

## CHAPTER 3

### LEGISLATURE

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#### 3.055 OPEN MEETINGS.

*[For text of subd 1, see M.S.1996]*

Subd. 1a. **Meetings by interactive TV.** (a) A meeting governed by this section may be conducted by interactive television so long as:

(1) all members of the body participating in the meeting, wherever their physical location, can hear and see one another and can hear and see all discussion and testimony presented at any location at which at least one member is present;

(2) members of the public present at the regular meeting location of the body can hear and see all discussion and testimony and all votes of members of the body; and

(3) at least one member of the body is physically present at the regular meeting location.

(b) Each member of a body participating in a meeting by interactive television is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If interactive television is used to conduct a meeting, to the extent practical, a body shall allow a person to monitor the meeting electronically from a remote location. The body may require the person making such a connection to pay for documented marginal costs that the body incurs as a result of the additional connection.

(d) House and senate rules governing notice of meetings must provide for giving notice that interactive television will be used to conduct a meeting.

*[For text of subd 2, see M.S.1996]*

**History:** 1997 c 154 s 1

#### 3.056 DESIGNATION OF SUCCESSOR COMMITTEE.

If a law assigns a power or duty to a named legislative committee or its chair, and the committee has been renamed or no longer exists, the speaker of the house of representatives or the senate committee on rules and administration shall designate the successor committee or chair for the law as provided in this section. If the committee has been renamed but retains jurisdiction of the subject of the power or duty, the speaker or senate committee shall designate the renamed committee as successor. If the committee has been renamed and jurisdiction of the subject of the power or duty has been transferred to another committee, the speaker or senate committee shall designate the committee with current jurisdiction as the successor. If the named committee no longer exists, the speaker or senate committee shall designate as successor the committee with the jurisdiction that most closely corresponds with the former jurisdiction of the named committee. The house of representatives and the senate shall main-

tain a list on the World Wide Web of renamed or successor committees to committees that are referenced in law.

**History:** 1997 c 202 art 2 s 2

### 3.225 PROFESSIONAL AND TECHNICAL SERVICE CONTRACTS.

Subdivision 1. **Application.** This section applies to a contract for professional or technical services entered into by the house of representatives, the senate, the legislative coordinating commission, or any group under the jurisdiction of the legislative coordinating commission. For purposes of this section, "professional or technical services" has the meaning defined in section 16B.17 but does not include legal services for official legislative business.

*[For text of subs 2 to 6, see M.S.1996]*

**History:** 1997 c 202 art 2 s 4

### 3.305 LEGISLATIVE COORDINATING COMMISSION; BICAMERAL LEGISLATIVE ADMINISTRATION.

*[For text of subs 1 to 7, see M.S.1996]*

Subd. 8. **Rule review.** Upon written request of two or more of its members or five or more members of the legislature, the legislative coordinating commission shall review a state agency rule as defined in section 14.02, subdivision 4. The commission may perform this review by holding one or more commission meetings or by establishing a bicameral group as provided in subdivision 6 to hold these meetings.

**History:** 1997 c 187 art 5 s 1

### 3.732 SETTLEMENT OF CLAIMS.

*[For text of subd 1, see M.S.1996]*

Subd. 2. **Claims of \$7,000 or less.** The head of each department or agency of the state, or a designee, acting on behalf of the state, shall attempt to determine, adjust and settle, at any time, any claim for money damages of \$7,000 or less against the state for injury to or loss of property or personal injury or death caused by an act or omission of any employee of the state while acting within the scope of office or employment, under circumstances where the state, if a private person, would be liable to the claimant. The settlement is final and conclusive on all officers of the state, unless procured by fraud. The acceptance by the claimant of a settlement is final and conclusive on the claimant and constitutes a complete release of any claim against the state and the employee of the state whose act or omission gave rise to the claim, by reason of the same subject matter.

*[For text of subs 3 to 6, see M.S.1996]*

**History:** 1997 c 17 s 3

### 3.736 TORT CLAIMS.

*[For text of subs 1 and 2, see M.S.1996]*

Subd. 3. **Exclusions.** Without intent to preclude the courts from finding additional cases where the state and its employees should not, in equity and good conscience, pay compensation for personal injuries or property losses, the legislature declares that the state and its employees are not liable for the following losses:

- (a) a loss caused by an act or omission of a state employee exercising due care in the execution of a valid or invalid statute or rule;
- (b) a loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;
- (c) a loss in connection with the assessment and collection of taxes;

(d) a loss caused by snow or ice conditions on a highway or public sidewalk that does not abut a publicly owned building or a publicly owned parking lot, except when the condition is affirmatively caused by the negligent acts of a state employee;

(e) a loss caused by wild animals in their natural state, except as provided in section 3.7371;

(f) a loss other than injury to or loss of property or personal injury or death;

(g) a loss caused by the condition of unimproved real property owned by the state, which means land that the state has not improved, state land that contains idled or abandoned mine pits or shafts, and appurtenances, fixtures, and attachments to land that the state has neither affixed nor improved;

(h) a loss incurred by a user arising from the construction, operation, or maintenance of the outdoor recreation system, as defined in section 86A.04, or for a loss arising from the construction, operation, maintenance, or administration of grants-in-aid trails as defined in section 85.018, or for a loss arising from the construction, operation, or maintenance of a water access site created by the iron range resources and rehabilitation board, except that the state is liable for conduct that would entitle a trespasser to damages against a private person. For the purposes of this clause, a water access site, as defined in section 86A.04 or created by the iron range resources and rehabilitation board, that provides access to an idled, water filled mine pit, also includes the entire water filled area of the pit and, further, includes losses caused by the caving or slumping of the mine pit walls;

(i) a loss of benefits or compensation due under a program of public assistance or public welfare, except if state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(j) a loss based on the failure of a person to meet the standards needed for a license, permit, or other authorization issued by the state or its agents;

(k) a loss based on the usual care and treatment, or lack of care and treatment, of a person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(l) loss, damage, or destruction of property of a patient or inmate of a state institution;

(m) a loss for which recovery is prohibited by section 169.121, subdivision 9;

(n) a loss caused by an aeration, bubbler, water circulation, or similar system used to increase dissolved oxygen or maintain open water on the ice of public waters, that is operated under a permit issued by the commissioner of natural resources;

(o) a loss incurred by a visitor to the Minnesota zoological garden, except that the state is liable for conduct that would entitle a trespasser to damages against a private person;

(p) a loss arising out of a person's use of a logging road on public land that is maintained exclusively to provide access to timber on that land by harvesters of the timber, and is not signed or otherwise held out to the public as a public highway; and

(q) a loss incurred by a user of property owned, leased, or otherwise controlled by the Minnesota National Guard or the department of military affairs, except that the state is liable for conduct that would entitle a trespasser to damages against a private person.

The state will not pay punitive damages.

**Subd. 4. Limits.** The total liability of the state and its employees acting within the scope of their employment on any tort claim shall not exceed:

(a) \$300,000 when the claim is one for death by wrongful act or omission and \$300,000 to any claimant in any other case;

(b) \$750,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 1998, and before January 1, 2000; or

(c) \$1,000,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2000.

If the amount awarded to or settled upon multiple claimants exceeds the applicable limit under clause (b) or (c), any party may apply to the district court to apportion to each claimant a proper share of the amount available under the applicable limit under clause (b) or (c). The share apportioned to each claimant shall be in the proportion that the ratio of the award or

settlement bears to the aggregate awards and settlements for all claims arising out of the occurrence.

The limitation imposed by this subdivision on individual claimants includes damages claimed for loss of services or loss of support arising out of the same tort.

*[For text of subs 4a to 11, see M.S.1996]*

**History:** 1997 c 210 s 1; 1997 c 249 s 1

### **3.754 BUDGET REQUESTS; PROPERTY IMPROVEMENT CLAIMS.**

All state departments and agencies including the board of trustees of the Minnesota state colleges and universities shall include in their budget requests the amounts necessary to reimburse counties and municipalities for claims involving assessments for improvements benefiting state-owned property in their communities. Each department and agency shall pay the assessments when due or, if a department or agency feels that it was not fairly assessed, notify the chairs of the committee on finance of the senate and the committee on ways and means of the house of representatives for a review of the assessment. Assessments on state-owned property under the control of the board of trustees of the Minnesota state colleges and universities are governed by section 135A.131. All agencies and departments should negotiate assessment costs with counties and municipalities prior to commencement of improvements benefiting state-owned property.

**History:** 1997 c 183 art 3 s 38

### **3.841 LEGISLATIVE COORDINATING COMMISSION.**

For purposes of sections 3.842 and 3.843, "commission" means the legislative coordinating commission or a legislative commission or subcommittee established by the coordinating commission under section 3.305, subdivision 6, to exercise the powers and discharge the duties of the coordinating commission under sections 3.842 and 3.843 or other law requiring action by the coordinating commission on matters relating to administrative rules.

**History:** 1997 c 98 s 1

### **3.842 REVIEW OF RULES BY COMMISSION.**

*[For text of subd 1, see M.S.1996]*

**Subd. 2. Jurisdiction.** The jurisdiction of the commission includes all rules as defined in section 14.02, subdivision 4. The commission also has jurisdiction of rules filed with the secretary of state in accordance with sections 14.38, subdivisions 5, 6, 7, 8, 9, and 11; 14.386; and 14.388.

The commission may periodically review statutory exemptions to the rulemaking provisions of this chapter.

*[For text of subd 3, see M.S.1996]*

**Subd. 4.** [Repealed, 1997 c 98 s 17]

**Subd. 4a. Objections to rules.** (a) If the commission objects to all or some portion of a rule because the commission considers it to be beyond the procedural or substantive authority delegated to the agency, including a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), the commission may file that objection in the office of the secretary of state. The filed objection must contain a concise statement of the commission's reasons for its action. An objection to a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), may not be filed before the rule is adopted.

(b) The secretary of state shall affix to each objection a certification of the date and time of its filing and as soon after the objection is filed as practicable shall transmit a certified copy of it to the agency issuing the rule in question and to the revisor of statutes. The secretary of state shall also maintain a permanent register open to public inspection of all objections by the commission.

(c) The commission shall publish and index an objection filed under this section in the next issue of the State Register. The revisor of statutes shall indicate the existence of the objection adjacent to the rule in question when that rule is published in Minnesota Rules.

(d) Within 14 days after the filing of an objection by the commission to a rule, the issuing agency shall respond in writing to the commission. After receipt of the response, the commission may withdraw or modify its objection.

(e) After the filing of an objection by the commission that is not subsequently withdrawn, the burden is upon the agency in any proceeding for judicial review or for enforcement of the rule to establish that the whole or portion of the rule objected to is valid.

(f) The failure of the commission to object to a rule is not an implied legislative authorization of its validity.

(g) In accordance with sections 14.44 and 14.45, the commission may petition for a declaratory judgment to determine the validity of a rule objected to by the commission. The action must be started within two years after an objection is filed in the office of the secretary of state.

(h) The commission may intervene in litigation arising from agency action. For purposes of this paragraph, agency action means the whole or part of a rule, or the failure to issue a rule.

Subd. 5. [Repealed, 1997 c 98 s 17]

Subd. 6. [Repealed, 1997 c 98 s 17]

Subd. 7. [Repealed, 1997 c 98 s 17]

**History:** 1997 c 98 s 2,3

### **3.843 PUBLIC HEARINGS BY STATE AGENCIES.**

By a vote of a majority of its members, the commission may request any agency issuing rules to hold a public hearing in respect to recommendations made under section 3.842, including recommendations made by the commission to promote adequate and proper rules by that agency and recommendations contained in the commission's biennial report. The agency shall give notice as provided in section 14.14, subdivision 1, of a hearing under this section, to be conducted in accordance with sections 14.05 to 14.28. The hearing must be held not more than 60 days after receipt of the request or within any other longer time period specified by the commission in the request.

**History:** 1997 c 98 s 4

**3.844** [Repealed, 1997 c 98 s 17]

**3.845** [Repealed, 1997 c 98 s 17]

### **3.85 LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT.**

*[For text of subs 1 and 2, see M.S.1996]*

Subd. 3. **Membership.** The commission consists of six members of the senate appointed by the subcommittee on committees of the committee on rules and administration and six members of the house of representatives appointed by the speaker. Members shall be appointed at the commencement of each regular session of the legislature for a two-year term beginning January 16 of the first year of the regular session. Vacancies that occur while the legislature is in session shall be filled like regular appointments. If the legislature is not in session, senate vacancies shall be filled by the last subcommittee on committees of the senate committee on rules and administration or other appointing authority designated by the senate rules, and house vacancies shall be filled by the last speaker of the house, or if the speaker is not available, by the last chair of the house rules committee.

*[For text of subs 4 to 10, see M.S.1996]*

Subd. 11. **Valuations and reports to legislature.** (a) The commission shall contract with an established actuarial consulting firm to conduct annual actuarial valuations for the

retirement plans named in paragraph (b). The contract must include provisions for performing cost analyses of proposals for changes in benefit and funding policies.

(b) The contract for actuarial valuation must include the following retirement plans:

(1) the teachers retirement plan, teachers retirement association;

(2) the general state employees retirement plan, Minnesota state retirement system;

(3) the correctional employees retirement plan, Minnesota state retirement system;

(4) the state patrol retirement plan, Minnesota state retirement system;

(5) the judges retirement plan, Minnesota state retirement system;

(6) the Minneapolis employees retirement plan, Minneapolis employees retirement fund;

(7) the public employees retirement plan, public employees retirement association;

(8) the public employees police and fire plan, public employees retirement association;

(9) the Duluth teachers retirement plan, Duluth teachers retirement fund association;

(10) the Minneapolis teachers retirement plan, Minneapolis teachers retirement fund association;

(11) the St. Paul teachers retirement plan, St. Paul teachers retirement fund association;

(12) the legislators retirement plan, Minnesota state retirement system; and

(13) the elective state officers retirement plan, Minnesota state retirement system.

(c) The contract must specify completion of annual actuarial valuation calculations on a fiscal year basis with their contents as specified in section 356.215, and the standards for actuarial work adopted by the commission.

The contract must specify completion of annual experience data collection and processing and a quadrennial published experience study for the plans listed in paragraph (b), clauses (1), (2), and (7), as provided for in the standards for actuarial work adopted by the commission. The experience data collection, processing, and analysis must evaluate the following:

(1) individual salary progression;

(2) rate of return on investments based on current asset value;

(3) payroll growth;

(4) mortality;

(5) retirement age;

(6) withdrawal; and

(7) disablement.

(d) The actuary retained by the commission shall annually prepare a report to the legislature, including the commentary on the actuarial valuation calculations for the plans named in paragraph (b) and summarizing the results of the actuarial valuation calculations. The commission-retained actuary shall include with the report the actuary's recommendations concerning the appropriateness of the support rates to achieve proper funding of the retirement funds by the required funding dates. The commission-retained actuary shall, as part of the quadrennial published experience study, include recommendations to the legislature on the appropriateness of the actuarial valuation assumptions required for evaluation in the study.

(e) If the actuarial gain and loss analysis in the actuarial valuation calculations indicates a persistent pattern of sizable gains or losses, as directed by the commission, the actuary retained by the commission shall prepare a special experience study for a plan listed in paragraph (b), clause (3), (4), (5), (6), (8), (9), (10), (11), (12), or (13), in the manner provided for in the standards for actuarial work adopted by the commission.

(f) The term of the contract between the commission and the actuary retained by the commission is two years, plus not to exceed two one-year extensions before competitive bidding. The contract is subject to competitive bidding procedures as specified by the commission.

**Subd. 12. Allocation of actuarial cost.** (a) The commission shall assess each retirement plan specified in subdivision 11, paragraph (b), the compensation paid to the actuary

retained by the commission for the actuarial valuation calculations, quadrennial projection valuations, and quadrennial experience studies. The assessment is 100 percent of the amount of contract compensation for the actuarial consulting firm retained by the commission for actuarial valuation calculations, including the public employees police and fire plan consolidation accounts of the public employees retirement association, annual experience data collection and processing, and quadrennial experience studies.

The portion of the total assessment payable by each retirement system or pension plan must be determined as follows:

(1) Each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (13), must pay the following indexed amount based on its total active, deferred, inactive, and benefit recipient membership:

up to 2,000 members, inclusive	\$2.55 per member
2,001 through 10,000 members	\$1.13 per member
over 10,000 members	\$0.11 per member

The amount specified is applicable for the assessment of the July 1, 1991, to June 30, 1992, fiscal year actuarial compensation amounts. For the July 1, 1992, to June 30, 1993, fiscal year and subsequent fiscal year actuarial compensation amounts, the amount specified must be increased at the same percentage increase rate as the implicit price deflator for state and local government purchases of goods and services for the 12-month period ending with the first quarter of the calendar year following the completion date for the actuarial valuation calculations, as published by the federal Department of Commerce, and rounded upward to the nearest full cent.

(2) The total per-member portion of the allocation must be determined, and that total per-member amount must be subtracted from the total amount for allocation. Of the remainder dollar amount, the following per-retirement system and per-pension plan charges must be determined and the charges must be paid by the system or plan:

(i) 37.87 percent is the total additional per-retirement system charge, of which one-seventh must be paid by each retirement system specified in subdivision 11, paragraph (b), clauses (1), (2), (6), (7), (9), (10), and (11).

(ii) 62.13 percent is the total additional per-pension plan charge, of which one-thirteenth must be paid by each pension plan specified in subdivision 11, paragraph (b), clauses (1) to (13).

(b) The assessment must be made following the completion of the actuarial valuation calculations and the experience analysis. The amount of the assessment is appropriated from the retirement fund applicable to the retirement plan. Receipts from assessments must be deposited in the state treasury and credited to the general fund.

**History:** 1997 c 202 art 2 s 5; 1997 c 233 art 1 s 1,2

### 3.855 LEGISLATIVE COMMISSION ON EMPLOYEE RELATIONS.

*[For text of subd 1a, see M.S.1996]*

**Subd. 2. State employee negotiations.** (a) The commissioner of employee relations shall regularly advise the commission on the progress of collective bargaining activities with state employees under the state Public Employment Labor Relations act. During negotiations, the commission may make recommendations to the commissioner as it deems appropriate but no recommendation shall impose any obligation or grant any right or privilege to the parties.

(b) The commissioner shall submit to the chair of the commission any negotiated collective bargaining agreements, arbitration awards, compensation plans, or salaries for legislative approval or disapproval. Negotiated agreements shall be submitted within five days of the date of approval by the commissioner or the date of approval by the affected state employees, whichever occurs later. Arbitration awards shall be submitted within five days of their receipt by the commissioner. If the commission disapproves a collective bargaining agreement, award, compensation plan, or salary, the commission shall specify in writing to the parties those portions with which it disagrees and its reasons. If the commission approves

a collective bargaining agreement, award, compensation plan, or salary, it shall submit the matter to the legislature to be accepted or rejected under this section.

(c) When the legislature is not in session, the commission may give interim approval to a negotiated collective bargaining agreement, salary, compensation plan, or arbitration award. When the legislature is not in session, failure of the commission to disapprove a collective bargaining agreement or arbitration award within 30 days constitutes approval. The commission shall submit the negotiated collective bargaining agreements, salaries, compensation plans, or arbitration awards for which it has provided approval to the entire legislature for ratification at a special legislative session called to consider them or at its next regular legislative session as provided in this section. Approval or disapproval by the commission is not binding on the legislature.

(d) When the legislature is not in session, the proposed collective bargaining agreement, arbitration decision, salary, or compensation plan must be implemented upon its approval by the commission, and state employees covered by the proposed agreement or arbitration decision do not have the right to strike while the interim approval is in effect. Wages and economic fringe benefit increases provided for in the agreement or arbitration decision paid in accordance with the interim approval by the commission are not affected, but the wages or benefit increases must cease to be paid or provided effective upon the rejection of the agreement, arbitration decision, salary, or compensation plan, or upon adjournment of the legislature without acting on it.

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

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

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

(3) review and approve, reject, or modify recommendations for salaries submitted by the governor or other appointing authority under section 43A.18, subdivision 5, covering agency head positions listed in section 15A.0815;

(4) review and approve, reject, or modify recommendations for salaries of officials of higher education systems under section 15A.081, subdivision 7b; and

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

*[For text of subd 4, see M.S.1996]*

**History:** 1997 c 156 s 1; 2Sp1997 c 3 s 1

### **3.873 LEGISLATIVE COMMISSION ON CHILDREN, YOUTH, AND THEIR FAMILIES.**

*[For text of subs 1 to 4, see M.S.1996]*

**Subd. 5. Information collection; intergovernmental coordination.** (a) The commission may conduct public hearings and otherwise collect data and information necessary to its purposes.

(b) The commission may request information or assistance from any state agency or officer to assist the commission in performing its duties. The agency or officer shall promptly furnish any information or assistance requested.

(c) The secretary of the senate and the chief clerk of the house shall provide the commission with a copy of each bill introduced in the legislature concerning children, youth, and their families.

(d) To facilitate coordination between executive and legislative authorities, the commission shall meet with the children's cabinet.



*[For text of subd 6, see M.S.1996]*

**Subd. 7. Priorities.** The commission shall give priority to studying on the matters described in this subdivision. To the extent possible, the commission shall consult with knowledgeable individuals in communities throughout the state when developing recommendations on these matters.

(a) The commission must study methods of improving legislative consideration of children and family issues and coordinating state agency programs relating to children and families, including the desirability, feasibility, and effects of creating a new state department of children's services, or children and family services, in which would be consolidated the responsibility for administering state programs relating to children and families.

(b) The commission must study methods of consolidating or coordinating local health, correctional, educational, job, and human services, to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services. The commission shall evaluate and make recommendations on programs and projects in this and other states that encourage or require local jurisdictions to consolidate the delivery of services in schools or other community centers to reduce the cost and improve the coverage and accessibility of services. The commission must study and recommend specific effectiveness measures to accurately determine the efficacy of programs and services provided to children and their families. The commission must consider and recommend how to transform fragmented, crisis-oriented delivery systems focused on remediation services into flexible, comprehensive, well-coordinated, and family-oriented delivery systems focused on prevention services. The commission must review and evaluate what impact the classification of data has on service providers' ability to anticipate and meet the full range of families' needs.

(c) The commission must study methods of improving and coordinating educational, social, and health care services that assist children and families during the early childhood years. The commission's study must include an evaluation of the following: early childhood health and development screening services, headstart, child care, early childhood family education, and parents' involvement in programs meeting the social, cognitive, physical, and emotional needs of children.

(d) The commission must study methods of improving and coordinating the practices of judicial, correctional, and social service agencies in placing juvenile offenders and children who are in need of protective services or treatment.

(e) The commission must study and recommend constructive changes in preventive, community-based programs that encourage children and youth to responsibly serve their community.

*[For text of subd 8, see M.S.1996]*

**History:** 1997 c 7 art 2 s 2,3

### **3.922 INDIAN AFFAIRS COUNCIL.**

*[For text of subs 1 to 8, see M.S.1996]*

Subd. 9. [Repealed, 1997 c 7 art 2 s 67]

### **3.97 AUDIT POLICY; CREATION OF COMMISSION; TRANSFER OF FUNCTIONS OF PUBLIC EXAMINER; ACCESS TO DATA.**

*[For text of subd 1, see M.S.1996]*

Subd. 2. The legislative audit commission is created. The commission consists of:

- (1) the majority leader of the senate and the president of the senate or their designees;
- (2) the chair of the senate committee on taxes or a designee who is a member of the committee;
- (3) the chair of the senate committee on governmental operations and reform or a designee who is a member of the committee;

- (4) the chair of the senate committee on finance or a designee who is a member of the committee;
- (5) five members of the senate appointed by the senate minority leader;
- (6) the speaker of the house and the chair of the house committee on rules or their designees;
- (7) the chair of the house committee on taxes or a designee who is a member of the committee;
- (8) the chair of the house committee on governmental operations and gaming or a designee who is a member of the committee;
- (9) the chair of the house ways and means committee or a designee who is a member of the committee; and
- (10) five members of the house appointed by the house minority leader.

The appointed members of the commission shall serve for a term commencing upon appointment and expiring at the opening of the next regular session of the legislature in the odd-numbered year and until a successor is appointed. A vacancy in the membership of the commission shall be filled for the unexpired term in a manner that will preserve the representation established by this subdivision.

The commission shall meet in January of each odd-numbered year to elect its chair and other officers as it may determine necessary. A chair shall serve a two-year term, expiring on January 1 in the odd-numbered year following election, and until a successor is elected. The chair shall alternate biennially between the senate and the house. The commission shall meet at the call of the chair or the executive secretary. The members shall serve without compensation but be reimbursed for their reasonable expenses as members of the legislature. The commission may exercise the powers prescribed by section 3.153.

*[For text of subs 3 to 12, see M.S.1996]*

**History:** 1997 c 184 s 1

### 3.971 POWERS AND DUTIES OF LEGISLATIVE AUDITOR.

*[For text of subs 1 to 3, see M.S.1996]*

Subd. 4. (a) To perform best practices reviews, the legislative auditor through the program evaluation division shall examine the procedures and practices used to deliver local government services, including municipalities and counties, determine the methods of local government service delivery, identify variations in cost and effectiveness, and identify practices to save money or provide more effective service delivery. The legislative auditor shall recommend to local governments, service delivery methods and practices to improve the cost-effectiveness of services. The legislative auditor and the board of government innovation and cooperation shall notify each other of projects being conducted relating to improving local government services.

(b) The commission shall identify local government services to be reviewed with advice from an advisory council whose membership shall consist of:

- (1) three representatives from the Association of Minnesota Counties;
- (2) three representatives from the League of Minnesota Cities;
- (3) two representatives from the Association of Metropolitan Municipalities; and
- (4) one representative from the Minnesota Association of Townships.

(c) This subdivision expires June 30, 1999.

**History:** 1997 c 184 s 2

3.982 [Repealed, 1997 c 231 art 11 s 8]

### LOCAL FISCAL IMPACT NOTES

### 3.986 DEFINITIONS.

Subdivision 1. **Scope.** The terms used in sections 3.986 to 3.989 have the meanings given them in this section.

Subd. 2. **Local fiscal impact.** (a) "Local fiscal impact" means increased or decreased costs or revenues that a political subdivision would incur as a result of a law enacted after June 30, 1997, or rule proposed after June 30, 1998:

(1) that mandates a new program, eliminates an existing mandated program, requires an increased level of service of an existing program, or permits a decreased level of service in an existing mandated program;

(2) that implements or interprets federal law and, by its implementation or interpretation, increases or decreases program or service levels beyond the level required by the federal law;

(3) that implements or interprets a statute or amendment adopted or enacted pursuant to the approval of a statewide ballot measure by the voters and, by its implementation or interpretation, increases or decreases program or service levels beyond the levels required by the ballot measure;

(4) that removes an option previously available to political subdivisions, or adds an option previously unavailable to political subdivisions, thus requiring higher program or service levels or permitting lower program or service levels, or prohibits a specific activity and so forces political subdivisions to use a more costly alternative to provide a mandated program or service;

(5) that requires that an existing program or service be provided in a shorter time period and thus increases the cost of the program or service, or permits an existing mandated program or service to be provided in a longer time period, thus permitting a decrease in the cost of the program or service;

(6) that adds new requirements to an existing optional program or service and thus increases the cost of the program or service because the political subdivisions have no reasonable alternative other than to continue the optional program;

(7) that affects local revenue collections by changes in property or sales and use tax exemptions;

(8) that requires costs previously incurred at local option that have subsequently been mandated by the state; or

(9) that requires payment of a new fee or increases the amount of an existing fee, or permits the elimination or decrease of an existing fee mandated by the state.

(b) When state law is intended to achieve compliance with federal law or court orders, state mandates shall be determined as follows:

(1) if the federal law or court order is discretionary, the state law is a state mandate;

(2) if the state law exceeds what is required by the federal law or court order, only the provisions of the state law that exceed the federal requirements are a state mandate; and

(3) if the state law does not exceed what is required by the federal statute or regulation or court order, the state law is not a state mandate.

Subd. 3. **Mandate.** A "mandate" is a requirement imposed upon a political subdivision in a law by a state agency or by judicial authority that, if not complied with, results in:

(1) civil liability;

(2) criminal penalty; or

(3) administrative sanctions such as reduction or loss of funding.

Subd. 4. **Political subdivision.** A "political subdivision" is a county, home rule charter or statutory city, town, or other taxing district or municipal corporation.

Subd. 5. **Requiring an increased level of service.** "Requiring an increased level of service" includes requiring that an existing service be provided in a shorter time.

**History:** 1997 c 231 art 11 s 1

### 3.987 LOCAL IMPACT NOTES FOR STATE-MANDATED ACTIONS.

Subdivision 1. **Local impact notes.** The commissioner of finance shall coordinate the development of a local impact note for any proposed legislation introduced after June 30, 1997, or any rule proposed after June 30, 1998, upon request of the chair or the ranking mi-

nority member of either legislative tax committee. The local impact note must be prepared as provided in section 3.98, subdivision 2, and made available to the public upon request. If the action is among the exceptions listed in section 3.988, a local impact note need not be requested nor prepared. The commissioner shall make a reasonable and timely estimate of the local fiscal impact on each type of political subdivision that would result from the proposed legislation. The commissioner of finance may require any political subdivision or the commissioner of an administrative agency of the state to supply in a timely manner any information determined to be necessary to determine local fiscal impact. The political subdivision, its representative association, or commissioner shall convey the requested information to the commissioner of finance with a signed statement to the effect that the information is accurate and complete to the best of its ability. The political subdivision, its representative association, or commissioner, when requested, shall update its determination of local fiscal impact based on actual cost or revenue figures, improved estimates, or both.

**Subd. 2. Mandate explanations.** Any bill introduced in the legislature after June 30, 1997, that seeks to impose program or financial mandates on political subdivisions must include an attachment from the author that gives appropriate responses to the following guidelines. It must state and list:

(1) the policy goals that are sought to be attained, the performance standards that are to be imposed, and an explanation why the goals and standards will best be served by requiring compliance by political subdivisions;

(2) performance standards that will allow political subdivisions flexibility and innovation of method in achieving those goals;

(3) the reasons for each prescribed standard and the process by which each standard governs input such as staffing and other administrative aspects of the program;

(4) the sources of additional revenue, in addition to existing funding for similar programs, that are directly linked to imposition of the mandates that will provide adequate and stable funding for their requirements;

(5) what input has been obtained to ensure that the implementing agencies have the capacity to carry out the delegated responsibilities; and

(6) the reasons why less intrusive measures such as financial incentives or voluntary compliance would not yield the equity, efficiency, or desired level of statewide uniformity in the proposed program.

**Subd. 3. Local involvement; laws.** Any bill introduced in the legislature after June 30, 1997, that seeks to impose a program or financial mandate on political subdivisions must include an attachment prepared by the author that describes the efforts put forth, if any, to involve political subdivisions in the creation or development of the proposed mandate.

**Subd. 4. No mandate restriction.** Except as specifically provided by this article, nothing in this article restricts or eliminates the authority of the state to create or impose programs by law upon political subdivisions.

**History:** 1997 c 231 art 11 s 2

### 3.988 EXCEPTIONS TO LOCAL IMPACT NOTES.

**Subdivision 1. Costs resulting from inflation.** A local impact note need not be prepared for increases in the cost of providing an existing service if the increases result directly from inflation. "Resulting directly from inflation" means attributable to maintaining an existing level of service rather than increasing the level of service. A cost-of-living increase in welfare benefits is an example of a cost resulting directly from inflation.

**Subd. 2. Costs not the result of a new program or increased service.** A local impact note need not be prepared for increased local costs that do not result from a new program or an increased level of service.

**Subd. 3. Miscellaneous exceptions.** A local impact note or an attachment as provided in section 3.987, subdivision 2, need not be prepared for the cost of a mandated action if the law, including a rulemaking, containing the mandate:

(1) accommodates a specific local request;

(2) results in no new local government duties;

- (3) leads to revenue losses from exemptions to taxes;
- (4) provided only clarifying or conforming, nonsubstantive charges on local government;
- (5) imposes additional net local costs that are minor (less than \$200 for any single local government if the mandate does not apply statewide or less than \$3,000,000 if the mandate is statewide) and do not cause a financial burden on local government;
- (6) is a law or executive order enacted before July 1, 1997, or a rule initially implementing a law enacted before July 1, 1997;
- (7) implements something other than a law or executive order, such as a federal, court, or voter-approved mandate;
- (8) defines a new crime or redefines an existing crime or infraction;
- (9) results in savings that equal or exceed costs;
- (10) requires the holding of elections;
- (11) ensures due process or equal protection;
- (12) provides for the notification and conduct of public meetings;
- (13) establishes the procedures for administrative and judicial review of actions taken by political subdivisions;
- (14) protects the public from malfeasance, misfeasance, or nonfeasance by officials of political subdivisions;
- (15) relates directly to financial administration, including the levy, assessment, and collection of taxes;
- (16) relates directly to the preparation and submission of financial audits necessary to the administration of state laws; or
- (17) requires uniform standards to apply to public and private institutions without differentiation.

**History:** 1997 c 231 art 11 s 3

### **3.989 REIMBURSEMENT TO LOCAL POLITICAL SUBDIVISIONS FOR COSTS OF STATE MANDATES.**

**Subdivision 1. Definitions.** In this section:

- (1) "Class A state mandates" means those laws under which the state mandates to political subdivisions, their participation, the organizational structure of the program, and the procedural regulations under which the law must be administered; and
- (2) "Class B state mandates" means those mandates that allow the political subdivisions to opt for administration of a law with program elements mandated beforehand and with an assured revenue level from the state of at least 90 percent of full program and administrative costs.

**Subd. 2. Report.** The commissioner of finance shall prepare by September 1, 1998, and by September 1 of each even-numbered year thereafter, a report by political subdivisions of the costs of class A state mandates established after June 30, 1997.

The commissioner shall annually include the statewide total of the statement of costs of class A mandates as a notation in the state budget for the next fiscal year.

**Subd. 3. Certain political subdivisions; report.** The political subdivisions that have opted to administer class B state mandates shall report to the commissioner of finance by September 1, 1998, and by September 1 of each year thereafter, identifying each instance when revenue for a class B state mandate has fallen below 85 percent of the total cost of the program and the political subdivision intends to cease administration of the program.

The commissioner shall forward a copy of the report to the chairs of the appropriate funding committees of the senate and the house for proposed inclusion of the shortfall as a line item appropriation in the state budget for the next fiscal year.

The political subdivision may exercise its option to cease administration only if the legislature has failed to include the shortfall as an appropriation in the state budget for the next fiscal year.

Subd. 4. **Exemptions.** Laws and executive orders enumerated in section 3.988 are exempted from this section.

**History:** 1997 c 231 art 11 s 4