

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 1589

1.2 A bill for an act
1.3 relating to the operation of state government finance; allowing the secretary of
1.4 state authority to accept funds from local government units for election systems
1.5 enhancements and to receive certain funds for the address confidentiality program;
1.6 allowing the state auditor to charge a onetime user fee for a small city and
1.7 town accounting system software; changing provisions for bid solicitations and
1.8 proposals; changing certain provisions for service contracts and the solicitation
1.9 process; requiring a determination of the IT cost for agency technology
1.10 projects; expanding E-Government initiative and establishing the E-Government
1.11 Advisory Council; changing certain audit provisions from the state auditor to
1.12 the legislative auditor; repealing the Minnesota Sunset Act; changing provisions
1.13 for barbering and cosmetology; changing licensing provisions for accountants;
1.14 changing a paid military leave provision; modifying provisions in the Veterans
1.15 Service Office grant program; changing provision in the Minnesota GI Bill
1.16 program; establishing a veterans home in Beltrami County; making Department
1.17 of Revenue changes; making compensation council changes and requiring a
1.18 compensation study; adjusting certain salary groups; establishing administrative
1.19 penalties; establishing fees; appropriating money; amending Minnesota Statutes
1.20 2012, sections 3.099, subdivision 1; 3.855, subdivision 3; 13.591, subdivision
1.21 3; 15A.0815, subdivisions 1, 2, 3, 5; 15A.082, subdivision 2; 16A.82; 16C.02,
1.22 subdivision 13; 16C.06, subdivision 2; 16C.09; 16C.10, subdivision 6; 16C.145;
1.23 16C.33, subdivision 3; 16C.34, subdivision 1; 16E.07, by adding a subdivision;
1.24 32C.04; 43A.17, subdivisions 1, 3; 65B.84, subdivision 1; 154.001, by adding a
1.25 subdivision; 154.003; 154.02; 154.05; 154.06; 154.065, subdivision 2; 154.07,
1.26 subdivision 1; 154.08; 154.09; 154.10, subdivision 1; 154.11, subdivision 1;
1.27 154.12; 154.14; 154.15, subdivision 2; 154.26; 155A.23, subdivision 3; 155A.25,
1.28 subdivisions 1a, 4; 155A.27, subdivisions 4, 7, 10; 155A.29, subdivision 2;
1.29 155A.30, subdivision 1, by adding subdivisions; 192.26; 197.608, subdivisions
1.30 1, 3, 4, 5, 6; 197.791, subdivisions 4, 5; 254A.035, subdivision 2; 254A.04;
1.31 256B.093, subdivision 1; 260.835, subdivision 2; 270C.69, subdivision 1;
1.32 289A.20, subdivisions 2, 4; 289A.26, subdivision 2a; 295.55, subdivision
1.33 4; 297F.09, subdivision 7; 297G.09, subdivision 6; 297I.30, by adding a
1.34 subdivision; 297I.35, subdivision 2; 326A.04, subdivisions 2, 3, 5, 7; 326A.10;
1.35 469.3201; 473.843, subdivision 3; Laws 2012, chapter 278, article 1, section 5;
1.36 article 2, sections 27; 34; proposing coding for new law in Minnesota Statutes,
1.37 chapters 4; 5; 5B; 6; 16E; 154; 155A; 198; 297I; repealing Minnesota Statutes
1.38 2012, sections 3D.01; 3D.02; 3D.03; 3D.04; 3D.045; 3D.05; 3D.06; 3D.065;
1.39 3D.07; 3D.08; 3D.09; 3D.10; 3D.11; 3D.12; 3D.13; 3D.14; 3D.15; 3D.16; 3D.17;
1.40 3D.18; 3D.19; 3D.20; 3D.21, subdivisions 2, 3, 4, 5, 6, 7, 8; 43A.17, subdivision
1.41 4; 155A.25, subdivision 1; 168A.40, subdivisions 3, 4; 197.608, subdivision 2a;
1.42 270C.145; 326A.03, subdivisions 2, 5, 8; Laws 2012, chapter 278, article 1,
1.43 section 6; Minnesota Rules, parts 1105.0600; 1105.2550; 1105.2700.

May 19, 2013

2.1
2.2 The Honorable Sandra L. Pappas
2.3 President of the Senate

2.4 The Honorable Paul Thissen
2.5 Speaker of the House of Representatives

2.6 We, the undersigned conferees for S.F. No. 1589 report that we have agreed upon
2.7 the items in dispute and recommend as follows:

2.8 That the House recede from its amendments and that S.F. No. 1589 be further
2.9 amended as follows:

2.10 Delete everything after the enacting clause and insert:

2.11 **"ARTICLE 1**

2.12 **STATE GOVERNMENT APPROPRIATIONS**

2.13 Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

2.14 The sums shown in the columns marked "Appropriations" are appropriated to the
2.15 agencies and for the purposes specified in this article. The appropriations are from the
2.16 general fund, or another named fund, and are available for the fiscal years indicated
2.17 for each purpose. The figures "2014" and "2015" used in this article mean that the
2.18 appropriations listed under them are available for the fiscal year ending June 30, 2014, or
2.19 June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal
2.20 year 2015. "The biennium" is fiscal years 2014 and 2015.

2.21 **APPROPRIATIONS**
2.22 **Available for the Year**
2.23 **Ending June 30**
2.24 **2014 2015**

2.25 Sec. 2. **LEGISLATURE**

2.26 Subdivision 1. Total Appropriation \$ **69,470,000** \$ **68,970,000**

2.27 Appropriations by Fund

2.28		<u>2014</u>	<u>2015</u>
2.29	<u>General</u>	<u>69,342,000</u>	<u>68,842,000</u>
2.30	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

2.31 The amounts that may be spent for each
2.32 purpose are specified in the following
2.33 subdivisions.

2.34	<u>Subd. 2. Senate</u>	<u>23,133,000</u>	<u>22,633,000</u>
2.35	<u>Subd. 3. House of Representatives</u>	<u>30,524,000</u>	<u>30,524,000</u>

3.1 During the biennium ending June 30, 2015,
 3.2 any revenues received by the house of
 3.3 representatives from voluntary donations
 3.4 to support broadcast or print media are
 3.5 appropriated to the house of representatives.

3.6 **Subd. 4. Legislative Coordinating Commission** 15,813,000 15,813,000

3.7	<u>Appropriations by Fund</u>		
3.8	<u>General</u>	<u>15,685,000</u>	<u>15,685,000</u>
3.9	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

3.10 From its funds, \$10,000 each year is for
 3.11 purposes of the legislators' forum, through
 3.12 which Minnesota legislators meet with
 3.13 counterparts from South Dakota, North
 3.14 Dakota, and Manitoba to discuss issues of
 3.15 mutual concern.

3.16 The Legislative Coordinating Commission
 3.17 is authorized to enter into an agreement
 3.18 with the National Conference of State
 3.19 Legislatures to provide the organization up to
 3.20 \$100,000 of its funds to support activities in
 3.21 preparation for the annual conference to be
 3.22 held in Minnesota in 2014. It is anticipated
 3.23 that these funds will be returned to the
 3.24 Legislative Coordinating Commission, and
 3.25 are reappropriated to the commission.

3.26 **Sec. 3. GOVERNOR AND LIEUTENANT**
 3.27 **GOVERNOR** **\$** **3,353,000** **\$** **3,353,000**

3.28 (a) This appropriation is to fund the Office of
 3.29 the Governor and Lieutenant Governor.

3.30 (b) \$19,000 the first year and \$19,000 the
 3.31 second year are for necessary expenses in the
 3.32 normal performance of the Governor's and
 3.33 Lieutenant Governor's duties for which no
 3.34 other reimbursement is provided.

5.1 is appropriated for the purposes and uses
 5.2 authorized by federal law.

5.3 **Redistricting Case.** \$355,000 the first year
 5.4 is appropriated to the secretary of state to
 5.5 be used to pay attorney fees as ordered by
 5.6 the court in the legislative and congressional
 5.7 redistricting case Hippert et al. v. Ritchie
 5.8 et al., A11-152, and interest thereon. This
 5.9 appropriation is available for expenditure the
 5.10 day following final enactment.

5.11 **Sec. 7. CAMPAIGN FINANCE AND PUBLIC**
 5.12 **DISCLOSURE BOARD** \$ **1,000,000** \$ **1,000,000**

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

5.14 **Sec. 9. ADMINISTRATIVE HEARINGS** \$ **7,732,000** \$ **7,506,000**

<u>Appropriations by Fund</u>		
	<u>2014</u>	<u>2015</u>
5.16 <u>General</u>	<u>482,000</u>	<u>256,000</u>
5.17 <u>Workers'</u>		
5.18 <u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

5.20 **Campaign Violations Hearings. (a)**
 5.21 \$130,000 the first year is appropriated from
 5.22 the general fund for the cost of considering
 5.23 complaints filed under Minnesota Statutes,
 5.24 section 211B.32. Any amount of this
 5.25 appropriation that remains unspent at the
 5.26 end of the biennium must be canceled to
 5.27 the general account of the state elections
 5.28 campaign fund. The base for fiscal year 2016
 5.29 is \$130,000, to be available for the biennium,
 5.30 under the same terms.

5.31 (b) \$60,000 the first year is appropriated
 5.32 from the general fund to cover the fiscal year
 5.33 2013 costs of campaign violations hearings.
 5.34 This is a onetime appropriation.

6.1 **Data Practices Hearings.** \$36,000 the first
 6.2 year is appropriated from the general fund
 6.3 to cover the fiscal year 2013 costs for data
 6.4 practices hearings.

6.5 Sec. 10. OFFICE OF ENTERPRISE
 6.6 TECHNOLOGY \$ 2,431,000 \$ 2,431,000

6.7 During the biennium ending June 30, 2015,
 6.8 the Office of Enterprise Technology must
 6.9 not charge fees to a public noncommercial
 6.10 educational television broadcast station
 6.11 eligible for funding under Minnesota
 6.12 Statutes, chapter 129D, for access to the
 6.13 state broadcast infrastructure. If the access
 6.14 fees not charged to public noncommercial
 6.15 educational television broadcast stations total
 6.16 more than \$400,000 for the biennium, the
 6.17 office may charge for access fees in excess
 6.18 of these amounts.

6.19 The commissioner of Minnesota management
 6.20 and budget is authorized to provide cash
 6.21 flow assistance of up to \$110,000,000 from
 6.22 the special revenue fund or other statutory
 6.23 general funds as defined in Minnesota
 6.24 Statutes, section 16A.671, subdivision 3,
 6.25 paragraph (a), to the Office of Enterprise
 6.26 Technology for the purpose of managing
 6.27 revenue and expenditure differences during
 6.28 the initial phases of IT consolidation. These
 6.29 funds shall be repaid with interest by June
 6.30 30, 2015.

6.31 Sec. 11. ADMINISTRATION
 6.32 Subdivision 1. Total Appropriation \$ 20,532,000 \$ 20,202,000

7.1 The amounts that may be spent for each
 7.2 purpose are specified in the following
 7.3 subdivisions.

7.4 **Subd. 2. Government and Citizen Services** 7,698,000 7,668,000

7.5 \$74,000 the first year and \$74,000 the second
 7.6 year are for the Council on Developmental
 7.7 Disabilities.

7.8 **Nellie Stone Johnson bust or statue.**

7.9 \$30,000 is to place a bust or statue of Nellie
 7.10 Stone Johnson in the State Capitol Building.

7.11 This appropriation is contingent on receipt of
 7.12 an equal nonstate match. The commissioner
 7.13 must follow the process in Minnesota
 7.14 Statutes, sections 138.67 to 138.70, in the
 7.15 acquisition and placement of the bust or
 7.16 statue. This appropriation is available until
 7.17 expended.

7.18 **Subd. 3. Strategic Management Services** 1,757,000 1,757,000

7.19 **Subd. 4. Fiscal Agent** 11,077,000 10,777,000

7.20 The appropriations under this section are to
 7.21 the commissioner of administration for the
 7.22 purposes specified.

7.23 **In-Lieu of Rent.** \$8,158,000 the first year
 7.24 and \$8,158,000 the second year are for
 7.25 space costs of the legislature and veterans
 7.26 organizations, ceremonial space, and
 7.27 statutorily free space.

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

7.31 (b) \$250,000 the first year and \$250,000
 7.32 the second year are for public television
 7.33 equipment grants.

8.1 (c) The equipment or matching grants in
 8.2 paragraphs (a) and (b) must be allocated
 8.3 after considering the recommendations of the
 8.4 Minnesota Public Television Association.

8.5 (d) \$392,000 the first year and \$392,000 the
 8.6 second year are for community service grants
 8.7 to public educational radio stations. This
 8.8 appropriation may be used to disseminate
 8.9 emergency information in foreign languages.

8.10 (e) \$117,000 the first year and \$117,000
 8.11 the second year are for equipment grants
 8.12 to public educational radio stations. This
 8.13 appropriation may be used for the repair,
 8.14 rental, and purchase of equipment including
 8.15 equipment under \$500.

8.16 (f) The grants in paragraphs (d) and (e)
 8.17 must be allocated after considering the
 8.18 recommendations of the Association of
 8.19 Minnesota Public Education Radio Stations
 8.20 under Minnesota Statutes, section 129D.14.

8.21 (g) \$610,000 the first year and \$310,000
 8.22 the second year are for equipment grants
 8.23 to Minnesota Public Radio, Inc., including
 8.24 upgrades to Minnesota's Emergency Alert
 8.25 and AMBER Alert Systems.

8.26 (h) Any unencumbered balance remaining
 8.27 the first year for grants to public television or
 8.28 radio stations does not cancel and is available
 8.29 for the second year.

8.30 **Sec. 12. CAPITOL AREA**
 8.31 **ARCHITECTURAL AND PLANNING**
 8.32 **BOARD**

<u>\$</u>	<u>335,000</u>	<u>\$</u>	<u>335,000</u>
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8.33 **Sec. 13. MINNESOTA MANAGEMENT AND**
 8.34 **BUDGET**

<u>\$</u>	<u>28,144,000</u>	<u>\$</u>	<u>20,369,000</u>
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10.1 and shall determine the form and content of
 10.2 the application or agreement.

10.3 (b) \$300,000 is appropriated to the
 10.4 commissioner from the general fund in fiscal
 10.5 year 2014 to make grants to counties as
 10.6 provided in this section. This appropriation
 10.7 is available for fiscal years 2014 and 2015
 10.8 only, and does not become part of the base.

10.9 **Appropriation; Taxpayer Assistance.** (a)
 10.10 \$200,000 in fiscal year 2014, and \$200,000
 10.11 in fiscal year 2015, are added to the base
 10.12 appropriation of \$200,000 each year. These
 10.13 amounts are appropriated from the general
 10.14 fund to the commissioner of revenue to
 10.15 make grants to one or more nonprofit
 10.16 organizations, qualifying under section
 10.17 501(c)(3) of the Internal Revenue Code of
 10.18 1986, to coordinate, facilitate, encourage, and
 10.19 aid in the provision of taxpayer assistance
 10.20 services. The unencumbered balance in the
 10.21 first year does not cancel but is available for
 10.22 the second year.

10.23 (b) For purposes of this section, "taxpayer
 10.24 assistance services" means accounting
 10.25 and tax preparation services provided by
 10.26 volunteers to low-income, elderly, and
 10.27 disadvantaged Minnesota residents to help
 10.28 them file federal and state income tax returns
 10.29 and Minnesota property tax refund claims
 10.30 and to provide personal representation before
 10.31 the Department of Revenue and Internal
 10.32 Revenue Service.

10.33	<u>Subd. 3. Debt Collection Management</u>	<u>28,616,000</u>	<u>28,616,000</u>
10.34	Sec. 15. <u>GAMBLING CONTROL</u>	\$ <u>3,959,000</u>	\$ <u>3,959,000</u>

12.1 may not charge a fee for its general tours at
 12.2 the Capitol, but may charge fees for special
 12.3 programs other than general tours.

12.4 **Subd. 3. Fiscal Agent**

12.5	<u>(a) Minnesota International Center</u>	<u>39,000</u>	<u>39,000</u>
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12.6	<u>(b) Minnesota Air National Guard Museum</u>	<u>34,000</u>	<u>-0-</u>
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12.7	<u>(c) Minnesota Military Museum</u>	<u>160,000</u>	<u>60,000</u>
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12.8 Of this amount, \$60,000 each year is for an
 12.9 archivist staff position. The base for fiscal
 12.10 year 2016 is \$100,000.

12.11	<u>(d) Farmamerica</u>	<u>115,000</u>	<u>115,000</u>
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12.12	<u>(e) Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>
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12.13 **Balances Forward.** Any unencumbered
 12.14 balance remaining in this subdivision the first
 12.15 year does not cancel but is available for the
 12.16 second year of the biennium.

12.17 **Sec. 24. BOARD OF THE ARTS**

12.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>7,514,000</u>	<u>\$</u>	<u>7,514,000</u>
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12.19 The amounts that may be spent for each
 12.20 purpose are specified in the following
 12.21 subdivisions.

12.22	<u>Subd. 2. Operations and Services</u>	<u>575,000</u>	<u>575,000</u>
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12.23	<u>Subd. 3. Grants Program</u>	<u>4,800,000</u>	<u>4,800,000</u>
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12.24	<u>Subd. 4. Regional Arts Councils</u>	<u>2,139,000</u>	<u>2,139,000</u>
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12.25 **Unencumbered Balance Available.** Any
 12.26 unencumbered balance remaining in this
 12.27 section the first year does not cancel, but is
 12.28 available for the second year of the biennium.

12.29 **Projects located in Minnesota; travel**
 12.30 **restriction.** Money appropriated in this
 12.31 section and distributed as grants may only

13.1 be spent on projects located in Minnesota.
 13.2 A recipient of a grant funded by an
 13.3 appropriation in this section must not use
 13.4 more than ten percent of the total grant for
 13.5 costs related to travel outside the state of
 13.6 Minnesota.

13.7 **Sec. 25. MINNESOTA HUMANITIES**
 13.8 **CENTER** **\$ 291,000 \$ 251,000**

13.9 \$40,000 the first year is for a grant to
 13.10 Everybody Wins!-Minnesota, a Minnesota
 13.11 501(c)(3) corporation, to operate a reading
 13.12 program for Minnesota children.

13.13 **Sec. 26. SCIENCE MUSEUM OF**
 13.14 **MINNESOTA** **\$ 1,079,000 \$ 1,079,000**

13.15 **Sec. 27. GENERAL CONTINGENT**
 13.16 **ACCOUNTS** **\$ 1,000,000 \$ 500,000**

	<u>Appropriations by Fund</u>	
	<u>2014</u>	<u>2015</u>
13.17 <u>General</u>	<u>500,000</u>	<u>-0-</u>
13.18 <u>State Government</u>		
13.19 <u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
13.20 <u>Workers'</u>		
13.21 <u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

13.24 (a) The appropriations in this section
 13.25 may only be spent with the approval of
 13.26 the governor after consultation with the
 13.27 Legislative Advisory Commission pursuant
 13.28 to Minnesota Statutes, section 3.30.

13.29 (b) If an appropriation in this section for
 13.30 either year is insufficient, the appropriation
 13.31 for the other year is available for it.

13.32 (c) If a contingent account appropriation
 13.33 is made in one fiscal year, it should be
 13.34 considered a biennial appropriation.

14.1	Sec. 28. <u>TORT CLAIMS</u>	<u>\$</u>	<u>161,000</u>	<u>\$</u>	<u>161,000</u>
14.2	<u>These appropriations are to be spent by the</u>				
14.3	<u>commissioner of management and budget</u>				
14.4	<u>according to Minnesota Statutes, section</u>				
14.5	<u>3.736, subdivision 7. If the appropriation for</u>				
14.6	<u>either year is insufficient, the appropriation</u>				
14.7	<u>for the other year is available for it.</u>				
14.8	Sec. 29. <u>MINNESOTA STATE RETIREMENT</u>				
14.9	<u>SYSTEM</u>				
14.10	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>3,891,000</u>	<u>\$</u>	<u>3,964,000</u>
14.11	<u>The amounts that may be spent for each</u>				
14.12	<u>purpose are specified in the following</u>				
14.13	<u>subdivisions.</u>				
14.14	Subd. 2. <u>Legislators</u>		<u>3,406,000</u>		<u>3,475,000</u>
14.15	<u>Under Minnesota Statutes, sections 3A.03,</u>				
14.16	<u>subdivision 2; 3A.04, subdivisions 3 and 4;</u>				
14.17	<u>and 3A.115.</u>				
14.18	Subd. 3. <u>Constitutional Officers</u>		<u>485,000</u>		<u>489,000</u>
14.19	<u>Under Minnesota Statutes, section 352C.001,</u>				
14.20	<u>if an appropriation in this section for either</u>				
14.21	<u>year is insufficient, the appropriation for the</u>				
14.22	<u>other year is available for it.</u>				
14.23	Sec. 30. <u>MINNEAPOLIS EMPLOYEES</u>				
14.24	<u>RETIREMENT FUND DIVISION ACCOUNT</u>	<u>\$</u>	<u>24,000,000</u>	<u>\$</u>	<u>24,000,000</u>
14.25	<u>These amounts are estimated to be needed</u>				
14.26	<u>under Minnesota Statutes, section 353.505.</u>				
14.27	Sec. 31. <u>TEACHERS RETIREMENT</u>				
14.28	<u>ASSOCIATION</u>	<u>\$</u>	<u>15,454,000</u>	<u>\$</u>	<u>15,454,000</u>
14.29	<u>The amounts estimated to be needed are as</u>				
14.30	<u>follows:</u>				
14.31	<u>Special Direct State Aid.</u> \$12,954,000 the				
14.32	<u>first year and \$12,954,000 the second year</u>				

15.1 are for special direct state aid authorized
 15.2 under Minnesota Statutes, section 354A.12,
 15.3 subdivisions 3a and 3c.

15.4 **Special Direct State Matching Aid.**

15.5 \$2,500,000 the first year and \$2,500,000
 15.6 the second year are for special direct state
 15.7 matching aid authorized under Minnesota
 15.8 Statutes, section 354.435.

15.9 **Sec. 32. ST. PAUL TEACHERS**
 15.10 **RETIREMENT FUND** **\$ 2,827,000 \$ 2,827,000**

15.11 The amounts estimated to be needed for
 15.12 special direct state aid to first class city
 15.13 teachers retirement funds authorized under
 15.14 Minnesota Statutes, section 354A.12,
 15.15 subdivisions 3a and 3c.

15.16 **Sec. 33. DULUTH TEACHERS**
 15.17 **RETIREMENT FUND** **\$ 346,000 \$ 346,000**

15.18 The amounts estimated to be needed for
 15.19 special direct state aid to first class city
 15.20 teachers retirement funds authorized under
 15.21 Minnesota Statutes, section 354A.12,
 15.22 subdivisions 3a and 3c.

15.23 **Sec. 34. MILITARY AFFAIRS**
 15.24 **Subdivision 1. Total Appropriation** **\$ 19,368,000 \$ 19,368,000**

15.25 The amounts that may be spent for each
 15.26 purpose are specified in the following
 15.27 subdivisions.

15.28 **Subd. 2. Maintenance of Training Facilities** **6,661,000 6,661,000**

15.29 **Subd. 3. General Support** **2,359,000 2,359,000**

15.30 **Subd. 4. Enlistment Incentives** **10,348,000 10,348,000**

15.31 If appropriations for either year of the
 15.32 biennium are insufficient, the appropriation

16.1 from the other year is available. The
 16.2 appropriations for enlistment incentives are
 16.3 available until expended.

16.4 Sec. 35. **VETERANS AFFAIRS**

16.5 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>63,508,000</u>	<u>\$</u>	<u>62,753,000</u>
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16.6 The amounts that may be spent for each
 16.7 purpose are specified in the following
 16.8 subdivisions.

16.9 <u>Subd. 2. Veterans Services</u>		<u>16,051,000</u>		<u>16,240,000</u>
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16.10 **Veterans Service Organizations. \$353,000**

16.11 each year is for grants to the following
 16.12 congressionally chartered veterans service
 16.13 organizations, as designated by the
 16.14 commissioner: Disabled American Veterans,
 16.15 Military Order of the Purple Heart, the
 16.16 American Legion, Veterans of Foreign Wars,
 16.17 Vietnam Veterans of America, AMVETS,
 16.18 and Paralyzed Veterans of America. This
 16.19 funding must be allocated in direct proportion
 16.20 to the funding currently being provided by
 16.21 the commissioner to these organizations.

16.22 **Minnesota Assistance Council for**

16.23 **Veterans. \$750,000 each year is for a grant**
 16.24 to the Minnesota Assistance Council for
 16.25 Veterans to provide assistance throughout
 16.26 Minnesota to veterans and their families who
 16.27 are homeless or in danger of homelessness,
 16.28 including assistance with the following:

16.29 (1) utilities;

16.30 (2) employment; and

16.31 (3) legal issues.

16.32 The assistance authorized under this
 16.33 paragraph must be made only to veterans who

17.1 have resided in Minnesota for 30 days prior
17.2 to application for assistance and according
17.3 to other guidelines established by the
17.4 commissioner. In order to avoid duplication
17.5 of services, the commissioner must ensure
17.6 that this assistance is coordinated with all
17.7 other available programs for veterans.

17.8 **IT Upgrades.** \$618,000 in fiscal year 2014
17.9 and \$382,000 in fiscal year 2015 are to
17.10 improve and modernize the department's
17.11 information technology systems. These
17.12 funds shall be transferred to the Office of
17.13 Enterprise Technology. This is a onetime
17.14 transfer and is available until spent.

17.15 **Veterans Cemetery in Fillmore County.**
17.16 \$425,000 in fiscal year 2015 is for operation
17.17 of the new veterans cemetery in Fillmore
17.18 County. This amount is added to the
17.19 program's base funding.

17.20 **Honor Guards.** \$200,000 each year is
17.21 for compensation for honor guards at
17.22 the funerals of veterans under Minnesota
17.23 Statutes, section 197.231. This amount is
17.24 added to the program's base funding.

17.25 **Minnesota GI Bill.** \$200,000 each year is
17.26 for the costs of administering the Minnesota
17.27 GI Bill postsecondary educational benefits,
17.28 on-the-job training, and apprenticeship
17.29 program under Minnesota Statutes, section
17.30 197.791. Of this amount, \$100,000 is for
17.31 transfer to the Office of Higher Education.

17.32 **Gold Star Program.** \$100,000 each year
17.33 is for administering the Gold Star Program
17.34 for surviving family members of deceased

18.1 veterans. This amount is added to the
18.2 program's base funding.

18.3 **County Veterans Service Office.**

18.4 \$1,100,000 each year is for funding the
18.5 County Veterans Service Office grant
18.6 program under Minnesota Statutes, section
18.7 197.608.

18.8 **Veterans Paramedic Apprenticeship**

18.9 **Program.** All unspent funds, estimated to
18.10 be \$110,000, from the Veterans Paramedic
18.11 Apprenticeship Program, from the onetime
18.12 appropriation under Laws 2009, chapter 79,
18.13 article 13, section 7, are canceled to the
18.14 general fund on July 1, 2013.

18.15 **Subd. 3. Veterans Homes** 47,457,000 46,513,000

18.16 **Veterans Homes Special Revenue Account.**

18.17 The general fund appropriations made to the
18.18 department may be transferred to a veterans
18.19 homes special revenue account in the special
18.20 revenue fund in the same manner as other
18.21 receipts are deposited according to Minnesota
18.22 Statutes, section 198.34, and are appropriated
18.23 to the department for the operation of
18.24 veterans homes facilities and programs.

18.25 **IT Upgrades.** \$2,472,000 in fiscal year 2014
18.26 and \$1,528,000 in fiscal year 2015 are to
18.27 improve and modernize the department's
18.28 information technology systems. These
18.29 funds shall be transferred to the Office of
18.30 Enterprise Technology. This is a onetime
18.31 transfer and is available until spent.

18.32 **Maximize Federal Reimbursements.**

18.33 The department will seek opportunities
18.34 to maximize federal reimbursements of

19.1 Medicare-eligible expenses and will provide
19.2 annual reports to the commissioner of
19.3 management and budget on the federal
19.4 Medicare reimbursements received.
19.5 Contingent upon future federal Medicare
19.6 receipts, reductions to the homes' general
19.7 fund appropriation may be made.

19.8 **ARTICLE 2**

19.9 **MINNESOTA SUNSET ACT**

19.10 Section 1. Minnesota Statutes 2012, section 3.885, is amended by adding a subdivision
19.11 to read:

19.12 Subd. 11. **Review of advisory groups.** (a) By September 1 of each odd-numbered
19.13 year, the commission shall compile a list of executive branch advisory groups created in
19.14 statute. The commission may develop a schedule for review of advisory groups, or may
19.15 select particular groups for review. By December 31 of each odd-numbered year, the
19.16 commission may make recommendations on the continuing need for certain advisory
19.17 groups, and on any changes in laws governing a group that are needed to improve the
19.18 group's efficiency and effectiveness.

19.19 (b) In conducting reviews of executive branch advisory groups, the commission
19.20 shall consider:

19.21 (1) the mission of each group, and the extent to which the mission has been satisfied;

19.22 (2) the extent to which each advisory group is effective in allowing persons
19.23 interested in the program or activity for which the group provides advice to have input
19.24 into the operations of the state agency implementing the program or activity;

19.25 (3) the extent to which the existence of the advisory group provides state agencies
19.26 with an efficient and effective means of obtaining expert advice and opinions;

19.27 (4) whether there are more efficient and effective methods of accomplishing the
19.28 mission of the advisory group; and

19.29 (5) whether the work of the advisory group overlaps or duplicates the work of
19.30 other groups.

19.31 Sec. 2. Minnesota Statutes 2012, section 254A.035, subdivision 2, is amended to read:

19.32 **Subd. 2. Membership terms, compensation, removal and expiration.** The
19.33 membership of this council shall be composed of 17 persons who are American Indians
19.34 and who are appointed by the commissioner. The commissioner shall appoint one

20.1 representative from each of the following groups: Red Lake Band of Chippewa Indians;
20.2 Fond du Lac Band, Minnesota Chippewa Tribe; Grand Portage Band, Minnesota
20.3 Chippewa Tribe; Leech Lake Band, Minnesota Chippewa Tribe; Mille Lacs Band,
20.4 Minnesota Chippewa Tribe; Bois Forte Band, Minnesota Chippewa Tribe; White Earth
20.5 Band, Minnesota Chippewa Tribe; Lower Sioux Indian Reservation; Prairie Island Sioux
20.6 Indian Reservation; Shakopee Mdewakanton Sioux Indian Reservation; Upper Sioux
20.7 Indian Reservation; International Falls Northern Range; Duluth Urban Indian Community;
20.8 and two representatives from the Minneapolis Urban Indian Community and two from the
20.9 St. Paul Urban Indian Community. The terms, compensation, and removal of American
20.10 Indian Advisory Council members shall be as provided in section 15.059. The council
20.11 expires June 30, 2014, ~~or in accordance with section 3D.21, whichever is later.~~

20.12 Sec. 3. Minnesota Statutes 2012, section 254A.04, is amended to read:

20.13 **254A.04 CITIZENS ADVISORY COUNCIL.**

20.14 There is hereby created an Alcohol and Other Drug Abuse Advisory Council to
20.15 advise the Department of Human Services concerning the problems of alcohol and
20.16 other drug dependency and abuse, composed of ten members. Five members shall be
20.17 individuals whose interests or training are in the field of alcohol dependency and abuse;
20.18 and five members whose interests or training are in the field of dependency and abuse of
20.19 drugs other than alcohol. The terms, compensation and removal of members shall be as
20.20 provided in section 15.059. The council expires June 30, 2014, ~~or in accordance with~~
20.21 ~~section 3D.21, whichever is later.~~ The commissioner of human services shall appoint
20.22 members whose terms end in even-numbered years. The commissioner of health shall
20.23 appoint members whose terms end in odd-numbered years.

20.24 Sec. 4. Minnesota Statutes 2012, section 256B.093, subdivision 1, is amended to read:

20.25 Subdivision 1. **State traumatic brain injury program.** The commissioner of
20.26 human services shall:

20.27 (1) maintain a statewide traumatic brain injury program;

20.28 (2) supervise and coordinate services and policies for persons with traumatic brain
20.29 injuries;

20.30 (3) contract with qualified agencies or employ staff to provide statewide
20.31 administrative case management and consultation;

20.32 (4) maintain an advisory committee to provide recommendations in reports to the
20.33 commissioner regarding program and service needs of persons with brain injuries;

21.1 (5) investigate the need for the development of rules or statutes for the brain injury
21.2 home and community-based services waiver;

21.3 (6) investigate present and potential models of service coordination which can be
21.4 delivered at the local level; and

21.5 (7) the advisory committee required by clause (4) must consist of no fewer than ten
21.6 members and no more than 30 members. The commissioner shall appoint all advisory
21.7 committee members to one- or two-year terms and appoint one member as chair.

21.8 Notwithstanding section 15.059, subdivision 5, the advisory committee does not terminate
21.9 until June 30, 2014, ~~or in accordance with section 3D.21, whichever is later.~~

21.10 Sec. 5. Minnesota Statutes 2012, section 260.835, subdivision 2, is amended to read:

21.11 Subd. 2. **Expiration.** Notwithstanding section 15.059, subdivision 5, the American
21.12 Indian Child Welfare Advisory Council expires June 30, 2014, ~~or in accordance with~~
21.13 ~~section 3D.21, whichever is later.~~

21.14 Sec. 6. Laws 2012, chapter 278, article 1, section 5, is amended to read:

21.15 Sec. 5. **COUNCIL ON BLACK MINNESOTANS.**

21.16 The Office of the Legislative Auditor should conduct a financial audit of the
21.17 Council on Black Minnesotans by December 1, 2013. In its next report to the ~~Sunset~~
21.18 ~~Advisory Commission~~ governor and legislature under Minnesota Statutes, section 3.9225,
21.19 subdivision 7, the Council on Black Minnesotans must respond to any issues raised in this
21.20 audit and to issues raised in previous audits.

21.21 Sec. 7. Laws 2012, chapter 278, article 2, section 27, is amended to read:

21.22 Sec. 27. **HEALTH-RELATED LICENSING BOARDS REPORTING**
21.23 **OBLIGATIONS.**

21.24 (a) By January 15, 2013, the health-related boards and the commissioner of health,
21.25 as the regulator for occupational therapy practitioners, speech-language pathologists,
21.26 audiologists, and hearing instrument dispensers, shall jointly study and submit draft
21.27 legislation to ~~the Sunset Commission~~ and the chairs and ranking minority members of
21.28 the legislative committees with jurisdiction over health and human services developing
21.29 consistent reporting requirements that require institutions, professional societies, other
21.30 licensed professionals, courts, insurers, and other entities to report conduct constituting
21.31 grounds for disciplinary action to the respective regulatory entity. The study and draft
21.32 legislation shall include a self-reporting requirement that requires the licensed individual
21.33 to report to the respective regulatory entity any action that would require a report to be

22.1 filed by another specified entity. The study and draft legislation shall also include penalties
22.2 that may be imposed for failure to report.

22.3 (b) Health-related boards with existing statutory reporting obligations shall
22.4 participate to ensure that the existing reporting requirements are consistent with the
22.5 recommended requirements and draft legislation.

22.6 Sec. 8. Laws 2012, chapter 278, article 2, section 34, is amended to read:

22.7 Sec. 34. **BOARD OF MEDICAL PRACTICE REVIEW.**

22.8 The legislative auditor is requested to conduct a special investigation of the
22.9 Minnesota Board of Medical Practice and its implementation of the Medical Practice
22.10 Act. The legislative auditor is requested to submit the results of the investigation to the
22.11 Legislative Audit Commission, ~~the Sunset Advisory Commission~~, and the chairs and
22.12 ranking minority members of the senate and house of representatives policy committees
22.13 having jurisdiction over the board by January 1, 2013.

22.14 Sec. 9. **REVISOR'S INSTRUCTION.**

22.15 The revisor of statutes shall delete all references to "the Sunset Advisory
22.16 Commission" wherever they appear in Minnesota Statutes, and shall make other changes
22.17 as necessary in Minnesota Statutes as a result of the enactment of this article.

22.18 Sec. 10. **REPEALER.**

22.19 (a) Minnesota Statutes 2012, sections 3D.01; 3D.02; 3D.03; 3D.04; 3D.045; 3D.05;
22.20 3D.06; 3D.065; 3D.07; 3D.08; 3D.09; 3D.10; 3D.11; 3D.12; 3D.13; 3D.14; 3D.15; 3D.16;
22.21 3D.17; 3D.18; 3D.19; 3D.20; and 3D.21, subdivisions 2, 3, 4, 5, 6, 7, and 8, are repealed.

22.22 (b) Laws 2012, chapter 278, article 1, section 6, is repealed.

22.23 Sec. 11. **EFFECTIVE DATE.**

22.24 Sections 1 to 10 are effective the day following final enactment.

22.25 **ARTICLE 3**

22.26 **STATE GOVERNMENT OPERATIONS**

22.27 Section 1. Minnesota Statutes 2012, section 3.30, subdivision 2, is amended to read:

22.28 Subd. 2. **Members; duties.** (a) The majority leader of the senate or a designee, the
22.29 chair of the senate Committee on Finance, and the chair of the senate Division of Finance
22.30 responsible for overseeing the items being considered by the commission, the speaker of
22.31 the house or a designee, the chair of the house of representatives Committee on Ways and

23.1 Means, and the chair of the appropriate finance committee, or division of the house of
23.2 representatives committee responsible for overseeing the items being considered by the
23.3 commissioner, constitute the Legislative Advisory Commission. The division chair of the
23.4 Finance Committee in the senate and the division chair of the appropriate finance committee
23.5 or division in the house of representatives shall rotate according to the items being
23.6 considered by the commission. If any of the members elect not to serve on the commission,
23.7 the house of which they are members, if in session, shall select some other member for
23.8 the vacancy. If the legislature is not in session, vacancies in the house of representatives
23.9 membership of the commission shall be filled by the last speaker of the house or, if the
23.10 speaker is not available, by the last chair of the house of representatives Rules Committee,
23.11 and by the last senate Committee on Committees or other appointing authority designated
23.12 by the senate rules in case of a senate vacancy. The commissioner of management and
23.13 budget shall be secretary of the commission and keep a permanent record and minutes of
23.14 its proceedings, which are public records. The commissioner of management and budget
23.15 shall transmit, under section 3.195, a report to the next legislature of all actions of the
23.16 commission. Members shall receive traveling and subsistence expenses incurred attending
23.17 meetings of the commission. The commission shall meet from time to time upon the call of
23.18 the governor or upon the call of the secretary at the request of two or more of its members.
23.19 A recommendation of the commission must be made at a meeting of the commission
23.20 unless a written recommendation is signed by all the members entitled to vote on the item.

23.21 (b) The chair alternates between a member of the senate and a member of the house
23.22 of representatives in January of each odd-numbered year.

23.23 Sec. 2. Minnesota Statutes 2012, section 3.303, is amended by adding a subdivision to
23.24 read:

23.25 Subd. 11. **Acceptance of grants and gifts.** The commission may accept gifts
23.26 and grants for purposes related to the duties of the commission. Money received by the
23.27 commission from gifts and grants is appropriated to the commission for purposes specified
23.28 in the gift or grant.

23.29 Sec. 3. Minnesota Statutes 2012, section 3.85, subdivision 8, is amended to read:

23.30 Subd. 8. **Expenses, reimbursement.** The members of the commission and its
23.31 assistants ~~staff~~ shall be reimbursed for all expenses actually and necessarily incurred in
23.32 the performance of their duties. Reimbursement for expenses incurred shall be made
23.33 ~~under the rules governing state employees~~ in accordance with policies adopted by the
23.34 Legislative Coordinating Commission.

24.1 Sec. 4. Minnesota Statutes 2012, section 3.85, subdivision 9, is amended to read:

24.2 Subd. 9. **Expenses and reports.** Expenses of the commission shall be approved
24.3 by the chair or another member as the rules of the commission provide. ~~The expenses~~
24.4 ~~shall then be paid like other state expenses. A general summary or statement of expenses~~
24.5 ~~incurred by the commission and paid shall be made to the legislature by November 15 of~~
24.6 ~~each even-numbered year.~~

24.7 Sec. 5. Minnesota Statutes 2012, section 3.971, subdivision 6, is amended to read:

24.8 Subd. 6. **Financial audits.** The legislative auditor shall audit the financial
24.9 statements of the state of Minnesota required by section 16A.50 and, as resources permit,
24.10 ~~shall audit~~ Minnesota State Colleges and Universities, the University of Minnesota, state
24.11 agencies, departments, boards, commissions, offices, courts, and other state organizations
24.12 subject to audit by the legislative auditor, including, but not limited to, the State
24.13 Agricultural Society, Agricultural Utilization Research Institute, Enterprise Minnesota,
24.14 Inc., Minnesota Historical Society, ~~Labor Interpretive Center, Minnesota Partnership~~
24.15 ~~for Action Against Tobacco, Metropolitan Sports Facilities Commission~~ ClearWay
24.16 Minnesota, Minnesota Sports Facilities Authority, Metropolitan Airports Commission, and
24.17 Metropolitan Mosquito Control District. Financial audits must be conducted according to
24.18 generally accepted government auditing standards. The legislative auditor shall see that
24.19 all provisions of law respecting the appropriate and economic use of public funds and
24.20 other public resources are complied with and may, as part of a financial audit or separately,
24.21 investigate allegations of noncompliance.

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

24.23 Sec. 6. Minnesota Statutes 2012, section 3.971, is amended by adding a subdivision to
24.24 read:

24.25 Subd. 6a. **Data security audits.** The legislative auditor shall audit, as resources
24.26 permit, information and data systems supported with public funds and operated by an
24.27 organization listed in subdivision 6. The audits shall include an assessment of controls
24.28 designed to protect government data, particularly government data classified as not
24.29 public by chapter 13, from unauthorized access and use. The audits shall also include an
24.30 assessment of organizations' compliance with other applicable legal requirements related
24.31 to the operation of information and data systems and proper classification and protection
24.32 of the data contained in the systems.

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

25.1 Sec. 7. Minnesota Statutes 2012, section 3.971, is amended by adding a subdivision to
25.2 read:

25.3 Subd. 9. **Obligation to notify the legislative auditor.** The chief executive,
25.4 financial, or information officers of an organization subject to audit under this section,
25.5 must promptly notify the legislative auditor when the officer obtains information
25.6 indicating that public money or other public resources may have been used for an unlawful
25.7 purpose, or when the officer obtains information indicating that government data classified
25.8 by chapter 13 as not public may have been accessed or used unlawfully. As necessary,
25.9 the legislative auditor shall coordinate an investigation of the allegation with appropriate
25.10 law enforcement officials.

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

25.12 Sec. 8. **[5.38] AUTHORITY TO ACCEPT FUNDS.**

25.13 The secretary of state may enter into agreements with a local governmental unit to
25.14 provide a technological service or project to enhance the state's election system. The
25.15 secretary of state and the local governmental unit shall agree to the amount of consideration
25.16 to be paid under the agreement. In addition, the secretary of state may accept federal funds
25.17 for election purposes. If the secretary of state accepts federal funds and the terms of the
25.18 grant do not require the state to maintain its effort, section 3.3005 does not apply. If the
25.19 secretary of state accepts federal funds and the terms of the grant do require the state to
25.20 maintain its effort, section 3.3005 applies. The funds accepted under this section must be
25.21 deposited in accounts in the special revenue fund and are appropriated to the secretary of
25.22 state for the uses authorized by this section. The secretary of state shall report by January
25.23 15 each year to the chair and ranking minority members of the finance committees of the
25.24 house of representatives and the senate with jurisdiction over the secretary of state the total
25.25 amounts received in the preceding calendar year, the sources of those funds, and the uses
25.26 to which those funds were or will be put. For purposes of this section, "local governmental
25.27 unit" means a county, home rule charter or statutory city, town, or school district.

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

25.29 Sec. 9. **[5B.12] AUTHORITY TO ACCEPT FUNDS.**

25.30 Notwithstanding sections 16A.013 to 16A.016, the secretary of state may accept
25.31 funds contributed by individuals and may apply for grants from charitable foundations, to
25.32 be used for the address confidentiality program established in section 5B.03. In addition,
25.33 the secretary of state may apply for grants from the federal government for purposes of the

26.1 address confidentiality program. If the secretary of state accepts federal funds and the terms
26.2 of the grant do not require the state to maintain its effort, section 3.3005 does not apply. If
26.3 the secretary of state accepts federal funds and the terms of the grant do require the state to
26.4 maintain its effort, section 3.3005 applies. The funds accepted under this section must be
26.5 deposited in accounts in the special revenue fund and are appropriated to the secretary of
26.6 state for use in the address confidentiality program. The secretary of state shall report by
26.7 January 15 each year to the chair and ranking minority members of the finance committees
26.8 of the house of representatives and the senate with jurisdiction over the secretary of state the
26.9 total amounts received in the preceding calendar year, the sources of those funds, and the
26.10 uses to which those funds were or will be put. Any contributions from program participants
26.11 must be aggregated, and the names of program participants must not be reported.

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

26.13 Sec. 10. **[6.475] CITY AND TOWN ACCOUNTING SYSTEM SOFTWARE.**

26.14 (a) The state auditor may charge a onetime user fee to cities, towns, and other
26.15 government entities for the development, maintenance, and distribution of the small city
26.16 and town accounting system software. The amount of this fee shall be set by the state
26.17 auditor in consultation with the Minnesota Association of Townships, the League of
26.18 Minnesota Cities, and the Minnesota Association of Small Cities.

26.19 (b) A city and town accounting systems (CTAS) account is established in the special
26.20 revenue fund.

26.21 (c) Amounts received under paragraph (a) shall be credited to the CTAS account in
26.22 the special revenue fund and are appropriated to the state auditor for all costs associated
26.23 with the development, maintenance, and distribution of the small city and town accounting
26.24 system software. If at any time the small city and town accounting system software ceases
26.25 to be offered by the state auditor, any amount remaining in the CTAS account shall be
26.26 equitably refunded to users. The amount of the refund shall be set by the state auditor
26.27 in consultation with the Minnesota Association of Townships, the League of Minnesota
26.28 Cities, and the Minnesota Association of Small Cities, and the account shall be closed.

26.29 Sec. 11. Minnesota Statutes 2012, section 6.48, is amended to read:

26.30 **6.48 EXAMINATION OF COUNTIES; COST, FEES.**

26.31 All the powers and duties conferred and imposed upon the state auditor shall be
26.32 exercised and performed by the state auditor in respect to the offices, institutions, public
26.33 property, and improvements of several counties of the state. At least once in each year,

27.1 if funds and personnel permit, the state auditor may visit, without previous notice, each
 27.2 county and make a thorough examination of all accounts and records relating to the
 27.3 receipt and disbursement of the public funds and the custody of the public funds and
 27.4 other property. If the audit is performed by a private certified public accountant, the state
 27.5 auditor may require additional information from the private certified public accountant as
 27.6 the state auditor deems in the public interest. The state auditor may accept the audit or
 27.7 make additional examinations as the state auditor deems to be in the public interest. The
 27.8 state auditor shall prescribe and install systems of accounts and financial reports that shall
 27.9 be uniform, so far as practicable, for the same class of offices. A copy of the report of
 27.10 such examination shall be filed and be subject to public inspection in the office of the state
 27.11 auditor and another copy in the office of the auditor of the county thus examined. The state
 27.12 auditor may accept the records and audit, or any part thereof, of the Department of Human
 27.13 Services in lieu of examination of the county social welfare funds, if such audit has been
 27.14 made within any period covered by the state auditor's audit of the other records of the
 27.15 county. If any such examination shall disclose malfeasance, misfeasance, or nonfeasance
 27.16 in any office of such county, such report shall be filed with the county attorney of the
 27.17 county, and the county attorney shall institute such civil and criminal proceedings as the
 27.18 law and the protection of the public interests shall require.

27.19 The county receiving any examination shall pay to the ~~state general fund,~~
 27.20 ~~notwithstanding the provisions of section 16A.125,~~ state auditor enterprise fund the total
 27.21 cost and expenses of such examinations, including the salaries paid to the examiners
 27.22 while actually engaged in making such examination. The state auditor on deeming it
 27.23 advisable may bill counties, ~~having a population of 200,000 or over,~~ monthly periodically
 27.24 for services rendered and the officials responsible for approving and paying claims shall
 27.25 cause said bill to be promptly paid. The ~~general~~ state auditor enterprise fund shall be
 27.26 credited with all collections made for any such examinations.

27.27 Sec. 12. Minnesota Statutes 2012, section 6.56, subdivision 2, is amended to read:

27.28 Subd. 2. **Billings by state auditor.** Upon the examination of the books, records,
 27.29 accounts, and affairs of any political subdivision, as provided by law, such political
 27.30 subdivision shall be liable to the state for the total cost and expenses of such examination,
 27.31 including the salaries paid to the examiners while actually engaged in making such
 27.32 examination. The state auditor may bill such political subdivision monthly periodically
 27.33 for service rendered and the officials responsible for approving and paying claims are
 27.34 authorized to pay said bill promptly. Said payments shall be without prejudice to any
 27.35 defense against said claims that may exist or be asserted. The ~~general~~ state auditor

28.1 enterprise fund shall be credited with all collections made for any such examinations,
28.2 including interest payments made pursuant to subdivision 3.

28.3 **Sec. 13. [6.581] STATE AUDITOR ENTERPRISE FUND.**

28.4 Subdivision 1. **State auditor enterprise fund.** A state auditor enterprise fund
28.5 is established in the state treasury. All amounts received for the costs and expenses of
28.6 examinations performed under this chapter shall be credited to the fund. Amounts credited
28.7 to the fund are annually appropriated to the state auditor to pay the costs and expenses
28.8 related to the examinations performed, including, but not limited to, salaries, office
28.9 overhead, equipment, authorized contracts, and other expenses.

28.10 Subd. 2. **Contract with private parties; equipment acquisition.** When full-time
28.11 personnel are not available, the state auditor may contract with a private entity for
28.12 accounting and other technical services. Notwithstanding any law to the contrary, the
28.13 acquisition of equipment may include duplicating equipment to be used in producing the
28.14 reports issued by the Office of the State Auditor.

28.15 Subd. 3. **Schedule of charges.** The state auditor may adjust the schedule of charges
28.16 for the examinations performed so that the charges are sufficient to cover all costs of the
28.17 examinations performed and that the aggregate charges collected are sufficient to pay all
28.18 salaries and other expenses, including the charges for the use of the equipment used in
28.19 connection with the reimbursable examinations performed, and the cost of contracting for
28.20 accounting and other technical services. The schedule of charges shall be based on an
28.21 estimate of the cost of performing reimbursable examinations including, but not limited
28.22 to, salaries, office overhead, equipment, authorized contracts, and other expenses. The
28.23 state auditor may allocate a proportionate part of the total costs to an hourly or daily
28.24 charge for each person or class of persons engaged in the performance of an examination.
28.25 The schedule of charges shall reflect an equitable charge for the expenses incurred in the
28.26 performance of any given examination. The state auditor shall review and adjust the
28.27 schedule of charges for the examinations performed at least annually. All schedules of
28.28 charges must be approved by the commissioner of management and budget before the
28.29 charges are adopted to ensure that the amount collected is sufficient to pay all the costs
28.30 connected with the examinations performed during the fiscal year.

28.31 Subd. 4. **Reports to legislature.** At least 30 days before implementing increased
28.32 charges for examinations, the state auditor must report the proposed increases to the
28.33 chairs and ranking minority members of the committees in the house of representatives
28.34 and the senate with jurisdiction over the budget of the state auditor. By January 15 of
28.35 each odd-numbered year, the state auditor must report to the chairs and ranking minority

29.1 members of the legislative committees and divisions with primary jurisdiction over
29.2 the budget of the state auditor, a summary of state auditor enterprise fund anticipated
29.3 revenues, and expenditures for the biennium ending June 30 of that year. The report
29.4 must also include for the biennium the number of full-time equivalents paid by the fund,
29.5 any audit rate changes stated as a percentage, the number of audit reports issued, and
29.6 the number of counties audited.

29.7 Sec. 14. Minnesota Statutes 2012, section 13.591, subdivision 3, is amended to read:

29.8 Subd. 3. **Business as vendor.** (a) Data submitted by a business to a government
29.9 entity in response to a request for bids as defined in section 16C.02, subdivision 11, are
29.10 private or nonpublic until ~~the bids are opened. Once the bids are opened,~~ the time and date
29.11 specified in the solicitation that bids are due, at which time the name of the bidder and the
29.12 dollar amount specified in the response are read and become public. All other data in a
29.13 bidder's response to a bid are private or nonpublic data until completion of the selection
29.14 process. For purposes of this section, "completion of the selection process" means that
29.15 the government entity has completed its evaluation and has ranked the responses. After a
29.16 government entity has completed the selection process, all remaining data submitted by
29.17 all bidders are public with the exception of trade secret data as defined and classified in
29.18 section 13.37. A statement by a bidder that submitted data are copyrighted or otherwise
29.19 protected does not prevent public access to the data contained in the bid.

29.20 If all responses to a request for bids are rejected prior to completion of the selection
29.21 process, all data, other than ~~that made public at the bid opening~~ the name of the bidder
29.22 and the dollar amount specified in the response, remain private or nonpublic until a
29.23 resolicitation of bids results in completion of the selection process or a determination is
29.24 made to abandon the purchase. If the rejection occurs after the completion of the selection
29.25 process, the data remain public. If a resolicitation of bids does not occur within one year
29.26 of the bid opening date, the remaining data become public.

29.27 (b) Data submitted by a business to a government entity in response to a request
29.28 for proposal, as defined in section 16C.02, subdivision 12, are private or nonpublic until
29.29 ~~the responses are opened. Once the responses are opened,~~ the time and date specified in
29.30 the solicitation that proposals are due, at which time the name of the responder is read
29.31 and becomes public. All other data in a responder's response to a request for proposal are
29.32 private or nonpublic data until completion of the evaluation process. For purposes of this
29.33 section, "completion of the evaluation process" means that the government entity has
29.34 completed negotiating the contract with the selected vendor. After a government entity
29.35 has completed the evaluation process, all remaining data submitted by all responders are

30.1 public with the exception of trade secret data as defined and classified in section 13.37. A
30.2 statement by a responder that submitted data are copyrighted or otherwise protected does
30.3 not prevent public access to the data contained in the response.

30.4 If all responses to a request for proposal are rejected prior to completion of the
30.5 evaluation process, all data, other than ~~that made public at the response opening,~~ the
30.6 names of the responders, remain private or nonpublic until a resolicitation of the requests
30.7 for proposal results in completion of the evaluation process or a determination is made
30.8 to abandon the purchase. If the rejection occurs after the completion of the evaluation
30.9 process, the data remain public. If a resolicitation of proposals does not occur within one
30.10 year of the proposal opening date, the remaining data become public.

30.11 Sec. 15. Minnesota Statutes 2012, section 16A.10, subdivision 1c, is amended to read:

30.12 Subd. 1c. **Performance measures for change items.** For each change item in the
30.13 budget proposal requesting new or increased funding, the budget document must present
30.14 proposed performance measures that can be used to determine if the new or increased
30.15 funding is accomplishing its goals. To the extent possible, each budget change item
30.16 must identify relevant ~~Minnesota Milestones and other~~ statewide goals and indicators
30.17 related to the proposed initiative. ~~The commissioner must report to the Subcommittee on~~
30.18 ~~Government Accountability established under section 3.885, subdivision 10, regarding the~~
30.19 ~~format to be used for the presentation and selection of Minnesota Milestones and other~~
30.20 ~~statewide goals and indicators.~~

30.21 Sec. 16. Minnesota Statutes 2012, section 16C.02, subdivision 13, is amended to read:

30.22 Subd. 13. **Resident vendor.** "Resident vendor" means a person, firm, or corporation
30.23 that:

30.24 (1) is authorized to conduct business in the state of Minnesota on the date a
30.25 solicitation for a contract is first advertised or announced. It includes a foreign corporation
30.26 duly authorized to engage in business in Minnesota;

30.27 (2) has paid unemployment taxes or income taxes in this state during the 12 calendar
30.28 months immediately preceding submission of the bid or proposal for which any preference
30.29 is sought;

30.30 (3) has a business address in the state; and

30.31 (4) has affirmatively claimed that status in the bid or proposal submission.

30.32 Sec. 17. Minnesota Statutes 2012, section 16C.06, subdivision 2, is amended to read:

31.1 Subd. 2. **Solicitation process.** (a) A formal solicitation must be used to acquire all
31.2 goods, service contracts, and utilities estimated at or more than \$50,000, or in the case of
31.3 a Department of Transportation solicitation, at or more than \$100,000, unless otherwise
31.4 provided for. All formal responses must be sealed when they are received and must be
31.5 ~~opened in public at the hour stated in the solicitation~~ made publicly available as required
31.6 by section 13.591. Formal responses must be authenticated by the responder in a manner
31.7 specified by the commissioner.

31.8 (b) An informal solicitation may be used to acquire all goods, service contracts,
31.9 and utilities that are estimated at less than \$50,000, or in the case of a Department of
31.10 Transportation solicitation, at or less than \$100,000. The number of vendors required to
31.11 receive solicitations may be determined by the commissioner. Informal responses must be
31.12 authenticated by the responder in a manner specified by the commissioner.

31.13 Sec. 18. Minnesota Statutes 2012, section 16C.09, is amended to read:

31.14 **16C.09 PROCEDURE FOR SERVICE CONTRACTS.**

31.15 (a) Before entering into or approving a service contract valued in excess of \$5,000,
31.16 the commissioner must determine, at least, that:

31.17 (1) no current state employee is able and available to perform the services called
31.18 for by the contract;

31.19 (2) the work to be performed under the contract is necessary to the agency's
31.20 achievement of its statutory responsibilities and there is statutory authority to enter into
31.21 the contract;

31.22 (3) the contract will not establish an employment relationship between the state or
31.23 the agency and any persons performing under the contract;

31.24 (4) the contractor and agents are not employees of the state;

31.25 (5) the contracting agency has specified a satisfactory method of evaluating and
31.26 using the results of the work to be performed; and

31.27 (6) the combined contract and amendments will not exceed five years without
31.28 specific, written approval by the commissioner according to established policy, procedures,
31.29 and standards, or unless otherwise provided for by law. The term of the original contract
31.30 must not exceed two years, unless the commissioner determines that a longer duration is
31.31 in the best interest of the state.

31.32 (b) For purposes of paragraph (a), clause (1), employees are available if qualified and:

31.33 (1) are already doing the work in question; or

31.34 (2) are on layoff status in classes that can do the work in question.

32.1 An employee is not available if the employee is doing other work, is retired, or has decided
32.2 not to do the work in question.

32.3 (c) This section does not apply to an agency's use of inmates pursuant to sections
32.4 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

32.5 (1) community service; or

32.6 (2) conservation or maintenance services on lands under the jurisdiction and control
32.7 of the state.

32.8 Sec. 19. Minnesota Statutes 2012, section 16C.10, subdivision 6, is amended to read:

32.9 Subd. 6. **Expenditures under specified amounts.** The solicitation process
32.10 described in this chapter is not required for:

32.11 (1) acquisition of goods or services, other than professional or technical services,
32.12 in an amount of ~~\$2,500~~ \$5,000 or less; or

32.13 (2) acquisition of professional or technical services in an amount of \$5,000 or less,
32.14 provided the requirements of section 16C.08, subdivisions 3 to 6, are met.

32.15 Sec. 20. Minnesota Statutes 2012, section 16C.145, is amended to read:

32.16 **16C.145 NONVISUAL TECHNOLOGY ACCESS STANDARDS.**

32.17 (a) The commissioner shall develop nonvisual technology access standards. The
32.18 standards must be included in all contracts for the procurement of information technology
32.19 by, or for the use of, agencies, political subdivisions, and the Minnesota State Colleges and
32.20 Universities. The University of Minnesota is encouraged to consider similar standards.

32.21 (b) The nonvisual access standards must include the following minimum
32.22 specifications:

32.23 (1) that effective, interactive control and use of the technology including the
32.24 operating system, applications programs, prompts, and format of the data presented, are
32.25 readily achievable by nonvisual means;

32.26 (2) that the nonvisual access technology must be compatible with information
32.27 technology used by other individuals with whom the blind or visually impaired individual
32.28 must interact;

32.29 (3) that nonvisual access technology must be integrated into networks used to share
32.30 communications among employees, program participants, and the public; and

32.31 (4) that the nonvisual access technology must have the capability of providing
32.32 equivalent access by nonvisual means to telecommunications or other interconnected
32.33 network services used by persons who are not blind or visually impaired.

33.1 (c) Nothing in this section requires the installation of software or peripheral devices
33.2 used for nonvisual access when the information technology is being used by individuals
33.3 who are not blind or visually impaired.

33.4 (d) Executive branch state agencies subject to section 16E.03, subdivision 9, are not
33.5 required to include nonvisual technology access standards developed under this section in
33.6 contracts for the procurement of information technology.

33.7 Sec. 21. Minnesota Statutes 2012, section 16C.33, subdivision 3, is amended to read:

33.8 Subd. 3. **Solicitation of qualifications or proposals.** (a) Every user agency, except
33.9 the Capitol Area Architectural and Planning Board, shall submit a written request for a
33.10 design-builder for its project to the commissioner who shall forward the request to the
33.11 board, consistent with section 16B.33, subdivision 3, paragraph (a). The University of
33.12 Minnesota shall follow the process in subdivision 4 to select design-builders for projects
33.13 that are subject to section 16B.33. The written request must include a description of the
33.14 project, the total project cost, a description of any special requirements or unique features
33.15 of the proposed project, and other information requested by the board which will assist the
33.16 board in carrying out its duties and responsibilities set forth in this section.

33.17 (b) A request for qualifications or proposals soliciting design-builders shall be
33.18 prepared for each design-build contract pursuant to subdivision 5 or 7. The request for
33.19 qualifications or proposals shall contain, at a minimum, the following elements:

33.20 (1) the identity of the agency for which the project will be built and that will award
33.21 the design-build contract;

33.22 (2) procedures for submitting qualifications or proposals, the criteria for evaluation
33.23 of qualifications or proposals and the relative weight for each criterion and subcriterion,
33.24 and the procedures for making awards according to the stated criteria and subcriteria,
33.25 including a reference to the requirements of this section;

33.26 (3) the proposed terms and conditions for the contract;

33.27 (4) the desired qualifications of the design-builder and the desired or permitted
33.28 areas of construction to be performed by named members of the design-build team, if
33.29 applicable. The primary designer shall be a named member of the design-build team;

33.30 (5) the schedule for commencement and completion of the project;

33.31 (6) any applicable budget limits for the project;

33.32 (7) the requirements for insurance and statutorily required performance and payment
33.33 bonds;

33.34 (8) the identification and location of any other information in the possession or
33.35 control of the agency that the user agency determines is material, which may include

34.1 surveys, soils reports, drawings or models of existing structures, environmental studies,
34.2 photographs, or references to public records;

34.3 (9) for a design-build design and price-based selection process, the request shall
34.4 also include the design criteria package, including the performance and technical
34.5 requirements for the project, and the functional and operational elements for the delivery
34.6 of the completed project. The request shall also contain a description of the drawings,
34.7 specifications, or other submittals to be included with the proposal, with guidance as to
34.8 the form and level of completeness of the drawings, specifications or submittals that will
34.9 be acceptable, and the stipend to be paid to the design-builders selected to submit the
34.10 above described information; and

34.11 (10) the criteria shall not impose unnecessary conditions beyond reasonable
34.12 requirements to ensure maximum participation of qualified design-builders. The criteria
34.13 shall not consider the collective bargaining status of the design-builder.

34.14 (c) Notice of requests for qualifications or proposals must be advertised in ~~the State~~
34.15 Register a manner designated by the commissioner.

34.16 Sec. 22. Minnesota Statutes 2012, section 16C.34, subdivision 1, is amended to read:

34.17 Subdivision 1. **Solicitation of qualifications.** (a) Every user agency, except
34.18 the Capitol Area Architectural and Planning Board, shall submit a written request for
34.19 proposals for a construction manager at risk for its project to the commissioner. The
34.20 written request for proposals must include a description of the project, the estimated cost
34.21 of completing the project, a description of any special requirements or unique features of
34.22 the proposed project, and other information which will assist the commissioner in carrying
34.23 out its duties and responsibilities set forth in this section.

34.24 (b) The commissioner may include in the request for qualifications criteria a
34.25 requirement that the proposer include the overhead and fee that the construction manager
34.26 at risk proposes to charge for its services.

34.27 (c) A request for qualifications shall be prepared for each construction manager at
34.28 risk contract as provided in this section. The request for qualifications shall contain, at a
34.29 minimum, the following elements:

34.30 (1) the identity of the agency for which the project will be built and that will award
34.31 the construction manager at risk contract;

34.32 (2) procedures for submitting qualifications, the criteria and subcriteria for evaluation
34.33 of qualifications and the relative weight for each criteria and subcriteria, and the procedures
34.34 for making awards in an open, competitive, and objective manner, and according to the
34.35 stated criteria and subcriteria, including a reference to the requirements of this section;

- 35.1 (3) the terms and conditions for the contract;
- 35.2 (4) the qualifications that the construction manager at risk shall be desired to have;
- 35.3 (5) a schedule for commencement and completion of the project;
- 35.4 (6) any applicable budget limits for the project;
- 35.5 (7) requirements for insurance, statutorily required performance and payment bonds;
- 35.6 (8) identification and location of any other information in the possession or control
- 35.7 of the agency that the user agency determines is material, which may include surveys, soils
- 35.8 reports, drawings or models of existing structures, environmental studies, photographs, or
- 35.9 references to public records; and
- 35.10 (9) criteria shall not impose unnecessary conditions beyond reasonable requirements
- 35.11 to ensure maximum participation of construction managers at risk. The criteria shall not
- 35.12 consider the collective bargaining status of the construction manager at risk.
- 35.13 (d) Notice of requests for qualifications must be advertised in the State Register a
- 35.14 manner designated by the commissioner.

35.15 Sec. 23. **[16E.0466] STATE AGENCY TECHNOLOGY PROJECTS.**

35.16 Every state agency with an information or telecommunications project must consult

35.17 with the Office of Enterprise Technology to determine the information technology cost

35.18 of the project. Upon agreement between the commissioner of a particular agency and

35.19 the chief information officer, the agency must transfer the information technology cost

35.20 portion of the project to the Office of Enterprise Technology. Service level agreements

35.21 must document all project-related transfers under this section. Those agencies specified in

35.22 section 16E.016, paragraph (d), are exempt from the requirements of this section.

35.23 Sec. 24. Minnesota Statutes 2012, section 16E.07, is amended by adding a subdivision

35.24 to read:

35.25 Subd. 12. **Private entity services; fee authority.** (a) The office may enter into a

35.26 contract with a private entity to manage, maintain, support, and expand North Star and

35.27 online government information services to citizens and businesses.

35.28 (b) A contract established under paragraph (a) may provide for compensation of the

35.29 private entity through a fee established under paragraph (c).

35.30 (c) The office, subject to the approval of the agency or office responsible for the

35.31 data or services involved in the transaction, may charge and may authorize a private

35.32 entity that enters into a contract under paragraph (a) to charge a convenience fee for

35.33 users of North Star and online government information services up to a total of \$2 per

35.34 transaction, provided that no fee shall be charged for viewing or inspecting data. The

36.1 office shall consider the recommendation of the E-Government Advisory Council under
36.2 section 16E.071 in setting the convenience fee. A fee established under this paragraph is
36.3 in addition to any fees or surcharges authorized under other law.

36.4 (d) Receipts from the convenience fee shall be deposited in the North Star account
36.5 established in subdivision 7. Notwithstanding section 16A.1285, subdivision 2, receipts
36.6 credited to the account are appropriated to the office for payment to the contracted private
36.7 entity under paragraph (a). In lieu of depositing the receipts in the North Star account, the
36.8 office can directly transfer the receipts to the private entity or allow the private entity to
36.9 retain the receipts pursuant to a contract established under this subdivision.

36.10 (e) The office shall report to the chairs and ranking minority members of the house
36.11 of representatives and senate committees with jurisdiction over state government finance
36.12 by January 15 of each odd-numbered year regarding the convenience fee receipts and
36.13 the status of North Star projects and online government information services developed
36.14 and supported by convenience fee receipts.

36.15 Sec. 25. **[16E.071] E-GOVERNMENT ADVISORY COUNCIL.**

36.16 Subdivision 1. **E-Government Advisory Council established.** The E-Government
36.17 Advisory Council is established for the purpose of improving online government
36.18 information services to citizens and businesses.

36.19 Subd. 2. **Membership.** The council shall consist of nine members as follows:

36.20 (1) the state chief information officer or the chief information officer's designee;

36.21 (2) one public member appointed by the speaker of the house;

36.22 (3) one public member appointed by the senate Subcommittee on Committees of
36.23 the Rules and Administration Committee;

36.24 (4) five members appointed by the governor representing state executive branch
36.25 agencies that are actively involved with private businesses, the private business
36.26 community, or the public; and

36.27 (5) one member appointed by the governor who is knowledgeable in public access
36.28 to government data.

36.29 Subd. 3. **Initial appointments and first meeting.** Appointing authorities shall make
36.30 the first appointments to the council by September 1, 2013. The first member appointed by
36.31 the speaker of the house shall serve until the first Monday in January, 2015. The governor
36.32 shall designate three initial appointees to serve until the first Monday in January 2015. The
36.33 term of the other three initial appointees of the governor and the first member appointed
36.34 by the senate shall be until the first Monday in January 2017. The chief information officer

37.1 or the chief information officer's designee shall convene the council's first meeting by
37.2 November 1, 2013, and shall act as chair until the council elects a chair at its first meeting.

37.3 Subd. 4. **Terms; removal; vacancies; compensation.** Membership terms, removal
37.4 of member, and filling of vacancies are as provided in section 15.059, except that members
37.5 shall not receive compensation or be reimbursed for expenses and except that terms of
37.6 initial appointees are as provided in subdivision 3.

37.7 Subd. 5. **Chair.** The council shall annually elect a chair from its members.

37.8 Subd. 6. **Duties.** The council shall recommend to the office the priority of North
37.9 Star projects and online government information services to be developed and supported
37.10 by convenience fee receipts. The council shall provide oversight on the convenience fee
37.11 and its receipts in the North Star account. The council shall by majority quorum vote to
37.12 recommend to approve or disapprove establishing the convenience fee on particular types
37.13 of transactions, the fee amount, and any changes in the fee amount. If the convenience fee
37.14 receipts are retained by or transferred to the private entity in lieu of deposit in the North
37.15 Star account, the council may audit the private entity's convenience fee receipts, expenses
37.16 paid by the receipts, and associated financial statements.

37.17 Subd. 7. **Staff.** The office shall provide administrative support to the council.

37.18 Subd. 8. **Sunset.** The council shall expire the first Monday in January 2017.

37.19 Subd. 9. **Reports.** By June 1, 2014, and every year thereafter, the council shall
37.20 report to the office with its recommendations regarding establishing the convenience fee,
37.21 the fee amount, and changes to the fee amount.

37.22 Sec. 26. Minnesota Statutes 2012, section 32C.04, is amended to read:

37.23 **32C.04 ACCOUNTS; AUDITS.**

37.24 The authority may establish funds and accounts that it determines to be reasonable and
37.25 necessary to conduct the business of the authority. The board shall ~~provide for and pay the~~
37.26 ~~cost of an independent annual audit of its official books and records~~ be subject to audit by
37.27 the state legislative auditor. A copy of ~~this~~ an audit must be filed with the secretary of state.

37.28 Sec. 27. Minnesota Statutes 2012, section 129D.14, subdivision 2, is amended to read:

37.29 Subd. 2. **Definitions.** As used in this section, the terms defined in this subdivision
37.30 have the meanings given them.

37.31 (a) "Corporation for Public Broadcasting" or "CPB" means the nonprofit organization
37.32 established pursuant to United States Code, title 47, section 396.

37.33 (b) "Federal Communications Commission" or "FCC" means the federal agency
37.34 established pursuant to United States Code, title 47, section 151.

38.1 (c) "Licensee" means ~~the individual or business~~ an entity to whom ~~which~~ the Federal
38.2 Communications Commission has issued ~~the~~ a license to operate a noncommercial radio
38.3 station as defined in Code of Federal Regulations, title 47, subpart D, section 73.503.

38.4 (d) "Noncommercial radio station" means a station operated by a licensee of the FCC
38.5 as a noncommercial educational radio station ~~under a license or program test authority from~~
38.6 ~~the Federal Communications Commission as a noncommercial educational radio station~~ as
38.7 defined in Code of Federal Regulations, title 47, subpart D, section 73.503, licensed to a
38.8 community within the state and serving a segment of the population of the state.

38.9 (e) "Operating income" may include:

38.10 (1) individual and other community contributions;

38.11 (2) all grants received from the Corporation for Public Broadcasting;

38.12 (3) grants received from foundations, corporations, or federal, state, or local agencies
38.13 or other sources for the purpose of programming or general operating support;

38.14 (4) interest income;

38.15 (5) earned income;

38.16 (6) employee salaries paid through the federal Comprehensive Employment and
38.17 Training Act, or other similar public employment programs, provided that only salary
38.18 expended for employee duties directly relating to radio station operations shall be counted;

38.19 (7) employee salaries paid through supporting educational institutions, provided that
38.20 only salary expended for employee duties directly relating to radio station operations
38.21 shall be counted;

38.22 (8) direct operating costs provided by supporting educational institutions; and

38.23 (9) no more than \$15,000 in volunteer time calculated at the federal minimum wage.

38.24 The following are specifically excluded in determining a station's operating income:

38.25 (1) dollar representations in in-kind assistance from any source except as stipulated
38.26 in clauses (8) and (9) above;

38.27 (2) grants or contributions from any source for the purpose of purchasing capital
38.28 improvements or equipment; and

38.29 (3) noncommercial radio station grants received in the previous fiscal year pursuant
38.30 to this section.

38.31 (f) "Local" means the area designated by the FCC's 60 dBu contour map.

38.32 Sec. 28. Minnesota Statutes 2012, section 129D.14, subdivision 3, is amended to read:

38.33 Subd. 3. **Eligibility.** (a) To qualify for a grant under this section, the licensee ~~shall~~
38.34 must:

39.1 ~~(a)~~ (1) hold a valid noncommercial educational radio station license ~~or program test~~
39.2 ~~authority from the Federal Communications Commission; FCC that is a Class "A" or "C"~~
39.3 FM, as defined in Code of Federal Regulations, title 47, subpart B, sections 73.210 and
39.4 73.211 or Class "C" or "D" AM, as defined in Code of Federal Regulations, title 47,
39.5 subpart A, section 73.21. Stations with a Class "L1" and "LP100" are not eligible for this
39.6 funding. The station must be licensed to a community in the state of Minnesota and must
39.7 be operated as a noncommercial educational station.

39.8 ~~(b)~~ (2) have facilities adequate to provide local program production and origination;

39.9 ~~(c)~~ (3) employ a minimum of two full-time professional radio staff persons or the
39.10 equivalent in part-time staff and agree to employ a minimum of two full-time professional
39.11 radio staff persons or the equivalent in part-time staff throughout the fiscal year of the grant;

39.12 ~~(d)~~ (4) maintain a minimum daily broadcasting schedule of ~~(1)~~ (i) the maximum
39.13 allowed by its Federal Communications Commission license or ~~(2)~~ (ii) 12 hours a day
39.14 during the first year of eligibility for state assistance, 15 hours a day during the second
39.15 year of eligibility and 18 hours a day during the third and following years of eligibility;

39.16 ~~(e)~~ (5) broadcast 365 days a year or the maximum number of days allowed by its
39.17 Federal Communications Commission license with an exception for power outages and
39.18 natural disasters;

39.19 ~~(f)~~ (6) have a daily broadcast schedule devoted primarily to programming that serves
39.20 ascertained community needs of an educational, informational or cultural nature within
39.21 its primary signal area; however, a program schedule of a main channel carrier designed
39.22 to further the principles of one or more particular religious philosophies or including 25
39.23 percent or more religious programming on a broadcast day does not meet this criterion,
39.24 nor does a program schedule of a main channel carrier designed primarily for in-school or
39.25 professional in-service audiences;

39.26 ~~(g)~~ (7) originate significant, locally produced programming designed to serve its
39.27 community of license;

39.28 ~~(h)~~ (8) have a total annual operating income and budget of at least \$50,000;

39.29 ~~(i)~~ (9) have either a board of directors representing the community or a community
39.30 advisory board that conducts advisory board meetings that are open to the public;

39.31 ~~(j)~~ (10) have a board of directors that: ~~(1)~~ (i) holds the portion of any meeting
39.32 relating to the management or operation of the radio station open to the public and ~~(2)~~
39.33 (ii) permits any person to attend any meeting of the board without requiring a person,
39.34 as a condition to attendance at the meeting, to register the person's name or to provide
39.35 any other information; and

40.1 ~~(k)~~ (11) have met the criteria in clauses ~~(a)~~ (1) to ~~(j)~~ (10) for six months before it is
40.2 eligible for state assistance under this section.

40.3 (b) The commissioner shall accept the judgment of Corporation for Public
40.4 Broadcasting accepted audit when it is available on a station's eligibility for assistance
40.5 under the criteria of this subdivision. If the station is not qualified for assistance or is
40.6 qualified for but not receiving funding from the Corporation for Public Broadcasting, an
40.7 independent audit is required to verify eligibility under paragraph (a), clause (8). If neither
40.8 is available, the commissioner may accept a written declaration of eligibility signed by
40.9 an independent auditor, a certified public accountant, or the chief executive officer of the
40.10 station's parent organization ~~if it is an institution of education.~~

40.11 Sec. 29. Minnesota Statutes 2012, section 129D.15, is amended to read:

40.12 **129D.15 EQUIPMENT GRANTS.**

40.13 To be eligible for an equipment grant under sections 129D.11 to 129D.14, a public
40.14 broadcasting station must meet the eligibility criteria set forth in sections 129D.13 and
40.15 129D.14. Before receiving an equipment grant, a station must submit to the commissioner
40.16 a list of the equipment the station plans to purchase with the equipment grant. The
40.17 commissioner may not require the station to purchase equipment before receiving the
40.18 grant funds. A station must report to the commissioner a list of the equipment purchased
40.19 with the grant.

40.20 Sec. 30. Minnesota Statutes 2012, section 129D.155, is amended to read:

40.21 **129D.155 REPAYMENT OF FUNDS.**

40.22 State funds distributed to public television or noncommercial radio stations and used
40.23 to purchase equipment assets must be repaid to the state, without interest, if the assets
40.24 purchased with these funds are sold within five years or otherwise converted to a person
40.25 other than a nonprofit or municipal corporation. The amount due to the state shall be the
40.26 net amount realized from the sale of the assets, but shall not exceed the amount of state
40.27 funds advanced for the purchase of the asset. The commissioner of administration may
40.28 approve the use of funds derived from the sale of such assets for the purchase of new
40.29 equipment for similar purposes.

40.30 Sec. 31. Minnesota Statutes 2012, section 161.1419, subdivision 3, is amended to read:

40.31 Subd. 3. **Investigatory powers; Chair, vice-chair, and secretary.** The commission
40.32 may hold meetings and hearings at such time and places as it may designate to accomplish
40.33 the purposes set forth in this section ~~and may subpoena witnesses and records.~~ It shall select

41.1 a chair, a vice-chair, and such other officers from its membership as it deems necessary.
41.2 The commission shall appoint a secretary who shall also serve as a commission member.

41.3 Sec. 32. Minnesota Statutes 2012, section 469.3201, is amended to read:

41.4 **469.3201 STATE LEGISLATIVE AUDITOR; AUDITS OF JOB**
41.5 **OPPORTUNITY BUILDING ZONES AND BUSINESS SUBSIDY AGREEMENTS.**

41.6 As resources allow, the Office of the State Auditor legislative auditor must annually
41.7 audit the creation and operation of all job opportunity building zones and business
41.8 subsidy agreements entered into under Minnesota Statutes, sections 469.310 to 469.320.
41.9 To the extent necessary to perform this audit, the state auditor may request from the
41.10 commissioner of revenue tax return information of taxpayers who are eligible to receive
41.11 tax benefits authorized under section 469.315. To the extent necessary to perform this
41.12 audit, the state auditor may request from the commissioner of employment and economic
41.13 development wage detail report information required under section 268.044 of taxpayers
41.14 eligible to receive tax benefits authorized under section 469.315 All public officials and
41.15 parties to the agreements shall provide the legislative auditor with all documents and
41.16 data the legislative auditor deems necessary and in all other respects comply with the
41.17 requirements of section 3.978, subdivision 2.

41.18 Sec. 33. Minnesota Statutes 2012, section 471.699, is amended to read:

41.19 **471.699 ENFORCEMENT OF REPORTING REQUIREMENTS.**

41.20 Failure of a city to timely file a statement or report under section 471.697 or 471.698
41.21 shall, in addition to any other penalties provided by law, authorize the state auditor to send
41.22 full-time personnel to the city or to contract with private persons, firms, or corporations
41.23 pursuant to section ~~6.58~~ 6.581, in order to complete and file the financial statement or
41.24 report. The expenses related to the completion and filing of the financial statement or
41.25 report shall be charged to the city. Upon failure by the city to pay the charge within 30
41.26 days of billing, the state auditor shall so certify to the commissioner of management and
41.27 budget who shall forward the amount certified to the general fund and deduct the amount
41.28 from any state funds due to the city under any shared taxes or aids. The state auditor's
41.29 annual report on cities shall include a listing of all cities failing to file a statement or report.

41.30 Sec. 34. **LEGISLATIVE ADVISORY COMMISSION CHAIR; 2013.**

41.31 Under Minnesota Statutes, section 3.30, subdivision 2, the chair of the Legislative
41.32 Advisory Commission must be a member of the senate in 2013.

43.1 take the 15 days of paid military leave. The officer or employee may choose to use all of
43.2 the 15 days of paid military leave at one time or, in the alternative, the 15 days of paid
43.3 military leave may be divided and taken throughout the calendar year at the discretion of
43.4 the officer or employee. Such leave shall be allowed only in case the required military or
43.5 naval service is satisfactorily performed, which shall be presumed unless the contrary is
43.6 established. Such leave shall not be allowed unless the officer or employee (1) returns to
43.7 the public position immediately on being relieved from such military or naval service and
43.8 not later than the expiration of the time herein limited for such leave, or (2) is prevented
43.9 from so returning by physical or mental disability or other cause not due to the officer's or
43.10 employee's own fault, or (3) is required by proper authority to continue in such military or
43.11 naval service beyond the time herein limited for such leave.

43.12 Sec. 2. Minnesota Statutes 2012, section 197.608, subdivision 1, is amended to read:

43.13 Subdivision 1. **Grant program.** A veterans service office grant program is
43.14 established to be administered by the commissioner of veterans affairs consisting of grants
43.15 to counties to enable them to enhance the effectiveness of their veterans service offices.
43.16 "Commissioner" as used in this section means the commissioner of veterans affairs.

43.17 Sec. 3. Minnesota Statutes 2012, section 197.608, subdivision 3, is amended to read:

43.18 Subd. 3. **Eligibility.** (a) To be eligible for a grant under ~~this program~~ subdivision 6,
43.19 a county must employ a county veterans service officer as authorized by sections 197.60
43.20 and 197.606, who is certified to serve in this position by the commissioner.

43.21 (b) A county that employs a newly hired county veterans service officer who is
43.22 serving an initial probationary period and who has not been certified by the commissioner
43.23 is eligible to receive a grant under subdivision ~~2a 6~~ 6 for one year from the date the county
43.24 veterans service officer is appointed.

43.25 (c) ~~Except for the situation described in paragraph (b),~~ A county whose county
43.26 veterans service officer does not receive certification ~~during any year of the three-year~~
43.27 ~~cycle is not eligible to receive a grant during the remainder of that cycle or the next~~
43.28 ~~three-year cycle~~ by the end of the first year of the county veterans service officer's
43.29 appointment is ineligible for the grant under subdivision 6 until the county veterans
43.30 service officer receives certification.

43.31 Sec. 4. Minnesota Statutes 2012, section 197.608, subdivision 4, is amended to read:

44.1 Subd. 4. **Grant process.** (a) The commissioner shall determine the process for
44.2 awarding grants. A grant may be used only for the purpose of enhancing the operations of
44.3 the County Veterans Service Office.

44.4 (b) The commissioner shall provide a list of qualifying uses for grant expenditures
44.5 as developed in subdivision 5 and shall approve a grant under subdivision 6 only for a
44.6 qualifying use and if there are sufficient funds remaining in the grant program to cover the
44.7 full amount of the grant.

44.8 (c) The commissioner is authorized to use any unexpended funding for this program
44.9 to provide training and education for county veterans service officers.

44.10 Sec. 5. Minnesota Statutes 2012, section 197.608, subdivision 5, is amended to read:

44.11 Subd. 5. **Qualifying uses.** The commissioner shall consult with the Minnesota
44.12 Association of County Veterans Service Officers in developing a list of qualifying uses for
44.13 grants awarded under ~~this program~~ subdivision 6.

44.14 ~~The commissioner is authorized to use any unexpended funding for this program to~~
44.15 ~~provide training and education for county veterans service officers.~~

44.16 Sec. 6. Minnesota Statutes 2012, section 197.608, subdivision 6, is amended to read:

44.17 Subd. 6. **Grant amount.** (a) Each county is eligible to receive an annual grant of
44.18 \$7,500 for the following purposes:

44.19 (1) to provide outreach to the county's veterans;

44.20 (2) to assist in the reintegration of combat veterans into society;

44.21 (3) to collaborate with other social service agencies, educational institutions, and
44.22 other community organizations for the purposes of enhancing services offered to veterans;

44.23 (4) to reduce homelessness among veterans; and

44.24 (5) to enhance the operations of the county veterans service office.

44.25 (b) In addition to the grant amount in paragraph (a), each county is eligible to receive
44.26 an additional annual grant under this paragraph. The amount of each additional annual
44.27 grant must be determined by the commissioner and may not exceed:

44.28 (1) ~~\$1,400~~ \$0, if the county's veteran population is less than 1,000;

44.29 (2) ~~\$2,800~~ \$2,500, if the county's veteran population is 1,000 or more but less than
44.30 3,000;

44.31 (3) ~~\$4,200~~ \$5,000, if the county's veteran population is 3,000 or more but less ~~then~~
44.32 ~~10,000~~ than 4,999; or

44.33 (4) ~~\$5,600~~ \$7,500, if the county's veteran population is ~~10,000~~ 5,000 or more: but
44.34 less than 9,999;

45.1 (5) \$10,000, if the county's veteran population is 10,000 or more but less than 19,999;

45.2 (6) \$15,000, if the county's veteran population is 20,000 or more but less than
45.3 29,999; or

45.4 (7) \$20,000, if the county's veteran population is 30,000 or more.

45.5 (c) The Minnesota Association of County Veterans Service Officers is eligible to
45.6 receive an annual grant of \$50,000. The grant shall be used for administrative costs of
45.7 the association, certification of mandated county veterans service officer training and
45.8 accreditation, and costs associated with reintegration services.

45.9 The veteran population of each county shall be determined by the figure supplied by
45.10 the United States Department of Veterans Affairs, as adopted by the commissioner.

45.11 Sec. 7. Minnesota Statutes 2012, section 197.791, subdivision 4, is amended to read:

45.12 Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under this
45.13 section if:

45.14 (1) the person is:

45.15 (i) a veteran who is serving or has served honorably in any branch or unit of the
45.16 United States armed forces at any time ~~on or after September 11, 2001;~~

45.17 (ii) a nonveteran who has served honorably for a total of five years or more
45.18 cumulatively as a member of the Minnesota National Guard or any other active or reserve
45.19 component of the United States armed forces, and any part of that service occurred on or
45.20 after September 11, 2001;

45.21 (iii) the surviving spouse or child of a person who has served in the military ~~at any~~
45.22 ~~time on or after September 11, 2001,~~ and who has died as a direct result of that military
45.23 service, only if the surviving spouse or child is eligible to receive federal education
45.24 benefits under United States Code, title 38, chapter 33, as amended, or United States
45.25 Code, title 38, chapter 35, as amended; or

45.26 (iv) the spouse or child of a person who has served in the military at any time ~~on or~~
45.27 ~~after September 11, 2001,~~ and who has a total and permanent service-connected disability
45.28 as rated by the United States Veterans Administration, only if the spouse or child is
45.29 eligible to receive federal education benefits under United States Code, title 38, chapter
45.30 33, as amended, or United States Code, title 38, chapter 35, as amended; and

45.31 (2) the person receiving the educational assistance is a Minnesota resident, as
45.32 defined in section 136A.101, subdivision 8; and

45.33 (3) the person receiving the educational assistance:

45.34 (i) is an undergraduate or graduate student at an eligible institution;

46.1 (ii) is maintaining satisfactory academic progress as defined by the institution for
46.2 students participating in federal Title IV programs;

46.3 (iii) is enrolled in an education program leading to a certificate, diploma, or degree
46.4 at an eligible institution;

46.5 (iv) has applied for educational assistance under this section prior to the end of the
46.6 academic term for which the assistance is being requested;

46.7 (v) is in compliance with child support payment requirements under section
46.8 136A.121, subdivision 2, clause (5); and

46.9 (vi) has completed the Free Application for Federal Student Aid (FAFSA).

46.10 (b) A person's eligibility terminates when the person becomes eligible for benefits
46.11 under section 135A.52.

46.12 (c) To determine eligibility, the commissioner may require official documentation,
46.13 including the person's federal form DD-214 or other official military discharge papers;
46.14 correspondence from the United States Veterans Administration; birth certificate; marriage
46.15 certificate; proof of enrollment at an eligible institution; signed affidavits; proof of
46.16 residency; proof of identity; or any other official documentation the commissioner
46.17 considers necessary to determine eligibility.

46.18 (d) The commissioner may deny eligibility or terminate benefits under this section
46.19 to any person who has not provided sufficient documentation to determine eligibility for
46.20 the program. An applicant may appeal the commissioner's eligibility determination or
46.21 termination of benefits in writing to the commissioner at any time. The commissioner
46.22 must rule on any application or appeal within 30 days of receipt of all documentation that
46.23 the commissioner requires. The decision of the commissioner regarding an appeal is final.
46.24 However, an applicant whose appeal of an eligibility determination has been rejected by
46.25 the commissioner may submit an additional appeal of that determination in writing to the
46.26 commissioner at any time that the applicant is able to provide substantively significant
46.27 additional information regarding the applicant's eligibility for the program. An approval
46.28 of an applicant's eligibility by the commissioner following an appeal by the applicant is
46.29 not retroactively effective for more than one year or the semester of the person's original
46.30 application, whichever is later.

46.31 (e) Upon receiving an application with insufficient documentation to determine
46.32 eligibility, the commissioner must notify the applicant within 30 days of receipt of the
46.33 application that the application is being suspended pending receipt by the commissioner of
46.34 sufficient documentation from the applicant to determine eligibility.

46.35 Sec. 8. Minnesota Statutes 2012, section 197.791, subdivision 5, is amended to read:

47.1 Subd. 5. **Benefit amount.** (a) On approval by the commissioner of eligibility for
47.2 the program, the applicant shall be awarded, on a funds-available basis, the educational
47.3 assistance under the program for use at any time according to program rules at any
47.4 eligible institution.

47.5 (b) The amount of educational assistance in any semester or term for an eligible
47.6 person must be determined by subtracting from the eligible person's cost of attendance the
47.7 amount the person received or was eligible to receive in that semester or term from:

47.8 (1) the federal Pell Grant;

47.9 (2) the state grant program under section 136A.121; and

47.10 (3) any federal military or veterans educational benefits including but not limited
47.11 to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program,
47.12 vocational rehabilitation benefits, and any other federal benefits associated with the
47.13 person's status as a veteran, except veterans disability payments from the United States
47.14 Veterans Administration and payments made under the Veterans Retraining Assistance
47.15 Program (VRAP).

47.16 (c) The amount of educational assistance for any eligible person who is a full-time
47.17 student must not exceed the following:

47.18 (1) \$1,000 per semester or term of enrollment;

47.19 (2) \$3,000 per state fiscal year; and

47.20 (3) \$10,000 in a lifetime.

47.21 For a part-time student, the amount of educational assistance must not exceed
47.22 \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time
47.23 undergraduate student is a student taking fewer than 12 credits or the equivalent for a
47.24 semester or term of enrollment and a part-time graduate student is a student considered
47.25 part time by the eligible institution the graduate student is attending. The minimum award
47.26 for undergraduate and graduate students is \$50 per term.

47.27 Sec. 9. Minnesota Statutes 2012, section 364.03, subdivision 3, is amended to read:

47.28 Subd. 3. **Evidence of rehabilitation.** (a) A person who has been convicted of a
47.29 crime or crimes which directly relate to the public employment sought or to the occupation
47.30 for which a license is sought shall not be disqualified from the employment or occupation
47.31 if the person can show competent evidence of sufficient rehabilitation and present fitness to
47.32 perform the duties of the public employment sought or the occupation for which the license
47.33 is sought. ~~Suffieient~~ Competent evidence of sufficient rehabilitation may be established by
47.34 the production of the person's most recent certified copy of a United States Department
47.35 of Defense form DD-214 showing the person's honorable discharge, or separation under

48.1 honorable conditions, from the United States armed forces for military service rendered
48.2 following conviction for any crime that would otherwise disqualify the person from the
48.3 public employment sought or the occupation for which the license is sought, or:

48.4 (1) a copy of the local, state, or federal release order; and

48.5 (2) evidence showing that at least one year has elapsed since release from any local,
48.6 state, or federal correctional institution without subsequent conviction of a crime; and
48.7 evidence showing compliance with all terms and conditions of probation or parole; or

48.8 (3) a copy of the relevant Department of Corrections discharge order or other
48.9 documents showing completion of probation or parole supervision.

48.10 (b) In addition to the documentary evidence presented, the licensing or hiring
48.11 authority shall consider any evidence presented by the applicant regarding:

48.12 (1) the nature and seriousness of the crime or crimes for which convicted;

48.13 (2) all circumstances relative to the crime or crimes, including mitigating
48.14 circumstances or social conditions surrounding the commission of the crime or crimes;

48.15 (3) the age of the person at the time the crime or crimes were committed;

48.16 (4) the length of time elapsed since the crime or crimes were committed; and

48.17 (5) all other competent evidence of rehabilitation and present fitness presented,
48.18 including, but not limited to, letters of reference by persons who have been in contact with
48.19 the applicant since the applicant's release from any local, state, or federal correctional
48.20 institution.

48.21 (c) The certified copy of a person's United States Department of Defense form
48.22 DD-214 showing the person's honorable discharge or separation under honorable
48.23 conditions from the United States armed forces ceases to qualify as competent evidence of
48.24 sufficient rehabilitation for purposes of this section upon the person's conviction for any
48.25 gross misdemeanor or felony committed by the person subsequent to the effective date of
48.26 that honorable discharge or separation from military service.

48.27 Sec. 10. **[471.3457] VETERAN-OWNED SMALL BUSINESS CONTRACTS.**

48.28 **Subdivision 1. Definitions.** For the purposes of this section:

48.29 (1) "local government" means a town or home rule charter or statutory city; and

48.30 (2) "governing body" means the town board of supervisors or city council.

48.31 **Subd. 2. Authority.** The governing body of a local government may implement a
48.32 program within its jurisdiction to provide a bid preference in awarding contracts as defined
48.33 in section 471.345, and in awarding contracts for services, to designated veteran-owned
48.34 small businesses, as provided in section 375.771.

49.1 Sec. 11. Minnesota Statutes 2012, section 626.8517, is amended to read:

49.2 **626.8517 ELIGIBILITY FOR RECIPROCITY EXAMINATION BASED ON**
49.3 **RELEVANT MILITARY EXPERIENCE.**

49.4 (a) For purposes of this section:

49.5 (1) "active service" has the meaning given in section 190.05, subdivision 5; and

49.6 (2) "relevant military experience" means:

49.7 (i) five years' active service experience in a military law enforcement occupational
49.8 specialty;

49.9 (ii) three years' active service experience in a military law enforcement occupational
49.10 specialty, and completion of a two-year or more degree from a regionally accredited
49.11 postsecondary education institution; or

49.12 (iii) five years' cumulative experience as a full-time peace officer in another state
49.13 combined with active service experience in a military law enforcement occupational
49.14 specialty.

49.15 (b) A person ~~who has relevant military experience and who~~ is eligible to take the
49.16 reciprocity examination if the person has relevant military experience and:

49.17 (1) has been honorably discharged from military active service as evidenced by a the
49.18 most recent form DD-214 is eligible to take the reciprocity examination; or

49.19 (2) is currently in active service as evidenced by:

49.20 (i) active duty orders providing service time in military police specialty;

49.21 (ii) a United States Department of Defense Manpower Data Center status report
49.22 pursuant to Service Members Civil Relief Act, active duty status report; or

49.23 (iii) Military Personnel Center assignment information.

49.24 (c) A person who passed the examination under paragraph (b), clause (2), shall
49.25 not be eligible to be licensed as a peace officer until honorably discharged as evidenced
49.26 by the most recent form DD-214.

49.27 Sec. 12. **REPEALER.**

49.28 Minnesota Statutes 2012, section 197.608, subdivision 2a, is repealed.

49.29 **ARTICLE 5**

49.30 **REVENUE DEPARTMENT**

49.31 Section 1. Minnesota Statutes 2012, section 16A.82, is amended to read:

49.32 **16A.82 TECHNOLOGY LEASE-PURCHASE APPROPRIATION.**

49.33 The following amounts are appropriated from the general fund to the commissioner
49.34 to make payments under a lease-purchase agreement as defined in section 16A.81 for

50.1 replacement of the state's accounting and procurement systems, provided that the state
 50.2 is not obligated to continue such appropriation of funds or to make lease payments
 50.3 in any future fiscal year.

50.4	Fiscal year 2010	\$2,828,038
50.5	Fiscal year 2011	\$3,063,950
50.6	Fiscal year 2012	\$8,967,850
50.7	Fiscal year 2013	\$8,968,950
50.8	Fiscal year 2014	\$8,970,850
50.9	Fiscal year 2015	\$8,971,150
50.10	Fiscal year 2016	\$8,966,450
50.11	Fiscal year 2017	\$8,967,500
50.12	Fiscal year 2018	\$8,970,750
50.13	Fiscal year 2019	\$8,968,500

50.14 Of these appropriations, up to \$2,000 per year may be used to pay the annual trustee
 50.15 fees for the lease-purchase agreements authorized in this section ~~and section 270C.145~~.
 50.16 Any unexpended portions of this appropriation cancel to the general fund at the close of
 50.17 each biennium. This section expires June 30, 2019.

50.18 Sec. 2. Minnesota Statutes 2012, section 65B.84, subdivision 1, is amended to read:

50.19 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a)

50.20 The commissioner of commerce shall:

50.21 (1) develop and sponsor the implementation of statewide plans, programs, and
 50.22 strategies to combat automobile theft, improve the administration of the automobile theft
 50.23 laws, and provide a forum for identification of critical problems for those persons dealing
 50.24 with automobile theft;

50.25 (2) coordinate the development, adoption, and implementation of plans, programs,
 50.26 and strategies relating to interagency and intergovernmental cooperation with respect
 50.27 to automobile theft enforcement;

50.28 (3) annually audit the plans and programs that have been funded in whole or in part
 50.29 to evaluate the effectiveness of the plans and programs and withdraw funding should the
 50.30 commissioner determine that a plan or program is ineffective or is no longer in need
 50.31 of further financial support from the fund;

50.32 (4) develop a plan of operation including:

50.33 (i) an assessment of the scope of the problem of automobile theft, including areas
 50.34 of the state where the problem is greatest;

50.35 (ii) an analysis of various methods of combating the problem of automobile theft;

50.36 (iii) a plan for providing financial support to combat automobile theft;

- 51.1 (iv) a plan for eliminating car hijacking; and
- 51.2 (v) an estimate of the funds required to implement the plan; and
- 51.3 (5) distribute money, in consultation with the commissioner of public safety,
- 51.4 pursuant to subdivision 3 from the automobile theft prevention special revenue account
- 51.5 for automobile theft prevention activities, including:
- 51.6 (i) paying the administrative costs of the program;
- 51.7 (ii) providing financial support to the State Patrol and local law enforcement
- 51.8 agencies for automobile theft enforcement teams;
- 51.9 (iii) providing financial support to state or local law enforcement agencies for
- 51.10 programs designed to reduce the incidence of automobile theft and for improved
- 51.11 equipment and techniques for responding to automobile thefts;
- 51.12 (iv) providing financial support to local prosecutors for programs designed to reduce
- 51.13 the incidence of automobile theft;
- 51.14 (v) providing financial support to judicial agencies for programs designed to reduce
- 51.15 the incidence of automobile theft;
- 51.16 (vi) providing financial support for neighborhood or community organizations or
- 51.17 business organizations for programs designed to reduce the incidence of automobile
- 51.18 theft and to educate people about the common methods of automobile theft, the models
- 51.19 of automobiles most likely to be stolen, and the times and places automobile theft is
- 51.20 most likely to occur; and
- 51.21 (vii) providing financial support for automobile theft educational and training
- 51.22 programs for state and local law enforcement officials, driver and vehicle services exam
- 51.23 and inspections staff, and members of the judiciary.
- 51.24 (b) The commissioner may not spend in any fiscal year more than ten percent of the
- 51.25 money in the fund for the program's administrative and operating costs. The commissioner
- 51.26 is annually appropriated and must distribute the amount of the proceeds credited to
- 51.27 the automobile theft prevention special revenue account each year, less the transfer
- 51.28 of \$1,300,000 each year to the general fund described in section ~~168A.40, subdivision~~
- 51.29 4 297I.11, subdivision 2.

51.30 **EFFECTIVE DATE.** This section is effective for premiums collected after June

51.31 30, 2013.

51.32 Sec. 3. Minnesota Statutes 2012, section 270C.69, subdivision 1, is amended to read:

51.33 Subdivision 1. **Notice and procedures.** (a) The commissioner may, within five years

51.34 after the date of assessment of the tax, or if a lien has been filed under section 270C.63,

51.35 within the statutory period for enforcement of the lien, give notice to any employer

52.1 deriving income which has a taxable situs in this state regardless of whether the income is
 52.2 exempt from taxation, that an employee of that employer is delinquent in a certain amount
 52.3 with respect to any taxes, including penalties, interest, and costs. The commissioner can
 52.4 proceed under this section only if the tax is uncontested or if the time for appeal of the tax
 52.5 has expired. The commissioner shall not proceed under this section until the expiration of
 52.6 30 days after mailing to the taxpayer, at the taxpayer's last known address, a written notice
 52.7 of (1) the amount of taxes, interest, and penalties due from the taxpayer and demand for
 52.8 their payment, and (2) the commissioner's intention to require additional withholding by
 52.9 the taxpayer's employer pursuant to this section. The effect of the notice shall expire one
 52.10 year after it has been mailed to the taxpayer provided that the notice may be renewed by
 52.11 mailing a new notice which is in accordance with this section. The renewed notice shall
 52.12 have the effect of reinstating the priority of the original claim. The notice to the taxpayer
 52.13 shall be in substantially the same form as that provided in section 571.72. The notice
 52.14 shall further inform the taxpayer of the wage exemptions contained in section 550.37,
 52.15 subdivision 14. If no statement of exemption is received by the commissioner within 30
 52.16 days from the mailing of the notice, the commissioner may proceed under this section.
 52.17 The notice to the taxpayer's employer may be served by mail or by delivery by an agent of
 52.18 the department and shall be in substantially the same form as provided in section 571.75.
 52.19 Upon receipt of notice, the employer shall withhold from compensation due or to become
 52.20 due to the employee, the total amount shown by the notice, subject to the provisions of
 52.21 section 571.922. The employer shall continue to withhold each pay period until the notice
 52.22 is released by the commissioner under section 270C.7109. Upon receipt of notice by the
 52.23 employer, the claim of the state of Minnesota shall have priority over any subsequent
 52.24 garnishments or wage assignments. The commissioner may arrange between the employer
 52.25 and the employee for withholding a portion of the total amount due the employee each pay
 52.26 period, until the total amount shown by the notice plus accrued interest has been withheld.

52.27 (b) The "compensation due" any employee is defined in accordance with the
 52.28 provisions of section 571.921. The maximum withholding allowed under this section for
 52.29 any one pay period shall be decreased by any amounts payable pursuant to a garnishment
 52.30 action with respect to which the employer was served prior to being served with the notice
 52.31 of delinquency and any amounts covered by any irrevocable and previously effective
 52.32 assignment of wages; the employer shall give notice to the commissioner of the amounts
 52.33 and the facts relating to such assignments within ten days after the service of the notice of
 52.34 delinquency on the form provided by the commissioner as noted in this section.

52.35 (c) Within ten days after the expiration of such pay period, the employer shall remit
 52.36 to the commissioner, ~~on a form and~~ in the manner prescribed by the commissioner, the

53.1 amount withheld during each pay period under this section. The employer must file all
53.2 wage levy disclosure forms and remit all wage levy payments by electronic means.

53.3 **EFFECTIVE DATE.** This section is effective for wage levy disclosures or wage
53.4 levy payments filed or made after December 31, 2013.

53.5 Sec. 4. Minnesota Statutes 2012, section 289A.20, subdivision 2, is amended to read:

53.6 Subd. 2. **Withholding from wages, entertainer withholding, withholding**
53.7 **from payments to out-of-state contractors, and withholding by partnerships, small**
53.8 **business corporations, trusts.** (a) A tax required to be deducted and withheld during the
53.9 quarterly period must be paid on or before the last day of the month following the close of
53.10 the quarterly period, unless an earlier time for payment is provided. A tax required to be
53.11 deducted and withheld from compensation of an entertainer and from a payment to an
53.12 out-of-state contractor must be paid on or before the date the return for such tax must be
53.13 filed under section 289A.18, subdivision 2. Taxes required to be deducted and withheld
53.14 by partnerships, S corporations, and trusts must be paid on a quarterly basis as estimated
53.15 taxes under section 289A.25 for partnerships and trusts and under section 289A.26 for S
53.16 corporations.

53.17 (b) An employer who, during the previous quarter, withheld more than \$1,500 of
53.18 tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, must deposit tax
53.19 withheld under those sections with the commissioner within the time allowed to deposit
53.20 the employer's federal withheld employment taxes under Code of Federal Regulations,
53.21 title 26, section 31.6302-1, as amended through December 31, 2001, without regard to the
53.22 safe harbor or de minimis rules in paragraph (f) or the one-day rule in paragraph (c)(3).
53.23 Taxpayers must submit a copy of their federal notice of deposit status to the commissioner
53.24 upon request by the commissioner.

53.25 (c) The commissioner may prescribe by rule other return periods or deposit
53.26 requirements. In prescribing the reporting period, the commissioner may classify payors
53.27 according to the amount of their tax liability and may adopt an appropriate reporting
53.28 period for the class that the commissioner judges to be consistent with efficient tax
53.29 collection. In no event will the duration of the reporting period be more than one year.

53.30 (d) If less than the correct amount of tax is paid to the commissioner, proper
53.31 adjustments with respect to both the tax and the amount to be deducted must be made,
53.32 without interest, in the manner and at the times the commissioner prescribes. If the
53.33 underpayment cannot be adjusted, the amount of the underpayment will be assessed and
53.34 collected in the manner and at the times the commissioner prescribes.

53.35 (e) If the aggregate amount of the tax withheld is:

54.1 (1) ~~\$20,000 or more in the fiscal year ending June 30, 2005; or~~
54.2 (2) \$10,000 or more in the a fiscal year ending June 30, 2006, and fiscal years
54.3 thereafter,
54.4 the employer must remit each required deposit for wages paid in the all subsequent
54.5 calendar year years by electronic means.

54.6 (f) A third-party bulk filer as defined in section 290.92, subdivision 30, paragraph
54.7 (a), clause (2), who remits withholding deposits must remit all deposits by electronic
54.8 means as provided in paragraph (e), regardless of the aggregate amount of tax withheld
54.9 during a fiscal year for all of the employers.

54.10 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
54.11 2013, and all fiscal years thereafter.

54.12 Sec. 5. Minnesota Statutes 2012, section 289A.20, subdivision 4, is amended to read:

54.13 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and
54.14 payable to the commissioner monthly on or before the 20th day of the month following
54.15 the month in which the taxable event occurred, or following another reporting period
54.16 as the commissioner prescribes or as allowed under section 289A.18, subdivision 4,
54.17 paragraph (f) or (g), except that:

54.18 (1) use taxes due on an annual use tax return as provided under section 289A.11,
54.19 subdivision 1, are payable by April 15 following the close of the calendar year; and

54.20 (2) except as provided in paragraph (f), for a vendor having a liability of \$120,000
54.21 or more during a fiscal year ending June 30, 2009, and fiscal years thereafter, the taxes
54.22 imposed by chapter 297A, except as provided in paragraph (b), are due and payable to the
54.23 commissioner monthly in the following manner:

54.24 (i) On or before the 14th day of the month following the month in which the taxable
54.25 event occurred, the vendor must remit to the commissioner 90 percent of the estimated
54.26 liability for the month in which the taxable event occurred.

54.27 (ii) On or before the 20th day of the month in which the taxable event occurs, the
54.28 vendor must remit to the commissioner a prepayment for the month in which the taxable
54.29 event occurs equal to 67 percent of the liability for the previous month.

54.30 (iii) On or before the 20th day of the month following the month in which the taxable
54.31 event occurred, the vendor must pay any additional amount of tax not previously remitted
54.32 under either item (i) or (ii) or, if the payment made under item (i) or (ii) was greater than
54.33 the vendor's liability for the month in which the taxable event occurred, the vendor may
54.34 take a credit against the next month's liability in a manner prescribed by the commissioner.

55.1 (iv) Once the vendor first pays under either item (i) or (ii), the vendor is required to
55.2 continue to make payments in the same manner, as long as the vendor continues having a
55.3 liability of \$120,000 or more during the most recent fiscal year ending June 30.

55.4 (v) Notwithstanding items (i), (ii), and (iv), if a vendor fails to make the required
55.5 payment in the first month that the vendor is required to make a payment under either item
55.6 (i) or (ii), then the vendor is deemed to have elected to pay under item (ii) and must make
55.7 subsequent monthly payments in the manner provided in item (ii).

55.8 (vi) For vendors making an accelerated payment under item (ii), for the first month
55.9 that the vendor is required to make the accelerated payment, on the 20th of that month, the
55.10 vendor will pay 100 percent of the liability for the previous month and a prepayment for
55.11 the first month equal to 67 percent of the liability for the previous month.

55.12 (b) Notwithstanding paragraph (a), a vendor having a liability of \$120,000 or more
55.13 during a fiscal year ending June 30 must remit the June liability for the next year in the
55.14 following manner:

55.15 (1) Two business days before June 30 of the year, the vendor must remit 90 percent
55.16 of the estimated June liability to the commissioner.

55.17 (2) On or before August 20 of the year, the vendor must pay any additional amount
55.18 of tax not remitted in June.

55.19 (c) A vendor having a liability of:

55.20 (1) \$10,000 or more, but less than \$120,000 during a fiscal year ending June 30,
55.21 ~~2009~~ 2013, and fiscal years thereafter, must remit by electronic means all liabilities on
55.22 returns due for periods beginning in ~~the~~ all subsequent calendar ~~year~~ years on or before
55.23 the 20th day of the month following the month in which the taxable event occurred, or
55.24 on or before the 20th day of the month following the month in which the sale is reported
55.25 under section 289A.18, subdivision 4; or

55.26 (2) \$120,000 or more, during a fiscal year ending June 30, 2009, and fiscal years
55.27 thereafter, must remit by electronic means all liabilities in the manner provided in
55.28 paragraph (a), clause (2), on returns due for periods beginning in the subsequent calendar
55.29 year, except for 90 percent of the estimated June liability, which is due two business days
55.30 before June 30. The remaining amount of the June liability is due on August 20.

55.31 (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's
55.32 religious beliefs from paying electronically shall be allowed to remit the payment by mail.
55.33 The filer must notify the commissioner of revenue of the intent to pay by mail before
55.34 doing so on a form prescribed by the commissioner. No extra fee may be charged to a
55.35 person making payment by mail under this paragraph. The payment must be postmarked

56.1 at least two business days before the due date for making the payment in order to be
56.2 considered paid on a timely basis.

56.3 (e) Whenever the liability is \$120,000 or more separately for: (1) the tax imposed
56.4 under chapter 297A; (2) a fee that is to be reported on the same return as and paid with the
56.5 chapter 297A taxes; or (3) any other tax that is to be reported on the same return as and
56.6 paid with the chapter 297A taxes, then the payment of all the liabilities on the return must
56.7 be accelerated as provided in this subdivision.

56.8 (f) At the start of the first calendar quarter at least 90 days after the cash flow account
56.9 established in section 16A.152, subdivision 1, and the budget reserve account established in
56.10 section 16A.152, subdivision 1a, reach the amounts listed in section 16A.152, subdivision
56.11 2, paragraph (a), the remittance of the accelerated payments required under paragraph (a),
56.12 clause (2), must be suspended. The commissioner of management and budget shall notify
56.13 the commissioner of revenue when the accounts have reached the required amounts.
56.14 Beginning with the suspension of paragraph (a), clause (2), for a vendor with a liability of
56.15 \$120,000 or more during a fiscal year ending June 30, 2009, and fiscal years thereafter, the
56.16 taxes imposed by chapter 297A are due and payable to the commissioner on the 20th day
56.17 of the month following the month in which the taxable event occurred. Payments of tax
56.18 liabilities for taxable events occurring in June under paragraph (b) are not changed.

56.19 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
56.20 2013, and all fiscal years thereafter.

56.21 Sec. 6. Minnesota Statutes 2012, section 289A.26, subdivision 2a, is amended to read:

56.22 Subd. 2a. **Electronic payments.** If the aggregate amount of estimated tax payments
56.23 made is:

56.24 ~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~

56.25 ~~(2) \$10,000 or more in the a fiscal year ending June 30, 2006, and fiscal years~~
56.26 ~~thereafter;~~

56.27 all estimated tax payments in the all subsequent calendar year years must be paid by
56.28 electronic means.

56.29 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
56.30 2013, and all fiscal years thereafter.

56.31 Sec. 7. Minnesota Statutes 2012, section 295.55, subdivision 4, is amended to read:

56.32 Subd. 4. **Electronic payments.** A taxpayer with an aggregate tax liability of:

56.33 ~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~

57.1 (2) \$10,000 or more in the a fiscal year ending June 30, 2006, ~~and fiscal years~~
57.2 ~~thereafter,~~
57.3 must remit all liabilities by electronic means in the all subsequent calendar year years.

57.4 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
57.5 2013, and all fiscal years thereafter.

57.6 Sec. 8. Minnesota Statutes 2012, section 297F.09, subdivision 7, is amended to read:

57.7 Subd. 7. **Electronic payment.** A cigarette or tobacco products distributor having a
57.8 liability of \$10,000 or more during a fiscal year ending June 30 must remit all liabilities in
57.9 the all subsequent calendar year years by electronic means.

57.10 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
57.11 2013, and all fiscal years thereafter.

57.12 Sec. 9. Minnesota Statutes 2012, section 297G.09, subdivision 6, is amended to read:

57.13 Subd. 6. **Electronic payments.** A licensed brewer, importer, or wholesaler having
57.14 an excise tax liability of \$10,000 or more during a fiscal year ending June 30 must remit
57.15 all excise tax liabilities in the all subsequent calendar year years by electronic means.

57.16 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
57.17 2013, and all fiscal years thereafter.

57.18 Sec. 10. **[297I.11] AUTOMOBILE THEFT PREVENTION SURCHARGE.**

57.19 Subdivision 1. **Surcharge.** Each insurer engaged in the writing of policies of
57.20 automobile insurance shall collect a surcharge, at the rate of 50 cents per vehicle
57.21 for every six months of coverage, on each policy of automobile insurance providing
57.22 comprehensive insurance coverage issued or renewed in this state. The surcharge may not
57.23 be considered premium for any purpose, including the computation of premium tax or
57.24 agents' commissions. The amount of the surcharge must be separately stated on either a
57.25 billing or policy declaration sent to an insured. Insurers shall remit the revenue derived
57.26 from this surcharge to the commissioner of revenue for purposes of the automobile theft
57.27 prevention program described in section 65B.84. For purposes of this subdivision, "policy
57.28 of automobile insurance" has the meaning given it in section 65B.14, covering only the
57.29 following types of vehicles as defined in section 168.002:

57.30 (1) a passenger automobile;

57.31 (2) a pickup truck;

57.32 (3) a van but not commuter vans as defined in section 168.126; or

58.1 (4) a motorcycle,
58.2 except that no vehicle with a gross vehicle weight in excess of 10,000 pounds is included
58.3 within this definition.

58.4 Subd. 2. **Automobile theft prevention account.** A special revenue account in
58.5 the state treasury shall be credited with the proceeds of the surcharge imposed under
58.6 subdivision 1. Of the revenue in the account, \$1,300,000 each year must be transferred to
58.7 the general fund. Revenues in excess of \$1,300,000 each year may be used only for the
58.8 automobile theft prevention program described in section 65B.84.

58.9 Subd. 3. **Collection and administration.** The commissioner shall collect and
58.10 administer the surcharge imposed by this section in the same manner as the taxes imposed
58.11 by this chapter.

58.12 **EFFECTIVE DATE.** This section is effective for premiums collected after June
58.13 30, 2013.

58.14 Sec. 11. Minnesota Statutes 2012, section 297I.30, is amended by adding a subdivision
58.15 to read:

58.16 Subd. 10. **Automobile theft prevention surcharge.** On or before May 1, August
58.17 1, November 1, and February 1 of each year, every insurer required to pay the surcharge
58.18 under section 297I.11 shall file a return with the commissioner for the preceding
58.19 three-month period ending March 31, June 30, September 30, and December 31, in the
58.20 form prescribed by the commissioner.

58.21 **EFFECTIVE DATE.** This section is effective for premiums collected after June
58.22 30, 2013.

58.23 Sec. 12. Minnesota Statutes 2012, section 297I.35, subdivision 2, is amended to read:

58.24 Subd. 2. **Electronic payments.** If the aggregate amount of tax and surcharges due
58.25 under this chapter during a fiscal year ending June 30 is equal to or exceeds \$10,000, or
58.26 if the taxpayer is required to make payment of any other tax to the commissioner by
58.27 electronic means, then all tax and surcharge payments in ~~the~~ all subsequent calendar ~~year~~
58.28 years must be paid by electronic means.

58.29 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
58.30 2013, and all fiscal years thereafter.

58.31 Sec. 13. Minnesota Statutes 2012, section 473.843, subdivision 3, is amended to read:

59.1 Subd. 3. **Payment of fee.** On or before the 20th day of each month each operator
59.2 shall pay the fee due under this section for the previous month, using a form provided
59.3 by the commissioner of revenue.

59.4 An operator having a fee of \$10,000 or more during a fiscal year ending June 30
59.5 must pay all fees in ~~the~~ all subsequent calendar ~~year~~ years by electronic means.

59.6 **EFFECTIVE DATE.** This section is effective for the fiscal year ending June 30,
59.7 2013, and all fiscal years thereafter.

59.8 Sec. 14. **DATA SECURITY AUDIT.**

59.9 The legislative auditor is requested, as resources permit, to conduct a data security
59.10 audit under Minnesota Statutes, section 3.971, subdivision 6a, of the Department of
59.11 Revenue's use of debit cards as payment for tax refunds.

59.12 Sec. 15. **REPEALER.**

59.13 (a) Minnesota Statutes 2012, section 168A.40, subdivisions 3 and 4, are repealed
59.14 effective for premiums collected after June 30, 2013.

59.15 (b) Minnesota Statutes 2012, section 270C.145, is repealed the day following final
59.16 enactment.

59.17 ARTICLE 6

59.18 COMPENSATION COUNCIL

59.19 Section 1. Minnesota Statutes 2012, section 3.855, subdivision 3, is amended to read:

59.20 Subd. 3. **Other salaries and compensation plans.** The commission shall also:

59.21 (1) review and approve, reject, or modify a plan for compensation and terms and
59.22 conditions of employment prepared and submitted by the commissioner of management
59.23 and budget under section 43A.18, subdivision 2, covering all state employees who are
59.24 not represented by an exclusive bargaining representative and whose compensation is not
59.25 provided for by chapter 43A or other law;

59.26 (2) review and approve, reject, or modify a plan for total compensation and terms
59.27 and conditions of employment for employees in positions identified as being managerial
59.28 under section 43A.18, subdivision 3, whose salaries and benefits are not otherwise
59.29 provided for in law or other plans established under chapter 43A;

59.30 (3) review and approve, reject, or modify recommendations for salaries submitted
59.31 by ~~the governor or other~~ an appointing authority other than the governor under section
59.32 15A.0815, subdivision 5, covering agency head positions listed in section 15A.0815;

60.1 (4) review and approve, reject, or modify recommendations for ~~salaries~~ salary
60.2 range of officials of higher education systems under section 15A.081, ~~subdivisions 7b~~
60.3 ~~and subdivision 7c~~;

60.4 (5) review and approve, reject, or modify plans for compensation, terms, and
60.5 conditions of employment proposed under section 43A.18, subdivisions 3a, 3b, and 4; and

60.6 (6) review and approve, reject, or modify the plan for compensation, terms, and
60.7 conditions of employment of classified employees in the office of the legislative auditor
60.8 under section 3.971, subdivision 2.

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

60.10 Sec. 2. Minnesota Statutes 2012, section 15A.0815, subdivision 1, is amended to read:

60.11 Subdivision 1. **Salary limits.** The governor or other appropriate appointing
60.12 authority shall set the salary rates for positions listed in this section within the salary limits
60.13 listed in subdivisions 2 to 4;. If the appointing authority is not the governor, the appointing
60.14 authority's action is subject to approval of the Legislative Coordinating Commission and the
60.15 legislature as provided by subdivision 5 and sections 3.855 and 15A.081, subdivision 7b.

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

60.17 Sec. 3. Minnesota Statutes 2012, section 15A.0815, subdivision 2, is amended to read:

60.18 Subd. 2. **Group I salary limits.** ~~The salaries for positions in this subdivision may~~
60.19 ~~not exceed 95 percent of the salary of the governor.~~ The salary for a position listed in this
60.20 subdivision shall not exceed 133 percent of the salary of the governor. This limit must
60.21 be adjusted annually on January 1. The new limit must equal the limit for the prior year
60.22 increased by the percentage increase, if any, in the Consumer Price Index for all urban
60.23 consumers from October of the second prior year to October of the immediately prior year.
60.24 The commissioner of management and budget must publish the limit on the department's
60.25 Web site. This subdivision applies to the following positions:

- 60.26 Commissioner of administration;
- 60.27 Commissioner of agriculture;
- 60.28 Commissioner of education;
- 60.29 Commissioner of commerce;
- 60.30 Commissioner of corrections;
- 60.31 Commissioner of health;
- 60.32 Executive director, Minnesota Office of Higher Education;
- 60.33 Commissioner, Housing Finance Agency;

- 61.1 Commissioner of human rights;
- 61.2 Commissioner of human services;
- 61.3 Commissioner of labor and industry;
- 61.4 Commissioner of management and budget;
- 61.5 Commissioner of natural resources;
- 61.6 ~~Director of Office of Strategic and Long-Range Planning;~~
- 61.7 Commissioner, Pollution Control Agency;
- 61.8 Executive director, Public Employees Retirement Association;
- 61.9 Commissioner of public safety;
- 61.10 Commissioner of revenue;
- 61.11 Executive director, State Retirement System;
- 61.12 Executive director, Teachers Retirement Association;
- 61.13 Commissioner of employment and economic development;
- 61.14 Commissioner of transportation; and
- 61.15 Commissioner of veterans affairs.

61.16 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2013.

61.17 Sec. 4. Minnesota Statutes 2012, section 15A.0815, subdivision 3, is amended to read:

61.18 Subd. 3. **Group II salary limits.** ~~The salaries for positions in this subdivision may~~
61.19 ~~not exceed 85 percent of the salary of the governor. The salary for a position listed in this~~
61.20 ~~subdivision shall not exceed 120 percent of the salary of the governor. This limit must~~
61.21 ~~be adjusted annually on January 1. The new limit must equal the limit for the prior year~~
61.22 ~~increased by the percentage increase, if any, in the Consumer Price Index for all urban~~
61.23 ~~consumers from October of the second prior year to October of the immediately prior year.~~
61.24 The commissioner of management and budget must publish the limit on the department's
61.25 Web site. This subdivision applies to the following positions:

- 61.26 Executive director of Gambling Control Board;
- 61.27 Commissioner, Iron Range Resources and Rehabilitation Board;
- 61.28 Commissioner, Bureau of Mediation Services;
- 61.29 Ombudsman for Mental Health and Developmental Disabilities;
- 61.30 Chair, Metropolitan Council;
- 61.31 School trust lands director;
- 61.32 Executive director of pari-mutuel racing; and
- 61.33 Commissioner, Public Utilities Commission.

61.34 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2013.

62.1 Sec. 5. Minnesota Statutes 2012, section 15A.0815, subdivision 5, is amended to read:

62.2 Subd. 5. **Appointing authorities to recommend certain salaries.** (a) When
62.3 the governor is the appointing authority, the governor, or other appropriate appointing
62.4 authority, may submit to the Legislative Coordinating Commission recommendations for
62.5 must establish salaries within the salary limits for the positions listed in subdivisions
62.6 2 to 4. An appointing authority may also propose additions or deletions of positions
62.7 from those listed. Before establishing a salary, the governor must consult with the
62.8 commissioner of management and budget concerning the salary. In establishing the salary,
62.9 the governor shall consider the criteria established in section 43A.18, subdivision 8, and
62.10 the performance of individual incumbents. The performance evaluation must include a
62.11 review of an incumbent's progress toward attainment of affirmative action goals. The
62.12 governor shall establish an objective system for quantifying knowledge, abilities, duties,
62.13 responsibilities, and accountabilities, and in determining recommendations rate each
62.14 position by this system.

62.15 (b) An appointing authority other than the governor may submit to the Legislative
62.16 Coordinating Commission recommendations for salaries within the salary limits for the
62.17 positions listed in subdivisions 2 to 4.

62.18 ~~(b)~~ Before submitting the recommendations, the appointing authority shall consult
62.19 with the commissioner of management and budget concerning the recommendations.

62.20 ~~(e)~~ In making recommendations, the appointing authority shall consider the
62.21 criteria established in section 43A.18, subdivision 8, and the performance of individual
62.22 incumbents. The performance evaluation must include a review of an incumbent's progress
62.23 toward attainment of affirmative action goals. The appointing authority shall establish
62.24 an objective system for quantifying knowledge, abilities, duties, responsibilities, and
62.25 accountabilities, and in determining recommendations, rate each position by this system.

62.26 ~~(d)~~ Before the appointing authority's recommended salaries take effect, the
62.27 recommendations must be reviewed and approved, rejected, or modified by the Legislative
62.28 Coordinating Commission and the legislature under section 3.855, subdivisions 2 and
62.29 3. ~~If, when the legislature is not in session, the commission fails to reject or modify~~
62.30 ~~salary recommendations of the governor within 30 calendar days of their receipt, the~~
62.31 ~~recommendations are deemed to be approved.~~

62.32 (c) The governor or other appointing authority may propose additions or deletions of
62.33 positions from those listed in subdivisions 2 to 4.

62.34 ~~(e)~~ (d) The governor or other appointing authority shall set the initial salary of a
62.35 head of a new agency or a chair of a new metropolitan board or commission whose salary
62.36 is not specifically prescribed by law after consultation with the commissioner, whose

63.1 recommendation is advisory only. The amount of the new salary must be comparable to the
63.2 salary of an agency head or commission chair having similar duties and responsibilities.

63.3 ~~(f)~~ (e) The salary of a newly appointed head of an agency or chair of a metropolitan
63.4 agency listed in subdivisions 2 to 4 who is appointed by someone other than the governor,
63.5 may be increased or decreased by the appointing authority from the salary previously
63.6 set for that position within 30 days of the new appointment after consultation with
63.7 the commissioner. If the appointing authority increases a salary under this paragraph,
63.8 the appointing authority shall submit the new salary to the Legislative Coordinating
63.9 Commission and the full legislature for approval, modification, or rejection under section
63.10 3.855, subdivisions 2 and 3. ~~If, when the legislature is not in session, the commission fails~~
63.11 ~~to reject or modify salary recommendations of the governor within 30 calendar days of~~
63.12 ~~their receipt, the recommendations are deemed to be approved.~~

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

63.14 Sec. 6. Minnesota Statutes 2012, section 15A.082, subdivision 1, is amended to read:

63.15 Subdivision 1. **Creation.** A Compensation Council is created each ~~even-numbered~~
63.16 odd-numbered year to assist the legislature in establishing the compensation of
63.17 constitutional officers, members of the legislature, justices of the Supreme Court, judges
63.18 of the Court of Appeals and district court, and the heads of state and metropolitan agencies
63.19 included in section 15A.0815.

63.20 Sec. 7. Minnesota Statutes 2012, section 15A.082, subdivision 2, is amended to read:

63.21 Subd. 2. **Membership.** The Compensation Council consists of 16 members: two
63.22 ~~members of the house of representatives~~ appointed by the speaker of the house, who are
63.23 not members of the legislature; two members ~~of the senate~~ appointed by the majority
63.24 leader of the senate, who are not members of the legislature; one member ~~of the house~~
63.25 ~~of representatives~~ appointed by the minority leader of the house of representatives, who
63.26 is not a member of the legislature; one member ~~of the senate~~ appointed by the minority
63.27 leader of the senate, who is not a member of the legislature; two nonjudges appointed by
63.28 the chief justice of the Supreme Court; and one member from each congressional district
63.29 appointed by the governor, of whom no more than four may belong to the same political
63.30 party. Appointments must be made ~~by October 1~~ after the first Monday in January and
63.31 before January 15. The compensation and removal of members appointed by the governor
63.32 or the chief justice shall be as provided in section 15.059, subdivisions 3 and 4. The
63.33 Legislative Coordinating Commission shall provide the council with administrative and
63.34 support services.

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

64.2 Sec. 8. Minnesota Statutes 2012, section 15A.082, subdivision 3, is amended to read:

64.3 Subd. 3. **Submission of recommendations.** (a) By ~~May 1~~ March 15 in each
64.4 odd-numbered year, the Compensation Council shall submit to the speaker of the house
64.5 and the president of the senate salary recommendations for constitutional officers,
64.6 legislators, justices of the Supreme Court, and judges of the Court of Appeals and district
64.7 court. The recommended salary for each office must take effect on the first Monday in
64.8 January of the next odd-numbered year, with no more than one adjustment, to take effect
64.9 on January 1 of the year after that. The salary recommendations for legislators, judges, and
64.10 constitutional officers take effect if an appropriation of money to pay the recommended
64.11 salaries is enacted after the recommendations are submitted and before their effective date.
64.12 Recommendations may be expressly modified or rejected. The salary recommendations
64.13 for legislators are subject to additional terms that may be adopted according to section
64.14 3.099, subdivisions 1 and 3.

64.15 (b) The council shall also submit to the speaker of the house and the president of
64.16 the senate recommendations for the salary ranges of the heads of state and metropolitan
64.17 agencies, to be effective retroactively from January 1 of that year if enacted into law. The
64.18 recommendations shall include the appropriate group in section 15A.0815 to which each
64.19 agency head should be assigned and the appropriate limitation on the maximum range of
64.20 the salaries of the agency heads in each group, expressed as a percentage of the salary of
64.21 the governor.

64.22 Sec. 9. Minnesota Statutes 2012, section 43A.17, subdivision 1, is amended to read:

64.23 Subdivision 1. **Salary limits.** As used in subdivisions 1 to 9, "salary" means hourly,
64.24 monthly, or annual rate of pay including any lump-sum payments and cost-of-living
64.25 adjustment increases but excluding payments due to overtime worked, shift or equipment
64.26 differentials, work out of class as required by collective bargaining agreements or plans
64.27 established under section 43A.18, and back pay on reallocation or other payments related
64.28 to the hours or conditions under which work is performed rather than to the salary range
64.29 or rate to which a class is assigned. For presidents of state universities, "salary" does
64.30 not include a housing allowance provided through a compensation plan approved under
64.31 section 43A.18, subdivision 3a.

64.32 ~~The salary, as established in section 15A.0815, of the head of a state agency in the~~
64.33 ~~executive branch is the upper limit on the salaries of individual employees in the agency.~~
64.34 ~~However, if an agency head is assigned a salary that is lower than the current salary of~~

65.1 ~~another agency employee, the employee retains the salary, but may not receive an increase~~
65.2 ~~in salary as long as the salary is above that of the agency head. The commissioner may~~
65.3 ~~grant exemptions from these upper limits as provided in subdivisions 3 and 4.~~

65.4 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2013.

65.5 Sec. 10. Minnesota Statutes 2012, section 43A.17, subdivision 3, is amended to read:

65.6 Subd. 3. **Unusual employment situations.** (a) Upon the request of the appointing
65.7 authority, and when the commissioner determines that changes in employment situations
65.8 create difficulties in attracting or retaining employees, the commissioner may approve an
65.9 unusual employment situation increase to advance an employee within the ~~compensation~~
65.10 ~~plan salary range.~~

65.11 (b) ~~If the commissioner determines that a position requires special expertise~~
65.12 ~~necessitating a higher salary to attract or retain qualified persons, the commissioner may~~
65.13 ~~grant an exemption not to exceed 120 percent of the salary of the head of the agency or the~~
65.14 ~~maximum rate established for the position, whichever is less.~~

65.15 (c) The following conditions apply to a request under paragraph (a) to advance an
65.16 employee within a ~~compensation plan or under paragraph (b) to exceed the salary of the~~
65.17 ~~agency head salary range:~~

65.18 (1) the appointing authority making the request must submit a detailed written
65.19 statement for each position contained in the request, specifying the changes in employment
65.20 situations that create difficulties in attracting or retaining an employee for the position;

65.21 (2) the commissioner shall review each proposal giving due consideration to salary
65.22 rates paid to other employees in the same class and agency and, if other conditions in
65.23 this paragraph are met, may approve any request that in the commissioner's judgment is
65.24 in the best interest of the state;

65.25 (3) the action must be consistent with applicable provisions of collective bargaining
65.26 agreements or plans adopted under section 43A.18;

65.27 (4) each increase or exemption must be separately documented for each employee or
65.28 position and may not be applied to groups of employees; and

65.29 (5) the commissioner shall report the granting of a request to the chair of the
65.30 Legislative Coordinating Commission within three working days.

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

65.32 Sec. 11. **COMPENSATION STUDY.**

66.1 The commissioner of management and budget must contract with an independent
66.2 consultant to conduct a comprehensive market analysis of compensation for managerial
66.3 positions in the executive branch in order to better align compensation for these positions
66.4 with comparable positions in the private sector and with other relevant public sector
66.5 employers. The analysis should evaluate total compensation, including insurance,
66.6 retirement, and performance pay.

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

66.8 Sec. 12. **CONSTITUTIONAL OFFICERS SALARIES.**

66.9 The salary of the governor is increased by three percent effective January 1, 2015,
66.10 and by three percent on January 1, 2016. The salaries of the other constitutional officers
66.11 shall be adjusted to retain their proportional relationship as of January 1, 2013, to the
66.12 salary of the governor.

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

66.14 Sec. 13. **REPEALER.**

66.15 Minnesota Statutes 2012, section 43A.17, subdivision 4, is repealed."

66.16 Delete the title and insert:

66.17 "A bill for an act
66.18 relating to the operation of state government; providing funding for the legislature,
66.19 constitutional officers and other agencies, boards, councils, commissions, and
66.20 state entities; changing certain state government programs; changing powers and
66.21 duties of certain state officers; repealing the Minnesota Sunset Act; requiring the
66.22 chair of the Legislative Advisory Commission alternate between a member of
66.23 the senate and a member of the house of representatives; requiring the chair of
66.24 the Legislative Advisory Commission be a senate member in 2013; allowing
66.25 the Legislative Advisory Commission to accept grants and gifts related to the
66.26 commission's duties; requiring data security audits by the legislative auditor
66.27 under certain circumstances; requiring notification of the legislative auditor when
66.28 public resources have been used unlawfully or government data has been accessed
66.29 unlawfully; allowing the secretary of state authority to accept funds from local
66.30 government units for election systems enhancements and to receive certain funds
66.31 for the address confidentiality program; allowing the state auditor to change a
66.32 onetime user fee for a small city and town accounting system software; changing
66.33 provisions for bid solicitations and proposals; changing certain provisions for
66.34 service contracts and the solicitation process; requiring a determination of the
66.35 information technology cost for agency technology cost for agency technology
66.36 projects; expanding E-Government initiative and establishing the E-Government
66.37 Advisory Council; allowing a convenience fee for users of NorthStar or online
66.38 government information services; changing certain audit provisions relating to
66.39 duties of the state auditor and the legislative auditor; allowing the state auditor
66.40 to bill counties and political subdivisions periodically for services rendered;
66.41 establishing a state auditor enterprise fund; modifying provisions for general
66.42 noncommercial radio station and equipment grants; removing investigative
66.43 powers of the Mississippi River Parkway Commission; changing a paid military

67.1 leave provision; modifying provisions in the Veterans Service Office grant
67.2 program; changing provisions in the Minnesota GI Bill program; establishing
67.3 presumption of rehabilitation by an honorable discharge status from military
67.4 service following a prior offense; providing for a bid preference for contracts
67.5 for veteran-owned small businesses; allowing active duty service members to
67.6 take a peace officer reciprocity exam; making Department of Revenue changes;
67.7 establishing electronic filing requirements; establishing an automobile theft
67.8 prevention surcharge; requesting the legislative auditor conduct a data security of
67.9 the Department of Revenue's use of debit cards for tax refunds; adjusting certain
67.10 salary groups; making compensation council changes; requiring a compensation
67.11 study; adjusting constitutional officers salaries; requiring reports; appropriating
67.12 money; amending Minnesota Statutes 2012, sections 3.30, subdivision 2; 3.303,
67.13 by adding a subdivision; 3.85, subdivisions 8, 9; 3.855, subdivision 3; 3.885, by
67.14 adding a subdivision; 3.971, subdivision 6, by adding subdivisions; 6.48; 6.56,
67.15 subdivision 2; 13.591, subdivision 3; 15A.0815, subdivisions 1, 2, 3, 5; 15A.082,
67.16 subdivisions 1, 2, 3; 16A.10, subdivision 1c; 16A.82; 16C.02, subdivision
67.17 13; 16C.06, subdivision 2; 16C.09; 16C.10, subdivision 6; 16C.145; 16C.33,
67.18 subdivision 3; 16C.34, subdivision 1; 16E.07, by adding a subdivision; 32C.04;
67.19 43A.17, subdivisions 1, 3; 65B.84, subdivision 1; 129D.14, subdivisions 2, 3;
67.20 129D.15; 129D.155; 161.1419, subdivision 3; 192.26; 197.608, subdivisions
67.21 1, 3, 4, 5, 6; 197.791, subdivisions 4, 5; 254A.035, subdivision 2; 254A.04;
67.22 256B.093, subdivision 1; 260.835, subdivision 2; 270C.69, subdivision 1;
67.23 289A.20, subdivisions 2, 4; 289A.26, subdivision 2a; 295.55, subdivision
67.24 4; 297F.09, subdivision 7; 297G.09, subdivision 6; 297I.30, by adding a
67.25 subdivision; 297I.35, subdivision 2; 364.03, subdivision 3; 469.3201; 471.699;
67.26 473.843, subdivision 3; 626.8517; Laws 2012, chapter 278, article 1, section 5;
67.27 article 2, sections 27; 34; proposing coding for new law in Minnesota Statutes,
67.28 chapters 5; 5B; 6; 16E; 297I; 471; repealing Minnesota Statutes 2012, sections
67.29 3.304, subdivisions 1, 5; 3.885, subdivision 10; 3D.01; 3D.02; 3D.03; 3D.04;
67.30 3D.045; 3D.05; 3D.06; 3D.065; 3D.07; 3D.08; 3D.09; 3D.10; 3D.11; 3D.12;
67.31 3D.13; 3D.14; 3D.15; 3D.16; 3D.17; 3D.18; 3D.19; 3D.20; 3D.21, subdivisions
67.32 2, 3, 4, 5, 6, 7, 8; 6.58; 43A.17, subdivision 4; 168A.40, subdivisions 3, 4;
67.33 197.608, subdivision 2a; 270C.145; Laws 2012, chapter 278, article 1, section 6."

We request the adoption of this report and repassage of the bill.

Senate Conferees:

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Tom Saxhaug

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Richard J. Cohen

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Chris A. Eaton

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Bobby Joe Champion

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Melisa Franzen

House Conferees:

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Mary Murphy

.....
Jerry Newton

.....
Michael V. Nelson

.....
Steve Simon

.....
John Persell