

A bill for an act

1.1 relating to government operations; setting date for the legislature to meet in
1.2 even years; providing for monitoring management of permanent school fund
1.3 lands; increasing the number of members on the Legislative Commission on
1.4 Pensions and Retirement; defining certain powers of the Council on Black
1.5 Minnesotans; allowing the legislative auditor to recover costs for certain financial
1.6 audits; providing mapped data on expenditures; increasing agency deposit
1.7 receipts; setting conditions for recipients of state grants and appropriations;
1.8 establishing conditions for disposal of state-owned buildings; establishing
1.9 requirements for financing agreements for state projects; requiring conditions
1.10 for fleet management activities; modifying veteran-owned business preference;
1.11 adding duties of the chief information officer; allowing expenditures associated
1.12 with the combined charities campaign; modifying provisions for groundwater
1.13 quality monitoring and resource recovery; clarifying jurisdiction of the Office
1.14 of Enterprise Technology; modifying secretary of state records provisions;
1.15 enhancing the state's tax collection process; creating Commission on Service
1.16 Innovation; modifying provisions for campaign finance; requiring a strategic
1.17 plan to improve state and local government delivery of services; establishing
1.18 the Minnesota Innovation and Research Council; requiring certain studies;
1.19 appropriating money; amending Minnesota Statutes 2008, sections 3.303,
1.20 by adding a subdivision; 3.85, subdivision 3; 3.9225, subdivision 5; 3.971,
1.21 by adding a subdivision; 10A.01, subdivision 18, by adding subdivisions;
1.22 10A.12, by adding a subdivision; 10A.20, subdivisions 2, 4, 12; 10A.27, by
1.23 adding subdivisions; 16A.125, subdivision 5; 16A.275; 16B.24, subdivision
1.24 3; 16B.322, subdivisions 4, 5; 16C.055, subdivision 2; 16E.04, subdivision 2;
1.25 16E.05, by adding a subdivision; 43A.50, subdivision 2; 79.34, subdivision 1;
1.26 103F.755; 103H.175, as amended; 115A.15, subdivisions 4, 9, 10; 127A.30,
1.27 subdivision 2; 211B.01, subdivision 3; 211B.04; 211B.15, subdivisions 2, 3;
1.28 216B.16, by adding a subdivision; 307.08, subdivision 5; 318.02, subdivision
1.29 1; 336.9-531; 336A.08, subdivisions 1, 4; 336A.14; 557.01; Minnesota Statutes
1.30 2009 Supplement, sections 16B.322, subdivisions 4a, 4b, 4c; 16C.16, subdivision
1.31 6a, as amended if enacted; 16E.02, subdivision 1; 365.46, subdivision 2; 379.05;
1.32 Laws 2010, chapter 189, section 35, subdivision 1; proposing coding for new
1.33 law in Minnesota Statutes, chapters 3; 5; 10; 10A; 16A; 16B; 465; proposing
1.34 coding for new law as Minnesota Statutes, chapter 116W; repealing Minnesota
1.35 Statutes 2008, sections 6.80; 211B.15, subdivision 12; Minnesota Statutes 2009
1.36 Supplement, section 645.44, subdivision 19; Laws 2005, chapter 162, section
1.37 34, subdivision 2, as amended.
1.38

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

2.2 **ARTICLE 1**

2.3 **STATE GOVERNMENT**

2.4 Section 1. **[3.051] EVEN-YEAR SESSIONS.**

2.5 The legislature may not meet in regular session in an even-numbered year before the
2.6 date set under section 202A.14 for the conduct of precinct caucuses.

2.7 Sec. 2. Minnesota Statutes 2008, section 3.303, is amended by adding a subdivision to
2.8 read:

2.9 Subd. 11. **Permanent school fund land management analyst.** The commission
2.10 shall undertake activities that are necessary to advise the legislature and to monitor the
2.11 executive branch on issues related to the management of permanent school fund lands.
2.12 The commission may hire a lead analyst and other staff as necessary for this purpose. The
2.13 commission shall:

2.14 (1) monitor management of permanent school fund lands;

2.15 (2) analyze the benefits derived from the fund;

2.16 (3) actively participate in the work of the Permanent School Fund Advisory
2.17 Committee under section 127A.30;

2.18 (4) provide oversight to ensure that the state fulfills its fiduciary responsibilities to
2.19 the permanent school fund as specified by the Minnesota Constitution and Minnesota
2.20 Statutes; and

2.21 (5) make effective recommendations to the Permanent School Fund Advisory
2.22 Committee and the finance divisions and committees of the house of representatives
2.23 and the senate.

2.24 The purpose of this function is to maximize the long-term economic returns to the
2.25 school trust lands consistent with the goals of section 127A.31.

2.26 **EFFECTIVE DATE.** This section is effective July 1, 2011.

2.27 Sec. 3. Minnesota Statutes 2008, section 3.85, subdivision 3, is amended to read:

2.28 Subd. 3. **Membership.** The commission consists of ~~five~~ seven members of the
2.29 senate appointed by the Subcommittee on Committees of the Committee on Rules and
2.30 Administration and ~~five~~ seven members of the house of representatives appointed by
2.31 the speaker. No more than five members from each chamber may be from the majority
2.32 caucus in that chamber. Members shall be appointed at the commencement of each regular

3.1 session of the legislature for a two-year term beginning January 16 of the first year of the
3.2 regular session. Members continue to serve until their successors are appointed. Vacancies
3.3 that occur while the legislature is in session shall be filled like regular appointments. If the
3.4 legislature is not in session, senate vacancies shall be filled by the last Subcommittee on
3.5 Committees of the senate Committee on Rules and Administration or other appointing
3.6 authority designated by the senate rules, and house of representatives vacancies shall be
3.7 filled by the last speaker of the house, or if the speaker is not available, by the last chair of
3.8 the house of representatives Rules Committee.

3.9 Sec. 4. Minnesota Statutes 2008, section 3.9225, subdivision 5, is amended to read:

3.10 Subd. 5. **Powers.** (a) The council may contract in its own name, but no money shall
3.11 be accepted or received as a loan nor indebtedness incurred except as otherwise provided
3.12 by law. Contracts shall be approved by a majority of the members of the council and
3.13 executed by the chair and the executive director. The council may apply for, receive, and
3.14 expend in its own name grants and gifts of money consistent with the power and duties
3.15 specified in subdivisions 1 to 7.

3.16 (b) The council may solicit and accept payments for advertising, use of exhibition
3.17 space, or commemorative videos or other items in connection with publications, events,
3.18 media productions, and informational programs that are sponsored by the council. These
3.19 revenues must be deposited in an account in the special revenue fund and are appropriated
3.20 to the council to defray costs of publications, events, media productions, or informational
3.21 programs consistent with the powers and duties specified in subdivisions 1 to 7. The
3.22 council may not publish advertising or provide exhibition space for any elected official
3.23 or candidate for elective office. The council must report by January 15 each year to the
3.24 chairs and ranking minority members of the house of representatives and senate funding
3.25 divisions with jurisdiction over the council on the amount and source of each payment
3.26 received under this paragraph in the prior fiscal year.

3.27 (c) The council shall appoint an executive director who is experienced in
3.28 administrative activities and familiar with the problems and needs of Black people. The
3.29 council may delegate to the executive director powers and duties under subdivisions 1 to 7
3.30 which do not require council approval. The executive director serves in the unclassified
3.31 service and may be removed at any time by the council. The executive director shall
3.32 recommend to the council, and the council may appoint the appropriate staff necessary to
3.33 carry out its duties. Staff members serve in the unclassified service. The commissioner of
3.34 administration shall provide the council with necessary administrative services.

4.1 Sec. 5. [3.9715] PAYMENT FROM HERITAGE FUNDS FOR AUDIT COSTS.

4.2 The outdoor heritage fund, the clean water fund, the parks and trails fund, and the
4.3 arts and cultural heritage fund, established in the Minnesota Constitution, article XI,
4.4 section 15, must each pay the legislative auditor for costs incurred by the legislative
4.5 auditor to examine financial activities related to each fund. The legislative auditor shall
4.6 provide cost data to the commissioner of management and budget to determine the amount
4.7 of the required payments. The amount required to make these payments is appropriated
4.8 from each fund for payments to the legislative auditor under this section. Amounts
4.9 received by the legislative auditor under this section are appropriated to the legislative
4.10 auditor for purposes of examining financial activities related to each fund. The legislative
4.11 auditor shall report by January 15 each year to the chairs and ranking minority members of
4.12 the house of representatives and senate funding divisions with jurisdiction over the Office
4.13 of the Legislative Auditor and the funds established in the Minnesota Constitution, article
4.14 XI, section 15, on past and projected future expenditure of funds under this section.

4.15 Sec. 6. [5.025] ELECTION DAY VOLUNTEERS.

4.16 The secretary of state may use unpaid secretary of state trained volunteers to assist
4.17 the Office of the Secretary of State in providing customer service information on election
4.18 days.

4.19 Sec. 7. [10.61] TWO-SIDED PRINTING.

4.20 A printer operated by an entity in the state executive, legislative, or judicial branch
4.21 must be configured so that the default print option is for two-sided printing if it is feasible
4.22 to set two-sided printing as the default.

4.23 Sec. 8. Minnesota Statutes 2008, section 10A.01, subdivision 18, is amended to read:

4.24 Subd. 18. **Independent expenditure.** "Independent expenditure" means an
4.25 expenditure expressly advocating the election or defeat of a clearly identified candidate,
4.26 if the expenditure is made without the express or implied consent, authorization, or
4.27 cooperation of, and not in concert with or at the request or suggestion of, any candidate or
4.28 any candidate's principal campaign committee or agent. An independent expenditure is
4.29 not a contribution to that candidate. ~~An expenditure by a political party or political party~~
4.30 ~~unit in a race where the political party has a candidate on the ballot is not an independent~~
4.31 ~~expenditure.~~ An independent expenditure does not include the act of announcing a formal
4.32 public endorsement of a candidate for public office, unless the act is simultaneously

5.1 accompanied by an expenditure that would otherwise qualify as an independent
5.2 expenditure under this subdivision.

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

5.4 Sec. 9. Minnesota Statutes 2008, section 10A.01, is amended by adding a subdivision
5.5 to read:

5.6 Subd. 37. **Independent expenditure political committee.** "Independent
5.7 expenditure political committee" means a political committee that makes only independent
5.8 expenditures and disbursements permitted under section 10A.121, subdivision 1.

5.9 Sec. 10. Minnesota Statutes 2008, section 10A.01, is amended by adding a subdivision
5.10 to read:

5.11 Subd. 38. **Independent expenditure political fund.** "Independent expenditure
5.12 political fund" means a political fund that makes only independent expenditures and
5.13 disbursements permitted under section 10A.121, subdivision 1.

5.14 Sec. 11. Minnesota Statutes 2008, section 10A.12, is amended by adding a subdivision
5.15 to read:

5.16 Subd. 1a. **When required for independent expenditures.** An association other
5.17 than a political committee that makes only independent expenditures and disbursements
5.18 permitted under section 10A.121, subdivision 1, must do so by forming and registering
5.19 an independent expenditure political fund if the expenditure is in excess of \$100 or by
5.20 contributing to an existing independent expenditure political committee or political fund.

5.21 Sec. 12. **[10A.121] INDEPENDENT EXPENDITURE POLITICAL**
5.22 **COMMITTEES AND INDEPENDENT EXPENDITURE POLITICAL FUNDS.**

5.23 Subdivision 1. **Permitted disbursements.** An independent expenditure political
5.24 committee or an independent expenditure political fund, in addition to making independent
5.25 expenditures, may:

5.26 (1) pay costs associated with its fund-raising and general operations;

5.27 (2) pay for communications that do not constitute contributions or approved
5.28 expenditures; and

5.29 (3) make contributions to other independent expenditure political committees or
5.30 independent expenditure political funds.

6.1 Subd. 2. **Penalty.** An independent expenditure political committee or independent
6.2 expenditure political fund is subject to a civil penalty of up to four times the amount of the
6.3 contribution or approved expenditure if it does the following:

6.4 (1) makes a contribution to a candidate, party unit, political committee, or political
6.5 fund other than an independent expenditure political committee or an independent
6.6 expenditure political fund; or

6.7 (2) makes an approved expenditure.

6.8 This penalty supersedes any penalty otherwise provided in statute.

6.9 Sec. 13. Minnesota Statutes 2008, section 10A.20, subdivision 2, is amended to read:

6.10 **Subd. 2. Time for filing.** (a) The reports must be filed with the board on or before
6.11 January 31 of each year and additional reports must be filed as required and in accordance
6.12 with paragraphs (b) and (c).

6.13 (b) In each year in which the name of the candidate is on the ballot, the report of
6.14 the principal campaign committee must be filed 15 days before a primary and ten days
6.15 before a general election, seven days before a special primary and a special election,
6.16 and ten days after a special election cycle.

6.17 (c) In each general election year, a political committee, political fund, or party
6.18 unit must file reports 28 and 15 days before a primary and ten 42 and 15 days before a
6.19 general election. Beginning in 2012, reports required under this paragraph must also be
6.20 filed 56 days before a primary.

6.21 Sec. 14. Minnesota Statutes 2008, section 10A.20, subdivision 4, is amended to read:

6.22 **Subd. 4. Period of report.** A report must cover the period from ~~the last day covered~~
6.23 ~~by the previous report~~ January 1 of the reporting year to seven days before the filing date,
6.24 except that the report due on January 31 must cover the period from the last day covered
6.25 by the previous report to December 31.

6.26 Sec. 15. Minnesota Statutes 2008, section 10A.20, subdivision 12, is amended to read:

6.27 **Subd. 12. Failure to file; penalty.** The board must send a notice by certified mail
6.28 to any individual who fails to file a statement required by this section. If an individual
6.29 fails to file a statement due January 31 within ten business days after the notice was sent,
6.30 the board may impose a late filing fee of ~~\$5~~ \$25 per day, not to exceed ~~\$100~~ \$1,000,
6.31 commencing ~~with~~ the ~~11th~~ day after the notice was sent.

6.32 If an individual fails to file a statement due before a primary or election within three
6.33 days after the date due, regardless of whether the individual has received any notice, the

7.1 board may impose a late filing fee of \$50 per day, not to exceed ~~\$500~~ \$1,000, commencing
7.2 on the ~~fourth~~ day after the date the statement was due.

7.3 The board must send an additional notice by certified mail to an individual who fails
7.4 to file a statement within 14 days after the first notice was sent by the board that the
7.5 individual may be subject to a civil penalty for failure to file a statement. An individual
7.6 who fails to file the statement within seven days after the second notice was sent by the
7.7 board is subject to a civil penalty imposed by the board of up to \$1,000.

7.8 **EFFECTIVE DATE.** This section is effective June 1, 2010, and applies to
7.9 statements required to be filed on or after that date.

7.10 Sec. 16. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision
7.11 to read:

7.12 Subd. 14. **Contributions of business revenue.** An association may, if not
7.13 prohibited by other law, contribute revenue from the operation of a business to an
7.14 independent expenditure political committee or an independent expenditure political fund
7.15 without complying with section 10A.27, subdivision 13.

7.16 Sec. 17. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision
7.17 to read:

7.18 Subd. 15. **Contributions of dues or contribution revenue.** An association may,
7.19 if not prohibited by other law, contribute revenue from membership dues or fees, or
7.20 from contributions received by the association to an independent expenditure political
7.21 committee or an independent expenditure political fund without complying with section
7.22 10A.27, subdivision 13. Before the day when the recipient committee or fund's next report
7.23 must be filed with the board under section 10A.20, subdivision 2 or 5, an association
7.24 that has contributed \$2,000 or more in aggregate to independent expenditure political
7.25 committees or funds during the calendar year must provide in writing to the recipient's
7.26 treasurer a statement that includes the name and address of each association that paid the
7.27 association dues or fees, or made contributions to the association that, in total, aggregate
7.28 \$1,000 or more between January 1 of the calendar year and the date of the contribution.
7.29 The statement must be certified as true and correct by an officer of the contributing
7.30 association.

7.31 Sec. 18. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision
7.32 to read:

8.1 Subd. 16. Treasurer to submit disclosure statements. The treasurer of a political
8.2 committee or political fund receiving a statement required under section 10A.27,
8.3 subdivision 15, must file a copy of the statement before the deadline for the committee
8.4 or fund's next report filed with the board under section 10A.20, subdivision 2 or 5, after
8.5 receiving the statement.

8.6 Sec. 19. Minnesota Statutes 2008, section 10A.27, is amended by adding a subdivision
8.7 to read:

8.8 Subd. 17. Penalty. (a) An association that makes a contribution under section
8.9 10A.27, subdivision 15, and fails to provide the required statement within the time
8.10 specified is subject to a civil penalty of up to four times the amount of the contribution,
8.11 but not to exceed \$25,000, except when the violation was intentional.

8.12 (b) An independent expenditure political committee or an independent expenditure
8.13 political fund that files a report without including the statement required under section
8.14 10A.27, subdivision 15, is subject to a civil penalty of up to four times the amount of the
8.15 contribution for which disclosure was not filed, but not to exceed \$25,000, except when
8.16 the violation was intentional.

8.17 (c) The penalties provided under this subdivision supersede any penalty otherwise
8.18 provided in statute.

8.19 Sec. 20. **[16A.0561] MAPPED DATA ON EXPENDITURES.**

8.20 (a) Data on expenditure of money from the funds as specified under sections
8.21 3.303, subdivision 10, and 116P.08, may, if practicable, be made available on the Web
8.22 in a manner that allows the public to obtain information about a project receiving an
8.23 appropriation by clicking on a map. To the extent feasible, the map should include or link
8.24 to information about each project, including, but not limited to, the location, the name
8.25 of the entity receiving the appropriation, the source of the appropriation, the amount of
8.26 money received, and a general statement of the purpose of the appropriation.

8.27 (b) If requested, the Legislative Coordinating Commission may, to the extent
8.28 practicable, provide relevant executive branch agencies with public geospatial data that it
8.29 receives for its Web site required under section 3.303, subdivision 10. The commissioner
8.30 may make this information available to the public in a similar manner as information
8.31 provided under paragraph (a).

8.32 (c) In creating plans for public expenditures from all geographically locatable or
8.33 project based appropriations, prospective budget and project planning should consider
8.34 geographic and data reporting that would facilitate the goals of this section.

9.1 Sec. 21. Minnesota Statutes 2008, section 16A.125, subdivision 5, is amended to read:

9.2 Subd. 5. **Forest trust lands.** (a) The term "state forest trust fund lands" as used
9.3 in this subdivision, means public land in trust under the Constitution set apart as "forest
9.4 lands under the authority of the commissioner" of natural resources as defined by section
9.5 89.001, subdivision 13.

9.6 (b) The commissioner of management and budget shall credit the revenue from the
9.7 forest trust fund lands to the forest suspense account. The account must specify the trust
9.8 funds interested in the lands and the respective receipts of the lands.

9.9 (c) After a fiscal year, the commissioner of management and budget shall certify the
9.10 total costs incurred for forestry during that year under appropriations for the protection,
9.11 improvement, administration, and management of state forest trust fund lands and
9.12 construction and improvement of forest roads to enhance the forest value of the lands.
9.13 The certificate must specify the trust funds interested in the lands. The commissioner of
9.14 natural resources shall supply the commissioner of management and budget with the
9.15 information needed for the certificate.

9.16 (d) After a fiscal year, the commissioner shall distribute the receipts credited to the
9.17 suspense account during that fiscal year as follows:

9.18 (1) the amount of the certified costs incurred by the state for forest management,
9.19 forest improvement, and road improvement during the fiscal year shall be transferred to
9.20 the forest management investment account established under section 89.039, including
9.21 the costs associated with the Legislative Coordinating Commission's permanent school
9.22 fund land management activities;

9.23 (2) the balance of the certified costs incurred by the state during the fiscal year
9.24 shall be transferred to the general fund; and

9.25 (3) the balance of the receipts shall then be returned prorated to the trust funds in
9.26 proportion to their respective interests in the lands which produced the receipts.

9.27 **EFFECTIVE DATE.** This section is effective July 1, 2011.

9.28 Sec. 22. Minnesota Statutes 2008, section 16A.275, is amended to read:

9.29 **16A.275 AGENCY RECEIPTS; DEPOSIT, REPORT, CREDIT.**

9.30 Subdivision 1. ~~If \$250, daily.~~ **Deposit receipts.** Except as otherwise provided by
9.31 law, an agency shall deposit receipts totaling ~~\$250~~ \$1,000 or more in the state treasury
9.32 daily. The depositing agency shall send a report to the commissioner on the disposition of
9.33 receipts since the last report. The commissioner shall credit the deposits received during a
9.34 month to the proper funds not later than the first day of the next month.

10.1 Notwithstanding the general rule stated above, the commissioner of revenue is not
10.2 required to make daily deposits if (1) the volume of tax receipts cannot be processed daily
10.3 with available resources, or (2) receipts cannot be immediately identified for posting to
10.4 accounts.

10.5 Subd. 2. **Exception.** The commissioner may authorize an agency to deposit
10.6 receipts totaling ~~\$250~~ \$1,000 or more less frequently than daily for those locations where
10.7 the agency furnishes documentation to the commissioner that the cost of making daily
10.8 deposits exceeds the lost interest earnings and the risk of loss or theft of the receipts.

10.9 Sec. 23. **[16A.371] RECIPIENTS OF STATE GRANTS AND APPROPRIATIONS.**

10.10 (a) This section applies to a nonprofit organization that receives a direct appropriation
10.11 of state funds or that receives a grant of state funds, if during the period covered by the
10.12 appropriation or grant an officer or employee of the organization will receive a salary from
10.13 the nonprofit organization or a related organization that exceeds the salary of the governor.
10.14 As a condition of receiving the direct appropriation or grant, a nonprofit organization
10.15 covered by this section must agree that the organization will submit to the attorney
10.16 general, during each year that the organization receives a direct appropriation or grant of
10.17 state funds, a list of the total compensation of the three highest paid directors, officers,
10.18 or employees of the organization. The attorney general must make filings under this
10.19 paragraph public in the same manner as annual reports filed under section 309.53.

10.20 (b) This section also applies to a health maintenance organization, as defined in
10.21 section 62D.02, subdivision 4, that has a contract to provide services to the state or to state
10.22 employees, if an officer or employee of the organization receives a salary that exceeds
10.23 the salary of the governor.

10.24 (c) For purposes of this section:

10.25 (1) "nonprofit organization" includes a corporation, partnership, limited partnership,
10.26 limited liability company, joint venture, cooperative, association, or trust, wherever
10.27 incorporated, organized, or registered, if the organization is organized on a nonprofit basis;

10.28 (2) "related organization" has the meaning defined in section 317A.011, subdivision
10.29 18; and

10.30 (3) "total compensation" means salaries, fees, bonuses, fringe benefits, severance
10.31 payments, and deferred compensation.

10.32 Sec. 24. Minnesota Statutes 2008, section 16B.24, subdivision 3, is amended to read:

10.33 Subd. 3. **Disposal of old buildings.** (a) Upon request from the head of an agency
10.34 with control of a state-owned building with an estimated market value of less than

11.1 \$50,000, as determined by the commissioner, the commissioner may sell, demolish, or
11.2 otherwise dispose of the building if the commissioner determines that the building is no
11.3 longer used or is a fire or safety hazard.

11.4 ~~The commissioner, (b) Upon request of the head of an agency which has with control~~
11.5 ~~of a state-owned building which is no longer used or which is a fire or safety hazard, shall,~~
11.6 ~~with an estimated market value of \$50,000 or more, as determined by the commissioner,~~
11.7 ~~the commissioner may sell, demolish, or otherwise dispose of the building after~~
11.8 ~~determining that the building is no longer used or is a fire or safety hazard and obtaining~~
11.9 ~~approval of the chairs of the senate Finance Committee and house of representatives Ways~~
11.10 ~~and Means Committee, sell, wreck, or otherwise dispose of the building.~~

11.11 (c) In the event a sale is made under this subdivision, the proceeds shall be deposited
11.12 in the proper account or in the general fund provided by law. If there is no requirement in
11.13 law specifying how proceeds must be deposited other than section 16A.72, the proceeds
11.14 must be deposited in the account from which the appropriation to acquire or construct the
11.15 building was made. If the account from which the appropriation was made cannot be
11.16 identified or has been terminated, the proceeds must be deposited in the general fund.

11.17 Sec. 25. Minnesota Statutes 2008, section 16B.322, subdivision 4, is amended to read:

11.18 Subd. 4. **Financing agreement.** The commissioner shall solicit proposals from
11.19 private financial institutions on an individual project or line of credit basis and may enter
11.20 into a financing agreement with one or more financial institutions. If a financing agreement
11.21 is for an individual project, the term of the financing agreement shall not exceed 15 years
11.22 from the date of final completion of the energy improvement project. ~~The~~ and a financing
11.23 agreement is assignable to the state agency operating or managing the state building or
11.24 facility improved by the energy improvement project. The term of a financing agreement
11.25 on an individual project basis must be less than the average expected useful life of the
11.26 energy saving measures implemented under the project. The proceeds from the financing
11.27 agreement are appropriated to the commissioner and may be used for the purposes of
11.28 this section and are available until spent.

11.29 Sec. 26. Minnesota Statutes 2009 Supplement, section 16B.322, subdivision 4a,
11.30 is amended to read:

11.31 Subd. 4a. **Financing agreement.** The commissioner of administration may, in
11.32 connection with a financing agreement, covenant ~~in a master lease-purchase agreement~~
11.33 that the state will abide by the terms and provisions that are customary in net lease or
11.34 lease-purchase transactions including, but not limited to, covenants providing that the state:

12.1 (1) will maintain insurance as required under the terms of the lease agreement;

12.2 (2) is responsible to the lessor for any public liability or property damage claims or
12.3 costs related to the selection, use, or maintenance of the leased equipment, to the extent of
12.4 insurance or self-insurance maintained by the lessee, and for costs and expenses incurred
12.5 by the lessor as a result of any default by the lessee;

12.6 (3) authorizes the lessor to exercise the rights of a secured party with respect to the
12.7 equipment subject to the lease in the event of default by the lessee and, in addition, for
12.8 the present recovery of lease rentals due during the current term of the lease as liquidated
12.9 damages.

12.10 Sec. 27. Minnesota Statutes 2009 Supplement, section 16B.322, subdivision 4b,
12.11 is amended to read:

12.12 Subd. 4b. **Master lease-purchase agreements not debt.** A ~~tax-exempt~~
12.13 ~~lease-purchase agreement related to a~~ financing agreement under this section does not
12.14 constitute or create a general or moral obligation or indebtedness of the state in excess
12.15 of the money from time to time appropriated or otherwise available for the payment of
12.16 rent coming due under the lease, and the state has no continuing obligation to appropriate
12.17 money for the payment of rent or other obligations under the ~~lease agreement~~. Rent due
12.18 under a ~~master lease-purchase~~ financing agreement under this section during a current
12.19 ~~lease~~ term for which money has been appropriated is a current expense of the state.

12.20 Sec. 28. Minnesota Statutes 2009 Supplement, section 16B.322, subdivision 4c,
12.21 is amended to read:

12.22 Subd. 4c. **Budget offset.** The commissioner shall require a state agency that uses
12.23 the state energy improvement program to certify that the agency will budget, allocate, and
12.24 commit agency funds sufficient to make rent payments under a financing agreement until
12.25 all rent obligations are paid in full. In the event a participating agency fails to make a
12.26 rent payment, the commissioner of management and budget shall reduce the operating
12.27 budgets budget of the state agencies that use the master lease-purchase program under a
12.28 financial agreement agency. The amount of the reduction is the amount sufficient to
12.29 make the actual ~~master lease~~ payments.

12.30 Sec. 29. Minnesota Statutes 2008, section 16B.322, subdivision 5, is amended to read:

12.31 Subd. 5. **Qualifying energy improvement projects.** The commissioner may
12.32 approve an energy improvement project ~~and enter into~~ for a financing agreement if the
12.33 commissioner determines that:

13.1 (1) the project and project financing agreement have been approved by the governing
13.2 body or head of the state agency that operates or manages the state building or facility to
13.3 be improved;

13.4 (2) the project is technically and economically feasible;

13.5 (3) the state agency that operates or manages the state building or facility has made
13.6 adequate provision for the operation and maintenance of the project;

13.7 (4) if an energy efficiency improvement, the project is calculated to result in a
13.8 positive cash flow in each year the financing agreement is in effect;

13.9 (5) the project proposer has fully explored the use of conservation investment plan
13.10 opportunities under section 216B.241 with the utilities providing gas and electric service
13.11 to the energy improvement project;

13.12 (6) if a renewable energy improvement, the project is calculated to reduce use of
13.13 fossil-fuel energy; and

13.14 (7) if a geothermal energy improvement, the project is calculated to produce savings
13.15 in terms of nongeothermal energy and costs.

13.16 For the purpose of clause (6), "renewable energy" is energy produced by an eligible energy
13.17 technology as defined in section 216B.1691, subdivision 1, paragraph (a), clause (1).

13.18 Sec. 30. **[16B.535] FLEET MANAGEMENT; CONSOLIDATION.**

13.19 (a) The Department of Administration shall ensure optimum efficiency and economy
13.20 in the fleet management activities of all state agencies. The department must:

13.21 (1) maintain a current fleet management inventory and maintenance cost accounting
13.22 system that includes all state-owned or leased motor vehicles;

13.23 (2) develop uniform state policies and guidelines for vehicle acquisition,
13.24 replacement, use, fuel, maintenance, and recording of operational and other costs; and

13.25 (3) study the cost-effectiveness of consolidating or privatizing the state vehicle fleet
13.26 or sections of the state vehicle fleet, including documenting the current status of fleet
13.27 consolidation or privatization and assessing the cost-effectiveness of further consolidation
13.28 or privatization of the state vehicle fleet.

13.29 (b) When requested by the governor or the legislature, the department must submit
13.30 information detailing the costs associated with fleet operations based upon a statewide
13.31 uniform cost accounting system.

13.32 (c) State agencies authorized by the Department of Administration may operate
13.33 a vehicle fleet management program. Each such agency shall assign a fleet manager
13.34 who shall operate the agency's fleet program in accordance with policies and guidelines
13.35 established by the Department of Administration.

14.1 (d) Each fleet manager must review the use of state-owned or leased vehicles within
14.2 their agency at least annually to determine whether vehicle utilization meets best practices
14.3 criteria as determined by the Department of Administration.

14.4 Sec. 31. Minnesota Statutes 2008, section 16C.055, subdivision 2, is amended to read:

14.5 Subd. 2. **Restriction.** After July 1, 2002, an agency may not enter into a contract or
14.6 otherwise agree with a nongovernmental entity to receive total nonmonetary consideration
14.7 valued at more than \$100,000 annually in exchange for the agency providing nonmonetary
14.8 consideration, unless such an agreement is specifically authorized by law. This subdivision
14.9 does not apply to the State Lottery.

14.10 Sec. 32. Minnesota Statutes 2009 Supplement, section 16C.16, subdivision 6a, as
14.11 amended by 2010 S.F. No. 2737, article 2, section 3, if enacted, is amended to read:

14.12 Subd. 6a. **Veteran-owned small businesses.** (a) The commissioner shall award
14.13 up to a six percent preference, but no less than the percentage awarded to any other
14.14 group under this section except when mandated by the federal government as a condition
14.15 of receiving federal funds, in the amount bid on state procurement to certified small
14.16 businesses that are majority-owned and operated by:

14.17 (1) recently separated veterans who have served in active military service, at any
14.18 time on or after September 11, 2001, and who have been discharged under honorable
14.19 conditions from active service, as indicated by the person's United States Department of
14.20 Defense form DD-214 or by the commissioner of veterans affairs;

14.21 (2) veterans with service-connected disabilities, as determined at any time by the
14.22 United States Department of Veterans Affairs; or

14.23 (3) any other veteran-owned small businesses certified under section 16C.19,
14.24 paragraph (d).

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

14.29 Sec. 33. Minnesota Statutes 2009 Supplement, section 16E.02, subdivision 1, is
14.30 amended to read:

14.31 Subdivision 1. **Office management and structure.** (a) The chief information officer
14.32 is appointed by the governor. The chief information officer serves in the unclassified
14.33 service at the pleasure of the governor. The chief information officer must have experience

15.1 leading enterprise-level information technology organizations. The chief information
15.2 officer is the state's chief information officer and information and telecommunications
15.3 technology advisor to the governor.

15.4 (b) The chief information officer may appoint other employees of the office.
15.5 The staff of the office must include individuals knowledgeable in information and
15.6 telecommunications technology systems and services and individuals with specialized
15.7 training in information security and accessibility.

15.8 (c) The chief information officer may appoint a Webmaster responsible for the
15.9 supervision and development of state Web sites under the control of the office. The
15.10 Webmaster, if appointed, shall ensure that these Web sites are maintained in an easily
15.11 accessible format that is consistent throughout state government and are consistent
15.12 with the accessibility standards developed under section 16E.03, subdivision 9. The
15.13 Webmaster, if appointed, shall provide assistance and guidance consistent with the
15.14 requirements of this paragraph to other state agencies for the maintenance of other Web
15.15 sites not under the direct control of the office.

15.16 Sec. 34. Minnesota Statutes 2008, section 16E.04, subdivision 2, is amended to read:

15.17 Subd. 2. **Responsibilities.** (a) In addition to other activities prescribed by law, the
15.18 office shall carry out the duties set out in this subdivision.

15.19 (b) The office shall develop and establish a state information architecture to ensure:
15.20 (1) that state agency development and purchase of information and communications
15.21 systems, equipment, and services is designed to ensure that individual agency information
15.22 systems complement and do not needlessly duplicate or conflict with the systems of other
15.23 agencies; and

15.24 (2) enhanced public access to data can be provided consistent with standards
15.25 developed under section 16E.05, subdivision 4.

15.26 When state agencies have need for the same or similar public data, the chief information
15.27 officer, in coordination with the affected agencies, shall manage the most efficient and
15.28 cost-effective method of producing and storing data for or sharing data between those
15.29 agencies. The development of this information architecture must include the establishment
15.30 of standards and guidelines to be followed by state agencies. The office shall ensure
15.31 compliance with the architecture.

15.32 (c) The office shall assist state agencies in the planning and management of
15.33 information systems so that an individual information system reflects and supports the
15.34 state agency's mission and the state's requirements and functions. The office shall review
15.35 and approve agency technology plans to ensure consistency with enterprise information

16.1 and telecommunications technology strategy. By January 15 of each year, the chief
16.2 information officer must report to the chairs and the ranking minority members of
16.3 the legislative committees and divisions with jurisdiction over the office regarding the
16.4 assistance provided under this paragraph. The report must include a listing of agencies
16.5 that have developed or are developing plans under this paragraph.

16.6 (d) The office shall review and approve agency requests for funding for the
16.7 development or purchase of information systems equipment or software before the
16.8 requests may be included in the governor's budget.

16.9 (e) The office shall review major purchases of information systems equipment to:

16.10 (1) ensure that the equipment follows the standards and guidelines of the state
16.11 information architecture;

16.12 (2) ensure the agency's proposed purchase reflects a cost-effective policy regarding
16.13 volume purchasing; and

16.14 (3) ensure that the equipment is consistent with other systems in other state agencies
16.15 so that data can be shared among agencies, unless the office determines that the agency
16.16 purchasing the equipment has special needs justifying the inconsistency.

16.17 (f) The office shall review the operation of information systems by state agencies
16.18 and ensure that these systems are operated efficiently and securely and continually meet
16.19 the standards and guidelines established by the office. The standards and guidelines must
16.20 emphasize uniformity that is cost-effective for the enterprise, that encourages information
16.21 interchange, open systems environments, and portability of information whenever
16.22 practicable and consistent with an agency's authority and chapter 13.

16.23 (g) The office shall conduct a comprehensive review at least every three years of
16.24 the information systems investments that have been made by state agencies and higher
16.25 education institutions. The review must include recommendations on any information
16.26 systems applications that could be provided in a more cost-beneficial manner by an outside
16.27 source. The office must report the results of its review to the legislature and the governor.

16.28 Sec. 35. Minnesota Statutes 2008, section 16E.05, is amended by adding a subdivision
16.29 to read:

16.30 Subd. 4. Standards for transparency. The chief information officer, in consultation
16.31 with the Information Policy Analysis Division of the Department of Administration,
16.32 shall develop standards to enhance public access to electronic data maintained by state
16.33 government, consistent with the requirements of chapter 13. The standards must ensure
16.34 that:

16.35 (1) the state information architecture facilitates public access to agency data;

- 17.1 (2) publicly available data is managed using an approved state metadata model; and
17.2 (3) all geospatial data conform to an approved state geocode model.

17.3 Sec. 36. Minnesota Statutes 2008, section 43A.50, subdivision 2, is amended to read:

17.4 Subd. 2. **Registration.** (a) A federated funding organization shall apply to the
17.5 commissioner by March 1 in order to be eligible to participate in the state employee
17.6 combined charities campaign for that year.

17.7 (b) A federated funding organization must apply in the form prescribed by the
17.8 commissioner and shall provide the following:

17.9 (1) assurance of tax exempt status for the federated funding organization and each of
17.10 the charitable agencies identified by the federated funding organization as an affiliated
17.11 agency;

17.12 (2) assurance of proper registration with the attorney general of Minnesota to solicit
17.13 contributions in the state of Minnesota for the federated funding organization and each of
17.14 the charitable agencies identified by the federated funding organization as an affiliated
17.15 agency. A copy of the registration letter in effect at the time of application for the state
17.16 employee combined charities campaign must be available upon request;

17.17 (3) an affidavit signed by a duly constituted officer of the federated funding
17.18 organization attesting to the fact that the federated funding organization and its affiliated
17.19 agencies are in compliance with each of the provisions of this section;

17.20 (4) a list of the board of directors or local advisory board for the federated funding
17.21 organization which identifies the members who live or work in Minnesota and contiguous
17.22 counties;

17.23 (5) a list of the name and business address of each affiliated agency the federated
17.24 funding organization supports;

17.25 (6) a list of any related organizations, as defined in section 317A.011, subdivision 18;

17.26 (7) the total contributions received in the organization's accounting year last
17.27 reported and, from those contributions, the amounts expended by the federated funding
17.28 organization for management and general costs and for fund-raising costs and the amount
17.29 distributed to the affiliated agencies, programs, and designated agencies it supports; and

17.30 (8) a fee of \$100, or ten percent of the funds raised from state employees in
17.31 the previous campaign, whichever is less. The fee for an organization which did not
17.32 participate in the previous year's state employee campaign is \$100. These fees must
17.33 be deposited into an account in the special revenue fund and are appropriated to the
17.34 commissioner to be expended with the approval of the Combined Charities Board in
17.35 section 43A.04 for costs associated with administering the annual campaign.

18.1 The commissioner may require submission of additional information needed to
18.2 determine compliance with the provisions of this chapter.

18.3 (c) The commissioner shall register or not register the application of an organization
18.4 and shall notify the organization of the decision by May 1. An organization whose
18.5 application is denied has ten calendar days after receiving notice of the denial to appeal
18.6 the decision or file an amended application correcting the deficiency. The commissioner
18.7 shall register or not register the organization within ten calendar days after receiving the
18.8 appeal or amended application. If registration is denied a second time, the organization
18.9 may appeal within five calendar days after receiving notice of the denial. A hearing
18.10 shall be scheduled by the commissioner and shall be held within 15 calendar days after
18.11 receiving notice of the appeal. The parties may mutually agree to a later date. The
18.12 provisions of chapter 14 do not apply to the hearing. The hearing shall be conducted in
18.13 a manner considered appropriate by the commissioner. The commissioner shall make a
18.14 determination within five calendar days after the hearing has been completed.

18.15 (d) Only organizations that are approved may participate in the state employee
18.16 combined charities campaign for the year of approval and only contributions to approved
18.17 organizations may be deducted from an employee's pay pursuant to section 16A.134.

18.18 Sec. 37. Minnesota Statutes 2008, section 79.34, subdivision 1, is amended to read:

18.19 Subdivision 1. **Conditions requiring membership.** The nonprofit association
18.20 known as the Workers' Compensation Reinsurance Association may be incorporated under
18.21 chapter 317A with all the powers of a corporation formed under that chapter, except that
18.22 if the provisions of that chapter are inconsistent with sections 79.34 to 79.40, sections
18.23 79.34 to 79.40 govern. Each insurer as defined by section 79.01, subdivision 2, shall, as
18.24 a condition of its authority to transact workers' compensation insurance in this state, be
18.25 a member of the reinsurance association and is bound by the plan of operation of the
18.26 reinsurance association; provided, that all affiliated insurers within a holding company
18.27 system as defined in chapter 60D are considered a single entity for purposes of the exercise
18.28 of all rights and duties of membership in the reinsurance association. Each self-insurer
18.29 approved under section 176.181 and each political subdivision that self-insures shall, as a
18.30 condition of its authority to self-insure workers' compensation liability in this state, be a
18.31 member of the reinsurance association and is bound by its plan of operation; provided that:

18.32 (1) all affiliated companies within a holding company system, as determined by
18.33 the commissioner of labor and industry in a manner consistent with the standards and
18.34 definitions in chapter 60D, are considered a single entity for purposes of the exercise of all
18.35 rights and duties of membership in the reinsurance association; and

19.1 (2) all group self-insurers granted authority to self-insure pursuant to section
19.2 176.181 are considered single entities for purposes of the exercise of all the rights and
19.3 duties of membership in the reinsurance association. As a condition of its authority to
19.4 self-insure workers' compensation liability, and for losses incurred after December 31,
19.5 1983, the state is a member of the reinsurance association and is bound by its plan of
19.6 operation. The commissioner of ~~management and budget~~ administration represents
19.7 the state in the exercise of all the rights and duties of membership in the reinsurance
19.8 association. The amounts necessary to pay the state's premiums required for coverage by
19.9 the Workers' Compensation Reinsurance Association are appropriated from the general
19.10 fund to the commissioner of ~~management and budget~~ administration. The University
19.11 of Minnesota shall pay its portion of workers' compensation reinsurance premiums
19.12 directly to the Workers' Compensation Reinsurance Association. For the purposes of
19.13 this section, "state" means the administrative branch of state government, the legislative
19.14 branch, the judicial branch, the University of Minnesota, and any other entity whose
19.15 workers' compensation liability is paid from the state revolving fund. The commissioner
19.16 of management and budget may calculate, prorate, and charge a department or agency
19.17 the portion of premiums paid to the reinsurance association for employees who are
19.18 paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The
19.19 reinsurance association is not a state agency. Actions of the reinsurance association and its
19.20 board of directors and actions of the commissioner of labor and industry with respect to
19.21 the reinsurance association are not subject to chapters 13 and 15. All property owned by
19.22 the association is exempt from taxation. The reinsurance association is not obligated to
19.23 make any payments or pay any assessments to any funds or pools established pursuant to
19.24 this chapter or chapter 176 or any other law.

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

19.26 Sec. 38. Minnesota Statutes 2008, section 103F.755, is amended to read:

19.27 **103F.755 INTEGRATION OF DATA.**

19.28 The data collected for the activities of the clean water partnership program that have
19.29 common value for natural resource planning must be ~~provided and integrated into the~~
19.30 ~~Minnesota land management information system's geographic and summary databases~~
19.31 ~~according to published data compatibility guidelines~~ made available using standards
19.32 adopted by the Office of Enterprise Technology and geospatial technology standards and
19.33 guidelines published by the Minnesota Geospatial Information Office. Costs associated
19.34 with this data delivery must be borne by this activity.

20.1 Sec. 39. Minnesota Statutes 2008, section 103H.175, as amended by Laws 2009,
20.2 chapter 101, article 2, section 107, is amended to read:

20.3 **103H.175 GROUNDWATER QUALITY MONITORING.**

20.4 Subdivision 1. **Monitoring results to be submitted to the Minnesota Geospatial**
20.5 **Information Office made available using state data standards.** The results of
20.6 monitoring groundwater quality by state agencies and political subdivisions must
20.7 be ~~submitted to~~ made available using standards adopted by the Office of Enterprise
20.8 Technology and geospatial technology standards and guidelines published by the
20.9 Minnesota Geospatial Information Office.

20.10 Subd. 2. **Computerized database.** ~~The Minnesota Geospatial Information Office~~
20.11 Agencies monitoring groundwater shall maintain a computerized database ~~databases~~ of the
20.12 results of groundwater quality monitoring in a manner that is accessible to the Pollution
20.13 Control Agency, Department of Agriculture, Department of Health, and Department of
20.14 Natural Resources. ~~The center shall assess the quality and reliability of the data and~~
20.15 ~~organize the data in a usable format.~~

20.16 Subd. 3. **Report.** In each even-numbered year, the Pollution Control Agency, in
20.17 cooperation with other agencies participating in the monitoring of water resources, shall
20.18 provide a draft report on the status of groundwater monitoring to the Environmental
20.19 Quality Board for review and then to the house of representatives and senate committees
20.20 with jurisdiction over the environment, natural resources, and agriculture as part of the
20.21 report in section 103A.204.

20.22 Sec. 40. Minnesota Statutes 2008, section 115A.15, subdivision 4, is amended to read:

20.23 Subd. 4. **Staff.** The commissioner of administration ~~shall~~ may employ an
20.24 administrator to manage the resource recovery program and other staff and consultants
20.25 as are necessary to carry out the program.

20.26 Sec. 41. Minnesota Statutes 2008, section 115A.15, subdivision 9, is amended to read:

20.27 Subd. 9. **Recycling goal.** ~~By December 31, 1996, the commissioner shall recycle~~
20.28 ~~at least 60 percent by weight of the solid waste generated by state offices and other state~~
20.29 ~~operations located in the metropolitan area~~ The goal of the resource recovery program
20.30 is to recycle at least 60 percent of the solid waste generated by state offices and other
20.31 state operations. By March 1 of each year, the commissioner shall report to the Pollution
20.32 Control Agency the estimated recycling rates by county for state offices and other state
20.33 operations in the metropolitan area for the previous calendar year. The Pollution Control
20.34 Agency shall incorporate these figures into the reports submitted by the counties under

21.1 section 115A.557, subdivision 3, to determine each county's progress toward the goal in
21.2 section 115A.551, subdivision 2.

21.3 Each state agency in the metropolitan area shall work to meet the recycling goal
21.4 individually. ~~If the goal is not met by an agency, the commissioner shall notify that~~
21.5 ~~agency that the goal has not been met and the reasons the goal has not been met and shall~~
21.6 ~~provide information to the employees in the agency regarding recycling opportunities and~~
21.7 ~~expectations~~ The commissioner shall provide agencies with their performance against the
21.8 goal along with information about recycling opportunities to increase their performance.

21.9 Sec. 42. Minnesota Statutes 2008, section 115A.15, subdivision 10, is amended to read:

21.10 Subd. 10. **Materials recovery facility; materials collection; waste audits.** (a) The
21.11 commissioner of the Department of Administration shall establish a central materials
21.12 recovery facility to manage recyclable materials collected from state offices and other state
21.13 operations in the metropolitan area. The facility must be located as close as practicable to
21.14 the State Capitol complex and must be large enough to accommodate temporary storage
21.15 of recyclable materials collected from state offices and other state operations in the
21.16 metropolitan area and the processing of those materials for market.

21.17 (b) The commissioner shall establish a recyclable materials collection and
21.18 transportation system for state offices and other state operations in the metropolitan area
21.19 that will maximize the types and amount of materials collected and the number of state
21.20 offices and other state operations served, and will minimize barriers to effective and
21.21 efficient collection, transportation, and marketing of recyclable materials.

21.22 (c) The commissioner ~~shall~~ may perform regular audits on the solid waste and
21.23 recyclable materials collected to identify materials upon which to focus waste reduction,
21.24 reuse, and recycling activities ~~and to measure:~~

- 21.25 ~~(1) progress made toward the recycling goal in subdivision 9;~~
21.26 ~~(2) progress made to reduce waste generation; and~~
21.27 ~~(3) potential for additional waste reduction, reuse, and recycling.~~

21.28 (d) The commissioner may contract with private entities for the activities required in
21.29 this subdivision if the commissioner determines that it would be cost-effective to do so.

21.30 Sec. 43. **[116W.035] INFORMATION TECHNOLOGY.**

21.31 To the extent the projects or grants approved by the authority or other work of the
21.32 authority impact state information systems, these information systems are subject to
21.33 the jurisdiction of the Office of Enterprise Technology in chapter 16E, including, but
21.34 not limited to:

- 22.1 (1) evaluation and approval as specified in section 16E.03, subdivisions 3 and 4;
22.2 (2) review to ensure compliance with security policies, guidelines, and standards as
22.3 specified in section 16E.03, subdivision 7; and
22.4 (3) assurance of compliance with accessibility standards developed under section
22.5 16E.03, subdivision 9.

22.6 Sec. 44. Minnesota Statutes 2008, section 127A.30, subdivision 2, is amended to read:

22.7 Subd. 2. **Duties.** The advisory committee, in conjunction with the Legislative
22.8 Coordinating Commission, shall review the policies of the Department of Natural
22.9 Resources and current statutes on management of school trust fund lands at least annually
22.10 and shall recommend necessary changes in statutes, policy, and implementation in order to
22.11 ensure provident utilization of the permanent school fund lands. By January 15 of each
22.12 year, the advisory committee shall submit a report to the legislature with recommendations
22.13 for the oversight and management of school trust lands to secure long-term economic
22.14 return for the permanent school fund, consistent with sections 92.121 and 127A.31. The
22.15 committee's annual report may include recommendations to:

- 22.16 (1) manage the school trust lands efficiently;
22.17 (2) reduce the management expenditures of school trust lands and maximize the
22.18 revenues deposited in the permanent school trust fund;
22.19 (3) manage the sale, exchange, and commercial leasing of school trust lands to
22.20 maximize the revenues deposited in the permanent school trust fund and retain the value
22.21 from the long-term appreciation of the school trust lands; and
22.22 (4) manage the school trust lands to maximize the long-term economic return for the
22.23 permanent school trust fund while maintaining sound natural resource conservation and
22.24 management principles.

22.25 **EFFECTIVE DATE.** This section is effective July 1, 2011.

22.26 Sec. 45. Minnesota Statutes 2008, section 211B.01, subdivision 3, is amended to read:

22.27 Subd. 3. **Candidate.** "Candidate" means an individual who seeks nomination
22.28 or election to a ~~federal~~, statewide, legislative, judicial, or local office including special
22.29 districts, school districts, towns, home rule charter and statutory cities, and counties;
22.30 ~~except candidates for president and vice-president of the United States.~~

22.31 Sec. 46. Minnesota Statutes 2008, section 211B.04, is amended to read:

22.32 **211B.04 CAMPAIGN LITERATURE MUST INCLUDE DISCLAIMER.**

23.1 (a) A person who participates in the preparation or dissemination of campaign
23.2 material other than as provided in section 211B.05, subdivision 1, that does not
23.3 prominently include the name and address of the person or committee causing the material
23.4 to be prepared or disseminated in a disclaimer substantially in the form provided in
23.5 paragraph (b) or (c) is guilty of a misdemeanor.

23.6 (b) Except in cases covered by paragraph (c), the required form of disclaimer is:
23.7 "Prepared and paid for by the committee,(address)" for material prepared
23.8 and paid for by a principal campaign committee, or "Prepared and paid for by the
23.9 committee,(address), in support of(insert name of candidate or ballot
23.10 question)" for material prepared and paid for by a person or committee other than a
23.11 principal campaign committee.

23.12 (c) In the case of broadcast media, the required form of disclaimer is: "Paid for by
23.13 the committee."

23.14 (d) Campaign material that is not circulated on behalf of a particular candidate
23.15 or ballot question must also include in the disclaimer either that it is "in opposition to
23.16(insert name of candidate or ballot question....)"; or that "this publication is not
23.17 circulated on behalf of any candidate or ballot question."

23.18 (e) This section does not apply to objects stating only the candidate's name and
23.19 the office sought, fund-raising tickets, or personal letters that are clearly being sent by
23.20 the candidate.

23.21 (f) This section does not apply to an individual or association who acts independently
23.22 of any candidate, candidate's committee, political committee, or political fund and spends
23.23 only from the individual's or association's own resources a sum that is less than ~~\$500~~
23.24 \$2,000 in the aggregate to produce or distribute campaign material that is distributed at
23.25 least seven days before the election to which the campaign material relates.

23.26 (g) This section does not modify or repeal section 211B.06.

23.27 **EFFECTIVE DATE.** This section is effective June 1, 2010, and applies to
23.28 campaign material prepared and disseminated on or after that date.

23.29 Sec. 47. Minnesota Statutes 2008, section 211B.15, subdivision 2, is amended to read:

23.30 Subd. 2. **Prohibited contributions.** A corporation may not make a contribution
23.31 or offer or agree to make a contribution; directly or indirectly, of any money, property,
23.32 free service of its officers, employees, or members, or thing of monetary value to a
23.33 major political party, organization, committee, or individual to promote or defeat the
23.34 candidacy of an individual for nomination, election, or appointment to a political office.
23.35 For the purpose of this subdivision, "contribution" includes an expenditure to promote or

24.1 defeat the election or nomination of a candidate to a political office that is made with the
24.2 authorization or expressed or implied consent of, or in cooperation or in concert with, or at
24.3 the request or suggestion of, a candidate or committee established to support or oppose a
24.4 candidate but does not include an independent expenditure authorized by subdivision 3.

24.5 Sec. 48. Minnesota Statutes 2008, section 211B.15, subdivision 3, is amended to read:

24.6 Subd. 3. **Independent expenditures.** A corporation may not make an ~~independent~~
24.7 expenditure or offer or agree to make an ~~independent~~ expenditure to promote or defeat the
24.8 candidacy of an individual for nomination, election, or appointment to a political office,
24.9 unless the expenditure is an independent expenditure. For the purpose of this subdivision,
24.10 "independent expenditure" ~~means an expenditure that is not made with the authorization~~
24.11 ~~or expressed or implied consent of, or in cooperation or concert with, or at the request~~
24.12 ~~or suggestion of, a candidate or committee established to support or oppose a candidate~~
24.13 has the meaning given in section 10A.01, subdivision 18.

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

24.15 Sec. 49. Minnesota Statutes 2008, section 216B.16, is amended by adding a
24.16 subdivision to read:

24.17 Subd. 18. **Election or ballot question expenses.** The commission may not allow
24.18 a public utility to recover from ratepayers expenses resulting from a contribution or
24.19 expenditure made for a political purpose, as defined in section 211B.01. This subdivision
24.20 does not prohibit a public utility from engaging in political activity or making a
24.21 contribution or expenditure otherwise permitted by law.

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

24.23 Sec. 50. Minnesota Statutes 2008, section 307.08, subdivision 5, is amended to read:

24.24 Subd. 5. **Cost; use of data.** The cost of authentication, recording, surveying, and
24.25 marking burial grounds and the cost of identification, analysis, rescue, and reburial of
24.26 human remains on public lands or waters shall be the responsibility of the state or political
24.27 subdivision controlling the lands or waters. On private lands or waters these costs shall be
24.28 borne by the state, but may be borne by the landowner upon mutual agreement with the
24.29 state. ~~The data collected by this activity that has common value for resource planning must~~
24.30 ~~be provided and integrated into the Minnesota land management information system's~~
24.31 ~~geographic and summary databases according to published data compatibility guidelines.~~
24.32 The State Archaeologist must make the data collected for this activity available using

25.1 standards adopted by the Office of Enterprise Technology and geospatial technology
25.2 standards and guidelines published by the Minnesota Geospatial Information Office. Costs
25.3 associated with this data delivery must be borne by the state.

25.4 Sec. 51. Minnesota Statutes 2008, section 318.02, subdivision 1, is amended to read:

25.5 Subdivision 1. **Definition.** The term "declaration of trust" as used in this section
25.6 means the declaration of trust, business trust instrument, trust indenture, contract of
25.7 custodianship, or other instrument pursuant to which such association is organized. Every
25.8 such association organized after April 20, 1961, for the purpose of transacting business
25.9 in this state shall, prior to transacting any business in this state, file in the Office of the
25.10 Secretary of State a true and correct copy of the "declaration of trust" under which the
25.11 association proposes to conduct its business. The copy shall also contain a statement that
25.12 the true and correct copy of the "declaration of trust" is being filed in the Office of the
25.13 Secretary of State of the state of Minnesota pursuant to this chapter and shall also include
25.14 the full name and street address of an agent of the business trust in this state. That agent
25.15 shall be the agent for service of process which shall be made pursuant to the provisions
25.16 of section 543.08. The "declaration of trust" may provide that the duration of such
25.17 association shall be perpetual. Upon the filing of the copy of the "declaration of trust," ~~and~~
25.18 ~~the payment of a filing fee of \$150 to the secretary of state,~~ the secretary of state shall issue
25.19 to such association, or to the trustees named in the said "declaration of trust," or to the
25.20 persons or parties to the "declaration of trust," a certificate showing that such "declaration
25.21 of trust" has been duly filed; whereupon, such association in its name shall be authorized
25.22 to transact business in this state; provided that all other applicable laws have been
25.23 complied with. The "declaration of trust" may be amended as provided in the "declaration
25.24 of trust" or in any amendments thereto but a true and correct copy of all amendments to the
25.25 "declaration of trust," shall be filed in the Office of the Secretary of State ~~upon the payment~~
25.26 ~~of a filing fee of \$50 to the secretary of state~~ and all amendments shall become effective at
25.27 the time of said filing. When such copy of the "declaration of trust" and any amendments
25.28 thereto shall have been filed in the Office of the Secretary of State it shall constitute public
25.29 notice as to the purposes and manner of the business to be engaged in by such association.

25.30 Sec. 52. Minnesota Statutes 2008, section 336.9-531, is amended to read:

25.31 **336.9-531 ELECTRONIC ACCESS; LIABILITY; RETENTION.**

25.32 (a) **Electronic access.** The secretary of state may allow private parties to have
25.33 electronic access to the central filing system and to other computerized records maintained
25.34 by the secretary of state on a fee basis, except that: (1) visual access to electronic display

26.1 terminals at the public counters at the Secretary of State's Office must be without charge
26.2 and must be available during public counter hours; and (2) access by law enforcement
26.3 personnel, acting in an official capacity, must be without charge. If the central filing system
26.4 allows a form of electronic access to information regarding the obligations of debtors, the
26.5 access must be available 24 hours a day, every day of the year. ~~Notwithstanding section~~
26.6 ~~13.355, private parties who have electronic access to computerized records may view the~~
26.7 ~~Social Security number information about a debtor that is of record.~~

26.8 ~~Notwithstanding section 13.355, a filing office may include Social Security number~~
26.9 ~~information in an information request response under section 336.9-523 or a search of~~
26.10 ~~other liens in the central filing system. A filing office may also include Social Security~~
26.11 ~~number information on a photocopy or electronic copy of a record whether provided in~~
26.12 ~~an information request response or in response to a request made under section 13.03.~~
26.13 Any Social Security number information or tax identification number information in the
26.14 possession of the secretary of state is private data on individuals or nonpublic data.

26.15 (b) **Liability.** The secretary of state, county recorders, and their employees and
26.16 agents are not liable for any loss or damages arising from errors in or omissions from
26.17 information entered into the central filing system as a result of the electronic transmission
26.18 of tax lien notices under sections 268.058, subdivision 1, paragraph (c); 270C.63,
26.19 subdivision 4; 272.483; and 272.488, subdivisions 1 and 3.

26.20 The state, the secretary of state, counties, county recorders, and their employees and
26.21 agents are immune from liability that occurs as a result of errors in or omissions from
26.22 information provided from the central filing system.

26.23 (c) **Retention.** Once the image of a paper record has been captured by the central
26.24 filing system, the secretary of state may remove or direct the removal from the files and
26.25 destroy the paper record.

26.26 **EFFECTIVE DATE.** This section is effective for financing statements filed in the
26.27 central filing system after November 30, 2010.

26.28 Sec. 53. Minnesota Statutes 2008, section 336A.08, subdivision 1, is amended to read:

26.29 Subdivision 1. **Compilation.** (a) The secretary of state shall compile the information
26.30 on effective financing statements in the computerized filing system into a master list:

26.31 (1) organized according to farm product;

26.32 (2) arranged within each product:

26.33 (i) in alphabetical order according to the last name of the individual debtor or, in
26.34 the case of debtors doing business other than as individuals, the first word in the name
26.35 of the debtors;

27.1 (ii) in numerical order according to the ~~Social Security number of the individual~~
27.2 ~~debtor or, in the case of debtors doing business other than as individuals, the Internal~~
27.3 ~~Revenue Service taxpayer identification number of the debtors~~ unique identifier assigned
27.4 by the secretary of state to, and associated with, the Social Security or tax identification
27.5 number of the debtor;

27.6 (iii) geographically by county; and

27.7 (iv) by crop year;

27.8 (3) containing the information provided on an effective financing statement; and

27.9 (4) designating any applicable terminations of the effective financing statement.

27.10 (b) The secretary of state shall compile information from lien notices recorded in the
27.11 computerized filing system into a statutory lien master list in alphabetical order according
27.12 to the last name of the individual debtor or, in the case of debtors doing business other
27.13 than as individuals, the first word in the name of the debtors. The secretary of state may
27.14 also organize the statutory lien master list according to one or more of the categories of
27.15 information established in paragraph (a). Any terminations of lien notices must be noted.

27.16 **EFFECTIVE DATE.** This section is effective for lists compiled pursuant to this
27.17 section after October 31, 2010.

27.18 Sec. 54. Minnesota Statutes 2008, section 336A.08, subdivision 4, is amended to read:

27.19 Subd. 4. **Distribution of master and partial lists.** (a) The secretary of state shall
27.20 maintain the information on the effective financing statement master list:

27.21 (1) by farm product arranged alphabetically by debtor; and

27.22 (2) by farm product arranged numerically by the ~~debtor's Social Security number for~~
27.23 ~~an individual debtor or, in the case of debtors doing business other than as individuals, the~~
27.24 ~~Internal Revenue Service taxpayer identification number of the debtors~~ unique identifier
27.25 assigned by the secretary of state to, and associated with, the Social Security or tax
27.26 identification number of the debtor.

27.27 (b) The secretary of state shall maintain the information in the farm products
27.28 statutory lien master list by county arranged alphabetically by debtor.

27.29 (c) The secretary of state shall distribute or make available the requested master and
27.30 partial master lists on a monthly basis to farm product dealers registered under section
27.31 336A.11. Lists will be distributed or made available on or before the tenth day of each
27.32 month or on the next business day thereafter if the tenth day is not a business day.

27.33 (d) The secretary of state shall make the master and partial master lists available
27.34 as written or printed paper documents and may make lists available in other forms or
27.35 media, including:

28.1 (1) any electronically transmitted medium; or

28.2 (2) any form of digital media.

28.3 (e) There shall be no fee for partial or master lists distributed via an electronically
28.4 transmitted medium. The annual fee for any other form of digital media is \$200. The
28.5 annual fee for paper partial lists is \$250 and \$400 for paper master lists.

28.6 (f) A farm products dealer shall register pursuant to section 336A.11 by the last
28.7 business day of the month to receive the monthly lists requested by the farm products
28.8 dealer for that month.

28.9 (g) If a registered farm products dealer receives a monthly list that cannot be read or
28.10 is incomplete, the farm products dealer must immediately inform the secretary of state by
28.11 telephone or e-mail of the problem. The registered farm products dealer shall confirm the
28.12 existence of the problem by writing to the secretary of state. The secretary of state shall
28.13 provide the registered farm products dealer with new monthly lists in the medium chosen
28.14 by the registered farm products dealer no later than five business days after receipt of the
28.15 oral notice from the registered farm products dealer. A registered farm products dealer is
28.16 not considered to have received notice of the information on the monthly lists until the
28.17 duplicate list is received from the secretary of state or until five days have passed since the
28.18 duplicate lists were deposited in the mail by the secretary of state, whichever comes first.

28.19 (h) On receipt of a written notice pursuant to section 336A.13, the secretary of state
28.20 shall duplicate the monthly lists requested by the registered farm products dealer. The
28.21 duplicate monthly lists must be sent to the registered farm products dealer no later than five
28.22 business days after receipt of the written notice from the registered farm products dealer.

28.23 (i) A registered farm products dealer may request monthly lists in one medium
28.24 per registration.

28.25 (j) Registered farm products dealers must have renewed their registration before the
28.26 first day of July each year. Failure to send in the registration before that date will result in
28.27 the farm products dealer not receiving the requested monthly lists.

28.28 (k) Registered farm products dealers choosing to obtain monthly lists via an
28.29 electronically transmitted medium or in any form of digital media may choose to receive
28.30 all of the information for the monthly lists requested the first month and then only
28.31 additions and deletions to the database for the remaining 11 months of the year. Following
28.32 the first year of registration, the registered farm products dealer may choose to continue to
28.33 receive one copy of the full monthly list at the beginning of each year or may choose to
28.34 receive only additions and deletions.

28.35 **EFFECTIVE DATE.** This section is effective for lists distributed pursuant to this
28.36 **section after October 31, 2010.**

29.1 Sec. 55. Minnesota Statutes 2008, section 336A.14, is amended to read:

29.2 **336A.14 RESTRICTED USE OF INFORMATION.**

29.3 Any Social Security number information or tax identification number information in
29.4 the possession of the secretary of state is private data on individuals or nonpublic data.
29.5 Information obtained from the seller of a farm product relative to the Social Security
29.6 number or tax identification number of the true owner of the farm product and all
29.7 information obtained from the master or limited list may not be used for purposes that are
29.8 not related to: (1) purchase of a farm product; (2) taking a security interest against a farm
29.9 product; or (3) perfecting a farm product statutory lien.

29.10 **EFFECTIVE DATE.** This section is effective October 31, 2010.

29.11 Sec. 56. Minnesota Statutes 2009 Supplement, section 365.46, subdivision 2, is
29.12 amended to read:

29.13 Subd. 2. **Copies.** The ~~county auditor shall also~~ secretary of state shall send a
29.14 copy of the notice of the dissolution to: (1) the state demographer, (2) the Minnesota
29.15 Geospatial Information Office, (3) the chief administrative law judge of the state Office
29.16 of Administrative Hearings, ~~and~~ (4) the commissioner of transportation, and (5) the
29.17 commissioner of revenue.

29.18 Sec. 57. Minnesota Statutes 2009 Supplement, section 379.05, is amended to read:

29.19 **379.05 AUDITOR TO SUM UP REPORT FOR STATE, MAKE TOWN**
29.20 **RECORD.**

29.21 Each county auditor shall within 30 days after any such town is organized
29.22 transmit by mail or appropriate digital technology to ~~the commissioner of revenue, the~~
29.23 ~~secretary of state, the state demographer, the Minnesota Geospatial Information Office,~~
29.24 ~~the chief administrative law judge of the state Office of Administrative Hearings, and~~
29.25 ~~the commissioner of transportation~~ an abstract of such report, giving the name and
29.26 boundaries of such town and record in a book kept for that purpose a full description
29.27 of each such town. The secretary of state shall distribute copies of the abstract to the
29.28 commissioner of revenue, state demographer, the Minnesota Geospatial Information
29.29 Office, the chief administrative law judge of the state Office of Administrative Hearings,
29.30 and the commissioner of transportation.

29.31 Sec. 58. Minnesota Statutes 2008, section 557.01, is amended to read:

29.32 **557.01 NONRESIDENT, AGENT TO ACCEPT SERVICE.**

30.1 Any nonresident person or corporation owning or claiming any interest or lien in
30.2 or upon lands in the state may file with the secretary of state a writing, executed and
30.3 acknowledged in the manner of a conveyance, appointing a resident agent, whose place
30.4 of residence shall be stated, to accept service of process or summons in any action or
30.5 proceeding in the courts of the state concerning such interest or lien, except actions or
30.6 proceedings for the collection of taxes, and consenting that service of such process or
30.7 summons upon such agent shall be binding upon the person executing the same. Such
30.8 writing shall be recorded by the secretary. No service by publication of summons shall
30.9 be made upon any such nonresident who has complied with the provisions hereof, but in
30.10 all such cases service of such process or summons, or of any writ or notice in the action
30.11 or proceedings, shall be made upon such agent in the manner provided by law for such
30.12 service upon residents of the state, and have the same effect as personal service within
30.13 the state upon such owner or claimant; but, if such party appears by attorneys therein, the
30.14 service of papers shall thereafter be upon such attorney. The authority of such agent
30.15 may be revoked by writing similarly executed and acknowledged and recorded, but no
30.16 revocation shall affect any action or proceeding then pending. ~~For filing and recording~~
30.17 ~~such papers the secretary shall be entitled to 15 cents for each folio~~ The fee for each filing
30.18 made under this section is \$50.

30.19 Sec. 59. Laws 2010, chapter 189, section 35, subdivision 1, is amended to read:

30.20 Subdivision 1. **Grants authorized.** Within the limits of available appropriations,
30.21 the commissioner shall make grants to counties, cities, towns, and school districts to
30.22 acquire, construct, or renovate public land and buildings and other public improvements
30.23 of a capital nature for cooperative facilities to be owned and operated by the grantees.

30.24 Sec. 60. **STUDY OF DIVISION OF STATE DEPOSITORY ACCOUNTS AND**
30.25 **GENERAL FUND REVENUE ACCOUNT.**

30.26 (a) The Carlson School of Management at the University of Minnesota is requested
30.27 to study:

30.28 (1) the feasibility of dividing the state's general fund revenue account among
30.29 community financial institutions and transferring the state's major and minor accounts to
30.30 community financial institutions in order to ensure that state money benefits Minnesota
30.31 residents;

30.32 (2) the potential economic benefit or costs of transferring all major and minor
30.33 accounts to community financial institutions; and

31.1 (3) the potential economic benefit or costs to governmental entities as defined by
31.2 Minnesota Statutes, section 118A.01, subdivision 2, from an increase in their use of
31.3 community financial institutions as defined in clause (1).

31.4 (b) The results of the study must be reported to the legislature by December 1, 2010.

31.5 For purposes of this section, "community financial institution" means a federally
31.6 insured bank or credit union, chartered as a bank or credit union by the state of
31.7 Minnesota or the United States, that is headquartered in Minnesota and has no more than
31.8 \$2,500,000,000 in assets.

31.9 Sec. 61. **GOVERNMENT EFFICIENCY AND TRANSPARENCY STUDIES.**

31.10 Subdivision 1. **Data center study.** (a) The commissioner of management and
31.11 budget, in consultation with the state chief information officer, must study and report to the
31.12 chairs and ranking minority members of the house and senate committees with jurisdiction
31.13 over state government finance by January 15, 2011, on the feasibility and estimated costs
31.14 of entering into a lease or lease-purchase agreement with a private nonprofit organization,
31.15 involving a private sector developer, to provide a centralized data center for state agencies
31.16 or to upgrade current facilities for purposes of data center consolidation. The report must
31.17 include a potential schedule for consolidation of existing state agency data centers, and
31.18 an estimate of any savings, increased efficiencies, or performance improvements that
31.19 would be achieved through this consolidation.

31.20 (b) In conducting the study required under paragraph (a), the commissioner shall
31.21 consult with representatives of higher education and local government units to determine
31.22 the feasibility and desirability of creating a shared service contract for a data center.

31.23 (c) If the commissioner of management and budget and chief information officer
31.24 conclude that entering into an agreement described in paragraph (a) is cost-beneficial, the
31.25 commissioner may enter into such an agreement notwithstanding any law to the contrary.

31.26 Subd. 2. **Transparency standards.** By January 15, 2011, the chief information
31.27 officer shall report to the chairs and ranking minority members of the legislative
31.28 committees with jurisdiction over the Office of Enterprise Technology regarding the
31.29 development of the standards to enhance public access to data required under Minnesota
31.30 Statutes, section 16E.05, subdivision 4. The report must describe the process for
31.31 development of the standards, including the opportunity provided for public comment,
31.32 and specify the components of the standards that have been implemented, including a
31.33 description of the level of public use of the new opportunities for data access under the
31.34 standards.

32.1 Sec. 62. **REQUEST FOR PROPOSALS.**

32.2 (a) The commissioner of revenue shall issue a request for proposals for a contract to
32.3 implement a system of tax analytics and business intelligence tools to enhance the state's
32.4 tax collection process and revenues by improving the means of identifying candidates
32.5 for audit and collection activities and prioritizing those activities to provide the highest
32.6 returns on auditors' and collection agents' time. The request for proposals must require
32.7 that the system recommended and implemented by the contractor:

32.8 (1) leverage the Department of Revenue's existing data and other available data
32.9 sources to build models that more effectively and efficiently identify accounts for audit
32.10 review and collections;

32.11 (2) leverage advanced analytical techniques and technology such as pattern
32.12 detection, predictive modeling, clustering, outlier detection, and link analysis to identify
32.13 suspect accounts for audit review and collections;

32.14 (3) leverage a variety of approaches and analytical techniques to rank accounts and
32.15 improve the success rate and the return on investment of department employees engaged
32.16 in audit activities;

32.17 (4) leverage technology to make the audit process more sustainable and stable, even
32.18 with turnover of department auditing staff;

32.19 (5) provide optimization capabilities to more effectively prioritize collections and
32.20 increase the efficiency of employees engaged in collections activities; and

32.21 (6) incorporate mechanisms to decrease wrongful auditing and reduce interference
32.22 with Minnesota taxpayers who are fully complying with the laws.

32.23 (b) Based on acceptable responses to the request for proposals, the commissioner
32.24 shall enter into a contract for the services specified in paragraph (a) by July 1, 2012. The
32.25 contract must incorporate a performance-based vendor financing option whereby the
32.26 vendor shares in the risk of the project's success.

32.27 **EFFECTIVE DATE.** This section is effective July 1, 2011.

32.28 Sec. 63. **COMMISSION ON SERVICE INNOVATION.**

32.29 The governor shall appoint a Commission on Service Innovation to produce a
32.30 strategic plan to reengineer the delivery of state and local government services, including
32.31 the realignment of service delivery by region and proximity, the use of new technologies,
32.32 shared facilities, and other means of improving efficiency. The plan shall also provide a
32.33 process to review and modify recommendations at regular intervals in the future based on
32.34 specific results measured at regular intervals. The plan shall also include any proposed
32.35 legislation necessary to implement the commission's recommendations.

33.1 Sec. 64. **COST RECOVERY.**

33.2 During the biennium ending June 30, 2011, the chief information officer of the
33.3 Office of Enterprise Technology may bill executive branch state agencies and offices
33.4 for any increased costs the office incurs in implementing amendments to Minnesota
33.5 Statutes, chapter 16E, in this act. Amounts received by the office under this section are
33.6 appropriated to the office for purposes of implementing Minnesota Statutes, chapter 16E,
33.7 in the manner specified in this act.

33.8 Sec. 65. **BUSINESS INTELLIGENCE AND INFORMATION ANALYTICS.**

33.9 The Legislative Coordinating Commission must ensure that the house of
33.10 representatives and the senate have improved ability to access and analyze public data
33.11 contained in executive branch accounting, procurement, and budget systems. The
33.12 commission must issue a request for information or a request for proposals for the
33.13 legislature to obtain business intelligence and information analytics software or software
33.14 services.

33.15 Sec. 66. **APPROPRIATIONS; ASSISTIVE VOTING EQUIPMENT AND**
33.16 **VOTE-COUNTING EQUIPMENT.**

33.17 Subdivision 1. **Operating grants.** \$300,000 is appropriated in fiscal year 2010 from
33.18 the Help America Vote Act account to the secretary of state for grants to counties to defray
33.19 operating costs of the assistive voting equipment and vote-counting equipment in each
33.20 polling place. This appropriation is available until spent. Grants of up to \$300 per polling
33.21 place may be made until this appropriation is exhausted. If the grant requests exceed the
33.22 appropriation available, the secretary of state shall prorate the grant amounts to each
33.23 eligible county to match the amount available.

33.24 Subd. 2. **Grant application.** To receive a grant under this subdivision, a county
33.25 must apply to the secretary of state on forms prescribed by the secretary of state that
33.26 set forth how the grant money will be spent. Grant applications for operating costs for
33.27 the 2010 elections must be received by the secretary of state by August 1, 2010. Grant
33.28 awards must be made to the counties by December 1, 2010. If funds remain from this
33.29 appropriation, the secretary may also make grants available for the 2012 election, with
33.30 grant applications due by March 1, 2012, and grants made to counties by June 30, 2012.

33.31 Subd. 3. **Eligibility.** To be eligible to apply for a grant under this section, a county
33.32 must have fewer than 50,000 registered voters as of January 1, 2010, and must have
33.33 less than \$300 per polling place that was used in the 2008 general election as a balance,

34.1 including any interest earned on the account, in its Help America Vote Act account from
34.2 funds distributed to it in 2005.

34.3 Subd. 4. **Report.** Each county receiving a grant under this section must include
34.4 the expenditures it has made on the appropriate Help America Vote Act reports submitted
34.5 to the secretary of state. If a county does not use the funds it has received under this
34.6 section by June 30, 2013, it must return the funds to the secretary of state. In addition
34.7 to the report required by this section, each county receiving a grant under this act must
34.8 maintain financial records for each grant sufficient to satisfy federal audit standards and
34.9 must transmit those records to the secretary of state upon request of the secretary of state.
34.10 The secretary of state must report by January 15, 2011, and January 15, 2013, to the
34.11 chairs and ranking minority members of the house of representatives and senate funding
34.12 divisions with jurisdiction over the Office of the Secretary of State on the amount of grants
34.13 made to each county receiving a grant under this section in the prior calendar year.

34.14 Subd. 5. **Operating costs.** "Operating costs" include actual county and municipal
34.15 costs for hardware maintenance, election day technical support, software licensing, system
34.16 programming, voting system testing, training of county or municipal staff in the use of
34.17 voting equipment, and transportation of and storage of the voting equipment.

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

34.19 Sec. 67. **APPROPRIATIONS; OPTICAL SCAN EQUIPMENT.**

34.20 Subdivision 1. **Optical scan voting equipment grants.** \$2,100,000 is appropriated
34.21 in fiscal year 2010 from the Help America Vote Act account to the secretary of state
34.22 for grants to counties to purchase optical scan voting equipment. This appropriation
34.23 is available until spent. If the grant requests exceed the appropriation available, the
34.24 secretary of state shall prorate the grant amounts to each eligible county to match the
34.25 amount available.

34.26 Subd. 2. **Grant application.** To receive a grant under this section, a county must
34.27 apply to the secretary of state on forms prescribed by the secretary of state that set forth
34.28 how the grant money will be spent. Applications for grants under this section must be
34.29 submitted to the secretary of state by December 1, 2010, and be for purchases made prior
34.30 to March 31, 2014. Any funds granted to a county and not spent by June 30, 2014, must
34.31 be returned to the secretary of state and the Help America Vote Act account.

36.1 plan containing findings and recommendations to improve state and local government
36.2 delivery of public services. The strategic plan must specify:

36.3 (1) how to enhance the public involvement and input as the public uses state and
36.4 local government services and public schools;

36.5 (2) how technology can be leveraged to reduce costs and enhance quality;

36.6 (3) how service innovation will increase value or results per dollar spent; and

36.7 (4) the design for a platform that will facilitate high-quality innovation and evaluate
36.8 state and local government structural redesign in the future.

36.9 The strategic plan shall also provide a process to review and modify
36.10 recommendations at regular intervals in the future based on specific results measured
36.11 at regular intervals.

36.12 The strategic plan shall also include any proposed legislation necessary to implement
36.13 the council's recommendations.

36.14 **ARTICLE 3**

36.15 **MINNESOTA INNOVATION AND RESEARCH COUNCIL**

36.16 Section 1. Minnesota Statutes 2008, section 3.971, is amended by adding a subdivision
36.17 to read:

36.18 Subd. 9. **Recommendations to the Minnesota Innovation and Research Council.**

36.19 The legislative auditor may make recommendations to the Minnesota Innovation and
36.20 Research Council established under section 465.7902 that will assist the council in
36.21 accomplishing its duties.

36.22 Sec. 2. **[465.7901] DEFINITIONS.**

36.23 Subdivision 1. **Agency.** "Agency" means a department, agency, board, or other
36.24 instrumentality of state government that has jurisdiction over an administrative rule or
36.25 law from which a waiver is sought under section 465.7903. If no specific agency has
36.26 jurisdiction over such a law, agency refers to the attorney general.

36.27 Subd. 2. **Council.** "Council" means the Minnesota Innovation and Research Council
36.28 established by section 465.7902.

36.29 Subd. 3. **Local government unit.** "Local government unit" means a county, home
36.30 rule charter or statutory city, school district, town, or special taxing district.

36.31 Subd. 4. **Metropolitan agency.** "Metropolitan agency" has the meaning given in
36.32 section 473.121, subdivision 5a.

36.33 Subd. 5. **Metropolitan area.** "Metropolitan area" has the meaning given in section
36.34 473.121, subdivision 2.

37.1 Subd. 6. **Metropolitan Council.** "Metropolitan Council" means the Metropolitan
37.2 Council established by section 473.123.

37.3 Subd. 7. **Scope.** As used in sections 465.7901 to 465.7907 and 465.805 to 465.808,
37.4 the terms defined in this section have the meanings given them.

37.5 Sec. 3. **[465.7902] MINNESOTA INNOVATION AND RESEARCH COUNCIL.**

37.6 Subdivision 1. **Membership.** The Minnesota Innovation and Research Council
37.7 consists of 15 members, appointed as follows:

37.8 (1) two members of the senate, appointed by the Subcommittee on Committees of
37.9 the Senate Committee on Rules and Administration, one member of the majority caucus
37.10 and one member of the largest minority caucus;

37.11 (2) two members of the house of representatives, appointed by the speaker of the
37.12 house, one member of the majority caucus and one member of the largest minority caucus;

37.13 (3) the commissioner of management and budget;

37.14 (4) the commissioner of administration;

37.15 (5) the state chief information officer;

37.16 (6) an administrative law judge appointed by the chief administrative law judge;

37.17 (7) the state auditor;

37.18 (8) two members with a background in academic research concerning system
37.19 redesign and delivery, including one member appointed by the chancellor of the Minnesota
37.20 State Colleges and Universities and one member appointed by the president of the
37.21 University of Minnesota;

37.22 (9) one member with experience in the leadership of nonprofit organizations,
37.23 appointed by the Minnesota Council of Nonprofits;

37.24 (10) one member with experience in foundation leadership appointed by the
37.25 Minnesota Council on Foundations;

37.26 (11) one member with experience as a leader of a for-profit corporation, appointed
37.27 by the Minnesota Chamber of Commerce; and

37.28 (12) one member representing public employees appointed by the American
37.29 Federation of State, County and Municipal Employees.

37.30 All members must have experience or interest in the work of system redesign or public
37.31 sector innovation. The legislative members serve as nonvoting members. Only members
37.32 designated in clauses (3) to (7) may vote on proposed rule or law waivers under section
37.33 465.7903. A commissioner serving on the council may designate an employee from the
37.34 commissioner's agency to serve as the commissioner's designee. A person registered as a
37.35 lobbyist under chapter 10A may not be a member of the council.

38.1 Subd. 2. Duties of council. The council shall:

38.2 (1) accept applications from local government units and nonprofit organizations for
38.3 waivers of administrative rules and temporary, limited exemptions from enforcement of
38.4 procedural requirements in state law as provided in section 465.7903, and determine
38.5 whether to approve, modify, or reject the application;

38.6 (2) accept applications for grants to local government units and related organizations
38.7 proposing to design models or plans for innovative service delivery and management as
38.8 provided in section 465.7905, and determine whether to approve, modify, or reject the
38.9 application;

38.10 (3) accept applications from eligible local government units for service-sharing
38.11 grants as provided in section 465.7905, and determine whether to approve, modify,
38.12 or reject the application;

38.13 (4) make recommendations to the legislature for the authorization of pilot projects
38.14 for the implementation of innovative service delivery activities that require statutory
38.15 authorization;

38.16 (5) make recommendations to the legislature regarding the elimination of state
38.17 mandates that inhibit local government efficiency, innovation, and cooperation by
38.18 prescribing specific processes for achieving a desired outcome;

38.19 (6) investigate and review the role of unfunded state mandates in intergovernmental
38.20 relations and assess their impact on state and local government objectives and
38.21 responsibilities;

38.22 (7) make recommendations to the governor and the legislature regarding:

38.23 (i) allowing flexibility for local units of government in complying with specific
38.24 unfunded state mandates for which terms of compliance are unnecessarily rigid or
38.25 complex;

38.26 (ii) reconciling any two or more unfunded state mandates that impose contradictory
38.27 or inconsistent requirements;

38.28 (iii) terminating unfunded state mandates that are duplicative, obsolete, or lacking
38.29 in practical utility;

38.30 (iv) suspending, on a temporary basis, unfunded state mandates that are not vital
38.31 to public health and safety and that compound the fiscal difficulties of local units of
38.32 government, including recommendations for initiating the suspensions;

38.33 (v) consolidating or simplifying unfunded state mandates or the planning or
38.34 reporting requirements of the mandates, in order to reduce duplication and facilitate
38.35 compliance by local units of government with those mandates; and

39.1 (vi) establishing common state definitions or standards to be used by local units of
39.2 government in complying with unfunded state mandates that use different definitions or
39.3 standards for the same terms or principles;

39.4 (8) identify relevant unfunded state mandates;

39.5 (9) upon request of the legislature, review individual state agencies, boards,
39.6 commissions, or councils for purposes of making recommendations to the legislature on
39.7 whether the group should continue or should be sunset;

39.8 (10) facilitate proposals for grants made by eligible applicants; and

39.9 (11) make recommendations on topics to the Legislative Audit Commission for
39.10 program evaluations that are likely to result in recommendations that will improve the
39.11 cost-effective delivery of government services.

39.12 The duties imposed under clauses (6) to (11) must be performed to the extent
39.13 possible given existing resources. Each recommendation under clause (7) must, to
39.14 the extent practicable, identify the specific unfunded state mandates to which the
39.15 recommendation applies. The commissioners or directors of state agencies responsible for
39.16 the promulgation or enforcement of the unfunded mandates addressed in clauses (5) to
39.17 (11) shall assist the council in carrying out the council's duties under this section.

39.18 Subd. 3. **Additional coordinating functions.** The council may also:

39.19 (1) serve as a clearinghouse for existing ideas and information from community
39.20 leaders;

39.21 (2) provide a Web site where interested parties may share information and practices;

39.22 (3) receive recommendations from the legislative auditor concerning waivers and
39.23 other initiatives within the council's jurisdiction;

39.24 (4) conduct research concerning innovation in service delivery and local government
39.25 efficiency, innovation, and cooperation;

39.26 (5) facilitate regional dialogue concerning successful innovation and collaboration;

39.27 and

39.28 (6) use its best efforts to maximize public involvement in its work, including the use
39.29 of best practices in social media.

39.30 Subd. 4. **Staff.** The council shall hire an executive director who serves as the state's
39.31 chief innovation officer. The council may hire other staff or consultants as necessary to
39.32 perform its duties. The commissioner of administration must provide administrative
39.33 support services to the council.

39.34 Subd. 5. **Terms, compensation, and removal.** Members serve at the pleasure of
39.35 the appointing authority. Compensation of members is governed by section 15.0575,
39.36 unless otherwise provided.

40.1 Sec. 4. [465.7903] RULE AND LAW WAIVER REQUESTS.

40.2 Subdivision 1. **Generally.** (a) Except as provided in paragraph (b), a local
40.3 government unit or a nonprofit organization may request the Minnesota Innovation and
40.4 Research Council to grant a waiver from one or more administrative rules or a temporary,
40.5 limited exemption from enforcement of state procedural laws governing delivery of
40.6 services by the local government unit or nonprofit organization. Two or more local
40.7 government units may submit a joint application for a waiver or exemption under this
40.8 section if they propose to cooperate in providing a service or program that is subject to the
40.9 rule or law. Before a local unit of government may submit an application to the council,
40.10 the governing body of the local government unit must approve, in concept, the proposed
40.11 waiver or exemption at a meeting required to be public under chapter 13D. A waiver
40.12 or exemption granted to a nonprofit organization under this section applies to services
40.13 provided to all of the organization's clients.

40.14 (b) A school district that is granted a variance from rules of the commissioner of
40.15 education under section 122A.163 need not apply to the council for a waiver of those rules
40.16 under this section. A school district may not seek a waiver of rules under this section if
40.17 the commissioner of education has authority to grant a variance to the rules under section
40.18 122A.163. This paragraph does not preclude a school district from being included in a
40.19 cooperative effort with another local government unit under this section.

40.20 Subd. 2. **Application.** (a) A local government unit or nonprofit organization
40.21 requesting a waiver of a rule or exemption from enforcement of a law under this section
40.22 shall present a written application to the council. The application must include:

40.23 (1) identification of the service or program at issue;

40.24 (2) identification of the administrative rule or the law imposing a procedural
40.25 requirement with respect to which the waiver or exemption is sought; and

40.26 (3) a description of the improved service outcome sought, including an explanation
40.27 of the effect of the waiver or exemption in accomplishing that outcome.

40.28 (b) A local government unit submitting an application must provide a copy to the
40.29 exclusive representative certified under section 179A.12 to represent employees who
40.30 provide the service or program affected by the requested waiver or exemption.

40.31 Subd. 3. **Review process.** (a) Upon receipt of an application, the council shall
40.32 commence review of the application, as provided in this subdivision. The council shall
40.33 dismiss an application if it finds that the application proposes a waiver of rules or
40.34 exemption from enforcement of laws that would result in due process violations, violations
40.35 of federal law or the state or federal constitution, or the loss of services to people who
40.36 are entitled to them. If the council does not dismiss an application, the council must

41.1 publish notice in the State Register before it acts on the application. The notice must list
41.2 the name of the local government unit or nonprofit organization requesting the waiver or
41.3 exemption, the service or program at issue, and the rule or law with respect to which the
41.4 waiver of exemption is sought.

41.5 (b) The council shall determine whether a law from which an exemption for
41.6 enforcement is sought is a procedural law, specifying how a local government unit or
41.7 nonprofit organization is to achieve an outcome, rather than a substantive law prescribing
41.8 the outcome or otherwise establishing policy. For the purposes of this section, "procedural
41.9 law" does not include a statutory notice requirement. In making its determination, the
41.10 council shall consider whether the law specifies such requirements as:

41.11 (1) who must deliver a service;

41.12 (2) where the service must be delivered;

41.13 (3) to whom and in what form reports regarding the service must be made; and

41.14 (4) how long or how often the service must be made available to a given recipient.

41.15 (c) If a member of the council also is a commissioner, a commissioner's designee, or
41.16 the state auditor, or is employed by an agency with jurisdiction over a rule or law affected
41.17 by an application, the member must not participate in the decision on the particular waiver
41.18 or exemption.

41.19 (d) If the application is submitted by a local government unit or a nonprofit
41.20 organization in the metropolitan area or the unit or nonprofit organization requests a
41.21 waiver of a rule or temporary, limited exemptions from enforcement of a procedural
41.22 law over which the Metropolitan Council or a metropolitan agency has jurisdiction, the
41.23 council shall also transmit a copy of the application to the Metropolitan Council for
41.24 review and comment. The Metropolitan Council shall report its comments to the council
41.25 within 60 days of the date the application was transmitted to the Metropolitan Council.
41.26 The Metropolitan Council may point out any resources or technical assistance it may be
41.27 able to provide a local government unit or nonprofit organization submitting a request
41.28 under this section.

41.29 (e) Within 15 days after receipt of the application, the council shall transmit a copy
41.30 of it to the commissioner of each agency having jurisdiction over a rule or law from which
41.31 a waiver or exemption is sought. The agency may mail a notice that it has received an
41.32 application for a waiver or exemption to all persons who have registered with the agency
41.33 under section 14.14, subdivision 1a, identifying the rule or law from which a waiver or
41.34 exemption is requested. If no agency has jurisdiction over the rule or law, the council shall
41.35 transmit a copy of the application to the attorney general. The agency shall inform the
41.36 council of its agreement with or objection to and grounds for objection to the waiver or

42.1 exemption request within 60 days of the date when the application was transmitted to it.
42.2 An agency's failure to respond under this paragraph is considered agreement to the waiver
42.3 or exemption. The council shall decide whether to grant a waiver or exemption at its next
42.4 regularly scheduled meeting following its receipt of an agency's response or the end of
42.5 the 60-day response period. If consideration of an application is not concluded at that
42.6 meeting, the matter may be carried over to the next meeting of the council. Interested
42.7 persons may submit written comments and requests to present oral comments to the
42.8 council on the waiver or exemption request up to the time of its vote on the application.

42.9 (f) If the exclusive representative of the affected employees of the requesting local
42.10 government unit objects to the waiver or exemption request, it may inform the council
42.11 of the objection to and the grounds for the objection to the waiver or exemption request
42.12 within 60 days of the receipt of the application.

42.13 Subd. 4. **Hearing.** If the agency or the exclusive representative does not agree
42.14 with the waiver or exemption request, the council shall set a date for a hearing on the
42.15 application. The hearing must be conducted informally at a meeting of the council.
42.16 Persons representing the local government unit shall present their request for the waiver or
42.17 exemption, and a representative from the agency shall explain the agency's objection to the
42.18 waiver or exemption. Members of the council may request additional information from
42.19 either party. The council may also request, either before or at the hearing, information
42.20 or comments from representatives of business, labor, local governments, state agencies,
42.21 consultants, and members of the public. If a member of the public requests to present
42.22 comments or information at the hearing, the council must permit the member of the
42.23 public an opportunity to present the comments or information. If necessary, the hearing
42.24 may be continued at a subsequent council meeting. A waiver or exemption requires a
42.25 majority vote of the council members. The council may modify the terms of the waiver or
42.26 exemption request in arriving at the agreement required under subdivision 5.

42.27 Subd. 5. **Conditions of agreements.** (a) If the council grants a request for a waiver
42.28 or exemption, the council and the entity making the request shall enter into an agreement
42.29 providing for the delivery of the service or program that is the subject of the application.
42.30 The agreement must specify desired outcomes and the means of measurement by which
42.31 the council will determine whether the outcomes specified in the agreement have been
42.32 met. The agreement must specify the duration of the waiver or exemption. The duration of
42.33 a waiver from an administrative rule may be for no less than two years and no more than
42.34 four years, subject to renewal if both parties agree. An exemption from enforcement of a
42.35 law terminates ten days after adjournment of the regular legislative session held during the

43.1 calendar year following the year when the exemption is granted, unless the legislature has
43.2 acted to extend or make permanent the exemption.

43.3 (b) If the council grants a waiver or exemption, it must report the waiver or
43.4 exemption to the legislature, including the chairs of the governmental operations and
43.5 appropriate policy committees in the house of representatives and senate, and the governor
43.6 within 30 days.

43.7 (c) The council may reconsider or renegotiate the agreement if the rule or law
43.8 affected by the waiver or exemption is amended or repealed during the term of the original
43.9 agreement. A waiver of a rule under this section has the effect of a variance granted by
43.10 an agency under section 14.055. The recipient of an exemption from enforcement of a
43.11 procedural requirement in state law under this section is exempt from that law for the
43.12 duration of the exemption. The council may require periodic reports from the recipient, or
43.13 conduct investigations of the service or program.

43.14 Subd. 6. **Enforcement.** If the council finds that the recipient of a waiver or an
43.15 exemption has failed to comply with the terms of the agreement under subdivision 5, it
43.16 may rescind the agreement. After an agreement is rescinded, the recipient is subject to the
43.17 rules and laws covered by the agreement.

43.18 Subd. 7. **Access to data.** If the recipient of a waiver or an exemption through a
43.19 cooperative program under this section gains access to data that is classified as not public,
43.20 the access to and use of the data for the recipient is governed by the same restrictions on
43.21 access to and use of the data that apply to the unit that collected, created, received, or
43.22 maintained the data.

43.23 **Sec. 5. [465.7904] WAIVERS OF STATE RULES; POLICIES.**

43.24 Subdivision 1. **Application.** A state agency may apply to the council for a waiver
43.25 from:

43.26 (1) an administrative rule or policy adopted by the commissioner of management
43.27 and budget that deals with the state personnel system;

43.28 (2) an administrative rule or policy of the commissioner of administration that
43.29 deals with the state procurement system; or

43.30 (3) a policy of the commissioner of management and budget that deals with the
43.31 state accounting system.

43.32 Two or more state agencies may submit a joint application. A waiver application
43.33 must identify the rule or policy at issue, and must describe the improved outcome sought
43.34 through the waiver.

44.1 Subd. 2. Review process. (a) The council shall review all applications submitted
44.2 under this section. The council shall dismiss an application if it finds that the application
44.3 proposes a waiver that would result in due process violations, violations of federal law
44.4 or the state or federal constitution, or the loss of services to people who are entitled to
44.5 them. If a proposed waiver would violate the terms of a collective bargaining agreement
44.6 effective under chapter 179A, the waiver is not effective without the consent of the
44.7 exclusive representative that is a party to the agreement. The council may approve a
44.8 waiver only if the council determines that if the waiver is granted: (1) services can
44.9 be provided in a more efficient or effective manner; and (2) services related to human
44.10 resources must be provided in a manner consistent with section 43A.01. In the case of a
44.11 waiver from a policy of the commissioner of management and budget, the council may
44.12 approve the waiver only if it determines that services will be provided in a more efficient
44.13 or effective manner and that state funds will be adequately accounted for and safeguarded
44.14 in a manner that complies with generally accepted government accounting principles.

44.15 (b) Within 15 days of receipt of the application, the council shall send a copy of the
44.16 application to: (1) the agency whose rule or policy is involved; and (2) all exclusive
44.17 representatives who represent employees of the agency requesting the waiver. The agency
44.18 whose rule or policy is involved may mail a copy of the application to all persons who
44.19 have registered with the agency under section 14.14, subdivision 1a.

44.20 (c) The agency whose rule or policy is involved, or an exclusive representative, shall
44.21 notify the council of its agreement with or objection to and grounds for objection to the
44.22 waiver within 60 days of the date when the application was transmitted to the agency or
44.23 the exclusive representative. An agency's or exclusive representative's failure to respond
44.24 under this paragraph is considered agreement to the waiver.

44.25 (d) If the agency or the exclusive representative objects to the waiver, the council
44.26 shall schedule a meeting at which the agency requesting the waiver may present its case
44.27 for the waiver and the objecting party may respond. The council shall decide whether
44.28 to grant a waiver at its next regularly scheduled meeting following its receipt of an
44.29 agency's response, or the end of the 60-day response period, whichever occurs first. If
44.30 consideration of an application is not concluded at the meeting, the matter may be carried
44.31 over to the next meeting of the council. Interested persons may submit written comments
44.32 to the council on the waiver request.

44.33 (e) If the council grants a request for a waiver, the council and the agency requesting
44.34 the waiver shall enter into an agreement relating to the outcomes desired as a result of the
44.35 waiver and the means of measurement to determine whether those outcomes have been
44.36 achieved with the waiver. The agreement must specify the duration of the waiver, which

45.1 must be for at least two years and not more than four years. If the council determines that
45.2 an agency that has received a waiver is failing to comply with the terms of the agreement,
45.3 the council may rescind the agreement.

45.4 Subd. 3. **Participation.** If a waiver request involves a rule or policy adopted by an
45.5 official specified in section 465.7902, subdivision 1, clauses (3) to (7), that official may
45.6 not participate in the evaluation of that waiver request.

45.7 Sec. 6. **[465.7905] INNOVATION AND REDESIGN GRANTS.**

45.8 Subdivision 1. **Application.** One or more local units of government, an association
45.9 of local governments, the Metropolitan Council, a local unit of government acting in
45.10 conjunction with an organization or a state agency, an organization established by two
45.11 or more local units of government under a joint powers agreement, or a not-for-profit
45.12 organization may apply to the Minnesota Innovation and Research Council for a grant
45.13 to be used to: (1) develop models for service redesign; or (2) meet the start-up costs
45.14 of providing shared services or functions. Agreements solely to make joint purchases
45.15 do not qualify for grants. The application must specify a nonstate funding source for
45.16 25 percent of the total cost of the proposal. The application to the council must state
45.17 what other sources of funding have been considered by the local units of government to
45.18 implement the project and explain why it is not possible to complete the project without
45.19 assistance from the council. The council may not award a grant if it determines that the
45.20 local units of government could complete the project without council assistance or if it
45.21 determines the applicant has not specified a nonstate funding source for 25 percent of
45.22 the total cost. A copy of the application must be provided by the units to the exclusive
45.23 representatives certified under section 179A.12 to represent employees who provide the
45.24 service or program affected by the application.

45.25 Subd. 2. **Proposals.** (a) Proposed models for service redesign may provide options
45.26 to local governments, neighborhood or community organizations, other not-for-profit
45.27 organizations, or individuals to redesign service delivery. In awarding grants under this
45.28 paragraph, the council must consider whether the proposal:

45.29 (1) expands consumer choices and opportunities;

45.30 (2) shifts government toward an expanded role as a purchaser, rather than a provider,
45.31 of services;

45.32 (3) reduces administrative costs through statewide or regional contracting, or related
45.33 administrative efficiencies;

45.34 (4) reduces administrative costs through the accumulation of multiple related
45.35 services into a single contract with one provider, or related administrative efficiencies;

46.1 (5) fosters entrepreneurial leadership in the public sector; and

46.2 (6) increases value to the taxpayer or results per dollar spent.

46.3 (b) A proposal for a grant for shared services or functions must include plans to
46.4 fully integrate a service or function provided by two or more local government units.

46.5 The proposal must include how value to the taxpayer or results per dollar spent will be
46.6 impacted.

46.7 Subd. 3. **Requirements.** A copy of the work product for which the grant was
46.8 provided must be furnished to the council upon completion, and the council may
46.9 disseminate it to other local units of government or interested groups. If the council finds
46.10 that the work was not completed or implemented according to the terms of the grant
46.11 agreement, it may require the grantee to repay all or a portion of the grant. The council
46.12 shall award grants on the basis of each qualified applicant's score under the scoring
46.13 system in section 465.7906. The amount of a grant under subdivision 2, paragraph (a),
46.14 may not exceed \$250,000. The amount of a grant under subdivision 2, paragraph (b),
46.15 may not exceed \$100,000.

46.16 Sec. 7. **[465.7906] SCORING SYSTEM.**

46.17 In deciding whether to award a grant under section 465.7905, the council shall
46.18 use the following scoring system:

46.19 (1) Up to 15 points must be awarded to reflect the extent to which the application
46.20 demonstrates creative thinking, careful planning, cooperation, involvement of the clients
46.21 of the affected service, and commitment to persist through challenges.

46.22 (2) Up to 25 points must be awarded to reflect the extent to which the proposed
46.23 project is likely to improve the quality of the service, increase value to the taxpayers or
46.24 results per dollar spent, and to have benefits for other local governments.

46.25 (3) Up to 15 points must be awarded to reflect the extent to which the application's
46.26 budget provides sufficient detail, maximizes the use of state funds, documents the need
46.27 for financial assistance, commits to local financial support, and limits expenditures to
46.28 essential activities.

46.29 (4) Up to 15 points must be awarded to reflect the extent to which the application
46.30 reflects the statutory goal of the grant program.

46.31 (5) Up to 15 points must be awarded to reflect the merit of the proposed project and
46.32 the extent to which it warrants the state's financial participation.

46.33 (6) Up to five points must be awarded to reflect the cost to benefit ratio projected
46.34 for the proposed project.

47.1 (7) Up to five points must be awarded to reflect the number of government units
47.2 participating in the proposal.

47.3 (8) Up to five points must be awarded to reflect the minimum length of time the
47.4 application commits to implementation.

47.5 Sec. 8. **[465.7907] REPAYMENT OF GRANTS.**

47.6 Subdivision 1. **Repayment procedures.** Without regard to whether a grant recipient
47.7 offered to repay the grant in its original application, as part of a grant awarded under
47.8 section 465.7905, the council may require the grant recipient to repay all or part of the
47.9 grant if the council determines the project funded by the grant resulted in an actual savings
47.10 for the participating local units of government. The grant agreement must specify how the
47.11 savings are to be determined and the period of time over which the savings will be used
47.12 to calculate a repayment requirement. The repayment of grant money under this section
47.13 must not exceed an amount equal to the total savings achieved through the implementation
47.14 of the project.

47.15 Subd. 2. **Bonus points.** In addition to the points awarded to competitive grant
47.16 applications under section 465.7906, the council shall award additional points to any
47.17 applicant that projects a potential cost savings through the implementation of its project
47.18 and offers to repay part or all of the grant under the formula in subdivision 1.

47.19 Subd. 3. **Use of repayment revenue.** All grant money repaid to the council under
47.20 this section is appropriated to the council for additional grants authorized by section
47.21 465.7905.

47.22 Sec. 9. **[465.805] POLICY INNOVATION AND RESEARCH.**

47.23 Subdivision 1. **Research topics.** The council shall periodically select policy
47.24 innovation topics suitable for review and analysis by a consortium of independent
47.25 organizations. Topics may include general or specific functions of state government. The
47.26 council shall give primary consideration to areas of concern where a comprehensive
47.27 review and analysis of available research is likely to yield recommendations for policy
47.28 changes that will provide significant efficiencies and improvements in the operation of
47.29 state government and an increase in value to the taxpayer. Legislators and legislative
47.30 committees may provide the council with recommendations for topics. The council shall
47.31 make the final determination regarding the selection of topics under this section.

47.32 Subd. 2. **Request for proposal process.** (a) After making the determination of a
47.33 research topic under subdivision 1, the council shall prepare a request for proposal relating
47.34 to the topic that specifies:

48.1 (1) the precise topic and scope of the research required for the report to the
48.2 commission;

48.3 (2) the deadlines for the response to the request for proposal and for the subsequent
48.4 report; and

48.5 (3) any other restrictions or guidelines required by the commission.

48.6 The council shall make the request for proposal publicly available and must
48.7 review responses from any interested party. A group of individuals or organizations
48.8 may submit a response. The council may encourage the development of a collaborative
48.9 design lab containing a cross-section of researchers and public sector designers from
48.10 various nonprofits, businesses, foundations, and education institutions to respond to the
48.11 request for proposal.

48.12 (b) After the deadline for submission of responses has expired, the council must hold
48.13 a hearing to consider all submissions. The council shall consider the following factors in
48.14 selecting a response to the request for proposal:

48.15 (1) the experience and training of individuals and organizations who will prepare the
48.16 report to the commission;

48.17 (2) the reliability and credibility of individuals and organizations who will prepare
48.18 the report;

48.19 (3) the proposed method of research; and

48.20 (4) the resources available for the preparation of the report.

48.21 (c) After consideration and hearing of the responses to the request for proposal, the
48.22 council may:

48.23 (1) select a submission;

48.24 (2) revise the original request for proposal and extend the deadline for responses; or

48.25 (3) terminate the request for proposal process for the selected topic.

48.26 The chief innovation officer shall periodically communicate with the researchers
48.27 to make sure they are focused on answering the questions outlined in the request for
48.28 proposals.

48.29 Subd. 3. **Reports to council.** The council shall hold a hearing to receive a report
48.30 prepared under this section and shall ensure that the governor and the relevant committees
48.31 in the legislature are provided with notice of the report and an opportunity to review the
48.32 report, including an opportunity for additional hearings.

48.33 **Sec. 10. [465.808] RECEIPTS; APPROPRIATION.**

48.34 (a) The council may charge a fee for the use of services provided by the council's
48.35 staff. The receipts from fees charged under this section are deposited in a special revenue

49.1 account and appropriated to the council for services provided under sections 465.7901 to
49.2 465.808.

49.3 (b) The council may accept gifts and grants. Money received under this paragraph
49.4 is deposited in a special revenue account and appropriated to the council for services
49.5 provided under sections 465.7901 to 465.808.

49.6 Sec. 11. **[465.809] GUARANTEEING INCREASED VALUE TO THE**
49.7 **TAXPAYER.**

49.8 Subdivision 1. **Report.** (a) The council shall report by January 15 each year to the
49.9 governor and appropriate committees of the house of representatives and senate on its
49.10 activities. The report shall include the amount of the council's net spending, the amount of
49.11 savings and the increased outcomes to the taxpayer that was identified by the council, and
49.12 the actual documented savings to state and local governments. Entities receiving grants
49.13 or waivers from the council must document and verify savings to the taxpayer from the
49.14 previous year's budgets.

49.15 (b) The report submitted on January 15, 2014, must: (1) demonstrate that council
49.16 recommendations or actions have resulted in savings of at least \$3 for every \$1
49.17 appropriated to the council through June 30, 2013; and (2) contain recommendations for
49.18 the future that the council believes will result in at least \$20 of savings for every \$1 that
49.19 will be appropriated to the council in the future. If the report submitted on January 15,
49.20 2014, does not comply with this paragraph, the council expires on June 30, 2014.

49.21 Subd. 2. **Savings and increased value.** The council must make every effort to
49.22 obtain \$3 in savings and show increased value to the taxpayer for each net state dollar
49.23 spent by the council.

49.24 Subd. 3. **Innovative practices.** The council shall promote and drive innovative
49.25 practices and must make annual recommendations to the legislature. One or all of these
49.26 recommendations may be in partnership with individuals, foundations, nonprofits, or
49.27 businesses. The council may make endorsements of proposals of individuals, foundations,
49.28 nonprofits, or businesses when making recommendations. The council must make annual
49.29 recommendations to:

49.30 (1) recommend at least \$20 in savings and show increased outcomes to the taxpayer
49.31 for each net state dollar spent by the council. These savings may be spread out over
49.32 various budget items;

49.33 (2) recommend policy changes that will quantifiably improve desired outcome
49.34 attainment to the taxpayer as compared to dollars spent. This shall not be limited to
49.35 efficiency but may also include developing new approaches to achieve desired outcomes;

50.1 (3) highlight existing innovative practices or partnerships in the state; and
50.2 (4) recommend innovative models, which may include state and local government
50.3 structural redesign, from across the country to the legislature; highlight innovative
50.4 practices from past or contemporary reports; recommend evidence-based service delivery
50.5 methods for this state; or recommend theory-based working models of approaches to
50.6 policy.

50.7 Sec. 12. **[465.8091] SUNSET.**

50.8 Sections 465.7901, 465.7902, 465.7903, 465.7904, 465.7905, 465.7906, 465.7907,
50.9 465.805, 465.808, and 465.809 expire June 30, 2018.

50.10 Sec. 13. **APPROPRIATIONS.**

50.11 \$50,000 is appropriated from the general fund for the fiscal year ending June 30,
50.12 2011, to the Minnesota Innovation and Research Council for the following purposes:

- 50.13 (1) operation and administration of the council;
50.14 (2) grants for models for service redesign;
50.15 (3) grants for shared services and functions;
50.16 (4) policy innovation and research; and
50.17 (5) the strategic plan report under article 2, section 1.

50.18 The appropriations in this section are contingent on receiving a dollar-for-dollar
50.19 match from private sources. This is a onetime appropriation.

50.20 Sec. 14. **REPEALER.**

50.21 Minnesota Statutes 2008, section 6.80, is repealed.