7; 6.48; 10A.25, subdivisions 1, 2,  
 2.25 2a, 3, 3a, 5, 10; 10A.255, subdivisions 1, 3; 10A.27, subdivision 11; 10A.30;  
 2.26 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, 11; 10A.315;  
 2.27 10A.321; 10A.322, subdivisions 1, 2; 10A.323; 10A.324, subdivisions 1, 3;  
 2.28 240.01, subdivisions 12, 23; 349A.07, subdivision 6; 375.23; Minnesota Rules,  
 2.29 parts 4503.1400, subparts 2, 3, 5, 6, 7, 8, 9; 4503.1450.

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

2.31 **ARTICLE 1**

2.32 **STATE GOVERNMENT APPROPRIATIONS**

2.33 Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

2.34 The sums shown in the columns marked "Appropriations" are appropriated to the  
 2.35 agencies and for the purposes specified in this article. The appropriations are from the  
 2.36 general fund, or another named fund, and are available for the fiscal years indicated  
 2.37 for each purpose. The figures "2016" and "2017" used in this article mean that the  
 2.38 appropriations listed under them are available for the fiscal year ending June 30, 2016, or  
 2.39 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal  
 2.40 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>

2.45 Sec. 2. **LEGISLATURE**

3.1 Subdivision 1. Total  
 3.2 Appropriation \$ 69,160,000 67,595,000

3.3 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
3.4 <u>General</u>	67,032,000	67,467,000
3.5 <u>Health Care Access</u>	128,000	128,000
3.6 <u>Special Revenue</u>	2,000,000	0

3.8 The amounts that may be spent for each  
 3.9 purpose are specified in the following  
 3.10 subdivisions.

3.11 Subd. 2. Senate 21,501,000 21,501,000

3.12 \$1,723,000 of the senate carryforward  
 3.13 balance shall cancel to the general fund on  
 3.14 July 1, 2015.

3.15 Subd. 3. House of Representatives 28,998,000 28,998,000

3.16 During the biennium ending June 30, 2017,  
 3.17 any revenues received by the house of  
 3.18 representatives from voluntary donations  
 3.19 to support broadcast or print media are  
 3.20 appropriated to the house of representatives.

3.21 \$3,938,000 of the house carryforward  
 3.22 balance shall cancel to the general fund on  
 3.23 July 1, 2015.

3.24 Subd. 4. Legislative Coordinating Commission 18,661,000 17,096,000

3.25 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
3.26 <u>General</u>	16,533,000	16,968,000
3.27 <u>Health Care Access</u>	128,000	128,000
3.28 <u>Special Revenue</u>	2,000,000	0

3.29 \$1,567,000 of the Legislative Coordinating  
 3.30 Commission carryforward balance and the  
 3.31 Revisor of Statutes carryforward balance  
 3.32 shall cancel to the general fund on July 1,  
 3.33 2015.

4.1 \$7,132,000 each year from the general fund  
 4.2 is to the Office of the Legislative Auditor.  
 4.3 The auditor is requested to do an evaluation  
 4.4 of Minnesota veterans homes.  
 4.5 \$435,000 in fiscal year 2017 is for the  
 4.6 revisor's administrative rules system.  
 4.7 \$595,000 each year is for the Office of the  
 4.8 Revisor of Statutes to maintain and improve  
 4.9 information technology services.  
 4.10 \$10,000 each year is for purposes of the  
 4.11 legislators' forum, through which Minnesota  
 4.12 legislators meet with counterparts from  
 4.13 South Dakota, North Dakota, and Manitoba  
 4.14 to discuss issues of mutual concern.  
 4.15 \$2,000,000 is transferred from the state  
 4.16 employee group insurance trust fund to a  
 4.17 rulemaking account in the special revenue  
 4.18 fund.  
 4.19 \$2,000,000 for the biennium ending June 30,  
 4.20 2017, is appropriated from the rulemaking  
 4.21 account in the special revenue fund to the  
 4.22 legislative auditor to:  
 4.23 (1) reimburse executive agencies for costs  
 4.24 associated with determining if proposed  
 4.25 rules have substantial economic impact and  
 4.26 for costs of peer review advisory panels  
 4.27 for proposed rules that have substantial  
 4.28 economic impact; and  
 4.29 (2) reimburse the legislative auditor for costs  
 4.30 associated with this process.

4.31 **Sec. 3. GOVERNOR AND LIEUTENANT**  
 4.32 **GOVERNOR** **\$** **3,134,000** **\$** **3,134,000**

4.33 (a) This appropriation is to fund the Office of  
 4.34 the Governor and Lieutenant Governor.





7.1 Statutes, section 13.085. These amounts  
 7.2 may be used in either year of the biennium.  
 7.3 \$6,000 is added to the agency's base to be  
 7.4 available for the biennium.

7.5 Sec. 10. **MN.IT SERVICES** **\$ 2,431,000 \$ 2,431,000**

7.6 During the biennium ending June 30, 2017,  
 7.7 MN.IT Services must not charge fees to a  
 7.8 public noncommercial educational television  
 7.9 broadcast station eligible for funding under  
 7.10 Minnesota Statutes, chapter 129D, for  
 7.11 access to the state broadcast infrastructure.  
 7.12 If the access fees not charged to public  
 7.13 noncommercial educational television  
 7.14 broadcast stations total more than \$400,000  
 7.15 for the biennium, the office may charge for  
 7.16 access fees in excess of these amounts.

7.17 The commissioner of management and  
 7.18 budget is authorized to provide cash flow  
 7.19 assistance of up to \$110,000,000 from the  
 7.20 special revenue fund or other statutory  
 7.21 general funds, as defined in Minnesota  
 7.22 Statutes, section 16A.671, subdivision  
 7.23 3, paragraph (a), to the Office of MN.IT  
 7.24 Services for the purpose of managing  
 7.25 revenue and expenditure differences during  
 7.26 the initial phases of IT consolidation. These  
 7.27 funds shall be repaid with interest by the end  
 7.28 of the fiscal year 2017 closing period.

7.29 Sec. 11. **ADMINISTRATION**

7.30 **Subdivision 1. Total Appropriation** **\$ 19,781,000 \$ 19,191,000**

7.31 The amounts that may be spent for each  
 7.32 purpose are specified in the following  
 7.33 subdivisions.

8.1	<u>Subd. 2. <b>Government and Citizen Services</b></u>	<u>7,265,000</u>	<u>7,095,000</u>
8.2	<u>\$210,000 the first year and \$40,000 the</u>		
8.3	<u>second year are for increased information</u>		
8.4	<u>technology associated with supporting small</u>		
8.5	<u>business purchasing programs.</u>		
8.6	<u>\$74,000 the first year and \$74,000 the second</u>		
8.7	<u>year are for the Council on Developmental</u>		
8.8	<u>Disabilities.</u>		
8.9	<u>Subd. 3. <b>Strategic Management Services</b></u>	<u>1,789,000</u>	<u>1,789,000</u>
8.10	<u>Subd. 4. <b>Fiscal Agent</b></u>	<u>10,727,000</u>	<u>10,307,000</u>
8.11	<u>The appropriations under this section are to</u>		
8.12	<u>the commissioner of administration for the</u>		
8.13	<u>purposes specified.</u>		
8.14	<u><b>In-Lieu of Rent.</b> \$7,488,000 the first year</u>		
8.15	<u>and \$7,488,000 the second year are for</u>		
8.16	<u>space costs of the legislature and veterans</u>		
8.17	<u>organizations, ceremonial space, and</u>		
8.18	<u>statutorily free space.</u>		
8.19	<u><b>Relocation Expenses.</b> \$1,284,000 the first</u>		
8.20	<u>year and \$864,000 the second year are for</u>		
8.21	<u>rent loss and relocation expenses related to</u>		
8.22	<u>the Capitol renovation project. Relocation</u>		
8.23	<u>expenses include only moving of art, fixtures,</u>		
8.24	<u>renovation supplies, and similar materials,</u>		
8.25	<u>and may not be used for moving Senators,</u>		
8.26	<u>Senate staff, and related offices and supplies.</u>		
8.27	<u>This is a onetime appropriation.</u>		
8.28	<u><b>Public Broadcasting.</b> (a) \$1,161,000 the</u>		
8.29	<u>first year and \$1,161,000 the second year are</u>		
8.30	<u>for matching grants for public television.</u>		
8.31	<u>(b) \$200,000 the first year and \$200,000</u>		
8.32	<u>the second year are for public television</u>		
8.33	<u>equipment grants.</u>		

9.1 (c) The equipment or matching grants in  
9.2 paragraphs (a) and (b) must be allocated  
9.3 after considering the recommendations of the  
9.4 Minnesota Public Television Association.

9.5 (d) \$287,000 the first year and \$287,000 the  
9.6 second year are for community service grants  
9.7 to public educational radio stations. This  
9.8 appropriation may be used to disseminate  
9.9 emergency information in foreign languages.

9.10 (e) \$100,000 the first year and \$100,000  
9.11 the second year are for equipment grants  
9.12 to public educational radio stations. This  
9.13 appropriation may be used for the repair,  
9.14 rental, and purchase of equipment including  
9.15 equipment under \$500.

9.16 (f) The grants in paragraphs (d) and (e)  
9.17 must be allocated after considering the  
9.18 recommendations of the Association of  
9.19 Minnesota Public Education Radio Stations  
9.20 under Minnesota Statutes, section 129D.14.  
9.21 As a condition of receiving grants under  
9.22 paragraphs (d) and (e), the Association of  
9.23 Minnesota Public Education Radio Stations  
9.24 must agree that it will not take any steps  
9.25 leading to the operation of new stations  
9.26 unless specifically authorized by a future law.

9.27 (g) \$207,000 the first year and \$207,000  
9.28 the second year are for equipment grants  
9.29 to Minnesota Public Radio, Inc., including  
9.30 upgrades to Minnesota's Emergency Alert  
9.31 and AMBER Alert Systems.

9.32 (h) Any unencumbered balance remaining  
9.33 the first year for grants to public television or  
9.34 radio stations does not cancel and is available  
9.35 for the second year.

10.1 **Sec. 12. CAPITOL AREA**  
 10.2 **ARCHITECTURAL AND PLANNING**  
 10.3 **BOARD** \$ **325,000** \$ **325,000**

10.4 **Sec. 13. MINNESOTA MANAGEMENT AND**  
 10.5 **BUDGET** \$ **18,757,000** \$ **18,757,000**

10.6 \$156,000 the first year and \$156,000 the  
 10.7 second year are to develop and implement  
 10.8 a return on taxpayer investment (ROTI)  
 10.9 methodology using the Pew-MacArthur  
 10.10 Results First framework to evaluate  
 10.11 corrections and human services programs  
 10.12 administered and funded by state and  
 10.13 county governments. The commissioner  
 10.14 shall engage and work with staff from  
 10.15 Pew-MacArthur Results First, and shall  
 10.16 consult with representatives of other state  
 10.17 agencies, counties, legislative staff, the  
 10.18 commissioners of corrections and human  
 10.19 services, and other commissioners of state  
 10.20 agencies and stakeholders to implement the  
 10.21 established methodology. The commissioner  
 10.22 of management and budget shall report  
 10.23 on implementation progress and make  
 10.24 recommendations to the governor and  
 10.25 legislature by January 31, 2017.

10.26 The commissioner must report to the chairs  
 10.27 and ranking minority members of the  
 10.28 House of Representatives State Government  
 10.29 Finance Committee and the Senate State  
 10.30 Departments and Veterans Budget Division  
 10.31 by July 15, 2015, on the gainsharing program  
 10.32 in Minnesota Statutes, Section 16A.90. The  
 10.33 report must include information on how the  
 10.34 commissioner has promoted the program  
 10.35 to state employees, results achieved under  
 10.36 the program, and recommendations for any



12.1 disadvantaged Minnesota residents to help  
 12.2 them file federal and state income tax returns  
 12.3 and Minnesota property tax refund claims  
 12.4 and to provide personal representation before  
 12.5 the Department of Revenue and Internal  
 12.6 Revenue Service.

12.7 Subd. 3. Debt Collection Management 28,616,000 28,616,000

12.8 Sec. 15. GAMBLING CONTROL \$ 3,959,000 \$ 3,959,000

12.9 These appropriations are from the lawful  
 12.10 gambling regulation account in the special  
 12.11 revenue fund.

12.12 Sec. 16. RACING COMMISSION \$ 899,000 \$ 1,081,000

12.13 These appropriations are from the racing  
 12.14 and card playing regulation accounts in the  
 12.15 special revenue fund.

12.16 Sec. 17. STATE LOTTERY

12.17 Notwithstanding Minnesota Statutes, section  
 12.18 349A.10, subdivision 3, the operating budget  
 12.19 must not exceed \$31,000,000 in fiscal year  
 12.20 2016 and \$31,000,000 in fiscal year 2017.

12.21 Sec. 18. AMATEUR SPORTS COMMISSION \$ 253,000 \$ 253,000

12.22 Sec. 19. COUNCIL ON BLACK  
 12.23 MINNESOTANS \$ 392,000 \$ 392,000

12.24 These appropriations are from the ethnic  
 12.25 councils account in the special revenue fund.

12.26 The general fund base in fiscal years 2018 and  
 12.27 2019 for this council is \$392,000 each year.

12.28 Sec. 20. COUNCIL ON ASIAN-PACIFIC  
 12.29 MINNESOTANS \$ 354,000 \$ 354,000

13.1 These appropriations are from the ethnic  
 13.2 councils account in the special revenue fund.

13.3 The general fund base in fiscal years 2018 and  
 13.4 2019 for this council is \$354,000 each year.

13.5	Sec. 21. <b><u>COUNCIL ON AFFAIRS OF</u></b>			
13.6	<b><u>CHICANO/LATINO PEOPLE</u></b>	<b><u>\$</u></b>	<b><u>375,000</u></b>	<b><u>\$</u></b>
				<b><u>375,000</u></b>

13.7 These appropriations are from the ethnic  
 13.8 councils account in the special revenue fund.

13.9 The general fund base in fiscal years 2018 and  
 13.10 2019 for this council is \$375,000 each year.

13.11	Sec. 22. <b><u>INDIAN AFFAIRS COUNCIL</u></b>			
		<b><u>\$</u></b>	<b><u>562,000</u></b>	<b><u>\$</u></b>
				<b><u>562,000</u></b>

13.12 These appropriations are from the ethnic  
 13.13 councils account in the special revenue fund.

13.14 The general fund base in fiscal years 2018 and  
 13.15 2019 for this council is \$562,000 each year.

13.16 Sec. 23. **MINNESOTA HISTORICAL**  
 13.17 **SOCIETY**

13.18	Subdivision 1. <b><u>Total Appropriation</u></b>			
		<b><u>\$</u></b>	<b><u>22,673,000</u></b>	<b><u>\$</u></b>
				<b><u>22,464,000</u></b>

13.19 The amounts that may be spent for each  
 13.20 purpose are specified in the following  
 13.21 subdivisions.

13.22	Subd. 2. <b><u>Operations and Programs</u></b>			
			<b><u>22,160,000</u></b>	<b><u>22,160,000</u></b>

13.23 Notwithstanding Minnesota Statutes, section  
 13.24 138.668, the Minnesota Historical Society  
 13.25 may not charge a fee for its general tours at  
 13.26 the Capitol, but may charge fees for special  
 13.27 programs other than general tours.

13.28 \$750,000 the first year and \$750,000 the  
 13.29 second year are for digital preservation  
 13.30 and access, including planning and  
 13.31 implementation of a program to preserve



15.1 section the first year does not cancel, but is  
15.2 available for the second year of the biennium.

15.3 **Projects located in Minnesota; travel**  
15.4 **restriction.** Money appropriated in this  
15.5 section and distributed as grants may only  
15.6 be spent on projects located in Minnesota.  
15.7 A recipient of a grant funded by an  
15.8 appropriation in this section must not use  
15.9 more than ten percent of the total grant for  
15.10 costs related to travel outside the state of  
15.11 Minnesota.

15.12 **Sec. 25. MINNESOTA HUMANITIES**  
15.13 **CENTER** \$ **1,100,000** \$ **850,000**

15.14 \$250,000 the first year is for a grant to  
15.15 Everybody Wins!-Minnesota, a Minnesota  
15.16 501(c)(3) corporation, to operate a reading  
15.17 program for Minnesota children. Any  
15.18 balance in the first year does not cancel but is  
15.19 available in the second year.

15.20 \$250,000 the first year and \$250,000 the  
15.21 second year are for a grant to the Minnesota  
15.22 Council on Economic Education to provide  
15.23 staff development to teachers for the  
15.24 implementation of the state graduation  
15.25 standards in learning areas relating to  
15.26 economic education. This is a onetime  
15.27 appropriation. The commissioner, in  
15.28 consultation with the council, shall develop  
15.29 expected results of staff development,  
15.30 eligibility criteria for participants, an  
15.31 evaluation procedure, and guidelines for  
15.32 direct and in-kind contributions by the  
15.33 council. This appropriation does not cancel,  
15.34 but is available until expended.

16.1 \$250,000 in fiscal year 2016 and \$250,000 in  
 16.2 fiscal year 2017 are for the healthy eating,  
 16.3 here at home program under Minnesota  
 16.4 Statutes, section 256E.345. No more than  
 16.5 three percent of the appropriation may be  
 16.6 used for the nonprofit administration of the  
 16.7 grant program under Minnesota Statutes,  
 16.8 section 256E.345.

16.9 Sec. 26. **BOARD OF ACCOUNTANCY**                    \$                    **628,000** \$                    **618,000**

16.10 Sec. 27. **BOARD OF ARCHITECTURE**  
 16.11 **ENGINEERING, LAND SURVEYING,**  
 16.12 **LANDSCAPE ARCHITECTURE,**  
 16.13 **GEOSCIENCE, AND INTERIOR DESIGN**                    \$                    **774,000** \$                    **774,000**

16.14 Sec. 28. **BOARD OF COSMETOLOGIST**  
 16.15 **EXAMINERS**                    \$                    **1,346,000** \$                    **1,346,000**

16.16 Sec. 29. **BOARD OF BARBER EXAMINERS**                    \$                    **317,000** \$                    **317,000**

16.17 Sec. 30. **HUMAN RIGHTS.**                    \$                    **3,505,000** \$                    **3,505,000**

16.18 \$80,000 each year is for operation of an  
 16.19 office in St. Cloud.

16.20 Sec. 31. **GENERAL CONTINGENT**  
 16.21 **ACCOUNTS**                    \$                    **750,000** \$                    **500,000**

16.22	<u>Appropriations by Fund</u>		
16.23		<u>2016</u>	<u>2017</u>
16.24	<u>General</u>	<u>250,000</u>	<u>-0-</u>
16.25	<u>State Government</u>		
16.26	<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
16.27	<u>Workers'</u>		
16.28	<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

16.29 (a) The appropriations in this section  
 16.30 may only be spent with the approval of  
 16.31 the governor after consultation with the  
 16.32 Legislative Advisory Commission pursuant  
 16.33 to Minnesota Statutes, section 3.30.

17.1 (b) If an appropriation in this section for  
 17.2 either year is insufficient, the appropriation  
 17.3 for the other year is available for it.

17.4 (c) If a contingent account appropriation  
 17.5 is made in one fiscal year, it should be  
 17.6 considered a biennial appropriation.

17.7 Sec. 32. **TORT CLAIMS** \$ **161,000** \$ **161,000**

17.8 These appropriations are to be spent by the  
 17.9 commissioner of management and budget  
 17.10 according to Minnesota Statutes, section  
 17.11 3.736, subdivision 7. If the appropriation for  
 17.12 either year is insufficient, the appropriation  
 17.13 for the other year is available for it.

17.14 Sec. 33. **MINNESOTA STATE RETIREMENT**  
 17.15 **SYSTEM** \$ **6,552,000** \$ **8,936,000**

17.16 These amounts are estimated to be needed  
 17.17 under Minnesota Statutes, sections 3A.03,  
 17.18 subdivision 2; 3A.04, subdivisions 3 and 4;  
 17.19 and 3A.115 for the Combined Legislators  
 17.20 and Constitutional Officers Retirement Plan.

17.21 Sec. 34. **PUBLIC EMPLOYEES**  
 17.22 **RETIREMENT ASSOCIATION** \$ **6,000,000** \$ **6,000,000**

17.23 Notwithstanding Minnesota Statutes, section  
 17.24 353.505, the state payments to the Public  
 17.25 Employees Retirement Association on behalf  
 17.26 of the former MERF division account are  
 17.27 \$6,000,000 on September 15, 2015 and  
 17.28 \$6,000,000 on September 15, 2016.

17.29 Sec. 35. **TEACHERS RETIREMENT**  
 17.30 **ASSOCIATION** \$ **29,831,000** \$ **29,831,000**

17.31 The amounts estimated to be needed are as  
 17.32 follows:





20.1 are homeless or in danger of homelessness,  
20.2 including assistance with the following:

20.3 (1) utilities;

20.4 (2) employment; and

20.5 (3) legal issues.

20.6 The assistance authorized under this  
20.7 paragraph must be made only to veterans who  
20.8 have resided in Minnesota for 30 days prior  
20.9 to application for assistance and according  
20.10 to other guidelines established by the  
20.11 commissioner. In order to avoid duplication  
20.12 of services, the commissioner must ensure  
20.13 that this assistance is coordinated with all  
20.14 other available programs for veterans.

20.15 **Honor Guards.** \$200,000 each year is  
20.16 for compensation for honor guards at  
20.17 the funerals of veterans under Minnesota  
20.18 Statutes, section 197.231. This amount is  
20.19 added to the program's base funding.

20.20 **Minnesota GI Bill.** \$200,000 each year is  
20.21 for the costs of administering the Minnesota  
20.22 GI Bill postsecondary educational benefits,  
20.23 on-the-job training, and apprenticeship  
20.24 program under Minnesota Statutes, section  
20.25 197.791. Of this amount, \$100,000 is for  
20.26 transfer to the Office of Higher Education.

20.27 **Gold Star Program.** \$100,000 each year  
20.28 is for administering the Gold Star Program  
20.29 for surviving family members of deceased  
20.30 veterans. This amount is added to the  
20.31 program's base funding.

20.32 **County Veterans Service Office.**  
20.33 \$1,100,000 each year is for funding the  
20.34 County Veterans Service Office grant

21.1 program under Minnesota Statutes, section  
 21.2 197.608.

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

21.4	<u>Appropriations by Fund</u>	
21.5	<u>2016</u>	<u>2017</u>
21.6	<u>General Fund</u>	<u>47,013,000</u> <u>47,013,000</u>
21.7	<u>Special Revenue</u>	<u>2,001,000</u> <u>4,107,000</u>

21.8 **Veterans Homes Special Revenue Account.**

21.9 \$6,108,000 is transferred from the state  
 21.10 employee group insurance program trust fund  
 21.11 to the veterans home special revenue account  
 21.12 in the special revenue fund. The general fund  
 21.13 appropriations made to the department may  
 21.14 be transferred to a veterans homes special  
 21.15 revenue account in the special revenue fund  
 21.16 in the same manner as other receipts are  
 21.17 deposited according to Minnesota Statutes,  
 21.18 section 198.34. Amounts in the account  
 21.19 are appropriated to the department for the  
 21.20 operation of veterans homes facilities and  
 21.21 programs.

21.22 The general fund base in fiscal years 2018  
 21.23 and 2019 for veterans homes is \$51,120,000  
 21.24 each year.

21.25 **Sec. 39. ETHNIC COUNCILS ACCOUNT.**

21.26 The following amounts are deposited in the ethnic councils account in the special  
 21.27 revenue fund:

21.28 (1) \$2,192,000 which is transferred from the state employee group insurance trust  
 21.29 fund;

21.30 (2) \$871,000 which is transferred from the state elections campaign fund; and

21.31 (3) \$294,000 from the appropriation related to health insurance transparency in Laws  
 21.32 2014, chapter 312, article 21, section 4, paragraph (a), is canceled to the general fund  
 21.33 and transferred to the special revenue fund, effective the day following final enactment  
 21.34 of this section.

## ARTICLE 2

## STATE GOVERNMENT

Section 1. **[2.92] DISTRICTING PRINCIPLES.**

Subdivision 1. **Applicability; constitutional duty of legislature.** (a) The principles in this section apply to legislative and congressional districts.

(b) Notwithstanding any laws to the contrary, legislative and congressional districts must be drawn by the legislature, consistent with the requirements of the Minnesota Constitution, article IV, section 3. The legislature may not delegate its duty to draw districts to any commission, council, panel, or other entity that is not comprised solely of members of the legislature.

Subd. 2. **Nesting.** A representative district may not be divided in the formation of a senate district.

Subd. 3. **Equal population.** (a) Legislative districts must be substantially equal in population. The population of a legislative district must not deviate from the ideal by more than 0.5 percent, plus or minus.

(b) Congressional districts must be as nearly equal in population as practicable.

Subd. 4. **Contiguity; compactness.** The districts must be composed of convenient contiguous territory. To the extent consistent with the other principles in this section, districts should be compact. Contiguity by water is sufficient if the water is not a serious obstacle to travel within the district. Point contiguity is not sufficient.

Subd. 5. **Numbering.** (a) Legislative districts must be numbered in a regular series, beginning with house district 1A in the northwest corner of the state and proceeding across the state from west to east, north to south, but bypassing the 11-county metropolitan area until the southeast corner has been reached; then to the 11-county metropolitan area outside the cities of Minneapolis and St. Paul; then in Minneapolis and St. Paul.

(b) Congressional district numbers must begin with district one in the southeast corner of the state and end with district eight in the northeast corner of the state.

Subd. 6. **Minority representation.** (a) The dilution of racial or ethnic minority voting strength is contrary to the laws of the United States and the state of Minnesota. These principles must not be construed to supersede any provision of the Voting Rights Act of 1965, as amended.

(b) A redistricting plan must not have the intent or effect of dispersing or concentrating minority population in a manner that prevents minority communities from electing their candidates of choice.

23.1 Subd. 7. **Minor civil divisions.** (a) A county, city, or town must not be unduly  
23.2 divided unless required to meet equal population requirements or to form districts  
23.3 composed of convenient, contiguous territory.

23.4 (b) A county, city, or town is not unduly divided in the formation of a legislative or  
23.5 congressional district if:

23.6 (1) the division occurs because a portion of a city or town is noncontiguous with  
23.7 another portion of the same city or town; or

23.8 (2) despite the division, the known population of any affected county, city, or town  
23.9 remains wholly located within a single district.

23.10 Subd. 8. **Preserving communities of interest.** (a) Districts should attempt to  
23.11 preserve identifiable communities of interest where that can be done in compliance with  
23.12 the principles under this section.

23.13 (b) For purposes of this subdivision, "communities of interest" means recognizable  
23.14 areas with similarities of interests including, but not limited to, racial, ethnic, geographic,  
23.15 social, or cultural interests.

23.16 Subd. 9. **Data to be used.** (a) The geographic areas and population counts used in  
23.17 maps, tables, and legal descriptions of the districts must be those used by the Geographic  
23.18 Information Systems Office of the Legislative Coordinating Commission. The population  
23.19 counts will be the block population counts provided to the state under Public Law 94-171  
23.20 after each decennial census, subject to correction of any errors acknowledged by the  
23.21 United States Census Bureau.

23.22 (b) Nothing in this subdivision prohibits the use of additional data, as determined  
23.23 by the legislature.

23.24 Subd. 10. **Consideration of plans.** A redistricting plan must not be considered for  
23.25 adoption by the senate or house of representatives until a block equivalency file showing  
23.26 the district to which each census block has been assigned, in a form prescribed by the  
23.27 director of the Geographic Information Systems Office, has been filed with the director.

23.28 Subd. 11. **Priority of principles.** Where it is not possible to fully comply with the  
23.29 principles contained in subdivisions 1 to 8, a redistricting plan must give priority to those  
23.30 principles in the order in which they are listed in this section, except to the extent that  
23.31 doing so would violate federal or state law.

23.32 **EFFECTIVE DATE.** This section is effective the day following final enactment  
23.33 and applies to any plan for districts enacted or established for use on or after that date.

23.34 Sec. 2. Minnesota Statutes 2014, section 3.971, is amended by adding a subdivision to  
23.35 read:

24.1 Subd. 8a. **Fiscal notes and revenue estimates.** The legislative auditor shall  
24.2 participate in the fiscal note and revenue estimate process in the manner described in  
24.3 section 3.98. Authority of the legislative auditor and duties of employees and entities  
24.4 under section 3.978, subdivision 2, apply to the legislative auditor's work on fiscal notes  
24.5 and revenue estimates.

24.6 Sec. 3. **[3.9735] EVALUATION OF ECONOMIC DEVELOPMENT INCENTIVE**  
24.7 **PROGRAMS.**

24.8 Subdivision 1. **Definitions.** For purposes of this section, the terms defined in this  
24.9 section have the meanings given them.

24.10 (a) "General incentive" means a state program, statutory provision, or tax  
24.11 expenditure, including tax credits, tax exemptions, tax deductions, grants, or loans, that  
24.12 is intended to encourage businesses to locate, expand, invest, or remain in Minnesota or  
24.13 to hire or retain employees in Minnesota. To be a general incentive, a state program,  
24.14 statutory provision, or tax expenditure must be available to multiple entities, projects, or  
24.15 associated projects or include eligibility criteria with the intent that it will be available to  
24.16 multiple entities, projects, or associated projects.

24.17 (b) "Exclusive incentive" means a state program, statutory provision, tax  
24.18 expenditure, or section of a general incentive, including tax credits, tax exemptions, tax  
24.19 deductions, grants, or loans, that is intended to encourage a single specific entity, project,  
24.20 or associated projects to locate, expand, invest, or remain in Minnesota or to hire or retain  
24.21 employees in Minnesota.

24.22 Subd. 2. **Selection of general incentives for review; schedule for evaluation;**  
24.23 **report.** Annually, the legislative auditor shall submit to the Legislative Audit Commission  
24.24 a list of three to five general incentives proposed for review. In selecting general  
24.25 incentives to include on this list, the legislative auditor may consider what the incentive  
24.26 will cost state and local governments in actual spending and foregone revenue currently or  
24.27 projected into the future, the legislature's need for information about a general incentive  
24.28 that has an upcoming expiration date, and the legislature's need for regular information on  
24.29 the results of all major general incentives. Annually, the Legislative Audit Commission  
24.30 will select at least one general incentive for the legislative auditor's evaluation. The  
24.31 legislative auditor will evaluate the selected general incentive or incentives, prepared  
24.32 according to the evaluation plan established under subdivision 4, and submit a written  
24.33 report to the Legislative Audit Commission.

25.1 Subd. 3. **Exclusive incentive schedule.** The legislative auditor's schedule shall  
25.2 ensure that at least once every four years the legislative auditor will complete an analysis  
25.3 of best practices for exclusive incentives.

25.4 Subd. 4. **Evaluation plans.** By February 1, 2016, the Legislative Audit Commission  
25.5 shall establish evaluation plans that identify elements that the legislative auditor must  
25.6 include in evaluations of a general incentive and an exclusive incentive. The Legislative  
25.7 Audit Commission may modify the evaluation plans as needed.

25.8 Sec. 4. Minnesota Statutes 2014, section 3.979, subdivision 3, is amended to read:

25.9 Subd. 3. **Audit data.** (a) "Audit" as used in this subdivision means a financial audit,  
25.10 review, program evaluation, best practices review, evaluation of an incentive program or  
25.11 exclusive incentive program under section 3.9735, or investigation. Data relating to an  
25.12 audit are not public or with respect to data on individuals are confidential until the final  
25.13 report of the audit has been released by the legislative auditor or the audit is no longer  
25.14 being actively pursued. Upon release of a final audit report by the legislative auditor, data  
25.15 relating to an audit are public except data otherwise classified as not public.

25.16 (b) Data related to an audit but not published in the audit report and that the  
25.17 legislative auditor reasonably believes will be used in litigation are not public and with  
25.18 respect to data on individuals are confidential until the litigation has been completed or is  
25.19 no longer being actively pursued.

25.20 (c) Data on individuals that could reasonably be used to determine the identity of an  
25.21 individual supplying data for an audit are private if the data supplied by the individual were  
25.22 needed for an audit and the individual would not have provided the data to the legislative  
25.23 auditor without an assurance that the individual's identity would remain private, or the  
25.24 legislative auditor reasonably believes that the subject would not have provided the data.

25.25 (d) The definitions of terms provided in section 13.02 apply for purposes of this  
25.26 subdivision.

25.27 Sec. 5. Minnesota Statutes 2014, section 3.98, is amended to read:

25.28 **3.98 FISCAL NOTES AND REVENUE ESTIMATES.**

25.29 Subdivision 1. **Preparation.** ~~The head or chief administrative officer of each~~  
25.30 ~~department or agency of the state government, including the Supreme Court, shall prepare~~  
25.31 ~~a fiscal note at the request of the chair of the standing committee to which a bill has been~~  
25.32 ~~referred, or the chair of the house of representatives Ways and Means Committee, or the~~  
25.33 ~~chair of the senate Committee on Finance.~~

26.1 For purposes of this subdivision, ~~"Supreme Court" includes all agencies, committees,~~  
26.2 ~~and commissions supervised or appointed by the state Supreme Court or the state court~~  
26.3 ~~administrator.~~ (a) The chair of the standing committee to which a bill has been referred,  
26.4 the chair of the house of representatives Ways and Means Committee, and the chair of  
26.5 the senate Committee on Finance may request a fiscal note. The chair of the house of  
26.6 representatives or senate tax committee may request a revenue estimate. A request for a  
26.7 fiscal note or revenue estimate must be filed with the legislative auditor.

26.8 (b) Upon receiving a request for a fiscal note or revenue estimate, the legislative  
26.9 auditor shall request appropriate agencies, offices, boards, or commissions in the executive,  
26.10 judicial, or legislative branch to provide the legislative auditor with an analysis of the  
26.11 financial and personnel impacts of the bill. The analysis must include a clear statement  
26.12 of the assumptions used in the analysis and the extent to which alternative assumptions  
26.13 were considered. Agencies, offices, boards, or commissions shall, after receiving a request  
26.14 from the legislative auditor, submit the analysis in the time and manner requested by the  
26.15 auditor. The legislative auditor may require agencies, offices, boards, or commissions to  
26.16 use the fiscal note tracking system developed and maintained by the commissioner of  
26.17 management and budget for submitting fiscal note information and analysis.

26.18 (c) The legislative auditor shall review the analysis submitted by agencies, offices,  
26.19 boards, or commissions and assess the reasonableness of the analysis, particularly the  
26.20 reasonableness of the assumptions used in the analysis. The auditor may require agencies,  
26.21 offices, boards, or commissions to resubmit their analysis under new assumptions or  
26.22 calculation parameters as defined by the auditor.

26.23 (d) When the legislative auditor accepts the final analysis from all relevant agencies,  
26.24 offices, boards, or commissions, the legislative auditor shall deliver the completed  
26.25 fiscal note or revenue estimate. The note or estimate must contain the final analysis  
26.26 and assumptions submitted to the legislative auditor by agencies, offices, boards, or  
26.27 commissions, and a statement by the legislative auditor as to whether the legislative  
26.28 auditor agrees with the final analysis and assumptions. The auditor must state the  
26.29 reasons for any disagreements and may offer alternative analysis and assumptions for  
26.30 consideration by the legislature. If the legislative auditor deems these disagreements  
26.31 sufficiently large, the legislative auditor may submit an unofficial "unapproved" fiscal note  
26.32 to the legislature for public consideration of both the analysis of the agencies, offices,  
26.33 boards, or commissions, and of the legislative auditor.

26.34 Subd. 2. **Contents.** (a) The A fiscal note, where possible, shall:

26.35 (1) cite the effect in dollar amounts;

26.36 (2) cite the statutory provisions affected;

- 27.1 (3) estimate the increase or decrease in revenues or expenditures;  
 27.2 (4) include the costs which may be absorbed without additional funds;  
 27.3 (5) include the assumptions used in determining the cost estimates; and  
 27.4 (6) specify any long-range implication.

27.5 (b) ~~The~~ A revenue estimate must estimate the effect of a bill on state tax revenues.

27.6 (c) A fiscal note or revenue estimate may comment on technical or mechanical  
 27.7 defects in the bill but shall express no opinions concerning the merits of the proposal.

27.8 Subd. 3. **Distribution.** A copy of ~~the~~ a fiscal note shall be delivered to the chair  
 27.9 of the Ways and Means Committee of the house of representatives, the chair of the  
 27.10 Finance Committee of the senate, the chair of the standing committee to which the bill  
 27.11 has been referred, to the chief author of the bill and to the commissioner of management  
 27.12 and budget. A copy of a revenue estimate shall be delivered to the chairs of the house  
 27.13 of representatives and senate tax committees, to the chief author of the bill, and to the  
 27.14 commissioner of revenue.

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

27.18 Subd. 5. **Tracking system.** The commissioner of management and budget shall  
 27.19 provide the legislative auditor with manuals and other documentation requested by the  
 27.20 auditor for the fiscal note tracking system that is maintained by the commissioner.

27.21 Sec. 6. Minnesota Statutes 2014, section 3.987, subdivision 1, is amended to read:

27.22 Subdivision 1. **Local impact notes.** ~~The commissioner of management and budget~~  
 27.23 legislative auditor shall coordinate the development of a local impact note for any proposed  
 27.24 legislation ~~introduced after June 30, 1997,~~ upon request of the chair or the ranking minority  
 27.25 member of either legislative Tax, Finance, or Ways and Means Committee. Upon receipt  
 27.26 of a request to prepare a local impact note, ~~the commissioner~~ auditor must notify the  
 27.27 authors of the proposed legislation that the request has been made. The local impact note  
 27.28 must be made available to the public upon request. If the action is among the exceptions  
 27.29 listed in section 3.988, a local impact note need not be requested nor prepared. The  
 27.30 ~~commissioner~~ auditor shall make a reasonable and timely estimate of the local fiscal impact  
 27.31 on each type of political subdivision that would result from the proposed legislation. The  
 27.32 ~~commissioner of management and budget~~ auditor may require any political subdivision or  
 27.33 the commissioner of an administrative agency of the state to supply in a timely manner  
 27.34 any information determined to be necessary to determine local fiscal impact. The political  
 27.35 subdivision, its representative association, or commissioner shall convey the requested

28.1 information to the ~~commissioner of management and budget~~ auditor with a signed  
28.2 statement to the effect that the information is accurate and complete to the best of its ability.  
28.3 The political subdivision, its representative association, or commissioner, when requested,  
28.4 shall update its determination of local fiscal impact based on actual cost or revenue figures,  
28.5 improved estimates, or both. Upon completion of the note, the ~~commissioner~~ auditor must  
28.6 provide a copy to the authors of the proposed legislation and to the chair and ranking  
28.7 minority member of each committee to which the proposed legislation is referred.

28.8 **Sec. 7. [6.481] COUNTY AUDITS.**

28.9 **Subdivision 1. Powers and duties.** All the powers and duties conferred and imposed  
28.10 upon the state auditor shall be exercised and performed by the state auditor in respect to  
28.11 the offices, institutions, public property, and improvements of several counties of the  
28.12 state. The state auditor may visit, without previous notice, each county and examine all  
28.13 accounts and records relating to the receipt and disbursement of the public funds and the  
28.14 custody of the public funds and other property. The state auditor shall prescribe and install  
28.15 systems of accounts and financial reports that shall be uniform, so far as practicable, for  
28.16 the same class of offices.

28.17 **Subd. 2. Annual audit required.** A county must have an annual financial audit.  
28.18 A county may choose to have the audit performed by the state auditor, or may choose to  
28.19 have the audit performed by a CPA firm meeting the requirements of section 326A.05.  
28.20 The state auditor or a CPA firm may accept the records and audit of the Department of  
28.21 Human Services instead of examining county human service funds, if the audit of the  
28.22 Department of Human Services has been made within any period covered by the auditor's  
28.23 audit of other county records.

28.24 **Subd. 3. CPA firm audit.** A county audit performed by a CPA firm must meet  
28.25 the standards and be in the form required by the state auditor. The state auditor may  
28.26 require additional information from the CPA firm if the state auditor determines that is  
28.27 in the public interest, but the state auditor must accept the audit unless the state auditor  
28.28 determines it does not meet recognized industry auditing standards or is not in the form  
28.29 required by the state auditor. The state auditor may make additional examinations as the  
28.30 auditor determines to be in the public interest.

28.31 **Subd. 4. Audit availability; data.** A copy of the annual audit by the state auditor or  
28.32 by a CPA firm must be available for public inspection in the Office of the State Auditor and  
28.33 in the Office of the County Auditor. If an audit is performed by a CPA firm, data relating  
28.34 to the audit are subject to the same data classifications that apply under section 6.715. A

29.1 CPA firm conducting a county audit must provide access to data relating to the audit and is  
 29.2 liable for unlawful disclosure of the data as if it were a government entity under chapter 13.

29.3 Subd. 5. **Reporting.** If an audit conducted by the state auditor or a CPA firm  
 29.4 discloses malfeasance, misfeasance, or nonfeasance, the auditor must report this to the  
 29.5 county attorney, who shall institute civil and criminal proceedings as the law and the  
 29.6 protection of the public interests requires.

29.7 Subd. 6. **Payments to state auditor.** A county audited by the state auditor must  
 29.8 pay the state auditor for the costs and expenses of the audit. If the state auditor makes  
 29.9 additional examinations of a county whose audit is performed by a CPA firm, the county  
 29.10 must pay the auditor for the cost of these examinations. Payments must be deposited in  
 29.11 the state auditor enterprise fund.

29.12 Subd. 7. **Procedures for change of auditor.** A county that plans to change to or  
 29.13 from the state auditor and a CPA firm must notify the state auditor of this change by  
 29.14 August 1 of an even-numbered year. Upon this notice, the following calendar year will be  
 29.15 the first year's records that will be subject to an audit by the new entity. A county that  
 29.16 changes to or from the state auditor must have two annual audits done by the new entity.

29.17 Sec. 8. Minnesota Statutes 2014, section 10A.01, subdivision 26, is amended to read:

29.18 Subd. 26. **Noncampaign disbursement.** "Noncampaign disbursement" means  
 29.19 a purchase or payment of money or anything of value made, or an advance of credit  
 29.20 incurred, or a donation in kind received, by a principal campaign committee for any of  
 29.21 the following purposes:

- 29.22 (1) payment for accounting and legal services;  
 29.23 (2) return of a contribution to the source;  
 29.24 (3) repayment of a loan made to the principal campaign committee by that committee;  
 29.25 (4) ~~return of a public subsidy;~~  
 29.26 (5) payment for food, beverages, and necessary utensils and supplies, entertainment,  
 29.27 and facility rental for a fund-raising event;

29.28 ~~(6)~~ (5) services for a constituent by a member of the legislature or a constitutional  
 29.29 officer in the executive branch, including the costs of preparing and distributing a  
 29.30 suggestion or idea solicitation to constituents, performed from the beginning of the term  
 29.31 of office to adjournment sine die of the legislature in the election year for the office  
 29.32 held, and half the cost of services for a constituent by a member of the legislature or a  
 29.33 constitutional officer in the executive branch performed from adjournment sine die to 60  
 29.34 days after adjournment sine die;

30.1 ~~(7)~~ (6) payment for food and beverages consumed by a candidate or volunteers while  
30.2 they are engaged in campaign activities;

30.3 ~~(8)~~ (7) payment for food or a beverage consumed while attending a reception or  
30.4 meeting directly related to legislative duties;

30.5 ~~(9)~~ (8) payment of expenses incurred by elected or appointed leaders of a legislative  
30.6 caucus in carrying out their leadership responsibilities;

30.7 ~~(10)~~ (9) payment by a principal campaign committee of the candidate's expenses  
30.8 for serving in public office, other than for personal uses;

30.9 ~~(11)~~ (10) costs of child care for the candidate's children when campaigning;

30.10 ~~(12)~~ (11) fees paid to attend a campaign school;

30.11 ~~(13)~~ (12) costs of a postelection party during the election year when a candidate's  
30.12 name will no longer appear on a ballot or the general election is concluded, whichever  
30.13 occurs first;

30.14 ~~(14)~~ (13) interest on loans paid by a principal campaign committee on outstanding  
30.15 loans;

30.16 ~~(15)~~ (14) filing fees;

30.17 ~~(16)~~ (15) post-general election holiday or seasonal cards, thank-you notes, or  
30.18 advertisements in the news media mailed or published prior to the end of the election cycle;

30.19 ~~(17)~~ (16) the cost of campaign material purchased to replace defective campaign  
30.20 material, if the defective material is destroyed without being used;

30.21 ~~(18)~~ (17) contributions to a party unit;

30.22 ~~(19)~~ (18) payments for funeral gifts or memorials;

30.23 ~~(20)~~ (19) the cost of a magnet less than six inches in diameter containing legislator  
30.24 contact information and distributed to constituents;

30.25 ~~(21)~~ (20) costs associated with a candidate attending a political party state or national  
30.26 convention in this state;

30.27 ~~(22)~~ (21) other purchases or payments specified in board rules or advisory opinions  
30.28 as being for any purpose other than to influence the nomination or election of a candidate  
30.29 or to promote or defeat a ballot question; and

30.30 ~~(23)~~ (22) costs paid to a third party for processing contributions made by a credit  
30.31 card, debit card, or electronic check.

30.32 The board must determine whether an activity involves a noncampaign disbursement  
30.33 within the meaning of this subdivision.

30.34 A noncampaign disbursement is considered to be made in the year in which the  
30.35 candidate made the purchase of goods or services or incurred an obligation to pay for  
30.36 goods or services.

31.1 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections  
31.2 held on or after that date.

31.3 Sec. 9. Minnesota Statutes 2014, section 10A.105, subdivision 1, is amended to read:

31.4 Subdivision 1. **Single committee.** A candidate must not accept contributions  
31.5 from a source, other than self, in aggregate in excess of \$750 ~~or accept a public subsidy~~  
31.6 unless the candidate designates and causes to be formed a single principal campaign  
31.7 committee for each office sought. A candidate may not authorize, designate, or cause to be  
31.8 formed any other political committee bearing the candidate's name or title or otherwise  
31.9 operating under the direct or indirect control of the candidate. However, a candidate may  
31.10 be involved in the direct or indirect control of a party unit.

31.11 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections  
31.12 held on or after that date.

31.13 Sec. 10. Minnesota Statutes 2014, section 10A.15, subdivision 1, is amended to read:

31.14 Subdivision 1. **Anonymous contributions.** A political committee, political fund,  
31.15 principal campaign committee, or party unit may not retain an anonymous contribution  
31.16 in excess of \$20, but must forward it to the board for deposit in the general ~~account of~~  
31.17 ~~the state elections campaign account~~ fund.

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

31.19 Sec. 11. Minnesota Statutes 2014, section 10A.245, subdivision 2, is amended to read:

31.20 Subd. 2. **Termination by board.** The board may terminate the registration of  
31.21 a principal campaign committee, party unit, political committee, or political fund found  
31.22 to be inactive under this section 60 days after sending written notice of inactivity by  
31.23 certified mail to the affected association at the last address on record with the board for  
31.24 that association. Within 60 days after the board sends notice under this section, the  
31.25 affected association must dispose of its assets as provided in this subdivision. The assets  
31.26 of the principal campaign committee, party unit, or political committee must be used for  
31.27 the purposes authorized by this chapter or section 211B.12 or must be liquidated and  
31.28 deposited in the general ~~account of the state elections campaign account~~ fund. The assets  
31.29 of an association's political fund that were derived from the association's general treasury  
31.30 money revert to the association's general treasury. Assets of a political fund that resulted  
31.31 from contributions to the political fund must be used for the purposes authorized by this

32.1 chapter or section 211B.12 or must be liquidated and deposited in the general ~~account of~~  
 32.2 ~~the state elections campaign account~~ fund.

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

32.4 Sec. 12. Minnesota Statutes 2014, section 10A.257, subdivision 1, is amended to read:

32.5 Subdivision 1. **Unused funds.** For election cycles ending on or before December  
 32.6 31, 2016, after all campaign expenditures and noncampaign disbursements for an election  
 32.7 cycle have been made, an amount up to 25 percent of the 2014 election cycle expenditure  
 32.8 limit for the office may be carried forward. Any remaining amount up to the total amount of  
 32.9 the 2014 public subsidy from the state elections campaign fund must be returned to the state  
 32.10 treasury for credit to the general fund under section 10A.324. Any remaining amount in  
 32.11 excess of the 2014 total public subsidy must be contributed to the state elections campaign  
 32.12 account or a political party for multicandidate expenditures as defined in section 10A.275.

32.13 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections  
 32.14 held on or after that date.

32.15 Sec. 13. Minnesota Statutes 2014, section 10A.38, is amended to read:

32.16 **10A.38 CAPTIONING OF CAMPAIGN ADVERTISEMENTS.**

32.17 (a) ~~This section applies to a campaign advertisement by a candidate who is governed~~  
 32.18 ~~by an agreement under section 10A.322.~~

32.19 (b) "Campaign advertisement" means a professionally produced visual or audio  
 32.20 recording of two minutes or less produced by the candidate for the purpose of influencing  
 32.21 the nomination or election of a candidate.

32.22 (c) (b) A campaign advertisement that is disseminated as an advertisement by  
 32.23 broadcast or cable television must include closed captioning for deaf and hard-of-hearing  
 32.24 viewers, unless the candidate has filed with the board before the advertisement is  
 32.25 disseminated a statement setting forth the reasons for not doing so. A campaign  
 32.26 advertisement that is disseminated as an advertisement to the public on the candidate's  
 32.27 Web site must include closed captioning for deaf and hard-of-hearing viewers, unless the  
 32.28 candidate has posted on the Web site a transcript of the spoken content of the advertisement  
 32.29 or the candidate has filed with the board before the advertisement is disseminated a  
 32.30 statement setting forth the reasons for not doing so. A campaign advertisement must  
 32.31 not be disseminated as an advertisement by radio unless the candidate has posted on  
 32.32 the candidate's Web site a transcript of the spoken content of the advertisement or the

33.1 candidate has filed with the board before the advertisement is disseminated a statement  
 33.2 setting forth the reasons for not doing so.

33.3 Sec. 14. Minnesota Statutes 2014, section 14.02, is amended by adding a subdivision  
 33.4 to read:

33.5 Subd. 5. **Substantial economic impact.** A rule has a "substantial economic impact"  
 33.6 if the rule would result in, or likely result in:

33.7 (1) an adverse effect or impact on the private-sector economy of the state of  
 33.8 Minnesota of \$5,000,000 or more in a single year;

33.9 (2) a significant increase in costs or prices for consumers, individual private-sector  
 33.10 industries, state agencies, local governments, individuals, or private-sector enterprises  
 33.11 within certain geographic regions inside the state of Minnesota;

33.12 (3) significant adverse impacts on the competitiveness of private-sector  
 33.13 Minnesota-based enterprises or on private-sector employment, investment, productivity,  
 33.14 or innovation within the state of Minnesota; or

33.15 (4) compliance costs, in the first year after the rule takes effect, of more than \$25,000  
 33.16 for any one business that has less than 50 full-time employees, or for any one statutory or  
 33.17 home rule charter city that has less than ten full-time employees.

33.18 Sec. 15. Minnesota Statutes 2014, section 14.05, subdivision 1, is amended to read:

33.19 Subdivision 1. **Authority to adopt original rules restricted.** (a) Each agency shall  
 33.20 adopt, amend, suspend, or repeal its rules: (1) in accordance with the procedures specified  
 33.21 in sections 14.001 to 14.69, and; (2) only pursuant to authority delegated by state or  
 33.22 federal law; and (3) in full compliance with its duties and obligations.

33.23 (b) If a law authorizing rules is repealed, the rules adopted pursuant to that law are  
 33.24 automatically repealed on the effective date of the law's repeal unless there is another  
 33.25 law authorizing the rules.

33.26 (c) Except as provided in section 14.06, sections 14.001 to 14.69 shall not be  
 33.27 authority for an agency to adopt, amend, suspend, or repeal rules.

33.28 Sec. 16. Minnesota Statutes 2014, section 14.05, subdivision 2, is amended to read:

33.29 Subd. 2. **Authority to modify proposed rule.** (a) An agency may modify a  
 33.30 proposed rule in accordance with the procedures of the Administrative Procedure Act.  
 33.31 However, an agency may not modify a proposed rule so that it is substantially different  
 33.32 from the proposed rule in the notice of intent to adopt rules or notice of hearing.

33.33 (b) A modification does not make a proposed rule substantially different if:

34.1 (1) the differences are within the scope of the matter announced in the notice of  
34.2 intent to adopt or notice of hearing and are in character with the issues raised in that notice;

34.3 (2) the differences are a logical outgrowth of the contents of the notice of intent to  
34.4 adopt or notice of hearing and the comments submitted in response to the notice; and

34.5 (3) the notice of intent to adopt or notice of hearing provided fair warning that the  
34.6 outcome of that rulemaking proceeding could be the rule in question.

34.7 (c) In determining whether the notice of intent to adopt or notice of hearing provided  
34.8 fair warning that the outcome of that rulemaking proceeding could be the rule in question  
34.9 the following factors must be considered:

34.10 (1) the extent to which persons who will be affected by the rule should have  
34.11 understood that the rulemaking proceeding on which it is based could affect their interests;

34.12 (2) the extent to which the subject matter of the rule or issues determined by the  
34.13 rule are different from the subject matter or issues contained in the notice of intent to  
34.14 adopt or notice of hearing; and

34.15 (3) the extent to which the effects of the rule differ from the effects of the proposed  
34.16 rule contained in the notice of intent to adopt or notice of hearing.

34.17 (d) A modification makes a proposed rule substantially different if the modification  
34.18 causes a rule that did not previously have a substantial economic impact to have a  
34.19 substantial economic impact.

34.20 Sec. 17. Minnesota Statutes 2014, section 14.116, is amended to read:

34.21 **14.116 NOTICE TO LEGISLATURE.**

34.22 (a) By January 15 each year, each agency must submit its rulemaking docket  
34.23 maintained under section 14.366, and the official rulemaking record required under section  
34.24 14.365 for any rule adopted during the preceding calendar year, to the chairs and ranking  
34.25 minority members of the legislative policy and budget committees with jurisdiction over  
34.26 the subject matter of the proposed rule and to the Legislative Coordinating Commission.  
34.27 Each agency must post a link to its rulemaking docket on the agency Web site home page.

34.28 (b) When an agency mails notice of intent to adopt rules under section 14.14 or  
34.29 14.22, the agency must send a copy of the same notice and a copy of the statement of need  
34.30 and reasonableness to the chairs and ranking minority party members of the legislative  
34.31 policy and budget committees with jurisdiction over the subject matter of the proposed  
34.32 rules and to the Legislative Coordinating Commission.

34.33 (c) In addition, if the mailing of the notice is within two years of the effective date  
34.34 of the law granting the agency authority to adopt the proposed rules, the agency shall  
34.35 make reasonable efforts to send a copy of the notice and the statement to all sitting

35.1 legislators who were chief house of representatives and senate authors of the bill granting  
35.2 the rulemaking authority. If the bill was amended to include this rulemaking authority,  
35.3 the agency shall make reasonable efforts to send the notice and the statement to the chief  
35.4 house of representatives and senate authors of the amendment granting rulemaking  
35.5 authority, rather than to the chief authors of the bill.

35.6 Sec. 18. Minnesota Statutes 2014, section 14.127, is amended to read:

35.7 **14.127 LEGISLATIVE APPROVAL REQUIRED.**

35.8 Subdivision 1. **Cost thresholds** Substantial economic impact. An agency must  
35.9 determine if ~~the cost of complying with a proposed rule in the first year after the rule~~  
35.10 ~~takes effect will exceed \$25,000 for: (1) any one business that has less than 50 full-time~~  
35.11 ~~employees; or (2) any one statutory or home rule charter city that has less than ten~~  
35.12 ~~full-time employees. For purposes of this section, "business" means a business entity~~  
35.13 ~~organized for profit or as a nonprofit, and includes an individual, partnership, corporation,~~  
35.14 ~~joint venture, association, or cooperative~~ has a substantial economic impact, as defined  
35.15 in section 14.02, subdivision 5.

35.16 Subd. 2. **Agency determination**. An agency must make the determination required  
35.17 by subdivision 1 ~~before the close of the hearing record, or before the agency submits the~~  
35.18 ~~record to the administrative law judge if there is no hearing~~ agency gives notice under  
35.19 section 14.14, 14.22, 14.225, or 14.389. The administrative law judge must review and  
35.20 approve or disapprove the agency determination under this section.

35.21 Subd. 3. **Legislative approval required**. (a) If the agency determines that a  
35.22 proposed rule has a substantial economic impact, the agency must request the legislative  
35.23 auditor to convene a five-person peer review advisory panel to conduct an impact analysis  
35.24 of the proposed rule. Within 30 days of receipt of the agency's request, the legislative  
35.25 auditor shall convene a peer review advisory panel. The advisory panel must be made up  
35.26 of individuals who have not directly or indirectly been involved in the work conducted or  
35.27 contracted by the agency and who are not employed by the agency. The agency must pay  
35.28 each panel member for the costs of the person's service on the panel, as determined by  
35.29 the legislative auditor. The agency shall transfer an amount from the agency's operating  
35.30 budget to the legislative auditor to pay for costs for convening the peer review advisory  
35.31 panel process. The panel may receive written and oral comments from the public during  
35.32 its review. The panel must submit its report within 60 days of being convened. The  
35.33 agency must receive a final report from the panel before the agency conducts a public  
35.34 hearing on a proposed rule or, if no hearing is held, before the rule is submitted to the

36.1 administrative law judge. The panel's report must include its conclusions on the extent to  
 36.2 which the proposed rule:

36.3 (1) is based on sound, reasonably available scientific, technical, economic, or other  
 36.4 information or rationale; and

36.5 (2) is more restrictive than a standard, limitation, or requirement imposed by federal  
 36.6 law or rule pertaining to the same subject matter.

36.7 (b) If the agency determines that a rule does not have a substantial economic impact,  
 36.8 the administrative law judge must review this determination. If the administrative law  
 36.9 judge determines that a rule may have a substantial economic impact, the agency must  
 36.10 have the legislative auditor arrange for the analysis required by paragraph (a), and the  
 36.11 agency must give new notice of intent to adopt the proposed rule after receiving this  
 36.12 analysis. The administrative law judge may make this determination as part of the  
 36.13 administrative law judge's report on the proposed rule, or at any earlier time after the  
 36.14 administrative law judge is assigned to the rule proceeding.

36.15 (c) If the agency determines that the cost exceeds the threshold in subdivision 1  
 36.16 proposed rule has a substantial economic impact, or if the administrative law judge  
 36.17 disapproves the agency's determination that the cost does not exceed the threshold  
 36.18 in subdivision 1, any business that has less than 50 full-time employees or any statutory  
 36.19 or home rule charter city that has less than ten full-time employees may file a written  
 36.20 statement with the agency claiming a temporary exemption from the rules. Upon filing of  
 36.21 such a statement with the agency, the rules do not apply to that business or that city until the  
 36.22 rules have a substantial economic impact, the agency or the administrative law judge  
 36.23 shall deliver the determination and peer review advisory panel report to the Legislative  
 36.24 Coordinating Commission and to the chairs and ranking minority members of the house  
 36.25 of representatives and senate committees and divisions with jurisdiction over the subject  
 36.26 matter of the rule, and the proposed rule does not take effect until the rule is approved by a  
 36.27 law enacted after the agency determination or administrative law judge disapproval.

36.28 **Subd. 4. Exceptions.** (a) Subdivision 3 does not apply if the administrative law  
 36.29 judge approves an agency's determination that the legislature has appropriated money to  
 36.30 sufficiently fund the expected cost of the rule upon the business or city proposed to be  
 36.31 regulated by the rule.

36.32 (b) Subdivision 3 does not apply if the administrative law judge approves an  
 36.33 agency's determination that the rule has been proposed pursuant to a specific federal  
 36.34 statutory or regulatory mandate.

36.35 (c) This section does not apply if the rule is adopted under section 14.388 or  
 36.36 under another law specifying that the rulemaking procedures of this chapter do not apply.

37.1 ~~(d)~~ (c) This section does not apply to a rule adopted by the Public Utilities  
37.2 Commission.

37.3 ~~(e) Subdivision 3 does not apply if the governor waives application of subdivision 3.~~  
37.4 ~~The governor may issue a waiver at any time, either before or after the rule would take~~  
37.5 ~~effect, but for the requirement of legislative approval. As soon as possible after issuing a~~  
37.6 ~~waiver under this paragraph, the governor must send notice of the waiver to the speaker of~~  
37.7 ~~the house and the president of the senate and must publish notice of this determination in~~  
37.8 ~~the State Register.~~

37.9 Subd. 5. **Severability.** If an administrative law judge determines that part of a  
37.10 proposed rule ~~exceeds the threshold specified in subdivision 1~~ has a substantial economic  
37.11 impact, but that a severable portion of a proposed rule does not ~~exceed the threshold in~~  
37.12 ~~subdivision 1~~ have a substantial economic impact, the administrative law judge may  
37.13 provide that the severable portion of the rule that does not ~~exceed the threshold~~ have a  
37.14 substantial economic impact may take effect without legislative approval.

37.15 Sec. 19. Minnesota Statutes 2014, section 14.131, is amended to read:

37.16 **14.131 STATEMENT OF NEED AND REASONABLENESS.**

37.17 By the date of the section 14.14, subdivision 1a, 14.22, or 14.225, notice, the agency  
37.18 must prepare, review, and make available for public review a statement of the need for and  
37.19 reasonableness of the rule. The statement of need and reasonableness must be prepared  
37.20 under rules adopted by the chief administrative law judge and must include the following  
37.21 to the extent the agency, through reasonable effort, can ascertain this information:

37.22 (1) a description of the classes of persons who probably will be affected by the  
37.23 proposed rule, including classes that will bear the costs of the proposed rule and classes  
37.24 that will benefit from the proposed rule;

37.25 (2) the probable costs to the agency and to any other agency of the implementation  
37.26 and enforcement of the proposed rule and any anticipated effect on state revenues;

37.27 (3) a determination of whether there are less costly methods or less intrusive  
37.28 methods for achieving the purpose of the proposed rule;

37.29 (4) a description of any alternative methods for achieving the purpose of the  
37.30 proposed rule that were seriously considered by the agency and the reasons why they  
37.31 were rejected in favor of the proposed rule;

37.32 (5) the probable costs of complying with the proposed rule, including the portion  
37.33 of the total costs that will be borne by identifiable categories of affected parties, such as  
37.34 separate classes of governmental units, businesses, or individuals;

38.1 (6) the probable costs or consequences of not adopting the proposed rule, including  
38.2 those costs or consequences borne by identifiable categories of affected parties, such as  
38.3 separate classes of government units, businesses, or individuals;

38.4 (7) an assessment of any differences between the proposed rule and existing federal  
38.5 regulations and a specific analysis of the need for and reasonableness of each difference; ~~and~~

38.6 (8) an assessment of the cumulative effect of the rule with other federal and state  
38.7 regulations related to the specific purpose of the rule; and

38.8 (9) the agency's findings and conclusions that support its determination that the  
38.9 proposed rule does or does not have a substantial economic impact.

38.10 The statement must describe how the agency, in developing the rules, considered  
38.11 and implemented the legislative policy supporting performance-based regulatory systems  
38.12 set forth in section 14.002 in a cost-effective and timely manner.

38.13 For purposes of clause (8), "cumulative effect" means the impact that results from  
38.14 incremental impact of the proposed rule in addition to other rules, regardless of what  
38.15 state or federal agency has adopted the other rules. Cumulative effects can result from  
38.16 individually minor but collectively significant rules adopted over a period of time.

38.17 The statement must describe, with reasonable particularity, the scientific, technical,  
38.18 economic, or other information and rationale that supports the proposed rule.

38.19 The statement must also describe the agency's efforts to provide additional  
38.20 notification under section 14.14, subdivision 1a, to persons or classes of persons who may  
38.21 be affected by the proposed rule or must explain why these efforts were not made.

38.22 The agency must consult with the commissioner of management and budget to  
38.23 help evaluate the fiscal impact and fiscal benefits of the proposed rule on units of local  
38.24 government. The agency must send a copy of the statement of need and reasonableness  
38.25 to the Legislative Reference Library when the notice of hearing is mailed under section  
38.26 14.14, subdivision 1a.

38.27 Sec. 20. Minnesota Statutes 2014, section 14.388, subdivision 2, is amended to read:

38.28 Subd. 2. **Notice.** An agency proposing to adopt, amend, or repeal a rule under this  
38.29 section must give notice to the chairs and ranking minority members of the legislative  
38.30 policy and budget committees with jurisdiction over the subject matter of the proposed  
38.31 rules and to the Legislative Coordinating Commission, must give electronic notice of its  
38.32 intent in accordance with section 16E.07, subdivision 3, and must give notice by United  
38.33 States mail or electronic mail to persons who have registered their names with the agency  
38.34 under section 14.14, subdivision 1a. The notice must be given no later than the date the

39.1 agency submits the proposed rule to the Office of Administrative Hearings for review  
 39.2 of its legality and must include:

39.3 (1) the proposed rule, amendment, or repeal;

39.4 (2) an explanation of why the rule meets the requirements of the good cause  
 39.5 exemption under subdivision 1; and

39.6 (3) a statement that interested parties have five business days after the date of the  
 39.7 notice to submit comments to the Office of Administrative Hearings.

39.8 Sec. 21. Minnesota Statutes 2014, section 14.389, subdivision 2, is amended to read:

39.9 Subd. 2. **Notice and comment.** The agency must publish notice of the proposed  
 39.10 rule in the State Register ~~and~~<sub>2</sub> must mail the notice by United States mail or electronic  
 39.11 mail to persons who have registered with the agency to receive mailed notices, and must  
 39.12 give notice to the chairs and ranking minority members of the legislative policy and  
 39.13 budget committees with jurisdiction over the subject matter of the proposed rules and to  
 39.14 the Legislative Coordinating Commission. The mailed notice and the notice to legislators  
 39.15 must include either a copy of the proposed rule or a description of the nature and effect  
 39.16 of the proposed rule and a statement that a free copy is available from the agency upon  
 39.17 request. The notice in the State Register must include the proposed rule or the amended  
 39.18 rule in the form required by the revisor under section 14.07, an easily readable and  
 39.19 understandable summary of the overall nature and effect of the proposed rule, and a  
 39.20 citation to the most specific statutory authority for the rule, including authority for the  
 39.21 rule to be adopted under the process in this section. The agency must allow 30 days after  
 39.22 publication in the State Register for comment on the rule.

39.23 Sec. 22. Minnesota Statutes 2014, section 14.44, is amended to read:

39.24 **14.44 DETERMINATION OF VALIDITY OF RULE.**

39.25 (a) The validity of any rule, or the validity of any agency policy, guideline, bulletin,  
 39.26 criterion, manual standard, or similar pronouncement that the petitioner believes is a  
 39.27 rule as defined in section 14.02, subdivision 4, may be determined upon the petition  
 39.28 for a declaratory judgment thereon, addressed to the Court of Appeals, when it appears  
 39.29 that the rule or pronouncement, or its threatened application, interferes with or impairs,  
 39.30 or threatens to interfere with or impair the legal rights or privileges of the petitioner.  
 39.31 The agency shall be made a party to the proceeding. The declaratory judgment may be  
 39.32 rendered whether or not the petitioner has first requested the agency to pass upon the  
 39.33 validity of the rule in question, whether or not the petitioner has petitioned the Office

40.1 of Administrative Hearings under section 14.381, and whether or not the agency has  
40.2 commenced an action against the petitioner to enforce the rule.

40.3 (b) If the subject of the petition is an agency policy, guideline, bulletin, criterion,  
40.4 manual standard, or similar pronouncement, the agency must cease enforcement of the  
40.5 pronouncement upon filing of the petition until the Court of Appeals rules on the matter.  
40.6 The agency is liable for all costs associated with review of the petition. If the Court of  
40.7 Appeals rules in favor of the agency, the agency may recover all or a portion of the cost  
40.8 from the petitioner unless the petitioner is entitled to proceed in forma pauperis under  
40.9 section 563.01, or the court determines that the petition was brought in good faith or the  
40.10 assessment of the costs would constitute an undue hardship for the petitioner.

40.11 Sec. 23. Minnesota Statutes 2014, section 14.45, is amended to read:

40.12 **14.45 RULE DECLARED INVALID.**

40.13 In proceedings under section 14.44, the court shall declare the rule or agency  
40.14 pronouncement invalid if it finds that it violates constitutional provisions or exceeds the  
40.15 statutory authority of the agency or if the rule was adopted or the pronouncement was  
40.16 improperly implemented without compliance with statutory rulemaking procedures. Any  
40.17 party to proceedings under section 14.44, including the agency, may appeal an adverse  
40.18 decision of the Court of Appeals to the Supreme Court as in other civil cases.

40.19 Sec. 24. **[15.0145] ETHNIC COUNCILS.**

40.20 Subdivision 1. **Three ethnic councils; creation.** (a) The Minnesota Council on  
40.21 Latino Affairs includes public members with an ethnic heritage from Mexico, any of the  
40.22 countries in Central or South America, Cuba, the Dominican Republic, or Puerto Rico.

40.23 (b) The Minnesota African Heritage Council includes public members of black  
40.24 African ancestry.

40.25 (c) The Council on Asian-Pacific Minnesotans includes public members with an  
40.26 ethnic heritage from any of the countries east of, and including, Afghanistan or the  
40.27 Pacific Islands.

40.28 Subd. 2. **Membership.** (a) Each council has 15 voting members. Eleven members  
40.29 of each council are public members appointed by the governor. Four members of each  
40.30 council are legislators.

40.31 (b) The governor shall appoint 11 members of each council as follows:

40.32 (1) the Minnesota Council on Latino Affairs must include one member representing  
40.33 each of the state's congressional districts and three members appointed at-large. The  
40.34 governor must attempt to ensure that the demographic composition of council members

41.1 accurately reflects the demographic composition of Minnesota's Latino community,  
41.2 including recent immigrants, as determined by the state demographer;

41.3 (2) the Minnesota African Heritage Council must include members who are  
41.4 broadly representative of the African heritage community of the state. The council must  
41.5 include at least five females. At least three members must be first or second generation  
41.6 African immigrants, who generally reflect the demographic composition of these African  
41.7 immigrants, as determined by the state demographer; and

41.8 (3) the Council on Asian-Pacific Minnesotans must include one member from each  
41.9 of the five ancestries with the state's highest percentages of Asian-Pacific populations,  
41.10 as determined by the state demographer. The other six members must be broadly  
41.11 representative of the rest of the Asian-Pacific population, with no more than one council  
41.12 member from any one ancestry. For purposes of this clause, ancestry refers to heritage that  
41.13 is commonly accepted in Minnesota as a unique population.

41.14 (c) Four legislators are voting members of each council. The speaker of the house  
41.15 and the house minority leader shall each appoint one member to each council. The  
41.16 Subcommittee on Committees of the senate Committee on Rules and Administration shall  
41.17 appoint one member of the majority caucus and one member of the minority caucus to  
41.18 each council.

41.19 (d) The governor may appoint a commissioner of a state agency or a designee of that  
41.20 commissioner to serve as an ex-officio, nonvoting member of a council.

41.21 Subd. 3. **Appointments; terms; removal.** (a) In making appointments to a council,  
41.22 the governor shall consider an appointee's proven dedication and commitment to the  
41.23 council's community and any expertise possessed by the appointee that might be beneficial  
41.24 to the council, such as experience in public policy, legal affairs, social work, business,  
41.25 or management. The executive director of a council and legislative members may offer  
41.26 advice to the governor on applicants seeking appointment.

41.27 (b) Terms, compensation, and filling of vacancies for members appointed by the  
41.28 governor are as provided in section 15.059. Removal of members appointed by the  
41.29 governor is governed by section 15.059, except that: (1) a member who missed more than  
41.30 half of the council meetings convened during a 12-month period automatically is removed  
41.31 from the council; and (2) a member appointed by the governor may be removed by a vote  
41.32 of three of the four legislative members of the council. The chair of a council shall inform  
41.33 the governor of the need for the governor to fill a vacancy on the council. Legislative  
41.34 members serve at the pleasure of their appointing authority.

42.1 (c) A member appointed by the governor may serve no more than a total of eight  
42.2 years on a council. A legislator may serve no more than eight consecutive years or 12  
42.3 nonconsecutive years on any one council.

42.4 Subd. 4. **Training; executive committee; meetings; support.** (a) A member  
42.5 appointed by the governor must attend orientation training within the first six months of  
42.6 service for each term. The commissioner of administration must arrange for the training  
42.7 to include but not be limited to the legislative process, government data practices, open  
42.8 meeting law, Robert's Rules of Order, fiscal management, and human resources. The  
42.9 governor must remove a member who does not complete the training.

42.10 (b) Each council shall annually elect from among the members appointed by the  
42.11 governor a chair and other officers it deems necessary. These officers and one legislative  
42.12 member selected by the council shall serve as the executive committee of the council.

42.13 (c) Forty percent of voting members of a council constitutes a quorum. A quorum is  
42.14 required to conduct council business. A council member may not vote on any action if the  
42.15 member has a conflict of interest under section 10A.07.

42.16 (d) Each council shall receive administrative support from the commissioner of  
42.17 administration under section 16B.371.

42.18 Subd. 5. **Executive director; staff.** (a) The Legislative Coordinating Commission  
42.19 must appoint an executive director for each council. The executive director must be  
42.20 experienced in administrative activities and familiar with the challenges and needs of  
42.21 the ethnic council's larger community. The executive director serves in the unclassified  
42.22 service at the pleasure of the Legislative Coordinating Commission.

42.23 (b) The Legislative Coordinating Commission must establish a process for recruiting  
42.24 and selecting applicants for the executive director positions. This process must include  
42.25 consultation and collaboration with the applicable council.

42.26 (c) The executive director and applicable council members must work together in  
42.27 fulfilling council duties. The executive director must consult with the commissioners of  
42.28 administration and management and budget to ensure appropriate financial, purchasing,  
42.29 human resources, and other services for operation of the council. The executive director  
42.30 must appoint and supervise the work of other staff necessary to carry out the duties of the  
42.31 council. The executive director and other council staff are executive branch employees.

42.32 Subd. 6. **Duties of council.** (a) A council must work for the implementation  
42.33 of economic, social, legal, and political equality for its constituency. The council shall  
42.34 work with the legislature and governor to carry out this work by performing the duties  
42.35 in this section.

43.1 (b) A council shall advise the governor and the legislature on issues confronting the  
43.2 constituency of the council. This may include, but is not limited to, presenting the results  
43.3 of surveys, studies, and community forums to the appropriate executive departments  
43.4 and legislative committees.

43.5 (c) A council shall advise the governor and the legislature of administrative  
43.6 and legislative changes needed to improve the economic and social condition of the  
43.7 constituency of the council. This may include but is not limited to working with legislators  
43.8 to develop politically feasible legislation to address these issues and to work for passage  
43.9 of the legislation. This may also include making recommendations regarding the state's  
43.10 affirmative action program and the state's targeted group small business program, or  
43.11 working with state agencies and organizations to develop business opportunities and  
43.12 promote economic development for the constituency of the council.

43.13 (d) A council shall advise the governor and the legislature of the implications  
43.14 and effect of proposed administrative and legislative changes on the constituency of  
43.15 the council. This may include but is not limited to tracking legislation, testifying as  
43.16 appropriate, and meeting with executive departments and legislators.

43.17 (e) A council shall serve as a liaison between state government and organizations that  
43.18 serve the constituency of the council. This may include but is not limited to working with  
43.19 these organizations to carry out the duties in paragraphs (a) to (d), and working with these  
43.20 organizations to develop informational programs or publications to involve and empower  
43.21 the constituency in seeking improvement in their economic and social conditions.

43.22 (f) A council shall perform or contract for the performance of studies designed  
43.23 to suggest solutions to the problems of the constituency of the council in the areas of  
43.24 education, employment, human rights, health, housing, social welfare, and other related  
43.25 areas.

43.26 (g) In carrying out duties under this subdivision, councils may act to advise on issues  
43.27 that affect the shared constituencies of more than one council.

43.28 Subd. 7. **Duties of council members.** A council member shall:

43.29 (1) attend and participate in scheduled meetings and be prepared by reviewing  
43.30 meeting notes;

43.31 (2) maintain and build communication with the community represented;

43.32 (3) collaborate with the council and executive director in carrying out the council's  
43.33 duties; and

43.34 (4) participate in activities the council or executive director deem appropriate and  
43.35 necessary to facilitate the goals and duties of the council.

44.1 Subd. 8. **Reports.** A council must report on the measurable outcomes achieved in  
 44.2 the council's current strategic plan to meet its statutory duties, along with the specific  
 44.3 objectives and outcome measures proposed for the following year. The council must  
 44.4 submit the report by January 15 each year to the chairs of the committees in the house of  
 44.5 representatives and the senate with primary jurisdiction over state government operations.  
 44.6 Each report must cover the calendar year of the year before the report is submitted. The  
 44.7 specific objectives and outcome measures for the following current year must focus on  
 44.8 three or four achievable objectives, action steps, and measurable outcomes for which  
 44.9 the council will be held accountable. The strategic plan may include other items that  
 44.10 support the statutory purposes of the council but should not distract from the primary  
 44.11 statutory proposals presented. The funding request of each council, after approval by the  
 44.12 Legislative Coordinating Commission, must also be presented by February 1 in each  
 44.13 odd-numbered year.

44.14 Sec. 25. **[16A.0565] CENTRALIZED TRACKING LIST OF AGENCY**  
 44.15 **PROJECTS.**

44.16 Subdivision 1. **Centralized tracking.** The commissioner must maintain a  
 44.17 centralized tracking list of new agency projects estimated to cost more than \$100,000 that  
 44.18 are paid for from the general fund.

44.19 Subd. 2. **New agency project.** (a) For purposes of this section a "new agency  
 44.20 project" means:

44.21 (1) any new agency program or activity with more than \$100,000 in funding from  
 44.22 the general fund; and

44.23 (2) any pre-existing agency program or activity with an increase of \$100,000 or  
 44.24 more above the base level in general fund support.

44.25 (b) For purposes of this section, a new agency project does not include:

44.26 (i) general aid programs for units of local government, or entitlement programs  
 44.27 providing assistance to individuals; or

44.28 (ii) a new program or activity or increase in a program or activity that is mandated  
 44.29 by law.

44.30 Subd. 3. **Transparency requirements.** The centralized tracking list maintained by  
 44.31 the commissioner must report the following for each new agency project:

44.32 (1) name of the agency and title of the project;

44.33 (2) a brief description of the project and its purposes;

44.34 (3) the extent to which the project has been implemented; and

44.35 (4) the amount of money that has been spent on the project.

45.1 Subd. 4. **Timing and reporting.** The commissioner must display the information  
45.2 required by subdivision 3 on the department's Web site. The list shall be maintained in a  
45.3 widely available and common document format such as a spreadsheet, that does not  
45.4 require any new costs to develop. The commissioner must report this information to the  
45.5 chairs of the house of representatives Ways and Means Committee and senate Finance  
45.6 Committee quarterly, and must update the information on the Web site at least quarterly.

45.7 Sec. 26. Minnesota Statutes 2014, section 16A.065, is amended to read:

45.8 **16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES**  
45.9 **DOCUMENTS.**

45.10 Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an  
45.11 agency to make advance deposits or payments for software or software maintenance  
45.12 services for state-owned or leased electronic data processing equipment, for information  
45.13 technology hosting services, for sole source maintenance agreements where it is not  
45.14 cost-effective to pay in arrears, for exhibit booth space or boat slip rental when required  
45.15 by the renter to guarantee the availability of space, for registration fees where advance  
45.16 payment is required or advance payment discount is provided, and for newspaper,  
45.17 magazine, and other subscription fees customarily paid for in advance. The commissioner  
45.18 may also allow advance deposits by any department with the Library of Congress and  
45.19 federal Supervisor of Documents for items to be purchased from those federal agencies.

45.20 Sec. 27. Minnesota Statutes 2014, section 16A.103, is amended by adding a  
45.21 subdivision to read:

45.22 Subd. 1h. **Revenue uncertainty information.** The commissioner shall report  
45.23 to the legislature within 14 days of a forecast under subdivision 1 on uncertainty in  
45.24 Minnesota's general fund revenue projections. The report shall present information on: (1)  
45.25 the estimated range of forecast error for revenues and (2) the data and methods used to  
45.26 construct those measurements.

45.27 Sec. 28. Minnesota Statutes 2014, section 16A.11, is amended by adding a subdivision  
45.28 to read:

45.29 Subd. 3d. **Consideration of general incentives.** In supplement to, and under the  
45.30 same deadline as, the governor's budget submission under subdivision 3, the commissioner  
45.31 shall submit a report identifying each general incentive for which an evaluation was  
45.32 completed under section 3.9735 in accordance with this section since the governor's  
45.33 previous budget submission. For each evaluated incentive, the commissioner's report shall

46.1 include a recommendation for whether the incentive should be continued or modified,  
46.2 or whether the state would be better served by using other incentives or strategies to  
46.3 achieve the incentive's goals. The commissioner's report must include the rationale for  
46.4 each recommendation.

46.5 Sec. 29. Minnesota Statutes 2014, section 16A.11, is amended by adding a subdivision  
46.6 to read:

46.7 Subd. 3e. **Consideration of best practices for exclusive incentives.** If a new  
46.8 analysis of best practices for exclusive incentives under section 3.9735 has been  
46.9 completed since the governor's previous budget submission, the commissioner's report  
46.10 under subdivision 3d shall include recommendations for when and how Minnesota should  
46.11 offer and manage exclusive incentives in the future and how they should be structured.  
46.12 The commissioner's report must include the rationale for each recommendation.

46.13 Sec. 30. Minnesota Statutes 2014, section 16B.24, is amended by adding a subdivision  
46.14 to read:

46.15 Subd. 12. **State band.** The commissioner must provide free rehearsal and storage  
46.16 space in the same building in the Capitol Area to an entity known as the Minnesota  
46.17 State Band, which is a tax exempt organization under section 501(c)(3) of the Internal  
46.18 Revenue Code.

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

46.20 Sec. 31. Minnesota Statutes 2014, section 16B.335, subdivision 1, is amended to read:

46.21 Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or  
46.22 any other recipient to whom an appropriation is made to acquire or better public lands  
46.23 or buildings or other public improvements of a capital nature, must not prepare final  
46.24 plans and specifications for any construction, major remodeling, or land acquisition in  
46.25 anticipation of which the appropriation was made until the agency that will use the  
46.26 project has presented the program plan and cost estimates for all elements necessary to  
46.27 complete the project to the chair of the senate Finance Committee and the chair of the  
46.28 house of representatives Ways and Means Committee and the chairs have made their  
46.29 recommendations, and the chair and ranking minority member of the senate Capital  
46.30 Investment Committee and the chair and ranking minority member of the house of  
46.31 representatives Capital Investment Committee are notified. "Construction or major  
46.32 remodeling" means construction of a new building, a substantial addition to an existing  
46.33 building, or a substantial change to the interior configuration of an existing building. The

47.1 presentation must note any significant changes in the work that will be done, or in its cost,  
 47.2 since the appropriation for the project was enacted or from the predesign submittal. The  
 47.3 program plans and estimates must be presented for review at least two weeks before a  
 47.4 recommendation is needed. The recommendations are advisory only. Failure or refusal to  
 47.5 make a recommendation is considered a negative recommendation.

47.6 (b) The chairs and ranking minority members of the senate Finance and Capital  
 47.7 Investment Committees and, the house of representatives Capital Investment and Ways  
 47.8 and Means Committees, and the house of representatives and senate budget committees or  
 47.9 divisions with jurisdiction over the agency that will use the project must also be notified  
 47.10 whenever there is a substantial change in a construction or major remodeling project, or in  
 47.11 its cost. This notice must include the nature and reason for the change, and the anticipated  
 47.12 cost of the change. The notice must be given no later than 10 days after signing a change  
 47.13 order or other document authorizing a change in the project, or if there is not a change  
 47.14 order or other document, no later than 10 days after the project owner becomes aware of a  
 47.15 substantial change in the project or its cost.

47.16 (b) (c) Capital projects exempt from the requirements of this subdivision in  
 47.17 paragraph (a) to seek recommendations before preparing final plans and specifications  
 47.18 include demolition or decommissioning of state assets, hazardous material projects, utility  
 47.19 infrastructure projects, environmental testing, parking lots, parking structures, park and  
 47.20 ride facilities, bus rapid transit stations, light rail lines, passenger rail projects, exterior  
 47.21 lighting, fencing, highway rest areas, truck stations, storage facilities not consisting  
 47.22 primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds,  
 47.23 athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer  
 47.24 separation projects, water and wastewater facilities, port development projects for which  
 47.25 the commissioner of transportation has entered into an assistance agreement under section  
 47.26 457A.04, ice centers, a local government project with a construction cost of less than  
 47.27 \$1,500,000, or any other capital project with a construction cost of less than \$750,000.  
 47.28 The requirements in paragraph (b) to give notice of changes applies to these projects.

47.29 Sec. 32. Minnesota Statutes 2014, section 16B.371, is amended to read:

47.30 **16B.371 ASSISTANCE TO SMALL AGENCIES.**

47.31 (a) The commissioner ~~may~~ must provide administrative support services to a small  
 47.32 agencies agency requesting these services. To promote efficiency and cost-effective use  
 47.33 of state resources, and to improve financial controls, the commissioner may require  
 47.34 a small agency to receive administrative support services through the Department of  
 47.35 Administration or through another agency designated by the commissioner. Services

48.1 subject to this section include finance, accounting, payroll, purchasing, human resources,  
48.2 and other services designated by the commissioner. The commissioner may determine  
48.3 what constitutes a small agency for purposes of this section. The commissioner, in  
48.4 consultation with the commissioner of management and budget and small agencies, shall  
48.5 evaluate small agencies' needs for administrative support services. If the commissioner  
48.6 provides administrative support services to a small agency, the commissioner must enter  
48.7 into a service level agreement with the agency, specifying the services to be provided and  
48.8 the costs and anticipated outcomes of the services.

48.9 (b) The Chicano Latino Affairs Council, the Council on Black Minnesotans, the  
48.10 Council on Asian-Pacific Minnesotans, the Indian Affairs Council, and the Minnesota  
48.11 State Council on Disability must use the services specified in paragraph (a).

48.12 (c) The commissioner of administration may assess agencies for services it provides  
48.13 under this section. The amounts assessed are appropriated to the commissioner.

48.14 (d) For agencies covered in this section, the commissioner has the authority to require  
48.15 the agency to comply with applicable state finance, accounting, payroll, purchasing, and  
48.16 human resources policies. The agencies served retain the ownership and responsibility for  
48.17 spending decisions and for ongoing implementation of appropriate business operations.

48.18 Sec. 33. **[16B.4805] ACCOMMODATION REIMBURSEMENT.**

48.19 **Subdivision 1. Definitions.** (a) "Reasonable accommodation" as used in this section  
48.20 has the meaning given in section 363A.08.

48.21 (b) "State agency" as used in this section has the meaning given in section 16A.011,  
48.22 subdivision 12.

48.23 (c) "Reasonable accommodations eligible for reimbursement" as used in this section  
48.24 means:

48.25 (1) reasonable accommodations provided to applicants for employment;

48.26 (2) reasonable accommodations for employees for services that will need to be  
48.27 provided on a periodic or ongoing basis; or

48.28 (3) reasonable accommodations that involve onetime expenses that total more than  
48.29 \$1,000 for an employee in a fiscal year.

48.30 **Subd. 2. Reimbursement for making reasonable accommodation.** The  
48.31 commissioner of administration shall reimburse state agencies for expenses incurred in  
48.32 making reasonable accommodations eligible for reimbursement for agency employees and  
48.33 applicants for employment to the extent that funds are available in the accommodation  
48.34 account established under subdivision 3 for this purpose.

49.1 Subd. 3. **Accommodation account established.** The accommodation account  
49.2 is created as an account in the special revenue fund for reimbursing state agencies for  
49.3 expenses incurred in providing reasonable accommodations eligible for reimbursement for  
49.4 agency employees and applicants for agency employment.

49.5 Subd. 4. **Administration costs.** The commissioner may use up to 15 percent of the  
49.6 biennial appropriation for administration of this section.

49.7 Subd. 5. **Notification.** By August 1, 2015, or within 30 days of final enactment,  
49.8 whichever is later, and each year thereafter by June 30, the commissioner of administration  
49.9 must notify state agencies that reimbursement for expenses incurred to make reasonable  
49.10 accommodations eligible for reimbursement for agency employees and applicants for  
49.11 agency employment is available under this section.

49.12 Subd. 6. **Report.** By January 31 of each year, the commissioner of administration  
49.13 must report to the chairs and ranking minority members of the house of representatives  
49.14 and the senate committees with jurisdiction over state government finance on the use of  
49.15 the central accommodation fund during the prior calendar year. The report must include:

49.16 (1) the number and type of accommodations requested;

49.17 (2) the cost of accommodations requested;

49.18 (3) the state agencies from which the requests were made;

49.19 (4) the number of requests made for employees and the number of requests for  
49.20 applicants for employment;

49.21 (5) the number and type of accommodations that were not provided;

49.22 (6) any remaining balance left in the fund;

49.23 (7) if the fund was depleted, the date on which funds were exhausted and the

49.24 number, type, and cost of accommodations that were not reimbursed to state agencies; and

49.25 (8) a description of how the fund was promoted to state agencies.

49.26 Subd. 7. **Funding.** The commissioner of management and budget must determine  
49.27 the amount of money to be deposited in the accommodation account each fiscal year.

49.28 The commissioner must require each executive agency to make payments into the

49.29 account from amounts appropriated for agency operations. The commissioner must

49.30 implement policies and procedures to divide this amount among executive agencies. If

49.31 the commissioner determines that it is not practical for an agency to make payments

49.32 into a central account due to legal restrictions on use of the agency's appropriations,

49.33 the commissioner shall require the agency to set aside money within its own operating

49.34 funds, to be used only for purposes of this section. The amounts paid into the account are

49.35 appropriated to the commissioner of administration for purposes of this section.

50.1 **EFFECTIVE DATE.** This section is effective July 1, 2015. Reimbursement is  
50.2 available for accommodation expenses incurred after June 30, 2015.

50.3 Sec. 34. Minnesota Statutes 2014, section 16B.97, subdivision 1, is amended to read:

50.4 Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or  
50.5 electronic document defining a legal relationship between a granting agency and a grantee  
50.6 when the principal purpose of the relationship is to transfer cash or something of value  
50.7 to the recipient to support a public purpose authorized by law instead of acquiring by  
50.8 professional or technical contract, purchase, lease, or barter property or services for the  
50.9 direct benefit or use of the granting agency.

50.10 ~~(b) This section does not apply to capital project grants to political subdivisions as~~  
50.11 ~~defined by section 16A.86.~~

50.12 Sec. 35. Minnesota Statutes 2014, section 16B.97, is amended by adding a subdivision  
50.13 to read:

50.14 Subd. 6. **Commerce grants.** The office must monitor grants made by the  
50.15 Department of Commerce.

50.16 Sec. 36. **[16B.991] TERMINATION OF GRANT.**

50.17 Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the  
50.18 agreement will immediately be terminated if:

50.19 (1) the recipient is convicted of a criminal offense relating to a state grant agreement;

50.20 or

50.21 (2) the agency entering into the grant agreement or the commissioner of  
50.22 administration determines that the grant recipient is under investigation by a federal  
50.23 agency, a state agency, or a local law enforcement agency for matters relating to  
50.24 administration of a state grant.

50.25 Sec. 37. **[16B.992] NO FEES FOR GENERAL FUND GRANT**  
50.26 **ADMINISTRATION.**

50.27 An agency may not charge a recipient of a grant from the general fund a fee and  
50.28 may not deduct money from the grant to pay administrative expenses incurred by the  
50.29 agency in administering the grant.

50.30 Sec. 38. Minnesota Statutes 2014, section 16C.03, subdivision 16, is amended to read:

51.1 Subd. 16. **Delegation of duties.** (a) The commissioner may delegate duties imposed  
51.2 by this chapter to the head of an agency and to any subordinate of the agency head. At  
51.3 least once every three years the commissioner must audit use of authority under this  
51.4 chapter by each employee whom the commissioner has delegated duties.

51.5 (b) The commissioner must develop guidelines for agencies and employees to whom  
51.6 authority is delegated under this chapter that protect state legal interests. These guidelines  
51.7 may provide for review by the commissioner when a specific contract has potential to put  
51.8 the state's legal interests at risk.

51.9 Sec. 39. Minnesota Statutes 2014, section 16C.16, subdivision 6a, is amended to read:

51.10 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the  
51.11 federal government as a condition of receiving federal funds, the commissioner shall  
51.12 award up to a six percent preference, but no less than the percentage awarded to any  
51.13 other group under this section, in the amount bid on state procurement to certified small  
51.14 businesses that are majority-owned and operated by veterans.

51.15 (b) The purpose of this designation is to facilitate the transition of veterans from  
51.16 military to civilian life, and to help compensate veterans for their sacrifices, including but  
51.17 not limited to their sacrifice of health and time, to the state and nation during their military  
51.18 service, as well as to enhance economic development within Minnesota.

51.19 (c) Before the commissioner certifies that a small business is majority-owned and  
51.20 operated by a veteran, the commissioner of veterans affairs must verify that the owner of  
51.21 the small business is a veteran, as defined in section 197.447.

51.22 Sec. 40. Minnesota Statutes 2014, section 16C.19, is amended to read:

51.23 **16C.19 ELIGIBILITY; RULES.**

51.24 (a) A small business wishing to participate in the programs under section 16C.16,  
51.25 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt  
51.26 by rule standards and procedures for certifying that small targeted group businesses,  
51.27 small businesses located in economically disadvantaged areas, and veteran-owned small  
51.28 businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21.  
51.29 The commissioner shall adopt by rule standards and procedures for hearing appeals and  
51.30 grievances and other rules necessary to carry out the duties set forth in sections 16C.16  
51.31 to 16C.21.

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

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

52.3 (d) Notwithstanding paragraph (e) (a), for purposes of sections 16C.16 to 16C.21, a  
52.4 veteran-owned small business, the principal place of business of which is in Minnesota,  
52.5 is certified if:

52.6 (1) it has been verified by the United States Department of Veterans Affairs as  
52.7 being either a veteran-owned small business or a service-disabled veteran-owned small  
52.8 business, in accordance with Public Law 109-461 and Code of Federal Regulations, title  
52.9 38, part 74.; or

52.10 (2) the veteran-owned small business supplies the commissioner with proof that the  
52.11 small business is majority-owned and operated by:

52.12 (i) a veteran as defined in section 197.447; or

52.13 (ii) a veteran with a service-connected disability, as determined at any time by the  
52.14 United States Department of Veterans Affairs.

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

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

52.25 Sec. 41. Minnesota Statutes 2014, section 16E.01, is amended to read:

52.26 **16E.01 OFFICE OF MN.IT SERVICES.**

52.27 Subdivision 1. **Creation; chief information officer.** The Office of MN.IT Services,  
52.28 referred to in this chapter as the "office," is an agency in the executive branch headed by  
52.29 a commissioner, who also is the state chief information officer. The appointment of the  
52.30 commissioner is subject to the advice and consent of the senate under section 15.066.

52.31 Subd. 1a. **Responsibilities.** The office shall provide oversight, leadership, and  
52.32 direction for information and telecommunications technology policy and the management,  
52.33 delivery, accessibility, and security of information and telecommunications technology  
52.34 systems and services in Minnesota the executive branch of state government. The office  
52.35 shall manage strategic investments in information and telecommunications technology

53.1 systems and services to encourage the development of a technically literate society, to  
 53.2 ensure sufficient access to and efficient delivery of accessible state government services,  
 53.3 and to maximize benefits for the state government as an enterprise.

53.4 Subd. 2. **Discretionary powers.** The office may:

53.5 (1) enter into contracts for goods or services with public or private organizations  
 53.6 and charge fees for services it provides;

53.7 (2) apply for, receive, and expend money from public agencies;

53.8 (3) apply for, accept, and disburse grants and other aids from the federal government  
 53.9 and other public or private sources;

53.10 (4) enter into contracts with agencies of the federal government, local governmental  
 53.11 units, the University of Minnesota and other educational institutions, and private persons  
 53.12 and other nongovernmental organizations as necessary to perform its statutory duties;

53.13 (5) sponsor and conduct conferences and studies, collect and disseminate information,  
 53.14 and issue reports relating to information and communications technology issues; and

53.15 ~~(6) review the technology infrastructure of regions of the state and cooperate with~~  
 53.16 ~~and make recommendations to the governor, legislature, state agencies, local governments,~~  
 53.17 ~~local technology development agencies, the federal government, private businesses,~~  
 53.18 ~~and individuals for the realization of information and communications technology~~  
 53.19 ~~infrastructure development potential;~~

53.20 ~~(7) sponsor, support, and facilitate innovative and collaborative economic and~~  
 53.21 ~~community development and government services projects, including technology~~  
 53.22 ~~initiatives related to culture and the arts, with public and private organizations; and~~

53.23 ~~(8)~~ (6) review and recommend alternative sourcing strategies for state information  
 53.24 and communications systems.

53.25 Subd. 3. **Duties.** (a) The office shall:

53.26 (1) manage the efficient and effective use of available federal, state, local, and  
 53.27 public-private resources to develop statewide information and telecommunications  
 53.28 technology systems and services and its infrastructure;

53.29 (2) approve state agency and intergovernmental information and telecommunications  
 53.30 technology systems and services development efforts involving state or intergovernmental  
 53.31 funding, including federal funding, provide information to the legislature regarding  
 53.32 projects reviewed, and recommend projects for inclusion in the governor's budget under  
 53.33 section 16A.11;

53.34 (3) ensure cooperation and collaboration among state and local governments in  
 53.35 developing intergovernmental information and telecommunications technology systems

54.1 and services, and define the structure and responsibilities of a representative governance  
54.2 structure;

54.3 (4) cooperate and collaborate with the legislative and judicial branches in the  
54.4 development of information and communications systems in those branches;

54.5 (5) continue the development of North Star, the state's official comprehensive online  
54.6 service and information initiative;

54.7 (6) promote and collaborate with the state's agencies in the state's transition to an  
54.8 effectively competitive telecommunications market;

54.9 ~~(7) collaborate with entities carrying out education and lifelong learning initiatives~~  
54.10 ~~to assist Minnesotans in developing technical literacy and obtaining access to ongoing~~  
54.11 ~~learning resources;~~

54.12 ~~(8)~~ (7) promote and coordinate public information access and network initiatives,  
54.13 consistent with chapter 13, to connect Minnesota's citizens and communities to each  
54.14 other, to their governments, and to the world;

54.15 ~~(9)~~ (8) promote and coordinate electronic commerce initiatives to ensure that  
54.16 Minnesota businesses and citizens can successfully compete in the global economy;

54.17 ~~(10)~~ (9) manage and promote the regular and periodic reinvestment in the information  
54.18 and telecommunications technology systems and services infrastructure so that state and  
54.19 local government agencies can effectively and efficiently serve their customers;

54.20 ~~(11)~~ (10) facilitate the cooperative development of and ensure compliance with  
54.21 standards and policies for information and telecommunications technology systems  
54.22 and services, electronic data practices and privacy, and electronic commerce among  
54.23 international, national, state, and local public and private organizations;

54.24 ~~(12)~~ (11) eliminate unnecessary duplication of existing information and  
54.25 telecommunications technology systems and services provided by state agencies;

54.26 ~~(13)~~ (12) identify, sponsor, develop, and execute shared information and  
54.27 telecommunications technology projects and ongoing operations;

54.28 ~~(14)~~ (13) ensure overall security of the state's information and technology systems  
54.29 and services; and

54.30 ~~(15)~~ (14) manage and direct compliance with accessibility standards for informational  
54.31 technology, including hardware, software, Web sites, online forms, and online surveys.

54.32 (b) The chief information officer, in consultation with the commissioner of  
54.33 management and budget, must determine when it is cost-effective for agencies to develop  
54.34 and use shared information and telecommunications technology systems and services for  
54.35 the delivery of electronic government services. The chief information officer may require  
54.36 agencies to use shared information and telecommunications technology systems and

55.1 services. The chief information officer shall establish reimbursement rates in cooperation  
55.2 with the commissioner of management and budget to be billed to agencies and other  
55.3 governmental entities sufficient to cover the actual development, operating, maintenance,  
55.4 and administrative costs of the shared systems. The methodology for billing may include  
55.5 the use of interagency agreements, or other means as allowed by law.

55.6 (c) A state agency that has an information and telecommunications technology  
55.7 project with a total expected project cost of more than ~~\$1,000,000~~ \$100,000, whether  
55.8 funded as part of the biennial budget or by any other means, shall register with the office  
55.9 by submitting basic project startup documentation, as specified by the chief information  
55.10 officer in both format and content, before any project funding is requested or committed  
55.11 and before the project commences. State agency project leaders must demonstrate that  
55.12 the project will be properly managed, provide updates to the project documentation  
55.13 as changes are proposed, and regularly report on the current status of the project on a  
55.14 schedule agreed to with the chief information officer.

55.15 ~~(d) The chief information officer shall monitor progress on any active information~~  
55.16 ~~and telecommunications technology project with a total expected project cost of more than~~  
55.17 ~~\$5,000,000 and report on the performance of the project in comparison with the plans for~~  
55.18 ~~the project in terms of time, scope, and budget. The chief information officer may conduct~~  
55.19 ~~an independent project audit of the project. The audit analysis and evaluation of the~~  
55.20 ~~projects subject to paragraph (c) must be presented to agency executive sponsors, the~~  
55.21 ~~project governance bodies, and the chief information officer. All reports and responses~~  
55.22 ~~must become part of the project record. The chief information officer must prepare a~~  
55.23 monthly progress report for each active information and telecommunications technology  
55.24 project over \$1,000,000. The report must be provided to the technology advisory council  
55.25 and must be available on the office's Web site.

55.26 (e) For any active information and telecommunications technology project with a  
55.27 total expected project cost of more than \$10,000,000, the state agency must perform an  
55.28 annual independent audit that conforms to published project audit principles promulgated  
55.29 by the office.

55.30 (f) The chief information officer shall report by January 15 of each year to the  
55.31 chairs and ranking minority members of the legislative committees and divisions with  
55.32 jurisdiction over the office regarding projects the office has reviewed under paragraph (a),  
55.33 clause (13). The report must include the reasons for the determinations made in the review  
55.34 of each project and a description of its current status.

55.35 Subd. 4. **Limits.** The office may not enter into any new contracts or other  
55.36 agreements to provide services to political subdivisions. This subdivision does not prevent

56.1 political subdivisions from purchasing goods or services from outside vendors through  
 56.2 state contracts, and does not prevent political subdivisions from accessing geospatial data  
 56.3 maintained by the office.

56.4 **EFFECTIVE DATE.** This section is effective July 1, 2015. The office may not  
 56.5 enter into a new contract or other agreement or renew an existing contract or agreement  
 56.6 to provide services to political subdivisions in a manner prohibited by subdivision 4 on  
 56.7 or after July 1, 2015. The office must end existing contracts and agreements to provide  
 56.8 services prohibited by subdivision 4 as soon as this can be done without the office  
 56.9 incurring legal liability, and as soon as affected political subdivisions are able to find other  
 56.10 sources to provide the services provided by the office.

56.11 Sec. 42. Minnesota Statutes 2014, section 16E.016, is amended to read:

56.12 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY**  
 56.13 **SERVICES AND EQUIPMENT.**

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

- 56.17 (1) state data centers;
- 56.18 (2) mainframes including system software;
- 56.19 (3) servers including system software;
- 56.20 (4) desktops including system software;
- 56.21 (5) laptop computers including system software;
- 56.22 (6) a data network including system software;
- 56.23 (7) database, electronic mail, office systems, reporting, and other standard software
- 56.24 tools;
- 56.25 (8) business application software and related technical support services;
- 56.26 (9) help desk for the components listed in clauses (1) to (8);
- 56.27 (10) maintenance, problem resolution, and break-fix for the components listed in
- 56.28 clauses (1) to (8);
- 56.29 (11) regular upgrades and replacement for the components listed in clauses (1)
- 56.30 to (8); and
- 56.31 (12) network-connected output devices.

56.32 (b) All state agency employees whose work primarily involves functions specified in  
 56.33 paragraph (a) are employees of the Office of MN.IT Services. This includes employees  
 56.34 who directly perform the functions in paragraph (a), as well as employees whose work

57.1 primarily involves managing, supervising, or providing administrative services or support  
57.2 services to employees who directly perform these functions. The chief information officer  
57.3 may assign employees of the office to perform work exclusively for another state agency.

57.4 ~~(c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a~~  
57.5 ~~state agency to obtain services specified in paragraph (a) through a contract with an outside~~  
57.6 ~~vendor when the chief information officer and the agency head agree that a contract would~~  
57.7 ~~provide best value, as defined in section 16C.02, under the service-level agreement. A~~  
57.8 ~~state agency must enter into a service-level agreement with the chief information officer~~  
57.9 ~~for provision of services specified in paragraph (a), or must obtain some or all of these~~  
57.10 ~~services through an outside vendor. Before entering into a service-level agreement or~~  
57.11 ~~outside vendor contract, an agency must solicit proposals from the office and from at least~~  
57.12 ~~one outside vendor. If the cost of the proposal from the office is more than six percent~~  
57.13 ~~higher than the cost of a proposal from an outside vendor, the agency may enter into a~~  
57.14 ~~contract with an outside vendor, notwithstanding sections 16C.08, subdivision 2, clause~~  
57.15 ~~(1); 16C.09, paragraph (a), clause (1); and 43A.047. The chief information officer must~~  
57.16 ~~require that agency contracts with outside vendors ensure that systems and services are~~  
57.17 ~~compatible with standards established by the Office of MN.IT Services. The term of a~~  
57.18 ~~service-level agreement or a contract under this paragraph is subject to the limits in section~~  
57.19 ~~16C.06, subdivision 3b. However, the chief information officer may provide that the term~~  
57.20 ~~of the first agreement or contract entered into after the effective date of this section may be~~  
57.21 ~~longer, as the chief information officer determines is necessary to establish a system under~~  
57.22 ~~which agency agreements and contracts will expire according to a staggered schedule.~~  
57.23 ~~A service-level agreement or contract may not be for a term of more than six years. A~~  
57.24 ~~contract longer than four years must be followed by a contract of less than four years.~~

57.25 (d) The chief information officer may authorize a state agency office located outside  
57.26 of the seven-county metropolitan area to solicit proposals from MN.IT services and from  
57.27 an outside vendor separately from the rest of the agency.

57.28 (e) An agency may not enter into a contract for information technology systems or  
57.29 services of more than \$100,000 with an outside vendor without approval of the chief  
57.30 information officer.

57.31 (f) The Minnesota State Retirement System, the Public Employees Retirement  
57.32 Association, the Teachers Retirement Association, the State Board of Investment, the  
57.33 Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide  
57.34 Radio Board are not state agencies for purposes of this section.

57.35 Sec. 43. **[16E.034] ANNUAL REPORT ON IT SPENDING.**

58.1 (a) The chief information officer, in consultation with the commissioner of  
58.2 management and budget, must report by September 1 each year on:

58.3 (1) total state agency spending on information technology in the prior fiscal year, and  
58.4 planned state agency spending on information technology in the current fiscal year; and

58.5 (2) individual state agency spending on information technology in the prior fiscal  
58.6 year, and planned spending on information technology in the current fiscal year.

58.7 (b) The report in paragraph (a) on total state agency and individual agency spending  
58.8 and proposed spending must show amounts spent and anticipated to be spent in each of  
58.9 the following categories:

58.10 (1) new technology projects, or enhancement of existing projects, of more than  
58.11 \$100,000;

58.12 (2) business as usual and minor enhancements; and

58.13 (3) infrastructure and operations.

58.14 (c) The information reported on infrastructure and operations in paragraph (b),  
58.15 clause (3), must be further divided, by agency, into the following categories:

58.16 (1) servers;

58.17 (2) messaging and collaboration;

58.18 (3) mainframe;

58.19 (4) storage;

58.20 (5) database, including administration;

58.21 (6) technical support;

58.22 (7) information security;

58.23 (8) directory administration;

58.24 (9) architecture;

58.25 (10) monitoring; and

58.26 (11) change management.

58.27 Sec. 44. Minnesota Statutes 2014, section 16E.0465, is amended to read:

58.28 **16E.0465 TECHNOLOGY APPROVAL.**

58.29 Subdivision 1. **Application.** This section applies to an appropriation of more than  
58.30 ~~\$1,000,000~~ \$100,000 of state or federal funds to a state agency for any information and  
58.31 telecommunications technology project or for any phase of such a project, device, or  
58.32 system. For purposes of this section, an appropriation of state or federal funds to a state  
58.33 agency includes an appropriation:

58.34 (1) to a constitutional officer;

58.35 (2) for a project that includes both a state agency and units of local government; and

59.1 (3) to a state agency for grants to be made to other entities.

59.2 Subd. 2. **Required review and approval.** (a) A state agency receiving an  
59.3 appropriation of more than \$500,000 for an information and telecommunications  
59.4 technology project subject to this section must divide the project into phases.

59.5 (b) The commissioner of management and budget may not authorize the  
59.6 encumbrance or expenditure of an appropriation of state funds to a state agency for ~~any~~:

59.7 (1) a project if the project is subject to this section, but not divided into phases; or

59.8 (2) a phase of a project, device, or system subject to this section, unless the Office of  
59.9 MN.IT Services has reviewed the project or each phase of the project, device, or system,  
59.10 and based on this review, the chief information officer has determined for each project  
59.11 or phase that:

59.12 ~~(1)~~ (i) the project is compatible with the state information architecture and other  
59.13 policies and standards established by the chief information officer;

59.14 ~~(2)~~ (ii) the agency is able to accomplish the goals of the phase of the project with the  
59.15 funds appropriated; and

59.16 ~~(3)~~ (iii) the project supports the enterprise information technology strategy.

59.17 Subd. 4. **Monitor progress.** The chief information officer shall monitor progress on  
59.18 any active information and telecommunications technology project with a total expected  
59.19 project cost of more than \$5,000,000 and report on the performance of the project in  
59.20 comparison with the plans for the project in terms of time, scope, and budget. The chief  
59.21 information officer may conduct an independent project audit of the project. The audit  
59.22 analysis and evaluation of the projects must be presented to agency executive sponsors,  
59.23 the project governance bodies, and the chief information officer. All reports and responses  
59.24 must become part of the project record.

59.25 Sec. 45. Minnesota Statutes 2014, section 16E.14, subdivision 3, is amended to read:

59.26 Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each  
59.27 agency shall reimburse the MN.IT services revolving fund for the cost of all services,  
59.28 supplies, materials, labor, employee development and training, and depreciation of  
59.29 equipment, including reasonable overhead costs, which the chief information officer is  
59.30 authorized and directed to furnish an agency. The chief information officer shall report the  
59.31 rates to be charged for the revolving fund no later than July 1 each year to the chair of the  
59.32 committee or division in the senate and house of representatives with primary jurisdiction  
59.33 over the budget of the Office of MN.IT Services.

60.1 Sec. 46. Minnesota Statutes 2014, section 16E.145, is amended to read:

60.2 **16E.145 INFORMATION TECHNOLOGY APPROPRIATION.**

60.3 An appropriation of more than \$100,000 for a state agency information and  
60.4 telecommunications technology project must be made to the chief information officer. The  
60.5 chief information officer must manage and disburse the appropriation on behalf of the  
60.6 sponsoring state agency. Any appropriation for an information and telecommunications  
60.7 technology project made to a state agency other than the Office of MN.IT Services is  
60.8 transferred to the chief information officer.

60.9 Sec. 47. Minnesota Statutes 2014, section 16E.19, is amended by adding a subdivision  
60.10 to read:

60.11 Subd. 3. **Data storage.** The chief information officer must establish criteria for  
60.12 storage of state agency data outside of data centers operated by the chief information  
60.13 officer. These criteria must include thresholds for when requests of outside data storage  
60.14 must be approved by the chief information officer.

60.15 Sec. 48. **[43A.035] LIMIT ON NUMBER OF FULL-TIME EQUIVALENT**  
60.16 **EMPLOYEES.**

60.17 The total number of full-time equivalent employees employed in all executive  
60.18 branch agencies may not exceed 35,927. The commissioner of management and budget  
60.19 may forbid an executive agency from hiring a new employee or from filling a vacancy as  
60.20 the commissioner determines is necessary to ensure compliance with this section. Any  
60.21 reductions in staff should prioritize protecting client-facing health care workers, corrections  
60.22 officers, public safety workers, and mental health workers. As a means of achieving  
60.23 compliance with this requirement, the commissioner may authorize an agency to provide  
60.24 an early retirement incentive to an executive branch employee, under which the state will  
60.25 continue to make the employer contribution for health insurance after the employee has  
60.26 terminated state service. The commissioner must prescribe eligibility requirements and the  
60.27 maximum duration of the payments. For purposes of this section, an "executive agency"  
60.28 does not include the Minnesota State Colleges and Universities or statewide pension plans.

60.29 Sec. 49. Minnesota Statutes 2014, section 62V.03, subdivision 2, is amended to read:

60.30 Subd. 2. **Application of other law.** (a) MNsure must be reviewed by the legislative  
60.31 auditor under section 3.971. The legislative auditor shall audit the books, accounts, and  
60.32 affairs of MNsure once each year or less frequently as the legislative auditor's funds and  
60.33 personnel permit. Upon the audit of the financial accounts and affairs of MNsure, MNsure

61.1 is liable to the state for the total cost and expenses of the audit, including the salaries paid  
61.2 to the examiners while actually engaged in making the examination. The legislative  
61.3 auditor may bill MNsure either monthly or at the completion of the audit. All collections  
61.4 received for the audits must be deposited in the general fund and are appropriated to  
61.5 the legislative auditor. Pursuant to section 3.97, subdivision 3a, the Legislative Audit  
61.6 Commission is requested to direct the legislative auditor to report by March 1, 2014, to  
61.7 the legislature on any duplication of services that occurs within state government as a  
61.8 result of the creation of MNsure. The legislative auditor may make recommendations on  
61.9 consolidating or eliminating any services deemed duplicative. The board shall reimburse  
61.10 the legislative auditor for any costs incurred in the creation of this report.

61.11 (b) Board members of MNsure are subject to sections 10A.07 and 10A.09. Board  
61.12 members and the personnel of MNsure are subject to section 10A.071.

61.13 (c) All meetings of the board shall comply with the open meeting law in chapter  
61.14 13D, except that:

61.15 (1) meetings, or portions of meetings, regarding compensation negotiations with the  
61.16 director or managerial staff may be closed in the same manner and according to the same  
61.17 procedures identified in section 13D.03;

61.18 (2) meetings regarding contract negotiation strategy may be closed in the same  
61.19 manner and according to the same procedures identified in section 13D.05, subdivision 3,  
61.20 paragraph (c); and

61.21 (3) meetings, or portions of meetings, regarding not public data described in section  
61.22 62V.06, subdivision 3, and regarding trade secret information as defined in section 13.37,  
61.23 subdivision 1, paragraph (b), are closed to the public, but must otherwise comply with  
61.24 the procedures identified in chapter 13D.

61.25 (d) MNsure and provisions specified under this chapter are exempt from:

61.26 ~~(1) chapter 14, including section 14.386, except as specified in section 62V.05; and~~

61.27 ~~(2) chapters 16B and 16C, with the exception of sections 16C.08, subdivision 2,~~  
61.28 ~~paragraph (b), clauses (1) to (8); 16C.086; 16C.09, paragraph (a), clauses (1) and (3),~~  
61.29 ~~paragraph (b), and paragraph (c); and section 16C.16. However, MNsure, in consultation~~  
61.30 ~~with the commissioner of administration, shall implement policies and procedures to~~  
61.31 ~~establish an open and competitive procurement process for MNsure that, to the extent~~  
61.32 ~~practicable, conforms to the principles and procedures contained in chapters 16B and 16C.~~  
61.33 ~~In addition, MNsure may enter into an agreement with the commissioner of administration~~  
61.34 ~~for other services.~~

62.1 (e) The board and the Web site are exempt from chapter 60K. Any employee of  
 62.2 MNsure who sells, solicits, or negotiates insurance to individuals or small employers must  
 62.3 be licensed as an insurance producer under chapter 60K.

62.4 (f) Section 3.3005 applies to any federal funds received by MNsure.

62.5 (g) ~~MNsure is exempt from the following sections in chapter 16E: 16E.01,~~  
 62.6 ~~subdivision 3, paragraph (b); 16E.03, subdivisions 3 and 4; 16E.04, subdivision 1,~~  
 62.7 ~~subdivision 2, paragraph (c), and subdivision 3, paragraph (b); 16E.0465; 16E.055;~~  
 62.8 ~~16E.145; 16E.15; 16E.16; 16E.17; 16E.18; and 16E.22.~~

62.9 (h) A MNsure decision that requires a vote of the board, other than a decision that  
 62.10 applies only to hiring of employees or other internal management of MNsure, is an  
 62.11 "administrative action" under section 10A.01, subdivision 2.

62.12 Sec. 50. **[138.912] HEALTHY EATING, HERE AT HOME.**

62.13 Subdivision 1. **Establishment.** The healthy eating, here at home program is  
 62.14 established to provide incentives for low-income Minnesotans to use federal Supplemental  
 62.15 Nutrition Assistance Program (SNAP) benefits for healthy purchases at Minnesota-based  
 62.16 farmers' markets.

62.17 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

62.18 (b) "Healthy eating, here at home" means a program administered by the Minnesota  
 62.19 Humanities Center to provide incentives for low-income Minnesotans to use SNAP  
 62.20 benefits for healthy purchases at Minnesota-based farmers' markets.

62.21 (c) "Healthy purchases" means SNAP-eligible foods.

62.22 (d) "Minnesota-based farmers' market" means a physical market as defined in section  
 62.23 28A.151, subdivision 1, paragraph (b), and also includes mobile markets.

62.24 (e) "Voucher" means a physical or electronic credit.

62.25 (f) "Eligible household" means an individual or family that is determined to be a  
 62.26 recipient of SNAP.

62.27 Subd. 3. **Grants.** The Minnesota Humanities Center shall allocate grant funds to  
 62.28 nonprofit organizations that work with Minnesota-based farmers' markets to provide up  
 62.29 to \$10 vouchers to SNAP participants who use electronic benefits transfer (EBT) cards  
 62.30 for healthy purchases. Funds may also be provided for vouchers distributed through  
 62.31 nonprofit organizations engaged in healthy cooking and food education outreach to  
 62.32 eligible households for use at farmers' markets. Funds appropriated under this section may  
 62.33 not be used for healthy cooking classes or food education outreach. When awarding  
 62.34 grants, the Minnesota Humanities Center must consider how the nonprofit organizations

63.1 will achieve geographic balance, including specific efforts to reach eligible households  
 63.2 across the state, and the organizations' capacity to manage the programming and outreach.

63.3 Subd. 4. **Household eligibility; participation.** To be eligible for a healthy eating,  
 63.4 here at home voucher, an eligible household must meet the Minnesota SNAP eligibility  
 63.5 requirements under section 256D.051.

63.6 Subd. 5. **Permissible uses; information provided.** An eligible household may use  
 63.7 the voucher toward healthy purchases at Minnesota-based farmers' markets. Every eligible  
 63.8 household that receives a voucher must be informed of the allowable uses of the voucher.

63.9 Subd. 6. **Program reporting.** The nonprofit organizations that receive grant funds  
 63.10 must report annually to the Minnesota Humanities Center with information regarding the  
 63.11 operation of the program, including the number of vouchers issued and the number of  
 63.12 people served. To the extent practicable, the nonprofit organizations must report on the  
 63.13 usage of the vouchers and evaluate the program's effectiveness.

63.14 Subd. 7. **Grocery inclusion.** The commissioner of human services must submit a  
 63.15 waiver request to the federal United States Department of Agriculture seeking approval  
 63.16 for the inclusion of Minnesota grocery stores in this program so that SNAP participants  
 63.17 may use the vouchers for healthy produce at grocery stores. Grocery store participation is  
 63.18 voluntary and a grocery store's associated administrative costs will not be reimbursed.

63.19 Sec. 51. Minnesota Statutes 2014, section 148.57, is amended by adding a subdivision  
 63.20 to read:

63.21 Subd. 5. **Expedited and temporary licensing for former and current members**  
 63.22 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

63.23 (1) an active duty military member;

63.24 (2) the spouse of an active duty military member; or

63.25 (3) a veteran who has left service in the two years preceding the date of license  
 63.26 application, and has confirmation of an honorable or general discharge status.

63.27 (b) A qualified applicant under this subdivision must provide evidence of:

63.28 (1) a current valid license, certificate, or permit in another state without history of  
 63.29 disciplinary action by a regulatory authority in the other state; and

63.30 (2) a current criminal background study without a criminal conviction that is  
 63.31 determined by the board to adversely affect the applicant's ability to become licensed.

63.32 (c) A temporary license issued under this subdivision is effective for six months  
 63.33 from the initial temporary licensure date.

63.34 (d) During the temporary license period, the individual shall complete the licensed  
 63.35 optometrist application for licensure.

64.1 (e) In order to remain licensed after the expiration of the temporary license, an  
 64.2 individual must meet the requirements in section 148.57, subdivisions 1 and 2.

64.3 Sec. 52. Minnesota Statutes 2014, section 148.624, subdivision 5, is amended to read:

64.4 Subd. 5. **Expedited and temporary licensing for former and current members**  
 64.5 **of the military permit.** ~~The board shall issue a temporary permit to members of the~~  
 64.6 ~~military in accordance with section 197.4552.~~ (a) Applicants seeking licensure according  
 64.7 to this subdivision must be:

64.8 (1) an active duty military member;

64.9 (2) the spouse of an active duty military member; or

64.10 (3) a veteran who has left service in the two years preceding the date of license  
 64.11 application, and has confirmation of an honorable or general discharge status.

64.12 (b) A qualified applicant under this subdivision must provide evidence of:

64.13 (1) a current valid license in another state without history of disciplinary action by a  
 64.14 regulatory authority in the other state; and

64.15 (2) a current criminal background study without a criminal conviction that is  
 64.16 determined by the board to adversely affect the applicant's ability to become licensed.

64.17 (c) A temporary license issued under this subdivision is effective for six months  
 64.18 from the initial temporary licensure date.

64.19 (d) During the temporary license period, the individual shall complete the licensed  
 64.20 dietitian or nutritionist application for licensure.

64.21 (e) In order to remain licensed after the expiration of the temporary license, an  
 64.22 individual must meet the full licensure requirements.

64.23 (f) The fee for the temporary ~~permit~~ license is \$250.

64.24 Sec. 53. Minnesota Statutes 2014, section 148B.33, is amended by adding a  
 64.25 subdivision to read:

64.26 Subd. 3. **Expedited and temporary licensing for former and current members**  
 64.27 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

64.28 (1) an active duty military member;

64.29 (2) the spouse of an active duty military member; or

64.30 (3) a veteran who has left service in the two years preceding the date of license  
 64.31 application, and has confirmation of an honorable or general discharge status.

64.32 (b) A qualified applicant under this subdivision must provide evidence of:

64.33 (1) a current valid license, certificate, or permit in another state without history of  
 64.34 disciplinary action by a regulatory authority in the other state; and

65.1 (2) a current criminal background study without a criminal conviction that is  
 65.2 determined by the board to adversely affect the applicant's ability to become licensed.

65.3 (c) A temporary license issued under this subdivision is effective for six months  
 65.4 from the initial temporary licensure date.

65.5 (d) During the temporary license period, the individual shall complete the licensed  
 65.6 marriage and family therapist application for licensure.

65.7 (e) In order to remain licensed after the expiration of the temporary license, an  
 65.8 individual must meet the requirements in subdivisions 1 and 2.

65.9 Sec. 54. Minnesota Statutes 2014, section 148B.53, is amended by adding a  
 65.10 subdivision to read:

65.11 Subd. 1a. **Expedited and temporary licensing for former and current members**

65.12 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

65.13 (1) an active duty military member;

65.14 (2) the spouse of an active duty military member; or

65.15 (3) a veteran who has left service in the two years preceding the date of license  
 65.16 application, and has confirmation of an honorable or general discharge status.

65.17 (b) A qualified applicant under this subdivision must provide evidence of:

65.18 (1) a current valid license, certificate, or permit in another state without history of  
 65.19 disciplinary action by a regulatory authority in the other state; and

65.20 (2) a current criminal background study without a criminal conviction that is  
 65.21 determined by the board to adversely affect the applicant's ability to become licensed.

65.22 (c) A temporary license issued under this subdivision is effective for one year from  
 65.23 the initial licensure date.

65.24 (d) During the temporary license period, the individual shall complete the licensed  
 65.25 professional counselor application for licensure.

65.26 (e) In order to remain licensed after the expiration of the temporary license, an  
 65.27 individual must meet the requirements in subdivision 1, paragraphs (a) and (b).

65.28 Sec. 55. Minnesota Statutes 2014, section 148B.5301, is amended by adding a  
 65.29 subdivision to read:

65.30 Subd. 4a. **Expedited and temporary licensing for former and current members**

65.31 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

65.32 (1) an active duty military member;

65.33 (2) the spouse of an active duty military member; or

66.1 (3) a veteran who has left service in the two years preceding the date of license  
 66.2 application, and has confirmation of an honorable or general discharge status.

66.3 (b) A qualified applicant under paragraph (a) must provide evidence of:

66.4 (1) a current valid license, certificate, or permit in another state without history of  
 66.5 disciplinary action by a regulatory authority in the other state; and

66.6 (2) a current criminal background study without a criminal conviction that is  
 66.7 determined by the board to adversely affect the applicant's ability to become licensed.

66.8 (c) A temporary license issued under this subdivision is effective for one year from  
 66.9 the initial licensure date.

66.10 (d) During the temporary license period, the individual shall complete the licensed  
 66.11 professional clinical counselor application for licensure.

66.12 (e) In order to remain licensed after the expiration of the temporary license, an  
 66.13 individual must meet the requirements in subdivisions 1 and 2.

66.14 Sec. 56. Minnesota Statutes 2014, section 148F.025, is amended by adding a  
 66.15 subdivision to read:

66.16 Subd. 5. **Expedited and temporary licensing for former and current members**  
 66.17 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

66.18 (1) an active duty military member;

66.19 (2) the spouse of an active duty military member; or

66.20 (3) a veteran who has left service in the two years preceding the date of license  
 66.21 application, and has confirmation of an honorable or general discharge status.

66.22 (b) Applicants are required to comply with subdivisions 1 and 4.

66.23 (c) A qualified applicant under paragraph (a) must provide evidence of:

66.24 (1) a current valid license, certificate, or permit in another state without history of  
 66.25 disciplinary action by a regulatory authority in the other state; and

66.26 (2) a current criminal background study without a criminal conviction that is  
 66.27 determined by the board to adversely affect the applicant's ability to become licensed.

66.28 (d) A temporary license issued under this subdivision is effective for two years from  
 66.29 the initial licensure date.

66.30 (e) During the temporary license period, the individual shall complete the application  
 66.31 for licensure required in subdivision 1.

66.32 (f) In order to remain licensed after the expiration of the temporary license, an  
 66.33 individual must meet the requirements in subdivisions 2 and 3.

66.34 Sec. 57. Minnesota Statutes 2014, section 153.16, subdivision 1, is amended to read:

67.1           Subdivision 1. **License requirements.** The board shall issue a license to practice  
67.2 podiatric medicine to a person who meets the following requirements:

67.3           (a) The applicant for a license shall file a written notarized application on forms  
67.4 provided by the board, showing to the board's satisfaction that the applicant is of good  
67.5 moral character and satisfies the requirements of this section.

67.6           (b) The applicant shall present evidence satisfactory to the board of being a graduate  
67.7 of a podiatric medical school approved by the board based upon its faculty, curriculum,  
67.8 facilities, accreditation by a recognized national accrediting organization approved by the  
67.9 board, and other relevant factors.

67.10          (c) The applicant must have received a passing score on each part of the national board  
67.11 examinations, parts one and two, prepared and graded by the National Board of Podiatric  
67.12 Medical Examiners. The passing score for each part of the national board examinations,  
67.13 parts one and two, is as defined by the National Board of Podiatric Medical Examiners.

67.14          (d) Applicants graduating after 1986 from a podiatric medical school shall present  
67.15 evidence of successful completion of a residency program approved by a national  
67.16 accrediting podiatric medicine organization.

67.17          (e) The applicant shall appear in person before the board or its designated  
67.18 representative to show that the applicant satisfies the requirements of this section,  
67.19 including knowledge of laws, rules, and ethics pertaining to the practice of podiatric  
67.20 medicine. The board may establish as internal operating procedures the procedures or  
67.21 requirements for the applicant's personal presentation. Upon completion of all other  
67.22 application requirements, a doctor of podiatric medicine applying for a temporary military  
67.23 license has six months in which to comply with this subdivision.

67.24          (f) The applicant shall pay a fee established by the board by rule. The fee shall  
67.25 not be refunded.

67.26          (g) The applicant must not have engaged in conduct warranting disciplinary action  
67.27 against a licensee. If the applicant does not satisfy the requirements of this paragraph,  
67.28 the board may refuse to issue a license unless it determines that the public will be  
67.29 protected through issuance of a license with conditions and limitations the board considers  
67.30 appropriate.

67.31          (h) Upon payment of a fee as the board may require, an applicant who fails to pass  
67.32 an examination and is refused a license is entitled to reexamination within one year of  
67.33 the board's refusal to issue the license. No more than two reexaminations are allowed  
67.34 without a new application for a license.

67.35          Sec. 58. Minnesota Statutes 2014, section 153.16, subdivision 4, is amended to read:

- 68.1 Subd. 4. **Temporary military permit license.** ~~The board shall establish a temporary~~  
 68.2 ~~permit in accordance with section 197.4552. The fee for the temporary military permit is~~  
 68.3 ~~\$250.~~ (a) The board shall issue an expedited license to practice podiatric medicine to an  
 68.4 applicant who meets the following requirements:
- 68.5 (1) is an active duty military member;
  - 68.6 (2) is the spouse of an active duty military member; or
  - 68.7 (3) is a veteran who has left service in the two years preceding the date of license  
 68.8 application, and has confirmation of an honorable or general discharge status.
- 68.9 (b) A qualified applicant under this subdivision must provide evidence of:
- 68.10 (1) a current, valid license in another state without history of disciplinary action by a  
 68.11 regulatory authority in the other state; and
  - 68.12 (2) a current criminal background study without a criminal conviction that is  
 68.13 determined by the board to adversely affect the applicant's ability to become licensed.
- 68.14 (c) The board shall issue a license for up to six months to a doctor of podiatric  
 68.15 medicine eligible for licensure under this subdivision. Doctors of podiatric medicine  
 68.16 licensed in another state who have complied with all other requirements may receive a  
 68.17 temporary license valid for up to six months. No extension is available.
- 68.18 (d) A temporary license issued under this subdivision permits a qualified individual  
 68.19 to perform podiatric medicine for a limited length of time as determined by the licensing  
 68.20 board. During the temporary license period, the individual shall complete the full  
 68.21 application procedure and be approved as required by applicable law.
- 68.22 (e) The fee for the temporary military license is \$250.

68.23 Sec. 59. Minnesota Statutes 2014, section 154.003, is amended to read:

68.24 **154.003 FEES.**

- 68.25 (a) The fees collected, as required in this chapter, chapter 214, and the rules of the  
 68.26 board, shall be paid to the board. The board shall deposit the fees in the general fund  
 68.27 in the state treasury.
- 68.28 (b) The board shall charge the following fees:
- 68.29 (1) examination and certificate, registered barber, \$85;
  - 68.30 (2) retake of written examination, registered barber, \$10;
  - 68.31 (3) examination and certificate, apprentice, \$80;
  - 68.32 (4) retake of written examination, apprentice, \$10;
  - 68.33 (5) examination, instructor, \$180;
  - 68.34 (6) certificate, instructor, \$65;
  - 68.35 (7) temporary teacher or apprentice permit, \$80;

- 69.1 (8) temporary registered barber, military, \$85;  
 69.2 (9) temporary barber instructor, military, \$180;  
 69.3 (10) temporary apprentice barber, military, \$80;  
 69.4 (11) renewal of registration, registered barber, \$80;  
 69.5 ~~(9)~~ (12) renewal of registration, apprentice, \$70;  
 69.6 ~~(10)~~ (13) renewal of registration, instructor, \$80;  
 69.7 ~~(11)~~ (14) renewal of temporary teacher permit, \$65;  
 69.8 ~~(12)~~ (15) student permit, \$45;  
 69.9 ~~(13)~~ (16) renewal of student permit, \$25;  
 69.10 ~~(14)~~ (17) initial shop registration, \$85;  
 69.11 ~~(15)~~ (18) initial school registration, \$1,030;  
 69.12 ~~(16)~~ (19) renewal shop registration, \$85;  
 69.13 ~~(17)~~ (20) renewal school registration, \$280;  
 69.14 ~~(18)~~ (21) restoration of registered barber registration, \$95;  
 69.15 ~~(19)~~ (22) restoration of apprentice registration, \$90;  
 69.16 ~~(20)~~ (23) restoration of shop registration, \$105;  
 69.17 ~~(21)~~ (24) change of ownership or location, \$55;  
 69.18 ~~(22)~~ (25) duplicate registration, \$40;  
 69.19 ~~(23)~~ (26) home study course, \$75;  
 69.20 ~~(24)~~ (27) letter of registration verification, \$25; and  
 69.21 ~~(25)~~ (28) reinspection, \$100.

69.22 Sec. 60. Minnesota Statutes 2014, section 154.11, subdivision 3, is amended to read:

69.23 Subd. 3. **Temporary military license permits.** (a) In accordance with section  
 69.24 197.4552, the board shall establish issue a temporary license:

69.25 (1) permit for apprentice barbers and master;

69.26 (2) certificate for registered barbers; and a temporary permit for apprentices in  
 69.27 accordance with section 197.4552. The fee for a temporary license under this subdivision  
 69.28 for a master barber is \$85. The fee for a temporary license under this subdivision for a  
 69.29 barber is \$180. The fee for a temporary permit under this subdivision for an apprentice is  
 69.30 \$80.

69.31 (3) certificate for registered barber instructors.

69.32 (b) Fees for temporary military permits and certificates of registration under this  
 69.33 subdivision are listed under section 154.003.

70.1 (c) Permits or certificates of registration issued under this subdivision are valid  
 70.2 for one year from the date of issuance, after which the individual must complete a full  
 70.3 application as required by section 197.4552.

70.4 Sec. 61. Minnesota Statutes 2014, section 190.19, subdivision 2a, is amended to read:

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

70.7 (1) grants to veterans service organizations;

70.8 (2) outreach to underserved veterans;

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

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

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

70.15 (6) grants to an eligible foundation.

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

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

70.20 (2) is a nonprofit corporation under chapter 317A and the organization's articles of  
 70.21 incorporation specify that a purpose of the organization includes (i) providing assistance  
 70.22 to veterans and their families or (ii) enhancing the lives of veterans and their families.

70.23 Sec. 62. Minnesota Statutes 2014, section 192.38, subdivision 1, is amended to read:

70.24 Subdivision 1. **Temporary emergency relief.** If any officer or enlisted member  
 70.25 of the military forces is wounded or otherwise disabled, dies from disease contracted or  
 70.26 injuries received, or is killed while in state active service as defined in section 190.05,  
 70.27 subdivision 5a, the officer or member, or in the case of death the officer's or member's  
 70.28 dependent spouse, child, or parent, may be provided with immediate temporary relief as  
 70.29 necessary in cases of severe hardship, in an amount to be determined by the adjutant general  
 70.30 and approved by the governor or a death gratuity payment equal to the amount allowed for  
 70.31 service members in a federal active service status. All payments under this subdivision  
 70.32 shall be made from appropriations for ~~the maintenance of the state military forces~~  
 70.33 emergency services. The adjutant general shall notify the Department of Management and

71.1 Budget of any payments made pursuant to this subdivision and the amount of it shall be  
71.2 subtracted from any award made by the Department of Management and Budget.

71.3 Sec. 63. Minnesota Statutes 2014, section 192.501, is amended by adding a subdivision  
71.4 to read:

71.5 Subd. 1d. **Reclassification bonus program.** (a) The adjutant general may establish  
71.6 a program to provide a bonus to eligible members of the Minnesota National Guard who  
71.7 complete training that results in the award of a new military occupational specialty or  
71.8 air force specialty code in specialties that are identified by the Adjutant General to be  
71.9 necessary for the enhanced readiness of the Minnesota National Guard.

71.10 (b) Eligibility for the bonus is limited to a member of the National Guard who:

71.11 (1) is serving satisfactorily as determined by the adjutant general;

71.12 (2) has 16 or fewer years of service creditable for retirement; and

71.13 (3) undergoes military training deemed by the adjutant general as sufficiently

71.14 important to the readiness of the National Guard or a unit of the National Guard to warrant

71.15 the payment of a bonus in an amount to generally encourage the member's participation in

71.16 such training. The adjutant general may, within the limitations of this paragraph and other

71.17 applicable laws, determine additional eligibility criteria for the bonus, and must specify all

71.18 of the criteria in regulations and publish changes as necessary.

71.19 (c) The bonus payments must be made on a schedule that is determined and

71.20 published in department regulations by the adjutant general.

71.21 (d) If a member fails to complete a term of reenlistment or an obligated term of

71.22 commissioned service for which a bonus was paid, the adjutant general may seek to

71.23 recoup a prorated amount of the bonus as determined by the adjutant general.

71.24 Sec. 64. Minnesota Statutes 2014, section 197.46, is amended to read:

71.25 **197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT**  
71.26 **OF MANDAMUS.**

71.27 (a) Any person whose rights may be in any way prejudiced contrary to any of the  
71.28 provisions of this section, shall be entitled to a writ of mandamus to remedy the wrong.

71.29 No person holding a position by appointment or employment in the several counties,

71.30 cities, towns, school districts and all other political subdivisions in the state, who is a

71.31 veteran separated from the military service under honorable conditions, shall be removed

71.32 from such position or employment except for incompetency or misconduct shown after a

71.33 hearing, upon due notice, upon stated charges, in writing.

72.1           **(b)** Any veteran who has been notified of the intent to discharge the veteran from an  
72.2 appointed position or employment pursuant to this section shall be notified in writing of  
72.3 such intent to discharge and of the veteran's right to request a hearing within 60 days of  
72.4 receipt of the notice of intent to discharge. The failure of a veteran to request a hearing  
72.5 within the provided 60-day period shall constitute a waiver of the right to a hearing. Such  
72.6 failure shall also waive all other available legal remedies for reinstatement.

72.7           Request for a hearing concerning such a discharge shall be made in writing and  
72.8 submitted by mail or personal service to the employment office of the concerned employer  
72.9 or other appropriate office or person. If the veteran requests a hearing under this section,  
72.10 such written request must also contain the veteran's election to be heard by a civil service  
72.11 board or commission, a merit authority, or a three-person panel as defined in paragraph  
72.12 (c). If the veteran fails to identify the veteran's election, the governmental subdivision  
72.13 may select the hearing body.

72.14           ~~In all governmental subdivisions having an established civil service board or~~  
72.15 ~~commission, or merit system authority, such hearing for removal or discharge shall be~~  
72.16 ~~held before such civil service board or commission or merit system authority. Where no~~  
72.17 ~~such civil service board or commission or merit system authority exists, such hearing~~  
72.18 ~~shall be held by~~ (c) Hearings under this section shall be held by a civil service board or  
72.19 commission, a merit system authority, or a board of three persons appointed as follows:  
72.20 one by the governmental subdivision, one by the veteran, and the third by the two so  
72.21 selected. In the event that all governmental subdivisions having an established civil service  
72.22 board or commission or merit system authority, the veteran shall elect which body will  
72.23 hold the hearing. If the hearing is authorized to be veteran chooses to have the hearing held  
72.24 before a three-person board, the governmental subdivision's notice of intent to discharge  
72.25 ~~shall state that~~ the veteran must respond within 60 days of receipt of the notice of intent to  
72.26 discharge, and provide in writing to the governmental subdivision the name, United States  
72.27 mailing address, and telephone number of the veteran's selected representative for the  
72.28 three-person board. The failure of a veteran to submit the name, address, and telephone  
72.29 number of the veteran's selected representative to the governmental subdivision by mail or  
72.30 by personal service within the provided notice's 60-day period, shall constitute a waiver of  
72.31 the veteran's right to the hearing and all other legal remedies available for reinstatement of  
72.32 the veteran's employment position. In the event the two persons selected by the veteran  
72.33 and governmental subdivision do not appoint the third person within ten days after the  
72.34 appointment of the last of the two, then the judge of the district court of the county  
72.35 wherein the proceeding is pending, or if there be more than one judge in said county then  
72.36 any judge in chambers, shall have jurisdiction to appoint, and upon application of either or

73.1 both of the two so selected shall appoint, the third person to the board and the person so  
73.2 appointed by the judge with the two first selected shall constitute the board.

73.3 (d) Either the veteran or the governmental subdivision may appeal from the decision  
73.4 of the board upon the charges to the district court by causing written notice of appeal,  
73.5 stating the grounds thereof, to be served upon the other party within 15 days after notice of  
73.6 the decision and by filing the original notice of appeal with proof of service thereof in the  
73.7 office of the court administrator of the district court within ten days after service thereof.  
73.8 Nothing in section 197.455 or this section shall be construed to apply to the position of  
73.9 private secretary, superintendent of schools, or one chief deputy of any elected official  
73.10 or head of a department, or to any person holding a strictly confidential relation to the  
73.11 appointing officer. ~~Nothing in this section shall be construed to apply to the position of~~  
73.12 teacher. The burden of establishing such relationship shall be upon the appointing officer  
73.13 in all proceedings and actions relating thereto.

73.14 (e) The governmental subdivision shall bear all administrative costs associated with  
73.15 the hearing. If the veteran prevails, the governmental subdivision shall pay the veteran's  
73.16 reasonable attorney fees.

73.17 (f) All officers, boards, commissions, and employees shall conform to, comply with,  
73.18 and aid in all proper ways in carrying into effect the provisions of section 197.455 and this  
73.19 section notwithstanding any laws, charter provisions, ordinances or rules to the contrary.  
73.20 Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

73.21 **EFFECTIVE DATE.** This section is effective the day following final enactment  
73.22 and applies to all notices of intent to discharge issued on or after that date.

73.23 Sec. 65. **[197.987] HONOR AND REMEMBER FLAG.**

73.24 Subdivision 1. **Legislative findings.** The legislature of the state of Minnesota finds  
73.25 and determines that:

73.26 (1) since the Revolutionary War, more than 1,000,000 members of the United States  
73.27 armed forces have paid the ultimate price by sacrificing their lives in active military  
73.28 service for the United States of America;

73.29 (2) the contribution made by those fallen members of the armed forces is deserving  
73.30 of state and national recognition; and

73.31 (3) the Honor and Remember Flag is an appropriate symbol that acknowledges the  
73.32 selfless sacrifice of those members of the United States armed forces.

73.33 Subd. 2. **Designation.** The Honor and Remember Flag created by Honor and  
73.34 Remember, Inc., is designated as the symbol of our state's concern and commitment to  
73.35 honoring and remembering the lives of all members of the United States armed forces who

74.1 have lost their lives in the line of duty while serving honorably in active military service  
 74.2 in the United States armed forces or of a service-connected cause due to or aggravated  
 74.3 by that service, as determined by the United States Department of Defense or the United  
 74.4 States Department of Veterans Affairs.

74.5 Subd. 3. **Suggested days for flag display.** (a) The chief administrator of each  
 74.6 governmental building or facility within this state, as defined in paragraph (b), is  
 74.7 encouraged to display the Honor and Remember Flag on the following days each year:

74.8 (1) Armed Forces Day, the third Saturday in May;

74.9 (2) Flag Day, June 14;

74.10 (3) July 2nd and July 3rd, in remembrance of the 262 soldiers of the 1st Regiment  
 74.11 Minnesota Volunteer Infantry who, at the Battle of Gettysburg during the American Civil  
 74.12 War, fought so gallantly and successfully to repulse two major Confederate attacks on the  
 74.13 main Union line, suffering over 80 percent casualties, thereby turning the battle and the  
 74.14 war and helping to preserve the Union itself at that pivotal moment in our nation's history;

74.15 (4) July 4th, Independence Day;

74.16 (5) the third Friday of September, National POW/MIA Recognition Day;

74.17 (6) November 11, Veterans Day;

74.18 (7) July 27, Korean War Armistice Day; and

74.19 (8) March 29, Vietnam Veterans Day.

74.20 (b) For purposes of this section, "governmental building or facility within this state"  
 74.21 means the following locations:

74.22 (1) the Minnesota State Capitol, the Office of the Governor and each other Minnesota  
 74.23 constitutional office, the chambers of the Minnesota Senate and the Minnesota House of  
 74.24 Representatives, the Minnesota Supreme Court Building and each Minnesota District  
 74.25 Court House, as well as any official state of Minnesota veterans memorial, Minnesota  
 74.26 veterans home, or Minnesota veterans cemetery;

74.27 (2) to the extent authorized by federal law and regulation, any United States veterans  
 74.28 cemetery, veterans memorial, post office, or other federal building, as well as any United  
 74.29 States Department of Veterans Affairs medical center, veterans service center, and veterans  
 74.30 community-based outreach center; and

74.31 (3) any appropriate local government building or facility, as determined by the  
 74.32 governing body of that local government.

74.33 Subd. 4. **Limitation.** This section may not be construed or interpreted to require  
 74.34 any employee to report to work solely for the purpose of providing for the display of the  
 74.35 Honor and Remember Flag or any other flag.

75.1 Subd. 5. **Implementation.** If a governmental building or facility within this state  
 75.2 opts to display the Honor and Remember Flag, the chief administrator of that facility shall  
 75.3 prescribe procedures necessary for the display.

75.4 Subd. 6. **Flag donation.** Any named public office or public official may accept a  
 75.5 donation of one or more Honor and Remember Flags for the purpose of this section.

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

75.7 Sec. 66. Minnesota Statutes 2014, section 211B.37, is amended to read:

75.8 **211B.37 COSTS ASSESSED.**

75.9 Except as otherwise provided in section 211B.36, subdivision 3, the chief  
 75.10 administrative law judge shall assess the cost of considering complaints filed under section  
 75.11 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot  
 75.12 question or an election for a statewide or legislative office must be assessed against the  
 75.13 appropriation from the general fund to the general account of the state elections campaign  
 75.14 account in section 10A.31, subdivision 4 paid from appropriations to the office for this  
 75.15 purpose. Costs of complaints relating to any other ballot question or elective office must  
 75.16 be paid from appropriations to the office for this purpose.

75.17 Sec. 67. Minnesota Statutes 2014, section 240.01, subdivision 22, is amended to read:

75.18 Subd. 22. **Racing season.** "Racing season" means that portion of the calendar  
 75.19 year starting at the beginning of the day of the first live horse race conducted by the  
 75.20 licensee and concluding at the end of the day of the last live horse race conducted by  
 75.21 the licensee in any year.

75.22 ~~For purposes of this chapter, the racing season begins before the first Saturday in~~  
 75.23 ~~May and continues for not less than 25 consecutive weeks.~~

75.24 **EFFECTIVE DATE.** This section is effective January 1, 2016.

75.25 Sec. 68. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision  
 75.26 to read:

75.27 Subd. 28. **Takeout.** "Takeout" means the total amount of money, excluding  
 75.28 breakage, withheld from each pari-mutuel pool, as authorized by statute or rule.

75.29 Sec. 69. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision  
 75.30 to read:

76.1           Subd. 29. **Handle** "Handle" means the aggregate of all pari-mutuel pools, excluding  
76.2 refundable wagers or cancellations.

76.3           Sec. 70. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision  
76.4 to read:

76.5           Subd. 30. **Mixed meet.** "Mixed meet" means a racing day or series of racing days  
76.6 on which the racing of more than one breed of horse occurs.

76.7           Sec. 71. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision  
76.8 to read:

76.9           Subd. 31. **Banked.** "Banked" means any game of chance that is played with the  
76.10 house as a participant in the game, where the house takes on all players, collects from all  
76.11 losers, and pays all winners, and the house can win.

76.12          Sec. 72. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision  
76.13 to read:

76.14          Subd. 32. **Steward.** A "steward" means an official described in section 240.16. The  
76.15 term steward includes the terms "judge," "chief steward," and "presiding judge," and  
76.16 applies to stewards and judges of the commission or a class B licensee, but not to other  
76.17 racing officials, such as paddock or placement judges, who are employees or agents of  
76.18 a class B licensee.

76.19          Sec. 73. Minnesota Statutes 2014, section 240.011, is amended to read:

76.20                 **240.011 APPOINTMENT OF DIRECTOR.**

76.21                 The governor shall appoint the director of the Minnesota Racing Commission,  
76.22 who serves in the unclassified service at the governor's pleasure. The director must be  
76.23 a person qualified by experience ~~in the administration and regulation of pari-mutuel~~  
76.24 ~~racing~~ and training to possess the skills necessary to discharge the duties of the director.  
76.25 The governor must select a director from a list of one or more names submitted by the  
76.26 Minnesota Racing Commission.

76.27          Sec. 74. Minnesota Statutes 2014, section 240.03, is amended to read:

76.28                 **240.03 COMMISSION POWERS AND DUTIES.**

76.29                 The commission has the following powers and duties:

76.30                 (1) to regulate horse racing in Minnesota to ensure that it is conducted in the public  
76.31 interest;

- 77.1 (2) to issue licenses as provided in this chapter;
- 77.2 (3) to enforce all laws and rules governing horse racing;
- 77.3 (4) to collect and distribute all taxes provided for in this chapter;
- 77.4 (5) to conduct necessary investigations and inquiries and to issue subpoenas to
- 77.5 compel the attendance of witnesses and the submission of information, documents, and
- 77.6 records, and other evidence it deems necessary to carry out its duties;
- 77.7 (6) to supervise the conduct of pari-mutuel betting on horse racing;
- 77.8 (7) to employ and supervise personnel under this chapter;
- 77.9 (8) to determine the number of racing days to be held in the state and at each
- 77.10 licensed racetrack;
- 77.11 (9) to take all necessary steps to ensure the integrity of racing in Minnesota; and
- 77.12 (10) to impose fees on the racing and card playing industries sufficient to recover the
- 77.13 operating costs of the commission with the approval of the legislature according to section
- 77.14 16A.1283. Notwithstanding section 16A.1283, when the legislature is not in session, the
- 77.15 commissioner of management and budget may grant interim approval for any new fees
- 77.16 or adjustments to existing fees that are not statutorily specified, until such time as the
- 77.17 legislature reconvenes and acts upon the new fees or adjustments. As part of its biennial
- 77.18 budget request, the commission must propose changes to its fees that will be sufficient to
- 77.19 recover the operating costs of the commission.

77.20 Sec. 75. Minnesota Statutes 2014, section 240.08, subdivision 2, is amended to read:

77.21 Subd. 2. **Application.** (a) An application for a class C license must be on a form

77.22 the commission prescribes and must be accompanied by an affidavit of qualification

77.23 that the applicant:

77.24 ~~(a)~~ (1) is not in default in the payment of an obligation or debt to the state under

77.25 Laws 1983, chapter 214;

77.26 ~~(b)~~ (2) does not have a felony conviction of record in a state or federal court and

77.27 does not have a state or federal felony charge pending;

77.28 ~~(c)~~ (3) is not and never has been connected with or engaged in an illegal business;

77.29 ~~(d)~~ (4) has never been found guilty of fraud or misrepresentation in connection

77.30 with racing or breeding;

77.31 ~~(e)~~ (5) has never been found guilty of a violation of law or rule relating to horse

77.32 racing, pari-mutuel betting or any other form of gambling which is a serious violation

77.33 as defined by the commission's rules; and

78.1           ~~(f)~~ (6) has never been found to have knowingly violated ~~a rule or an~~ order of the  
78.2 commission or a law or rule of Minnesota or another jurisdiction relating to horse racing,  
78.3 pari-mutuel betting, or any other form of gambling.

78.4           **(b)** The application must also contain an irrevocable consent statement, to be signed  
78.5 by the applicant, which states that suits and actions relating to the subject matter of the  
78.6 application or acts or omissions arising from it may be commenced against the applicant in  
78.7 any court of competent jurisdiction in this state by the service on the secretary of state of  
78.8 any summons, process, or pleading authorized by the laws of this state. If any summons,  
78.9 process, or pleading is served upon the secretary of state, it must be by duplicate copies.  
78.10 One copy must be retained in the Office of the Secretary of State and the other copy must  
78.11 be forwarded immediately by certified mail to the address of the applicant, as shown by  
78.12 the records of the commission.

78.13           Sec. 76. Minnesota Statutes 2014, section 240.08, subdivision 4, is amended to read:

78.14           Subd. 4. **License issuance and renewal.** If the commission determines that  
78.15 the applicant is qualified for the occupation for which licensing is sought and will  
78.16 not adversely affect the public health, welfare, and safety or the integrity of racing in  
78.17 Minnesota, it may issue a class C license to the applicant. If it makes a similar finding for  
78.18 a renewal of a class C license it may renew the license. Class C licenses are effective ~~for~~  
78.19 ~~one year.~~ until December 31 of the calendar year for which they are issued. Certain types  
78.20 of class C licenses, to be determined by the commission, are effective until December 31  
78.21 of the third calendar year for which they have been issued.

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

78.23           Sec. 77. Minnesota Statutes 2014, section 240.08, subdivision 5, is amended to read:

78.24           Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C  
78.25 license for a violation of law or rule which in the commission's opinion adversely affects  
78.26 the integrity of horse racing in Minnesota, the public health, welfare, or safety, or for an  
78.27 intentional false statement made in a license application.

78.28           The commission may suspend a class C license for up to one year for a violation of  
78.29 law, order or rule.

78.30           The commission may delegate to its designated agents the authority to impose  
78.31 suspensions of class C licenses, and the revocation or suspension of a class C license may  
78.32 be appealed to the commission according to its rules.

78.33           **(b)** A license revocation or suspension for more than 90 days is a contested case  
78.34 under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to

79.1 criminal penalties imposed for a violation of law or rule. The commission may summarily  
79.2 suspend a license for more than 90 days prior to a contested case hearing where it is  
79.3 necessary to ensure the integrity of racing or to protect the public health, welfare, or safety.  
79.4 A contested case hearing must be held within ~~20~~ 30 days of the summary suspension and  
79.5 the administrative law judge's report must be issued within ~~20~~ 30 days from the close of  
79.6 the hearing record. In all cases involving summary suspension the commission must issue  
79.7 its final decision within 30 days from receipt of the report of the administrative law judge  
79.8 and subsequent exceptions and argument under section 14.61.

79.9 Sec. 78. Minnesota Statutes 2014, section 240.10, is amended to read:

79.10 **240.10 LICENSE FEES.**

79.11 The fee for a class A license is \$253,000 per year and must be remitted on July 1.  
79.12 The fee for a class B license is \$500 for each assigned racing day and \$100 for each day  
79.13 on which simulcasting is authorized and must be remitted on July 1. ~~Included herein are~~  
79.14 ~~all days assigned to be conducted after January 1, 2003.~~ The fee for a class D license is  
79.15 \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on  
79.16 class D licenses must be paid to the commission at a time and in a manner as provided by  
79.17 rule of the commission.

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

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

79.21 Sec. 79. Minnesota Statutes 2014, section 240.13, subdivision 5, is amended to read:

79.22 Subd. 5. **Purses.** (a) From the amounts deducted from all pari-mutuel pools by a  
79.23 licensee, an amount equal to not less than the following percentages of all money in all  
79.24 pools must be set aside by the licensee and used for purses for races conducted by the  
79.25 licensee, provided that a licensee may agree by contract with an organization representing  
79.26 a majority of the horsepersons racing the breed involved to set aside amounts in addition  
79.27 to the following percentages, if the contract is in writing and filed with the commission:

79.28 (1) for live races conducted at a class A facility, ~~and for races that are part of full~~  
79.29 ~~racing card simulcasting that takes place within the time period of the live races,~~ 8.4  
79.30 percent of handle;

79.31 (2) ~~for simulcasts conducted during the racing season other than as provided for in~~  
79.32 ~~clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel~~

80.1 pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for  
80.2 receipt of the signal; and

80.3 ~~(3) (2) for simulcasts conducted outside of the racing season, 25~~ any day a class A  
80.4 facility is licensed, not less than 37 percent of the takeout remaining after deduction for the  
80.5 state pari-mutuel tax, payment to the breeders fund, and payment to the sending out-of-state  
80.6 racetrack for receipt of the signal and, before January 1, 2005, a further deduction of  
80.7 eight percent of all money in all pools. In the event that wagering on simuleasts outside  
80.8 of the racing season exceeds \$125 million in any calendar year, the amount set aside for  
80.9 purses by this formula is increased to 30 percent on amounts between \$125,000,000 and  
80.10 \$150,000,000 wagered; 40 percent on amounts between \$150,000,000 and \$175,000,000  
80.11 wagered; and 50 percent on amounts in excess of \$175,000,000 wagered. In lieu of  
80.12 the eight percent deduction, A deduction as agreed to between the licensee and the  
80.13 horsepersons' organization representing the majority of horsepersons racing at the licensee's  
80.14 class A facility during the preceeding 12 months, is allowed after December 31, 2004.

80.15 The commission may by rule provide for the administration and enforcement of  
80.16 this subdivision. The deductions for payment to the sending out-of-state racetrack must  
80.17 be actual, except that when there exists any overlap of ownership, control, or interest  
80.18 between the sending out-of-state racetrack and the receiving licensee, the deduction  
80.19 must not be greater than three percent unless agreed to between the licensee and the  
80.20 horsepersons' organization representing the majority of horsepersons racing the breed  
80.21 racing the majority of races during the existing racing meeting or, if outside of the racing  
80.22 season, during the most recent racing meeting.

80.23 ~~In lieu of the amount the licensee must pay to the commission for deposit in the~~  
80.24 ~~Minnesota breeders fund under section 240.15, subdivision 1, The licensee shall pay to the~~  
80.25 commission for deposit in the Minnesota breeders fund 5-1/2 percent of the takeout from  
80.26 all pari-mutuel pools generated by wagering at the licensee's facility on full racing card  
80.27 simulcasts of races not conducted in this state.

80.28 (b) From the money set aside for purses, the licensee shall pay to the horseperson's  
80.29 organization representing the majority of the horsepersons racing the breed involved  
80.30 and contracting with the licensee with respect to purses and the conduct of the racing  
80.31 meetings and providing representation to its members, an amount as may be determined  
80.32 by agreement by the licensee and the horsepersons' organization sufficient to provide  
80.33 benevolent programs, benefits, and services for horsepersons and their on-track employees;  
80.34 an amount, sufficient to perform these services, as may be determined by agreement by  
80.35 the licensee and the horseperson's organization. The amount paid may be deducted only  
80.36 from the money set aside for purses to be paid in races for the breed represented by the

81.1 horseperson's organization. With respect to racing meetings where more than one breed  
81.2 is racing, the licensee may contract independently with the horseperson's organization  
81.3 representing each breed racing.

81.4 (c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization  
81.5 representing the majority of the horsepersons racing a breed at a meeting, and the members  
81.6 thereof, may agree to withhold horses during a meeting.

81.7 ~~(d) Money set aside for purses from wagering, during the racing season, on~~  
81.8 ~~simulcasts must be used for purses for live races conducted at the licensee's class A facility~~  
81.9 ~~during the same racing season, over and above the 8.4 percent purse requirement or any~~  
81.10 ~~higher requirement to which the parties agree, for races conducted in this state. Money~~  
81.11 ~~set aside for purses from wagering, outside of the racing season, on simulcasts must be~~  
81.12 ~~for purses for live races conducted at the licensee's class A facility during the next racing~~  
81.13 ~~season, over and above the 8.4 percent purse requirement or any higher requirement to~~  
81.14 ~~which the parties agree, for races conducted in this state.~~

81.15 ~~(e)~~ (d) Money set aside for purses from wagering on simulcasts must be used for  
81.16 purses for live races involving the same breed involved in the simulcast except that money  
81.17 set aside for purses and payments to the breeders fund from wagering on ~~full racing card~~  
81.18 simulcasts of races not conducted in this state, occurring during a live mixed meet, must  
81.19 be allotted to the purses and breeders fund for each breed participating in the mixed meet  
81.20 as agreed upon by the breed organizations participating in the live mixed meet. The  
81.21 agreement shall be in writing and filed with the commission prior to the first day of the live  
81.22 mixed meet. In the absence of a written agreement filed with the commission, the money  
81.23 set aside for purses and payments to the breeders fund from wagering on simulcasts,  
81.24 occurring during a live mixed meet, shall be allotted to each breed participating in the live  
81.25 mixed meet in the same proportion that the number of live races run by each breed bears  
81.26 to the total number of live races conducted during the period of the mixed meet.

81.27 ~~(f)~~ (e) The allocation of money set aside for purses to particular racing meets may be  
81.28 adjusted, relative to overpayments and underpayments, by contract between the licensee  
81.29 and the horsepersons' organization representing the majority of horsepersons racing the  
81.30 breed involved at the licensee's facility.

81.31 ~~(g)~~ (f) Subject to the provisions of this chapter, money set aside from pari-mutuel  
81.32 pools for purses must be for the breed involved in the race that generated the pool, except  
81.33 that if the breed involved in the race generating the pari-mutuel pool is not racing in the  
81.34 current racing meeting, or has not raced within the preceding 12 months at the licensee's  
81.35 class A facility, money set aside for purses may be distributed proportionately to those  
81.36 breeds that have run during the preceding 12 months or paid to the commission and

82.1 used for purses or to promote racing for the breed involved in the race generating the  
82.2 pari-mutuel pool, or both, in a manner prescribed by the commission.

82.3 ~~(h)~~ (g) This subdivision does not apply to a class D licensee.

82.4 **EFFECTIVE DATE.** This section is effective January 1, 2016.

82.5 Sec. 80. Minnesota Statutes 2014, section 240.13, subdivision 6, is amended to read:

82.6 Subd. 6. **Simulcasting.** (a) The commission may permit an authorized licensee to  
82.7 conduct simulcasting at the licensee's facility on any day authorized by the commission.  
82.8 All simulcasts must comply with the Interstate Horse Racing Act of 1978, United States  
82.9 Code, title 15, sections 3001 to 3007.

82.10 (b) The commission may not authorize any day for simulcasting at a class A facility  
82.11 during the racing season, and a licensee may not be allowed to transmit out-of-state  
82.12 telecasts of races the licensee conducts, unless the licensee has obtained the approval of  
82.13 the horsepersons' organization representing the majority of the horsepersons racing the  
82.14 breed involved at the licensed racetrack during the preceding 12 months. In the case of  
82.15 a class A facility licensed under section 240.06, subdivision 5a, the approval applicable  
82.16 to the first year of the racetrack's operation may be obtained from the horsepersons'  
82.17 organization that represents the majority of horsepersons who will race the breed involved  
82.18 at the licensed racetrack during the first year of the racetrack's operation.

82.19 (c) The licensee may pay fees and costs to an entity transmitting a telecast of a  
82.20 race to the licensee for purposes of conducting pari-mutuel wagering on the race. The  
82.21 licensee may deduct fees and costs related to the receipt of televised transmissions from a  
82.22 pari-mutuel pool on the televised race, provided that one-half of any amount recouped in  
82.23 this manner must be added to the amounts required to be set aside for purses.

82.24 (d) With the approval of the commission and subject to the provisions of this  
82.25 subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes,  
82.26 to locations outside the state, and the commission may allow this to be done on a  
82.27 commingled pool basis.

82.28 (e) Except as otherwise provided in this section, simulcasting may be conducted on a  
82.29 ~~separate commingled~~ separate commingled pool basis or, with the approval of the commission, on a ~~separate~~  
82.30 separate pool basis. All provisions of law governing pari-mutuel betting apply to  
82.31 simulcasting except as otherwise provided in this subdivision or in the commission's  
82.32 rules. If pools are commingled, wagering at the licensed facility must be on equipment  
82.33 electronically linked with the equipment at the licensee's class A facility or with the  
82.34 sending racetrack via the totalizator computer at the licensee's class A facility. Subject to  
82.35 the approval of the commission, the types of betting, takeout, and distribution of winnings

83.1 on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage  
83.2 for pari-mutuel pools on a televised race must be calculated in accordance with the law or  
83.3 rules governing the sending racetrack for these pools, and must be distributed in a manner  
83.4 agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7  
83.5 and section 240.15, subdivision 5, the commission may approve procedures governing the  
83.6 definition and disposition of unclaimed tickets that are consistent with the law and rules  
83.7 governing unclaimed tickets at the sending racetrack. For the purposes of this section,  
83.8 "sending racetrack" is either the racetrack outside of this state where the horse race is  
83.9 conducted or, with the consent of the racetrack, an alternative facility that serves as the  
83.10 racetrack for the purpose of commingling pools.

83.11 (f) Except as otherwise provided in section 240.06, subdivision 5b, paragraph (2),  
83.12 if there is more than one class B licensee conducting racing within the seven-county  
83.13 metropolitan area, simulcasting may be conducted only on races run by a breed that ran at  
83.14 the licensee's class A facility within the 12 months preceding the event.

83.15 Sec. 81. Minnesota Statutes 2014, section 240.135, is amended to read:

83.16 **240.135 CARD CLUB REVENUE.**

83.17 (a) From the amounts received from charges authorized under section 240.30,  
83.18 subdivision 4, the licensee shall set aside the amounts specified in this section to be  
83.19 used for purse payments. These amounts are in addition to the breeders fund and purse  
83.20 requirements set forth elsewhere in this chapter.

83.21 (1) For amounts between zero and \$6,000,000, the licensee shall set aside not less  
83.22 than ten percent to be used as purses.

83.23 (2) For amounts in excess of \$6,000,000, the licensee shall set aside not less than  
83.24 14 percent to be used as purses.

83.25 (b) From all amounts set aside under paragraph (a), the licensee shall set aside  
83.26 ten percent to be deposited in the breeders fund. ~~The licensee and the horseperson's~~  
83.27 ~~organization representing the majority of horsepersons who have raced at the racetrack~~  
83.28 ~~during the preceding 12 months may negotiate percentages different from those stated in~~  
83.29 ~~this section if the agreement is in writing and filed with the Racing Commission.~~

83.30 (c) It is the intent of the legislature that the proceeds of the card playing activities  
83.31 authorized by this chapter be used to improve the horse racing industry by improving purses.  
83.32 The licensee and the horseperson's organization representing the majority of horsepersons  
83.33 who have raced at the racetrack during the preceding 12 months may negotiate percentages  
83.34 that exceed those stated in this section if the agreement is in writing and filed with the  
83.35 commission. The commission shall annually review the financial details of card playing

84.1 activities and determine if the present use of card playing proceeds is consistent with the  
84.2 policy established by this paragraph. If the commission determines that the use of the  
84.3 proceeds does not comply with the policy set forth herein, then the commission shall direct  
84.4 the parties to make the changes necessary to ensure compliance. If these changes require  
84.5 legislation, the commission shall make the appropriate recommendations to the legislature.

84.6 Sec. 82. Minnesota Statutes 2014, section 240.15, subdivision 1, is amended to read:

84.7 Subdivision 1. **Taxes imposed.** (a) There is imposed a tax at the rate of six percent  
84.8 of the amount in excess of \$12,000,000 annually withheld from all pari-mutuel pools by  
84.9 the licensee, including breakage and amounts withheld under section 240.13, subdivision  
84.10 4. For the purpose of this subdivision, "annually" is the period from July 1 to June 30 of  
84.11 the next year.

84.12 In addition to the above tax, the licensee must designate and pay to the commission  
84.13 a tax of one percent of the ~~total amount bet on each racing day~~ handle for live races  
84.14 conducted at a class A facility, for deposit in the Minnesota breeders fund.

84.15 The taxes imposed by this clause must be paid from the amounts permitted to be  
84.16 withheld by a licensee under section 240.13, subdivision 4.

84.17 (b) The commission may impose an admissions tax of not more than ten cents on  
84.18 each paid admission at a licensed racetrack on a racing day if:

84.19 (1) the tax is requested by a local unit of government within whose borders the  
84.20 track is located;

84.21 (2) a public hearing is held on the request; and

84.22 (3) the commission finds that the local unit of government requesting the tax is in  
84.23 need of its revenue to meet extraordinary expenses caused by the racetrack.

84.24 Sec. 83. Minnesota Statutes 2014, section 240.15, subdivision 6, is amended to read:

84.25 Subd. 6. **Disposition of proceeds; account.** The commission shall distribute all  
84.26 money received under this section, and all money received from license fees and fines it  
84.27 collects, according to this subdivision. All money designated for deposit in the Minnesota  
84.28 breeders fund must be paid into that fund for distribution under section 240.18 except that  
84.29 all money generated by ~~full racing card~~ simulcasts must be distributed as provided in  
84.30 section 240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue  
84.31 from an admissions tax imposed under subdivision 1 must be paid to the local unit of  
84.32 government at whose request it was imposed, at times and in a manner the commission  
84.33 determines. Taxes received under this section and fines collected under section 240.22  
84.34 must be paid to the commissioner of management and budget for deposit in the general

85.1 fund. All revenues from licenses and other fees imposed by the commission must be  
85.2 deposited in the state treasury and credited to a racing and card playing regulation account  
85.3 in the special revenue fund. Receipts in this account are available for the operations of the  
85.4 commission up to the amount authorized in biennial appropriations from the legislature.

85.5 Sec. 84. Minnesota Statutes 2014, section 240.16, subdivision 1, is amended to read:

85.6 Subdivision 1. **Powers and duties.** All horse races run at a licensed racetrack must  
85.7 be presided over by a board of three stewards, who must be appointees of the commission or  
85.8 persons approved by it. The commission shall designate one steward as chair. At least two  
85.9 stewards for all races either shall be employees of the commission who shall serve in the  
85.10 unclassified service, or shall be under contract with the commission to serve as stewards.  
85.11 The commission may delegate the following duties and powers to a board of stewards:

- 85.12 (a) to ensure that races are run in accordance with the commission's rules;
- 85.13 (b) to supervise the conduct of racing to ensure the integrity of the sport;
- 85.14 (c) to settle disputes arising from the running of horse races, and to certify official  
85.15 results;
- 85.16 (d) to impose on licensees, for violation of law or commission rules, fines not  
85.17 exceeding ~~\$2,000~~ \$5,000 and license suspensions not exceeding 90 days;
- 85.18 (e) to recommend to the commission where warranted penalties in excess of those  
85.19 in clause (d);
- 85.20 (f) to otherwise enforce the laws and rules of racing; and
- 85.21 (g) to perform other duties and have other powers assigned by the commission.

85.22 Sec. 85. Minnesota Statutes 2014, section 240.22, is amended to read:

85.23 **240.22 FINES.**

85.24 (a) The commission shall by rule establish a graduated schedule of civil fines for  
85.25 violations of laws related to horse racing or of the commission's rules. The schedule  
85.26 must include minimum and maximum fines for each violation and be based on and  
85.27 reflect the culpability, frequency and severity of the violator's actions. The commission  
85.28 may impose a fine from this schedule on a licensee for a violation of those rules or laws  
85.29 relating to horse racing. The fine is in addition to any criminal penalty imposed for the  
85.30 same violation. Fines imposed by the commission must be paid to the commission and  
85.31 except as provided in paragraph (b), forwarded to the commissioner of management and  
85.32 budget for deposit in the general fund. A fine in excess of ~~\$2,000~~ \$5,000 is a contested  
85.33 case under the Administrative Procedure Act.

86.1 (b) If the commission is the prevailing party in a contested case proceeding, the  
86.2 commission may recover, from amounts to be forwarded under paragraph (a), reasonable  
86.3 attorney fees and costs associated with the contested case.

86.4 **EFFECTIVE DATE.** This section is effective July 1, 2016.

86.5 Sec. 86. Minnesota Statutes 2014, section 240.23, is amended to read:

86.6 **240.23 RULEMAKING AUTHORITY.**

86.7 The commission has the authority, in addition to all other rulemaking authority  
86.8 granted elsewhere in this chapter to promulgate rules governing:

86.9 (a) the conduct of horse races held at licensed racetracks in Minnesota, including but  
86.10 not limited to the rules of racing, standards of entry, operation of claiming races, filing and  
86.11 handling of objections, carrying of weights, and declaration of official results;

86.12 (b) ~~wire~~ wired and wireless communications between the premises of a licensed  
86.13 racetrack and any place outside the premises;

86.14 (c) information on horse races which is sold on the premises of a licensed racetrack;

86.15 (d) liability insurance which it may require of all class A, class B, and class D  
86.16 licensees;

86.17 (e) the auditing of the books and records of a licensee by an auditor employed  
86.18 or appointed by the commission;

86.19 (f) emergency action plans maintained by licensed racetracks and their periodic  
86.20 review;

86.21 (g) safety, security, and sanitation of stabling facilities at licensed racetracks;

86.22 (h) entry fees and other funds received by a licensee in the course of conducting  
86.23 racing which the commission determines must be placed in escrow accounts;

86.24 (i) affirmative action in employment and contracting by class A, class B, and class D  
86.25 licensees; ~~and~~

86.26 (j) procedures for the sampling and testing of any horse that is eligible to race in  
86.27 Minnesota for substances or practices that are prohibited by law or rule; and

86.28 ~~(j)~~ (k) any other aspect of horse racing or pari-mutuel betting which in its opinion  
86.29 affects the integrity of racing or the public health, welfare, or safety.

86.30 Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

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

86.32 Sec. 87. Minnesota Statutes 2014, section 272.484, is amended to read:

86.33 **272.484 FEES.**

87.1 The fee for filing and indexing each notice of lien or certificate or notice affecting  
87.2 the lien is:

87.3 (1) for a lien, certificate of discharge or subordination, and for all other notices,  
87.4 including a certificate of release or nonattachment filed with the secretary of state, the fee  
87.5 provided by section 336.9-525, except that the filing fee charged to the district directors  
87.6 of internal revenue for filing a federal tax lien is \$15 ~~for up to two debtor names and~~  
87.7 ~~\$15 for each additional name; and~~

87.8 (2) for a lien, certificate of discharge or subordination, and for all other notices,  
87.9 including a certificate of release or nonattachment filed with the county recorder, the fee  
87.10 for filing a real estate mortgage in the county where filed.

87.11 The officer shall bill the district directors of internal revenue or other appropriate  
87.12 federal officials on a monthly basis for fees for documents filed by them.

87.13 Sec. 88. Minnesota Statutes 2014, section 298.22, subdivision 1, is amended to read:

87.14 Subdivision 1. **The Office of the Commissioner of Iron Range resources**  
87.15 **and rehabilitation.** (a) The Office of the Commissioner of Iron Range resources and  
87.16 rehabilitation is created as an agency in the executive branch of state government. The  
87.17 governor shall appoint the commissioner of Iron Range resources and rehabilitation under  
87.18 section 15.06.

87.19 (b) The commissioner may hold other positions or appointments that are not  
87.20 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The  
87.21 commissioner may appoint a deputy commissioner. All expenses of the commissioner,  
87.22 including the payment of staff and other assistance as may be necessary, must be paid  
87.23 out of the amounts appropriated by section 298.28 or otherwise made available by law  
87.24 to the commissioner. ~~Notwithstanding chapters 16A, 16B, and 16C, the commissioner~~  
87.25 ~~may utilize contracting options available under section 471.345 when the commissioner~~  
87.26 ~~determines it is in the best interest of the agency. The agency is not subject to sections~~  
87.27 ~~16E.016 and 16C.05.~~

87.28 (c) When the commissioner determines that distress and unemployment exists or  
87.29 may exist in the future in any county by reason of the removal of natural resources or  
87.30 a possibly limited use of natural resources in the future and any resulting decrease in  
87.31 employment, the commissioner may use whatever amounts of the appropriation made to  
87.32 the commissioner of revenue in section 298.28 that are determined to be necessary and  
87.33 proper in the development of the remaining resources of the county and in the vocational  
87.34 training and rehabilitation of its residents, except that the amount needed to cover cost  
87.35 overruns awarded to a contractor by an arbitrator in relation to a contract awarded by

88.1 the commissioner or in effect after July 1, 1985, is appropriated from the general fund.  
88.2 For the purposes of this section, "development of remaining resources" includes, but is  
88.3 not limited to, the promotion of tourism.

88.4 Sec. 89. Minnesota Statutes 2014, section 303.19, is amended to read:

88.5 **303.19 REINSTATEMENT.**

88.6 Subdivision 1. **Application Required filing.** Any foreign corporation whose  
88.7 certificate of authority to do business in this state shall have been revoked or canceled may  
88.8 file to reinstate that authority by filing an annual renewal and the fee required by subdivision  
88.9 2 with the secretary of state an application for reinstatement. Such application shall be  
88.10 on forms prescribed by the secretary of state, shall contain all the matters required to be  
88.11 set forth in an original application for a certificate of authority, and such other pertinent  
88.12 information as may be required by the secretary of state. If any of the information in the  
88.13 original application for authority has changed, the foreign corporation must also file an  
88.14 amended certificate setting forth the currently accurate information, with the fee required  
88.15 by section 303.21, subdivision 3.

88.16 Subd. 2. **Fee.** If the certificate of authority was revoked by the secretary of state  
88.17 pursuant to section 303.17, ~~the corporation shall pay to the commissioner of management~~  
88.18 ~~and budget \$250 before it may be reinstated.~~

88.19 ~~If the certificate of authority was canceled or by a judgment pursuant to section~~  
88.20 ~~303.18, the corporation shall pay to the commissioner of management and budget \$500~~  
88.21 ~~before it may be reinstated.~~

88.22 Subd. 3. **Certificate of reinstatement.** Upon the filing of the application and upon  
88.23 payment of ~~all penalties, fees and charges required by law, not including an initial license~~  
88.24 ~~fee or additional license fees to the extent that they have previously been paid by the~~  
88.25 ~~corporation~~ the fees imposed by this section, the secretary of state shall reinstate the  
88.26 license of the corporation.

88.27 Sec. 90. Minnesota Statutes 2014, section 304A.301, subdivision 1, is amended to read:

88.28 Subdivision 1. **Report required.** ~~No later than 90 days after the conclusion of~~  
88.29 ~~each calendar year~~ Before each April 1, a public benefit corporation must deliver to the  
88.30 secretary of state for filing an annual benefit report covering the 12-month period ending  
88.31 on December 31 of ~~that~~ the previous year and pay a fee of \$35 to the secretary of state.  
88.32 The annual benefit report must state the name of the public benefit corporation, be signed  
88.33 by the public benefit corporation's chief executive officer not more than 30 days before the  
88.34 report is delivered to the secretary of state for filing, and must be current when signed.

89.1 Sec. 91. Minnesota Statutes 2014, section 304A.301, subdivision 5, is amended to read:

89.2 Subd. 5. **Failure to file an annual benefit report.** If a public benefit corporation  
89.3 fails to file ~~an~~, before April 1 of any calendar year, the annual benefit report in accordance  
89.4 ~~with this section within 90 days of the date on which an annual benefit report is due~~  
89.5 required by this section, the secretary of state shall revoke the corporation's status as a  
89.6 public benefit corporation under this chapter and must notify the public benefit corporation  
89.7 of the revocation using the information provided by the corporation pursuant to section  
89.8 5.002 or 5.34 or provided in the articles.

89.9 Sec. 92. Minnesota Statutes 2014, section 304A.301, subdivision 6, is amended to read:

89.10 Subd. 6. **Effects of revocation; reinstatement.** (a) A public benefit corporation  
89.11 that has lost its public benefit corporation status for failure to timely file an annual benefit  
89.12 report or by terminating that status pursuant to section 304A.103 is not entitled to the  
89.13 benefits afforded to a public benefit corporation under this chapter as of the date of  
89.14 revocation or termination and must amend the articles of incorporation to reflect a name  
89.15 compliant with section 302A.115, but which does not include the corporate designation  
89.16 provided for in section 304A.101, subdivision 2.

89.17 (b) Within 30 days of issuance of revocation of public benefit corporation status by  
89.18 the secretary of state, filing a renewal complying with this section and a \$500 fee with  
89.19 the secretary of state will reinstate the corporation as a public benefit corporation under  
89.20 this chapter as of the date of revocation.

89.21 Sec. 93. Minnesota Statutes 2014, section 304A.301, is amended by adding a  
89.22 subdivision to read:

89.23 Subd. 8. **Failure to change corporate name.** The duration of a corporation that has  
89.24 had public benefit status terminated or revoked and which fails to change the corporate  
89.25 name as provided in subdivision 6 expires automatically 30 days after termination or  
89.26 revocation of the public benefit corporation status.

89.27 Sec. 94. Minnesota Statutes 2014, section 326A.01, subdivision 2, is amended to read:

89.28 Subd. 2. **Attest.** "Attest" means ~~to provide~~ providing any of the following financial  
89.29 ~~statement~~ services:

89.30 (1) an audit or other engagement performed in accordance with the Statements on  
89.31 Auditing Standards (SAS);

89.32 (2) a review of a financial statement performed in accordance with the Statements on  
89.33 Standards for Accounting and Review Services (SSARS);

- 90.1 (3) an examination of prospective financial information performed in accordance  
90.2 with the Statements on Standards for Attestation Engagements (SSAE); ~~and~~  
90.3 (4) ~~any an~~ engagement performed in accordance with ~~auditing and related the~~  
90.4 standards of the Public Company Accounting Oversight Board (PCAOB); and  
90.5 (5) an examination, review, or agreed-upon procedures engagement performed in  
90.6 accordance with SSAE, other than an examination described in clause (3).

90.7 Sec. 95. Minnesota Statutes 2014, section 326A.01, subdivision 12, is amended to read:

90.8 Subd. 12. **Peer review.** "Peer review" means an independent study, appraisal, or  
90.9 review of one or more aspects of the professional work of a licensee or CPA firm that  
90.10 issues attest or compilation reports, or the professional work of a person registered under  
90.11 section 326A.06, paragraph (b), by persons who are not affiliated with the licensee or  
90.12 CPA firm being reviewed.

90.13 Sec. 96. Minnesota Statutes 2014, section 326A.01, subdivision 13a, is amended to read:

90.14 Subd. 13a. **Principal place of business.** "Principal place of business" means the  
90.15 office location designated by the licensee for purposes of substantial equivalency and  
90.16 reciprocity ~~in this state and in other states.~~

90.17 Sec. 97. Minnesota Statutes 2014, section 326A.01, subdivision 15, is amended to read:

90.18 Subd. 15. **Report.** "Report," when used with reference to ~~financial statements~~ an  
90.19 attest or compilation service, means an opinion, report, or other form of language that  
90.20 states or implies assurance as to the reliability of ~~any~~ the attested information or compiled  
90.21 financial statements and that also includes or is accompanied by a statement or implication  
90.22 that the person or firm issuing it has special knowledge or competence in accounting or  
90.23 auditing. Such a statement or implication of special knowledge or competence may arise  
90.24 from use by the issuer of the report of names or titles indicating that the person or firm is an  
90.25 accountant or auditor, or from the language of the report itself. The term "report" includes  
90.26 any form of language that disclaims an opinion when the form of language is conventionally  
90.27 understood to imply any positive assurance as to the reliability of the attested information  
90.28 or compiled financial statements referred to or special competence on the part of the person  
90.29 or firm issuing the language. It includes any other form of language that is conventionally  
90.30 understood to imply such assurance or such special knowledge or competence.

90.31 Sec. 98. Minnesota Statutes 2014, section 326A.01, subdivision 16, is amended to read:

91.1 Subd. 16. **State.** "State" means any state of the United States, the District of  
91.2 Columbia, Puerto Rico, the U.S. Virgin Islands, the Commonwealth of the Northern  
91.3 Mariana Islands, and Guam; except that "this state" means the state of Minnesota.

91.4 Sec. 99. Minnesota Statutes 2014, section 326A.02, subdivision 3, is amended to read:

91.5 Subd. 3. **Officers; proceedings.** The board shall elect one of its ~~number~~ members  
91.6 as chair, another as vice-chair, and another as secretary and treasurer. The officers shall  
91.7 hold their respective offices for a term of one year and until their successors are elected.  
91.8 The affirmative vote of a majority of the qualified members of the board, or a majority of  
91.9 a quorum of the board at any meeting duly called, is considered the action of the board.  
91.10 The board shall meet at such times and places as may be fixed by the board. Meetings  
91.11 of the board are subject to chapter 13D. A majority of the board members then in office  
91.12 constitutes a quorum at any meeting duly called. The board shall retain or arrange for the  
91.13 retention of all applications and all documents under oath that are filed with the board and  
91.14 also records of its proceedings, and it shall maintain a registry of the names and addresses  
91.15 of all licensees and registrants under this chapter. In any proceeding in court, civil or  
91.16 criminal, arising out of or founded upon any provision of this chapter, copies of records of  
91.17 the proceeding certified as true copies by the board chair or executive director shall be  
91.18 admissible in evidence as tending to prove the contents of the records.

91.19 Sec. 100. Minnesota Statutes 2014, section 326A.02, subdivision 5, is amended to read:

91.20 Subd. 5. **Rules.** The board may adopt rules governing its administration and  
91.21 enforcement of this chapter and the conduct of licensees and persons registered under  
91.22 section 326A.06, paragraph (b), including:

91.23 (1) rules governing the board's meetings and the conduct of its business;

91.24 (2) rules of procedure governing the conduct of investigations and hearings and  
91.25 discipline by the board;

91.26 (3) rules specifying the educational and experience qualifications required for the  
91.27 issuance of certificates and the continuing professional education required for renewal  
91.28 of certificates;

91.29 (4) rules of professional conduct directed to controlling the quality and probity  
91.30 of services by licensees, and dealing among other things with independence, integrity,  
91.31 and objectivity; competence and technical standards; and responsibilities to the public  
91.32 and to clients;

91.33 (5) rules governing the professional standards applicable to licensees including  
91.34 adoption of the standards specified in section 326A.01, subdivision 2, and as developed

92.1 for general application by recognized national accountancy organizations such as the  
 92.2 American Institute of Certified Public Accountants or the Public Company Accounting  
 92.3 Oversight Board;

92.4 (6) rules that incorporate by reference the standards for attesting listed in section  
 92.5 326A.01, subdivision 2, that are consistent with the standards of general applicability  
 92.6 recognized by national accountancy organizations, including the American Institute of  
 92.7 Certified Public Accountants and the Public Company Accounting Oversight Board;

92.8 ~~(6)~~ (7) rules governing the manner and circumstances of use of the titles "certified  
 92.9 public accountant," "CPA," "registered accounting practitioner," and "RAP";

92.10 ~~(7)~~ (8) rules regarding peer review that may be required to be performed under  
 92.11 provisions of this chapter;

92.12 ~~(8)~~ (9) rules on substantial equivalence to implement section 326A.14;

92.13 ~~(9)~~ (10) rules regarding the conduct of the certified public accountant examination;

92.14 ~~(10)~~ (11) rules regarding the issuance and renewals of certificates, permits, and  
 92.15 registrations;

92.16 ~~(11)~~ (12) rules regarding transition provisions to implement this chapter;

92.17 ~~(12)~~ (13) rules specifying the educational and experience qualifications for  
 92.18 registration, rules of professional conduct, rules regarding peer review, rules governing  
 92.19 standards for providing services, and rules regarding the conduct and content of  
 92.20 examination for those persons registered under section 326A.06, paragraph (b);

92.21 ~~(13)~~ (14) rules regarding fees for examinations, certificate issuance and renewal,  
 92.22 firm permits, registrations under section 326A.06, paragraph (b), notifications made under  
 92.23 section 326A.14, and late processing fees; and

92.24 ~~(14)~~ (15) upon any change to this chapter, if the board determines a change in  
 92.25 Minnesota Rules is required, the board may initiate the expedited process under section  
 92.26 14.389 up to one year after the effective date of the change to this chapter.

92.27 Sec. 101. Minnesota Statutes 2014, section 326A.05, subdivision 1, is amended to read:

92.28 Subdivision 1. **General.** The board shall grant or renew permits to practice as  
 92.29 a CPA firm to entities that make application and demonstrate their qualifications in  
 92.30 accordance with this section.

92.31 (a) The following must hold a permit issued under this section:

92.32 (1) any firm with an office in this state performing attest services as defined in  
 92.33 section 326A.01, subdivision 2;

92.34 (2) to the extent required by section 326A.10, paragraph (k), any firm with an office  
 92.35 in this state performing compilation services as defined in section 326A.01, subdivision 6;

93.1 (3) any firm with an office in this state that uses the title "CPA" or "CPA firm"; or  
 93.2 (4) any firm that does not have an office in this state but performs attest services  
 93.3 as described in section 326A.01, subdivision 2, paragraph (1), (3), or (4), for a client  
 93.4 having its headquarters in this state.

93.5 (b) A firm possessing a valid permit from another state which does not have an office  
 93.6 in this state may perform services described in section 326A.01, subdivision 2, clause (2)  
 93.7 or (5), or subdivision 6, for a client having its headquarters in this state and may use the  
 93.8 title "CPA" or "CPA firm" without a permit issued under this section only if:

93.9 (1) it has the qualifications described in subdivision 3, paragraph (b);

93.10 (2) as a condition to the renewal of the firm's permit issued by the other state, that  
 93.11 state requires a peer review which contains the requirements equivalent to subdivision 8,  
 93.12 paragraphs (a) and (e); and

93.13 (3) it performs the services through an individual who has been granted practice  
 93.14 privileges under section 326A.14.

93.15 (c) A firm possessing a valid permit from another state that does not have an office  
 93.16 in this state and which is not subject to the requirements of paragraph (a), clause (4), or  
 93.17 (b), may perform other professional services while using the title "CPA" or "CPA firm" in  
 93.18 this state without a permit issued under this section only if the firm:

93.19 (1) has the qualifications described in subdivision 3, paragraph (b);

93.20 (2) performs the services through an individual who has been granted practice  
 93.21 privileges under section 326A.14; and

93.22 (3) can lawfully perform the services in the state where the individuals with practice  
 93.23 privileges have their principal place of business.

93.24 Sec. 102. Minnesota Statutes 2014, section 326A.05, subdivision 3, is amended to read:

93.25 Subd. 3. **Qualifications.** (a) An applicant for initial issuance or renewal of a permit  
 93.26 to practice under this section shall comply with the requirements in this subdivision.

93.27 (b) Notwithstanding chapter 319B or any other provision of law, a simple majority  
 93.28 of the ownership of the firm, in terms of financial interests and voting rights of all partners,  
 93.29 officers, shareholders, members, or managers, must belong to holders of certificates who  
 93.30 are licensed in some state, and the partners, officers, shareholders, members, or managers,  
 93.31 whose principal place of business is in this state, and who perform professional services in  
 93.32 this state, must hold valid certificates issued under section 326A.04 or the corresponding  
 93.33 provision of prior law. Although firms may include nonlicensee owners, the firm and  
 93.34 its ownership must comply with rules adopted by the board. The firm shall register all  
 93.35 nonlicensee owners with the state board as set forth by rule. An individual who has been

94.1 granted practice privileges under section 326A.14 and who performs services for which  
94.2 a firm permit is required under section 326A.14, subdivision 1, paragraph (d), is not  
94.3 required to obtain a certificate from the board under section 326A.04.

94.4 (c) A CPA firm may include nonlicensee owners provided that:

94.5 (1) the firm designates a licensee of this state, or in the case of a firm that must  
94.6 have a permit according to section 326A.14, subdivision 1, paragraph (d), a licensee of  
94.7 another state who meets the requirements in section 326A.14, subdivision 1, paragraph  
94.8 (a) or (b), who is responsible for the proper registration of the firm and identifies that  
94.9 individual to the board;

94.10 (2) all nonlicensee owners are persons of good moral character and are active  
94.11 individual participants in the CPA firm or affiliated entities; and

94.12 (3) the firm complies with other requirements imposed by the board in rule.

94.13 (d) An individual licensee and any individual granted practice privileges under  
94.14 section 326A.14 who is responsible for supervising attest or compilation services and  
94.15 signs or authorizes someone to sign the accountant's report ~~on the financial statements~~  
94.16 on behalf of the firm, shall meet the competency requirements set out in the professional  
94.17 standards for such services.

94.18 (e) An individual licensee and any individual granted practice privileges under section  
94.19 326A.14 who signs or authorizes someone to sign the accountants' report ~~on the financial~~  
94.20 ~~statements~~ on behalf of the firm shall meet the competency requirement of paragraph (d).

94.21 Sec. 103. Minnesota Statutes 2014, section 326A.10, is amended to read:

94.22 **326A.10 UNLAWFUL ACTS.**

94.23 (a) Only a licensee and individuals who have been granted practice privileges  
94.24 under section 326A.14 may issue a report on financial statements of any person, firm,  
94.25 organization, or governmental unit that results from providing attest services, or offer to  
94.26 render or render any attest service. Only a certified public accountant, an individual who  
94.27 has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent  
94.28 permitted by board rule, a person registered under section 326A.06, paragraph (b), may  
94.29 issue a report on financial statements of any person, firm, organization, or governmental  
94.30 unit that results from providing compilation services or offer to render or render any  
94.31 compilation service. These restrictions do not prohibit any act of a public official or  
94.32 public employee in the performance of that person's duties or prohibit the performance  
94.33 by any nonlicensee of other services involving the use of accounting skills, including  
94.34 the preparation of tax returns, management advisory services, and the preparation of  
94.35 financial statements without the issuance of reports on them. Nonlicensees may prepare

95.1 financial statements and issue nonattest transmittals or information on them which do not  
95.2 purport to be in compliance with the Statements on Standards for Accounting and Review  
95.3 Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may,  
95.4 to the extent permitted by board rule, prepare financial statements and issue nonattest  
95.5 transmittals or information on them.

95.6 (b) Licensees and individuals who have been granted practice privileges under  
95.7 section 326A.14 performing attest or compilation services must provide those services in  
95.8 accordance with professional standards. To the extent permitted by board rule, registered  
95.9 accounting practitioners performing compilation services must provide those services in  
95.10 accordance with standards specified in board rule.

95.11 (c) A person who does not hold a valid certificate issued under section 326A.04  
95.12 or a practice privilege granted under section 326A.14 shall not use or assume the title  
95.13 "certified public accountant," the abbreviation "CPA," or any other title, designation,  
95.14 words, letters, abbreviation, sign, card, or device tending to indicate that the person is a  
95.15 certified public accountant.

95.16 (d) A firm shall not provide attest services or assume or use the title "certified public  
95.17 accountants," the abbreviation "CPA's," or any other title, designation, words, letters,  
95.18 abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless  
95.19 (1) the firm has complied with section 326A.05, and (2) ownership of the firm is in  
95.20 accordance with this chapter and rules adopted by the board.

95.21 (e) A person or firm that does not hold a valid certificate or permit issued under  
95.22 section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or  
95.23 326A.05 as required in this chapter shall not assume or use the title "certified accountant,"  
95.24 "chartered accountant," "enrolled accountant," "licensed accountant," "registered  
95.25 accountant," "accredited accountant," "accounting practitioner," "public accountant,"  
95.26 "licensed public accountant," or any other title or designation likely to be confused  
95.27 with the title "certified public accountant," or use any of the abbreviations "CA," "LA,"  
95.28 "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the  
95.29 abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals  
95.30 so designated by the Internal Revenue Service.

95.31 (f) Persons registered under section 326A.06, paragraph (b), may use the title  
95.32 "registered accounting practitioner" or the abbreviation "RAP." A person who does not  
95.33 hold a valid registration under section 326A.06, paragraph (b), shall not assume or use  
95.34 such title or abbreviation.

95.35 (g) Except to the extent permitted in paragraph (a), nonlicensees may not use  
95.36 language in any statement relating to the financial affairs of a person or entity that is

96.1 conventionally used by licensees in reports on financial statements or on an attest service.  
96.2 In this regard, the board shall issue by rule safe harbor language that nonlicensees may  
96.3 use in connection with such financial information. A person or firm that does not hold a  
96.4 valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or  
96.5 326A.06, paragraph (b), or has not otherwise complied with section 326A.04 or 326A.05  
96.6 as required in this chapter shall not assume or use any title or designation that includes the  
96.7 word "accountant" or "accounting" in connection with any other language, including the  
96.8 language of a report, that implies that the person or firm holds such a certificate, permit,  
96.9 or registration or has special competence as an accountant. A person or firm that does  
96.10 not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not  
96.11 otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not  
96.12 assume or use any title or designation that includes the word "auditor" in connection with  
96.13 any other language, including the language of a report, that implies that the person or firm  
96.14 holds such a certificate or permit or has special competence as an auditor. However,  
96.15 this paragraph does not prohibit any officer, partner, member, manager, or employee of  
96.16 any firm or organization from affixing that person's own signature to any statement in  
96.17 reference to the financial affairs of such firm or organization with any wording designating  
96.18 the position, title, or office that the person holds, nor prohibit any act of a public official or  
96.19 employee in the performance of the person's duties as such.

96.20 (h)(1) No person holding a certificate or registration or firm holding a permit under  
96.21 this chapter shall use a professional or firm name or designation that is misleading about  
96.22 the legal form of the firm, or about the persons who are partners, officers, members,  
96.23 managers, or shareholders of the firm, or about any other matter. However, names of one  
96.24 or more former partners, members, managers, or shareholders may be included in the  
96.25 name of a firm or its successor.

96.26 (2) A common brand name or network name part, including common initials, used  
96.27 by a CPA firm in its name, is not misleading if the firm is a network firm as defined in  
96.28 the American Institute of Certified Public Accountants (AICPA) Code of Professional  
96.29 Conduct in effect July 1, 2011, and when offering or rendering services that require  
96.30 independence under AICPA standards, the firm must comply with the AICPA code's  
96.31 applicable standards on independence.

96.32 (i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification,  
96.33 designation, degree, or license granted in a foreign country entitling the holder to engage  
96.34 in the practice of public accountancy or its equivalent in that country, if:

97.1 (1) the activities of the person or firm in this state are limited to the provision of  
97.2 professional services to persons or firms who are residents of, governments of, or business  
97.3 entities of the country in which the person holds the entitlement;

97.4 (2) the person or firm performs no attest or compilation services and issues no  
97.5 reports with respect to the ~~financial statements~~ information of any other persons, firms, or  
97.6 governmental units in this state; and

97.7 (3) the person or firm does not use in this state any title or designation other than  
97.8 the one under which the person practices in the foreign country, followed by a translation  
97.9 of the title or designation into English, if it is in a different language, and by the name  
97.10 of the country.

97.11 (j) No holder of a certificate issued under section 326A.04 may perform attest services  
97.12 through any business form that does not hold a valid permit issued under section 326A.05.

97.13 (k) No individual licensee may issue a report in standard form upon a compilation  
97.14 of financial information through any form of business that does not hold a valid permit  
97.15 issued under section 326A.05, unless the report discloses the name of the business through  
97.16 which the individual is issuing the report, and the individual:

97.17 (1) signs the compilation report identifying the individual as a certified public  
97.18 accountant;

97.19 (2) meets the competency requirement provided in applicable standards; and

97.20 (3) undergoes no less frequently than once every three years, a peer review  
97.21 conducted in a manner specified by the board in rule, and the review includes verification  
97.22 that the individual has met the competency requirements set out in professional standards  
97.23 for such services.

97.24 (l) No person registered under section 326A.06, paragraph (b), may issue a report  
97.25 in standard form upon a compilation of financial information unless the board by rule  
97.26 permits the report and the person:

97.27 (1) signs the compilation report identifying the individual as a registered accounting  
97.28 practitioner;

97.29 (2) meets the competency requirements in board rule; and

97.30 (3) undergoes no less frequently than once every three years a peer review conducted  
97.31 in a manner specified by the board in rule, and the review includes verification that the  
97.32 individual has met the competency requirements in board rule.

97.33 (m) Nothing in this section prohibits a practicing attorney or firm of attorneys from  
97.34 preparing or presenting records or documents customarily prepared by an attorney or firm  
97.35 of attorneys in connection with the attorney's professional work in the practice of law.

98.1 (n) The board shall adopt rules that place limitations on receipt by a licensee or a  
 98.2 person who holds a registration under section 326A.06, paragraph (b), of:

98.3 (1) contingent fees for professional services performed; and

98.4 (2) commissions or referral fees for recommending or referring to a client any  
 98.5 product or service.

98.6 (o) Anything in this section to the contrary notwithstanding, it shall not be a violation  
 98.7 of this section for a firm not holding a valid permit under section 326A.05 and not having  
 98.8 an office in this state to provide its professional services in this state so long as it complies  
 98.9 with the applicable requirements of section 326A.05, subdivision 1.

98.10 Sec. 104. Minnesota Statutes 2014, section 336A.09, subdivision 1, is amended to read:

98.11 Subdivision 1. **Procedure.** (a) ~~Oral~~ Online and written inquiries regarding  
 98.12 information provided by the filing of effective financing statements or lien notices may  
 98.13 be ~~made at any filing office~~ submitted to the secretary of state during regular business  
 98.14 hours or, if submitted online, at any time.

98.15 (b) ~~A filing office receiving an oral or written inquiry shall, upon request~~ The  
 98.16 secretary of state must, upon receiving an inquiry, provide an oral or facsimile a prompt  
 98.17 response to the inquiry.

98.18 (c) ~~A filing office~~ The secretary of state shall maintain a record of inquiries made  
 98.19 under this section including:

98.20 (1) the date of the inquiry;

98.21 (2) the name of the debtor inquired about; and

98.22 (3) identification of the person making the request for inquiry.

98.23 Sec. 105. Minnesota Statutes 2014, section 364.09, is amended to read:

98.24 **364.09 EXCEPTIONS.**

98.25 (a) This chapter does not apply to the licensing process for peace officers; to law  
 98.26 enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire  
 98.27 protection agencies; to eligibility for a private detective or protective agent license; to the  
 98.28 licensing and background study process under chapters 245A and 245C; to the licensing  
 98.29 and background investigation process under chapter 240; to eligibility for school bus  
 98.30 driver endorsements; to eligibility for special transportation service endorsements; to  
 98.31 eligibility for a commercial driver training instructor license, which is governed by section  
 98.32 171.35 and rules adopted under that section; to emergency medical services personnel, or  
 98.33 to the licensing by political subdivisions of taxicab drivers, if the applicant for the license

99.1 has been discharged from sentence for a conviction within the ten years immediately  
 99.2 preceding application of a violation of any of the following:

99.3 (1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or  
 99.4 617.23, subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

99.5 (2) any provision of chapter 152 that is punishable by a maximum sentence of  
 99.6 15 years or more; or

99.7 (3) a violation of chapter 169 or 169A involving driving under the influence, leaving  
 99.8 the scene of an accident, or reckless or careless driving.

99.9 This chapter also shall not apply to eligibility for juvenile corrections employment, where  
 99.10 the offense involved child physical or sexual abuse or criminal sexual conduct.

99.11 (b) This chapter does not apply to a school district or to eligibility for a license  
 99.12 issued or renewed by the Board of Teaching or the commissioner of education.

99.13 (c) Nothing in this section precludes the Minnesota Police and Peace Officers  
 99.14 Training Board or the state fire marshal from recommending policies set forth in this  
 99.15 chapter to the attorney general for adoption in the attorney general's discretion to apply to  
 99.16 law enforcement or fire protection agencies.

99.17 (d) This chapter does not apply to a license to practice medicine that has been denied  
 99.18 or revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.

99.19 (e) This chapter does not apply to any person who has been denied a license to  
 99.20 practice chiropractic or whose license to practice chiropractic has been revoked by the  
 99.21 board in accordance with section 148.10, subdivision 7.

99.22 (f) This chapter does not apply to any license, registration, or permit that has  
 99.23 been denied or revoked by the Board of Nursing in accordance with section 148.261,  
 99.24 subdivision 1a.

99.25 (g) This chapter does not supersede a requirement under law to conduct a criminal  
 99.26 history background investigation or consider criminal history records in hiring for  
 99.27 particular types of employment.

99.28 Sec. 106. **[383B.83] LIMITS ON RAILROAD CONDEMNATION POWERS**  
 99.29 **OVER CERTAIN GOVERNMENTAL PROPERTY INTERESTS.**

99.30 Notwithstanding anything to the contrary in chapter 117, sections 222.26, 222.27,  
 99.31 222.36, or any other law, the powers of a railroad corporation or a railroad company  
 99.32 or a railroad interest acting as a public service corporation or a common carrier do not  
 99.33 include the power to exercise eminent domain over a property interest owned by Hennepin  
 99.34 County, the Hennepin County Housing and Redevelopment Authority, or the Hennepin  
 99.35 County Regional Railroad Authority if such governmental power, by resolution of its

100.1 governing board, determines based on findings that the public safety or access of first  
100.2 responders would be detrimentally affected by the exercise.

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

100.4 Sec. 107. Minnesota Statutes 2014, section 471.6161, subdivision 8, is amended to read:

100.5 Subd. 8. **School districts; group health insurance coverage.** (a) Any entity  
100.6 providing group health insurance coverage to a school district must provide the school  
100.7 district with school district-specific nonidentifiable aggregate claims records for the most  
100.8 recent 24 months within 30 days of the request.

100.9 (b) School districts shall request proposals for group health insurance coverage as  
100.10 provided in subdivision 2 from a minimum of three potential sources of coverage. One of  
100.11 these requests must go to an administrator governed by chapter 43A. Entities referenced  
100.12 in subdivision 1 must respond to requests for proposals received directly from a school  
100.13 district. School districts that are self-insured must also follow these provisions, except  
100.14 as provided in paragraph (f). School districts must make requests for proposals at least  
100.15 150 days prior to the expiration of the existing contract but not more frequently than once  
100.16 every 24 months. The request for proposals must include the most recently available  
100.17 24 months of nonidentifiable aggregate claims data. The request for proposals must be  
100.18 publicly released at or prior to its release to potential sources of coverage.

100.19 (c) School district contracts for group health insurance must not be longer than  
100.20 two years unless the exclusive representative of the largest employment group and the  
100.21 school district agree otherwise.

100.22 (d) All initial proposals shall be sealed upon receipt until they are all opened no less  
100.23 than 90 days prior to the plan's renewal date in the presence of up to three representatives  
100.24 selected by the exclusive representative of the largest group of employees. Section 13.591,  
100.25 subdivision 3, paragraph (b), applies to data in the proposals. The representatives of  
100.26 the exclusive representative must maintain the data according to this classification and  
100.27 are subject to the remedies and penalties under sections 13.08 and 13.09 for a violation  
100.28 of this requirement.

100.29 (e) A school district, in consultation with the same representatives referenced in  
100.30 paragraph (d), may continue to negotiate with any entity that submitted a proposal under  
100.31 paragraph (d) in order to reduce costs or improve services under the proposal. Following  
100.32 the negotiations any entity that submitted an initial proposal may submit a final proposal  
100.33 incorporating the negotiations, which is due no less than 75 days prior to the plan's  
100.34 renewal date. All the final proposals submitted must be opened at the same time in the  
100.35 presence of up to three representatives selected by the exclusive representative of the

101.1 largest group of employees. Notwithstanding section 13.591, subdivision 3, paragraph (b),  
101.2 following the opening of the final proposals, all the proposals, including any made under  
101.3 paragraph (d), and other data submitted in connection with the proposals are public data.  
101.4 The school district may choose from any of the initial or final proposals without further  
101.5 negotiations and in accordance with subdivision 5, but not sooner than 15 days after  
101.6 the proposals become public data.

101.7 (f) School districts that are self-insured shall follow all of the requirements of this  
101.8 section, except that:

101.9 (1) their requests for proposals may be for third-party administrator services, where  
101.10 applicable;

101.11 (2) these requests for proposals must be from a minimum of three different sources,  
101.12 which may include both entities referenced in subdivision 1 and providers of third-party  
101.13 administrator services;

101.14 (3) for purposes of fulfilling the requirement to request a proposal for group  
101.15 insurance coverage from an administrator governed by chapter 43A, self-insured districts  
101.16 are not required to include in the request for proposal the coverage to be provided;

101.17 (4) a district that is self-insured on or before the date of enactment, or that is  
101.18 self-insured with more than 1,000 insured lives, or a district in which the school board  
101.19 adopted a motion on or before May 14, 2014, to approve a self-insured health care plan  
101.20 to be effective July 1, 2014, may, but need not, request a proposal from an administrator  
101.21 governed by chapter 43A;

101.22 (5) requests for proposals must be sent to providers no less than 90 days prior to  
101.23 the expiration of the existing contract; and

101.24 (6) proposals must be submitted at least 60 days prior to the plan's renewal date  
101.25 and all proposals shall be opened at the same time and in the presence of the exclusive  
101.26 representative, where applicable.

101.27 (g) Nothing in this section shall restrict the authority granted to school district boards  
101.28 of education by section 471.59, except that districts will not be considered self-insured for  
101.29 purposes of this subdivision solely through participation in a joint powers arrangement.

101.30 (h) An entity providing group health insurance to a school district under a multiyear  
101.31 contract must give notice of any rate or plan design changes applicable under the contract  
101.32 at least 90 days before the effective date of any change. The notice must be given to the  
101.33 school district and to the exclusive representatives of employees.

101.34 (i) Notwithstanding the provisions of section 43A.316, subdivision 10, school  
101.35 employees and their employers insured through chapter 43A are subject to the  
101.36 requirements of this section.

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

102.2 Sec. 108. Minnesota Statutes 2014, section 473.123, subdivision 2a, is amended to read:

102.3 Subd. 2a. **Terms.** Following each apportionment of council districts, as provided  
102.4 under subdivision 3a, council members must be appointed from newly drawn districts as  
102.5 provided in subdivision 3a. ~~Each council member, other than the chair, must reside in the~~  
102.6 ~~council district represented. Each council district must be represented by one member of the~~  
102.7 ~~council.~~ The terms of members ~~end with the term of the governor~~ are staggered as follows:  
102.8 members representing even-numbered districts have terms ending the first Monday in  
102.9 January of the year ending in the numeral "7"; and members representing odd-numbered  
102.10 districts have terms ending the first Monday in January of the year ending in the numeral  
102.11 "5." Thereafter the term of each member is four years, with terms ending the first Monday  
102.12 in January, except that all terms expire on the effective date of the next apportionment.  
102.13 ~~A member serves at the pleasure of the governor.~~ A member shall continue to serve the  
102.14 member's district until a successor is appointed and qualified; except that, following each  
102.15 apportionment, the member shall continue to serve at large until the governor appoints 16  
102.16 council members, one from each of the newly drawn council districts as provided under  
102.17 subdivision 3a, to serve terms as provided under this section. The appointment to the  
102.18 council must be made by the first Monday in March of the year in which the term ends.

102.19 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
102.20 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
102.21 Scott, and Washington.

102.22 Sec. 109. Minnesota Statutes 2014, section 473.123, subdivision 3, is amended to read:

102.23 Subd. 3. **Membership; appointment; qualifications.** (a) Sixteen members must be  
102.24 appointed by the governor from districts defined by this section. Each council member  
102.25 must reside in the council district represented. Each council district must be represented  
102.26 by one member of the council. Each Metropolitan Council member must be an elected city  
102.27 council member or mayor, or county commissioner. A Metropolitan Council member's  
102.28 office becomes vacant if the person appointed to that position ceases to be an elected city  
102.29 council member or mayor, or county commissioner.

102.30 (b) In addition to the notice required by section 15.0597, subdivision 4, notice of  
102.31 vacancies and expiration of terms must be published in newspapers of general circulation  
102.32 in the metropolitan area and the appropriate districts. The governing bodies of the statutory  
102.33 and home rule charter cities, counties, and towns having territory in the district for which

103.1 a member is to be appointed must be notified in writing. The notices must describe the  
103.2 appointments process and invite participation and recommendations on the appointment.

103.3 (c) ~~The governor shall create a nominating committee, composed~~ A committee of  
103.4 ~~seven metropolitan citizens appointed by the governor, to shall~~ nominate persons for  
103.5 appointment to the council from districts. Three of the committee members must be local  
103.6 elected officials appointed by the Association of Metropolitan Municipalities, one must be a  
103.7 county commissioner appointed by the Association of Minnesota Counties, and three must  
103.8 be appointed by the governor. Following the submission of applications as provided under  
103.9 section 15.0597, subdivision 5, the nominating committee shall conduct public meetings,  
103.10 after appropriate notice, to accept statements from or on behalf of persons who have applied  
103.11 or been nominated for appointment and to allow consultation with and secure the advice  
103.12 of the public and local elected officials. The committee shall hold the meeting on each  
103.13 appointment in the district or in a reasonably convenient and accessible location in the part  
103.14 of the metropolitan area in which the district is located. The committee may consolidate  
103.15 meetings. Following the meetings, the committee shall submit to the governor a list of  
103.16 nominees for each appointment. The governor is not required to appoint from the list.

103.17 (d) Before making an appointment, the governor shall consult with all members of  
103.18 the legislature from the council district for which the member is to be appointed.

103.19 (e) Appointments to the council are subject to the advice and consent of the senate as  
103.20 provided in section 15.066.

103.21 (f) Members of the council must be appointed to reflect fairly the various  
103.22 demographic, political, and other interests in the metropolitan area and the districts.

103.23 (g) Members of the council must be persons knowledgeable about urban and  
103.24 metropolitan affairs.

103.25 (h) Any vacancy in the office of a council member shall immediately be filled  
103.26 for the unexpired term. In filling a vacancy, the governor may forgo the requirements  
103.27 of paragraph (c) if the governor has made appointments in full compliance with the  
103.28 requirements of this subdivision within the preceding 12 months.

103.29 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
103.30 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
103.31 Scott, and Washington.

103.32 Sec. 110. Minnesota Statutes 2014, section 473.123, subdivision 4, is amended to read:

103.33 Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a)  
103.34 The chair of the Metropolitan Council shall be ~~appointed~~ elected by the ~~governor~~ 16  
103.35 members of the council as the 17th voting member thereof by and with the advice and

104.1 consent of the senate to serve at the pleasure of the ~~governor~~ council to represent the  
104.2 metropolitan area at large. Senate confirmation shall be as provided by section 15.066.

104.3 The chair of the Metropolitan Council shall, if present, preside at meetings of the  
104.4 council, have the primary responsibility for meeting with local elected officials, serve as  
104.5 the principal legislative liaison, present to the governor and the legislature, after council  
104.6 approval, the council's plans for regional governance and operations, serve as the principal  
104.7 spokesperson of the council, and perform other duties assigned by the council or by law.

104.8 (b) The Metropolitan Council shall elect other officers as it deems necessary for  
104.9 the conduct of its affairs for a one-year term. A secretary and treasurer need not be  
104.10 members of the Metropolitan Council. Meeting times and places shall be fixed by the  
104.11 Metropolitan Council and special meetings may be called by a majority of the members  
104.12 of the Metropolitan Council or by the chair. The chair and each Metropolitan Council  
104.13 member shall be reimbursed for actual and necessary expenses.

104.14 (c) Each member of the council shall attend and participate in council meetings  
104.15 and meet regularly with local elected officials and legislative members from the council  
104.16 member's district. Each council member shall serve on at least one division committee for  
104.17 transportation, environment, or community development.

104.18 (d) In the performance of its duties the Metropolitan Council may adopt policies  
104.19 and procedures governing its operation, establish committees, and, when specifically  
104.20 authorized by law, make appointments to other governmental agencies and districts.

104.21 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
104.22 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
104.23 Scott, and Washington. The term of the chair of the Metropolitan Council serving on the  
104.24 effective date of this section ends on that date, but the chair may continue serving until  
104.25 a new chair is elected by the council under this section.

104.26 Sec. 111. Minnesota Statutes 2014, section 473J.07, subdivision 3, is amended to read:

104.27 Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the~~  
104.28 ~~chair,~~ as provided in section 15.0575. ~~The chair shall receive, unless otherwise provided~~  
104.29 ~~by other law, a salary in an amount fixed by the authority, and shall be reimbursed for~~  
104.30 ~~reasonable expenses to the same extent as a member~~ No members of the authority receive  
104.31 a salary.

104.32 Sec. 112. Laws 2013, chapter 142, article 1, section 10, is amended to read:

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

105.1 During the biennium ending June 30, 2015,  
105.2 the Office of ~~Enterprise Technology~~ MN.IT  
105.3 Services must not charge fees to a public  
105.4 noncommercial educational television  
105.5 broadcast station eligible for funding under  
105.6 Minnesota Statutes, chapter 129D, for  
105.7 access to the state broadcast infrastructure.  
105.8 If the access fees not charged to public  
105.9 noncommercial educational television  
105.10 broadcast stations total more than \$400,000  
105.11 for the biennium, the office may charge for  
105.12 access fees in excess of these amounts.

105.13 The commissioner of Minnesota management  
105.14 and budget is authorized to provide cash  
105.15 flow assistance of up to \$110,000,000 from  
105.16 the special revenue fund or other statutory  
105.17 general funds as defined in Minnesota  
105.18 Statutes, section 16A.671, subdivision 3,  
105.19 paragraph (a), to the Office of ~~Enterprise~~  
105.20 ~~Technology~~ MN.IT Services for the purpose  
105.21 of managing revenue and expenditure  
105.22 differences during the initial phases of IT  
105.23 consolidation. These funds shall be repaid  
105.24 with interest by ~~June 30, 2015~~ the end of the  
105.25 fiscal year 2015 closing period.

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

105.27 Sec. 113. Laws 2015, chapter 3, section 4, is amended to read:

105.28 Sec. 4. **AGENCY HEAD SALARY FREEZE.**

105.29 Notwithstanding Minnesota Statutes, section 15A.0815, subdivisions 1 and 5, the  
105.30 salary rate for positions listed in Minnesota Statutes, section 15A.0815, for positions  
105.31 appointed by the governor, may not be set at a salary rate in excess of the previous  
105.32 calendar year. The salary of the chair of the Metropolitan Council is \$61,414, unless  
105.33 changed under the process in Minnesota Statutes, section 15A.081, subdivision 5.

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

106.1 Sec. 114. **LIMIT ON AGENCY HEAD SALARY INCREASE.**

106.2 The percentage increase in salary granted to an agency head listed in Minnesota  
106.3 Statutes, section 15A.0815, who is appointed by the governor may not exceed the lesser  
106.4 of: (1) the percentage increase in Minnesota median household income, as determined by  
106.5 the American Community Survey compiled by the United States Bureau of the Census, for  
106.6 the most recent 12-month period for which data is available; or (2) the percentage increase  
106.7 in the consumer price index, as determined by the United States Bureau of Economic  
106.8 Analysis, for the most recent 12-month period for which data is available.

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

106.10 Sec. 115. **LEGISLATIVE SURROGACY COMMISSION.**

106.11 Subdivision 1. **Membership.** The Legislative Commission on Surrogacy shall  
106.12 consist of 15 members, appointed as follows:

106.13 (1) three members of the senate appointed by the senate majority leader;

106.14 (2) three members of the senate appointed by the senate minority leader;

106.15 (3) three members of the house of representatives appointed by the speaker of the  
106.16 house of representatives;

106.17 (4) three members of the house of representatives appointed by the house of  
106.18 representatives minority leader;

106.19 (5) the commissioner of human services or the commissioner's designee;

106.20 (6) the commissioner of health or the commissioner's designee; and

106.21 (7) a family court referee appointed by the chief justice of the state Supreme Court.

106.22 Appointments must be made by June 1, 2015.

106.23 Subd. 2. **Chair.** The commission shall elect a chair from among its members.

106.24 Subd. 3. **Meetings.** The ranking majority member of the commission who is  
106.25 appointed by the senate majority leader shall convene the first meeting by July 1, 2015.

106.26 The commission shall have at least six meetings but may not have more than ten meetings.

106.27 Subd. 4. **Conflict of interest.** A commission member may not participate in or  
106.28 vote on a decision of the commission in which the member has either a direct or indirect  
106.29 personal financial interest. A witness at a public meeting of the commission must disclose  
106.30 any financial conflict of interest.

106.31 Subd. 5. **Duties.** The commission shall develop recommendations on public policy  
106.32 and laws regarding surrogacy. To develop the recommendations, the commission shall  
106.33 study surrogacy through public hearings, research, and deliberation. Topics for study  
106.34 include, but are not limited to:

107.1 (1) potential health and psychological effects and benefits on women who serve  
107.2 as surrogates;

107.3 (2) potential health and psychological effects and benefits on children born of  
107.4 surrogates;

107.5 (3) business practices of the fertility industry, including attorneys, brokers, and  
107.6 clinics;

107.7 (4) considerations related to different forms of surrogacy;

107.8 (5) considerations related to the potential exploitation of women in surrogacy  
107.9 arrangements;

107.10 (6) contract law implications when a surrogacy contract is breached;

107.11 (7) potential conflicts with statutes governing private adoption and termination  
107.12 of parental rights;

107.13 (8) potential for legal conflicts related to third-party reproduction, including conflicts  
107.14 between or amongst the surrogate mother, the intended parents, the child, insurance  
107.15 companies, and medical professionals;

107.16 (9) public policy determinations of other jurisdictions with regard to surrogacy; and

107.17 (10) information to be provided to a child born of a surrogate about the child's  
107.18 biological and gestational parents.

107.19 Subd. 6. **Reporting.** The commission must submit a report including its  
107.20 recommendations and may draft legislation to implement its recommendations to the chairs  
107.21 and ranking minority members of the legislative committees with primary jurisdiction  
107.22 over health and judiciary in the house and senate by December 15, 2015. On topics where  
107.23 the commission fails to reach consensus, a majority and minority report shall be issued.

107.24 Subd. 7. **Staffing.** The Legislative Coordinating Commission shall provide staffing  
107.25 and administrative support to the commission.

107.26 Subd. 8. **Expiration.** The commission expires the day after submitting the report  
107.27 required under subdivision 6.

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

107.29 Sec. 116. **LIMIT ON INCREASE IN MANAGERIAL COMPENSATION.**

107.30 During the biennium ending June 30, 2017, an employee covered by the managerial  
107.31 plan in Minnesota Statutes, section 43A.18, subdivision 3, may not be granted a percentage  
107.32 increase in annual salary that exceeds the percentage increase in the amount appropriated  
107.33 for that year for veterans health care.

107.34 Sec. 117. **LIMIT ON EXPENDITURES FOR ADVERTISING.**

108.1 During the biennium ending June 30, 2017, an executive branch agency's spending  
108.2 on advertising and promotions in Minnesota may not exceed 90 percent of the amount the  
108.3 agency spent on advertising and promotions in Minnesota during the biennium ending  
108.4 June 30, 2015. The commissioner of management and budget must ensure compliance  
108.5 with this limit, and may issue guidelines and policies to executive agencies. The  
108.6 commissioner may forbid an agency from engaging in advertising as the commissioner  
108.7 determines is necessary to ensure compliance with this section. This section does not  
108.8 apply to the Minnesota Lottery.

108.9 Sec. 118. **PARKING RAMP FINANCING.**

108.10 The debt service on the design and construction costs allocated to the parking garage  
108.11 located on the block bounded by Sherburne Avenue on the north, Park Street on the west,  
108.12 University Avenue on the south, and North Capitol Boulevard on the east must be paid  
108.13 for exclusively by fees charged to persons parking in that parking garage. No fees may  
108.14 be charged to members of the public parking in spaces designated for persons with a  
108.15 disability parking certificate.

108.16 Sec. 119. **METROPOLITAN COUNCIL APPOINTMENTS; IMMEDIATE**  
108.17 **TRANSITION TO STAGGERED TERMS.**

108.18 For members serving on the Metropolitan Council on the effective date of this  
108.19 section, other than the chair, members representing even-numbered districts shall serve  
108.20 terms ending the first Monday in January 2019, and members representing odd-numbered  
108.21 districts shall serve terms ending the first Monday in January 2017. Thereafter the term of  
108.22 each member is four years, with terms ending the first Monday in January.

108.23 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
108.24 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
108.25 Scott, and Washington.

108.26 Sec. 120. **REPORT ON AGENCY CHIEF INFORMATION OFFICERS.**

108.27 The chief information officer of MN.IT must report to the legislature by January 15,  
108.28 2016, on reduction in the number of chief information officers (CIOs) in state agencies.  
108.29 The report must include the number of CIOs on July 1, 2015, the number on January  
108.30 15, 2016, and plans to reduce that number.

108.31 Sec. 121. **TRANSITION.**

109.1 (a) Members of an ethnic council specified in new Minnesota Statutes, section  
109.2 15.0145, on July 1, 2015, continue to serve on the council until the end of their current  
109.3 term. However, if a member of a council has served eight years or more on the council  
109.4 at any time before December 31, 2015, the term of that member expires December 31,  
109.5 2015. If a council has more members on July 1, 2015, than is provided for by Minnesota  
109.6 Statutes, section 15.0145, positions on the council shall not be filled until the expiration of  
109.7 a term results in fewer members on the council than provided for in Minnesota Statutes,  
109.8 section 15.0145. Membership qualifications newly specified in Minnesota Statutes, section  
109.9 15.0145, must be complied with as soon as possible when terms of current members expire.

109.10 (b) The Legislative Coordinating Commission must appoint an executive director  
109.11 for each council no later than November 15, 2015. An incumbent executive director of a  
109.12 council may apply to be appointed by the Legislative Coordinating Commission but, if  
109.13 not selected, the employment of the incumbent ends when the Legislative Coordinating  
109.14 Commission appoints a new executive director, or on another date determined by the  
109.15 Legislative Coordinating Commission. Other council staff are transferred to employment  
109.16 with the reformulated councils specified in Minnesota Statutes, section 15.0145.

109.17 Sec. 122. **REVISOR'S INSTRUCTION.**

109.18 (a) The revisor of statutes shall renumber the subdivisions in Minnesota Statutes,  
109.19 section 240.01, to put the definitions contained in that section in alphabetical order.

109.20 (b) The revisor of statutes shall correct any cross-references in Minnesota Statutes  
109.21 and Minnesota Rules as a result of the renumbering in paragraph (a).

109.22 (c) In the next and subsequent edition of Minnesota Statutes, the Revisor of Statutes  
109.23 shall substitute a reference to section 6.481 for each reference to section 6.48.

109.24 Sec. 123. **REVISOR INSTRUCTION.**

109.25 (a) In the next and subsequent editions of Minnesota Statutes, the revisor of statutes  
109.26 shall substitute the names of councils as follows in each place where the names occur:

109.27 (1) Minnesota African Heritage Council, in place of Council on Black Minnesotans;  
109.28 and

109.29 (2) Minnesota Council on Latino Affairs, in place of Council on Affairs of  
109.30 Chicano/Latino People.

109.31 (b) The revisor of statutes shall change cross-references to sections 3.9223, 3.9225,  
109.32 and 3.9226, with Minnesota Statutes, section 15.0145, and make changes necessary to  
109.33 correct punctuation, grammar, or sentence structure.

110.1 Sec. 124. **REPEALER.**

110.2 (a) Minnesota Statutes 2014, sections 10A.25, subdivisions 1, 2, 2a, 3, 3a, 5, and 10;  
110.3 10A.255, subdivisions 1 and 3; 10A.27, subdivision 11; 10A.30; 10A.31, subdivisions 1,  
110.4 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, and 11; 10A.315; 10A.321; 10A.322, subdivisions  
110.5 1 and 2; 10A.323; and 10A.324, subdivisions 1 and 3, and Minnesota Rules, parts  
110.6 4503.1400, subparts 2, 3, 5, 6, 7, 8, and 9; and 4503.1450, are repealed. This paragraph  
110.7 is effective July 1, 2015, and applies to elections held on or after that date. Amounts  
110.8 designated under section 10A.31 on income tax and property tax refund returns filed after  
110.9 June 30, 2015, are not effective and remain in the general fund.

110.10 (b) Minnesota Statutes 2014, sections 3.886; 6.48; 349A.07, subdivision 6; and  
110.11 375.23, are repealed.

110.12 (c) Minnesota Statutes 2014, section 240.01, subdivisions 12 and 23, are repealed.

110.13 (d) Minnesota Statutes 2014, sections 3.9223; 3.9225; and 3.9226, subdivisions 1,  
110.14 2, 3, 4, 5, 6, and 7, are repealed.

APPENDIX  
Article locations in H0495-1

ARTICLE 1 STATE GOVERNMENT APPROPRIATIONS ..... Page.Ln 2.31  
ARTICLE 2 STATE GOVERNMENT ..... Page.Ln 22.1

**3.886 LEGISLATIVE WATER COMMISSION.**

Subdivision 1. **Establishment.** A Legislative Water Commission is established.

Subd. 2. **Membership.** (a) The Legislative Water Commission consists of 12 members appointed as follows:

(1) six members of the senate, including three majority party members appointed by the majority leader and three minority party members appointed by the minority leader; and

(2) six members of the house of representatives, including three majority party members appointed by the speaker of the house and three minority party members appointed by the minority leader.

(b) Members serve at the pleasure of the appointing authority and continue to serve until their successors are appointed or until a member is no longer a member of the legislative body that appointed the member to the commission. Vacancies shall be filled in the same manner as the original positions. Vacancies occurring on the commission do not affect the authority of the remaining members of the Legislative Water Commission to carry out the function of the commission.

(c) Members shall elect a chair, vice chair, and other officers as determined by the commission. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

Subd. 3. **Commission staffing.** The Legislative Coordinating Commission must employ staff and contract with consultants as necessary to enable the Legislative Water Commission to carry out its duties and functions.

Subd. 4. **Powers and duties.** (a) The Legislative Water Commission shall review water policy reports and recommendations of the Environmental Quality Board, the Board of Water and Soil Resources, the Pollution Control Agency, the Department of Natural Resources, the Metropolitan Council, and other water-related reports as may be required by law or the legislature.

(b) The commission may conduct public hearings and otherwise secure data and comments.

(c) The commission shall make recommendations as it deems proper to assist the legislature in formulating legislation.

(d) Data or information compiled by the Legislative Water Commission or its subcommittees shall be made available to the Legislative-Citizen Commission on Minnesota Resources, the Clean Water Council, and standing and interim committees of the legislature on request of the chair of the respective commission, council, or committee.

(e) The commission shall coordinate with the Clean Water Council.

Subd. 5. **Compensation.** Members of the commission may receive per diem and expense reimbursement incurred doing the work of the commission in the manner and amount prescribed for per diem and expense payments by the senate Committee on Rules and Administration and the house of representatives Committee on Rules and Legislative Administration.

Subd. 6. **Expiration.** This section expires July 1, 2019.

**3.9223 COUNCIL ON AFFAIRS OF CHICANO/LATINO PEOPLE.**

Subdivision 1. **Membership.** The state Council on Affairs of Chicano/Latino People consists of 11 members appointed by the governor, including eight members representing each of the state's congressional districts and three members appointed at large. The demographic composition of the council members must accurately reflect the demographic composition of Minnesota's Chicano/Latino community, including migrant workers, as determined by the state demographer. Membership, terms, compensation, removal of members, and filling of vacancies are as provided in section 15.0575. Because the council performs functions that are not purely advisory, the council is not subject to the expiration date in section 15.059. Two members of the house of representatives appointed by the speaker and two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration shall serve as nonvoting members of the council. The council shall annually elect from its membership a chair and other officers it deems necessary.

Subd. 2. **Chicano/Latino people.** For purposes of subdivisions 3 to 7, the term "Chicano/Latino person" means a person who was born in, or whose ancestors are from, Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru, Panama, Paraguay, Puerto Rico, Uruguay, or Venezuela.

Subd. 3. **Duties.** The council shall:

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(1) advise the governor and the legislature on the nature of the issues confronting Chicano/Latino people in this state, including the unique problems encountered by Chicano/Latino migrant agricultural workers;

(2) advise the governor and the legislature on statutes or rules necessary to ensure Chicano/Latino people access to benefits and services provided to people in this state;

(3) recommend to the governor and the legislature legislation to improve the economic and social condition of Chicano/Latino people in this state;

(4) serve as a conduit to state government for organizations of Chicano/Latino people in the state;

(5) serve as a referral agency to assist Chicano/Latino people to secure access to state agencies and programs;

(6) serve as a liaison with the federal government, local government units, and private organizations on matters relating to the Chicano/Latino people of this state;

(7) perform or contract for the performance of studies designed to suggest solutions to problems of Chicano/Latino people in the areas of education, employment, human rights, health, housing, social welfare, and other related programs;

(8) implement programs designed to solve problems of Chicano/Latino people when authorized by other statute, rule, or order; and

(9) publicize the accomplishments of Chicano/Latino people and their contributions to this state.

Subd. 4. **Review and recommendation authority.** All applications for the receipt of federal money and proposed rules of a state agency that will have their primary effect on Chicano/Latino people must be submitted to the council for review and recommendation at least 15 days before submission to a federal agency or initial publication in the State Register.

Subd. 5. **Powers.** The council may contract in its own name. Contracts must be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the power and duties specified in this section.

The council shall appoint an executive director who is experienced in administrative activities and familiar with the problems and needs of Chicano/Latino people. The council may delegate to the executive director powers and duties under this section that do not require council approval. The executive director and council staff serve in the unclassified service. The executive director may be removed at any time by a majority vote of the entire council. The executive director shall recommend to the council the appropriate staffing necessary to carry out its duties. The commissioner of administration shall provide the council with necessary administrative services.

Subd. 6. **State agency assistance.** Other state agencies shall supply the council upon request with advisory staff services on matters relating to the jurisdiction of the council. The council shall cooperate and coordinate its activities with other state agencies to the highest possible degree.

Subd. 7. **Report.** The council shall prepare and submit a report to the governor and legislature by November 15 of each year. The report shall summarize the activities of the council since its last report, list receipts and expenditures, identify the major problems and issues confronting Chicano/Latino people, make recommendations to address issues, and list the specific objectives that the council seeks to attain during the next biennium. The council shall report on outcome measures.

### **3.9225 COUNCIL ON BLACK MINNESOTANS.**

Subdivision 1. **Creation.** A state Council on Black Minnesotans consists of 13 members appointed by the governor. The members of the council must be broadly representative of the Black community of the state and include at least five males and at least five females. One member of the council must be a person whose ethnic heritage is from West Africa, and one member of the council must be a person whose ethnic heritage is from East Africa. Membership terms, compensation, removal of members, and filling of vacancies for nonlegislative members are as provided in section 15.0575. Because the council performs functions that are not purely advisory, the council is not subject to the expiration date in section 15.059. Two members of the house of representatives appointed by the speaker and two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration shall serve as nonvoting members of the council. The council shall annually elect from its membership a chair and other officers it deems necessary.

Subd. 2. **Definitions.** For the purpose of this section:

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(1) "Black" describes persons who consider themselves as having origin in any of the Black racial groups of Africa;

(2) "East Africa" means the eastern region of the continent of Africa, comprising areas occupied by the countries of Burundi, Kenya, Rwanda, Tanzania, Uganda, and Somalia; and

(3) "West Africa" means the western region of the continent of Africa comprising areas occupied by the countries of Mauritania, Senegal, The Gambia, Guinea-Bissau, Guinea, Sierra Leone, Liberia, Cote d'Ivoire, Ghana, Togo, Benin, Nigeria, Burkina Faso, and those parts of Mali and Niger south of the Sahara.

Subd. 3. **Duties.** The council shall:

(a) advise the governor and the legislature on the nature of the issues confronting Black people in this state;

(b) advise the governor and the legislature on statutes or rules necessary to ensure that Black people have access to benefits and services provided to people in this state;

(c) recommend to the governor and the legislature any revisions in the state's affirmative action program and other steps that are necessary to eliminate underutilization of Blacks in the state's work force;

(d) recommend to the governor and the legislature legislation to improve the economic and social condition of Black people in this state;

(e) serve as a conduit to state government for organizations of Black people in the state;

(f) serve as a referral agency to assist Black people to secure access to state agencies and programs;

(g) serve as a liaison with the federal government, local government units, and private organizations on matters relating to the Black people of this state;

(h) perform or contract for the performance of studies designed to suggest solutions to problems of Black people in the areas of education, employment, human rights, health, housing, social welfare, and other related areas;

(i) implement programs designed to solve problems of Black people when authorized by other statute, rule, or order;

(j) review data provided by the commissioner of human services under section 260C.215, subdivision 5, and present recommendations on the out-of-home placement of Black children. Recommendations must be presented to the commissioner and the legislature by February 1, 1990; November 1, 1990; and November 1 of each year thereafter; and

(k) publicize the accomplishments of Black people and their contributions to this state.

Subd. 4. **Review of grant applications.** All applications by a state department or agency for the receipt of federal funds which will have their primary effect on Black Minnesotans shall be submitted to the council for review and recommendation at least 30 days before submission to a federal agency.

Subd. 5. **Powers.** (a) The council may contract in its own name, but no money shall be accepted or received as a loan nor indebtedness incurred except as otherwise provided by law. Contracts shall be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the power and duties specified in subdivisions 1 to 7.

(b) The council may solicit and accept payments for advertising, use of exhibition space, or commemorative videos or other items in connection with publications, events, media productions, and informational programs that are sponsored by the council. These revenues must be deposited in an account in the special revenue fund and are appropriated to the council to defray costs of publications, events, media productions, or informational programs consistent with the powers and duties specified in subdivisions 1 to 7. The council may not publish advertising or provide exhibition space for any elected official or candidate for elective office. The council must report by January 15 each year to the chairs and ranking minority members of the house of representatives and senate funding divisions with jurisdiction over the council on the amount and source of each payment received under this paragraph in the prior fiscal year.

(c) The council shall appoint an executive director who is experienced in administrative activities and familiar with the problems and needs of Black people. The council may delegate to the executive director powers and duties under subdivisions 1 to 7 which do not require council approval. The executive director serves in the unclassified service and may be removed at any time by the council. The executive director shall recommend to the council, and the council may appoint the appropriate staff necessary to carry out its duties. Staff members serve in the unclassified service. The commissioner of administration shall provide the council with necessary administrative services.

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Subd. 6. **State agency assistance.** Other state agencies shall supply the council upon request with advisory staff services on matters relating to the jurisdiction of the council. The council shall cooperate and coordinate its activities with other state agencies to the highest possible degree.

Subd. 7. **Report.** The council shall prepare and submit a report to the governor and legislature by November 15 of each year. The report shall summarize the activities of the council since its last report, list receipts and expenditures, identify the major problems and issues confronting Black people, make recommendations to address issues, and list the specific objectives which the council seeks to attain during the next biennium. The council shall report on outcome measures.

### **3.9226 COUNCIL ON ASIAN-PACIFIC MINNESOTANS.**

Subdivision 1. **Membership.** The state Council on Asian-Pacific Minnesotans consists of 23 members. Nineteen members are appointed by the governor and must be broadly representative of the Asian-Pacific community of the state. Each Asian-Pacific ethnic community from the area described in subdivision 2 may be represented by no more than one council member. In making appointments, the governor shall consider an appointee's proven dedication and commitment to the Asian-Pacific community and any special skills possessed by the appointee that might be beneficial to the council, including at a minimum experience in public policy, legal affairs, social work, business, management, or economics. Terms, compensation, and filling of vacancies for appointed members are as provided in section 15.0575. Because the council performs functions that are not purely advisory, the council is not subject to the expiration date in section 15.059. Two members of the house of representatives appointed under the rules of the house of representatives and two members of the senate appointed under the rules of the senate shall serve as nonvoting members of the council. In making legislative appointments, the speaker of the house and the Subcommittee on Committees of the Committee on Rules and Administration of the senate shall consult with the council in an effort to select appointees knowledgeable and interested in the affairs of the Asian-Pacific community. The council shall annually elect from its membership a chair and other officers it deems necessary. The council shall encourage Asian-Pacific ethnic communities and organizations to designate persons to serve as liaisons with the council. Liaisons may participate in council meetings, but may not vote, and may serve on council committees.

The council shall adopt rules to implement designation of Asian-Pacific ethnic communities to be represented with seats on the council.

Subd. 2. **Definition.** For the purpose of this section, the term Asian-Pacific means a person whose ethnic heritage is from any of the countries in Asia east of, and including, Afghanistan, or the Pacific Islands.

Subd. 3. **Duties.** The council shall:

(1) advise the governor and the legislature on issues confronting Asian-Pacific people in this state, including the unique problems of non-English-speaking immigrants and refugees;

(2) advise the governor and the legislature of administrative and legislative changes necessary to ensure that Asian-Pacific people have access to benefits and services provided to people in this state;

(3) recommend to the governor and the legislature any revisions in the state's affirmative action program and other steps that are necessary to eliminate underutilization of Asian-Pacific people in the state's work force;

(4) recommend to the governor and the legislature legislation to improve the economic and social condition of Asian-Pacific people in this state;

(5) serve as a conduit to state government for organizations of Asian-Pacific people in the state;

(6) serve as a referral agency to assist Asian-Pacific people to secure access to state agencies and programs;

(7) serve as a liaison with the federal government, local government units, and private organizations on matters relating to the Asian-Pacific people of this state;

(8) perform or contract for the performance of studies designed to suggest solutions to the problems of Asian-Pacific people in the areas of education, employment, human rights, health, housing, social welfare, and other related areas;

(9) implement programs designed to solve the problems of Asian-Pacific people when authorized by other law;

(10) publicize the accomplishments of Asian-Pacific people and their contributions to this state;

(11) work with other state and federal agencies and organizations to develop small business opportunities and promote economic development for Asian-Pacific Minnesotans;

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(12) supervise development of an Asian-Pacific trade primer, outlining Asian and Pacific customs, cultural traditions, and business practices, including language usage, for use by Minnesota's export community;

(13) cooperate with other state and federal agencies and organizations to develop improved state trade relations with Asian and Pacific countries; and

(14) assist recent immigrants in adaptation into the culture and promote the study of English as a second language.

Subd. 4. **Review of grant applications and budget requests.** State departments and agencies shall consult with the council concerning any application for federal money that will have its primary effect on Asian-Pacific Minnesotans before development of the application. The council shall advise the governor and the commissioner of management and budget concerning any state agency request that will have its primary effect on Asian-Pacific Minnesotans.

Subd. 5. **Powers.** (a) The council may contract in its own name but may not accept or receive a loan or incur indebtedness except as otherwise provided by law. Contracts must be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in this section.

(b) The council shall appoint an executive director who is experienced in administrative activities and familiar with the problems and needs of Asian-Pacific people. The council may delegate to the executive director powers and duties under this section that do not require council approval. The executive director serves in the unclassified service and may be removed at any time by the council. The executive director shall appoint the appropriate staff necessary to carry out the duties of the council. All staff members serve in the unclassified service. The commissioner of administration shall provide the council with necessary administrative services.

Subd. 6. **State agency assistance.** At its request, state agencies shall supply the council with advisory staff services on matters relating to its jurisdiction. The council shall cooperate and coordinate its activities with other state agencies to the highest possible degree.

Subd. 7. **Report.** The council shall prepare and submit a report to the governor and legislature by November 15 of each year. The report shall summarize the activities of the council since its last report, list receipts and expenditures, identify the major problems and issues confronting Asian-Pacific people, make recommendations to address issues, and list the specific objectives that the council seeks to attain during the next biennium. The council shall report on outcome measures.

#### **6.48 EXAMINATION OF COUNTIES; COST, FEES.**

All the powers and duties conferred and imposed upon the state auditor shall be exercised and performed by the state auditor in respect to the offices, institutions, public property, and improvements of several counties of the state. At least once in each year, if funds and personnel permit, the state auditor may visit, without previous notice, each county and make a thorough examination of all accounts and records relating to the receipt and disbursement of the public funds and the custody of the public funds and other property. If the audit is performed by a private certified public accountant, the state auditor may require additional information from the private certified public accountant as the state auditor deems in the public interest. The state auditor may accept the audit or make additional examinations as the state auditor deems to be in the public interest. The state auditor shall prescribe and install systems of accounts and financial reports that shall be uniform, so far as practicable, for the same class of offices. A copy of the report of such examination shall be filed and be subject to public inspection in the office of the state auditor and another copy in the office of the auditor of the county thus examined. The state auditor may accept the records and audit, or any part thereof, of the Department of Human Services in lieu of examination of the county social welfare funds, if such audit has been made within any period covered by the state auditor's audit of the other records of the county. If any such examination shall disclose malfeasance, misfeasance, or nonfeasance in any office of such county, such report shall be filed with the county attorney of the county, and the county attorney shall institute such civil and criminal proceedings as the law and the protection of the public interests shall require.

The county receiving any examination shall pay to the state auditor enterprise fund the total cost and expenses of such examinations, including the salaries paid to the examiners while actually engaged in making such examination. The state auditor on deeming it advisable may bill counties periodically for services rendered and the officials responsible for approving and

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paying claims shall cause said bill to be promptly paid. The state auditor enterprise fund shall be credited with all collections made for any such examinations.

**10A.25 SPENDING LIMITS.**

Subdivision 1. **Limits are voluntary.** The expenditure limits imposed by this section apply only to a candidate who has signed an agreement under section 10A.322 to be bound by them as a condition of receiving a public subsidy for the candidate's campaign.

Subd. 2. **Amounts.** (a) In a segment of an election cycle, the principal campaign committee of the candidate must not make campaign expenditures nor permit approved expenditures to be made on behalf of the candidate that result in aggregate expenditures in excess of the following:

(1) for governor and lieutenant governor, running together, \$3,651,200 in the election segment and \$1,564,800 in the nonelection segment;

(2) for attorney general, \$626,000 in the election segment and \$208,700 in the nonelection segment;

(3) for secretary of state and state auditor, separately, \$417,300 in the election segment and \$104,400 in the nonelection segment;

(4) for state senator, \$90,000 in the election segment and \$30,000 in a nonelection segment;

(5) for state representative, \$62,600 in the election segment.

(b) In addition to the amount in paragraph (a), clause (1), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make campaign expenditures and approved expenditures of five percent of that amount to seek endorsement.

(c) If a special election cycle occurs during a general election cycle, expenditures by or on behalf of a candidate in the special election do not count as expenditures by or on behalf of the candidate in the general election.

(d) The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who has not previously held the same office, whose name has not previously been on the primary or general election ballot for that office, and who has not in the past ten years raised or spent more than \$750 in a run for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office. In the case of a legislative candidate, the office is that of a member of the house of representatives or senate without regard to any specific district.

Subd. 2a. **Aggregated expenditures.** If a candidate makes expenditures from more than one principal campaign committee for nomination or election to statewide office in the same segment of an election cycle, the amount of expenditures from all of the candidate's principal campaign committees for statewide office for that segment of the election cycle must be aggregated for purposes of applying the limits on expenditures under subdivision 2.

Subd. 3. **Governor and lieutenant governor a single candidate.** For the purposes of this chapter, a candidate for governor and a candidate for lieutenant governor, running together, are considered a single candidate. Except as provided in subdivision 2, paragraph (b), all expenditures made by or all approved expenditures made on behalf of the candidate for lieutenant governor are considered to be expenditures by or approved expenditures on behalf of the candidate for governor.

Subd. 3a. **Independent expenditures.** The principal campaign committee of a candidate must not make independent expenditures.

Subd. 5. **Contested primary races.** Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary who received fewer than twice as many votes as any one of the candidate's opponents in that primary may make expenditures and permit approved expenditures to be made on behalf of the candidate equal to 120 percent of the applicable limit as set forth in subdivision 2, but no more than 100 percent of the limit until after the primary.

Subd. 10. **Effect of opponent's conduct.** (a) After the deadline for filing a spending limit agreement under section 10A.322, a candidate who has agreed to be bound by the expenditure limits imposed by this section as a condition of receiving a public subsidy for the candidate's campaign may choose to be released from the expenditure limits but remain eligible to receive a public subsidy if the candidate has an opponent who has not agreed to be bound by the limits and has received contributions or made or become obligated to make expenditures during that election cycle in excess of the following limits:

(1) up to the close of the reporting period before the primary election, receipts or expenditures equal to 20 percent of the expenditure limit for that office as set forth in subdivision 2; or

(2) after the close of the reporting period before the primary election, cumulative receipts or expenditures during that election cycle equal to 50 percent of the expenditure limit for that office as set forth in subdivision 2.

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Before the primary election, a candidate's "opponents" are only those who will appear on the ballot of the same party in the primary election.

(b) A candidate who has not agreed to be bound by expenditure limits, or the candidate's principal campaign committee, must file written notice with the board and provide written notice to any opponent of the candidate for the same office within 24 hours of exceeding the limits in paragraph (a). The notice must state only that the candidate or candidate's principal campaign committee has received contributions or made or become obligated to make campaign expenditures in excess of the limits in paragraph (a).

(c) Upon receipt of the notice, a candidate who had agreed to be bound by the limits may file with the board a notice that the candidate chooses to be no longer bound by the expenditure limits. A notice of a candidate's choice not to be bound by the expenditure limits that is based on the conduct of an opponent in the state primary election may not be filed more than one day after the State Canvassing Board has declared the results of the state primary.

(d) A candidate who has agreed to be bound by the expenditure limits imposed by this section and whose opponent in the general election has chosen, as provided in paragraph (c), not to be bound by the expenditure limits because of the conduct of an opponent in the primary election is no longer bound by the limits but remains eligible to receive a public subsidy.

#### **10A.255 ADJUSTMENT BY CONSUMER PRICE INDEX.**

Subdivision 1. **Method of calculation.** The dollar amounts in section 10A.25, subdivision 2, must be adjusted for general election years as provided in this section. Each general election year, the executive director of the board must determine the percentage increase in the Consumer Price Index from December of the year preceding the last general election year to December of the year preceding the year in which the determination is made. The dollar amounts used for the preceding general election year must be multiplied by that percentage. The product of the calculation must be added to each dollar amount to produce the dollar limitations to be in effect for the next general election. The product must be rounded up to the next highest \$100 increment. The index used must be the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

Subd. 3. **Publication of expenditure limit.** By April 15 of each election year the board must publish on its Web site the expenditure limit for each office for that calendar year under section 10A.25 as adjusted by this section. The revisor of statutes must code the adjusted amounts in the next edition of Minnesota Statutes, section 10A.25, subdivision 2.

#### **10A.27 CONTRIBUTION LIMITS.**

Subd. 11. **Contributions from certain types of contributors.** A candidate must not permit the candidate's principal campaign committee to accept a contribution from a political committee, political fund, lobbyist, large contributor, or association not registered with the board if the contribution will cause the aggregate contributions from those types of contributors during an election cycle segment to exceed an amount equal to 20 percent of the election cycle segment expenditure limits for the office sought by the candidate, provided that the 20 percent limit must be rounded to the nearest \$100. For purposes of this subdivision, "large contributor" means an individual, other than the candidate, who contributes an amount that is more than one-half the amount an individual may contribute during the election cycle segment.

#### **10A.30 STATE ELECTIONS CAMPAIGN ACCOUNT.**

Subdivision 1. **Establishment.** An account is established in the special revenue fund of the state known as the "state elections campaign account."

Subd. 2. **Separate account.** Within the state elections campaign account there must be maintained a separate political party account for the state committee and the candidates of each political party and a general account.

Subd. 3. **Special elections account.** An account is established in the special revenue fund of the state known as the "state special elections campaign account."

#### **10A.31 DESIGNATION OF INCOME TAX PAYMENTS.**

Subdivision 1. **Designation.** An individual resident of this state who files an income tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate on their original return that \$5 be paid from the general fund of the state into the state elections campaign account. If a husband and wife file a joint return, each spouse may

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designate that \$5 be paid. No individual is allowed to designate \$5 more than once in any year. The taxpayer may designate that the amount be paid into the account of a political party or into the general account.

Subd. 3. **Form.** The commissioner of revenue must provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to pay \$5 (\$10 if filing a joint return) from the general fund of the state to finance election campaigns. The form must also contain language prepared by the commissioner that permits the individual to direct the state to pay the \$5 (or \$10 if filing a joint return) to: (1) one of the major political parties; (2) any minor political party that qualifies under subdivision 3a; or (3) all qualifying candidates as provided by subdivision 7. The renter and homeowner property tax refund return must include instructions that the individual filing the return may designate \$5 on the return only if the individual has not designated \$5 on the income tax return.

Subd. 3a. **Qualification of political parties.** (a) A major political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a major political party by July 1 of the taxable year.

(b) A minor political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a minor party statewide by July 1 of the taxable year.

(c) The secretary of state shall notify each major and minor political party by the first Monday in January of each odd-numbered year of the conditions necessary for the party to participate in income tax form and property tax refund return programs.

(d) The secretary of state shall notify each political party, the commissioner of revenue, and the Campaign Finance and Public Disclosure Board by July 1 of each year and following certification of the results of each general election of the political parties that qualify for inclusion on the income tax form and property tax refund return as provided in subdivision 3.

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign account, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign account, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,020,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign account.

Subd. 5. **Allocation.** (a) General account. In each calendar year the money in the general account must be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 4.2 percent for the office of attorney general;

(3) 2.4 percent each for the offices of secretary of state and state auditor;

(4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative; and

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

(b) Party account. In each calendar year the money in each party account must be allocated as follows:

(1) 14 percent for the offices of governor and lieutenant governor together;

(2) 2.8 percent for the office of attorney general;

(3) 1.6 percent each for the offices of secretary of state and state auditor;

(4) in each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative;

(5) in each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative; and

(6) ten percent or \$50,000, whichever is less, for the state committee of a political party; one-third of any amount in excess of that allocated to the state committee of a political party under this clause must be allocated to the office of state senator and two-thirds must be allocated to the office of state representative under clause (4).

Money allocated to each state committee under clause (6) must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275. Money allocated to a state committee under clause (6) must be paid to the committee by the board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the Department of Revenue, provided that these

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distributions would be equal to 90 percent of the amount of money indicated in the Department of Revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the Department of Revenue to the board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the Department of Revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

Subd. 5a. **Party account for legislative candidates.** To ensure that money will be returned to the counties from which it was collected and to ensure that the distribution of money rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates must be distributed as provided in this subdivision.

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election must receive money from the candidate's party account allocated to candidates for the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district, the candidate's share of the dollars designated by taxpayers who resided in that county and credited to the candidate's party account and allocated to that office must be:

(1) the sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, divided by

(2) the sum of the votes cast in the entire county in the last general election for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, multiplied by

(3) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For a party under whose name no candidate's name appeared on the ballot statewide in the last general election, amounts in the party's account must be allocated based on (i) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (ii) the number of the people voting in the entire county in the last general election, multiplied by (iii) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

In the first general election after the legislature is redistricted, "the candidate's district" means the newly drawn district and voting data from the last general election must be applied to the area encompassing the newly drawn district, notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party is the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (1) and (2). The average vote must be added to the sums in clauses (1) and (2) before the calculation is made for all districts in the county.

Subd. 6. **Distribution of party accounts.** As soon as the board has obtained from the secretary of state the results of the primary election, but no later than one week after certification by the State Canvassing Board of the results of the primary, the board must distribute the available money in each party account, as certified by the commissioner of revenue one week before the state primary, to the candidates of that party who have signed a spending limit agreement under section 10A.322 and filed the affidavit of contributions required by section 10A.323, who were opposed in either the primary election or the general election, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivisions 5 and 5a. The public subsidy from the party account may not be paid in an amount greater than the expenditure limit of the candidate or the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10.

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Subd. 6a. **Party account money not distributed.** Money from a party account not distributed to candidates for state senator or representative in any election year must be returned to the general fund of the state, except that the subsidy from the party account an unopposed candidate would otherwise have been eligible to receive must be paid to the state committee of the candidate's political party to be deposited in a special account under subdivision 5, paragraph (b), clause (6), and used for only those items permitted under section 10A.275. Money from a party account not distributed to candidates for other offices in an election year must be returned to the party account for reallocation to candidates as provided in subdivision 5, paragraph (b), in the following year.

Subd. 7. **Distribution of general account.** (a) As soon as the board has obtained the results of the primary election from the secretary of state, but no later than one week after certification of the primary results by the State Canvassing Board, the board must distribute the available money in the general account, as certified by the commissioner of revenue one week before the state primary and according to allocations set forth in subdivision 5, in equal amounts to all candidates of a major political party whose names are to appear on the ballot in the general election and who:

- (1) have signed a spending limit agreement under section 10A.322;
- (2) have filed the affidavit of contributions required by section 10A.323; and
- (3) were opposed in either the primary election or the general election.

(b) The public subsidy under this subdivision may not be paid in an amount that would cause the sum of the public subsidy paid from the party account plus the public subsidy paid from the general account to exceed 50 percent of the expenditure limit for the candidate or 50 percent of the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. Money from the general account not paid to a candidate because of the 50 percent limit must be distributed equally among all other qualifying candidates for the same office until all have reached the 50 percent limit or the balance in the general account is exhausted.

Subd. 7a. **Withholding of public subsidy.** If a candidate who is eligible for payment of public subsidy under this section has not filed the report of receipts and expenditures required under section 10A.20 before a primary election, any public subsidy for which that candidate is eligible must be withheld by the board until the candidate complies with the filing requirements of section 10A.20 and the board has sufficient time to review or audit the report. If a candidate who is eligible for public subsidy does not file the report due before the primary election under section 10A.20 by the date that the report of receipts and expenditures filed before the general election is due, that candidate shall not be paid public subsidy for that election.

Subd. 10. **December distribution.** In the event that on the date of either certification by the commissioner of revenue as provided in subdivision 6 or 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue must certify to the board by December 1 the amount accumulated in each account since the previous certification. By December 15, the board must distribute to each candidate according to the allocations in subdivisions 5 and 5a the amounts to which the candidates are entitled.

Subd. 10a. **Form of distribution.** A distribution to a candidate must be in the form of a check made "payable to the campaign fund of .....(name of candidate)....."

Subd. 10b. **Remainder.** Money accumulated after the final certification must be kept in the respective accounts for distribution in the next general election year.

Subd. 11. **Write-in candidate.** For the purposes of this section, a write-in candidate is a candidate only upon complying with sections 10A.322 and 10A.323.

**10A.315 SPECIAL ELECTION SUBSIDY.**

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the sum of:

- (1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and
- (2) the general account money paid to a candidate for the same office at the last general election.

(b) A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board and must meet the contribution requirements of section 10A.323. The special election subsidy must be distributed in the same manner as money in the party and general accounts is distributed to legislative candidates in a general election.

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(c) The amount necessary to make the payments required by this section is appropriated from the general fund for transfer to the state special elections campaign account for distribution by the board as set forth in this section.

#### **10A.321 ESTIMATES OF MINIMUM AMOUNTS TO BE RECEIVED.**

Subdivision 1. **Calculation and certification of estimates.** The commissioner of revenue must calculate and certify to the board one week before the first day for filing for office in each election year an estimate of the total amount in the state general account of the state elections campaign account and the amount of money each candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from the candidate's party account in the state elections campaign account. This estimate must be based upon the allocations and formulas in section 10A.31, subdivisions 5 and 5a, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivisions 5 and 5a, and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Subd. 2. **Publication, certification, and notification procedures.** Before the first day of filing for office, the board must publish and forward to all filing officers the estimates calculated and certified under subdivision 1 along with a copy of section 10A.25, subdivision 10. Within one week after the last day for filing for office, the secretary of state must certify to the board the name, address, office sought, and party affiliation of each candidate who has filed with that office an affidavit of candidacy or petition to appear on the ballot. The auditor of each county must certify to the board the same information for each candidate who has filed with that county an affidavit of candidacy or petition to appear on the ballot. Within two weeks after the last day for filing for office, the board must notify all candidates of their estimated minimum amount. The board must include with the notice a form for the agreement provided in section 10A.322 along with a copy of section 10A.25, subdivision 10.

#### **10A.322 SPENDING LIMIT AGREEMENTS.**

Subdivision 1. **Agreement by candidate.** (a) As a condition of receiving a public subsidy, a candidate must sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25; 10A.27, subdivision 10; 10A.324; and 10A.38.

(b) Before the first day of filing for office, the board must forward agreement forms to all filing officers. The board must also provide agreement forms to candidates on request at any time. The candidate must file the agreement with the board at least three weeks before the candidate's state primary. An agreement may not be filed after that date. An agreement once filed may not be rescinded.

(c) The board must notify the commissioner of revenue of any agreement signed under this subdivision.

(d) Notwithstanding paragraph (b), if a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement not later than the day after the close of the filing period for the special election for which the candidate filed.

Subd. 2. **How long agreement is effective.** The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, and the contribution limit in section 10A.27, subdivision 10, remains effective for candidates until the dissolution of the principal campaign committee of the candidate or the end of the first election cycle completed after the agreement was filed, whichever occurs first.

#### **10A.323 AFFIDAVIT OF CONTRIBUTIONS.**

(a) In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 a candidate or the candidate's treasurer must:

(1) between January 1 of the previous year and the cutoff date for transactions included in the report of receipts and expenditures due before the primary election, accumulate contributions from individuals eligible to vote in this state in at least the amount indicated for the office sought, counting only the first \$50 received from each contributor, excluding in-kind contributions:

- (i) candidates for governor and lieutenant governor running together, \$35,000;
- (ii) candidates for attorney general, \$15,000;
- (iii) candidates for secretary of state and state auditor, separately, \$6,000;
- (iv) candidates for the senate, \$3,000; and
- (v) candidates for the house of representatives, \$1,500;

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(2) file an affidavit with the board stating that the principal campaign committee has complied with this paragraph. The affidavit must state the total amount of contributions that have been received from individuals eligible to vote in this state, excluding:

- (i) the portion of any contribution in excess of \$50;
- (ii) any in-kind contribution; and
- (iii) any contribution for which the name and address of the contributor is not known and recorded; and

(3) submit the affidavit required by this section to the board in writing by the deadline for reporting of receipts and expenditures before a primary under section 10A.20, subdivision 4.

(b) A candidate for a vacancy to be filled at a special election for which the filing period does not coincide with the filing period for the general election must accumulate the contributions specified in paragraph (a) and must submit the affidavit required by this section to the board within five days after the close of the filing period for the special election for which the candidate filed.

#### **10A.324 RETURN OF PUBLIC SUBSIDY.**

Subdivision 1. **When return required.** A candidate must return all or a portion of the public subsidy received from the state elections campaign account or the public subsidy received under section 10A.315, under the circumstances in this section or section 10A.257, subdivision 1.

To the extent that the amount of public subsidy received exceeds the aggregate of: (1) actual expenditures made by the principal campaign committee of the candidate; and (2) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee must return an amount equal to the difference to the board. The cost of postage that was not used during an election cycle and payments that created credit balances at vendors at the close of an election cycle are not considered expenditures for purposes of determining the amount to be returned. Expenditures in excess of the candidate's spending limit do not count in determining aggregate expenditures under this paragraph.

Subd. 3. **How return determined.** Whether or not a candidate is required under subdivision 1 to return all or a portion of the public subsidy must be determined from the report required to be filed with the board by that candidate by January 31 of the year following an election. An amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed with the board. The board must deposit the check or money order in the state treasury for credit to the general fund. The amount returned must not exceed the amount of public subsidy received by the candidate.

#### **240.01 DEFINITIONS.**

Subd. 12. **Average daily handle.** "Average daily handle" means the total amount bet in all pari-mutuel pools at a licensed racetrack during the racing meeting divided by the number of days that horse racing was conducted at the racetrack during the racing meeting.

Subd. 23. **Full racing card.** "Full racing card" means three or more races that are: (1) part of a horse racing program being conducted at a racetrack; and (2) being simulcast or telerece simulcast at a licensed racetrack.

#### **349A.07 VENDOR CONTRACTS.**

Subd. 6. **Exemptions.** Lottery procurement contracts entered into by the director are not subject to the provisions of section 16C.03, 16C.05, 16C.06, 16C.08, 16C.09, or 16C.10, provided that the director must utilize an open and competitive bid process, and as nearly as practicable follow the procedures of chapters 16B and 16C governing contracts, consistent with the provisions of this section.

#### **375.23 ASSESSMENT AND ROAD DISTRICTS IN UNORGANIZED TERRITORY.**

Subdivision 1. **Appoint residents as assessor, road overseer; terms.** The county board of any county, any part of which is not organized into towns, shall, at its meeting in January, in each year, divide the unorganized territory into one or more assessment and road districts and appoint a qualified person residing there as assessor for each district and another as overseer of roads, each of whom shall possess the powers and perform the duties of a town assessor and town overseer of roads, respectively. Each shall hold office for one year.

Subd. 2. **Compensation; assessor's mileage allowance.** The compensation of an overseer of roads shall be fixed by the county board, not exceeding \$4 per day. The compensation of an assessor shall be fixed by the county board, not exceeding \$6 per day, or on an annual basis not

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exceeding \$400 nor less than \$75. The county board may also allow the assessor five cents per mile for each mile necessarily traveled in assessment work.

**4503.1400 PUBLIC SUBSIDY AGREEMENTS.**

Subp. 2. **Period covered by agreement.** A public subsidy agreement is effective for the entire election cycle regardless of when the agreement is signed.

**4503.1400 PUBLIC SUBSIDY AGREEMENTS.**

Subp. 3. **Effect of signing public subsidy agreement after first year of election cycle.** By signing a public subsidy agreement after the first year of an election cycle, a candidate agrees to abide by spending and contribution limits for candidates with public subsidy agreements for the entire election cycle. The candidate is subject to the same remedies for prior violations of contribution and spending limits as a candidate who signed a public subsidy agreement during the first year of the election cycle.

**4503.1400 PUBLIC SUBSIDY AGREEMENTS.**

Subp. 5. **Expiration at end of special election cycle.** Public subsidy agreements for all candidates in a district in which a special election is held expire at the end of the special election cycle regardless of whether the candidate actually ran in the special election.

**4503.1400 PUBLIC SUBSIDY AGREEMENTS.**

Subp. 6. **Return of public subsidy.** If a candidate who has received public subsidy money fails to file a year-end report of receipts and expenditures in an election year, the board may determine the amount of public subsidy which must be returned based on the last report filed by the candidate.

**4503.1400 PUBLIC SUBSIDY AGREEMENTS.**

Subp. 7. **Nonreceipt of public subsidy funds.** A public subsidy agreement is binding regardless of whether the candidate actually receives funds from the state elections campaign fund.

**4503.1400 PUBLIC SUBSIDY AGREEMENTS.**

Subp. 8. **Affidavit of contributions for special elections.** For a special election for which the filing period does not coincide with a general election, the candidate must submit the affidavit of contributions not later than five days after filing an affidavit of candidacy or nominating petition for the office sought.

**4503.1400 PUBLIC SUBSIDY AGREEMENTS.**

Subp. 9. **Increase for first-time candidates.** Candidates who qualify for first-time candidate status receive a ten percent increase in the campaign expenditure limit in all years of the applicable election cycle.

**4503.1450 DISTRIBUTION OF GENERAL ACCOUNT PUBLIC SUBSIDY FUNDS.**

Subpart 1. **Agreement.** The general account public subsidy agreement required in Minnesota Statutes, section 10A.31, subdivision 7, may be provided to candidates on a separate form, or incorporated into the public subsidy agreement. The agreement must require that the candidate spend or be legally obligated to spend at least 50 percent of the general account public subsidy payment by the end of the reporting period prior to the general election. The agreement must also provide that if the candidate does not meet this requirement, the candidate must repay the board the difference between the candidates general account public subsidy payment and the candidates total campaign expenditures as of the end of the reporting period prior to the general election. The agreement must further provide that the candidate must reimburse the board for any reasonable collection costs incurred in securing the repayment of the unused general account public subsidy payment.

Subp. 2. **Failure to repay.** A candidate who fails to repay money required by the agreement cannot be paid additional general account public subsidy funds during the current or future election cycles until the entirety of the unexpended general account funds, and any associated collection fees, are either repaid to the board or discharged by a court action.

Subp. 3. **Estimate of general account public subsidy payment.** For purposes of determining a candidate's fulfillment of the terms of the agreement, the board must use the September 1 certification of available funds from the commissioner of the Department of Revenue to estimate the general account public subsidy payment for the candidate's office. Using first

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class mail, the board must inform each candidate eligible for a general account payment of the minimum amount that must be spent to comply with the terms of the agreement.