

1.1 ..... moves to amend H.F. No. 691 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**

1.4 **STATE GOVERNMENT APPROPRIATIONS**

1.5 Section 1. **APPROPRIATIONS.**

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
1.7 and for the purposes specified in this article. The appropriations are from the general fund,  
1.8 or another named fund, and are available for the fiscal years indicated for each purpose.

1.9 The figures "2018" and "2019" used in this article mean that the appropriations listed under  
1.10 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

1.11 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"  
1.12 is fiscal years 2018 and 2019.

1.13		<b><u>APPROPRIATIONS</u></b>
1.14		<b><u>Available for the Year</u></b>
1.15		<b><u>Ending June 30</u></b>
1.16		<b><u>2018</u>                      <u>2019</u></b>

1.17 Sec. 2. **LEGISLATURE**

1.18	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>79,858,000</u></b>	<b><u>\$</u></b>	<b><u>79,488,000</u></b>
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1.19 Appropriations by Fund

1.20		<u>2018</u>	<u>2019</u>
1.21	<u>General</u>	<u>79,730,000</u>	<u>79,360,000</u>
1.22	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

1.23 The amounts that may be spent for each  
1.24 purpose are specified in the following  
1.25 subdivisions.

2.1	<u>Subd. 2. Senate</u>	<u>29,849,000</u>	<u>29,655,000</u>
2.2	<u>\$3,124,000 of the senate carryforward balance</u>		
2.3	<u>is canceled to the general fund on July 1, 2017.</u>		
2.4	<u>Subd. 3. House of Representatives</u>	<u>32,383,000</u>	<u>32,383,000</u>
2.5	<u>During the biennium ending June 30, 2019,</u>		
2.6	<u>any revenue received by the house of</u>		
2.7	<u>representatives from voluntary donations to</u>		
2.8	<u>support broadcast or print media are</u>		
2.9	<u>appropriated to the house of representatives.</u>		
2.10	<u>\$4,092,000 of the house of representatives</u>		
2.11	<u>carryforward balance is canceled to the general</u>		
2.12	<u>fund on July 1, 2017.</u>		
2.13	<u>Subd. 4. Legislative Coordinating Commission</u>	<u>17,626,000</u>	<u>17,450,000</u>
2.14	<u>Appropriations by Fund</u>		
2.15	<u>General</u>	<u>17,498,000</u>	<u>17,322,000</u>
2.16	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>
2.17	<u>Appropriations provided by this subdivision</u>		
2.18	<u>may be used for designated staff to support</u>		
2.19	<u>the following offices and commissions: Office</u>		
2.20	<u>of the Legislative Auditor; Office of the</u>		
2.21	<u>Revisor of Statutes; Legislative Reference</u>		
2.22	<u>Library; Legislative-Citizen Commission on</u>		
2.23	<u>Minnesota Resources; Legislative Commission</u>		
2.24	<u>on Pensions and Retirement; Legislative</u>		
2.25	<u>Energy Commission; and the Lessard-Sams</u>		
2.26	<u>Outdoor Heritage Council. The operation of</u>		
2.27	<u>all other joint offices and commissions must</u>		
2.28	<u>be supported by the central administrative staff</u>		
2.29	<u>of the Legislative Coordinating Commission.</u>		
2.30	<u>From its funds, \$10,000 each year is for</u>		
2.31	<u>purposes of the legislators' forum, through</u>		
2.32	<u>which Minnesota legislators meet with</u>		
2.33	<u>counterparts from South Dakota, North</u>		

3.1 Dakota, and Manitoba to discuss issues of  
3.2 mutual concern.

3.3 \$1,418,000 of the Legislative Coordinating  
3.4 Commission carryforward balance is canceled  
3.5 to the general fund on July 1, 2017.

3.6 **Legislative Auditor.** \$6,694,000 the first year  
3.7 and \$6,564,000 the second year are for the  
3.8 Office of the Legislative Auditor.

3.9 Of these amounts, \$130,000 the first year is  
3.10 for the transit financial activity reviews  
3.11 required by Minnesota Statutes, section 3.972,  
3.12 subdivision 4.

3.13 No later than January 15, 2018, the legislative  
3.14 auditor must complete a review of the small  
3.15 business investment tax credit incentive  
3.16 established in Minnesota Statutes, section  
3.17 116J.8737. The review must follow the  
3.18 evaluation plan established for review of a  
3.19 general incentive program under Minnesota  
3.20 Statutes, section 3.9735, subdivision 4.

3.21 **Revisor of Statutes.** \$6,090,000 the first year  
3.22 and \$6,090,000 the second year are for the  
3.23 Office of the Revisor of Statutes.

3.24 As soon as practicable and consistent with the  
3.25 terms of the lease agreement, the revisor of  
3.26 statutes must terminate its lease of office space  
3.27 located at 525 Park Street in St. Paul. The  
3.28 revisor must consult with the Legislative  
3.29 Coordinating Commission to identify other  
3.30 suitable space within the State Capitol  
3.31 complex to which existing staff and equipment  
3.32 at that location may be relocated.

3.33 **Legislative Budget Office.** \$864,000 the first  
3.34 year and \$818,000 the second year are for the





6.1 The amounts that may be spent for each  
 6.2 purpose are specified in the following  
 6.3 subdivisions.

6.4 Subd. 2. Government Legal Services 3,764,000 3,764,000

6.5 Subd. 3. Regulatory Law and Professions 5,070,000 5,070,000

6.6 Appropriations by Fund

6.7 General 2,291,000 2,291,000

6.8 State Government  
 6.9 Special Revenue 2,384,000 2,384,000

6.10 Remediation 250,000 250,000

6.11 Environmental 145,000 145,000

6.12 Subd. 4. State Government Services 6,345,000 6,345,000

6.13 Appropriations by Fund

6.14 General 6,324,000 6,324,000

6.15 State Government  
 6.16 Special Revenue 21,000 21,000

6.17 Subd. 5. Civil Law Section 3,102,000 3,102,000

6.18 Subd. 6. Civil Litigation 1,542,000 1,542,000

6.19 Subd. 7. Administrative Operations 4,071,000 4,071,000

6.20 Sec. 6. SECRETARY OF STATE

6.21 Subdivision 1. Total Appropriation \$ 5,419,000 \$ 5,530,000

6.22 The amounts that may be spent for each  
 6.23 purpose are specified in the following  
 6.24 subdivisions.

6.25 Subd. 2. Administration 512,000 525,000

6.26 Subd. 3. Safe at Home 659,000 676,000

6.27 Subd. 4. Business Services 1,422,000 1,174,000

6.28 Subd. 5. Elections 2,826,000 3,155,000

6.29 Sec. 7. CAMPAIGN FINANCE AND PUBLIC  
 6.30 DISCLOSURE BOARD \$ 689,000 \$ 689,000

6.31 This appropriation includes administrative  
 6.32 savings to the board resulting from the repeal

7.1 of the campaign subsidy program provided in  
 7.2 article 2.

7.3 **Sec. 8. STATE BOARD OF INVESTMENT**      \$      **139,000** \$      **139,000**

7.4 **Sec. 9. ADMINISTRATIVE HEARINGS**

7.5 **Subdivision 1. Total Appropriation**      \$      **8,170,000** \$      **8,170,000**

7.6                    Appropriations by Fund

7.7                                    2018                    2019

7.8 General                                    383,000                    383,000

7.9 Workers'

7.10 Compensation                                    7,787,000                    7,787,000

7.11 The amounts that may be spent for each  
 7.12 purpose are specified in the following  
 7.13 subdivisions.

7.14 **Subd. 2. Campaign Violations**                                    115,000                    115,000

7.15 These amounts are for the cost of considering  
 7.16 complaints filed under Minnesota Statutes,  
 7.17 section 211B.32. These amounts may be used  
 7.18 in either year of the biennium.

7.19 **Subd. 3. Data Practices**                                    6,000                    6,000

7.20 These amounts are for the cost of considering  
 7.21 data practices complaints filed under  
 7.22 Minnesota Statutes, section 13.085. These  
 7.23 amounts may be used in either year of the  
 7.24 biennium.

7.25 **Subd. 4. Municipal Boundary Adjustments**                                    262,000                    262,000

7.26 **Sec. 10. OFFICE OF MN.IT SERVICES**

7.27 **Subdivision 1. Total Appropriation**      \$      **2,622,000** \$      **2,622,000**

7.28 The amounts that may be spent for each  
 7.29 purpose are specified in the following  
 7.30 subdivisions.

7.31 The state chief information officer must  
 7.32 prioritize use of appropriations provided by

8.1 this section to enhance cybersecurity across  
 8.2 state government.

8.3 **Subd. 2. State Chief Information Officer** 1,316,000 1,316,000

8.4 The commissioner of management and budget  
 8.5 is authorized to provide cash flow assistance  
 8.6 of up to \$110,000,000 from the special  
 8.7 revenue fund or other statutory general funds  
 8.8 as defined in Minnesota Statutes, section  
 8.9 16A.671, subdivision 3, paragraph (a), to the  
 8.10 Office of MN.IT Services for the purpose of  
 8.11 managing revenue and expenditure  
 8.12 differences. These funds shall be repaid with  
 8.13 interest by the end of the fiscal year 2019  
 8.14 closing period.

8.15 During the biennium ending June 30, 2019,  
 8.16 the Office of MN.IT Services must not charge  
 8.17 fees to a public noncommercial educational  
 8.18 television broadcast station eligible for funding  
 8.19 under Minnesota Statutes, chapter 129D, for  
 8.20 access to the state broadcast infrastructure. If  
 8.21 the access fees not charged to public  
 8.22 noncommercial educational television  
 8.23 broadcast stations total more than \$400,000  
 8.24 for the biennium, the office may charge for  
 8.25 access fees in excess of these amounts.

8.26 **Subd. 3. Geospatial Information Office** 871,000 871,000

8.27 **Subd. 4. Enterprise IT Security** 435,000 435,000

8.28 **Sec. 11. ADMINISTRATION**

8.29 **Subdivision 1. Total Appropriation** **\$ 19,584,000** **\$ 19,584,000**

8.30 The amounts that may be spent for each  
 8.31 purpose are specified in the following  
 8.32 subdivisions.

8.33 **Subd. 2. Government and Citizen Services** 7,101,000 7,101,000

9.1 Appropriations provided by this section may  
9.2 not be used to fund continuous improvement  
9.3 initiatives, including the Office of Continuous  
9.4 Improvement (LEAN).

9.5 **Council on Developmental Disabilities.**  
9.6 \$74,000 the first year and \$74,000 the second  
9.7 year are for the Council on Developmental  
9.8 Disabilities.

9.9 **Olmstead Plan.** \$148,000 each year is for the  
9.10 Olmstead plan.

9.11 **Materials Management.** \$2,033,000 each  
9.12 year is for materials management.

9.13 Amounts allocated by the commissioner for  
9.14 each fiscal year to the Office of Equity in  
9.15 Procurement must be at least ten percent less  
9.16 than the amounts allocated for that purpose in  
9.17 fiscal year 2017.

9.18 **Plant Management.** \$371,000 each year is  
9.19 for plant management.

9.20 \$2,929,000 the first year of the balance in the  
9.21 facility repair and replacement account in the  
9.22 special revenue fund is canceled to the general  
9.23 fund. These amounts are in addition to  
9.24 amounts transferred under Minnesota Statutes,  
9.25 section 16B.24, subdivision 5, paragraph (d).

9.26 **Real Estate and Construction Services.**  
9.27 \$2,088,000 each year is for real estate and  
9.28 construction services.

9.29 **Enterprise Real Property.** \$571,000 each  
9.30 year is for enterprise real property.

9.31 **Small Agency Resource Team (SmART).**  
9.32 \$416,000 each year is for the small agency  
9.33 resource team.

- 10.1 **State Agency Accommodation**
- 10.2 **Reimbursement.** \$200,000 the first year and
- 10.3 \$200,000 the second year are credited to the
- 10.4 accommodation account established in
- 10.5 Minnesota Statutes, section 16B.4805.
- 10.6 **Community Services.** \$1,200,000 each year
- 10.7 is for community services.
- 10.8 **Subd. 3. Strategic Management Services** 1,706,000 1,706,000
- 10.9 **Executive Leadership/Partnerships.**
- 10.10 \$500,000 each year is for executive
- 10.11 leadership/partnerships.
- 10.12 **School Trust Lands Director.** \$185,000 each
- 10.13 year is for school trust lands director.
- 10.14 **Financial Management and Reporting.**
- 10.15 \$671,000 each year is for financial
- 10.16 management and reporting.
- 10.17 **Human Resources.** \$350,000 each year is for
- 10.18 human resources.
- 10.19 **Subd. 4. Fiscal Agent** 10,777,000 10,777,000
- 10.20 **In-Lieu of Rent.** \$8,158,000 the first year and
- 10.21 \$8,158,000 the second year are for space costs
- 10.22 of the legislature and veterans organizations,
- 10.23 ceremonial space, and statutorily free space.
- 10.24 **Public Television.** (a) \$1,550,000 the first
- 10.25 year and \$1,550,000 the second year are for
- 10.26 matching grants for public television.
- 10.27 (b) \$250,000 the first year and \$250,000 the
- 10.28 second year are for public television
- 10.29 equipment grants under Minnesota Statutes,
- 10.30 section 129D.13.
- 10.31 (c) The commissioner of administration must
- 10.32 consider the recommendations of the
- 10.33 Minnesota Public Television Association

11.1 before allocating the amounts appropriated in  
11.2 paragraphs (a) and (b) for equipment or  
11.3 matching grants.

11.4 (d) **Public Radio.** \$392,000 the first year and  
11.5 \$392,000 the second year are for community  
11.6 service grants to public educational radio  
11.7 stations. This appropriation may be used to  
11.8 disseminate emergency information in foreign  
11.9 languages.

11.10 (e) \$117,000 the first year and \$117,000 the  
11.11 second year are for equipment grants to public  
11.12 educational radio stations. This appropriation  
11.13 may be used for the repair, rental, and  
11.14 purchase of equipment including equipment  
11.15 under \$500.

11.16 (f) \$310,000 the first year and \$310,000 the  
11.17 second year are for equipment grants to  
11.18 Minnesota Public Radio, Inc., including  
11.19 upgrades to Minnesota's Emergency Alert and  
11.20 AMBER Alert Systems.

11.21 (g) The appropriations in paragraphs (d) to (f)  
11.22 may not be used for indirect costs claimed by  
11.23 an institution or governing body.

11.24 (h) The commissioner of administration must  
11.25 consider the recommendations of the  
11.26 Minnesota Public Educational Radio Stations  
11.27 before awarding grants under Minnesota  
11.28 Statutes, section 129D.14, using the  
11.29 appropriations in paragraphs (d) and (e). No  
11.30 grantee is eligible for a grant unless they are  
11.31 a member of the Association of Minnesota  
11.32 Public Educational Radio Stations on or before  
11.33 July 1, 2015.

12.1 (i) Any unencumbered balance remaining the  
 12.2 first year for grants to public television or  
 12.3 public radio stations does not cancel and is  
 12.4 available for the second year.

12.5 **Sec. 12. CAPITOL AREA ARCHITECTURAL**  
 12.6 **AND PLANNING BOARD** \$ 345,000 \$ 345,000

12.7 **Sec. 13. MINNESOTA MANAGEMENT AND**  
 12.8 **BUDGET** \$ 18,320,000 \$ 18,320,000

12.9 **Subdivision 1. Appropriations**

12.10 The amounts that may be spent for each  
 12.11 purpose are specified in the following  
 12.12 subdivisions.

12.13 **Subd. 2. Accounting Services** 3,751,000 3,751,000

12.14 **Subd. 3. Budget Services** 2,823,000 2,823,000

12.15 **Subd. 4. Economic Analysis** 424,000 424,000

12.16 **Subd. 5. Debt Management** 367,000 367,000

12.17 **Subd. 6. Enterprise Communications and**  
 12.18 **Planning** 830,000 830,000

12.19 **Subd. 7. Enterprise Human Resources** 2,681,000 2,681,000

12.20 Appropriations provided by this section or  
 12.21 transferred to the commissioner from another  
 12.22 agency may not be used to support a statewide  
 12.23 executive recruiting program.

12.24 **Subd. 8. Labor Relations** 868,000 868,000

12.25 **Subd. 9. Agency Administration** 6,576,000 6,576,000

12.26 (a) No later than June 30, 2018, the  
 12.27 commissioner must credit at least \$1,000,000  
 12.28 to the general fund based on savings realized  
 12.29 through implementation of the employee  
 12.30 gainsharing program required by Minnesota  
 12.31 Statutes, section 16A.90. If a credit of at least  
 12.32 this amount has not been made to the general  
 12.33 fund as of that date, the appropriation provided



14.1	<b><u>(b) Appeals, Legal Services, and Tax Research</u></b>		
14.2	<u>General</u>	<u>6,932,000</u>	<u>6,932,000</u>
14.3	<u>Health Care Access</u>	<u>113,000</u>	<u>113,000</u>
14.4	<b><u>(c) Payment and Return Processing</u></b>		
14.5	<u>General</u>	<u>12,927,000</u>	<u>12,927,000</u>
14.6	<u>Health Care Access</u>	<u>51,000</u>	<u>51,000</u>
14.7	<u>Highway User Tax</u>		
14.8	<u>Distribution</u>	<u>343,000</u>	<u>343,000</u>
14.9	<b><u>(d) Administration of State Taxes</u></b>		
14.10	<u>General</u>	<u>54,904,000</u>	<u>54,729,000</u>
14.11	<u>Health Care Access</u>	<u>1,407,000</u>	<u>1,407,000</u>
14.12	<u>Highway User Tax</u>		
14.13	<u>Distribution</u>	<u>1,621,000</u>	<u>1,621,000</u>
14.14	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>
14.15	<u>(1) \$15,000 from the general fund in the first</u>		
14.16	<u>year is for preparing and submitting a</u>		
14.17	<u>supplemental 2017 tax incidence report</u>		
14.18	<u>meeting the requirements of Minnesota</u>		
14.19	<u>Statutes, section 270C.13, subdivision 1, as</u>		
14.20	<u>amended by this act. The supplemental report</u>		
14.21	<u>must be completed and submitted no later than</u>		
14.22	<u>January 2, 2018.</u>		
14.23	<u>(2) \$160,000 from the general fund in the first</u>		
14.24	<u>year is for administration of a first-time home</u>		
14.25	<u>buyer savings account program. This</u>		
14.26	<u>appropriation is canceled to the general fund</u>		
14.27	<u>if income tax provisions related to first-time</u>		
14.28	<u>home buyer savings accounts are not enacted</u>		
14.29	<u>by law at the 2017 regular or special</u>		
14.30	<u>legislative session.</u>		
14.31	<b><u>(e) Technology Development, Implementation,</u></b>		
14.32	<b><u>and Support</u></b>		
14.33	<u>General</u>	<u>21,781,000</u>	<u>21,781,000</u>
14.34	<u>Health Care Access</u>	<u>52,000</u>	<u>52,000</u>
14.35	<u>Highway User Tax</u>		
14.36	<u>Distribution</u>	<u>220,000</u>	<u>220,000</u>
14.37	<b><u>(f) Property Tax Administration and State Aid</u></b>		

15.1	<u>General</u>		<u>3,992,000</u>	<u>3,992,000</u>
15.2	<u>Subd. 3. Debt Collection Management</u>		<u>27,357,000</u>	<u>27,357,000</u>
15.3	Sec. 15. <u>HUMAN RIGHTS</u>	\$	<u>3,171,000</u>	\$ <u>3,171,000</u>
15.4	Sec. 16. <u>GAMBLING CONTROL</u>	\$	<u>3,422,000</u>	\$ <u>3,457,000</u>
15.5	<u>These appropriations are from the lawful</u>			
15.6	<u>gambling regulation account in the special</u>			
15.7	<u>revenue fund.</u>			
15.8	Sec. 17. <u>RACING COMMISSION</u>	\$	<u>845,000</u>	\$ <u>908,000</u>
15.9	<u>These appropriations are from the racing and</u>			
15.10	<u>card playing regulation accounts in the special</u>			
15.11	<u>revenue fund.</u>			
15.12	Sec. 18. <u>STATE LOTTERY</u>			
15.13	<u>Notwithstanding Minnesota Statutes, section</u>			
15.14	<u>349A.10, subdivision 3, the State Lottery's</u>			
15.15	<u>operating budget must not exceed \$32,500,000</u>			
15.16	<u>in fiscal year 2018 and \$33,000,000 in fiscal</u>			
15.17	<u>year 2019.</u>			
15.18	Sec. 19. <u>AMATEUR SPORTS COMMISSION</u>	\$	<u>300,000</u>	\$ <u>300,000</u>
15.19	Sec. 20. <u>COUNCIL ON MINNESOTANS OF</u>			
15.20	<u>AFRICAN HERITAGE</u>	\$	<u>401,000</u>	\$ <u>401,000</u>
15.21	Sec. 21. <u>COUNCIL ON ASIAN-PACIFIC</u>			
15.22	<u>MINNESOTANS</u>	\$	<u>364,000</u>	\$ <u>364,000</u>
15.23	Sec. 22. <u>COUNCIL ON LATINO AFFAIRS</u>	\$	<u>386,000</u>	\$ <u>386,000</u>
15.24	Sec. 23. <u>INDIAN AFFAIRS COUNCIL</u>	\$	<u>576,000</u>	\$ <u>576,000</u>
15.25	Sec. 24. <u>MINNESOTA HISTORICAL</u>			
15.26	<u>SOCIETY</u>			
15.27	<u>Subdivision 1. Total Appropriation</u>	\$	<u>22,893,000</u>	\$ <u>22,893,000</u>

16.1	<u>The amounts that may be spent for each</u>		
16.2	<u>purpose are specified in the following</u>		
16.3	<u>subdivisions.</u>		
16.4	<b><u>Subd. 2. Operations and Programs</u></b>	<u>22,572,000</u>	<u>22,572,000</u>
16.5	<u>Notwithstanding Minnesota Statutes, section</u>		
16.6	<u>138.668, the Minnesota Historical Society may</u>		
16.7	<u>not charge a fee for its general tours at the</u>		
16.8	<u>Capitol, but may charge fees for special</u>		
16.9	<u>programs other than general tours.</u>		
16.10	<u>\$750,000 the first year and \$750,000 the</u>		
16.11	<u>second year are for digital preservation and</u>		
16.12	<u>access, including planning and implementation</u>		
16.13	<u>of a program to preserve and make available</u>		
16.14	<u>resources related to Minnesota history. These</u>		
16.15	<u>are onetime appropriations.</u>		
16.16	<b><u>Subd. 3. Fiscal Agent</u></b>		
16.17	<u>(a) Global Minnesota</u>	<u>39,000</u>	<u>39,000</u>
16.18	<u>(b) Minnesota Air National Guard Museum</u>	<u>17,000</u>	<u>17,000</u>
16.19	<u>(c) Minnesota Military Museum</u>	<u>50,000</u>	<u>50,000</u>
16.20	<u>(d) Farmamerica</u>	<u>115,000</u>	<u>115,000</u>
16.21	<u>(e) Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>
16.22	<u>Any unencumbered balance remaining in this</u>		
16.23	<u>subdivision the first year does not cancel but</u>		
16.24	<u>is available for the second year of the</u>		
16.25	<u>biennium.</u>		
16.26	<b><u>Sec. 25. BOARD OF THE ARTS</u></b>		
16.27	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 7,530,000</u></b>	<b><u>\$ 7,530,000</u></b>
16.28	<u>The amounts that may be spent for each</u>		
16.29	<u>purpose are specified in the following</u>		
16.30	<u>subdivisions.</u>		
16.31	<b><u>Subd. 2. Operations and Services</u></b>	<u>591,000</u>	<u>591,000</u>
16.32	<b><u>Subd. 3. Grants Program</u></b>	<u>4,800,000</u>	<u>4,800,000</u>

17.1	<u>Subd. 4. <b>Regional Arts Councils</b></u>		<u>2,139,000</u>	<u>2,139,000</u>
17.2	<u>Any unencumbered balance remaining in this</u>			
17.3	<u>section the first year does not cancel, but is</u>			
17.4	<u>available for the second year.</u>			
17.5	<u>Money appropriated in this section and</u>			
17.6	<u>distributed as grants may only be spent on</u>			
17.7	<u>projects located in Minnesota. A recipient of</u>			
17.8	<u>a grant funded by an appropriation in this</u>			
17.9	<u>section must not use more than five percent</u>			
17.10	<u>of the total grant for costs related to travel</u>			
17.11	<u>outside the state of Minnesota.</u>			
17.12	<b>Sec. 26. <u>MINNESOTA HUMANITIES CENTER</u></b> <b>\$</b>		<b><u>950,000</u></b> <b>\$</b>	<b><u>950,000</u></b>
17.13	<u>(a) \$325,000 each year is for the Healthy</u>			
17.14	<u>Eating, Here at Home program under</u>			
17.15	<u>Minnesota Statutes, section 138.912. No more</u>			
17.16	<u>than three percent of the appropriation may</u>			
17.17	<u>be used for the nonprofit administration of this</u>			
17.18	<u>program.</u>			
17.19	<u>(b) \$250,000 each year is for grants to the</u>			
17.20	<u>Veterans Defense Project. Grants must be used</u>			
17.21	<u>to support, through education and outreach,</u>			
17.22	<u>military veterans who are involved with the</u>			
17.23	<u>criminal justice system. These are onetime</u>			
17.24	<u>appropriations.</u>			
17.25	<b>Sec. 27. <u>BOARD OF ACCOUNTANCY</u></b> <b>\$</b>		<b><u>641,000</u></b> <b>\$</b>	<b><u>641,000</u></b>
17.26	<b>Sec. 28. <u>BOARD OF ARCHITECTURE</u></b>			
17.27	<b><u>ENGINEERING, LAND SURVEYING,</u></b>			
17.28	<b><u>LANDSCAPE ARCHITECTURE,</u></b>			
17.29	<b><u>GEOSCIENCE, AND INTERIOR DESIGN</u></b> <b>\$</b>		<b><u>794,000</u></b> <b>\$</b>	<b><u>794,000</u></b>
17.30	<b>Sec. 29. <u>BOARD OF COSMETOLOGIST</u></b>			
17.31	<b><u>EXAMINERS</u></b> <b>\$</b>		<b><u>1,346,000</u></b> <b>\$</b>	<b><u>1,346,000</u></b>
17.32	<b>Sec. 30. <u>BOARD OF BARBER EXAMINERS</u></b> <b>\$</b>		<b><u>325,000</u></b> <b>\$</b>	<b><u>325,000</u></b>

18.1 **Sec. 31. GENERAL CONTINGENT**  
 18.2 **ACCOUNTS** \$ 750,000 \$ 500,000

18.3 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
18.4 <u>General</u>	<u>250,000</u>	<u>-0-</u>
18.5 <u>State Government</u>		
18.6 <u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
18.7 <u>Workers'</u>		
18.8 <u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

18.10 (a) The appropriations in this section may only  
 18.11 be spent with the approval of the governor  
 18.12 after consultation with the Legislative  
 18.13 Advisory Commission pursuant to Minnesota  
 18.14 Statutes, section 3.30.

18.15 (b) If an appropriation in this section for either  
 18.16 year is insufficient, the appropriation for the  
 18.17 other year is available for it.

18.18 (c) If a contingent account appropriation is  
 18.19 made in one fiscal year, it should be  
 18.20 considered a biennial appropriation.

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

18.22 These appropriations are to be spent by the  
 18.23 commissioner of management and budget  
 18.24 according to Minnesota Statutes, section  
 18.25 3.736, subdivision 7. If the appropriation for  
 18.26 either year is insufficient, the appropriation  
 18.27 for the other year is available for it.

18.28 **Sec. 33. MINNESOTA STATE RETIREMENT**  
 18.29 **SYSTEM**

18.30 Subdivision 1. **Total Appropriation** \$ 14,893,000 \$ 15,071,000

18.31 The amounts that may be spent for each  
 18.32 purpose are specified in the following  
 18.33 subdivisions.

19.1	<u>Subd. 2. Combined Legislators and</u>		
19.2	<u>Constitutional Officers Retirement Plan</u>	<u>8,893,000</u>	<u>9,071,000</u>
19.3	<u>Under Minnesota Statutes, sections 3A.03,</u>		
19.4	<u>subdivision 2; 3A.04, subdivisions 3 and 4;</u>		
19.5	<u>and 3A.115.</u>		
19.6	<u>Subd. 3. Judges Retirement Plan</u>	<u>6,000,000</u>	<u>6,000,000</u>
19.7	<u>For transfer to the judges retirement fund</u>		
19.8	<u>under Minnesota Statutes, section 490.123.</u>		
19.9	<u>\$6,000,000 each fiscal year is included in the</u>		
19.10	<u>base for fiscal years 2020 and 2021. This</u>		
19.11	<u>transfer continues each fiscal year until the</u>		
19.12	<u>judges retirement plan reaches 100 percent</u>		
19.13	<u>funding as determined by an actuarial</u>		
19.14	<u>valuation prepared according to Minnesota</u>		
19.15	<u>Statutes, section 356.214.</u>		
19.16	<u>If an appropriation in this section for either</u>		
19.17	<u>year is insufficient, the appropriation for the</u>		
19.18	<u>other year is available for it.</u>		
19.19	<u>Sec. 34. PUBLIC EMPLOYEES RETIREMENT</u>		
19.20	<u>ASSOCIATION</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>
19.21	<u>General employees retirement plan of the</u>		
19.22	<u>Public Employees Retirement Association</u>		
19.23	<u>relating to the merged former MERF division.</u>		
19.24	<u>State payments from the general fund to the</u>		
19.25	<u>Public Employees Retirement Association on</u>		
19.26	<u>behalf of the former MERF division account</u>		
19.27	<u>are \$6,000,000 on September 15, 2017, and</u>		
19.28	<u>\$6,000,000 on September 15, 2018.</u>		
19.29	<u>These amounts are estimated to be needed</u>		
19.30	<u>under Minnesota Statutes, section 353.505.</u>		
19.31	<u>Sec. 35. TEACHERS RETIREMENT</u>		
19.32	<u>ASSOCIATION</u>	<u>\$ 29,831,000</u>	<u>\$ 29,831,000</u>

20.1 The amounts estimated to be needed are as  
 20.2 follows:  
 20.3 **Special Direct State Aid.** \$27,331,000 the  
 20.4 first year and \$27,331,000 the second year are  
 20.5 for special direct state aid authorized under  
 20.6 Minnesota Statutes, section 354.436.

20.7 **Special Direct State Matching Aid.**  
 20.8 \$2,500,000 the first year and \$2,500,000 the  
 20.9 second year are for special direct state  
 20.10 matching aid authorized under Minnesota  
 20.11 Statutes, section 354.435.

20.12 **Sec. 36. ST. PAUL TEACHERS RETIREMENT**  
 20.13 **FUND** \$ 9,827,000 \$ 9,827,000

20.14 The amounts estimated to be needed for  
 20.15 special direct state aid to the first class city  
 20.16 teachers retirement fund association authorized  
 20.17 under Minnesota Statutes, section 354A.12,  
 20.18 subdivisions 3a and 3c.

20.19 **Sec. 37. MILITARY AFFAIRS**  
 20.20 **Subdivision 1. Total Appropriation** \$ 19,616,000 \$ 19,616,000

20.21 The amounts that may be spent for each  
 20.22 purpose are specified in the following  
 20.23 subdivisions. If appropriations for either year  
 20.24 of the biennium are insufficient, the  
 20.25 appropriation from the other year is available.

20.26 **Subd. 2. Maintenance of Training Facilities** 9,661,000 9,661,000

20.27 **Subd. 3. General Support** 3,067,000 3,067,000

20.28 **Subd. 4. Enlistment Incentives** 6,888,000 6,888,000

20.29 The appropriations in this subdivision are  
 20.30 available until expended, except that any  
 20.31 unspent amounts allocated to a program  
 20.32 otherwise supported by this appropriation are



22.1 The assistance authorized under this paragraph  
22.2 must be made only to veterans who have  
22.3 resided in Minnesota for 30 days prior to  
22.4 application for assistance and according to  
22.5 other guidelines established by the  
22.6 commissioner. In order to avoid duplication  
22.7 of services, the commissioner must ensure that  
22.8 this assistance is coordinated with all other  
22.9 available programs for veterans.

22.10 **Honor Guards.** \$200,000 each year is for  
22.11 compensation for honor guards at the funerals  
22.12 of veterans under Minnesota Statutes, section  
22.13 197.231.

22.14 **Minnesota GI Bill.** \$200,000 each year is for  
22.15 the costs of administering the Minnesota GI  
22.16 Bill postsecondary educational benefits,  
22.17 on-the-job training, and apprenticeship  
22.18 program under Minnesota Statutes, section  
22.19 197.791.

22.20 **Gold Star Program.** \$100,000 each year is  
22.21 for administering the Gold Star Program for  
22.22 surviving family members of deceased  
22.23 veterans.

22.24 **County Veterans Service Office.** \$1,100,000  
22.25 each year is for funding the County Veterans  
22.26 Service Office grant program under Minnesota  
22.27 Statutes, section 197.608.

22.28 **Veterans Journey Home.** \$350,000 each year  
22.29 is for grants to the veterans Journey Home  
22.30 program. Grants must support the development  
22.31 of new or rehabilitated affordable housing  
22.32 dedicated for low-to-moderate income  
22.33 veterans and their families. These are onetime  
22.34 appropriations.

- 23.1 Subd. 3. **Veterans Health Care** 57,218,000 57,218,000
- 23.2 The general fund appropriations made to the
- 23.3 department may be transferred to a veterans
- 23.4 homes special revenue account in the special
- 23.5 revenue fund in the same manner as other
- 23.6 receipts are deposited according to Minnesota
- 23.7 Statutes, section 198.34, and are appropriated
- 23.8 to the department for the operation of veterans
- 23.9 homes facilities and programs.
- 23.10 No later than January 15, 2018, the
- 23.11 commissioner must submit a report to the
- 23.12 legislative committees with jurisdiction over
- 23.13 veterans affairs and state government finance
- 23.14 on reserve amounts maintained in the veterans
- 23.15 homes special revenue account. The report
- 23.16 must detail current and historical amounts
- 23.17 maintained as a reserve, and uses of those
- 23.18 amounts. The report must also include data on
- 23.19 the utilization of existing veterans homes,
- 23.20 including current and historical bed capacity
- 23.21 and usage, staffing levels and staff vacancy
- 23.22 rates, and staff-to-resident ratios.
- 23.23 **Sec. 39. PRESERVATION OF PROGRAMS AND SERVICES.**
- 23.24 To the extent that appropriations provided by this article are less than the amounts
- 23.25 appropriated for fiscal year 2017, the affected agency, board, or commission must prioritize
- 23.26 reductions to its central administration and general operations in absorbing those reductions.
- 23.27 Unless otherwise specified, reductions must not be made to programs or services of the
- 23.28 agency, board, or commission that are provided directly to members of the public.
- 23.29 **Sec. 40. APPROPRIATION CANCELLATIONS.**
- 23.30 All unspent funds estimated to be \$7,166,000 designated for grants under Minnesota
- 23.31 Statutes, sections 240A.085 to 240A.11, are canceled to the general fund on June 30, 2017.

24.1 **Sec. 41. SAVINGS; APPROPRIATION REDUCTION FOR EXECUTIVE**  
 24.2 **AGENCIES.**

24.3 (a) The commissioner of management and budget must reduce general fund appropriations  
 24.4 to executive agencies, including constitutional offices, for agency operations for the biennium  
 24.5 ending June 30, 2019, by \$4,394,000 due to savings from permitting employees to opt out  
 24.6 of insurance coverage under the state employee group insurance coverage.

24.7 (b) If savings obtained through permitting employees to opt out of insurance coverage  
 24.8 under the state employee group insurance coverage yield savings in nongeneral funds other  
 24.9 than those established in the state constitution or protected by federal law, the commissioner  
 24.10 of management and budget may transfer the amount of savings to the general fund. The  
 24.11 amount transferred to the general fund from other funds reduces the required general fund  
 24.12 reduction in this section. Reductions made in 2019 must be reflected as reductions in agency  
 24.13 base budgets for fiscal years 2020 and 2021. The commissioner of management and budget  
 24.14 must report to the chairs and ranking minority members of the senate Finance Committee  
 24.15 and the house of representatives Ways and Means Committee regarding the amount of  
 24.16 reductions in spending by each agency under this subdivision.

24.17 **Sec. 42. SAVINGS; APPROPRIATION REDUCTIONS FOR INFORMATION**  
 24.18 **TECHNOLOGY CONSOLIDATION.**

24.19 (a) The commissioner of management and budget must reduce general fund appropriations  
 24.20 to agencies subject to the executive branch information technology consolidation required  
 24.21 by Laws 2011, First Special Session chapter 10, article 4, section 7, as amended by Laws  
 24.22 2013, chapter 134, section 29 by at least \$3,000,000 for the biennium ending June 30, 2019,  
 24.23 to reflect savings on enterprise services personnel costs resulting from the consolidation.

24.24 (b) If savings obtained through the completion of information technology consolidation  
 24.25 yield savings in nongeneral funds other than those established in the state constitution or  
 24.26 protected by federal law, the commissioner may transfer the amount of savings to the general  
 24.27 fund. The amount transferred to the general fund from other funds reduces the required  
 24.28 general fund reduction in this section. Reductions made in 2019 must be reflected as  
 24.29 reductions in agency base budgets for fiscal years 2020 and 2021.

24.30 **Sec. 43. BASE BUDGET REPORT.**

24.31 No later than October 15, 2017, the commissioners of management and budget, revenue,  
 24.32 and veterans affairs must each submit a report to the chairs and ranking minority members

25.1 of the legislative committees with jurisdiction over state government finance that detail the  
 25.2 agency's base budget, by fiscal year. At a minimum, the report must include:

25.3 (1) a description of each appropriation rider enacted for the agency, and the year the  
 25.4 rider was first enacted in a substantially similar form;

25.5 (2) a description of the agency's use of appropriated funds that are not directed by a  
 25.6 rider, including an itemization of programs that appeared in a rider in a prior biennium and  
 25.7 continue to receive funding despite no longer appearing in a rider; and

25.8 (3) an itemization of any appropriations provided to the agency under a provision of  
 25.9 statute or the state constitution.

## 25.10 **ARTICLE 2**

### 25.11 **STATE GOVERNMENT OPERATIONS**

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

25.13 Subdivision 1. **Applicability.** The principles in this section apply to legislative and  
 25.14 congressional districts.

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

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

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

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

25.25 Subd. 5. **Numbering.** (a) Legislative districts must be numbered in a regular series,  
 25.26 beginning with house district 1A in the northwest corner of the state and proceeding across  
 25.27 the state from west to east, north to south, but bypassing the 11-county metropolitan area  
 25.28 until the southeast corner has been reached; then to the 11-county metropolitan area. In a  
 25.29 county that includes more than one whole senate district, the districts must be numbered  
 25.30 consecutively.

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

26.3 Subd. 6. **Minority representation.** (a) The dilution of racial or ethnic minority voting  
26.4 strength is contrary to the laws of the United States and the state of Minnesota. These  
26.5 principles must not be construed to supersede any provision of the Voting Rights Act of  
26.6 1965, as amended.

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

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

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

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

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

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

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

26.25 Subd. 9. **Incumbents.** The districts must not be drawn for the purpose of protecting or  
26.26 defeating an incumbent.

26.27 Subd. 10. **Data to be used.** (a) The geographic areas and population counts used in  
26.28 maps, tables, and legal descriptions of the districts must be those used by the Geographic  
26.29 Information Systems Office of the Legislative Coordinating Commission. The population  
26.30 counts shall be the block population counts provided to the state under Public Law 94-171  
26.31 after each decennial census, subject to correction of any errors acknowledged by the United  
26.32 States Census Bureau.

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

27.3 Subd. 11. **Consideration of plans.** A redistricting plan must not be considered for  
 27.4 adoption by the senate or house of representatives until a block equivalency file showing  
 27.5 the district to which each census block has been assigned, in a form prescribed by the director  
 27.6 of the Geographic Information Systems Office, has been filed with the director.

27.7 Subd. 12. **Priority of principles.** Where it is not possible to fully comply with the  
 27.8 principles contained in subdivisions 2 to 9, a redistricting plan must give priority to those  
 27.9 principles in the order in which they are listed, except to the extent that doing so would  
 27.10 violate federal or state law.

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

27.13 Sec. 2. Minnesota Statutes 2016, section 3.305, subdivision 1, is amended to read:

27.14 Subdivision 1. **Definitions.** (a) "Legislative commission" means a joint commission,  
 27.15 committee, or other entity in the legislative branch composed exclusively of members of  
 27.16 the senate and the house of representatives.

27.17 (b) "Joint offices" means the Revisor of Statutes, Legislative Reference Library, the  
 27.18 Office of Legislative Auditor, the Legislative Budget Office, and any other joint legislative  
 27.19 service office.

27.20 Sec. 3. Minnesota Statutes 2016, section 3.855, subdivision 2, is amended to read:

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

27.27 (b) The commissioner shall submit to the chair of the commission any negotiated  
 27.28 collective bargaining agreements, arbitration awards, compensation plans, or salaries for  
 27.29 legislative approval or disapproval. Negotiated agreements shall be submitted within five  
 27.30 days of the date of approval by the commissioner or the date of approval by the affected  
 27.31 state employees, whichever occurs later. Arbitration awards shall be submitted within five  
 27.32 days of their receipt by the commissioner. If the commission disapproves a collective

28.1 bargaining agreement, award, compensation plan, or salary, the commission shall specify  
 28.2 in writing to the parties those portions with which it disagrees and its reasons. If the  
 28.3 commission approves a collective bargaining agreement, award, compensation plan, or  
 28.4 salary, it shall submit the matter to the legislature to be accepted or rejected under this  
 28.5 section.

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

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

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

28.25 Sec. 4. Minnesota Statutes 2016, section 3.8843, subdivision 7, is amended to read:

28.26 Subd. 7. **Expiration.** This section expires June 30, ~~2017~~ 2019.

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

28.28 Sec. 5. **[3.8853] LEGISLATIVE BUDGET OFFICE.**

28.29 The Legislative Budget Office is established under control of the Legislative Coordinating  
 28.30 Commission to provide the house of representatives and the senate with nonpartisan, accurate,  
 28.31 and timely information on the fiscal impact of proposed legislation, without regard to political  
 28.32 factors. The Legislative Coordinating Commission shall appoint a director who may hire

29.1 staff necessary to do the work of the office. The director serves a term of six years and may  
 29.2 not be removed during a term except for cause after a public hearing.

29.3 Sec. 6. Minnesota Statutes 2016, section 3.971, subdivision 2, is amended to read:

29.4 Subd. 2. **Staff; compensation.** (a) The legislative auditor shall establish a Financial  
 29.5 Audits Division and a Program Evaluation Division to fulfill the duties prescribed in this  
 29.6 section.

29.7 (b) Each division may be supervised by a deputy auditor, appointed by the legislative  
 29.8 auditor, with the approval of the commission, for a term coterminous with the legislative  
 29.9 auditor's term. The deputy auditors may be removed before the expiration of their terms  
 29.10 only for cause. The legislative auditor and deputy auditors may each appoint a confidential  
 29.11 secretary to serve at pleasure. The salaries and benefits of the legislative auditor, deputy  
 29.12 auditors and confidential secretaries shall be determined by the compensation plan approved  
 29.13 by the Legislative Coordinating Commission. The deputy auditors may perform and exercise  
 29.14 the powers, duties and responsibilities imposed by law on the legislative auditor when  
 29.15 authorized by the legislative auditor.

29.16 (c) The legislative auditor must appoint a fiscal oversight officer with duties that include  
 29.17 performing the review under section 3.972, subdivision 4.

29.18 (d) The deputy auditors and the confidential secretaries serve in the unclassified civil  
 29.19 service, but the fiscal oversight officer and all other employees of the legislative auditor are  
 29.20 in the classified civil service. Compensation for employees of the legislative auditor in the  
 29.21 classified service shall be governed by a plan prepared by the legislative auditor and approved  
 29.22 by the Legislative Coordinating Commission and the legislature under section 3.855,  
 29.23 subdivision 3.

29.24 (e) While in office, a person appointed deputy for the Financial Audit Division must  
 29.25 hold an active license as a certified public accountant.

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

29.27 Sec. 7. Minnesota Statutes 2016, section 3.971, subdivision 6, is amended to read:

29.28 Subd. 6. **Financial audits.** The legislative auditor shall audit the financial statements  
 29.29 of the state of Minnesota required by section 16A.50 and, as resources permit, Minnesota  
 29.30 State Colleges and Universities, the University of Minnesota, state agencies, departments,  
 29.31 boards, commissions, offices, courts, and other organizations subject to audit by the  
 29.32 legislative auditor, including, but not limited to, the State Agricultural Society, Agricultural

30.1 Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical Society,  
 30.2 ClearWay Minnesota, Minnesota Sports Facilities Authority, Metropolitan Council,  
 30.3 Metropolitan Airports Commission, and Metropolitan Mosquito Control District. Financial  
 30.4 audits must be conducted according to generally accepted government auditing standards.  
 30.5 The legislative auditor shall see that all provisions of law respecting the appropriate and  
 30.6 economic use of public funds and other public resources are complied with and may, as  
 30.7 part of a financial audit or separately, investigate allegations of noncompliance.

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

30.9 Sec. 8. Minnesota Statutes 2016, section 3.972, is amended by adding a subdivision to  
 30.10 read:

30.11 **Subd. 4. Certain transit financial activity reporting.** (a) The legislative auditor must  
 30.12 perform a transit financial activity review of financial information for the Metropolitan  
 30.13 Council's Transportation Division and the joint powers board under section 297A.992.  
 30.14 Within 14 days of the end of each fiscal quarter, the legislative auditor must submit the  
 30.15 review to the Legislative Audit Commission and the chairs and ranking minority members  
 30.16 of the legislative committees with jurisdiction over transportation policy and finance, finance,  
 30.17 and ways and means.

30.18 (b) At a minimum, each transit financial activity review must include:

30.19 (1) a summary of monthly financial statements, including balance sheets and operating  
 30.20 statements, that shows income, expenditures, and fund balance;

30.21 (2) a list of any obligations and agreements entered into related to transit purposes,  
 30.22 whether for capital or operating, including but not limited to bonds, notes, grants, and future  
 30.23 funding commitments;

30.24 (3) the amount of funds in clause (2) that has been committed;

30.25 (4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues  
 30.26 and fund balance compared to expenditures, taking into account:

30.27 (i) all expenditure commitments;

30.28 (ii) cash flow;

30.29 (iii) sufficiency of estimated funds; and

30.30 (iv) financial solvency of anticipated transit projects; and

31.1 (5) a notification concerning whether the requirements under paragraph (c) have been  
 31.2 met.

31.3 (c) The Metropolitan Council and the joint powers board under section 297A.992 must  
 31.4 produce monthly financial statements as necessary for the review under paragraph (b),  
 31.5 clause (1), and provide timely information as requested by the legislative auditor.

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

31.7 Sec. 9. Minnesota Statutes 2016, section 3.98, subdivision 1, is amended to read:

31.8 Subdivision 1. **Preparation.** (a) The head or chief administrative officer of each  
 31.9 department or agency of the state government, including the Supreme Court, Legislative  
 31.10 Budget Office shall prepare a fiscal note at the request of the chair of the standing committee  
 31.11 to which a bill has been referred, or the chair of the house of representatives Ways and  
 31.12 Means Committee, or the chair of the senate Committee on Finance.

31.13 (b) The head or chief administrative officer of each department or agency of state  
 31.14 government, including the Supreme Court, shall supply information for fiscal notes upon  
 31.15 request of the director of the Legislative Budget Office. The Legislative Budget Office may  
 31.16 adopt standards and guidelines governing timing of responses to requests for information  
 31.17 and governing access to data, consistent with laws governing access to data. Agencies must  
 31.18 comply with these standards and guidelines.

31.19 (c) For purposes of this subdivision, "Supreme Court" includes all agencies, committees,  
 31.20 and commissions supervised or appointed by the state Supreme Court or the state court  
 31.21 administrator.

31.22 Sec. 10. Minnesota Statutes 2016, section 3.98, subdivision 4, is amended to read:

31.23 Subd. 4. **Uniform procedure.** The commissioner of management and budget Legislative  
 31.24 Budget Office shall prescribe a uniform procedure to govern the departments and agencies  
 31.25 of the state in complying with the requirements of this section.

31.26 Sec. 11. Minnesota Statutes 2016, section 3.987, subdivision 1, is amended to read:

31.27 Subdivision 1. **Local impact notes.** The commissioner of management and budget  
 31.28 Legislative Budget Office shall coordinate the development of a local impact note for any  
 31.29 proposed legislation introduced after June 30, 1997, upon request of the chair or the ranking  
 31.30 minority member of either legislative Tax, Finance, or Ways and Means Committee. Upon  
 31.31 receipt of a request to prepare a local impact note, the commissioner office must notify the

32.1 authors of the proposed legislation that the request has been made. The local impact note  
 32.2 must be made available to the public upon request. If the action is among the exceptions  
 32.3 listed in section 3.988, a local impact note need not be requested nor prepared. The  
 32.4 ~~commissioner~~ office shall make a reasonable and timely estimate of the local fiscal impact  
 32.5 on each type of political subdivision that would result from the proposed legislation. The  
 32.6 ~~commissioner of management and budget~~ office may require any political subdivision or  
 32.7 the commissioner of an administrative agency of the state to supply in a timely manner any  
 32.8 information determined to be necessary to determine local fiscal impact. The political  
 32.9 subdivision, its representative association, or commissioner shall convey the requested  
 32.10 information to the ~~commissioner of management and budget~~ office with a signed statement  
 32.11 to the effect that the information is accurate and complete to the best of its ability. The  
 32.12 political subdivision, its representative association, or commissioner, when requested, shall  
 32.13 update its determination of local fiscal impact based on actual cost or revenue figures,  
 32.14 improved estimates, or both. Upon completion of the note, the ~~commissioner~~ office must  
 32.15 provide a copy to the authors of the proposed legislation and to the chair and ranking minority  
 32.16 member of each committee to which the proposed legislation is referred.

32.17 Sec. 12. Minnesota Statutes 2016, section 6.481, subdivision 6, is amended to read:

32.18 Subd. 6. **Payments to state auditor.** A county audited by the state auditor must pay the  
 32.19 state auditor for the costs and expenses of the audit. If the state auditor makes additional  
 32.20 examinations of a county whose audit is performed by a CPA firm, the county must pay the  
 32.21 auditor for the cost of these examinations. Payments must be deposited in the ~~state auditor~~  
 32.22 enterprise general fund.

32.23 Sec. 13. Minnesota Statutes 2016, section 6.56, subdivision 2, is amended to read:

32.24 Subd. 2. **Billings by state auditor.** Upon the examination of the books, records, accounts,  
 32.25 and affairs of any political subdivision, as provided by law, such political subdivision shall  
 32.26 be liable to the state for the total cost and expenses of such examination, including the  
 32.27 salaries paid to the examiners while actually engaged in making such examination. The  
 32.28 state auditor may bill such political subdivision periodically for service rendered and the  
 32.29 officials responsible for approving and paying claims are authorized to pay said bill promptly.  
 32.30 Said payments shall be without prejudice to any defense against said claims that may exist  
 32.31 or be asserted. The ~~state auditor enterprise~~ general fund shall be credited with all collections  
 32.32 made for any such examinations, including interest payments made pursuant to subdivision  
 32.33 3.

33.1 Sec. 14. Minnesota Statutes 2016, section 6.581, subdivision 4, is amended to read:

33.2 Subd. 4. **Reports to legislature.** At least 30 days before implementing increased charges  
 33.3 for examinations, the state auditor must report the proposed increases to the chairs and  
 33.4 ranking minority members of the committees in the house of representatives and the senate  
 33.5 with jurisdiction over the budget of the state auditor. By January 15 of each odd-numbered  
 33.6 year, the state auditor must report to the chairs and ranking minority members of the  
 33.7 legislative committees and divisions with primary jurisdiction over the budget of the state  
 33.8 auditor a summary of ~~the state auditor enterprise fund~~ anticipated revenues, and expenditures  
 33.9 related to examinations for the biennium ending June 30 of that year. The report must also  
 33.10 include for the biennium the number of full-time equivalents ~~paid by the fund~~ employed by  
 33.11 the Office of the State Auditor, any audit rate changes stated as a percentage, the number  
 33.12 of audit reports issued, and the number of counties audited.

33.13 Sec. 15. Minnesota Statutes 2016, section 10A.01, subdivision 26, is amended to read:

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

33.18 (1) payment for accounting and legal services;

33.19 (2) return of a contribution to the source;

33.20 (3) repayment of a loan made to the principal campaign committee by that committee;

33.21 ~~(4) return of a public subsidy;~~

33.22 ~~(5)~~ (4) payment for food, beverages, and necessary utensils and supplies, entertainment,  
 33.23 and facility rental for a fund-raising event;

33.24 ~~(6)~~ (5) services for a constituent by a member of the legislature or a constitutional officer  
 33.25 in the executive branch, including the costs of preparing and distributing a suggestion or  
 33.26 idea solicitation to constituents, performed from the beginning of the term of office to  
 33.27 adjournment sine die of the legislature in the election year for the office held, and half the  
 33.28 cost of services for a constituent by a member of the legislature or a constitutional officer  
 33.29 in the executive branch performed from adjournment sine die to 60 days after adjournment  
 33.30 sine die;

33.31 ~~(7)~~ (6) payment for food and beverages consumed by a candidate or volunteers while  
 33.32 they are engaged in campaign activities;

- 34.1 ~~(8)~~ (7) payment for food or a beverage consumed while attending a reception or meeting  
 34.2 directly related to legislative duties;
- 34.3 ~~(9)~~ (8) payment of expenses incurred by elected or appointed leaders of a legislative  
 34.4 caucus in carrying out their leadership responsibilities;
- 34.5 ~~(10)~~ (9) payment by a principal campaign committee of the candidate's expenses for  
 34.6 serving in public office, other than for personal uses;
- 34.7 ~~(11)~~ (10) costs of child care for the candidate's children when campaigning;
- 34.8 ~~(12)~~ (11) fees paid to attend a campaign school;
- 34.9 ~~(13)~~ (12) costs of a postelection party during the election year when a candidate's name  
 34.10 will no longer appear on a ballot or the general election is concluded, whichever occurs  
 34.11 first;
- 34.12 ~~(14)~~ (13) interest on loans paid by a principal campaign committee on outstanding loans;
- 34.13 ~~(15)~~ (14) filing fees;
- 34.14 ~~(16)~~ (15) post-general election holiday or seasonal cards, thank-you notes, or  
 34.15 advertisements in the news media mailed or published prior to the end of the election cycle;
- 34.16 ~~(17)~~ (16) the cost of campaign material purchased to replace defective campaign material,  
 34.17 if the defective material is destroyed without being used;
- 34.18 ~~(18)~~ (17) contributions to a party unit;
- 34.19 ~~(19)~~ (18) payments for funeral gifts or memorials;
- 34.20 ~~(20)~~ (19) the cost of a magnet less than six inches in diameter containing legislator  
 34.21 contact information and distributed to constituents;
- 34.22 ~~(21)~~ (20) costs associated with a candidate attending a political party state or national  
 34.23 convention in this state;
- 34.24 ~~(22)~~ (21) other purchases or payments specified in board rules or advisory opinions as  
 34.25 being for any purpose other than to influence the nomination or election of a candidate or  
 34.26 to promote or defeat a ballot question; and
- 34.27 ~~(23)~~ (22) costs paid to a third party for processing contributions made by a credit card,  
 34.28 debit card, or electronic check.
- 34.29 The board must determine whether an activity involves a noncampaign disbursement  
 34.30 within the meaning of this subdivision.

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

35.3 **EFFECTIVE DATE.** This section is effective July 1, 2017, and applies to elections  
35.4 held on or after that date.

35.5 Sec. 16. Minnesota Statutes 2016, section 10A.105, subdivision 1, is amended to read:

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

35.13 **EFFECTIVE DATE.** This section is effective July 1, 2017, and applies to elections  
35.14 held on or after that date.

35.15 Sec. 17. Minnesota Statutes 2016, section 10A.15, subdivision 1, is amended to read:

35.16 Subdivision 1. **Anonymous contributions.** A political committee, political fund, principal  
35.17 campaign committee, or party unit may not retain an anonymous contribution in excess of  
35.18 \$20, but must forward it to the board for deposit in the general ~~account of the state elections~~  
35.19 ~~campaign account~~ fund.

35.20 Sec. 18. Minnesota Statutes 2016, section 10A.245, subdivision 2, is amended to read:

35.21 Subd. 2. **Termination by board.** The board may terminate the registration of a principal  
35.22 campaign committee, party unit, political committee, or political fund found to be inactive  
35.23 under this section 60 days after sending written notice of inactivity by certified mail to the  
35.24 affected association at the last address on record with the board for that association. Within  
35.25 60 days after the board sends notice under this section, the affected association must dispose  
35.26 of its assets as provided in this subdivision. The assets of the principal campaign committee,  
35.27 party unit, or political committee must be used for the purposes authorized by this chapter  
35.28 or section 211B.12 or must be liquidated and deposited in the general ~~account of the state~~  
35.29 ~~elections campaign account~~ fund. The assets of an association's political fund that were  
35.30 derived from the association's general treasury money revert to the association's general  
35.31 treasury. Assets of a political fund that resulted from contributions to the political fund must

36.1 be used for the purposes authorized by this chapter or section 211B.12 or must be liquidated  
 36.2 and deposited in the general ~~account of the state elections campaign account~~ fund.

36.3 Sec. 19. Minnesota Statutes 2016, section 10A.25, subdivision 1, is amended to read:

36.4 Subdivision 1. **Limits are voluntary.** The expenditure limits imposed by this section  
 36.5 apply only to a candidate who has signed ~~an agreement~~ a pledge under section 10A.322 ~~to~~  
 36.6 ~~be bound by them as a condition of receiving a public subsidy for the candidate's campaign.~~

36.7 Sec. 20. Minnesota Statutes 2016, section 10A.25, subdivision 10, is amended to read:

36.8 Subd. 10. **Effect of opponent's conduct.** (a) After the deadline for filing a ~~spending~~  
 36.9 ~~limit agreement~~ pledge under section 10A.322, a candidate who has ~~agreed~~ pledged to be  
 36.10 bound by the expenditure limits imposed by this section ~~as a condition of receiving a public~~  
 36.11 ~~subsidy~~ for the candidate's campaign may choose to be released from the expenditure limits  
 36.12 ~~but remain eligible to receive a public subsidy~~ if the candidate has an opponent who has  
 36.13 not ~~agreed~~ pledged to be bound by the limits and has received contributions or made or  
 36.14 become obligated to make expenditures during that election cycle in excess of the following  
 36.15 limits:

36.16 (1) up to the close of the reporting period before the primary election, receipts or  
 36.17 expenditures equal to 20 percent of the election segment expenditure limit for that office  
 36.18 as set forth in subdivision 2; or

36.19 (2) after the close of the reporting period before the primary election, cumulative receipts  
 36.20 or expenditures during that election cycle equal to 50 percent of the election cycle expenditure  
 36.21 limit for that office as set forth in subdivision 2.

36.22 Before the primary election, a candidate's "opponents" are only those who will appear  
 36.23 on the ballot of the same party in the primary election.

36.24 (b) A candidate who has not ~~agreed~~ pledged to be bound by expenditure limits, or the  
 36.25 candidate's principal campaign committee, must file written notice with the board and  
 36.26 provide written notice to any opponent of the candidate for the same office within 24 hours  
 36.27 of exceeding the limits in paragraph (a). The notice must state only that the candidate or  
 36.28 candidate's principal campaign committee has received contributions or made or become  
 36.29 obligated to make campaign expenditures in excess of the limits in paragraph (a).

36.30 (c) Upon receipt of the notice, a candidate who had ~~agreed~~ pledged to be bound by the  
 36.31 limits may file with the board a notice that the candidate chooses to be no longer bound by  
 36.32 the expenditure limits. A notice of a candidate's choice not to be bound by the expenditure

37.1 limits that is based on the conduct of an opponent in the state primary election may not be  
 37.2 filed more than one day after the State Canvassing Board has declared the results of the  
 37.3 state primary.

37.4 (d) A candidate who has ~~agreed~~ pledged to be bound by the expenditure limits imposed  
 37.5 by this section and whose opponent in the general election has chosen, as provided in  
 37.6 paragraph (c), not to be bound by the expenditure limits because of the conduct of an  
 37.7 opponent in the primary election is no longer bound by the limits ~~but remains eligible to~~  
 37.8 ~~receive a public subsidy.~~

37.9 Sec. 21. Minnesota Statutes 2016, section 10A.257, subdivision 1, is amended to read:

37.10 Subdivision 1. **Unused funds.** For election cycles ending on or before December 31,  
 37.11 2018, after all campaign expenditures and noncampaign disbursements for an election cycle  
 37.12 have been made, an amount up to 25 percent of the 2016 election cycle expenditure limit  
 37.13 for the office may be carried forward. Any remaining amount up to the total amount of the  
 37.14 2016 public subsidy from the state elections campaign fund must be returned to the state  
 37.15 treasury for credit to the general fund under Minnesota Statutes 2016, section 10A.324. Any  
 37.16 remaining amount in excess of the total 2016 public subsidy must be contributed to the state  
 37.17 elections campaign account or a political party for multicandidate expenditures as defined  
 37.18 in section 10A.275.

37.19 **EFFECTIVE DATE.** This section is effective July 1, 2017, and applies to elections  
 37.20 held on or after that date.

37.21 Sec. 22. Minnesota Statutes 2016, section 10A.27, subdivision 10, is amended to read:

37.22 Subd. 10. **Limited personal contributions.** A candidate who signs ~~an agreement~~ a  
 37.23 pledge under section 10A.322 may not contribute to the candidate's own campaign during  
 37.24 a segment of an election cycle more than five times the candidate's contribution limit for  
 37.25 that segment under subdivision 1.

37.26 Sec. 23. Minnesota Statutes 2016, section 10A.27, is amended by adding a subdivision to  
 37.27 read:

37.28 Subd. 11a. **Contributions from the sale of goods or services.** Proceeds from the sale  
 37.29 of goods or services by a political committee must be reported as a contribution to that  
 37.30 committee, as provided in section 10A.13. A political committee may not use proceeds from  
 37.31 the sale of goods or services to make a contribution to a principal campaign committee, a  
 37.32 party unit, or a political committee or political fund, unless the political committee or political

38.1 fund makes only independent expenditures and disbursements permitted under section  
 38.2 10A.121, subdivision 1. A political committee selling goods or services must disclose to  
 38.3 each purchaser, prior to a sale, that proceeds may be used to make a contribution to an  
 38.4 independent expenditure political committee or fund, or may be used by the committee for  
 38.5 other political purposes as authorized by law, and must offer the purchaser an opportunity  
 38.6 to review the committee's most recent report submitted to the board under section 10A.20.  
 38.7 A copy of the report must be clearly posted in a conspicuous location on at least 8.5-inch  
 38.8 by 11-inch sized paper and available for public inspection at the point of sale.

38.9 Sec. 24. Minnesota Statutes 2016, section 10A.322, subdivision 1, is amended to read:

38.10 Subdivision 1. **Agreement Pledge by candidate.** (a) ~~As a condition of receiving a public~~  
 38.11 ~~subsidy,~~ A candidate ~~must~~ may sign and file with the board a written agreement pledge in  
 38.12 which the candidate agrees that the candidate will comply with sections 10A.25; 10A.27,  
 38.13 subdivision 10; ~~10A.324;~~ and 10A.38 until the dissolution of the principal campaign  
 38.14 committee of the candidate or the end of the first election cycle completed after the pledge  
 38.15 was filed, whichever occurs first.

38.16 (b) Before the first day of filing for office, the board must forward agreement pledge  
 38.17 forms to all filing officers. The board must also provide agreement pledge forms to candidates  
 38.18 on request at any time. The candidate must file the agreement pledge with the board at least  
 38.19 three weeks before the candidate's state primary. ~~An agreement~~ A pledge may not be filed  
 38.20 after that date. ~~An agreement~~ The board must post a copy of each pledge filed by a candidate  
 38.21 on the board's Web site. For purposes of public posting, a pledge once filed may not be  
 38.22 rescinded.

38.23 ~~(e) The board must notify the commissioner of revenue of any agreement signed under~~  
 38.24 ~~this subdivision.~~

38.25 ~~(d) Notwithstanding paragraph (b), if a vacancy occurs that will be filled by means of~~  
 38.26 ~~a special election and the filing period does not coincide with the filing period for the general~~  
 38.27 ~~election, a candidate may sign and submit a spending limit agreement not later than the day~~  
 38.28 ~~after the close of the filing period for the special election for which the candidate filed.~~

38.29 (c) A pledge filed by a candidate under this subdivision is a voluntary agreement by the  
 38.30 candidate to comply with the sections listed in paragraph (a). Compliance with the terms  
 38.31 of a pledge, or any provisions of law cited within the pledge, may not be the subject of an  
 38.32 advisory opinion issued under section 10A.02, subdivision 12, and is not subject to an audit,  
 38.33 investigation, or enforcement action by the board under section 10A.02, 10A.022, or any  
 38.34 other applicable law.

39.1 Sec. 25. Minnesota Statutes 2016, section 10A.38, is amended to read:

39.2 **10A.38 CAPTIONING OF CAMPAIGN ADVERTISEMENTS.**

39.3 (a) This section applies to a campaign advertisement by a candidate who ~~is governed~~  
39.4 ~~by an agreement~~ has filed a pledge under section 10A.322.

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

39.8 (c) A campaign advertisement that is disseminated as an advertisement by broadcast or  
39.9 cable television must include closed captioning for deaf and hard-of-hearing viewers, unless  
39.10 the candidate has filed with the board before the advertisement is disseminated a statement  
39.11 setting forth the reasons for not doing so. A campaign advertisement that is disseminated  
39.12 as an advertisement to the public on the candidate's Web site must include closed captioning  
39.13 for deaf and hard-of-hearing viewers, unless the candidate has posted on the Web site a  
39.14 transcript of the spoken content of the advertisement or the candidate has filed with the  
39.15 board before the advertisement is disseminated a statement setting forth the reasons for not  
39.16 doing so. A campaign advertisement must not be disseminated as an advertisement by radio  
39.17 unless the candidate has posted on the candidate's Web site a transcript of the spoken content  
39.18 of the advertisement or the candidate has filed with the board before the advertisement is  
39.19 disseminated a statement setting forth the reasons for not doing so.

39.20 Sec. 26. **15.0395 INTERAGENCY AGREEMENTS AND INTRA-AGENCY**  
39.21 **TRANSFERS.**

39.22 (a) The head of each agency must provide quarterly reports to the chairs and ranking  
39.23 minority members of the legislative committees with jurisdiction over the department or  
39.24 agency's budget on:

39.25 (1) interagency agreements or service-level agreements and any renewals or extensions  
39.26 of existing interagency or service-level agreements with another agency if the cumulative  
39.27 value of those agreements is more than \$50,000 in a single fiscal year; and

39.28 (2) transfers of appropriations between accounts within or between agencies, if the  
39.29 cumulative value of the transfers is more than \$50,000 in a single fiscal year.

39.30 The report must include the statutory citation authorizing the agreement, transfer or dollar  
39.31 amount, purpose, and effective date of the agreement, the duration of the agreement, and a  
39.32 copy of the agreement.

40.1 (b) As used in this section, "agency" includes the departments of the state listed in section  
 40.2 15.01, a multimember state agency in the executive branch described in section 15.012,  
 40.3 paragraph (a), the Office of MN.IT Services, and the Office of Higher Education.

40.4 **Sec. 27. [16A.117] CONTINUING APPROPRIATIONS.**

40.5 Subdivision 1. **Appropriations continue for one year.** If a major appropriation bill is  
 40.6 not enacted before July 1 of an odd-numbered year, the existing appropriation amounts  
 40.7 pertaining to that bill for the fiscal year ending that June 30 are in effect again at 95 percent  
 40.8 of the base level through the fiscal year beginning July 1 of that odd-numbered year. The  
 40.9 base level is the amount appropriated for the fiscal year ending that June 30, except as  
 40.10 otherwise provided by subdivision 2 or by other law. The amounts needed to implement  
 40.11 this section are appropriated from each fund covered by this section.

40.12 Subd. 2. **Exceptions and adjustments.** (a) An appropriation remaining in effect under  
 40.13 authority of subdivision 1 must be adjusted or discontinued as required by other law and  
 40.14 according to paragraphs (b) to (e).

40.15 (b) In order to meet the fiscal obligations required under current law, the commissioner  
 40.16 must adjust the appropriation for each forecasted program according to the forecast adjusted  
 40.17 base spending level estimated by the commissioner in the preceding February forecast.

40.18 (c) An appropriation for the fiscal year ending June 30 of the odd-numbered year does  
 40.19 not remain in effect for the fiscal year starting on July 1 if the legislature specifically  
 40.20 designated the appropriation as a onetime appropriation, if the commissioner of management  
 40.21 and budget determines that the legislature clearly intended the appropriation to be onetime,  
 40.22 or if the program for which the appropriation was made expires on or before July 1.

40.23 (d) If an appropriation remains in effect under authority of subdivision 1, but the program  
 40.24 or activity that is the subject of the appropriation is scheduled to expire during a fiscal year,  
 40.25 the commissioner of management and budget must prorate the appropriation consistent with  
 40.26 the expiration date.

40.27 (e) The commissioner of management and budget may make technical adjustments to  
 40.28 the amount of an appropriation to the extent the commissioner determines the technical  
 40.29 adjustments are needed to accurately reflect the amount that constitutes the annual base  
 40.30 level of the appropriation. The commissioner may make an adjustment under this paragraph  
 40.31 only if one or more of the following conditions is met:

40.32 (1) the legislature previously appropriated money for a biennium, with the entire  
 40.33 appropriation being allocated to one year of the biennium, and the commissioner determines

41.1 an adjustment is necessary to accurately reflect the annual amount needed to maintain  
 41.2 program operations at the same level;

41.3 (2) laws or policies under which revenues and expenditures are accounted for have  
 41.4 changed to eliminate or consolidate certain funds or accounts or to create new funds or  
 41.5 accounts, and adjustments in appropriations are necessary to implement these changes;

41.6 (3) duties have been transferred between agency programs, or between agencies, and  
 41.7 adjustments in appropriations are necessary to reflect these transfers; or

41.8 (4) a program, or changes to a program, were not fully operational in one fiscal year,  
 41.9 but will be fully operational in the following year, and an adjustment to the appropriation  
 41.10 is needed to accurately reflect the annual cost of the new or changed program.

41.11 (f) The commissioner of management and budget must give the chairs and ranking  
 41.12 minority members of the senate finance and house ways and means committees written  
 41.13 notice of any adjustments made under this subdivision.

41.14 Subd. 3. **Statutory appropriations.** All statutory appropriations from the general fund  
 41.15 or another fund in the state treasury continue as required under current law and are not  
 41.16 limited by subdivision 1.

41.17 Sec. 28. Minnesota Statutes 2016, section 16A.90, is amended to read:

41.18 **16A.90 EMPLOYEE GAINSHARING SYSTEM.**

41.19 Subdivision 1. **Commissioner must establish program.** (a) The commissioner shall  
 41.20 establish a program to provide onetime bonus compensation to state employees for efforts  
 41.21 made to reduce the costs of operating state government or for ways of providing better or  
 41.22 more efficient state services. The commissioner may authorize an executive branch appointing  
 41.23 authority to make a onetime award to an employee or group of employees whose suggestion  
 41.24 or involvement in a project is determined by the commissioner to have resulted in documented  
 41.25 cost-savings to the state. Before authorizing awards under this section, the commissioner  
 41.26 shall establish guidelines for the program including but not limited to:

41.27 (1) the maximum award is ten percent of the documented savings in the first fiscal year  
 41.28 in which the savings are realized up to \$50,000;

41.29 (2) the award must be paid from the appropriation to which the savings accrued; and

41.30 (3) employees whose primary job responsibility is to identify cost savings or ways of  
 41.31 providing better or more efficient state services are generally not eligible for bonus

42.1 compensation under this section except in extraordinary circumstances as defined by the  
42.2 commissioner.

42.3 (b) The program required by this section must be in addition to any existing monetary  
42.4 or nonmonetary performance-based recognition programs for state employees, including  
42.5 achievement awards, continuous improvement awards, and general employee recognitions.

42.6 Subd. 2. **Monthly legislative report.** No later than August 1, 2017, and monthly  
42.7 thereafter, the commissioner must report to the chairs and ranking minority members of the  
42.8 house of representatives and senate committees with jurisdiction over Minnesota Management  
42.9 and Budget on the status of the program required by this section. The report must detail:

42.10 (1) the specific program guidelines established by the commissioner as required by  
42.11 subdivision 1, if the guidelines have not been described in a previous report;

42.12 (2) any proposed modifications to the established guidelines under consideration by the  
42.13 commissioner, including the reason for the proposed modifications;

42.14 (3) the methods used by the commissioner to promote the program to state employees,  
42.15 if the methods have not been described in a previous report;

42.16 (4) a summary of the results of the program that includes the following, categorized by  
42.17 agency:

42.18 (i) the number of state employees whose suggestions or involvement in a project were  
42.19 considered for possible bonus compensation, and a description of each suggestion or project  
42.20 that was considered;

42.21 (ii) the total amount of bonus compensation actually awarded, itemized by each suggestion  
42.22 or project that resulted in an award and the amount awarded for that suggestion or project;  
42.23 and

42.24 (iii) the total amount of documented cost-savings that accrued to the agency as a result  
42.25 of each suggestion or project for which bonus compensation was granted; and

42.26 (5) any recommendations for legislation that, in the judgment of the commissioner,  
42.27 would improve the effectiveness of the bonus compensation program established by this  
42.28 section or which would otherwise increase opportunities for state employees to actively  
42.29 participate in the development and implementation of strategies for reducing the costs of  
42.30 operating state government or for providing better or more efficient state services.

43.1 Sec. 29. Minnesota Statutes 2016, section 16B.335, subdivision 1, is amended to read:

43.2 Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or any  
 43.3 other recipient to whom an appropriation is made to acquire or better public lands or buildings  
 43.4 or other public improvements of a capital nature, must not prepare final plans and  
 43.5 specifications for any construction, major remodeling, or land acquisition in anticipation  
 43.6 of which the appropriation was made until the agency that will use the project has presented  
 43.7 the program plan and cost estimates for all elements necessary to complete the project to  
 43.8 the chair of the senate Finance Committee and the chair of the house of representatives  
 43.9 Ways and Means Committee and the chairs have made their recommendations, and the  
 43.10 chair and ranking minority member of the senate Capital Investment Committee and the  
 43.11 chair and ranking minority member of the house of representatives Capital Investment  
 43.12 Committee are notified. "Construction or major remodeling" means construction of a new  
 43.13 building, a substantial addition to an existing building, or a substantial change to the interior  
 43.14 configuration of an existing building. The presentation must note any significant changes  
 43.15 in the work that will be done, or in its cost, since the appropriation for the project was  
 43.16 enacted or from the predesign submittal. The program plans and estimates must be presented  
 43.17 for review at least two weeks before a recommendation is needed. The recommendations  
 43.18 are advisory only. Failure or refusal to make a recommendation is considered a negative  
 43.19 recommendation.

43.20 (b) The chairs and ranking minority members of the senate Finance and Capital  
 43.21 Investment Committees and, the house of representatives Capital Investment and Ways and  
 43.22 Means Committees, and the house of representatives and senate budget committees or  
 43.23 divisions with jurisdiction over the agency that will use the project must also be notified  
 43.24 whenever there is a substantial change in a construction or major remodeling project, or in  
 43.25 its cost. This notice must include the nature and reason for the change and the anticipated  
 43.26 cost of the change. The notice must be given no later than ten days after signing a change  
 43.27 order or other document authorizing a change in the project, or if there is not a change order  
 43.28 or other document, no later than ten days after the project owner becomes aware of a  
 43.29 substantial change in the project or its cost.

43.30 ~~(b)~~ (c) Capital projects exempt from the requirements of this subdivision in paragraph  
 43.31 (a) to seek recommendations before preparing final plans and specifications include  
 43.32 demolition or decommissioning of state assets, hazardous material projects, utility  
 43.33 infrastructure projects, environmental testing, parking lots, parking structures, park and ride  
 43.34 facilities, bus rapid transit stations, light rail lines, passenger rail projects, exterior lighting,  
 43.35 fencing, highway rest areas, truck stations, storage facilities not consisting primarily of

44.1 offices or heated work areas, roads, bridges, trails, pathways, campgrounds, athletic fields,  
 44.2 dams, floodwater retention systems, water access sites, harbors, sewer separation projects,  
 44.3 water and wastewater facilities, port development projects for which the commissioner of  
 44.4 transportation has entered into an assistance agreement under section 457A.04, ice centers,  
 44.5 a local government project with a construction cost of less than \$1,500,000, or any other  
 44.6 capital project with a construction cost of less than \$750,000. The requirements in paragraph  
 44.7 (b) to give notice of changes applies to these projects.

44.8 Sec. 30. Minnesota Statutes 2016, section 16B.4805, subdivision 4, is amended to read:

44.9 Subd. 4. **Administration costs.** The commissioner may use up to ~~15~~ five percent of the  
 44.10 biennial appropriation for administration of this section.

44.11 Sec. 31. Minnesota Statutes 2016, section 16B.97, is amended by adding a subdivision to  
 44.12 read:

44.13 Subd. 6. **Commerce grants.** The office must monitor grants made by the Department  
 44.14 of Commerce.

44.15 Sec. 32. **16B.991] TERMINATION OF GRANT.**

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

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

44.19 or

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

44.23 Sec. 33. Minnesota Statutes 2016, section 16E.0466, is amended to read:

44.24 **16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.**

44.25 Subdivision 1. **Consultation required.** (a) Every state agency with an information or  
 44.26 telecommunications project must consult with the Office of MN.IT Services to determine  
 44.27 the information technology cost of the project. Upon agreement between the commissioner  
 44.28 of a particular agency and the chief information officer, the agency must transfer the  
 44.29 information technology cost portion of the project to the Office of MN.IT Services. Service  
 44.30 level agreements must document all project-related transfers under this section. Those

45.1 agencies specified in section 16E.016, paragraph (d), are exempt from the requirements of  
45.2 this section.

45.3 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance  
45.4 appropriated to a state agency may be transferred to the information and telecommunications  
45.5 technology systems and services account for the information technology cost of a specific  
45.6 project, subject to the review of the Legislative Advisory Commission, under section 16E.21,  
45.7 subdivision 3.

45.8 Subd. 2. **Legislative report.** No later than October 1, 2017, and quarterly thereafter, the  
45.9 state chief information officer must submit a comprehensive project portfolio report to the  
45.10 chairs and ranking minority members of the house of representatives and senate committees  
45.11 with jurisdiction over state government finance on projects requiring consultation under  
45.12 subdivision 1. The report must itemize:

45.13 (1) each project presented to the office for consultation in the time since the last report;

45.14 (2) the information technology cost associated with the project, including the information  
45.15 technology cost as a percentage of the project's complete budget;

45.16 (3) the status of the information technology components of the project's development;

45.17 (4) the date the information technology components of the project are expected to be  
45.18 complete; and

45.19 (5) the projected costs for ongoing support and maintenance of the information technology  
45.20 components after the project is complete.

45.21 Sec. 34. **[43A.035] LIMIT ON NUMBER OF FULL-TIME EQUIVALENT**  
45.22 **EMPLOYEES; USE OF AGENCY SAVINGS.**

45.23 Subdivision 1. **Number of full-time equivalent employees limited.** The total number  
45.24 of full-time equivalent employees employed in all executive branch agencies may not exceed  
45.25 31,691. The commissioner of management and budget may forbid an executive agency from  
45.26 hiring a new employee or from filling a vacancy as the commissioner determines necessary  
45.27 to ensure compliance with this section. Any reductions in staff should prioritize protecting  
45.28 client-facing health care workers, corrections officers, public safety workers, and mental  
45.29 health workers. As a means of achieving compliance with this subdivision, the commissioner  
45.30 may authorize an agency to provide an early retirement incentive to an executive branch  
45.31 employee, under which the state will continue to make the employer contribution for health  
45.32 insurance after the employee has terminated state service. The commissioner must prescribe  
45.33 eligibility requirements and the maximum duration of the payments.

46.1 Subd. 2. Use of savings resulting from vacant positions. To the extent that an executive  
 46.2 branch agency accrues savings in personnel costs resulting from the departure of an agency  
 46.3 employee or the maintenance of a vacant position, those savings may only be used to support  
 46.4 a new employee in that position at an equal or lesser rate of compensation, and for an equal  
 46.5 or lesser full-time equivalent work status. Savings accrued from departed personnel or  
 46.6 maintenance of a vacant position may not be transferred or reallocated to another program  
 46.7 or activity within the executive branch agency, or used to increase the number of full-time  
 46.8 equivalent employees at the agency, unless expressly authorized by law.

46.9 Subd. 3. Definition. For purposes of this section, an "executive branch agency" does  
 46.10 not include the Minnesota State Colleges and Universities or statewide pension plans.

46.11 Sec. 35. Minnesota Statutes 2016, section 43A.17, subdivision 11, is amended to read:

46.12 Subd. 11. **Severance pay for certain employees.** (a) For purposes of this subdivision,  
 46.13 "highly compensated employee" means an employee of the state whose estimated annual  
 46.14 compensation is greater than 60 percent of the governor's annual salary, and who is not  
 46.15 covered by a collective bargaining agreement negotiated under chapter 179A.

46.16 (b) Severance pay for a highly compensated employee includes benefits or compensation  
 46.17 with a quantifiable monetary value, that are provided for an employee upon termination of  
 46.18 employment and are not part of the employee's annual wages and benefits and are not  
 46.19 specifically excluded by this subdivision. Severance pay does not include payments for  
 46.20 accumulated vacation, accumulated sick leave, and accumulated sick leave liquidated to  
 46.21 cover the cost of group term insurance. Severance pay for a highly compensated employee  
 46.22 does not include payments of periodic contributions by an employer toward premiums for  
 46.23 group insurance policies. The severance pay for a highly compensated employee must be  
 46.24 excluded from retirement deductions and from any calculations of retirement benefits.  
 46.25 Severance pay for a highly compensated employee must be paid in a manner mutually  
 46.26 agreeable to the employee and the employee's appointing authority over a period not to  
 46.27 exceed five years from retirement or termination of employment. If a retired or terminated  
 46.28 employee dies before all or a portion of the severance pay has been disbursed, the balance  
 46.29 due must be paid to a named beneficiary or, lacking one, to the deceased's estate. Except  
 46.30 as provided in paragraph (c), severance pay provided for a highly compensated employee  
 46.31 leaving employment may not exceed ~~an amount equivalent to six months of pay~~ the lesser  
 46.32 of:

46.33 (1) six months pay; or

47.1 (2) the highly compensated employee's regular rate of pay multiplied by 35 percent of  
 47.2 the highly compensated employee's accumulated but unused sick leave hours.

47.3 (c) Severance pay for a highly compensated employee may exceed ~~an amount equivalent~~  
 47.4 ~~to six months of pay~~ the limit prescribed in paragraph (b) if the severance pay is part of an  
 47.5 early retirement incentive offer approved by the state and the same early retirement incentive  
 47.6 offer is also made available to all other employees of the appointing authority who meet  
 47.7 generally defined criteria relative to age or length of service.

47.8 (d) An appointing authority may make severance payments to a highly compensated  
 47.9 employee, up to the limits prescribed in this subdivision, only if doing so is authorized by  
 47.10 a compensation plan under section 43A.18 that governs the employee, provided that the  
 47.11 following highly compensated employees are not eligible for severance pay:

47.12 (1) a commissioner, deputy commissioner, or assistant commissioner of any state  
 47.13 department or agency as listed in section 15.01 or 15.06, including the state chief information  
 47.14 officer; and

47.15 (2) any unclassified employee who is also a public official, as defined in section 10A.01,  
 47.16 subdivision 35.

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

47.18 Sec. 36. Minnesota Statutes 2016, section 43A.24, is amended by adding a subdivision to  
 47.19 read:

47.20 Subd. 1a. **Opt out.** (a) An individual eligible for state-paid hospital, medical, and dental  
 47.21 benefits under this section has the right to decline those benefits, provided the individual  
 47.22 declining the benefits can prove health insurance coverage from another source. Any  
 47.23 individual declining benefits must do so in writing, signed and dated, on a form provided  
 47.24 by the commissioner.

47.25 (b) The commissioner must create and make available in hard copy and online a form  
 47.26 for individuals to use in declining state-paid hospital, medical, and dental benefits. The form  
 47.27 must, at a minimum, include notice to the declining individual of the next available  
 47.28 opportunity and procedure to re-enroll in the benefits.

47.29 Sec. 37. **[118A.09] ADDITIONAL LONG-TERM EQUITY INVESTMENT**  
 47.30 **AUTHORITY.**

47.31 Subdivision 1. **Definition; qualifying government.** "Qualifying government" means:

- 48.1 (1) a county or statutory or home rule charter city with a population of more than 100,000;  
 48.2 (2) a county or statutory or home rule charter city which had its most recently issued  
 48.3 general obligation bonds rated in the highest category by a national bond rating agency; or  
 48.4 (3) a self-insurance pool listed in section 471.982, subdivision 3.

48.5 A county or statutory or home rule charter city with a population of 100,000 or less that is  
 48.6 a qualifying government, but is subsequently rated less than the highest category by a  
 48.7 national bond rating agency on a general obligation bond issue, may not invest additional  
 48.8 funds under this section but may continue to manage funds previously invested under  
 48.9 subdivision 2.

48.10 Subd. 2. **Additional investment authority.** Qualifying governments may invest the  
 48.11 amount described in subdivision 3:

48.12 (1) in index mutual funds based in the United States and indexed to a broad market  
 48.13 United States equity index; or

48.14 (2) with the Minnesota State Board of Investment subject to such terms and minimum  
 48.15 amounts as may be adopted by the board. Index mutual fund investments must be made  
 48.16 directly with the main sales office of the fund.

48.17 Subd. 3. **Funds.** (a) Qualifying governments may only invest under subdivision 2  
 48.18 according to the limitations in this subdivision. A qualifying government under subdivision  
 48.19 1, clause (1) or (2), may only invest its funds that are held for long-term capital plans  
 48.20 authorized by the city council or county board, or long-term obligations of the qualifying  
 48.21 government. Long-term obligations of the qualifying government include long-term capital  
 48.22 plan reserves, funds held to offset long-term environmental exposure, other postemployment  
 48.23 benefit liabilities, compensated absences, and other long-term obligations established by  
 48.24 applicable accounting standards.

48.25 (b) Qualifying governments under subdivision 1, clause (1) or (2), may invest up to 15  
 48.26 percent of the sum of:

48.27 (1) unassigned cash;

48.28 (2) cash equivalents;

48.29 (3) deposits; and

48.30 (4) investments.

48.31 This calculation must be based on the qualifying government's most recent audited statement  
 48.32 of net position, which must be compliant and audited pursuant to governmental accounting

49.1 and auditing standards. Once the amount invested reaches 15 percent of the sum of  
49.2 unassigned cash, cash equivalents, deposits, and investments, no further funds may be  
49.3 invested under this section; however, a qualifying government may continue to manage the  
49.4 funds previously invested under this section even if the total amount subsequently exceeds  
49.5 15 percent of the sum of unassigned cash, cash equivalents, deposits, and investments.

49.6 (c) A qualified government under subdivision 1, clause (3), may invest up to the lesser  
49.7 of:

49.8 (1) 15 percent of the sum of its cash, cash equivalents, deposits, and investments; or

49.9 (2) 25 percent of its net assets as reported on the pool's most recent audited statement  
49.10 of net position, which must be compliant and audited pursuant to governmental accounting  
49.11 and auditing standards.

49.12 Subd. 4. **Approval.** Before investing pursuant to this section, the governing body of the  
49.13 qualifying government must adopt a resolution that includes the following statements:

49.14 (1) the governing body understands that investments under subdivision 2 have a risk of  
49.15 loss;

49.16 (2) the governing body understands the type of funds that are being invested and the  
49.17 specific investment itself; and

49.18 (3) the governing body certifies that all funds designated for investment through the  
49.19 State Board of Investment meet the requirements of this section and the policies and  
49.20 procedures established by the State Board of Investment.

49.21 Subd. 5. **Public Employees Retirement Association to act as account administrator.**  
49.22 A qualifying government exercising authority under this section to invest amounts with the  
49.23 State Board of Investment shall establish an account with the Public Employees Retirement  
49.24 Association (PERA), which shall act as the account administrator.

49.25 Subd. 6. **Purpose of account.** The account established under subdivision 5 may only  
49.26 be used for the purposes provided under subdivision 3. PERA may rely on representations  
49.27 made by the qualifying government in exercising its duties as account administrator and  
49.28 has no duty to further verify qualifications, use, or intended use of the funds that are invested  
49.29 or withdrawn.

49.30 Subd. 7. **Account maintenance.** (a) A qualifying government may establish an account  
49.31 to be held under the supervision of PERA for the purposes of investing funds with the State  
49.32 Board of Investment under subdivision 2. PERA shall establish a separate account for each  
49.33 qualifying government. PERA may charge participating qualifying governments a fee for

50.1 reasonable administrative costs. The amount of any fee charged by PERA is annually  
 50.2 appropriated to the association from the account. PERA may establish other reasonable  
 50.3 terms and conditions for creation and maintenance of these accounts.

50.4 (b) PERA must report to the qualifying government on the investment returns of invested  
 50.5 funds and on all investment fees or costs incurred by the account.

50.6 Subd. 8. **Investment.** (a) The assets of an account shall be invested and held as required  
 50.7 by this subdivision.

50.8 (b) PERA must certify all money in the accounts for which it is account administrator  
 50.9 to the State Board of Investment for investment under section 11A.14, subject to the policies  
 50.10 and procedures established by the State Board of Investment. Investment earnings must be  
 50.11 credited to the account of the individual qualifying government.

50.12 (c) For accounts invested by the State Board of Investment, the investment restrictions  
 50.13 shall be the same as those generally applicable to the State Board of Investment.

50.14 (d) A qualifying government may provide investment direction to PERA, subject to the  
 50.15 policies and procedures established by the State Board of Investment.

50.16 Subd. 9. **Withdrawal of funds and termination of account.** (a) A government may  
 50.17 withdraw some or all of its money or terminate the account.

50.18 (b) A government requesting withdrawal of money from an account created under this  
 50.19 section must do so at a time and in the manner required by the executive director of PERA,  
 50.20 subject to the policies and procedures established by the State Board of Investment.

50.21 Sec. 38. Minnesota Statutes 2016, section 190.19, subdivision 2, is amended to read:

50.22 Subd. 2. **Uses.** (a) Money appropriated from the Minnesota "Support Our Troops" account  
 50.23 to the Department of Military Affairs may be used for:

50.24 (1) grants directly to eligible individuals;

50.25 (2) grants to one or more eligible foundations for the purpose of making grants to eligible  
 50.26 individuals, as provided in this section;

50.27 (3) veterans' services; or

50.28 (4) grants to family readiness groups chartered by the adjutant general.

50.29 (b) As used in paragraph (a), the term "eligible individual" includes any person who is:

51.1 (1) a member in good standing of the Minnesota National Guard or a reserve unit based  
 51.2 in Minnesota ~~who has been called to active service as defined in section 190.05, subdivision~~  
 51.3 ~~5~~;

51.4 (2) a Minnesota resident who is a member of a military reserve unit not based in  
 51.5 Minnesota, if the member is called to active service as defined in section 190.05, subdivision  
 51.6 5;

51.7 (3) any other Minnesota resident performing active service for any branch of the military  
 51.8 of the United States;

51.9 (4) a person who honorably served in one of the capacities listed in clause (1), (2), or  
 51.10 (3) who has current financial needs ~~directly related to that service~~; and

51.11 (5) a member of the immediate family of an individual identified in clause (1), (2), (3),  
 51.12 or (4). For purposes of this clause, "immediate family" means the individual's spouse and  
 51.13 minor children and, if they are dependents of the member of the military, the member's  
 51.14 parents, grandparents, siblings, stepchildren, and adult children.

51.15 (c) As used in paragraph (a), the term "eligible foundation" includes any organization  
 51.16 that:

51.17 (1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code;

51.18 (2) has articles of incorporation under chapter 317A specifying the purpose of the  
 51.19 organization as including the provision of financial assistance to members of the Minnesota  
 51.20 National Guard and other United States armed forces reserves and their families and  
 51.21 survivors; and

51.22 (3) agrees in writing to distribute any grant money received from the adjutant general  
 51.23 under this section to eligible individuals as defined in this section and in accordance with  
 51.24 any written policies and rules the adjutant general may impose as conditions of the grant to  
 51.25 the foundation.

51.26 (d) The maximum grant awarded to an eligible individual under paragraph (a) in a  
 51.27 calendar year with funds from the Minnesota "Support Our Troops" account, either through  
 51.28 an eligible institution or directly from the adjutant general, may not exceed ~~\$2,000~~ \$4,000.

51.29 Sec. 39. Minnesota Statutes 2016, section 190.19, subdivision 2a, is amended to read:

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

51.32 (1) grants to veterans service organizations;

52.1 (2) outreach to underserved veterans;

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

52.3 (4) transfers to the vehicle services account for Gold Star license plates under section  
52.4 168.1253;

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

52.8 (6) grants to an eligible foundation; and

52.9 (7) the agency's uncompensated burial costs for eligible dependents to whom the  
52.10 commissioner grants a no-fee or reduced-fee burial in the state's veteran cemeteries pursuant  
52.11 to section 197.236, subdivision 9, paragraph (b).

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

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

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

52.18 Sec. 40. Minnesota Statutes 2016, section 197.236, subdivision 9, is amended to read:

52.19 Subd. 9. **Burial fees.** (a) The commissioner of veterans affairs shall establish a fee  
52.20 schedule, which may be adjusted from time to time, for the interment of eligible spouses  
52.21 and dependent children. The fees shall cover as nearly as practicable the actual costs of  
52.22 interment, excluding the value of the plot.

52.23 (b) Upon application, the commissioner may waive or reduce the burial fee in the case  
52.24 of for an indigent eligible person. The commissioner shall develop a policy, eligibility  
52.25 standards, and application form for requests to waive or reduce the burial fee to indigent  
52.26 eligible applicants.

52.27 (c) No plot or interment fees may be charged for the burial of service members who die  
52.28 on active duty or eligible veterans, as defined in United States Code, title 38, section 101,  
52.29 paragraph (2).

53.1 Sec. 41. Minnesota Statutes 2016, section 197.791, subdivision 2, is amended to read:

53.2 Subd. 2. **Program established.** The Minnesota GI Bill program is established to provide  
53.3 postsecondary educational assistance, apprenticeship and on-the-job training benefits, and  
53.4 other professional and educational benefits to eligible Minnesota veterans and to the children  
53.5 and spouses of deceased and severely disabled Minnesota veterans.

53.6 The commissioner, in cooperation with eligible postsecondary educational institutions,  
53.7 shall administer the program for the purpose of providing postsecondary educational  
53.8 assistance to eligible persons in accordance with this section. Each public postsecondary  
53.9 educational institution in the state must participate in the program and each private  
53.10 postsecondary educational institution in the state is encouraged to participate in the program.  
53.11 Any participating private institution may suspend or terminate its participation in the program  
53.12 at the end of any semester or other academic term.

53.13 Sec. 42. Minnesota Statutes 2016, section 197.791, subdivision 3, is amended to read:

53.14 Subd. 3. **Duties; responsibilities.** (a) The commissioner shall establish policies and  
53.15 procedures including, but not limited to, procedures for student application record keeping,  
53.16 information sharing, payment of educational assistance benefits under subdivision 5, payment  
53.17 of apprenticeship or on-the-job training benefits under subdivision 5a, payment of other  
53.18 educational or professional benefits under subdivision 5, and other procedures the  
53.19 commissioner considers appropriate and necessary for effective and efficient administration  
53.20 of the program established in this section.

53.21 (b) The commissioner may delegate part or all of the administrative procedures for the  
53.22 program to responsible representatives of participating eligible institutions. The commissioner  
53.23 may execute an interagency agreement with the Minnesota Office of Higher Education for  
53.24 services the commissioner determines necessary to administer the program.

53.25 Sec. 43. Minnesota Statutes 2016, section 197.791, subdivision 4, is amended to read:

53.26 Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under ~~this section~~  
53.27 subdivisions 5 and 5a if:

53.28 (1) the person is:

53.29 (i) a veteran who is serving or has served honorably in any branch or unit of the United  
53.30 States armed forces at any time;

53.31 (ii) a nonveteran who has served honorably for a total of five years or more cumulatively  
53.32 as a member of the Minnesota National Guard or any other active or reserve component of

54.1 the United States armed forces, and any part of that service occurred on or after September  
54.2 11, 2001;

54.3 (iii) the surviving spouse or child of a person who has served in the military and who  
54.4 has died as a direct result of that military service, only if the surviving spouse or child is  
54.5 eligible to receive federal education benefits under United States Code, title 38, chapter 33,  
54.6 as amended, or United States Code, title 38, chapter 35, as amended; or

54.7 (iv) the spouse or child of a person who has served in the military at any time and who  
54.8 has a total and permanent service-connected disability as rated by the United States Veterans  
54.9 Administration, only if the spouse or child is eligible to receive federal education benefits  
54.10 under United States Code, title 38, chapter 33, as amended, or United States Code, title 38,  
54.11 chapter 35, as amended; and

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

54.14 (3) the person receiving the educational assistance:

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

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

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

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

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

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

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

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

55.1 (d) The commissioner may deny eligibility or terminate benefits under this section to  
55.2 any person who has not provided sufficient documentation to determine eligibility for the  
55.3 program. An applicant may appeal the commissioner's eligibility determination or termination  
55.4 of benefits in writing to the commissioner at any time. The commissioner must rule on any  
55.5 application or appeal within 30 days of receipt of all documentation that the commissioner  
55.6 requires. The decision of the commissioner regarding an appeal is final. However, an  
55.7 applicant whose appeal of an eligibility determination has been rejected by the commissioner  
55.8 may submit an additional appeal of that determination in writing to the commissioner at  
55.9 any time that the applicant is able to provide substantively significant additional information  
55.10 regarding the applicant's eligibility for the program. An approval of an applicant's eligibility  
55.11 by the commissioner following an appeal by the applicant is not retroactively effective for  
55.12 more than one year or the semester of the person's original application, whichever is later.

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

55.17 Sec. 44. Minnesota Statutes 2016, section 197.791, subdivision 5, is amended to read:

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

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

55.25 (1) the federal Pell Grant;

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

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

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

56.1 ~~(1) \$1,000 per semester or term of enrollment;~~

56.2 ~~(2) (1) \$3,000 per state fiscal year; and~~

56.3 ~~(3) (2) \$10,000 in a lifetime.~~

56.4 (d) A person eligible under this subdivision may use the benefit amounts for the following  
56.5 purposes:

56.6 (1) licensing or certification tests, the successful completion of which demonstrates an  
56.7 individual's possession of the knowledge or skill required to enter into, maintain, or advance  
56.8 in employment in a predetermined and identified vocation or profession, provided that the  
56.9 tests and the licensing or credentialing organizations or entities that offer the tests are  
56.10 approved by the commissioner;

56.11 (2) tests for admission to institutions of higher learning or graduate schools;

56.12 (3) national tests providing an opportunity for course credit at institutions of higher  
56.13 learning;

56.14 (4) a preparatory course for a test that is required or used for admission to an institution  
56.15 of higher education or a graduate program; and

56.16 (5) any fee associated with the pursuit of a professional or educational objective specified  
56.17 in clauses (1) to (4).

56.18 (e) If an eligible person receives benefits under subdivision 5, the eligible person's  
56.19 aggregate benefits under this subdivision and subdivision 5 must not exceed \$10,000 in the  
56.20 eligible person's lifetime.

56.21 (f) If an eligible person receives benefits under subdivision 5a, the eligible person's  
56.22 aggregate benefits under this subdivision and subdivision 5a must not exceed \$10,000 in  
56.23 the eligible person's lifetime.

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

57.1 Sec. 45. Minnesota Statutes 2016, section 197.791, subdivision 5a, is amended to read:

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

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

57.9 (c) A person is eligible for apprenticeship and on-the-job training assistance under this  
57.10 subdivision if the person meets the criteria established under subdivision 4, ~~paragraphs~~  
57.11 paragraph (a), clause (1), and (e) to (e). The commissioner may determine eligibility as  
57.12 provided in subdivision 4, paragraph (c), and may deny or terminate benefits as prescribed  
57.13 under subdivision 4, paragraphs (d) and (e). The amount of assistance paid to or on behalf  
57.14 of an eligible individual under this subdivision must not exceed the following:

57.15 (1) ~~\$2,000~~ \$3,000 per fiscal year for apprenticeship expenses;

57.16 (2) ~~\$2,000~~ \$3,000 per fiscal year for on-the-job training;

57.17 (3) \$1,000 for a job placement credit payable to an eligible employer upon hiring and  
57.18 completion of six consecutive months' employment of a person receiving assistance under  
57.19 this subdivision; and

57.20 (4) \$1,000 for a job placement credit payable to an eligible employer after a person  
57.21 receiving assistance under this subdivision has been employed by the eligible employer for  
57.22 at least 12 consecutive months as a full-time employee.

57.23 No more than ~~\$3,000~~ \$5,000 in aggregate benefits under this paragraph may be paid to or  
57.24 on behalf of an individual in one fiscal year, and not more than ~~\$9,000~~ \$10,000 in aggregate  
57.25 benefits under this paragraph may be paid to or on behalf of an individual over any period  
57.26 of time.

57.27 (d) Assistance for apprenticeship expenses and on-the-job training is available for  
57.28 qualifying programs, which must, at a minimum, meet the following criteria:

57.29 (1) the training must be with an eligible employer;

57.30 (2) the training must be documented and reported;

57.31 (3) the training must reasonably be expected to lead to an entry-level position; and

57.32 (4) the position must require at least six months of training to become fully trained.

58.1 Sec. 46. Minnesota Statutes 2016, section 270C.13, subdivision 1, is amended to read:

58.2 Subdivision 1. **Biennial report.** The commissioner shall report to the legislature by  
58.3 March 1 of each odd-numbered year on the overall incidence of the income tax, sales and  
58.4 excise taxes, and property tax. The report shall present information on the distribution of  
58.5 the tax burden as follows: (1) for the overall income distribution, using a systemwide  
58.6 incidence measure such as the Suits index or other appropriate measures of equality and  
58.7 inequality; (2) by income classes, including at a minimum deciles of the income distribution;  
58.8 and (3) by other appropriate taxpayer characteristics. The report must also include information  
58.9 on the distribution of the burden of federal taxes borne by Minnesota residents.

58.10 Sec. 47. [270C.303] FREE ELECTRONIC FILING OF INDIVIDUAL INCOME  
58.11 TAX RETURNS.

58.12 (a) The commissioner must develop and implement a system for the secure electronic  
58.13 filing of individual income tax returns and payment of individual income tax liabilities on  
58.14 the department's Web site at no cost. The system must allow for filing of individual returns  
58.15 by individuals and also by tax preparers.

58.16 (b) The system must automatically populate returns with taxpayer data available to the  
58.17 commissioner including but not limited to wage data received from one or more employers,  
58.18 state income tax withheld by one or more employers, and additional taxes owed to the state  
58.19 or refund owed to the taxpayer.

58.20 (c) The system must be available:

58.21 (1) by January 15, 2019, for the filing and payment of tax year 2018 individual income  
58.22 taxes of filers with income only from wages, fewer than five dependents, and federal adjusted  
58.23 gross income less than \$200,000 for married couples filing joint returns, and less than  
58.24 \$100,000 for all other filers; and

58.25 (2) by January 15, 2020, for the filing and payment of tax year 2019 individual income  
58.26 taxes of filers with income only from wages, Social Security benefits, interest, dividends,  
58.27 individual retirement account distributions and pensions, fewer than five dependents, and  
58.28 federal adjusted gross income less than \$200,000 for married couples filing joint returns,  
58.29 and less than \$100,000 for all other filers.

58.30 (d) For purposes of this section, "federal adjusted gross income" has the meaning given  
58.31 in section 62 of the Internal Revenue Code. Other terms have the meanings given in chapter  
58.32 290.

59.1 (e) By September 15 of each year, beginning in 2019, the commissioner must provide  
 59.2 a report to the chairs and ranking minority members of the house of representatives and  
 59.3 senate committees with jurisdiction over taxes, in compliance with sections 3.195 and 3.197.  
 59.4 The report must include statistics on usage of the free electronic filing system required in  
 59.5 this section; ways in which the commissioner could expand the system, including draft  
 59.6 legislation if needed for system expansion; and any other information the commissioner  
 59.7 considers relevant.

59.8 Sec. 48. Minnesota Statutes 2016, section 353.27, subdivision 3c, is amended to read:

59.9 Subd. 3c. **Former MERF members; member and employer contributions.** (a) For  
 59.10 the period July 1, 2015, through December 31, 2031, the member contributions for former  
 59.11 members of the Minneapolis Employees Retirement Fund and by the former Minneapolis  
 59.12 Employees Retirement Fund-covered employing units are governed by this subdivision.

59.13 (b) The member contribution for a public employee who was a member of the former  
 59.14 Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75 percent of the salary of  
 59.15 the employee.

59.16 (c) The employer regular contribution with respect to a public employee who was a  
 59.17 member of the former Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75  
 59.18 percent of the salary of the employee.

59.19 (d) ~~For calendar years 2015 and 2016, The annual employer supplemental contribution~~  
 59.20 ~~is the employing unit's share of \$31,000,000. For calendar years 2017 through 2031, the~~  
 59.21 ~~employer supplemental contribution is the employing unit's share of \$21,000,000.~~

59.22 (e) Each employing unit's share under paragraph (d) is the amount determined from an  
 59.23 allocation between each employing unit in the portion equal to the unit's employer  
 59.24 supplemental contribution paid or payable under Minnesota Statutes 2012, section 353.50,  
 59.25 during calendar year 2014.

59.26 (f) The employer supplemental contribution amount under paragraph (d) for calendar  
 59.27 year 2015 must be invoiced by the executive director of the Public Employees Retirement  
 59.28 Association by July 1, 2015. The calendar year 2015 payment is payable in a single amount  
 59.29 on or before September 30, 2015. For subsequent calendar years, the employer supplemental  
 59.30 contribution under paragraph (d) must be invoiced on January 31 of each year and is payable  
 59.31 in two parts, with the first half payable on or before July 31 and with the second half payable  
 59.32 on or before December 15. Late payments are payable with compound interest at the rate

60.1 of 0.71 percent per month for each month or portion of a month that has elapsed after the  
60.2 due date.

60.3 (g) The employer supplemental contribution under paragraph (d) terminates on December  
60.4 31, 2031.

60.5 Sec. 49. Minnesota Statutes 2016, section 353.505, is amended to read:

60.6 **353.505 STATE CONTRIBUTIONS; FORMER MERF DIVISION.**

60.7 (a) On September 15, 2015, ~~and~~ September 15, 2016, and annually thereafter, the state  
60.8 shall pay to the general employees retirement plan of the Public Employees Retirement  
60.9 Association, with respect to the former MERF division, \$6,000,000. ~~By September 15 of~~  
60.10 ~~each year after 2016, the state shall pay to the general employees retirement plan of the~~  
60.11 ~~Public Employees Retirement Association, with respect to the former MERF division,~~  
60.12 ~~\$16,000,000.~~

60.13 (b) State contributions under this section end on September 15, 2031.

60.14 Sec. 50. Minnesota Statutes 2016, section 471.6161, subdivision 8, is amended to read:

60.15 Subd. 8. **School districts; group health insurance coverage.** (a) Any entity providing  
60.16 group health insurance coverage to a school district must provide the school district with  
60.17 school district-specific nonidentifiable aggregate claims records for the most recent 24  
60.18 months within 30 days of the request.

60.19 (b) School districts shall request proposals for group health insurance coverage as  
60.20 provided in subdivision 2 from a minimum of three potential sources of coverage. ~~One of~~  
60.21 ~~these requests must go to an administrator governed by chapter 43A.~~ Entities referenced in  
60.22 subdivision 1 must respond to requests for proposals received directly from a school district.  
60.23 School districts that are self-insured must also follow these provisions, except as provided  
60.24 in paragraph (f). School districts must make requests for proposals at least 150 days prior  
60.25 to the expiration of the existing contract but not more frequently than once every 24 months.  
60.26 The request for proposals must include the most recently available 24 months of  
60.27 nonidentifiable aggregate claims data. The request for proposals must be publicly released  
60.28 at or prior to its release to potential sources of coverage.

60.29 (c) School district contracts for group health insurance must not be longer than ~~two~~ four  
60.30 years ~~unless the exclusive representative of the largest employment group and the school~~  
60.31 ~~district agree otherwise.~~

61.1 (d) All initial proposals shall be sealed upon receipt until they are all opened no less  
 61.2 than 90 days prior to the plan's renewal date in the presence of up to three representatives  
 61.3 selected by the exclusive representative of the largest group of employees. Section 13.591,  
 61.4 subdivision 3, paragraph (b), applies to data in the proposals. The representatives of the  
 61.5 exclusive representative must maintain the data according to this classification and are  
 61.6 subject to the remedies and penalties under sections 13.08 and 13.09 for a violation of this  
 61.7 requirement.

61.8 (e) A school district, in consultation with the same representatives referenced in paragraph  
 61.9 (d), may continue to negotiate with any entity that submitted a proposal under paragraph  
 61.10 (d) in order to reduce costs or improve services under the proposal. Following the negotiations  
 61.11 any entity that submitted an initial proposal may submit a final proposal incorporating the  
 61.12 negotiations, which is due no less than 75 days prior to the plan's renewal date. All the final  
 61.13 proposals submitted must be opened at the same time in the presence of up to three  
 61.14 representatives selected by the exclusive representative of the largest group of employees.  
 61.15 Notwithstanding section 13.591, subdivision 3, paragraph (b), following the opening of the  
 61.16 final proposals, all the proposals, including any made under paragraph (d), and other data  
 61.17 submitted in connection with the proposals are public data. The school district may choose  
 61.18 from any of the initial or final proposals without further negotiations and in accordance  
 61.19 with subdivision 5, but not sooner than 15 days after the proposals become public data.

61.20 (f) School districts that are self-insured shall follow all of the requirements of this section,  
 61.21 except that:

61.22 (1) their requests for proposals may be for third-party administrator services, where  
 61.23 applicable;

61.24 (2) these requests for proposals must be from a minimum of three different sources,  
 61.25 which may include both entities referenced in subdivision 1 and providers of third-party  
 61.26 administrator services;

61.27 ~~(3) for purposes of fulfilling the requirement to request a proposal for group insurance~~  
 61.28 ~~coverage from an administrator governed by chapter 43A, self-insured districts are not~~  
 61.29 ~~required to include in the request for proposal the coverage to be provided;~~

61.30 ~~(4) a district that is self-insured on or before the date of enactment, or that is self-insured~~  
 61.31 ~~with more than 1,000 insured lives, or a district in which the school board adopted a motion~~  
 61.32 ~~on or before May 14, 2014, to approve a self-insured health care plan to be effective July~~  
 61.33 ~~1, 2014, may, but need not, request a proposal from an administrator governed by chapter~~  
 61.34 ~~43A;~~

62.1 ~~(5)~~ (3) requests for proposals must be sent to providers no less than 90 days prior to the  
62.2 expiration of the existing contract; and

62.3 ~~(6)~~ (4) proposals must be submitted at least 60 days prior to the plan's renewal date and  
62.4 all proposals shall be opened at the same time and in the presence of the exclusive  
62.5 representative, where applicable.

62.6 (g) Nothing in this section shall restrict the authority granted to school district boards  
62.7 of education by section 471.59, ~~except that districts will not be considered self-insured for~~  
62.8 ~~purposes of this subdivision solely through participation in a joint powers arrangement.~~

62.9 (h) An entity providing group health insurance to a school district under a multiyear  
62.10 contract must give notice of any rate or plan design changes applicable under the contract  
62.11 at least 90 days before the effective date of any change. The notice must be given to the  
62.12 school district and to the exclusive representatives of employees.

62.13 (i) The exclusive representative of the largest group of employees shall comply with  
62.14 this subdivision and must not exercise any of their abilities under section 43A.316,  
62.15 subdivision 5, notwithstanding anything contained in that section, or any other law to the  
62.16 contrary.

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

62.18 Sec. 51. Minnesota Statutes 2016, section 471.617, subdivision 2, is amended to read:

62.19 Subd. 2. **Jointly.** Any two or more statutory or home rule charter cities, counties, school  
62.20 districts, or instrumentalities thereof which together have more than 100 employees may  
62.21 jointly self-insure for any employee health benefits including long-term disability, but not  
62.22 for employee life benefits, subject to the same requirements as an individual self-insurer  
62.23 under subdivision 1. Self-insurance pools under this section are subject to section 62L.045.  
62.24 A self-insurance pool established and operated by one or more service cooperatives governed  
62.25 by section 123A.21 to provide coverage described in this subdivision qualifies under this  
62.26 subdivision, ~~but the individual school district members of such a pool shall not be considered~~  
62.27 ~~to be self-insured for purposes of section 471.6161, subdivision 8, paragraph (f).~~ The  
62.28 commissioner of commerce may adopt rules pursuant to chapter 14, providing standards or  
62.29 guidelines for the operation and administration of self-insurance pools.

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

63.1 Sec. 52. Minnesota Statutes 2016, section 508.12, subdivision 1, is amended to read:

63.2 Subdivision 1. **Examiner and deputy examiner.** The judges of the district court shall  
 63.3 appoint a competent attorney in each county within their respective districts to be an examiner  
 63.4 of titles and legal adviser to the registrar in said county, to which examiner all applications  
 63.5 to register title to land are referred without further order, and may appoint attorneys to serve  
 63.6 as deputy examiners who shall act in the name of the examiner and under the examiner's  
 63.7 supervision and control, and the deputy's acts shall be the acts of the examiners. The examiner  
 63.8 of titles and deputy examiners shall hold office subject to the will and discretion of the  
 63.9 district court by whom appointed. The examiner's compensation and that of the examiner's  
 63.10 deputies shall be fixed and determined by the court and paid in the same manner as the  
 63.11 compensation of other county employees is paid except that in all counties having fewer  
 63.12 than 75,000 inhabitants, and in Stearns, Dakota, Scott, Wright, Sherburne, and Olmsted  
 63.13 Counties the fees and compensation of the examiners for services as legal adviser to the  
 63.14 registrar shall be determined by the judges of the district court and paid in the same manner  
 63.15 as the compensation of other county employees is paid, but in every other instance shall be  
 63.16 paid by the person applying to have the person's title registered or for other action or relief  
 63.17 which requires the services, certification or approval of the examiner.

63.18 Sec. 53. **COMMISSIONER OF REVENUE TO DETERMINE ADEQUACY OF**  
 63.19 **CURRENT RULES AND VALUATION PRACTICES FOR STATE-ASSESSED**  
 63.20 **PIPELINES.**

63.21 The commissioner of revenue must review all current rules and practices relating to the  
 63.22 valuation of pipeline companies that are assessed by the state. The commissioner must  
 63.23 determine whether current rules and practices provide accurate estimates of market value.  
 63.24 By February 1, 2018, the commissioner must prepare testimony for the house of  
 63.25 representatives and senate committees having jurisdiction over property taxes recommending  
 63.26 changes to the rules and practices to provide more accurate assessments and reduce the  
 63.27 number and amount of judgments against the state and counties for state-assessed pipeline  
 63.28 property.

63.29 Sec. 54. **FREE ELECTRONIC FILING OF INDIVIDUAL INCOME TAX**  
 63.30 **RETURNS; PILOT PROGRAM.**

63.31 (a) The commissioner must conduct a pilot program to test the free electronic filing  
 63.32 requirement in Minnesota Statutes, section 270C.303. The pilot program must operate at  
 63.33 no fewer than three taxpayer assistance sites that receive grants under Minnesota Statutes,

64.1 section 270C.21. At least one of the pilot program sites must be in the seven-county  
64.2 metropolitan area, and at least one must be in greater Minnesota. The pilot program system  
64.3 must be available by January 15, 2018, for the filing and payment of tax year 2017 individual  
64.4 income taxes of filers with income only from wages, fewer than five dependents, and federal  
64.5 adjusted gross income less than \$200,000 for married couples filing joint returns, and less  
64.6 than \$100,000 for all other filers.

64.7 (b) The system must automatically populate returns with taxpayer data available to the  
64.8 commissioner including but not limited to W-2 data on wages and state income tax  
64.9 withholding.

64.10 (c) For purposes of this section, "federal adjusted gross income" has the meaning given  
64.11 in section 62 of the Internal Revenue Code. Other terms have the meanings given in  
64.12 Minnesota Statutes, chapter 290.

64.13 (d) By August 15, 2018, the commissioner must report final statistics on usage of the  
64.14 pilot program and on plans to implement tax year 2018 electronic filing as required in  
64.15 Minnesota Statutes, section 270C.303. The report must comply with the requirements of  
64.16 Minnesota Statutes, sections 3.195 and 3.197.

64.17 **Sec. 55. INITIAL TRANSIT FINANCIAL ACTIVITY REPORTING.**

64.18 (a) The first transit financial activity review and report submitted under Minnesota  
64.19 Statutes, section 3.972, subdivision 4, must include financial information from the period  
64.20 beginning on January 1, 2016, and through the end of the fiscal quarter immediately preceding  
64.21 the date of the report.

64.22 (b) The legislative auditor must provide a copy of the review under paragraph (a) to  
64.23 each county that is party to the joint powers agreement under Minnesota Statutes, section  
64.24 297A.992.

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

64.26 **Sec. 56. LIMIT ON EXPENDITURES FOR ADVERTISING.**

64.27 During the fiscal years ending June 30, 2018, and June 30, 2019, an executive branch  
64.28 agency's spending on advertising and promotions may not exceed 90 percent of the amount  
64.29 the agency spent on advertising and promotions during the fiscal year ending June 30, 2016.  
64.30 The commissioner of management and budget must ensure compliance with this limit and  
64.31 may issue guidelines and policies to executive agencies. The commissioner may forbid an  
64.32 agency from engaging in advertising as the commissioner determines necessary to ensure

65.1 compliance with this section. This section does not apply to the Minnesota Lottery, Explore  
 65.2 Minnesota Tourism, or the Minnesota State Colleges and Universities. Spending during the  
 65.3 biennium ending June 30, 2019, on advertising relating to a declared emergency, an  
 65.4 emergency, or a disaster, as those terms are defined in Minnesota Statutes, section 12.03,  
 65.5 is excluded for purposes of this section.

65.6 **Sec. 57. OFFICE OF MN.IT SERVICES; PERFORMANCE OUTCOMES**

65.7 **REQUIRED.**

65.8 **Subdivision 1. Completion of agency consolidation.** No later than December 31, 2018,  
 65.9 the state chief information officer must complete the executive branch information technology  
 65.10 consolidation required by Laws 2011, First Special Session chapter 10, article 4. The head  
 65.11 of any state agency subject to consolidation must assist the state chief information officer  
 65.12 as necessary to implement the requirements of this subdivision.

65.13 **Subd. 2. Information technology efficiencies and solutions.** No later than December  
 65.14 31, 2018, the state chief information officer shall:

- 65.15 (1) host at least 25 percent of all state agency servers on a public cloud solution;  
 65.16 (2) store at least 35 percent of all state agency data on a public cloud solution; and  
 65.17 (3) operate no more than six data centers statewide.

65.18 **Subd. 3. Enterprise services; personnel efficiencies.** No later than June 30, 2019, the  
 65.19 state chief information officer shall reduce the Office of MN.IT Services' total cost for  
 65.20 enterprise services personnel by at least \$3,000,000.

65.21 **Subd. 4. Legislative report; application consolidation.** No later than January 1, 2018,  
 65.22 the state chief information officer must submit a report to the chairs and ranking minority  
 65.23 members of the house of representatives and senate committees with jurisdiction over state  
 65.24 government finance on the status of business application software consolidation across state  
 65.25 agencies. At a minimum, the report must describe the outcomes achieved to date, a plan  
 65.26 and timeline for continued consolidation of business application software with measurable  
 65.27 outcome goals, and recommendations, if any, on legislation necessary to facilitate  
 65.28 achievement of these goals.

65.29 **Sec. 58. STATE AUDITOR LITIGATION EXPENSES; SCHEDULE OF CHARGES.**

65.30 **Subdivision 1. Litigation expenses; core functions of the state auditor.** (a) Unless  
 65.31 funds are otherwise expressly provided by law for this purpose, all costs incurred by the  
 65.32 state auditor in preparing and asserting a civil claim or appeal, or in defending against a

66.1 civil claim or appeal, related to the proper exercise of the auditor's constitutionally authorized  
 66.2 core functions must be paid by the auditor's constitutional office division. Only allocations  
 66.3 made to the constitutional office division on or before January 1, 2017, may be used to pay  
 66.4 these costs.

66.5 (b) In complying with paragraph (a), the state auditor may not, directly or indirectly,  
 66.6 decrease allocations previously made to, transfer funds from, or otherwise reduce services  
 66.7 provided by any other division of the office.

66.8 Subd. 2. **Schedule of charges.** Notwithstanding Minnesota Statutes, section 6.581,  
 66.9 subdivision 3, or any other law to the contrary, the rates included in the state auditor's  
 66.10 schedule of charges for examinations conducted in calendar year 2017 must be no greater  
 66.11 than the rates included in the schedule of charges established for examinations conducted  
 66.12 in calendar year 2016.

66.13 Sec. 59. **TRANSITION; STATE AUDITOR ENTERPRISE FUND.**

66.14 Notwithstanding any law to the contrary, receipts received by the state auditor on or  
 66.15 after July 1, 2017, from examinations conducted by the state auditor under Minnesota  
 66.16 Statutes, chapter 6, must be credited to the general fund. Amounts in the state auditor  
 66.17 enterprise fund at the end of fiscal year 2017 are transferred to the general fund.

66.18 Sec. 60. **LIMIT ON INCREASE IN MANAGERIAL COMPENSATION.**

66.19 During the biennium ending June 30, 2017, an employee covered by the managerial  
 66.20 plan in Minnesota Statutes, section 43A.18, subdivision 3, may not be granted a percentage  
 66.21 increase in annual salary that exceeds the lesser of:

66.22 (1) the percentage increase in Minnesota median household income, as determined by  
 66.23 the American Community Survey compiled by the United States Bureau of the Census, for  
 66.24 the most recent 12-month period for which data is available; or

66.25 (2) the percentage increase in the Consumer Price Index, as determined by the United  
 66.26 States Bureau of Economic Analysis, for the most recent 12-month period for which data  
 66.27 is available.

66.28 Sec. 61. **SALARY LIMIT.**

66.29 Subdivision 1. **Executive branch.** (a) During the fiscal year ending June 30, 2018, the  
 66.30 aggregate amount spent by all executive branch agencies on employee salaries may not

67.1 exceed 101 percent of the aggregate amount these agencies spent on employee salaries in  
 67.2 the fiscal year ending June 30, 2017.

67.3 (b) During the fiscal year ending June 30, 2019, the aggregate amount spent by all  
 67.4 executive branch agencies on employee salaries may not exceed 103 percent of the aggregate  
 67.5 amount these agencies spent on employee salaries in the fiscal year ending June 30, 2017.

67.6 (c) For purposes of this section, "executive branch" has the meaning given in Minnesota  
 67.7 Statutes, section 43A.02, subdivision 22, and includes the Minnesota State Colleges and  
 67.8 Universities but not constitutional offices.

67.9 Subd. 2. **Legislative branch.** (a) During the fiscal year ending June 30, 2018, the amount  
 67.10 spent on employee salaries may not exceed 101 percent of the amount spent on these salaries  
 67.11 during the fiscal year ending June 30, 2017, for:

67.12 (1) the house of representatives;

67.13 (2) the senate; and

67.14 (3) the Legislative Coordinating Commission and all groups under its jurisdiction.

67.15 (b) During the fiscal year ending June 30, 2019, the amount spent on employee salaries  
 67.16 may not exceed 103 percent of the amount spent on these salaries during the fiscal year  
 67.17 ending June 30, 2017, for:

67.18 (1) the house of representatives;

67.19 (2) the senate; and

67.20 (3) the Legislative Coordinating Commission and all groups under its jurisdiction.

67.21 Each entity listed in this subdivision must be treated separately for purposes of  
 67.22 determining compliance, except that the Legislative Coordinating Commission and all  
 67.23 groups under its jurisdiction must be treated as one unit.

67.24 Sec. 62. **REPEALER.**

67.25 Subdivision 1. **Campaign subsidy.** Minnesota Statutes 2016, sections 10A.30; 10A.31,  
 67.26 subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, and 11; 10A.315; 10A.321; 10A.322,  
 67.27 subdivisions 2 and 4; 10A.323; and 10A.324, subdivisions 1 and 3, and Minnesota Rules,  
 67.28 parts 4503.1400, subparts 2, 3, 4, 5, 6, 7, 8, and 9; and 4503.1450, are repealed effective  
 67.29 July 1, 2017, and apply to elections held on or after that date. Money in the account under  
 67.30 Minnesota Statutes, section 10A.30, on June 30, 2017, cancels to the general fund, and

68.1 amounts designated under Minnesota Statutes, section 10A.31, on income tax and property  
 68.2 tax refund returns filed after June 30, 2017, are not effective and remain in the general fund.

68.3 Subd. 2. **State auditor enterprise fund.** Minnesota Statutes 2016, section 6.581,  
 68.4 subdivision 1, is repealed.

68.5 Subd. 3. **Legislative commissions.** Minnesota Statutes 2016, sections 3.886; and  
 68.6 161.1419, are repealed.

### 68.7 **ARTICLE 3**

#### 68.8 **STATE BUDGETING TECHNICAL**

68.9 Section 1. Minnesota Statutes 2016, section 15.0596, is amended to read:

68.10 **15.0596 ADDITIONAL COMPENSATION FROM CONTINGENT FUND**  
 68.11 **PROHIBITED.**

68.12 In all cases where the compensation of an officer of the state is fixed by law at a specified  
 68.13 sum, it shall be unlawful for any such officer or employee to receive additional compensation  
 68.14 for the performance of official services out of the contingent fund of the officer or the  
 68.15 department, and it shall be unlawful for the head of any department of the state government  
 68.16 to direct the payment of such additional compensation out of the contingent fund; and the  
 68.17 commissioner of management and budget is hereby prohibited from issuing a ~~warrant~~  
 68.18 payment upon such contingent fund in payment of such additional compensation.

68.19 Every person offending against the provisions of this section shall be guilty of a  
 68.20 misdemeanor.

68.21 Sec. 2. Minnesota Statutes 2016, section 15.191, subdivision 1, is amended to read:

68.22 Subdivision 1. **Emergency disbursements.** Imprest cash funds for the purpose of making  
 68.23 minor disbursements, providing for change, and providing employees with travel advances  
 68.24 or a portion or all of their payroll ~~warrant~~ where the ~~warrant~~ payment has not been received  
 68.25 through the payroll system, may be established by state departments or agencies from  
 68.26 existing appropriations in the manner prescribed by this section.

68.27 Sec. 3. Minnesota Statutes 2016, section 15.191, subdivision 3, is amended to read:

68.28 Subd. 3. **Warrant Payment against designated appropriation.** Imprest cash funds  
 68.29 established under this section shall be created by ~~warrant drawn~~ payment issued against the  
 68.30 appropriation designated by the commissioner of management and budget.

69.1 Sec. 4. Minnesota Statutes 2016, section 16A.065, is amended to read:

69.2 **16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES**  
69.3 **DOCUMENTS.**

69.4 Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an agency  
69.5 to make advance deposits or payments for software or software maintenance services for  
69.6 state-owned or leased electronic data processing equipment, for information technology  
69.7 hosting services, for sole source maintenance agreements where it is not cost-effective to  
69.8 pay in arrears, for exhibit booth space or boat slip rental when required by the renter to  
69.9 guarantee the availability of space, for registration fees where advance payment is required  
69.10 or advance payment discount is provided, ~~and~~ for newspaper, magazine, and other  
69.11 subscription fees, and other costs where advance payment discount is provided or are  
69.12 customarily paid for in advance. The commissioner may also allow advance deposits by  
69.13 any department with the Library of Congress and federal Supervisor of Documents for items  
69.14 to be purchased from those federal agencies.

69.15 Sec. 5. Minnesota Statutes 2016, section 16A.13, subdivision 2a, is amended to read:

69.16 Subd. 2a. **Procedure.** The commissioner shall see that the deduction for the withheld  
69.17 tax is made from an employee's pay on the payroll abstract. The commissioner shall approve  
69.18 one ~~warrant payable~~ payment to the commissioner for the total amount deducted on the  
69.19 abstract. Deductions from the pay of an employee paid direct by an agency shall be made  
69.20 by the employee's payroll authority. A later deduction must correct an error made on an  
69.21 earlier deduction. The paying authority shall see that a ~~warrant or check~~ payment for the  
69.22 deductions is promptly sent to the commissioner. The commissioner shall deposit the amount  
69.23 of the ~~warrant or check~~ payment to the credit of the proper federal authority or other person  
69.24 authorized by federal law to receive it.

69.25 Sec. 6. Minnesota Statutes 2016, section 16A.134, is amended to read:

69.26 **16A.134 CHARITABLE ORGANIZATIONS PAYROLL DEDUCTIONS.**

69.27 An employee's contribution to a registered combined charitable organization defined in  
69.28 section 43A.50 may be deducted from the employee's pay. On the employee's written request,  
69.29 the commissioner shall deduct a requested amount from the pay of the employee for each  
69.30 pay period. The commissioner shall issue a ~~warrant~~ payment in that amount to the specified  
69.31 organization.

70.1 Sec. 7. Minnesota Statutes 2016, section 16A.15, subdivision 3, is amended to read:

70.2 Subd. 3. **Allotment and encumbrance.** (a) A payment may not be made without prior  
70.3 obligation. An obligation may not be incurred against any fund, allotment, or appropriation  
70.4 unless the commissioner has certified a sufficient unencumbered balance or the accounting  
70.5 system shows sufficient allotment or encumbrance balance in the fund, allotment, or  
70.6 appropriation to meet it. The commissioner shall determine when the accounting system  
70.7 may be used to incur obligations without the commissioner's certification of a sufficient  
70.8 unencumbered balance. An expenditure or obligation authorized or incurred in violation of  
70.9 this chapter is invalid and ineligible for payment until made valid. A payment made in  
70.10 violation of this chapter is illegal. An employee authorizing or making the payment, or  
70.11 taking part in it, and a person receiving any part of the payment, are jointly and severally  
70.12 liable to the state for the amount paid or received. If an employee knowingly incurs an  
70.13 obligation or authorizes or makes an expenditure in violation of this chapter or takes part  
70.14 in the violation, the violation is just cause for the employee's removal by the appointing  
70.15 authority or by the governor if an appointing authority other than the governor fails to do  
70.16 so. In the latter case, the governor shall give notice of the violation and an opportunity to  
70.17 be heard on it to the employee and to the appointing authority. A claim presented against  
70.18 an appropriation without prior allotment or encumbrance may be made valid on investigation,  
70.19 review, and approval by the agency head in accordance with the commissioner's policy, if  
70.20 the services, materials, or supplies to be paid for were actually furnished in good faith  
70.21 without collusion and without intent to defraud. The commissioner may then ~~draw a warrant~~  
70.22 ~~to~~ pay the claim just as properly allotted and encumbered claims are paid.

70.23 (b) The commissioner may approve payment for materials and supplies in excess of the  
70.24 obligation amount when increases are authorized by section 16C.03, subdivision 3.

70.25 (c) To minimize potential construction delay claims, an agency with a project funded  
70.26 by a building appropriation may allow a contractor to proceed with supplemental work  
70.27 within the limits of the appropriation before money is encumbered. Under this circumstance,  
70.28 the agency may requisition funds and allow contractors to expeditiously proceed with a  
70.29 construction sequence. While the contractor is proceeding, the agency shall immediately  
70.30 act to encumber the required funds.

70.31 Sec. 8. Minnesota Statutes 2016, section 16A.17, subdivision 5, is amended to read:

70.32 Subd. 5. **Payroll duties.** When the department prepares the payroll for an agency, the  
70.33 commissioner assumes the agency head's duties to make authorized or required deductions

71.1 from, or employer contributions on, the pay of the agency's employees and to prepare and  
71.2 issue the necessary ~~warrants~~ payments.

71.3 Sec. 9. Minnesota Statutes 2016, section 16A.272, subdivision 3, is amended to read:

71.4 Subd. 3. **Section 7.19 16A.271 to apply.** The provisions of Minnesota Statutes 1941,  
71.5 section ~~7.19~~ 16A.271, shall apply to deposits of securities made pursuant to this section.

71.6 Sec. 10. Minnesota Statutes 2016, section 16A.40, is amended to read:

71.7 **16A.40 WARRANTS AND ELECTRONIC FUND TRANSFERS.**

71.8 Money must not be paid out of the state treasury except upon the warrant of the  
71.9 commissioner or an electronic fund transfer approved by the commissioner. Warrants must  
71.10 be drawn on printed blanks that are in numerical order. The commissioner shall enter, in  
71.11 numerical order in a ~~warrant~~ warrant payment register, the number, amount, date, and payee for  
71.12 every ~~warrant~~ warrant payment issued.

71.13 The commissioner may require payees to supply their bank routing information to enable  
71.14 the payments to be made through an electronic fund transfer.

71.15 Sec. 11. Minnesota Statutes 2016, section 16A.42, subdivision 2, is amended to read:

71.16 Subd. 2. **Approval.** If the claim is approved, the commissioner shall ~~complete and sign~~  
71.17 ~~a warrant~~ issue a payment in the amount of the claim.

71.18 Sec. 12. Minnesota Statutes 2016, section 16A.42, subdivision 4, is amended to read:

71.19 Subd. 4. **Register.** The commissioner shall enter a ~~warrant~~ warrant payment in the ~~warrant~~  
71.20 payment register as if it were a cash payment.

71.21 Sec. 13. Minnesota Statutes 2016, section 16A.42, is amended by adding a subdivision to  
71.22 read:

71.23 Subd. 5. **Invalid claims.** If the commissioner determines that a claim is invalid after  
71.24 issuing a warrant, the commissioner may void an unpaid warrant. The commissioner is not  
71.25 liable to any holder who took the void warrant for value.

71.26 Sec. 14. Minnesota Statutes 2016, section 16A.56, is amended to read:

71.27 **16A.56 COMMISSIONER'S RECEIPT AND CLAIM DUTIES.**

72.1 The commissioner or a designee shall examine every receipt and claim, and if proper,  
72.2 approve them, name the account to be charged or credited, and issue ~~warrants~~ payments to  
72.3 pay claims.

72.4 Sec. 15. Minnesota Statutes 2016, section 16A.671, subdivision 1, is amended to read:

72.5 Subdivision 1. **Authority; advisory recommendation.** To ensure that cash is available  
72.6 when needed to ~~pay warrants~~ make payments drawn on the general fund under appropriations  
72.7 and allotments, the commissioner may (1) issue certificates of indebtedness in anticipation  
72.8 of the collection of taxes levied for and other revenues appropriated to the general fund for  
72.9 expenditure during each biennium; and (2) issue additional certificates to refund outstanding  
72.10 certificates and interest on them, under the Constitution, article XI, section 6.

72.11 Sec. 16. Minnesota Statutes 2016, section 16B.37, subdivision 4, is amended to read:

72.12 Subd. 4. **Work of department for another.** To avoid duplication and improve efficiency,  
72.13 the commissioner may direct an agency to do work for another agency or may direct a  
72.14 division or section of an agency to do work for another division or section within the same  
72.15 agency and shall require reimbursement for the work. Reimbursements received by an  
72.16 agency are reappropriated to the account making the original expenditure in accordance  
72.17 with the transfer ~~warrant~~ procedure established by the commissioner of management and  
72.18 budget.

72.19 Sec. 17. Minnesota Statutes 2016, section 16D.03, subdivision 2, is amended to read:

72.20 Subd. 2. **State agency reports.** State agencies shall report quarterly to the commissioner  
72.21 of management and budget the debts owed to them. The commissioner of management and  
72.22 budget, ~~in consultation with the commissioners of revenue and human services, and the~~  
72.23 ~~attorney general,~~ shall establish internal guidelines for the recognition, tracking, and  
72.24 ~~reporting, and collection~~ of debts owed the state. The internal guidelines must include  
72.25 accounting standards, performance measurements, and uniform reporting requirements  
72.26 applicable to all state agencies. The commissioner of management and budget shall require  
72.27 a state agency to recognize, track, report, and attempt to collect debts according to the  
72.28 internal guidelines. The commissioner, in consultation with the commissioner of management  
72.29 and budget and the attorney general, shall establish internal guidelines for the collection of  
72.30 debt owed to the state.

73.1 Sec. 18. Minnesota Statutes 2016, section 16D.09, subdivision 1, is amended to read:

73.2 Subdivision 1. **Generally.** When a debt is determined by a state agency to be  
 73.3 uncollectible, the debt may be written off by the state agency from the state agency's financial  
 73.4 accounting records and no longer recognized as an account receivable for financial reporting  
 73.5 purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts  
 73.6 have been exhausted, (2) the cost of further collection action will exceed the amount  
 73.7 recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence,  
 73.8 (4) the debtor cannot be located, (5) the available assets or income, current or anticipated,  
 73.9 that may be available for payment of the debt are insufficient, (6) the debt has been  
 73.10 discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt  
 73.11 has expired, or (8) it is not in the public interest to pursue collection of the debt. ~~The~~  
 73.12 ~~determination of the uncollectibility of a~~ Uncollectible debt must be reported by the state  
 73.13 agency ~~along with the basis for that decision~~ as part of its quarterly reports to the  
 73.14 commissioner of management and budget. The basis for the determination of the  
 73.15 uncollectibility of the debt must be maintained by the state agency. Determining that the  
 73.16 debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

73.17 Sec. 19. Minnesota Statutes 2016, section 21.116, is amended to read:

73.18 **21.116 EXPENSES.**

73.19 All necessary expenses incurred in carrying out the provisions of sections 21.111 to  
 73.20 21.122 and the compensation of officers, inspectors, and employees appointed, designated,  
 73.21 or employed by the commissioner, as provided in such sections, together with their necessary  
 73.22 traveling expenses, together with the traveling expenses of the members of the advisory  
 73.23 seed potato certification committee, and other expenses necessary in attending committee  
 73.24 meetings, shall be paid from, and only from, the seed potato inspection account, on order  
 73.25 of the commissioner and commissioner of management and ~~budget's voucher warrant~~ budget.

73.26 Sec. 20. Minnesota Statutes 2016, section 43A.30, subdivision 2, is amended to read:

73.27 Subd. 2. **Payroll deduction.** If an eligible person who is on any payroll of the state or  
 73.28 an eligible person's dependents is enrolled for any of the optional coverages made available  
 73.29 by the commissioner pursuant to section 43A.26 the commissioner of management and  
 73.30 budget, upon the person's written order, shall deduct from the salary or wages of the person  
 73.31 those amounts required from time to time to maintain the optional coverages in force, and  
 73.32 issue a ~~warrant~~ payment therefor to the appropriate carrier.

74.1 Sec. 21. Minnesota Statutes 2016, section 43A.49, is amended to read:

74.2 **43A.49 VOLUNTARY UNPAID LEAVE OF ABSENCE.**

74.3 (a) Appointing authorities in state government may allow each employee to take unpaid  
 74.4 leaves of absence for up to 1,040 hours in each two-year period beginning July 1 of each  
 74.5 odd-numbered year. Each appointing authority approving such a leave shall allow the  
 74.6 employee to continue accruing vacation and sick leave, be eligible for paid holidays and  
 74.7 insurance benefits, accrue seniority, and accrue service credit and credited salary in retirement  
 74.8 plans as if the employee had actually been employed during the time of leave. An employee  
 74.9 covered by the unclassified plan may voluntarily make the employee contributions to the  
 74.10 unclassified plan during the leave of absence. If the employee makes these contributions,  
 74.11 the appointing authority must make the employer contribution. If the leave of absence is  
 74.12 for one full pay period or longer, any holiday pay shall be included in the first payroll ~~warrant~~  
 74.13 payment after return from the leave of absence. The appointing authority shall attempt to  
 74.14 grant requests for the unpaid leaves of absence consistent with the need to continue efficient  
 74.15 operation of the agency. However, each appointing authority shall retain discretion to grant  
 74.16 or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject  
 74.17 to the applicable provisions of collective bargaining agreements and compensation plans.

74.18 (b) To receive eligible service credit and credited salary in a defined benefit plan, the  
 74.19 member shall pay an amount equal to the applicable employee contribution rates. If an  
 74.20 employee pays the employee contribution for the period of the leave under this section, the  
 74.21 appointing authority must pay the employer contribution. The appointing authority may, at  
 74.22 its discretion, pay the employee contributions. Contributions must be made in a time and  
 74.23 manner prescribed by the executive director of the applicable retirement system.

74.24 Sec. 22. Minnesota Statutes 2016, section 49.24, subdivision 13, is amended to read:

74.25 Subd. 13. **Disposition of unclaimed dividends.** Upon the liquidation of any financial  
 74.26 institution liquidated by the commissioner as statutory liquidator, if any dividends or other  
 74.27 moneys set apart for the payment of claims remain unpaid, and the places of residence of  
 74.28 the owners thereof are unknown to the commissioner, the commissioner may pay same into  
 74.29 the state treasury as hereinafter provided. Whenever the commissioner shall be satisfied  
 74.30 that the process of liquidation should not be further continued the commissioner may make  
 74.31 and certify triplicate lists of any such unclaimed dividends or other moneys, specifying the  
 74.32 name of each owner, the amount due, and the last known address. Upon one of such lists,  
 74.33 to be retained by the commissioner shall be endorsed the commissioner's order that such  
 74.34 unclaimed moneys be forthwith deposited in the state treasury. When so deposited, one of

75.1 said lists shall be delivered to the commissioner of management and budget and the  
75.2 commissioner shall retain in the commissioner's office such records and proofs concerning  
75.3 said claims as the commissioner may have, which shall thereafter remain on file in the  
75.4 office. The commissioner of management and budget shall execute upon the list retained  
75.5 by the commissioner a receipt for such money, which shall operate as a full discharge of  
75.6 the commissioner on account of such claims. At any time within six years after such receipt,  
75.7 but not afterward, the claimant may apply to the commissioner for the amount so deposited  
75.8 for the claimant's benefit, and upon proof satisfactory to the governor, the attorney general  
75.9 and the commissioner, or to a majority of them, they shall give an order to the commissioner  
75.10 of management and budget to issue a ~~warrant~~ payment for such amount, and such ~~warrant~~  
75.11 payment shall thereupon be issued. If no such claim be presented within six years, the  
75.12 commissioner shall so note upon the commissioner's copy of said list and certify the fact  
75.13 to the commissioner of management and budget who shall make like entries upon the  
75.14 commissioner of management and budget's corresponding lists; and all further claims to  
75.15 said money shall be barred. Provided, that the commissioner of management and budget  
75.16 shall transfer to the commissioner of commerce's liquidation fund created by this section  
75.17 not to exceed 50 percent of the amount so turned over by the commissioner, to be used to  
75.18 partially defray expenses in connection with the liquidation of closed banks and the conduct  
75.19 of the liquidation division, in such amounts and at such times as the commissioner shall  
75.20 request.

75.21 There is hereby appropriated to the persons entitled to such amounts, from such moneys  
75.22 in the state treasury not otherwise appropriated, an amount sufficient to make such payment.

75.23 Sec. 23. Minnesota Statutes 2016, section 49.24, subdivision 16, is amended to read:

75.24 Subd. 16. **Transfers to liquidation fund.** The following moneys shall be transferred to  
75.25 and deposited in the commissioner of commerce's liquidation fund:

75.26 (1) All moneys paid to the commissioner of management and budget by the commissioner  
75.27 out of funds of any financial institution in the commissioner's hands as reimbursement for  
75.28 services and expenses pursuant to the provisions of subdivision 7.

75.29 (2) All moneys in the possession of the commissioner set aside for the purpose of meeting  
75.30 unforeseen and contingent expenses incident to the liquidation of closed financial institutions,  
75.31 which funds have been or shall be hereafter established by withholding portions of final  
75.32 liquidating dividends in such cases.

75.33 (3) All moneys which the commissioner shall request the commissioner of management  
75.34 and budget to transfer to such fund pursuant to the provisions of subdivision 13.

76.1 (4) All moneys in the possession of the commissioner now carried on the commissioner's  
76.2 books in "stamp account," "suspense account," and "unclaimed deposit account."

76.3 (5) All moneys in the possession of the commissioner which the commissioner may be  
76.4 authorized by order of any district court having jurisdiction of any liquidation proceedings  
76.5 to transfer to such fund, or to use for any of the purposes for which the fund is established.

76.6 (6) All moneys in the possession of the commissioner carried on the commissioner's  
76.7 books in the "unclaimed bonds account." At any time within six years after any bond the  
76.8 proceeds of the sale of which constitute a portion of the moneys in this paragraph referred  
76.9 to came into the possession of the commissioner as liquidator of any financial institution,  
76.10 any claimant thereto may apply to the commissioner for the proceeds of the sale of such  
76.11 bond, and, upon proof satisfactory to the governor, the attorney general, and the  
76.12 commissioner, or a majority of them, they shall give an order to the commissioner of  
76.13 management and budget to issue a ~~warrant~~ warrant payment for such amount, without interest, and  
76.14 such ~~warrant~~ warrant payment shall thereupon be issued and the amount thereof paid out of the  
76.15 commissioner of commerce's liquidation fund. If no such claim be presented within such  
76.16 period, all further claims to the proceeds of any such bond shall be barred.

76.17 (7) All sums which the commissioner may receive from the sale of personal property of  
76.18 liquidated financial institutions where the final dividend has been paid and no disposition  
76.19 of said property made by any order of the court, and the proceeds of sales of any personal  
76.20 property used by the liquidation division which have been purchased with funds of financial  
76.21 institutions in liquidation.

76.22 Sec. 24. Minnesota Statutes 2016, section 69.031, subdivision 1, is amended to read:

76.23 Subdivision 1. **Commissioner's ~~warrant~~ warrant payment.** (a) The commissioner of management  
76.24 and budget shall issue to the Public Employees Retirement Association on behalf of a  
76.25 municipality or independent nonprofit firefighting corporation that is a member of the  
76.26 voluntary statewide lump-sum volunteer firefighter retirement plan under chapter 353G, to  
76.27 the Department of Natural Resources, the Department of Public Safety, or the county,  
76.28 municipality, or independent nonprofit firefighting corporation certified to the commissioner  
76.29 of management and budget by the commissioner a ~~warrant~~ warrant payment for an amount equal  
76.30 to the amount of fire state aid or police state aid, whichever applies, certified for the  
76.31 applicable state aid recipient by the commissioner under section 69.021.

76.32 (b) Fire state aid and police state aid is payable on October 1 annually. The amount of  
76.33 state aid due and not paid by October 1 accrues interest payable to the state aid recipient at

77.1 the rate of one percent for each month or part of a month that the amount remains unpaid  
77.2 after October 1.

77.3 Sec. 25. Minnesota Statutes 2016, section 80A.65, subdivision 9, is amended to read:

77.4 Subd. 9. **Generally.** No filing for which a fee is required shall be deemed to be filed or  
77.5 given any effect until the proper fee is paid. All fees and charges collected by the  
77.6 administrator shall be covered into the state treasury. When any person is entitled to a refund  
77.7 under this section, the administrator shall certify to the commissioner of management and  
77.8 budget the amount of the fee to be refunded to the applicant, and the commissioner of  
77.9 management and budget shall issue a ~~warrant~~ in payment thereof out of the fund to which  
77.10 such fee was credited in the manner provided by law. There is hereby appropriated to the  
77.11 person entitled to such refunds from the fund in the state treasury to which such fees were  
77.12 credited an amount to make such refunds and payments.

77.13 Sec. 26. Minnesota Statutes 2016, section 84A.23, subdivision 4, is amended to read:

77.14 Subd. 4. **Drainage ditch bonds; reports.** (a) Immediately after a project is approved  
77.15 and accepted and then after each distribution of the tax collections on the June and November  
77.16 tax settlements, the county auditor shall certify to the commissioner of management and  
77.17 budget the following information relating to bonds issued to finance or refinance public  
77.18 drainage ditches wholly or partly within the projects, and the collection of assessments  
77.19 levied on account of the ditches:

77.20 (1) the amount of principal and interest to become due on the bonds before the next tax  
77.21 settlement and distribution;

77.22 (2) the amount of money collected from the drainage assessments and credited to the  
77.23 funds of the ditches; and

77.24 (3) the amount of the deficit in the ditch fund of the county chargeable to the ditches.

77.25 (b) On approving the certificate, the commissioner of management and budget shall  
77.26 ~~draw a warrant~~ issue a payment, payable out of the fund pertaining to the project, for the  
77.27 amount of the deficit in favor of the county.

77.28 (c) As to public drainage ditches wholly within a project, the amount of money paid to  
77.29 or for the benefit of the county under paragraph (b) must never exceed the principal and  
77.30 interest of the bonds issued to finance or refinance the ditches outstanding at the time of  
77.31 the passage and approval of sections 84A.20 to 84A.30, less money on hand in the county  
77.32 ditch fund to the credit of the ditches. The liabilities must be reduced from time to time by

78.1 the amount of all payments of assessments after April 25, 1931, made by the owners of  
78.2 lands assessed before that date for benefits on account of the ditches.

78.3 (d) As to public drainage ditches partly within and partly outside a project, the amount  
78.4 paid from the fund pertaining to the project to or for the benefit of the county must never  
78.5 exceed a certain percentage of bonds issued to finance and refinance the ditches so  
78.6 outstanding, less money on hand in the county ditch fund to the credit of the ditches on  
78.7 April 25, 1931. The percentage must bear the same proportion to the whole amount of these  
78.8 bonds as the original benefits assessed against lands within the project bear to the original  
78.9 total benefits assessed to the entire system of the ditches. This liability shall be reduced  
78.10 from time to time by the payments of all assessments extended after April 25, 1931, made  
78.11 by the owners of lands within the project of assessments for benefits assessed before that  
78.12 date on account of a ditch.

78.13 (e) The commissioner of management and budget may provide and prescribe forms for  
78.14 reports required by sections 84A.20 to 84A.30 and require any additional information from  
78.15 county officials that the commissioner of management and budget considers necessary for  
78.16 the proper administration of sections 84A.20 to 84A.30.

78.17 Sec. 27. Minnesota Statutes 2016, section 84A.33, subdivision 4, is amended to read:

78.18 Subd. 4. **Ditch bonds; funds; payments to counties.** (a) Upon the approval and  
78.19 acceptance of a project and after each distribution of the tax collections for the June and  
78.20 November tax settlements, the county auditor shall certify to the commissioner of  
78.21 management and budget the following information about bonds issued to finance or refinance  
78.22 public drainage ditches wholly or partly within the projects, and the collection of assessments  
78.23 levied for the ditches:

78.24 (1) the amount of principal and interest to become due on the bonds before the next tax  
78.25 settlement and distribution;

78.26 (2) the amount of money collected from the drainage assessments and credited to the  
78.27 funds of the ditches, not already sent to the commissioner of management and budget as  
78.28 provided in sections 84A.31 to 84A.42; and

78.29 (3) the amount of the deficit in the ditch fund of the county chargeable to the ditches.

78.30 (b) On approving this certificate of the county auditor, the commissioner of management  
78.31 and budget shall ~~draw a warrant~~ issue a payment, payable out of the fund provided for in  
78.32 sections 84A.31 to 84A.42, and send it to the county treasurer of the county. These funds  
78.33 must be credited to the proper ditch of the county and placed in the ditch bond fund of the

79.1 county, which is created, and used only to pay the ditch bonded indebtedness of the county  
 79.2 assumed by the state under sections 84A.31 to 84A.42. The total amount of ~~warrants drawn~~  
 79.3 payments issued must not exceed in any one year the total amount of the deficit provided  
 79.4 for under this section.

79.5 (c) The state is subrogated to all title, right, interest, or lien of the county in or on the  
 79.6 lands so certified within these projects.

79.7 (d) As to public drainage ditches wholly within a project, the amount paid to, or for the  
 79.8 benefit of, the county under this subdivision must never exceed the principal and interest  
 79.9 of the bonds issued to finance or refinance a ditch outstanding on April 22, 1933, less money  
 79.10 on hand in the county ditch fund to the credit of a ditch. These liabilities must be reduced  
 79.11 from time to time by the amount of any payments of assessments extended after April 22,  
 79.12 1933, made by the owners of lands assessed before that date for benefits on account of the  
 79.13 ditches.

79.14 As to public drainage ditches partly within and partly outside a project the amount paid  
 79.15 from the fund pertaining to the project to or for the benefit of the county must never exceed  
 79.16 a certain percentage of bonds issued to finance and refinance a ditch so outstanding, less  
 79.17 money on hand in the county ditch fund to the credit of a ditch on April 22, 1932. The  
 79.18 percentage must bear the same proportion to the whole amount of the bonds as the original  
 79.19 benefits assessed against these lands within the project bear to the original total benefits  
 79.20 assessed to the entire system for a ditch. This liability must be reduced from time to time  
 79.21 by the payments of all assessments extended after April 22, 1933, made by the owners of  
 79.22 lands within the project of assessments for benefits assessed before that date on account of  
 79.23 a ditch.

79.24 Sec. 28. Minnesota Statutes 2016, section 84A.40, is amended to read:

79.25 **84A.40 COUNTY MAY ASSUME BONDS.**

79.26 Any county where a project or portion of it is located may voluntarily assume, in the  
 79.27 manner specified in this section, the obligation to pay a portion of the principal and interest  
 79.28 of the bonds issued before the approval and acceptance of the project and remaining unpaid  
 79.29 at maturity, of any school district or town in the county and wholly or partly within the  
 79.30 project. The portion must bear the same proportion to the whole of the unpaid principal and  
 79.31 interest as the last net tax capacity, before the acceptance of the project, of lands then  
 79.32 acquired by the state under sections 84A.31 to 84A.42 in the school districts or towns bears  
 79.33 to the total net tax capacity for the same year of the school district or town. This assumption  
 79.34 must be evidenced by a resolution of the county board of the county. A copy of the resolution

80.1 must be certified to the commissioner of management and budget within one year after the  
80.2 acceptance of the project.

80.3 Later, if any of the bonds remains unpaid at maturity, the county board shall, upon  
80.4 demand of the governing body of the school district or town or of a bondholder, provide  
80.5 for the payment of the portion assumed. The county shall levy general taxes on all the taxable  
80.6 property of the county for that purpose, or issue its bonds to raise the sum needed, conforming  
80.7 to law respecting the issuance of county refunding bonds. The proceeds of taxes or bonds  
80.8 must be paid by the county treasurer to the treasurer of the school district or town. No  
80.9 payments shall be made by the county to the school district or town until the money in the  
80.10 treasury of the school district or town, together with the money to be paid by the county, is  
80.11 sufficient to pay in full each of the bonds as it becomes due.

80.12 If a county fails to adopt and certify the resolution, the commissioner of management  
80.13 and budget shall withhold from the payments to be made to the county under section 84A.32  
80.14 a sum equal to that portion of the principal and interest of the outstanding bonds that bears  
80.15 the same proportion to the whole of the bonds as the above determined net tax capacity of  
80.16 lands acquired by the state within the project bears to the total net tax capacity for the same  
80.17 year of the school district or town. Money withheld from the county must be set aside in  
80.18 the state treasury and not paid to the county until the full principal and interest of the school  
80.19 district and town bonds have been paid.

80.20 If any bonds remain unpaid at maturity, upon the demand of the governing body of the  
80.21 school district or town, or a bondholder, the commissioner of management and budget shall  
80.22 issue to the treasurer of the school district or town a ~~warrant~~ payment for that portion of the  
80.23 past due principal and interest computed as in the case of the county's liability authorized  
80.24 in this section to be voluntarily assumed. Money received by a school district or town under  
80.25 this section must be applied to the payment of past-due bonds and interest.

80.26 Sec. 29. Minnesota Statutes 2016, section 84A.52, is amended to read:

80.27 **84A.52 ACCOUNTS; EXAMINATION, APPROPRIATION, PAYMENT.**

80.28 As a part of the examination provided for by section 6.481, of the accounts of the several  
80.29 counties within a game preserve, area, or project established under section 84A.01, 84A.20,  
80.30 or 84A.31, the state auditor shall segregate the audit of the accounts reflecting the receipt  
80.31 and disbursement of money collected or disbursed under this chapter or from the sale of  
80.32 tax-forfeited lands held by the state under section 84A.07, 84A.26, or 84A.36. The auditor  
80.33 shall also include in the reports required by section 6.481 summary statements as of  
80.34 December 31 before the examination that set forth the proportionate amount of principal

81.1 and interest due from the state to the individual county and any money due the state from  
 81.2 the county remaining unpaid under this chapter, or from the sale of any tax-forfeited lands  
 81.3 referred to in this section, and other information required by the commissioner of management  
 81.4 and budget. On receiving a report, the commissioner of management and budget shall  
 81.5 determine the net amount due to the county for the period covered by the report and shall  
 81.6 ~~draw a warrant~~ issue a payment upon the state treasury payable out of the consolidated fund  
 81.7 for that amount. It must be paid to and received by the county as payment in full of all  
 81.8 amounts due for the period stated on the ~~warrants~~ payments from the state under any  
 81.9 provision of this chapter.

81.10 Money to ~~pay the warrants~~ make the payments is appropriated to the counties entitled  
 81.11 to payment from the consolidated fund in the state treasury.

81.12 Sec. 30. Minnesota Statutes 2016, section 88.12, subdivision 1, is amended to read:

81.13 Subdivision 1. **Limitation.** The compensation and expenses of persons temporarily  
 81.14 employed in emergencies in suppression or control of wildfires shall be fixed by the  
 81.15 commissioner of natural resources or an authorized agent and paid as provided by law. Such  
 81.16 compensation shall not exceed the maximum rate for comparable labor established as  
 81.17 provided by law or rules, but shall not be subject to any minimum rate so established. The  
 81.18 commissioner is authorized to draw and expend from money appropriated for the purposes  
 81.19 of sections 88.03 to 88.22 a reasonable sum and through forest officers or other authorized  
 81.20 agent be used in paying emergency expenses, including just compensation for services  
 81.21 rendered by persons summoned and for private property used, damaged, or appropriated  
 81.22 under sections 88.03 to 88.22. The commissioner of management and budget is authorized  
 81.23 to ~~draw a warrant~~ issue a payment for this sum when duly approved by the commissioner.  
 81.24 The commissioner or agent in charge shall take proper subvouchers or receipts from all  
 81.25 persons to whom these moneys are paid, and after these subvouchers have been approved  
 81.26 they shall be filed with the commissioner of management and budget. Authorized funds as  
 81.27 herein provided at any time shall be deposited, subject to withdrawal or disbursement by  
 81.28 check or otherwise for the purposes herein prescribed, in a bank authorized and bonded to  
 81.29 receive state deposits; and the bond of this bank to the state shall cover and include this  
 81.30 deposit.

81.31 Sec. 31. Minnesota Statutes 2016, section 94.522, is amended to read:

81.32 **94.522 TRANSMISSION OF ~~WARRANTS~~ PAYMENTS TO COUNTY**  
 81.33 **TREASURERS; USE OF PROCEEDS.**

82.1 It shall be the duty of the commissioner of management and budget to transmit ~~warrants~~  
 82.2 ~~on payments from~~ the state treasury to the county treasurer of the respective counties for  
 82.3 the sums that may be due in accordance with section 94.521, which sums are hereby  
 82.4 appropriated out of the state treasury from the amounts received from the United States  
 82.5 government pursuant to the aforesaid acts of Congress, and such money shall be used by  
 82.6 the counties receiving the same for the purposes and in the proportions herein provided.

82.7 Sec. 32. Minnesota Statutes 2016, section 94.53, is amended to read:

82.8 **94.53 ~~WARRANT~~ PAYMENT TO COUNTY TREASURERS; FEDERAL LOANS**  
 82.9 **TO COUNTIES.**

82.10 It shall be the duty of the commissioner of management and budget to transmit ~~warrants~~  
 82.11 ~~on payments from~~ the state treasury to the county treasurers of the respective counties for  
 82.12 the sum that may be due in accordance with sections 94.52 to 94.54, which sum or sums  
 82.13 are hereby appropriated out of the state treasury from the amounts received from the United  
 82.14 States government pursuant to the aforesaid act of Congress. The commissioner of  
 82.15 management and budget, upon being notified by the federal government or any agencies  
 82.16 thereof that a loan has been made to any such county the repayment of which is to be made  
 82.17 from such fund, is authorized to transmit a ~~warrant or warrants~~ payment to the federal  
 82.18 government or any agency thereof sufficient to repay such loan out of any money apportioned  
 82.19 or due to such county under the provisions of such act of Congress, approved May 23, 1908  
 82.20 (Statutes at Large, volume 35, page 260).

82.21 Sec. 33. Minnesota Statutes 2016, section 116J.64, subdivision 7, is amended to read:

82.22 Subd. 7. **Processing.** (a) An Indian desiring a loan for the purpose of starting a business  
 82.23 enterprise or expanding an existing business shall make application to the appropriate tribal  
 82.24 government. The application shall be forwarded to the appropriate eligible organization, if  
 82.25 it is participating in the program, for consideration in conformity with the plans submitted  
 82.26 by said tribal governments. The tribal government may approve the application if it  
 82.27 determines that the loan would advance the goals of the Indian business loan program. If  
 82.28 the tribal government is not participating in the program, the agency may directly approve  
 82.29 or deny the loan application.

82.30 (b) If the application is approved, the tribal government shall forward the application,  
 82.31 together with all relevant documents pertinent thereto, to the commissioner of the agency,  
 82.32 who shall ~~cause a warrant~~ request a payment to be drawn in favor of issued to the applicant

83.1 or the applicable tribal government, or the agency, if it is administering the loan, with  
83.2 appropriate notations identifying the borrower.

83.3 (c) The tribal government, eligible organization, or the agency, if it is administering the  
83.4 loan, shall maintain records of transactions for each borrower in a manner consistent with  
83.5 good accounting practice. The interest rate on a loan shall be established by the tribal  
83.6 government or the agency, but may be no less than two percent per annum nor more than  
83.7 ten percent per annum. When any portion of a debt is repaid, the tribal government, eligible  
83.8 organization, or the agency, if it is administering the loan, shall remit the amount so received  
83.9 plus interest paid thereon to the commissioner of management and budget through the  
83.10 agency. The amount so received shall be credited to the Indian business loan account.

83.11 (d) On the placing of a loan, additional money equal to ten percent of the total amount  
83.12 made available to any tribal government, eligible organization, or the agency, if it is  
83.13 administering the loan, for loans during the fiscal year shall be paid to the tribal government,  
83.14 eligible organization, or the agency, prior to December 31 for the purpose of financing  
83.15 administrative costs.

83.16 Sec. 34. Minnesota Statutes 2016, section 126C.55, subdivision 2, is amended to read:

83.17 Subd. 2. **Notifications; payment; appropriation.** (a) If a school district or intermediate  
83.18 school district believes that it may be unable to make a principal or interest payment on any  
83.19 outstanding debt obligation on the date that payment is due, it must notify the commissioner  
83.20 as soon as possible, but not less than 15 working days before the date that principal or  
83.21 interest payment is due. The notice must include the name of the school district or  
83.22 intermediate school district, an identification of the debt obligation issue in question, the  
83.23 date the payment is due, the amount of principal and interest due on the payment date, the  
83.24 amount of principal or interest that the school district or intermediate school district will be  
83.25 unable to repay on that date, the paying agent for the debt obligation, the wire transfer  
83.26 instructions to transfer funds to that paying agent, and an indication as to whether a payment  
83.27 is being requested by the school district or intermediate school district under this section.  
83.28 If a paying agent becomes aware of a potential default, it shall inform the commissioner of  
83.29 that fact. After receipt of a notice which requests a payment under this section, after  
83.30 consultation with the school district or intermediate school district and the paying agent,  
83.31 and after verification of the accuracy of the information provided, the commissioner shall  
83.32 notify the commissioner of management and budget of the potential default. The notice  
83.33 must include a final figure as to the amount due that the school district or intermediate  
83.34 school district will be unable to repay on the date due.

84.1 (b) Except as provided in subdivision 9, upon receipt of this notice from the  
 84.2 commissioner, the commissioner of management and budget shall issue a ~~warrant~~ payment  
 84.3 and authorize the commissioner of education to pay to the paying agent for the debt obligation  
 84.4 the specified amount on or before the date due. The amounts needed for the purposes of  
 84.5 this subdivision are annually appropriated to the department from the state general fund.

84.6 (c) The Departments of Education and Management and Budget must jointly develop  
 84.7 detailed procedures for school districts and intermediate school districts to notify the state  
 84.8 that they have obligated themselves to be bound by the provisions of this section, procedures  
 84.9 for school districts or intermediate school districts and paying agents to notify the state of  
 84.10 potential defaults and to request state payment under this section, and procedures for the  
 84.11 state to expedite payments to prevent defaults. The procedures are not subject to chapter  
 84.12 14.

84.13 Sec. 35. Minnesota Statutes 2016, section 126C.55, subdivision 9, is amended to read:

84.14 Subd. 9. **State bond rating.** If the commissioner of management and budget determines  
 84.15 that the credit rating of the state would be adversely affected thereby, the commissioner of  
 84.16 management and budget shall not issue ~~warrants~~ payments under subdivision 2 for the  
 84.17 payment of principal or interest on any debt obligations for which a district did not, prior  
 84.18 to their issuance, obligate itself to be bound by the provisions of this section.

84.19 Sec. 36. Minnesota Statutes 2016, section 126C.68, subdivision 3, is amended to read:

84.20 Subd. 3. **Warrant Payment.** The commissioner shall issue to each district whose note  
 84.21 has been so received a ~~warrant~~ payment on the debt service loan account of the maximum  
 84.22 effort school loan fund, payable on presentation to the commissioner of management and  
 84.23 budget out of any money in such account. The ~~warrant~~ payment shall be issued by the  
 84.24 commissioner in sufficient time to coincide with the next date on which the district is  
 84.25 obligated to make principal or interest payments on its bonded debt in the ensuing year.  
 84.26 Interest must accrue from the date such ~~warrant~~ payment is issued. The proceeds thereof  
 84.27 must be used by the district to pay principal or interest on its bonded debt falling due in the  
 84.28 ensuing year.

84.29 Sec. 37. Minnesota Statutes 2016, section 126C.69, subdivision 14, is amended to read:

84.30 Subd. 14. **Participation by county auditor; record of contract; payment of loan.** The  
 84.31 district must file a copy of the capital loan contract with the county auditor of each county  
 84.32 in which any part of the district is situated. The county auditor shall enter the capital loan,

85.1 evidenced by the contract, in the auditor's bond register. The commissioner shall keep a  
 85.2 record of each capital loan and contract showing the name and address of the district, the  
 85.3 date of the contract, and the amount of the loan initially approved. On receipt of the resolution  
 85.4 required in subdivision 12, the commissioner shall issue ~~warrants~~ payments, which may be  
 85.5 dispersed in accordance with the schedule in the contract, on the capital loan account for  
 85.6 the amount that may be disbursed under subdivision 1. Interest on each disbursement of the  
 85.7 capital loan amount accrues from the date on which the commissioner of management and  
 85.8 budget issues the ~~warrant~~ payment.

85.9 Sec. 38. Minnesota Statutes 2016, section 127A.34, subdivision 1, is amended to read:

85.10 Subdivision 1. **Copy to commissioner of management and budget; appropriation.**  
 85.11 The commissioner shall furnish a copy of the apportionment of the school endowment fund  
 85.12 to the commissioner of management and budget, who thereupon shall ~~draw warrants on~~  
 85.13 issue payments from the state treasury, payable to the several districts, for the amount due  
 85.14 each district. There is hereby annually appropriated from the school endowment fund the  
 85.15 amount of such apportionments.

85.16 Sec. 39. Minnesota Statutes 2016, section 127A.40, is amended to read:

85.17 **127A.40 MANNER OF PAYMENT OF STATE AIDS.**

85.18 It shall be the duty of the commissioner to deliver to the commissioner of management  
 85.19 and budget a certificate for each district entitled to receive state aid under the provisions of  
 85.20 this chapter. Upon the receipt of such certificate, it shall be the duty of the commissioner  
 85.21 of management and budget to ~~draw a warrant in favor of~~ issue a payment to the district for  
 85.22 the amount shown by each certificate to be due to the district. The commissioner of  
 85.23 management and budget shall transmit such ~~warrants~~ payments to the district together with  
 85.24 a copy of the certificate prepared by the commissioner.

85.25 Sec. 40. Minnesota Statutes 2016, section 136F.46, subdivision 1, is amended to read:

85.26 Subdivision 1. **Request; ~~warrant~~ payment.** The commissioner of management and  
 85.27 budget, upon the written request of an employee of the board, may deduct from an employee's  
 85.28 salary or wages the amount requested for payment to a nonprofit state college or university  
 85.29 foundation meeting the requirements in subdivision 2. The commissioner shall issue a  
 85.30 ~~warrant~~ payment for the deducted amount to the nonprofit foundation. The Penny Fellowship  
 85.31 and the Nellie Stone Johnson Scholarship Program of the Minnesota State University Student

86.1 Association shall be considered nonprofit state college and university foundations for  
86.2 purposes of this section.

86.3 Sec. 41. Minnesota Statutes 2016, section 136F.70, subdivision 3, is amended to read:

86.4 Subd. 3. **Refunds.** The board may make refunds to students for tuition, activity fees,  
86.5 union fees, and any other fees from imprest cash funds. The imprest cash fund shall be  
86.6 reimbursed periodically by ~~checks or warrants drawn on~~ payments issued from the funds  
86.7 and accounts to which the refund should ultimately be charged. The amounts necessary to  
86.8 pay the refunds are appropriated from the funds and accounts to which they are charged.

86.9 Sec. 42. Minnesota Statutes 2016, section 162.08, subdivision 10, is amended to read:

86.10 Subd. 10. **Project approval, reports.** When the county board of any county determines  
86.11 to do any construction work on a county state-aid highway or other road eligible for the  
86.12 expenditure of state aid funds within the county, and desires to expend on such work a  
86.13 portion of the money apportioned or allocated to it out of the county state-aid highway fund,  
86.14 the county shall first obtain approval of the project by the commissioner. Thereafter the  
86.15 county engineer shall make such reports in such manner as the commissioner requires under  
86.16 rules of the commissioner. Upon receipt of satisfactory reports, the commissioner shall  
86.17 certify to the commissioner of management and budget the amount of money that is eligible  
86.18 to be paid from the county's apportionment or allocation for the work under contract or  
86.19 actually completed. The commissioner of management and budget shall thereupon issue a  
86.20 warrant payment in that amount payable to the county treasurer. In no event shall the ~~warrant~~  
86.21 payment with all other ~~warrants payments~~ issued exceed the amount apportioned and  
86.22 allocated to the county.

86.23 Sec. 43. Minnesota Statutes 2016, section 162.08, subdivision 11, is amended to read:

86.24 Subd. 11. **Certification required to issue warrants payment.** The commissioner of  
86.25 management and budget shall not issue any ~~warrants payments~~ warrants payment without the certification of  
86.26 the commissioner.

86.27 Sec. 44. Minnesota Statutes 2016, section 162.14, subdivision 4, is amended to read:

86.28 Subd. 4. **Project approval and reports.** When the governing body of any such city  
86.29 determines to do any construction work on any municipal state-aid street or other streets  
86.30 within the city upon which money apportioned out of the municipal state-aid street fund  
86.31 may be used as provided in subdivision 2, the governing body shall first obtain the approval

87.1 of the commissioner. Thereafter, the engineer of the city shall make reports in such manner  
87.2 as the commissioner requires in accordance with the commissioner's rules. Upon receipt of  
87.3 satisfactory reports the commissioner shall certify to the commissioner of management and  
87.4 budget the amount of money that is eligible to be paid from the city's apportionment for the  
87.5 work under contract or actually completed. The commissioner of management and budget  
87.6 shall thereupon issue a ~~warrant~~ warrant payment in that amount payable to the fiscal officers of the  
87.7 city. In no event shall the ~~warrant~~ warrant payment with all other ~~warrants~~ warrant payments issued exceed  
87.8 the amount apportioned to the city.

87.9 Sec. 45. Minnesota Statutes 2016, section 162.14, subdivision 5, is amended to read:

87.10 Subd. 5. **Certification required to issue ~~warrant~~ warrant payment.** The commissioner of  
87.11 management and budget shall not issue any ~~warrants~~ warrant payments as provided for in subdivision  
87.12 4 without the prior certification of the commissioner.

87.13 Sec. 46. Minnesota Statutes 2016, section 162.18, subdivision 4, is amended to read:

87.14 Subd. 4. **Certification to commissioner of money required.** Any municipality issuing  
87.15 and selling bonds pursuant to this section shall certify to the commissioner the amount of  
87.16 money required annually for the payment of principal and interest on the obligation. Upon  
87.17 receipt thereof, the commissioner shall certify to the commissioner of management and  
87.18 budget the sum of money needed annually by the municipality for the principal and interest,  
87.19 provided that the amount certified by the commissioner shall not exceed the limit heretofore  
87.20 specified. The commissioner of management and budget shall thereafter, until said bonds  
87.21 are retired, issue a ~~warrant~~ warrant payment annually in the amount certified payable to the fiscal  
87.22 officer of the municipality, and the amount thereof shall be deposited by the fiscal officer  
87.23 in the sinking fund from which the obligations are payable.

87.24 Sec. 47. Minnesota Statutes 2016, section 162.181, subdivision 4, is amended to read:

87.25 Subd. 4. **Certification to commissioner of money required.** Any county issuing and  
87.26 selling bonds pursuant to this section shall certify to the commissioner the amount of money  
87.27 required annually for the payment of principal and interest on the obligation. Upon receipt  
87.28 thereof, the commissioner shall certify to the commissioner of management and budget the  
87.29 sum of money needed annually by the county for the principal and interest, provided that  
87.30 the amount certified by the commissioner shall not exceed the limit heretofore specified.  
87.31 The commissioner of management and budget shall thereafter, until said bonds are retired,  
87.32 issue a ~~warrant~~ warrant payment annually in the amount certified payable to the county treasurer of

88.1 the county, and the amount thereof shall be deposited by the county treasurer in the sinking  
88.2 fund from which the obligations are payable.

88.3 Sec. 48. Minnesota Statutes 2016, section 163.051, subdivision 3, is amended to read:

88.4 Subd. 3. **Distribution to county; appropriation.** On a monthly basis, the registrar of  
88.5 motor vehicles shall issue a ~~warrant~~ payment in favor of the treasurer of each county for  
88.6 which the registrar has collected a wheelage tax in the amount of such tax then on hand in  
88.7 the county wheelage tax account. There is hereby appropriated from the county wheelage  
88.8 tax account each year, to each county entitled to payments authorized by this section,  
88.9 sufficient moneys to make such payments.

88.10 Sec. 49. Minnesota Statutes 2016, section 176.181, subdivision 2, is amended to read:

88.11 Subd. 2. **Compulsory insurance; self-insurers.** (a) Every employer, except the state  
88.12 and its municipal subdivisions, liable under this chapter to pay compensation shall insure  
88.13 payment of compensation with some insurance carrier authorized to insure workers'  
88.14 compensation liability in this state, or obtain a written order from the commissioner of  
88.15 commerce exempting the employer from insuring liability for compensation and permitting  
88.16 self-insurance of the liability. The terms, conditions and requirements governing  
88.17 self-insurance shall be established by the commissioner pursuant to chapter 14. The  
88.18 commissioner of commerce shall also adopt, pursuant to paragraph (d), rules permitting  
88.19 two or more employers, whether or not they are in the same industry, to enter into agreements  
88.20 to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers.  
88.21 With the approval of the commissioner of commerce, any employer may exclude medical,  
88.22 chiropractic and hospital benefits as required by this chapter. An employer conducting  
88.23 distinct operations at different locations may either insure or self-insure the other portion  
88.24 of operations as a distinct and separate risk. An employer desiring to be exempted from  
88.25 insuring liability for compensation shall make application to the commissioner of commerce,  
88.26 showing financial ability to pay the compensation, whereupon by written order the  
88.27 commissioner of commerce, on deeming it proper, may make an exemption. An employer  
88.28 may establish financial ability to pay compensation by providing financial statements of  
88.29 the employer to the commissioner of commerce. Upon ten days' written notice the  
88.30 commissioner of commerce may revoke the order granting an exemption, in which event  
88.31 the employer shall immediately insure the liability. As a condition for the granting of an  
88.32 exemption the commissioner of commerce may require the employer to furnish security the  
88.33 commissioner of commerce considers sufficient to insure payment of all claims under this  
88.34 chapter, consistent with subdivision 2b. If the required security is in the form of currency

89.1 or negotiable bonds, the commissioner of commerce shall deposit it with the commissioner  
89.2 of management and budget. In the event of any default upon the part of a self-insurer to  
89.3 abide by any final order or decision of the commissioner of labor and industry directing and  
89.4 awarding payment of compensation and benefits to any employee or the dependents of any  
89.5 deceased employee, then upon at least ten days' notice to the self-insurer, the commissioner  
89.6 of commerce may by written order to the commissioner of management and budget require  
89.7 the commissioner of management and budget to sell the pledged and assigned securities or  
89.8 a part thereof necessary to pay the full amount of any such claim or award with interest  
89.9 thereon. This authority to sell may be exercised from time to time to satisfy any order or  
89.10 award of the commissioner of labor and industry or any judgment obtained thereon. When  
89.11 securities are sold the money obtained shall be deposited in the state treasury to the credit  
89.12 of the commissioner of commerce and awards made against any such self-insurer by the  
89.13 commissioner of commerce shall be paid to the persons entitled thereto by the commissioner  
89.14 of management and budget upon ~~warrants prepared~~ payments requested by the commissioner  
89.15 of commerce out of the proceeds of the sale of securities. Where the security is in the form  
89.16 of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at  
89.17 least ten days' notice and opportunity to be heard, may require the surety to pay the amount  
89.18 of the award, the payments to be enforced in like manner as the award may be enforced.

89.19 (b) No association, corporation, partnership, sole proprietorship, trust or other business  
89.20 entity shall provide services in the design, establishment or administration of a group  
89.21 self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed, or  
89.22 exempt from licensure, pursuant to section 60A.23, subdivision 8, to do so by the  
89.23 commissioner of commerce. An applicant for a license shall state in writing the type of  
89.24 activities it seeks authorization to engage in and the type of services it seeks authorization  
89.25 to provide. The license shall be granted only when the commissioner of commerce is satisfied  
89.26 that the entity possesses the necessary organization, background, expertise, and financial  
89.27 integrity to supply the services sought to be offered. The commissioner of commerce may  
89.28 issue a license subject to restrictions or limitations, including restrictions or limitations on  
89.29 the type of services which may be supplied or the activities which may be engaged in. The  
89.30 license is for a two-year period.

89.31 (c) To assure that group self-insurance plans are financially solvent, administered in a  
89.32 fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and  
89.33 equitable manner, entities licensed to engage in such business are subject to supervision  
89.34 and examination by the commissioner of commerce.

90.1 (d) To carry out the purposes of this subdivision, the commissioner of commerce may  
 90.2 promulgate administrative rules pursuant to sections 14.001 to 14.69. These rules may:

90.3 (1) establish reporting requirements for administrators of group self-insurance plans;

90.4 (2) establish standards and guidelines consistent with subdivision 2b to assure the  
 90.5 adequacy of the financing and administration of group self-insurance plans;

90.6 (3) establish bonding requirements or other provisions assuring the financial integrity  
 90.7 of entities administering group self-insurance plans;

90.8 (4) establish standards, including but not limited to minimum terms of membership in  
 90.9 self-insurance plans, as necessary to provide stability for those plans;

90.10 (5) establish standards or guidelines governing the formation, operation, administration,  
 90.11 and dissolution of self-insurance plans; and

90.12 (6) establish other reasonable requirements to further the purposes of this subdivision.

90.13 Sec. 50. Minnesota Statutes 2016, section 176.581, is amended to read:

90.14 **176.581 PAYMENT TO STATE EMPLOYEES.**

90.15 Upon a ~~warrant~~ warrant request prepared by the commissioner of administration, and in  
 90.16 accordance with the terms of the order awarding compensation, the commissioner of  
 90.17 management and budget shall pay compensation to the employee or the employee's  
 90.18 dependent. These payments shall be made from money appropriated for this purpose.

90.19 Sec. 51. Minnesota Statutes 2016, section 176.591, subdivision 3, is amended to read:

90.20 Subd. 3. **Compensation payments upon ~~warrants~~ warrant request.** The commissioner of  
 90.21 management and budget shall make compensation payments from the fund only as authorized  
 90.22 by this chapter upon ~~warrants~~ warrant request of the commissioner of administration.

90.23 Sec. 52. Minnesota Statutes 2016, section 192.55, is amended to read:

90.24 **192.55 PAYMENTS TO BE MADE THROUGH ADJUTANT GENERAL.**

90.25 All pay and allowances and necessary expenses for any of the military forces shall, when  
 90.26 approved by the adjutant general, be paid by the commissioner of management and budget's  
 90.27 ~~warrants issued~~ budget to the several officers and enlisted members entitled thereto; provided,  
 90.28 that upon the request of the adjutant general, approved by the governor, the sum required  
 90.29 for any such pay or allowances and necessary expenses shall be paid by the commissioner  
 90.30 of management and budget's ~~warrant~~ budget to the adjutant general, who shall immediately

91.1 pay and distribute the same to the several officers or enlisted members entitled thereto or  
 91.2 to their commanding officers or to a finance officer designated by the adjutant general. The  
 91.3 receipt of any such commanding officer or finance officer for any such payment shall  
 91.4 discharge the adjutant general from liability therefor. Every commanding officer or finance  
 91.5 officer receiving any such payment shall, as soon as practicable, pay and distribute the same  
 91.6 to the several officers or enlisted members entitled thereto. The officer making final payment  
 91.7 shall, as evidence thereof, secure the signature of the person receiving the same upon a  
 91.8 payroll or other proper voucher.

91.9 Sec. 53. Minnesota Statutes 2016, section 196.052, is amended to read:

91.10 **196.052 GIFT ACCEPTANCE AND INVESTMENT.**

91.11 On the behalf of the state, the commissioner may accept any gift, grant, bequest, or  
 91.12 devise made for the purposes of this chapter and chapter 197. The commissioner must  
 91.13 administer the funds as directed by the donor. All funds must be deposited in the state  
 91.14 treasury and credited to the veterans affairs endowment, bequest, and devises fund. The  
 91.15 balance of the fund is annually appropriated to the commissioner of veterans affairs to  
 91.16 accomplish the purposes of this chapter and chapter 197. Funds received by the commissioner  
 91.17 under this section in excess of current needs must be invested by the State Board of  
 91.18 Investment in accordance with section 11A.24. Disbursements from this fund must be in  
 91.19 the manner provided for the issuance of other state ~~warrants~~ payments. The commissioner  
 91.20 may refuse to accept any gift, grant, bequest, or devise if acceptance would not be in the  
 91.21 best interest of the state or Minnesota's veterans.

91.22 Sec. 54. Minnesota Statutes 2016, section 198.16, is amended to read:

91.23 **198.16 PLANNED GIVING.**

91.24 The commissioner is authorized to accept on behalf of the state any gift, grant, bequest,  
 91.25 or devise made for the purposes of this chapter, and administer the same as directed by the  
 91.26 donor. All proceeds therefrom including money derived from the sale of any real or personal  
 91.27 property must be deposited in the state treasury, invested by the State Board of Investment  
 91.28 in accordance with sections 11A.24 and 11A.25, and credited to the Minnesota veterans  
 91.29 home endowment, bequest, and devises fund. That fund consists of separate accounts for  
 91.30 investing general and restricted gifts, money, and donations received and for any currently  
 91.31 expendable proceeds.

91.32 The commissioner shall maintain records of all gifts received, clearly showing the identity  
 91.33 of the donor, the purpose of the donation, and the ultimate disposition of the donation. Each

92.1 donation must be duly receipted and must be expended or used by the commissioner as  
 92.2 nearly in accordance with the condition of the gift or donation as is compatible with the  
 92.3 best interests of the residents of the homes. Money in the fund is appropriated to the  
 92.4 commissioner for the purposes for which it was received. Disbursements from this fund  
 92.5 shall be made in the manner provided for the issuance of other state ~~warrants~~ payments.

92.6 Whenever the commissioner shall deem it advisable, in accordance with law, to sell or  
 92.7 otherwise dispose of any real or personal property thus acquired, the commissioner of  
 92.8 administration upon the request of the commissioner shall sell or otherwise dispose of said  
 92.9 property in the manner provided by law for the sale or disposition of other state property  
 92.10 by the commissioner of administration.

92.11 Sec. 55. Minnesota Statutes 2016, section 237.30, is amended to read:

92.12 **237.30 TELEPHONE INVESTIGATION FUND; APPROPRIATION.**

92.13 A Minnesota Telephone Investigation Fund shall exist for the use of the Department of  
 92.14 Commerce and of the attorney general in investigations, valuations, and revaluations under  
 92.15 section 237.295. All sums paid by the telephone companies to reimburse the department  
 92.16 for its expenses pursuant to section 237.295 shall be credited to the revolving fund and shall  
 92.17 be deposited in a separate bank account and not commingled with any other state funds or  
 92.18 moneys, but any balance in excess of \$25,000 in the revolving fund at the end of each fiscal  
 92.19 year shall be paid into the state treasury and credited to the general fund. All subsequent  
 92.20 credits to said revolving fund shall be paid ~~upon the warrant of~~ by the commissioner of  
 92.21 management and budget upon application of the department or of the attorney general to  
 92.22 an aggregate amount of not more than one-half of such sums to each of them, which  
 92.23 proportion shall be constantly maintained in all credits and withdrawals from the revolving  
 92.24 fund.

92.25 Sec. 56. Minnesota Statutes 2016, section 241.13, subdivision 1, is amended to read:

92.26 Subdivision 1. **Contingent account.** The commissioner of corrections may permit a  
 92.27 contingent account to remain in the hands of the accounting officer of any such institution  
 92.28 from which expenditures may be made in case of actual emergency requiring immediate  
 92.29 payment to prevent loss or danger to the institution or its inmates and for the purpose of  
 92.30 paying freight, purchasing produce, livestock and other commodities requiring a cash  
 92.31 settlement, and for the purpose of discounting bills incurred, but in all cases subject to  
 92.32 revision by the commissioner of corrections. An itemized statement of every expenditure  
 92.33 made during the month from such account shall be submitted to the commissioner under

93.1 rules established by the commissioner. If necessary, the commissioner shall make proper  
 93.2 requisition upon the commissioner of management and budget for a ~~warrant~~ payment to  
 93.3 secure the contingent account for each institution.

93.4 Sec. 57. Minnesota Statutes 2016, section 244.19, subdivision 7, is amended to read:

93.5 Subd. 7. **Certificate of counties entitled to state aid.** On or before January 1 of each  
 93.6 year, until 1970 and on or before April 1 thereafter, the commissioner of corrections shall  
 93.7 deliver to the commissioner of management and budget a certificate in duplicate for each  
 93.8 county of the state entitled to receive state aid under the provisions of this section. Upon  
 93.9 the receipt of such certificate, the commissioner of management and budget shall ~~draw a~~  
 93.10 ~~warrant in favor of~~ issue a payment to the county treasurer for the amount shown by each  
 93.11 certificate to be due to the county specified. The commissioner of management and budget  
 93.12 shall transmit such ~~warrant~~ payment to the county treasurer together with a copy of the  
 93.13 certificate prepared by the commissioner of corrections.

93.14 Sec. 58. Minnesota Statutes 2016, section 256B.20, is amended to read:

93.15 **256B.20 COUNTY APPROPRIATIONS.**

93.16 The providing of funds necessary to carry out the provisions hereof on the part of the  
 93.17 counties and the manner of administering the funds of the counties and the state shall be as  
 93.18 follows:

93.19 (1) The board of county commissioners of each county shall annually set up in its budget  
 93.20 an item designated as the county medical assistance fund and levy taxes and fix a rate  
 93.21 therefor sufficient to produce the full amount of such item, in addition to all other tax levies  
 93.22 and tax rate, however fixed or determined, sufficient to carry out the provisions hereof and  
 93.23 sufficient to pay in full the county share of assistance and administrative expense for the  
 93.24 ensuing year; and annually on or before October 10 shall certify the same to the county  
 93.25 auditor to be entered by the auditor on the tax rolls. Such tax levy and tax rate shall make  
 93.26 proper allowance and provision for shortage in tax collections.

93.27 (2) Any county may transfer surplus funds from any county fund, except the sinking or  
 93.28 ditch fund, to the general fund or to the county medical assistance fund in order to provide  
 93.29 money necessary to pay medical assistance awarded hereunder. The money so transferred  
 93.30 shall be used for no other purpose, but any portion thereof no longer needed for such purpose  
 93.31 shall be transferred back to the fund from which taken.

94.1 (3) Upon the order of the county agency the county auditor shall draw a warrant on the  
 94.2 proper fund in accordance with the order, and the county treasurer shall pay out the amounts  
 94.3 ordered to be paid out as medical assistance hereunder. When necessary by reason of failure  
 94.4 to levy sufficient taxes for the payment of the medical assistance in the county, the county  
 94.5 auditor shall carry any such payments as an overdraft on the medical assistance funds of  
 94.6 the county until sufficient tax funds shall be provided for such assistance payments. The  
 94.7 board of county commissioners shall include in the tax levy and tax rate in the year following  
 94.8 the year in which such overdraft occurred, an amount sufficient to liquidate such overdraft  
 94.9 in full.

94.10 (4) Claims for reimbursement and reports shall be presented to the state agency by the  
 94.11 respective counties as required under section 256.01, subdivision 2, paragraph (p). The state  
 94.12 agency shall audit such claims and certify to the commissioner of management and budget  
 94.13 the amounts due the respective counties without delay. The amounts so certified shall be  
 94.14 paid within ten days after such certification, from the state treasury upon ~~warrant~~ payment  
 94.15 of the commissioner of management and budget from any money available therefor. The  
 94.16 money available to the state agency to carry out the provisions hereof, including all federal  
 94.17 funds available to the state, shall be kept and deposited by the commissioner of management  
 94.18 and budget in the revenue fund and disbursed ~~upon warrants~~ in the same manner as other  
 94.19 state funds.

94.20 Sec. 59. Minnesota Statutes 2016, section 260B.331, subdivision 2, is amended to read:

94.21 Subd. 2. **Cost of group foster care.** Whenever a child is placed in a group foster care  
 94.22 facility as provided in section 260B.198, subdivision 1, clause (2) or (3), item (v), the cost  
 94.23 of providing the care shall, upon certification by the juvenile court, be paid from the welfare  
 94.24 fund of the county in which the proceedings were held. To reimburse the counties for the  
 94.25 costs of providing group foster care for delinquent children and to promote the establishment  
 94.26 of suitable group foster homes, the state shall quarterly, from funds appropriated for that  
 94.27 purpose, reimburse counties 50 percent of the costs not paid by federal and other available  
 94.28 state aids and grants. Reimbursement shall be prorated if the appropriation is insufficient.

94.29 The commissioner of corrections shall establish procedures for reimbursement and certify  
 94.30 to the commissioner of management and budget each county entitled to receive state aid  
 94.31 under the provisions of this subdivision. Upon receipt of a certificate the commissioner of  
 94.32 management and budget shall issue a state ~~warrant~~ payment to the county treasurer for the  
 94.33 amount due, together with a copy of the certificate prepared by the commissioner of  
 94.34 corrections.

95.1 Sec. 60. Minnesota Statutes 2016, section 260C.331, subdivision 2, is amended to read:

95.2 Subd. 2. **Cost of group foster care.** Whenever a child is placed in a group foster care  
95.3 facility as provided in section 260C.201, subdivision 1, paragraph (b), clause (2) or (3), the  
95.4 cost of providing the care shall, upon certification by the juvenile court, be paid from the  
95.5 welfare fund of the county in which the proceedings were held. To reimburse the counties  
95.6 for the costs of promoting the establishment of suitable group foster homes, the state shall  
95.7 quarterly, from funds appropriated for that purpose, reimburse counties 50 percent of the  
95.8 costs not paid by federal and other available state aids and grants. Reimbursement shall be  
95.9 prorated if the appropriation is insufficient.

95.10 The commissioner of corrections shall establish procedures for reimbursement and certify  
95.11 to the commissioner of management and budget each county entitled to receive state aid  
95.12 under the provisions of this subdivision. Upon receipt of a certificate the commissioner of  
95.13 management and budget shall issue a state ~~warrant~~ payment to the county treasurer for the  
95.14 amount due, together with a copy of the certificate prepared by the commissioner of  
95.15 corrections.

95.16 Sec. 61. Minnesota Statutes 2016, section 273.121, subdivision 1, is amended to read:

95.17 Subdivision 1. **Notice.** Any county assessor or city assessor having the powers of a  
95.18 county assessor, valuing or classifying taxable real property shall in each year notify those  
95.19 persons whose property is to be included on the assessment roll that year if the person's  
95.20 address is known to the assessor, otherwise the occupant of the property. The notice shall  
95.21 be in writing and shall be sent by ordinary mail at least ten days before the meeting of the  
95.22 local board of appeal and equalization under section 274.01 or the review process established  
95.23 under section 274.13, subdivision 1c. Upon written request by the owner of the property,  
95.24 the assessor may send the notice in electronic form or by electronic mail instead of on paper  
95.25 or by ordinary mail. It shall contain: (1) the market value for the current and prior assessment,  
95.26 (2) the qualifying amount of any improvements under section 273.11, subdivision 16, for  
95.27 the current assessment, (3) the market value subject to taxation after subtracting the amount  
95.28 of any qualifying improvements for the current assessment, (4) the classification of the  
95.29 property for the current and prior assessment, (5) the assessor's office address, and (6) the  
95.30 dates, places, and times set for the meetings of the local board of appeal and equalization,  
95.31 the review process established under section 274.13, subdivision 1c, and the county board  
95.32 of appeal and equalization. If the classification of the property has changed between the  
95.33 current and prior assessments, a specific note to that effect shall be prominently listed on  
95.34 the statement. The commissioner of revenue shall specify the form of the notice. The assessor

96.1 shall attach to the assessment roll a statement that the notices required by this section have  
 96.2 been mailed. Any assessor who is not provided sufficient funds from the assessor's governing  
 96.3 body to provide such notices, may make application to the commissioner of revenue to  
 96.4 finance such notices. The commissioner of revenue shall conduct an investigation and, if  
 96.5 satisfied that the assessor does not have the necessary funds, issue a certification to the  
 96.6 commissioner of management and budget of the amount necessary to provide such notices.  
 96.7 The commissioner of management and budget shall issue a ~~warrant~~ payment for such amount  
 96.8 and shall deduct such amount from any state payment to such county or municipality. The  
 96.9 necessary funds to make such payments are hereby appropriated. Failure to receive the  
 96.10 notice shall in no way affect the validity of the assessment, the resulting tax, the procedures  
 96.11 of any board of review or equalization, or the enforcement of delinquent taxes by statutory  
 96.12 means.

96.13 Sec. 62. Minnesota Statutes 2016, section 287.08, is amended to read:

96.14 **287.08 TAX, HOW PAYABLE; RECEIPTS.**

96.15 (a) The tax imposed by sections 287.01 to 287.12 must be paid to the treasurer of any  
 96.16 county in this state in which the real property or some part is located at or before the time  
 96.17 of filing the mortgage for record. The treasurer shall endorse receipt on the mortgage and  
 96.18 the receipt is conclusive proof that the tax has been paid in the amount stated and authorizes  
 96.19 any county recorder or registrar of titles to record the mortgage. Its form, in substance, shall  
 96.20 be "registration tax hereon of ..... dollars paid." If the mortgage is exempt from  
 96.21 taxation the endorsement shall, in substance, be "exempt from registration tax." In either  
 96.22 case the receipt must be signed by the treasurer. In case the treasurer is unable to determine  
 96.23 whether a claim of exemption should be allowed, the tax must be paid as in the case of a  
 96.24 taxable mortgage. For documents submitted electronically, the endorsements and tax amount  
 96.25 shall be affixed electronically and no signature by the treasurer will be required. The actual  
 96.26 payment method must be arranged in advance between the submitter and the receiving  
 96.27 county.

96.28 (b) The county treasurer may refund in whole or in part any mortgage registry tax  
 96.29 overpayment if a written application by the taxpayer is submitted to the county treasurer  
 96.30 within 3-1/2 years from the date of the overpayment. If the county has not issued a denial  
 96.31 of the application, the taxpayer may bring an action in Tax Court in the county in which  
 96.32 the tax was paid at any time after the expiration of six months from the time that the  
 96.33 application was submitted. A denial of refund may be appealed within 60 days from the  
 96.34 date of the denial by bringing an action in Tax Court in the county in which the tax was

97.1 paid. The action is commenced by the serving of a petition for relief on the county treasurer,  
97.2 and by filing a copy with the court. The county attorney shall defend the action. The county  
97.3 treasurer shall notify the treasurer of each county that has or would receive a portion of the  
97.4 tax as paid.

97.5 (c) If the county treasurer determines a refund should be paid, or if a refund is ordered  
97.6 by the court, the county treasurer of each county that actually received a portion of the tax  
97.7 shall immediately pay a proportionate share of three percent of the refund using any available  
97.8 county funds. The county treasurer of each county that received, or would have received,  
97.9 a portion of the tax shall also pay their county's proportionate share of the remaining 97  
97.10 percent of the court-ordered refund on or before the 20th day of the following month using  
97.11 solely the mortgage registry tax funds that would be paid to the commissioner of revenue  
97.12 on that date under section 287.12. If the funds on hand under this procedure are insufficient  
97.13 to fully fund 97 percent of the court-ordered refund, the county treasurer of the county in  
97.14 which the action was brought shall file a claim with the commissioner of revenue under  
97.15 section 16A.48 for the remaining portion of 97 percent of the refund, and shall pay over the  
97.16 remaining portion upon receipt of a ~~warrant~~ payment from the state issued pursuant to the  
97.17 claim.

97.18 (d) When any mortgage covers real property located in more than one county in this  
97.19 state the total tax must be paid to the treasurer of the county where the mortgage is first  
97.20 presented for recording, and the payment must be receipted as provided in paragraph (a).  
97.21 If the principal debt or obligation secured by such a multiple county mortgage exceeds  
97.22 \$10,000,000, the nonstate portion of the tax must be divided and paid over by the county  
97.23 treasurer receiving it, on or before the 20th day of each month after receipt, to the county  
97.24 or counties entitled in the ratio that the estimated market value of the real property covered  
97.25 by the mortgage in each county bears to the estimated market value of all the real property  
97.26 in this state described in the mortgage. In making the division and payment the county  
97.27 treasurer shall send a statement giving the description of the real property described in the  
97.28 mortgage and the estimated market value of the part located in each county. For this purpose,  
97.29 the treasurer of any county may require the treasurer of any other county to certify to the  
97.30 former the estimated market value of any tract of real property in any mortgage.

97.31 (e) The mortgagor must pay the tax imposed by sections 287.01 to 287.12. The mortgagee  
97.32 may undertake to collect and remit the tax on behalf of the mortgagor. If the mortgagee  
97.33 collects money from the mortgagor to remit the tax on behalf of the mortgagor, the mortgagee  
97.34 has a fiduciary duty to remit the tax on behalf of the mortgagor as to the amount of the tax

98.1 collected for that purpose and the mortgagor is relieved of any further obligation to pay the  
 98.2 tax as to the amount collected by the mortgagee for this purpose.

98.3 Sec. 63. Minnesota Statutes 2016, section 297I.10, subdivision 1, is amended to read:

98.4 Subdivision 1. **Cities of the first class.** (a) The commissioner shall order and direct a  
 98.5 surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross  
 98.6 premiums, less return premiums, on all direct business received by any licensed foreign or  
 98.7 domestic fire insurance company on property in a city of the first class, or by its agents for  
 98.8 it, in cash or otherwise.

98.9 (b) By July 31 and December 31 of each year, the commissioner of management and  
 98.10 budget shall ~~pay~~ issue to each city of the first class a ~~warrant~~ payment for an amount equal  
 98.11 to the total amount of the surcharge on the premiums collected within that city since the  
 98.12 previous payment.

98.13 (c) The treasurer of the city shall place the money received under this subdivision in a  
 98.14 special account or fund to defray all or a portion of the employer contribution requirement  
 98.15 of public employees police and fire plan coverage for city firefighters.

98.16 Sec. 64. Minnesota Statutes 2016, section 299C.21, is amended to read:

98.17 **299C.21 PENALTY ON LOCAL OFFICER REFUSING INFORMATION.**

98.18 If any public official charged with the duty of furnishing to the bureau fingerprint records,  
 98.19 biological specimens, reports, or other information required by sections 299C.06, 299C.10,  
 98.20 299C.105, 299C.11, 299C.17, shall neglect or refuse to comply with such requirement, the  
 98.21 bureau, in writing, shall notify the state, county, or city officer charged with the issuance  
 98.22 of ~~a warrant~~ for the payment of the salary of such official. Upon the receipt of the notice  
 98.23 the state, county, or city official shall withhold the issuance of ~~a warrant~~ for the payment  
 98.24 of the salary or other compensation accruing to such officer for the period of 30 days  
 98.25 thereafter until notified by the bureau that such suspension has been released by the  
 98.26 performance of the required duty.

98.27 Sec. 65. Minnesota Statutes 2016, section 348.05, is amended to read:

98.28 **348.05 COMMISSIONER OF MANAGEMENT AND BUDGET TO ISSUE**  
 98.29 **WARRANT PAYMENT.**

98.30 The commissioner of management and budget shall audit all such claims, and, on the  
 98.31 first Monday of October, in each year, shall issue a ~~warrant~~ payment to the several claimants

99.1 for the amount to which each is entitled; but, if the aggregate of compensation due to all  
 99.2 such claimants shall exceed the appropriation therefor, the commissioner shall distribute  
 99.3 the available amount amongst them pro rata, which distribution shall relieve the state from  
 99.4 further obligation to such claimants for the year.

99.5 Sec. 66. Minnesota Statutes 2016, section 352.04, subdivision 9, is amended to read:

99.6 Subd. 9. **Erroneous deductions, canceled ~~warrants~~ payments.** (a) Deductions taken  
 99.7 from the salary of an employee for the retirement fund in excess of required amounts must,  
 99.8 upon discovery and verification by the department making the deduction, be refunded to  
 99.9 the employee.

99.10 (b) If a deduction for the retirement fund is taken from a salary ~~warrant or check~~ payment,  
 99.11 and the ~~check~~ payment is canceled or the amount of the ~~warrant or check~~ payment returned  
 99.12 to the funds of the department making the payment, the sum deducted, or the part of it  
 99.13 required to adjust the deductions, must be refunded to the department or institution if the  
 99.14 department applies for the refund on a form furnished by the director. The department's  
 99.15 payments must likewise be refunded to the department.

99.16 (c) If erroneous employee deductions and employer contributions are caused by an error  
 99.17 in plan coverage involving the plan and any other plans specified in section 356.99, that  
 99.18 section applies. If the employee should have been covered by the plan governed by chapter  
 99.19 352D, 353D, 354B, or 354D, the employee deductions and employer contributions taken  
 99.20 in error must be directly transferred to the applicable employee's account in the correct  
 99.21 retirement plan, with interest at the rate of 0.71 percent per month until June 30, 2015, and  
 99.22 0.667 percent per month thereafter, compounded annually, from the first day of the month  
 99.23 following the month in which coverage should have commenced in the correct defined  
 99.24 contribution plan until the end of the month in which the transfer occurs.

99.25 Sec. 67. Minnesota Statutes 2016, section 352.05, is amended to read:

99.26 **352.05 COMMISSIONER OF MANAGEMENT AND BUDGET TO BE**  
 99.27 **TREASURER OF SYSTEM.**

99.28 The commissioner of management and budget is ex officio treasurer of the retirement  
 99.29 funds of the system. The general bond to the state shall cover all liability for actions as  
 99.30 treasurer of these funds. Funds of the system received by the commissioner of management  
 99.31 and budget must be set aside in the state treasury to the credit of the proper fund. The  
 99.32 commissioner of management and budget shall deliver to the director copies of all payroll  
 99.33 abstracts of the state together with the commissioner of management and budget's ~~warrants~~

100.1 payments covering the deductions made on these payroll abstracts for the retirement fund.  
 100.2 The director shall have a list made of the commissioner of management and budget's ~~warrants~~  
 100.3 payments. These ~~warrants~~ payments must then be credited to the retirement fund. The  
 100.4 commissioner of management and budget shall pay out of this fund only upon abstracts  
 100.5 signed by the director, or by the finance officer designated by the director during the disability  
 100.6 or the absence of the director from the city of St. Paul, Minnesota. Abstracts for investments  
 100.7 may be signed by the executive director of the State Board of Investment.

100.8 Sec. 68. Minnesota Statutes 2016, section 352.115, subdivision 12, is amended to read:

100.9 Subd. 12. **Death, return of ~~warrants~~ payments.** If at the time of death a retired  
 100.10 employee, a disabled employee, or a survivor has in possession the commissioner of  
 100.11 management and budget's ~~warrants~~ payments covering a retirement annuity, disability  
 100.12 benefit, or survivor benefit from the retirement fund, in the absence of probate proceedings,  
 100.13 and upon the return of the ~~warrants~~ payments for cancellation, payment of the accrued  
 100.14 annuity or benefit, shall be made as provided in subdivision 11, or 352.12, subdivision 4.  
 100.15 Payments made under this subdivision shall be a bar to recovery by any other person or  
 100.16 persons.

100.17 Sec. 69. Minnesota Statutes 2016, section 352.12, subdivision 13, is amended to read:

100.18 Subd. 13. **Refund, beneficiary.** If upon death a former employee has in possession a  
 100.19 commissioner of management and budget's ~~warrant~~ payment which does not exceed \$1,000  
 100.20 covering a refund of accumulated contributions in the retirement fund, in the absence of  
 100.21 probate proceedings the commissioner of management and budget's ~~warrant~~ payment may  
 100.22 be returned for cancellation, and then upon application made by the last designated  
 100.23 beneficiary of the deceased former employee, refund of the accumulated contributions must  
 100.24 be paid to the last designated beneficiary. Payments made under this subdivision are a bar  
 100.25 to recovery by any other person or persons.

100.26 Sec. 70. Minnesota Statutes 2016, section 353.05, is amended to read:

100.27 **353.05 CUSTODIAN OF FUNDS.**

100.28 The commissioner of management and budget shall be ex officio treasurer of the  
 100.29 retirement funds of the association and the general bond of the commissioner of management  
 100.30 and budget to the state must be so conditioned as to cover all liability for acts as treasurer  
 100.31 of these funds. All money of the association received by the commissioner of management  
 100.32 and budget must be set aside in the state treasury to the credit of the proper fund or account.

101.1 The commissioner of management and budget shall transmit monthly to the executive  
101.2 director a detailed statement of all amounts so received and credited to the funds. Payments  
101.3 out of the funds may only be made ~~on warrants~~ as payments issued by the commissioner of  
101.4 management and budget, upon abstracts signed by the executive director; provided that  
101.5 abstracts for investment may be signed by the executive director of the State Board of  
101.6 Investment.

101.7 Sec. 71. Minnesota Statutes 2016, section 353.27, subdivision 7, is amended to read:

101.8 Subd. 7. **Adjustment for erroneous receipts or disbursements.** (a) Except as provided  
101.9 in paragraph (b), erroneous employee deductions and erroneous employer contributions and  
101.10 additional employer contributions to the general employees retirement plan of the Public  
101.11 Employees Retirement Association or to the public employees police and fire retirement  
101.12 plan for a person who otherwise does not qualify for membership under this chapter, are  
101.13 considered:

101.14 (1) valid if the initial erroneous deduction began before January 1, 1990. Upon  
101.15 determination of the error by the association, the person may continue membership in the  
101.16 association while employed in the same position for which erroneous deductions were taken,  
101.17 or file a written election to terminate membership and apply for a refund upon termination  
101.18 of public service or defer an annuity under section 353.34; or

101.19 (2) invalid, if the initial erroneous employee deduction began on or after January 1,  
101.20 1990. Upon determination of the error, the association shall refund all erroneous employee  
101.21 deductions and all erroneous employer contributions as specified in paragraph (e). No person  
101.22 may claim a right to continued or past membership in the association based on erroneous  
101.23 deductions which began on or after January 1, 1990.

101.24 (b) Erroneous deductions taken from the salary of a person who did not qualify for  
101.25 membership in the general employees retirement plan of the Public Employees Retirement  
101.26 Association or in the public employees police and fire retirement plan by virtue of concurrent  
101.27 employment before July 1, 1978, which required contributions to another retirement fund  
101.28 or relief association established for the benefit of officers and employees of a governmental  
101.29 subdivision, are invalid. Upon discovery of the error, allowable service credit for all invalid  
101.30 service is forfeited and, upon termination of public service, the association shall refund all  
101.31 erroneous employee deductions to the person, with interest as determined under section  
101.32 353.34, subdivision 2, and all erroneous employer contributions without interest to the  
101.33 employer. This paragraph has both retroactive and prospective application.

102.1 (c) Adjustments to correct employer contributions and employee deductions taken in  
 102.2 error from amounts which are not salary under section 353.01, subdivision 10, must be  
 102.3 made as specified in paragraph (e). The period of adjustment must be limited to the fiscal  
 102.4 year in which the error is discovered by the association and the immediate two preceding  
 102.5 fiscal years.

102.6 (d) If there is evidence of fraud or other misconduct on the part of the employee or the  
 102.7 employer, the board of trustees may authorize adjustments to the account of a member or  
 102.8 former member to correct erroneous employee deductions and employer contributions on  
 102.9 invalid salary and the recovery of any overpayments for a period longer than provided for  
 102.10 under paragraph (c).

102.11 (e) Upon discovery of the receipt of erroneous employee deductions and employer  
 102.12 contributions under paragraph (a), clause (2), or paragraph (c), the association must require  
 102.13 the employer to discontinue the erroneous employee deductions and erroneous employer  
 102.14 contributions reported on behalf of a member. Upon discontinuation, the association must:

102.15 (1) for a member, provide a refund in the amount of the invalid employee deductions  
 102.16 with interest on the invalid employee deductions at the rate specified under section 353.34,  
 102.17 subdivision 2, from the received date of each invalid salary transaction through the date the  
 102.18 credit or refund is made;

102.19 (2) for a former member who:

102.20 (i) is not receiving a retirement annuity or benefit, return the erroneous employee  
 102.21 deductions to the former member through a refund with interest at the rate specified under  
 102.22 section 353.34, subdivision 2, from the received date of each invalid salary transaction  
 102.23 through the date the credit or refund is made; or

102.24 (ii) is receiving a retirement annuity or disability benefit, or a person who is receiving  
 102.25 an optional annuity or survivor benefit, for whom it has been determined an overpayment  
 102.26 must be recovered, adjust the payment amount and recover the overpayments as provided  
 102.27 under this section; and

102.28 (3) return the invalid employer contributions reported on behalf of a member or former  
 102.29 member to the employer by providing a credit against future contributions payable by the  
 102.30 employer.

102.31 (f) In the event that a salary ~~warrant or check~~ payment from which a deduction for the  
 102.32 retirement fund was taken has been canceled or the amount of the ~~warrant or check~~ payment  
 102.33 returned to the funds of the department making the payment, a refund of the sum deducted,

103.1 or any portion of it that is required to adjust the deductions, must be made to the department  
103.2 or institution.

103.3 (g) If the association discovers that a retirement annuity, survivor benefit, or disability  
103.4 benefit has been incorrectly calculated by using invalid service or salary, or due to any  
103.5 erroneous calculation procedure, the association must recalculate the annuity or benefit  
103.6 payable and begin payment of the corrected annuity or benefit effective the first of the month  
103.7 following discovery of the error. Any overpayment resulting from the incorrect calculation  
103.8 must be recovered as provided under subdivision 7b, if the accrual date, or any adjustment  
103.9 in the amount of the annuity or benefit calculated after the accrual date, except adjustments  
103.10 required under section 353.656, subdivision 4, falls within the current fiscal year and the  
103.11 two immediate previous fiscal years.

103.12 (h) Notwithstanding the provisions of this subdivision, the association may apply the  
103.13 Revenue Procedures defined in the federal Internal Revenue Service Employee Plans  
103.14 Compliance Resolution System and not issue a refund of erroneous employee deductions  
103.15 and employer contributions or not recover a small overpayment of benefits if the cost to  
103.16 correct the error would exceed the amount of the member refund or overpayment.

103.17 (i) Any fees or penalties assessed by the federal Internal Revenue Service for any failure  
103.18 by an employer to follow the statutory requirements for reporting eligible members and  
103.19 salary must be paid by the employer.

103.20 Sec. 72. Minnesota Statutes 2016, section 354.42, subdivision 7, is amended to read:

103.21 Subd. 7. **Erroneous salary deductions or direct payments.** (a) Any deductions taken  
103.22 from the salary of an employee for the retirement fund in excess of amounts required must  
103.23 be refunded to the employee upon the discovery of the error and after the verification of  
103.24 the error by the employing unit making the deduction. The corresponding excess employer  
103.25 contribution and excess additional employer contribution amounts attributable to the  
103.26 erroneous salary deduction must be refunded to the employing unit.

103.27 (b) If salary deductions and employer contributions were erroneously transmitted to the  
103.28 retirement fund and should have been transmitted to the plan covered by chapter 352D,  
103.29 353D, 354B, or 354D, the executive director must transfer these salary deductions and  
103.30 employer contributions to the account of the appropriate person under the applicable plan.  
103.31 The transfer to the applicable defined contribution plan account must include interest at the  
103.32 rate of 0.71 percent per month, compounded annually, from the first day of the month  
103.33 following the month in which coverage should have commenced in the defined contribution  
103.34 plan until the end of the month in which the transfer occurs.

104.1 (c) A potential transfer under paragraph (b) that would cause the plan to fail to be a  
104.2 qualified plan under section 401(a) of the Internal Revenue Code, as amended, must not be  
104.3 made by the executive director. Within 30 days after being notified by the Teachers  
104.4 Retirement Association of an unmade potential transfer under this paragraph, the employer  
104.5 of the affected person must transmit an amount representing the applicable salary deductions  
104.6 and employer contributions, without interest, to the account of the applicable person under  
104.7 the appropriate plan. The retirement association must provide a credit for the amount of the  
104.8 erroneous salary deductions and employer contributions against future contributions from  
104.9 the employer.

104.10 (d) If a salary ~~warrant or check~~ payment from which a deduction for the retirement fund  
104.11 was taken has been canceled or the amount of the ~~warrant or if a check~~ payment has been  
104.12 returned to the funds of the employing unit making the payment, a refund of the amount  
104.13 deducted, or any portion of it that is required to adjust the salary deductions, must be made  
104.14 to the employing unit.

104.15 (e) Erroneous direct payments of member-paid contributions or erroneous salary  
104.16 deductions that were not refunded during the regular payroll cycle processing must be  
104.17 refunded to the member, plus interest computed using the rate and method specified in  
104.18 section 354.49, subdivision 2.

104.19 (f) Any refund under this subdivision that would cause the plan to fail to be a qualified  
104.20 plan under section 401(a) of the Internal Revenue Code, as amended, may not be refunded  
104.21 and instead must be credited against future contributions payable by the employer. The  
104.22 employer is responsible for refunding to the applicable employee any amount that was  
104.23 erroneously deducted from the salary of the employee, with interest as specified in paragraph  
104.24 (e).

104.25 (g) If erroneous employee deductions and employer contributions are caused by an error  
104.26 in plan coverage involving the plan and any other plan specified in section 356.99, that  
104.27 section applies.

104.28 Sec. 73. Minnesota Statutes 2016, section 354.52, subdivision 4, is amended to read:

104.29 Subd. 4. **Reporting and remittance requirements.** An employer shall remit all amounts  
104.30 due to the association and furnish a statement indicating the amount due and transmitted  
104.31 with any other information required by the executive director. If an amount due is not  
104.32 received by the association within 14 calendar days of the payroll ~~warrant~~ payment, the  
104.33 amount accrues interest at an annual rate of 8.5 percent compounded annually from the due  
104.34 date until the amount is received by the association. All amounts due and other employer

105.1 obligations not remitted within 60 days of notification by the association must be certified  
105.2 to the commissioner of management and budget who shall deduct the amount from any state  
105.3 aid or appropriation amount applicable to the employing unit.

105.4 Sec. 74. Minnesota Statutes 2016, section 354.52, subdivision 4b, is amended to read:

105.5 Subd. 4b. **Payroll cycle reporting requirements.** An employing unit shall provide the  
105.6 following data to the association for payroll ~~warrant~~ payments on an ongoing basis within  
105.7 14 calendar days after the date of the payroll ~~warrant~~ payments in a format prescribed by  
105.8 the executive director:

105.9 (1) association member number;

105.10 (2) employer-assigned employee number;

105.11 (3) Social Security number;

105.12 (4) amount of each salary deduction;

105.13 (5) amount of salary as defined in section 354.05, subdivision 35, from which each  
105.14 deduction was made;

105.15 (6) reason for payment;

105.16 (7) the beginning and ending dates of the payroll period covered and the date of actual  
105.17 payment;

105.18 (8) fiscal year of salary earnings;

105.19 (9) total remittance amount including employee, employer, and additional employer  
105.20 contributions;

105.21 (10) reemployed annuitant salary under section 354.44, subdivision 5; and

105.22 (11) other information as may be required by the executive director.

105.23 Sec. 75. Minnesota Statutes 2016, section 401.15, subdivision 1, is amended to read:

105.24 Subdivision 1. **Certified statements; determinations; adjustments.** Within 60 days  
105.25 of the end of each calendar quarter, participating counties which have received the payments  
105.26 authorized by section 401.14 shall submit to the commissioner certified statements detailing  
105.27 the amounts expended and costs incurred in furnishing the correctional services provided  
105.28 in sections 401.01 to 401.16. Upon receipt of certified statements, the commissioner shall,  
105.29 in the manner provided in sections 401.10 and 401.12, determine the amount each  
105.30 participating county is entitled to receive, making any adjustments necessary to rectify any

106.1 disparity between the amounts received pursuant to the estimate provided in section 401.14  
106.2 and the amounts actually expended. If the amount received pursuant to the estimate is greater  
106.3 than the amount actually expended during the quarter, the commissioner may withhold the  
106.4 difference from any subsequent monthly payments made pursuant to section 401.14. Upon  
106.5 certification by the commissioner of the amount a participating county is entitled to receive  
106.6 under the provisions of section 401.14 or of this subdivision the commissioner of  
106.7 management and budget shall thereupon issue a state warrant payment to the chief fiscal  
106.8 officer of each participating county for the amount due together with a copy of the certificate  
106.9 prepared by the commissioner.

106.10 Sec. 76. Minnesota Statutes 2016, section 446A.086, subdivision 4, is amended to read:

106.11 Subd. 4. **Notifications; payment; appropriation.** (a) After receipt of a notice of a  
106.12 default or potential default in payment of principal or interest in debt obligations covered  
106.13 by this section or an agreement under this section, and after consultation with the  
106.14 governmental unit and the paying agent, and after verification of the accuracy of the  
106.15 information provided, the authority shall notify the commissioner of the potential default.  
106.16 The notice must include a final figure as to the amount due that the governmental unit will  
106.17 be unable to repay on the date due.

106.18 (b) Upon receipt of this notice from the authority, the commissioner shall issue a ~~warrant~~  
106.19 payment and authorize the authority to pay to the bond holders or paying agent for the debt  
106.20 obligation the specified amount on or before the date due. The amounts needed for the  
106.21 purposes of this subdivision are annually appropriated to the authority from the general  
106.22 fund.

106.23 Sec. 77. Minnesota Statutes 2016, section 446A.16, subdivision 1, is amended to read:

106.24 Subdivision 1. **Functions of commissioner of management and budget.** Except as  
106.25 otherwise provided in this section, money of the authority must be paid to the commissioner  
106.26 of management and budget as agent of the authority and the commissioner shall not  
106.27 commingle the money with other money. The money in the accounts of the authority must  
106.28 be paid out only ~~on warrants drawn~~ by the commissioner of management and budget on  
106.29 requisition of the chair of the authority or of another officer or employee as the authority  
106.30 authorizes. Deposits of the authority's money must, if required by the commissioner or the  
106.31 authority, be secured by obligations of the United States or of the state of a market value  
106.32 equal at all times to the amount of the deposit and all banks and trust companies are  
106.33 authorized to give security for the deposits.

107.1 Sec. 78. Minnesota Statutes 2016, section 462A.18, subdivision 1, is amended to read:

107.2 Subdivision 1. **Functions of commissioner of management and budget.** All moneys  
107.3 of the agency, except as otherwise authorized or provided in this section, shall be paid to  
107.4 the commissioner of management and budget as agent of the agency, who shall not  
107.5 commingle such moneys with any other moneys. The moneys in such accounts shall be  
107.6 paid out ~~on warrants drawn~~ by the commissioner on requisition of the chair of the agency  
107.7 or of such other officer or employee as the agency shall authorize to make such requisition.  
107.8 All deposits of such moneys shall, if required by the commissioner or the agency, be secured  
107.9 by obligations of the United States or of the state of a market value equal at all times to the  
107.10 amount of the deposit and all banks and trust companies are authorized to give such security  
107.11 for such deposits.

107.12 Sec. 79. Minnesota Statutes 2016, section 475A.04, subdivision 1, is amended to read:

107.13 Subdivision 1. **Procedure.** In the event that funds sufficient to pay all of the principal  
107.14 and interest due on any guaranteed bond are not in the hands of the municipal treasurer or  
107.15 the paying agent at least 15 days before the due date, the treasurer or agent shall report the  
107.16 amount of the deficiency to the paying agent and the auditor who shall grant a loan to the  
107.17 issuer in this amount and shall certify to the issuer, the paying agent, and the auditor and  
107.18 treasurer of each county in which property subject to taxation by the issuer is situated, the  
107.19 amount of the loan and interest to accrue thereon to the due date of the loan, and the  
107.20 commissioner of management and budget shall issue a ~~warrant~~ payment for the principal  
107.21 amount and shall remit it to the paying agent on or before the due date. If the municipal  
107.22 treasurer fails to deposit funds with the paying agent sufficient to pay all principal and  
107.23 interest due on any guaranteed bond on any date, without having previously given the notice  
107.24 herein required, the paying agent may report the amount of the deficiency to the  
107.25 commissioner of management and budget, who shall forthwith grant a loan to the issuer for  
107.26 this amount plus interest to accrue thereon for one month at the rate represented by the  
107.27 coupons then due, and the loan shall be certified and remitted as provided above. The paying  
107.28 agent may advance its own funds for the payment of any guaranteed bonds and interest due  
107.29 for which it has not received sufficient funds from the municipality, and may contract with  
107.30 the municipality to make such advances, and shall be entitled to reimbursement therefor  
107.31 from the proceeds of the loan, with interest at the rate represented by the coupons due. The  
107.32 issuing municipality shall give a receipt to the commissioner of management and budget  
107.33 for the amount of the loan and interest.

108.1 Sec. 80. Minnesota Statutes 2016, section 525.841, is amended to read:

108.2 **525.841 ESCHEAT RETURNED.**

108.3 In all such cases the commissioner of management and budget shall be furnished with  
 108.4 a certified copy of the court's order assigning the escheated property to the persons entitled  
 108.5 thereto, and upon notification of payment of the estate tax, the commissioner of management  
 108.6 and budget shall ~~draw a warrant~~ issue a payment or execute a proper conveyance to the  
 108.7 persons designated in such order. In the event any escheated property has been sold pursuant  
 108.8 to sections 11A.04, clause (9), and 11A.10, subdivision 2, or 16B.281 to 16B.287, then the  
 108.9 ~~warrant payment~~ payment shall be for the appraised value as established during the administration  
 108.10 of the decedent's estate. There is hereby annually appropriated from any moneys in the state  
 108.11 treasury not otherwise appropriated an amount sufficient to make payment to all such  
 108.12 designated persons. No interest shall be allowed on any amount paid to such persons.

108.13 **ARTICLE 4**

108.14 **ADMINISTRATIVE RULEMAKING**

108.15 Section 1. Minnesota Statutes 2016, section 3.842, subdivision 4a, is amended to read:

108.16 Subd. 4a. **Objections to rules or proposed rules.** (a) For purposes of this subdivision,  
 108.17 "committee" means the house of representatives policy committee or senate policy committee  
 108.18 with primary jurisdiction over state governmental operations. The commission or a committee  
 108.19 may object to a rule or proposed rule as provided in this subdivision. ~~If the commission or~~  
 108.20 ~~a committee objects to all or some portion of a rule because the commission or committee~~  
 108.21 ~~considers it to be~~ on the grounds that the rule or proposed rule:

108.22 (1) is beyond the procedural or substantive authority delegated to the agency, including  
 108.23 ~~a proposed rule submitted under section 14.15, subdivision 4, or 14.26, subdivision 3,~~  
 108.24 ~~paragraph (e);~~

108.25 (2) is inconsistent with the enabling statute;

108.26 (3) is unnecessary or redundant;

108.27 (4) has a substantial economic impact as defined in section 14.02, subdivision 5;

108.28 (5) is not based on sound, reasonably available scientific, technical, economic, or other  
 108.29 information;

108.30 (6) is not cost-effective;

108.31 (7) is unduly burdensome; or

109.1 (8) is more restrictive than the standard, limitation, or requirement imposed by federal  
109.2 law or rule pertaining to the same subject matter.

109.3 If the commission or committee objects to all or some portion of a rule or proposed rule,  
109.4 the commission or committee ~~may~~ shall file that objection in the Office of the Secretary of  
109.5 State. The filed objection must contain a concise statement of the commission's or  
109.6 committee's reasons for its action. ~~An objection to a proposed rule submitted by the~~  
109.7 ~~commission or a committee under section 14.15, subdivision 4, or 14.26, subdivision 3,~~  
109.8 ~~paragraph (c), may not be filed before the rule is adopted~~ For a proposed rule, the objection  
109.9 must be filed within 30 days of receipt of the notice under section 14.14, 14.22, 14.386,  
109.10 14.388, 14.389, or 14.3895.

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

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

109.20 (d) Within 14 days after the filing of an objection by the commission or committee to a  
109.21 rule or proposed rule, the issuing agency shall respond in writing to the objecting entity.  
109.22 After receipt of the response, the commission or committee may withdraw or modify its  
109.23 objection. After the filing of an objection that is not subsequently withdrawn, the agency  
109.24 may not adopt the rule until the legislature adjourns the annual legislative session that began  
109.25 after the objection was filed. If the commission files an objection that is not subsequently  
109.26 withdrawn, the commission must, as soon as practical, make a recommendation on a bill  
109.27 that approves the proposed rule, prohibits adoption of the proposed rule, or amends or repeals  
109.28 the law governing a previously adopted rule for which an objection was filed.

109.29 (e) After the filing of an objection by the commission or committee that is not  
109.30 subsequently withdrawn, the burden is upon the agency in any proceeding for judicial review  
109.31 or for enforcement of the rule to establish that the whole or portion of the rule objected to  
109.32 is valid and demonstrates that the objection raised under paragraph (a) is not justified, based  
109.33 on the criteria for objecting to a rule under paragraph (a).

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

110.3 (g) In accordance with sections 14.44 and 14.45, the commission or a committee may  
110.4 petition for a declaratory judgment to determine the validity of a rule objected to by the  
110.5 commission or committee. The action must be started within two years after an objection  
110.6 is filed in the Office of the Secretary of State.

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

110.10 Sec. 2. Minnesota Statutes 2016, section 10A.02, subdivision 13, is amended to read:

110.11 Subd. 13. **Rules.** (a) Chapter 14 applies to the board. The board may adopt rules to carry  
110.12 out the purposes of this chapter if, before June 1, 2017, the board has published a notice of  
110.13 intent to adopt a rule without public hearing under section 14.22, subdivision 1, 14.389,  
110.14 subdivision 2, or 14.3895, subdivision 3; a dual notice under section 14.22, subdivision 2;  
110.15 or a notice of hearing on a proposed rule under section 14.14.

110.16 (b) After May 31, 2017, the board may only adopt rules that:

110.17 (1) incorporate specific changes set forth in applicable statutes when no interpretation  
110.18 of law is required; or

110.19 (2) make changes to rules that do not alter the sense, meaning, or effect of a rule.

110.20 (c) In addition to the notice required under chapter 14, the board shall notify the chairs  
110.21 and ranking minority members of the committees or subcommittees in the senate and house  
110.22 of representatives with primary jurisdiction over elections within seven calendar days of  
110.23 taking the following actions:

110.24 (1) publication of a notice of intent to adopt rules or a notice of hearing;

110.25 (2) publication of proposed rules in the State Register;

110.26 (3) issuance of a statement of need and reasonableness; or

110.27 (4) adoption of final rules.

110.28 **EFFECTIVE DATE.** This section is effective the day following final enactment for  
110.29 rules for which a notice of intent to adopt a rule without public hearing under Minnesota  
110.30 Statutes, section 14.22, subdivision 1, 14.389, subdivision 2, or 14.3895, subdivision 3; a  
110.31 dual notice under Minnesota Statutes, section 14.22, subdivision 2; or a notice of hearing

111.1 on a proposed rule under Minnesota Statutes, section 14.14, was published before June 1,  
 111.2 2017.

111.3 Sec. 3. Minnesota Statutes 2016, section 10A.025, subdivision 1a, is amended to read:

111.4 Subd. 1a. **Electronic filing.** A report or statement required to be filed under this chapter  
 111.5 may be filed electronically. The board shall adopt rules ~~to regulate~~ on the technical aspects  
 111.6 of regulating electronic filing and ~~to ensure~~ ensuring that the electronic filing process is  
 111.7 secure.

111.8 Sec. 4. Minnesota Statutes 2016, section 14.002, is amended to read:

111.9 **14.002 STATE REGULATORY POLICY.**

111.10 The legislature recognizes the important and sensitive role for administrative rules in  
 111.11 implementing policies and programs created by the legislature. However, the legislature  
 111.12 finds that some regulatory rules and programs have become overly prescriptive and inflexible,  
 111.13 thereby increasing costs to the state, local governments, and the regulated community and  
 111.14 decreasing the effectiveness of the regulatory program. Therefore, ~~whenever feasible~~, state  
 111.15 agencies must develop rules and regulatory programs that emphasize superior achievement  
 111.16 in meeting the agency's regulatory objectives and maximum flexibility for the regulated  
 111.17 party and the agency in meeting those goals.

111.18 Sec. 5. Minnesota Statutes 2016, section 14.02, is amended by adding a subdivision to  
 111.19 read:

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

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

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

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

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

112.4 Sec. 6. Minnesota Statutes 2016, section 14.05, subdivision 1, is amended to read:

112.5 Subdivision 1. **Authority to adopt original rules restricted.** (a) Each agency shall  
 112.6 adopt, amend, suspend, or repeal its rules:

112.7 (1) in accordance with the procedures specified in sections 14.001 to 14.69, and;

112.8 (2) only pursuant to authority delegated by law; and

112.9 (3) in full compliance with its duties and obligations.

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

112.13 (c) Except as provided in ~~section~~ sections 14.055, 14.06, 14.388, 14.389, and 14.3895,  
 112.14 sections 14.001 to 14.69 shall not be authority for an agency to adopt, amend, suspend, or  
 112.15 repeal rules.

112.16 Sec. 7. Minnesota Statutes 2016, section 14.05, is amended by adding a subdivision to  
 112.17 read:

112.18 Subd. 1a. **Limitation regarding certain policies, guidelines, and other interpretive**  
 112.19 **statements.** An agency shall not seek to implement or enforce against any person a policy,  
 112.20 guideline, or other interpretive statement that meets the definition of a rule under this chapter  
 112.21 if the policy, guideline, or other interpretive statement has not been adopted as a rule in  
 112.22 accordance with this chapter including but not limited to solid waste policy plan revisions  
 112.23 authorized by other law. In any proceeding under chapter 14 challenging an agency action  
 112.24 prohibited by this subdivision, the reviewing authority must independently and without  
 112.25 reference to the agency determine if the agency has violated this subdivision. The agency  
 112.26 must overcome the presumption that its action may not be enforced as a rule.

112.27 Sec. 8. Minnesota Statutes 2016, section 14.05, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

113.21 Sec. 9. Minnesota Statutes 2016, section 14.05, is amended by adding a subdivision to  
113.22 read:

113.23 Subd. 5a. **Review and repeal of rules.** By December 1 of each odd-numbered year,  
113.24 beginning December 1, 2017, an agency must submit to the governor, the Legislative  
113.25 Coordinating Commission, the policy and funding committees and divisions with jurisdiction  
113.26 over the agency, and the revisor of statutes, a list of any rules or portions of rules that are  
113.27 obsolete, unnecessary, or duplicative of other state or federal statutes or rules. The list must  
113.28 also include an explanation of why the rule or portion of the rule is obsolete, unnecessary,  
113.29 or duplicative of other state or federal statutes or rules. The agency must either report a  
113.30 timetable for repeal of the rule or portion of the rule, or must develop a bill for submission  
113.31 to the appropriate policy committee to repeal the obsolete, unnecessary, or duplicative rule.  
113.32 A report submitted under this subdivision must be signed by the person in the agency who

114.1 is responsible for identifying and initiating repeal of obsolete rules. The report also must  
 114.2 identify the status of any rules identified in the prior report as obsolete, unnecessary, or  
 114.3 duplicative. If none of an agency's rules are obsolete, unnecessary, or duplicative, an agency's  
 114.4 report must state that conclusion.

114.5 Sec. 10. Minnesota Statutes 2016, section 14.05, is amended by adding a subdivision to  
 114.6 read:

114.7 Subd. 5b. **Review and repeal of environmental assessment worksheets and impact**  
 114.8 **statements.** By December 1, 2017, and each odd-numbered year thereafter, the  
 114.9 Environmental Quality Board, Pollution Control Agency, Department of Natural Resources,  
 114.10 and Department of Transportation, after consultation with political subdivisions, shall submit  
 114.11 to the governor, the Legislative Coordinating Commission, the chairs and ranking minority  
 114.12 members of the house of representatives and senate committees having jurisdiction over  
 114.13 environment and natural resources, and the revisor of statutes a list of mandatory  
 114.14 environmental assessment worksheets or mandatory environmental impact statements for  
 114.15 which the agency or a political subdivision is designated as the responsible government  
 114.16 unit, and for each worksheet or statement, a document including:

114.17 (1) intended outcomes of the specific worksheet or statement;

114.18 (2) the cost to state and local government and the private sector;

114.19 (3) the relationship of the worksheet or statement to other local, state, and federal permits;

114.20 and

114.21 (4) a justification for why the mandatory worksheet or statement should not be eliminated  
 114.22 and its intended outcomes achieved through an existing permit or other federal, state, or  
 114.23 local law.

114.24 Sec. 11. Minnesota Statutes 2016, section 14.05, subdivision 6, is amended to read:

114.25 Subd. 6. **Veto of adopted rules.** The governor may veto all or a severable portion of a  
 114.26 rule of an agency as defined in section 14.02, subdivisions 2 and 4, by submitting notice of  
 114.27 the veto to the State Register within 14 days of receiving a copy of the rule from the secretary  
 114.28 of state under section 14.16, subdivision 3, 14.26, subdivision ~~3~~ 5, ~~or~~ 14.386<sub>2</sub>, or the agency  
 114.29 under section 14.389, subdivision 3, or section 14.3895. The veto is effective when the veto  
 114.30 notice is submitted to the State Register. This authority applies only to the extent that the  
 114.31 agency itself would have authority, through rulemaking, to take such action. If the governor

115.1 vetoes a rule or portion of a rule under this section, the governor shall notify the chairs of  
 115.2 the legislative committees having jurisdiction over the agency whose rule was vetoed.

115.3 Sec. 12. Minnesota Statutes 2016, section 14.05, subdivision 7, is amended to read:

115.4 Subd. 7. **Electronic documents permitted.** (a) If sections 14.05 to 14.3895 require an  
 115.5 agency to provide notice or documents to the public, the legislature, or other state agency,  
 115.6 the agency may send the notice or document, or a link to the notice or document, using any  
 115.7 reliable method of electronic transmission.

115.8 (b) The agency must also send a paper copy of the notice or document if requested to  
 115.9 do so by a member of the public, legislature, or other state agency.

115.10 (c) An agency may file rule-related documents with the Office of Administrative Hearings  
 115.11 by electronic transmission in the manner approved by that office and the Office of the  
 115.12 Revisor of Statutes by electronic transmission in the manner approved by that office.

115.13 Sec. 13. Minnesota Statutes 2016, section 14.101, subdivision 1, is amended to read:

115.14 Subdivision 1. **Required notice.** In addition to seeking information by other methods  
 115.15 designed to reach persons or ~~classes~~ categories of persons who might be affected by the  
 115.16 proposal, an agency, at least 60 days before publication of a notice of intent to adopt or a  
 115.17 notice of hearing, shall solicit comments from the public on the subject matter of a possible  
 115.18 rulemaking proposal under active consideration within the agency by causing notice to be  
 115.19 published in the State Register. The notice must include a description of the subject matter  
 115.20 of the proposal and the types of groups and individuals likely to be affected, and must  
 115.21 indicate where, when, and how persons may comment on the proposal and whether and  
 115.22 how drafts of any proposal may be obtained from the agency.

115.23 This notice must be published within 60 days of the effective date of any new or  
 115.24 amendatory law requiring rules to be adopted, amended, or repealed.

115.25 An agency intending to adopt an expedited rule under section 14.389 is exempt from  
 115.26 the requirements of this section.

115.27 Sec. 14. **[14.105] RULE NOTIFICATION.**

115.28 Subdivision 1. **Rule notification list.** (a) Each agency shall maintain a list of all persons  
 115.29 who have registered with the agency for the purpose of receiving notice of rule proceedings.  
 115.30 A person may register to receive notice of rule proceedings by submitting to the agency:

115.31 (1) the person's electronic mail address; or

116.1 (2) the person's name and United States mail address, along with a request to receive  
 116.2 copies of the notices by mail.

116.3 (b) The agency shall post information on its Web site describing the registration process.

116.4 (c) The agency may inquire as to whether those persons on the list in paragraph (a) wish  
 116.5 to remain on it and may remove persons for whom there is a negative reply or no reply  
 116.6 within 60 days.

116.7 Subd. 2. Additional notice. (a) Each agency shall make reasonable efforts to notify  
 116.8 persons or categories of persons who may be significantly affected by the rule being proposed  
 116.9 by giving notice of its rule proceedings in newsletters, newspapers, or other publications,  
 116.10 or through other means of communication.

116.11 (b) For each rulemaking, the agency shall develop an additional notice plan describing  
 116.12 its efforts to provide additional notification to persons or categories of persons who may be  
 116.13 affected by the proposed rule or must explain why these efforts were not made. The additional  
 116.14 notice plan must be submitted to the administrative law judge with the other submissions  
 116.15 required by section 14.14, subdivision 2a, or 14.26. The agency also may seek prior approval  
 116.16 of the additional notice plan under the rules of the Office of Administrative Hearings.

116.17 Sec. 15. Minnesota Statutes 2016, section 14.116, is amended to read:

116.18 **14.116 NOTICE TO LEGISLATURE.**

116.19 (a) By January 15 each year, each agency must submit its current rulemaking docket  
 116.20 maintained under section 14.366, ~~and the official rulemaking record required under section~~  
 116.21 ~~14.365 for any rule adopted during the preceding calendar year,~~ to the chairs and ranking  
 116.22 minority members of the legislative policy and budget committees with jurisdiction over  
 116.23 the subject matter of the proposed rule and to the Legislative Coordinating Commission.  
 116.24 Each agency must post a link to its rulemaking docket on the agency Web site home page.

116.25 (b) When an agency ~~mails~~ sends a notice of ~~intent to adopt rules~~ hearing under section  
 116.26 14.14 or a notice of intent to adopt rules or dual notice under section 14.22, the agency must  
 116.27 send a copy of the same notice ~~and a copy of the statement of need and reasonableness~~ to  
 116.28 the chairs and ranking minority party members of the legislative policy and budget  
 116.29 committees with jurisdiction over the subject matter of the proposed rules and to the  
 116.30 Legislative Coordinating Commission.

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

117.1 ~~who were chief house of representatives and senate authors of the bill granting the rulemaking~~  
 117.2 ~~authority. If the bill was amended to include this rulemaking authority, the agency shall~~  
 117.3 ~~make reasonable efforts to send the notice and the statement to the chief house of~~  
 117.4 ~~representatives and senate authors of the amendment granting rulemaking authority, rather~~  
 117.5 ~~than to the chief authors of the bill.~~

117.6 Sec. 16. Minnesota Statutes 2016, section 14.125, is amended to read:

117.7 **14.125 TIME LIMIT ON AUTHORITY TO ADOPT, AMEND, OR REPEAL**  
 117.8 **RULES.**

117.9 An agency shall publish a ~~notice of intent to adopt rules or a notice of hearing under~~  
 117.10 section 14.14, or a notice of intent to adopt rules or dual notice under section 14.22, within  
 117.11 18 months of the effective date of the law authorizing or requiring rules to be adopted,  
 117.12 amended, or repealed. If the notice is not published within the time limit imposed by this  
 117.13 section, ~~the authority for the rules expires. The agency shall not use other law in existence~~  
 117.14 ~~at the time of the expiration of rulemaking authority under this section as authority to adopt,~~  
 117.15 ~~amend, or repeal these rules~~ agency shall report to the Legislative Coordinating Commission,  
 117.16 other appropriate committees of the legislature, and the governor its failure to publish a  
 117.17 notice and the reasons for that failure.

117.18 ~~An agency that publishes a notice of intent to adopt rules or a notice of hearing within~~  
 117.19 ~~the time limit specified in this section may subsequently amend or repeal the rules without~~  
 117.20 ~~additional legislative authorization.~~

117.21 Sec. 17. Minnesota Statutes 2016, section 14.127, is amended to read:

117.22 **14.127 LEGISLATIVE APPROVAL REQUIRED.**

117.23 Subdivision 1. ~~Cost thresholds~~ **Substantial economic impact.** An agency must  
 117.24 determine if the cost of complying with a proposed rule in the first year after the rule takes  
 117.25 effect will exceed \$25,000 for: (1) any one business that has less than 50 full-time employees;  
 117.26 or (2) any one statutory or home rule charter city that has less than ten full-time employees.  
 117.27 For purposes of this section, "business" means a business entity organized for profit or as  
 117.28 a nonprofit, and includes an individual, partnership, corporation, joint venture, association,  
 117.29 or cooperative has a substantial economic impact, as defined in section 14.02, subdivision  
 117.30 5.

117.31 Subd. 2. **Agency determination.** An agency must make the determination required by  
 117.32 subdivision 1 before the close of the hearing record, or before the agency submits the record

118.1 ~~to the administrative law judge if there is no hearing. The administrative law judge must~~  
 118.2 ~~review and approve or disapprove the agency determination under this section~~ agency gives  
 118.3 notice under section 14.14, 14.22, 14.225, or 14.389.

118.4 **Subd. 3. Legislative approval required.** (a) If the agency determines that a proposed  
 118.5 rule has a substantial economic impact, the agency must request the legislative auditor to  
 118.6 convene a five-person peer review advisory panel to conduct an impact analysis of the  
 118.7 proposed rule. Within 30 days of receipt of the agency's request, the legislative auditor shall  
 118.8 convene a peer review advisory panel. The advisory panel must be made up of individuals  
 118.9 who have not directly or indirectly been involved in the work conducted or contracted by  
 118.10 the agency and who are not employed by the agency. The agency must pay each panel  
 118.11 member for the costs of the person's service on the panel, as determined by the legislative  
 118.12 auditor. The agency shall transfer an amount from the agency's operating budget to the  
 118.13 legislative auditor to pay for costs for convening the peer review advisory panel process.  
 118.14 The panel may receive written and oral comments from the public during its review. The  
 118.15 panel must submit its report within 60 days of being convened. The agency must receive a  
 118.16 final report from the panel before the agency conducts a public hearing on a proposed rule  
 118.17 or, if no hearing is held, before the rule is submitted to the administrative law judge. The  
 118.18 panel's report must include its conclusions on the extent to which the proposed rule:

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

118.21 (2) is more restrictive than a standard, limitation, or requirement imposed by federal law  
 118.22 or rule pertaining to the same subject matter, and a justification based on sound, reasonably  
 118.23 available scientific, technical, economic, or other information and rationale that the more  
 118.24 stringent standard is necessary to protect the public's health, safety, or welfare.

118.25 (b) If the agency determines that a rule does not have a substantial economic impact,  
 118.26 the administrative law judge must review this determination. If the administrative law judge  
 118.27 determines that a rule may have a substantial economic impact, the agency must have the  
 118.28 legislative auditor arrange for the analysis required by paragraph (a), and the agency must  
 118.29 give new notice of intent to adopt the proposed rule after receiving this analysis. The  
 118.30 administrative law judge may make this determination as part of the administrative law  
 118.31 judge's report on the proposed rule, or at any earlier time after the administrative law judge  
 118.32 is assigned to the rule proceeding.

118.33 (c) If the agency determines that the cost exceeds the threshold in subdivision 1 proposed  
 118.34 rule has a substantial economic impact, or if the administrative law judge disapproves the

119.1 agency's determination that the ~~cost~~ rule does not exceed the threshold in subdivision 1,  
 119.2 any business that has less than 50 full-time employees or any statutory or home rule charter  
 119.3 city that has less than ten full-time employees may file a written statement with the agency  
 119.4 claiming a temporary exemption from the rules. Upon filing of such a statement with the  
 119.5 agency, the rules do not apply to that business or that city until the rules are have a substantial  
 119.6 economic impact, the agency or the administrative law judge shall deliver the determination  
 119.7 and peer review advisory panel report to the Legislative Coordinating Commission and to  
 119.8 the chairs and ranking minority members of the house of representatives and senate  
 119.9 committees and divisions with jurisdiction over the subject matter of the rule, and the  
 119.10 proposed rule does not take effect until the rule is approved by a law enacted after the agency  
 119.11 determination or administrative law judge disapproval.

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

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

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

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

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

119.28 Subd. 5. **Severability.** If an administrative law judge determines that part of a proposed  
 119.29 rule ~~exceeds the threshold specified in subdivision 1~~ has a substantial economic impact, but  
 119.30 that a severable portion of a proposed rule does not exceed the threshold in subdivision 1,  
 119.31 have a substantial economic impact, the administrative law judge may provide that the  
 119.32 severable portion of the rule that does not exceed the threshold have a substantial economic  
 119.33 impact may take effect without legislative approval.

120.1 Sec. 18. **[14.129] IMPACT ANALYSIS OF PROPOSED RULE.**

120.2 (a) Within 30 days of receipt of the notice required under section 14.116, paragraph (b),  
120.3 a standing committee with jurisdiction over the subject matter of a proposed rule may request  
120.4 the legislative auditor to conduct an impact analysis of the proposed rule. The request must  
120.5 be sent in writing to the legislative auditor and the agency. Upon receipt of the request, the  
120.6 agency may not proceed to adopt the proposed rule until it has received a positive declaration  
120.7 from the requesting standing committee. Within 60 days of receipt of a request, the legislative  
120.8 auditor shall convene a five-person peer review panel to review the proposed rule. The  
120.9 advisory panel must be made up of individuals who have not directly or indirectly been  
120.10 involved in work conducted or contracted by the agency and who are not employed by the  
120.11 agency. The panel may receive written and oral comments from the public during its review  
120.12 of the proposed rule. The panel must prepare a report that includes a conclusion on whether  
120.13 the proposed rule:

120.14 (1) is based on sound, reasonably available scientific, technical, economic, and other  
120.15 information and rationale; and

120.16 (2) if the proposed rule is more restrictive than a standard, limitation, or requirement  
120.17 imposed by federal law or rule pertaining to the same subject matter, a justification based  
120.18 on sound, reasonably available scientific, technical, economic, or other information and  
120.19 rationale that the more stringent standard is necessary to protect the public's health, safety,  
120.20 or welfare.

120.21 (b) Within 150 days of being convened, the panel must submit its report to the chairs  
120.22 and ranking minority members of the requesting committee and the legislative auditor.  
120.23 Within five days of receipt of the panel's report, the requesting standing committee shall  
120.24 send the report to the agency along with either:

120.25 (1) a positive declaration that the agency may proceed with the proposed rule; or

120.26 (2) a negative declaration that the agency may not proceed with the proposed rule in its  
120.27 current form.

120.28 (c) If the requesting standing committee issues a negative declaration to an agency under  
120.29 paragraph (b), clause (2), the agency may not adopt the rule until the legislature adjourns  
120.30 the annual legislative session that began after the issuance of the negative declaration.

120.31 Sec. 19. Minnesota Statutes 2016, section 14.131, is amended to read:

120.32 **14.131 STATEMENT OF NEED AND REASONABLENESS.**

121.1 By the date of the section 14.14, subdivision 1a, notice, the agency must prepare, review,  
 121.2 and make available for public review a statement of the need for and reasonableness of the  
 121.3 rule. The statement of need and reasonableness must be prepared under rules adopted by  
 121.4 the chief administrative law judge and must include a citation to the most specific statutory  
 121.5 authority for the rule and the following to the extent the agency, through reasonable effort,  
 121.6 can ascertain this information:

121.7 ~~(1) a description of the classes of persons who probably will be affected by the proposed~~  
 121.8 ~~rule, including classes that will bear the costs of the proposed rule and classes that will~~  
 121.9 ~~benefit from the proposed rule;~~

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

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

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

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

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

121.23 (1) a description of the persons or classifications of persons who will probably be affected  
 121.24 by the proposed rule;

121.25 (2) the probable costs of the rule to affected persons and the agency, including those  
 121.26 costs or consequences borne by identifiable categories of affected parties, such as separate  
 121.27 classes of government units, businesses, or individuals, and the probable benefits of adopting  
 121.28 the rule;

121.29 ~~(7)~~ (3) an assessment of any differences between the proposed rule and existing or  
 121.30 proposed federal regulations standards and similar standards in relevant states bordering  
 121.31 Minnesota or within Environmental Protection Agency Region 5 and a specific analysis of  
 121.32 the need for and reasonableness of each difference; and

122.1 ~~(8) (4)~~ an assessment of the cumulative effect of ~~the rule with other federal and state~~  
 122.2 ~~regulations related to the specific purpose of the rule. all rules adopted by the agency or any~~  
 122.3 ~~other agency, and all federal regulations and local ordinances or regulations, related to the~~  
 122.4 ~~specific purpose for which the rule is being adopted; and~~

122.5 (5) the agency's findings and conclusions that support its determination that the proposed  
 122.6 rule is based on sound, reasonably available scientific, technical, economic, or other  
 122.7 information and rationale; and if the proposed rule is more restrictive than a standard,  
 122.8 limitation, or requirement imposed by federal law or rule pertaining to the same subject  
 122.9 matter, a justification based on sound, reasonably available scientific, technical, economic,  
 122.10 or other information and rationale that the more stringent standard is necessary to protect  
 122.11 the public's health, safety, or welfare.

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

122.15 For purposes of clause ~~(8) (4)~~, "cumulative effect" means the impact that results from  
 122.16 incremental impact of the proposed rule in addition to other rules, regardless of what state  
 122.17 or federal agency has adopted the other rules. Cumulative effects can result from individually  
 122.18 minor but collectively significant rules adopted over a period of time.

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

122.22 The statement must describe, with reasonable particularity, the scientific, technical, and  
 122.23 economic information that supports the proposed rule.

122.24 The agency must consult with the commissioner of management and budget to help  
 122.25 evaluate the fiscal impact and fiscal benefits of the proposed rule on units of local  
 122.26 government. The agency must send a copy of the statement of need and reasonableness to  
 122.27 the Legislative Reference Library no later than when the notice of hearing is ~~mailed under~~  
 122.28 ~~section 14.14, subdivision 1a sent.~~

122.29 Sec. 20. Minnesota Statutes 2016, section 14.14, subdivision 1a, is amended to read:

122.30 Subd. 1a. **Notice of rule hearing.** (a) ~~Each agency shall maintain a list of all persons~~  
 122.31 ~~who have registered with the agency for the purpose of receiving notice of rule proceedings.~~  
 122.32 ~~Persons may register to receive notice of rule proceedings by submitting to the agency:~~

122.33 ~~(1) their electronic mail address; or~~

123.1 ~~(2) their name and United States mail address.~~

123.2 ~~The agency may inquire as to whether those persons on the list wish to remain on it and~~  
 123.3 ~~may remove persons for whom there is a negative reply or no reply within 60 days. The~~  
 123.4 ~~agency shall, at least 30 days before the date set for the hearing, give notice of its intention~~  
 123.5 ~~to adopt hold a hearing on the proposed rules by United States mail or electronic mail to all~~  
 123.6 ~~persons on its list who have registered with the agency under section 14.105, and by~~  
 123.7 ~~publication in the State Register.~~

123.8 ~~The mailed notice must include either a copy of the proposed rule or an easily readable~~  
 123.9 ~~and understandable description of its nature and effect and an announcement that a free~~  
 123.10 ~~copy of the proposed rule is available on request from the agency. In addition, each agency~~  
 123.11 ~~shall make reasonable efforts to notify persons or classes of persons who may be significantly~~  
 123.12 ~~affected by the rule being proposed by giving notice of its intention in newsletters,~~  
 123.13 ~~newspapers, or other publications, or through other means of communication. The notice~~  
 123.14 ~~in the State Register must include the proposed rule or an amended rule in the form required~~  
 123.15 ~~by the revisor under section 14.07, together with an easily readable and understandable~~  
 123.16 ~~summary of the overall nature and effect of the proposed rule, a citation to the most specific~~  
 123.17 ~~statutory authority for the proposed rule, a statement of the place, date, and time of the~~  
 123.18 ~~public hearing, a statement that a free copy of the proposed rule and the statement of need~~  
 123.19 ~~and reasonableness may be requested from the agency, a statement that persons may register~~  
 123.20 ~~with the agency for the purpose of receiving notice of rule proceedings ~~and notice that the~~~~  
 123.21 ~~agency intends to adopt a rule, and other information required by law or rule. When an~~  
 123.22 ~~entire rule is proposed to be repealed, the agency need only publish that fact, along with an~~  
 123.23 ~~easily readable and understandable summary of the overall nature of the rules proposed for~~  
 123.24 ~~repeal, and a citation to the rule to be repealed.~~

123.25 ~~The mailed notice of hearing must be the same as the notice published in the State~~  
 123.26 ~~Register, except that the mailed notice may omit the text of the proposed rule if it includes~~  
 123.27 ~~an announcement of where a copy of the proposed rule may be obtained.~~

123.28 (b) The chief administrative law judge may authorize an agency to omit from the notice  
 123.29 of rule hearing the text of any proposed rule, the publication of which would be unduly  
 123.30 cumbersome, expensive, or otherwise inexpedient if:

123.31 (1) knowledge of the rule is likely to be important to only a small class of persons;

123.32 (2) the notice of rule hearing states that a free copy of the entire rule is available upon  
 123.33 request to the agency; and

124.1 (3) the notice of rule hearing states in detail the specific subject matter of the omitted  
 124.2 rule, cites the statutory authority for the proposed rule, and details the proposed rule's purpose  
 124.3 and motivation.

124.4 Sec. 21. Minnesota Statutes 2016, section 14.14, subdivision 2a, is amended to read:

124.5 Subd. 2a. **Hearing procedure.** When a hearing is held on a proposed rule, it shall be  
 124.6 conducted by an administrative law judge assigned by the chief administrative law judge.  
 124.7 The administrative law judge shall ensure that all persons involved in the rule hearing are  
 124.8 treated fairly and impartially. The agency shall submit into the record the jurisdictional  
 124.9 documents, including the statement of need and reasonableness, comments and hearing  
 124.10 requests received, and any written exhibits in support of the proposed rule. The agency may  
 124.11 also present additional oral evidence. Interested persons may present written and oral  
 124.12 evidence. The administrative law judge shall allow questioning of agency representatives  
 124.13 or witnesses, or of interested persons making oral statements, in order to explain the purpose  
 124.14 or intended operation of a proposed rule, or a suggested modification, or for other purposes  
 124.15 if material to the evaluation or formulation of the proposed rule. The administrative law  
 124.16 judge may limit repetitive or immaterial oral statements and questioning.

124.17 Sec. 22. Minnesota Statutes 2016, section 14.19, is amended to read:

124.18 **14.19 DEADLINE TO COMPLETE RULEMAKING.**

124.19 Within 180 days after issuance of the administrative law judge's report or that of the  
 124.20 chief administrative law judge, the agency shall submit its notice of adoption, amendment,  
 124.21 or repeal to the State Register for publication. If the agency has not submitted its notice to  
 124.22 the State Register within 180 days, the rule is automatically withdrawn. The agency may  
 124.23 not adopt the withdrawn rules without again following the procedures of sections 14.05 to  
 124.24 14.28, with the exception of section 14.101, if the noncompliance is approved by the chief  
 124.25 administrative law judge. The agency shall report to the Legislative Coordinating  
 124.26 Commission, other appropriate committees of the legislature, and the governor its failure  
 124.27 to adopt rules and the reasons for that failure. The 180-day time limit of this section does  
 124.28 not include:

124.29 (1) any days used for review by the chief administrative law judge or the commission  
 124.30 if the review is required by law; or

124.31 (2) days during which the rule cannot be adopted, because of votes by legislative  
 124.32 committees under section 14.126; ~~or.~~

125.1 ~~(3) days during which the rule cannot be adopted because approval of the legislature is~~  
 125.2 ~~required under section 14.127.~~

125.3 Sec. 23. Minnesota Statutes 2016, section 14.22, subdivision 1, is amended to read:

125.4 Subdivision 1. **Contents.** (a) ~~Unless an agency proceeds directly to a public hearing on~~  
 125.5 ~~a proposed rule and gives the notice prescribed in section 14.14, subdivision 1a, the agency~~  
 125.6 ~~shall give notice of its intention to adopt a rule without public hearing. The agency shall~~  
 125.7 ~~give the notice required by this section, unless the agency gives notice of a hearing under~~  
 125.8 ~~section 14.14 or a notice under section 14.389, subdivision 2. The agency shall give notice~~  
 125.9 ~~must be given~~ of its intention to adopt a rule by publication in the State Register and by  
 125.10 United States mail or electronic mail to persons who have registered their names with the  
 125.11 agency under section 14.14, subdivision 1a 14.105. The mailed notice must include either  
 125.12 a copy of the proposed rule or an easily readable and understandable description of its nature  
 125.13 and effect and an announcement that a free copy of the proposed rule is available on request  
 125.14 from the agency. In addition, each agency shall make reasonable efforts to notify persons  
 125.15 or classes of persons who may be significantly affected by the rule by giving notice of its  
 125.16 intention in newsletters, newspapers, or other publications, or through other means of  
 125.17 communication. The notice in the State Register must include the proposed rule or ~~the~~  
 125.18 amended rule in the form required by the revisor under section 14.07<sub>2</sub>; an easily readable  
 125.19 and understandable summary of the overall nature and effect of the proposed rule<sub>2</sub>; a citation  
 125.20 to the most specific statutory authority for the proposed rule<sub>2</sub>; a statement that a free copy  
 125.21 of the statement of need and reasonableness may be requested from the agency; a statement  
 125.22 that persons may register with the agency ~~for the purpose of receiving~~ to receive notice of  
 125.23 rule proceedings ~~and notice that a rule has been submitted to the chief administrative law~~  
 125.24 ~~judge;~~<sub>2</sub> and other information required by law or rule. When an entire rule is proposed to  
 125.25 be repealed, the notice need only state that fact, along with an easily readable and  
 125.26 understandable summary of the overall nature of the ~~rules~~ rule proposed for repeal, and a  
 125.27 citation to the rule to be repealed. The notice must include a statement advising the public:

125.28 (1) that the public has at least 30 days in which to submit comment in support of or in  
 125.29 opposition to the proposed rule and that comment is encouraged;

125.30 (2) that each comment should identify the ~~portion~~ part and subpart, if any, of the proposed  
 125.31 rule addressed, the reason for the comment, and any change proposed;

125.32 (3) that the requester is encouraged to propose any change desired;

126.1 ~~(3)~~ (4) that if 25 or more persons submit a written request for a public hearing within  
 126.2 the ~~30-day~~ comment period, a public hearing will be held and the agency will use the process  
 126.3 under section 14.14;

126.4 ~~(4)~~ (5) of the manner in which persons must request a public hearing on the proposed  
 126.5 rule, including the requirements contained in section 14.25 relating to a written request for  
 126.6 a public hearing; and

126.7 ~~(5) of the requirements contained in section 14.25 relating to a written request for a~~  
 126.8 ~~public hearing, and that the requester is encouraged to propose any change desired;~~

126.9 (6) that the agency may modify the proposed rule ~~may be modified~~ if the modifications  
 126.10 are supported by the data and views submitted; ~~and.~~

126.11 ~~(7) that if a hearing is not required, notice of the date of submission of the proposed rule~~  
 126.12 ~~to the chief administrative law judge for review will be mailed to any person requesting to~~  
 126.13 ~~receive the notice.~~

126.14 In connection with the statements required in clauses (1) and ~~(3)~~ (4), the notice must  
 126.15 also include the date on which the ~~30-day~~ comment period ends. The mailed notice of intent  
 126.16 to adopt a rule must be the same as the notice published in the State Register, except that  
 126.17 the mailed notice may omit the text of the proposed rule if it includes an announcement of  
 126.18 where a copy of the proposed rule may be obtained.

126.19 (b) The chief administrative law judge may authorize an agency to omit from the notice  
 126.20 of intent to adopt the text of any proposed rule, the publication of which would be unduly  
 126.21 cumbersome, expensive, or otherwise inexpedient if:

126.22 (1) knowledge of the rule is likely to be important to only a small class of persons;

126.23 (2) the notice of intent to adopt states that a free copy of the entire rule is available upon  
 126.24 request to the agency; and

126.25 (3) the notice of intent to adopt states in detail the specific subject matter of the omitted  
 126.26 rule, cites the statutory authority for the proposed rule, and details the proposed rule's purpose  
 126.27 and motivation.

126.28 Sec. 24. Minnesota Statutes 2016, section 14.23, is amended to read:

126.29 **14.23 STATEMENT OF NEED AND REASONABLENESS.**

126.30 By the date of the section 14.22 notice, the agency shall prepare a statement of need and  
 126.31 reasonableness, which must be available to the public. The statement of need and  
 126.32 reasonableness must include the analysis information required in section 14.131. ~~The~~

127.1 ~~statement must also describe the agency's efforts to provide additional notification under~~  
 127.2 ~~section 14.22 to persons or classes of persons who may be affected by the proposed rules~~  
 127.3 ~~or must explain why these efforts were not made. For at least 30 days following the notice,~~  
 127.4 ~~the agency shall afford the public an opportunity to request a public hearing and to submit~~  
 127.5 ~~data and views on the proposed rule in writing.~~

127.6 The agency shall send a copy of the statement of need and reasonableness to the  
 127.7 Legislative Reference Library no later than when the notice of intent to adopt is ~~mailed~~ sent.

127.8 Sec. 25. Minnesota Statutes 2016, section 14.25, subdivision 1, is amended to read:

127.9 Subdivision 1. **Requests for hearing.** If, during the ~~30-day~~ period allowed for comment  
 127.10 under section 14.22, 25 or more persons submit to the agency a written request for a public  
 127.11 hearing of the proposed rule, the agency shall proceed under the provisions of sections 14.14  
 127.12 to 14.20. The written request must include:

127.13 (1) the name and address of the person requesting the public hearing; ~~and~~

127.14 (2) ~~the portion or portions~~ part or subpart, if any, of the rule to which the person objects  
 127.15 ~~or a statement that the person opposes the entire rule. If not previously published under~~  
 127.16 ~~section 14.22, subdivision 2, a notice of the public hearing must be published in the State~~  
 127.17 ~~Register and mailed to those persons who submitted a written request for the public hearing.~~  
 127.18 ~~Unless the agency has modified the proposed rule, the notice need not include the text of~~  
 127.19 ~~the proposed rule but only a citation to the State Register pages where the text appears; and~~

127.20 (3) the reasons for the objection to each portion of the rule identified.

127.21 A written request for a public hearing that does not comply with the requirements of this  
 127.22 section is invalid and may not be counted by the agency for purposes of determining whether  
 127.23 a public hearing must be held. A written request for a public hearing is not invalid due to  
 127.24 failure of the request to correctly identify the portion of the rule to which the person objects  
 127.25 if the agency reasonably can determine which portion of the rule is the basis for the objection.

127.26 Sec. 26. Minnesota Statutes 2016, section 14.26, is amended to read:

127.27 **14.26 ADOPTION OF PROPOSED RULE; SUBMISSION TO ADMINISTRATIVE**  
 127.28 **LAW JUDGE.**

127.29 Subdivision 1. **Submission.** If no hearing is required, the agency shall submit to an  
 127.30 administrative law judge assigned by the chief administrative law judge the proposed rule  
 127.31 and notice as published, the rule as adopted, any written comments received by the agency,  
 127.32 and a statement of need and reasonableness for the rule. The agency shall give notice to all

128.1 persons who requested to be informed that these materials have been submitted to the  
 128.2 administrative law judge. This notice must be given on the same day that the record is  
 128.3 submitted. If the proposed rule has been modified, the notice must state that fact, and must  
 128.4 also state that a free copy of the proposed rule, as modified, is available upon request from  
 128.5 the agency. The rule and these materials must be submitted to the administrative law judge  
 128.6 within 180 days of the day that the comment period for the rule is over or the rule is  
 128.7 automatically withdrawn. The agency may not adopt the withdrawn rules without again  
 128.8 following the procedures of sections 14.05 to 14.28, with the exception of section 14.101,  
 128.9 if the noncompliance is approved by the chief administrative law judge. The agency shall  
 128.10 report its failure to adopt the rules and the reasons for that failure to the Legislative  
 128.11 Coordinating Commission, other appropriate legislative committees, and the governor.

128.12 ~~Subd. 2. **Resubmission.** Even if the 180-day period expires while the administrative~~  
 128.13 ~~law judge reviews the rule, if the administrative law judge rejects the rule, the agency may~~  
 128.14 ~~resubmit it after taking corrective action. The resubmission must occur within 30 days of~~  
 128.15 ~~when the agency receives written notice of the disapproval. If the rule is again disapproved,~~  
 128.16 ~~the rule is withdrawn. An agency may resubmit at any time before the expiration of the~~  
 128.17 ~~180-day period. If the agency withholds some of the proposed rule, it may not adopt the~~  
 128.18 ~~withheld portion without again following the procedures of sections 14.14 to 14.28.~~

128.19 Subd. 3. **Review.** ~~(a)~~ Within 14 days of receiving a submission under subdivision 1, the  
 128.20 administrative law judge shall approve or disapprove the rule as to its legality and its form  
 128.21 to the extent that the form relates to legality, including the issues of whether the rule if  
 128.22 modified is substantially different, as determined under section 14.05, subdivision 2, from  
 128.23 the rule as originally proposed, whether the agency has the authority to adopt the rule, and  
 128.24 whether the record demonstrates a rational basis for the need for and reasonableness of the  
 128.25 proposed rule. ~~If the rule is approved, the administrative law judge shall promptly file four~~  
 128.26 ~~paper copies or an electronic copy of the adopted rule in the Office of the Secretary of State.~~  
 128.27 ~~The secretary of state shall forward one copy of each rule to the revisor of statutes, to the~~  
 128.28 ~~agency, and to the governor.~~ If the rule is disapproved, the administrative law judge shall  
 128.29 state in writing the reasons for the disapproval and make recommendations to overcome  
 128.30 the defects.

128.31 Subd. 3b. **Harmless error.** The administrative law judge shall disregard any error or  
 128.32 defect in the proceeding due to the agency's failure to satisfy any procedural requirements  
 128.33 imposed by law or rule if the administrative law judge finds:

128.34 (1) that the failure did not deprive any person or entity of an opportunity to participate  
 128.35 meaningfully in the rulemaking process; or

129.1 (2) that the agency has taken corrective action to cure the error or defect so that the  
 129.2 failure did not deprive any person or entity of an opportunity to participate meaningfully  
 129.3 in the rulemaking process.

129.4 Subd. 3c. **Correction of defects.** ~~(b)~~ (a) The written disapproval must be submitted to  
 129.5 the chief administrative law judge for approval. If the chief administrative law judge approves  
 129.6 of the findings of the administrative law judge, the chief administrative law judge shall send  
 129.7 the statement of the reasons for disapproval of the rule to the agency, the Legislative  
 129.8 Coordinating Commission, the house of representatives and senate policy committees with  
 129.9 primary jurisdiction over state governmental operations, and the revisor of statutes and  
 129.10 advise the agency and the revisor of statutes of actions that will correct the defects. The rule  
 129.11 may not be filed in the Office of the Secretary of State, nor be published, until the chief  
 129.12 administrative law judge determines that the defects have been corrected or, if applicable,  
 129.13 that the agency has satisfied the rule requirements for the adoption of a substantially different  
 129.14 rule.

129.15 (b) The agency may resubmit the disapproved rule under paragraph (a) to the chief  
 129.16 administrative law judge after correcting the defects. If the 180-day period expires while  
 129.17 the chief administrative law judge is reviewing the rule, the agency may resubmit the rule  
 129.18 within 30 days of the date the agency received written notice of disapproval. In all other  
 129.19 cases, the agency may resubmit the rule at any time before the expiration of the 180-day  
 129.20 period in subdivision 1. If the resubmitted rule is disapproved by the chief administrative  
 129.21 law judge, the rule is withdrawn. If the agency does not resubmit a portion of the rule, it  
 129.22 may not adopt that portion of the rule without again following the procedures of sections  
 129.23 14.14 to 14.28.

129.24 Subd. 3d. **Need or reasonableness not established.** ~~(c)~~ If the chief administrative law  
 129.25 judge determines that the need for or reasonableness of the rule has not been established,  
 129.26 and if the agency does not elect to follow the suggested actions of the chief administrative  
 129.27 law judge to correct that defect, then the agency shall submit the proposed rule to the  
 129.28 Legislative Coordinating Commission and to the house of representatives and senate policy  
 129.29 committees with primary jurisdiction over state governmental operations for advice and  
 129.30 comment. The agency may not adopt the rule until it has received and considered the advice  
 129.31 of the commission and committees. However, the agency need not wait for advice for more  
 129.32 than 60 days after the commission and committees have received the agency's submission.

129.33 ~~(d) The administrative law judge shall disregard any error or defect in the proceeding~~  
 129.34 ~~due to the agency's failure to satisfy any procedural requirements imposed by law or rule~~  
 129.35 ~~if the administrative law judge finds:~~

130.1 ~~(1) that the failure did not deprive any person or entity of an opportunity to participate~~  
 130.2 ~~meaningfully in the rulemaking process; or~~

130.3 ~~(2) that the agency has taken corrective action to cure the error or defect so that the~~  
 130.4 ~~failure did not deprive any person or entity of an opportunity to participate meaningfully~~  
 130.5 ~~in the rulemaking process.~~

130.6 ~~Subd. 3a. **Filing.** If the rule is approved, the administrative law judge shall promptly~~  
 130.7 ~~file four paper copies or an electronic copy of the adopted rule in the Office of the Secretary~~  
 130.8 ~~of State. The secretary of state shall forward one copy of each rule to the revisor of statutes,~~  
 130.9 ~~to the agency, and to the governor.~~

130.10 ~~Subd. 4. **Costs.** The Office of Administrative Hearings shall assess an agency for the~~  
 130.11 ~~actual cost of processing rules under this section. Each agency shall include in its budget~~  
 130.12 ~~money to pay the assessment. Receipts from the assessment must be deposited in the~~  
 130.13 ~~administrative hearings account created in section 14.54.~~

130.14 Subd. 5. **Filing.** If the rule is approved, the chief administrative law judge shall promptly  
 130.15 file four paper copies or an electronic copy of it in the Office of the Secretary of State. The  
 130.16 secretary of state shall forward one copy of the rule to the revisor of statutes, one copy to  
 130.17 the agency, and one copy to the governor.

130.18 Subd. 6. **Costs.** If the rule is approved, the chief administrative law judge shall promptly  
 130.19 file four paper copies or an electronic copy of it in the Office of the Secretary of State. The  
 130.20 secretary of state shall forward one copy of the rule to the revisor of statutes, one copy to  
 130.21 the agency, and one copy to the governor.

130.22 Sec. 27. Minnesota Statutes 2016, section 14.365, is amended to read:

130.23 **14.365 OFFICIAL RULEMAKING RECORD.**

130.24 The agency shall maintain the official rulemaking record for every rule adopted under  
 130.25 sections 14.05 to ~~14.389~~ 14.3895. The record must be available for public inspection. The  
 130.26 record required by this section constitutes the official and exclusive agency rulemaking  
 130.27 record with respect to agency action on or judicial review of the rule. The record must  
 130.28 contain:

130.29 (1) copies of all publications in the State Register pertaining to the rule;

130.30 (2) all written petitions, and all requests, submissions, or comments received by the  
 130.31 agency or the administrative law judge after publication of the notice of intent to adopt or  
 130.32 the notice of hearing in the State Register pertaining to the rule;

- 131.1 (3) the statement of need and reasonableness for the rule;
- 131.2 (4) any report prepared by the peer review panel pursuant to section 14.129;
- 131.3 ~~(4)~~ (5) the official transcript of the hearing if one was held, or the tape recording of the
- 131.4 hearing if a transcript was not prepared;
- 131.5 ~~(5)~~ (6) the report of the administrative law judge, if any;
- 131.6 ~~(6)~~ (7) the rule in the form last submitted to the administrative law judge under sections
- 131.7 14.14 to 14.20 or first submitted to the administrative law judge under sections 14.22 to
- 131.8 14.28;
- 131.9 ~~(7)~~ (8) the administrative law judge's written statement of required modifications and
- 131.10 of approval or disapproval by the chief administrative law judge, if any;
- 131.11 ~~(8)~~ (9) any documents required by applicable rules of the Office of Administrative
- 131.12 Hearings;
- 131.13 ~~(9)~~ (10) the agency's order adopting the rule;
- 131.14 ~~(10)~~ (11) the revisor's certificate approving the form of the rule; and
- 131.15 ~~(11)~~ (12) a copy of the adopted rule as filed with the secretary of state.

131.16 Sec. 28. Minnesota Statutes 2016, section 14.381, subdivision 3, is amended to read:

131.17 Subd. 3. **Costs.** The agency is liable for all Office of Administrative Hearings costs

131.18 associated with review of the petition. If the administrative law judge rules in favor of the

131.19 agency, the agency may recover all or a portion of the costs from the petitioner unless the

131.20 petitioner is entitled to proceed in forma pauperis under section 563.01 or the administrative

131.21 law judge determines that the petition was brought in good faith and that an assessment of

131.22 the costs would constitute an undue hardship for the petitioner. ~~If an agency has reason to~~

131.23 ~~believe it will prevail in the consideration of a petition, and that an effort to recover costs~~

131.24 ~~from the petitioner will be unsuccessful, it may request the chief administrative law judge~~

131.25 ~~to require the petitioner to provide bond or a deposit to the agency in an amount the chief~~

131.26 ~~administrative law judge estimates will be the cost to the Office of Administrative Hearings~~

131.27 ~~to review the petition.~~

131.28 Sec. 29. Minnesota Statutes 2016, section 14.388, subdivision 1, is amended to read:

131.29 Subdivision 1. **Requirements.** If an agency for good cause finds that the rulemaking

131.30 provisions of this chapter are unnecessary, impracticable, or contrary to the public interest

131.31 when adopting, amending, or repealing a rule to:

- 132.1 (1) address a serious and immediate threat to the public health, safety, or welfare;
- 132.2 (2) comply with a court order or a requirement in federal law in a manner that does not
- 132.3 allow for compliance with sections 14.14 to 14.28;
- 132.4 (3) incorporate specific changes set forth in applicable statutes when no interpretation
- 132.5 of law is required; or
- 132.6 (4) make changes that do not alter the sense, meaning, or effect of a rule,
- 132.7 the agency may adopt, amend, or repeal the rule after satisfying the requirements of
- 132.8 subdivision 2 and section 14.386, paragraph (a), clauses (1) to (4). The agency shall
- 132.9 incorporate its findings and a brief statement of its supporting reasons in its order adopting,
- 132.10 amending, or repealing the rule.

132.11 After considering the agency's statement and any comments received, the Office of

132.12 Administrative Hearings shall determine whether the agency has provided adequate

132.13 justification for its use of this section.

132.14 Rules adopted, amended, or repealed under ~~clauses~~ clause (1) ~~and (2)~~ are effective for

132.15 a period of two years from the date of publication of the rule in the State Register.

132.16 Rules adopted, amended, or repealed under clause (2), (3), or (4) are effective upon

132.17 publication in the State Register.

132.18 Sec. 30. Minnesota Statutes 2016, section 14.388, subdivision 2, is amended to read:

132.19 Subd. 2. **Notice.** An agency proposing to adopt, amend, or repeal a rule under this section

132.20 must give notice to the chairs and ranking minority members of the legislative policy and

132.21 budget committees with jurisdiction over the subject matter of the proposed rules and to

132.22 the Legislative Coordinating Commission, must give electronic notice of its intent in

132.23 accordance with section 16E.07, subdivision 3, and must give notice by United States mail

132.24 or electronic mail to persons who have registered their names with the agency under section

132.25 14.14, subdivision 1a. The notice must be given no later than the date the agency submits

132.26 the proposed rule to the Office of Administrative Hearings for review of its legality and

132.27 must include:

- 132.28 (1) the proposed rule, amendment, or repeal;
- 132.29 (2) an explanation of why the rule meets the requirements of the good cause exemption
- 132.30 under subdivision 1; and
- 132.31 (3) a statement that interested parties have five business days after the date of the notice
- 132.32 to submit comments to the Office of Administrative Hearings.

133.1 Sec. 31. Minnesota Statutes 2016, section 14.44, is amended to read:

133.2 **14.44 DETERMINATION OF VALIDITY OF RULE.**

133.3 (a) The validity of any rule, or the validity of any agency policy, guideline, bulletin,  
133.4 criterion, manual standard, or similar pronouncement that the petitioner believes is a rule  
133.5 as defined in section 14.02, subdivision 4, may be determined upon the petition for a  
133.6 declaratory judgment thereon, addressed to the Court of Appeals, when it appears that the  
133.7 rule or pronouncement, or its threatened application, interferes with or impairs, or threatens  
133.8 to interfere with or impair the legal rights or privileges of the petitioner. The agency shall  
133.9 be made a party to the proceeding. The declaratory judgment may be rendered whether or  
133.10 not the petitioner has first requested the agency to pass upon the validity of the rule in  
133.11 question, whether or not the petitioner has petitioned the Office of Administrative Hearings  
133.12 under section 14.381, and whether or not the agency has commenced an action against the  
133.13 petitioner to enforce the rule.

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

133.22 Sec. 32. Minnesota Statutes 2016, section 14.45, is amended to read:

133.23 **14.45 RULE DECLARED INVALID.**

133.24 In proceedings under section 14.44, the court shall declare the rule or agency policy,  
133.25 guideline, bulletin, criterion, manual standard, or similar pronouncement invalid if it finds  
133.26 that it violates constitutional provisions or exceeds the statutory authority of the agency or  
133.27 if the rule was adopted or the policy, guideline, bulletin, criterion, manual standard, or  
133.28 similar pronouncement was improperly implemented without compliance with statutory  
133.29 rulemaking procedures. Any party to proceedings under section 14.44, including the agency,  
133.30 may appeal an adverse decision of the Court of Appeals to the Supreme Court as in other  
133.31 civil cases.

134.1 Sec. 33. Minnesota Statutes 2016, section 14.51, is amended to read:

134.2 **14.51 PROCEDURAL RULES.**

134.3 The chief administrative law judge shall adopt rules to govern: (1) the procedural conduct  
134.4 of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings,  
134.5 contested case hearings, and workers' compensation hearings, and to govern the conduct of  
134.6 voluntary mediation sessions for rulemaking and contested cases other than those within  
134.7 the jurisdiction of the Bureau of Mediation Services; and (2) the review of rules adopted  
134.8 without a public hearing. The chief administrative law judge may adopt rules to govern the  
134.9 procedural conduct of other hearings conducted by the Office of Administrative Hearings.  
134.10 The procedural rules shall be binding upon all agencies and shall supersede any other agency  
134.11 procedural rules with which they may be in conflict. The procedural rules shall include in  
134.12 addition to normal procedural matters provisions relating to the procedure to be followed  
134.13 when the proposed final rule of an agency is substantially different, as determined under  
134.14 section 14.05, subdivision 2, from that which was proposed. The procedural rules shall  
134.15 establish a procedure whereby the proposed final rule of an agency shall be reviewed by  
134.16 the chief administrative law judge on the issue of whether the proposed final rule of the  
134.17 agency is substantially different than that which was proposed or failure of the agency to  
134.18 meet the requirements of chapter 14. The rules must also provide: (1) an expedited procedure,  
134.19 consistent with section 14.001, clauses (1) to (5), for the adoption of substantially different  
134.20 rules by agencies; and (2) a procedure to allow an agency to receive prior binding approval  
134.21 of its plan regarding the additional notice contemplated under sections 14.101, 14.131,  
134.22 14.14, 14.22, ~~and 14.23~~, and 14.389. Upon the chief administrative law judge's own initiative  
134.23 or upon written request of an interested party, the chief administrative law judge may issue  
134.24 a subpoena for the attendance of a witness or the production of books, papers, records or  
134.25 other documents as are material to any matter being heard by the Office of Administrative  
134.26 Hearings. The subpoenas shall be enforceable through the district court in the district in  
134.27 which the subpoena is issued.

134.28 Sec. 34. **REPEALER.**

134.29 Minnesota Statutes 2016, section 14.05, subdivision 5, is repealed.

134.30 Sec. 35. **EFFECTIVE DATE; APPLICATION.**

134.31 Except where otherwise provided, this article is effective August 1, 2017, and applies  
134.32 to rules for which a notice of hearing under Minnesota Statutes, section 14.14; a notice of

135.1 intent to adopt under Minnesota Statutes, section 14.22; or a dual notice under Minnesota  
 135.2 Statutes, section 14.225, is published in the State Register on or after that date.

135.3 **ARTICLE 5**

135.4 **MINNESOTA SPORTS FACILITIES AUTHORITY**

135.5 Section 1. Minnesota Statutes 2016, section 13.55, subdivision 2, is amended to read:

135.6 Subd. 2. **Public data.** (a) The data made not public by the provisions of subdivision 1  
 135.7 shall become public upon the occurrence of any of the following:

135.8 ~~(a)~~ (1) five years elapse from the date on which the lease or contract is entered into  
 135.9 between the facility and the inquiring party or parties or the event which was the subject of  
 135.10 inquiry occurs at the facility, whichever occurs earlier;

135.11 ~~(b)~~ (2) the event which was the subject of inquiry does not occur; or

135.12 ~~(c)~~ (3) the event which was the subject of inquiry occurs elsewhere.

135.13 (b) Data regarding persons receiving free or discounted admission, tickets, or other gifts  
 135.14 from publicly owned and operated convention facilities, civic center authorities, or the  
 135.15 Minnesota Sports Facilities Authority is public data unless the data is subject to the provisions  
 135.16 of subdivision 1 or 4, paragraph (b).

135.17 Sec. 2. Minnesota Statutes 2016, section 16A.965, is amended by adding a subdivision to  
 135.18 read:

135.19 Subd. 11. **Prepayment of bonds.** Each fiscal year in which there is a reduction in the  
 135.20 amount of the payment for stadium operating expenses as a result of the provisions of section  
 135.21 473J.09, subdivision 15, the commissioner shall set aside the amount of the savings in a  
 135.22 separate account in the general fund for that purpose. When a sufficient amount of savings  
 135.23 have been accumulated in that account to make it practicable, the commissioner must use  
 135.24 amounts in the account to prepay or defease bonds issued under this subdivision in a manner  
 135.25 that preserves the tax exempt status of the bonds.

135.26 Sec. 3. Minnesota Statutes 2016, section 297A.994, subdivision 4, is amended to read:

135.27 Subd. 4. **General fund allocations.** The commissioner must retain and deposit to the  
 135.28 general fund the following amounts, as required by subdivision 3, clause (3):

135.29 (1) for state bond debt service support beginning in calendar year 2021, and for each  
 135.30 calendar year thereafter through calendar year 2046, periodic amounts so that not later than

136.1 December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been  
136.2 deposited in the general fund. To determine aggregate present value, the commissioner must  
136.3 consult with the commissioner of management and budget regarding the present value dates,  
136.4 discount rate or rates, and schedules of annual amounts. The present value date or dates  
136.5 must be based on the date or dates bonds are sold under section 16A.965, or the date or  
136.6 dates other state funds, if any, are deposited into the construction fund. The discount rate  
136.7 or rates must be based on the true interest cost of the bonds issued under section 16A.965,  
136.8 or an equivalent 30-year bond index, as determined by the commissioner of management  
136.9 and budget. The schedule of annual amounts must be certified to the commissioner by the  
136.10 commissioner of management and budget and the finance officer of the city;

136.11 (2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities  
136.12 Authority beginning in calendar year 2021, and for each calendar year thereafter through  
136.13 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for  
136.14 this purpose in that calendar year under section 473J.13, subdivision 4;

136.15 (3) for the operating expense appropriation to the Minnesota Sports Facilities Authority  
136.16 beginning in calendar year 2021, and for each calendar year thereafter through calendar  
136.17 year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose  
136.18 in that calendar year under section 473J.13, subdivision 2, determined without regard to the  
136.19 reduction in that amount for any amounts reported under section 473J.09, subdivision 15,  
136.20 paragraph (c);

136.21 (4) for recapture of state advances for capital improvements and operating expenses for  
136.22 calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar  
136.23 year thereafter until all amounts under this clause have been paid, proportionate amounts  
136.24 periodically until an aggregate amount equal to the present value of all amounts paid by the  
136.25 state have been deposited in the general fund. To determine the present value of the amounts  
136.26 paid by the state to the authority and the present value of amounts deposited to the general  
136.27 fund under this clause, the commissioner shall consult with the commissioner of management  
136.28 and budget regarding the present value dates, discount rate or rates, and schedule of annual  
136.29 amounts. The present value dates must be based on the dates state funds are paid to the  
136.30 authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause  
136.31 to the general fund. The discount rates must be based on the reasonably equivalent cost of  
136.32 state funds as determined by the commissioner of management and budget. The schedule  
136.33 of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision  
136.34 2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and  
136.35 taxes deposited to the general fund from time to time under this clause, and the schedule

137.1 and revised schedules must be certified to the commissioner by the commissioner of  
 137.2 management and budget and the finance officer of the city, and are transferred as accrued  
 137.3 from the general fund for repayment of advances made by the state to the authority.  
 137.4 Determination of the present value amounts must be made without regard to any reduction  
 137.5 in the state advances resulting from amounts reported under section 473J.09, subdivision  
 137.6 15, paragraph (c); and

137.7 (5) to capture increases in taxes imposed under the special law, for the benefit of the  
 137.8 Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar  
 137.9 year thereafter through 2046, there shall be deposited to the general fund in proportionate  
 137.10 periodic payments in the following year, an amount equal to the following:

137.11 (i) 50 percent of the difference, if any, by which the amount of the net annual taxes for  
 137.12 the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus  
 137.13 \$1,000,000, inflated at two percent per year since 2011, minus

137.14 (ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for  
 137.15 the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus  
 137.16 \$3,000,000, inflated at two percent per year since 2011.

137.17 Sec. 4. Minnesota Statutes 2016, section 473J.07, subdivision 2, is amended to read:

137.18 Subd. 2. **Membership.** (a) The authority shall consist of ~~five~~ seven members.

137.19 (b) ~~The chair and two members~~ One member shall be appointed by the governor. ~~One~~  
 137.20 This member appointed by the governor shall serve until December 31 of the third year  
 137.21 following appointment ~~and one member shall serve until December 31 of the fourth year~~  
 137.22 ~~following appointment.~~ Thereafter, members appointed by the governor shall serve four-year  
 137.23 terms, beginning January 1. Each member serves until a successor is appointed and takes  
 137.24 office. ~~The chair serves at the pleasure of the governor.~~

137.25 (c) The mayor of the city shall appoint ~~two members~~ one member to the authority. ~~One~~  
 137.26 This member appointed by the mayor of the city shall serve until December 31 of the ~~third~~  
 137.27 second year following appointment ~~and one member shall serve until December 31 of the~~  
 137.28 ~~fourth year following appointment.~~ Thereafter, members appointed under this paragraph  
 137.29 shall serve four-year terms beginning January 1. Each member serves until a successor is  
 137.30 appointed and takes office. Members appointed under this paragraph may reside within the  
 137.31 city and may be appointed officials of a political subdivision.

138.1 ~~(d) The initial members of the authority must be appointed not later than June 13, 2012.~~  
 138.2 The legislature shall appoint the remaining members of the authority, who may not be  
 138.3 members of the legislature, as follows:

138.4 (1) the speaker of the house shall appoint one member;

138.5 (2) the majority leader of the senate shall appoint one member;

138.6 (3) the minority leader of the house of representatives shall appoint one member; and

138.7 (4) the minority leader of the senate shall appoint one member.

138.8 (e) The chair of the Legislative Coordinating Commission shall appoint a voting member  
 138.9 of the board, who must be a certified public accountant. Members appointed by the legislature  
 138.10 shall serve for three-year terms.

138.11 Sec. 5. Minnesota Statutes 2016, section 473J.07, subdivision 3, is amended to read:

138.12 Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the~~  
 138.13 ~~chair,~~ as provided in section 15.0575. The chair shall receive, ~~unless otherwise provided by~~  
 138.14 ~~other law, a salary in an amount fixed by the authority,~~ the same compensation as other  
 138.15 board members and shall be reimbursed for reasonable expenses to the same extent as a  
 138.16 member.

138.17 Sec. 6. Minnesota Statutes 2016, section 473J.07, subdivision 4, is amended to read:

138.18 Subd. 4. **Chair.** The chair presides at all meetings of the authority, if present, and  
 138.19 performs all other assigned duties and functions. The members of the board shall biennially  
 138.20 elect a chair from among its members. The authority may appoint from among its members  
 138.21 a vice-chair to act for the chair during the temporary absence or disability of the chair, and  
 138.22 any other officers the authority determines are necessary or convenient.

138.23 Sec. 7. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:

138.24 Subd. 8. **Executive director; employees.** The authority may appoint an executive director  
 138.25 to serve as the chief executive officer of the authority. The executive director serves at the  
 138.26 pleasure of the authority and receives compensation as determined by the authority, but in  
 138.27 no instance may the compensation of the executive director exceed that of the governor.  
 138.28 The executive director may be responsible for the operation, management, and promotion  
 138.29 of activities of the authority, as prescribed by the authority. The executive director has the  
 138.30 powers necessarily incident to the performance of duties required and powers granted by  
 138.31 the authority, but does not have authority to incur liability or make expenditures on behalf

139.1 of the authority without general or specific directions by the authority, as shown by the  
139.2 bylaws or minutes of a meeting of the authority. The executive director is responsible for  
139.3 hiring, supervision, and dismissal of all other employees of the authority. The authority  
139.4 must conduct an annual employee evaluation of the executive director, which must be  
139.5 reviewed and approved by the entire board.

139.6 Sec. 8. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision to  
139.7 read:

139.8 Subd. 8a. **Budget; report.** After adoption, the authority shall submit its annual budget  
139.9 to the commissioner of management and budget and to the chairs and ranking minority  
139.10 members of the senate finance and house of representatives ways and means committees.  
139.11 All elements of the authority budget, meeting minutes, policies, and procedures must be  
139.12 available on the authority Web site.

139.13 Sec. 9. Minnesota Statutes 2016, section 473J.09, subdivision 6, is amended to read:

139.14 Subd. 6. **Employees; contracts for services.** The authority may employ persons and  
139.15 contract for services necessary to carry out its functions, including the utilization of  
139.16 employees and consultants retained by other governmental entities. As a condition of  
139.17 employment, employees selected by the authority may not engage in partisan political  
139.18 activities. The authority shall enter into an agreement with the city regarding traffic control  
139.19 for the stadium.

139.20 Sec. 10. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:

139.21 Subd. 13. **Legislative report.** The authority must report to the chairs and ranking minority  
139.22 members of the legislative committees with jurisdiction over state government finance by  
139.23 January 15 of each year on the following:

- 139.24 (1) any recommended increases in the rate or dollar amount of tax;
- 139.25 (2) any recommended increases in the debt of the authority;
- 139.26 (3) the overall work and role of the authority;
- 139.27 (4) the authority's proposed and past operating and capital budgets; and
- 139.28 (5) the authority's implementation of the operating and capital budgets.

140.1 Sec. 11. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision  
140.2 to read:

140.3 Subd. 15. Use of stadium suites. (a) The authority's marketing vendor may enter into  
140.4 agreements for the use of game and event tickets, and stadium suites, for the purpose of  
140.5 marketing the stadium to potential users. Use of stadium suites is subject to the following  
140.6 requirements:

140.7 (1) stadium suites may not be used by board members, except when participating in a  
140.8 marketing effort arranged by the authority's marketing vendor, or conducting oversight of  
140.9 authority responsibilities. The executive director shall ensure that use of the suite does not  
140.10 violate open meeting laws. A board member may not use a suite more than twice per year  
140.11 for oversight duties, and must pay the fair market value for use of the suite;

140.12 (2) stadium suite use must be limited to only those persons and activities with a legitimate  
140.13 business purpose. Family members and friends of board members and authority staff are  
140.14 presumed not to have a legitimate business purpose for attendance in a suite unless the  
140.15 attendance has been approved by public vote of the authority, and the stated business purpose  
140.16 made a part of the public record;

140.17 (3) if the authority has contracted or contracts for stadium marketing services and access  
140.18 to a suite is included in the existing or future contract, the contract terms must require that  
140.19 the contractor determine when suites are needed for marketing purposes and transmits to  
140.20 the authority all data regarding its suite use, including but not limited to:

140.21 (i) the costs of use;

140.22 (ii) the identity of each attendee and their legitimate business purpose for attendance;

140.23 (iii) the date, time, and a general description of the stadium event at which the suite was  
140.24 used, if applicable; and

140.25 (iv) the value and a description of any food, parking, or other benefits provided to  
140.26 attendees.

140.27 The data required by this clause must be transmitted to the authority within 30 days after  
140.28 each event at which a suite was used;

140.29 (4) authority staff may not use a suite except with the express written assignment of  
140.30 duties by the executive director, may not be provided free food, and may not be provided  
140.31 free parking unless necessary to complete the assigned duties; and

141.1 (5) provision of tickets to events and use of suites for a purpose other than marketing or  
141.2 oversight must be reported to the legislative auditor.

141.3 (b) The authority must negotiate a return of all stadium suites to the primary tenant, or  
141.4 other interested parties, in return for fair market value. A provision may be negotiated  
141.5 allowing limited access to suites for marketing purposes. Any revenues received pursuant  
141.6 to this paragraph must be deposited in the authority's operating reserves, established under  
141.7 section 473J.13, subdivision 2, paragraph (c).

141.8 (c) No later than 60 days after the close of each fiscal year, the authority must report to  
141.9 the commissioner of management and budget the amount deposited in the authority's reserves  
141.10 under the provisions of paragraph (b).

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

141.12 Sec. 12. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision  
141.13 to read:

141.14 Subd. 16. **Code of conduct.** The authority shall adopt and comply with the latest version  
141.15 of the state code of conduct promulgated by Minnesota Management and Budget.

141.16 Sec. 13. Minnesota Statutes 2016, section 473J.13, subdivision 2, is amended to read:

141.17 Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating  
141.18 expenses of the stadium. The authority must require in the lease or use agreement with the  
141.19 NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as  
141.20 mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000  
141.21 each year, increased by a three percent annual inflation rate.

141.22 (b) Beginning January 1, 2016, or other date as mutually agreed upon by the parties,  
141.23 and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000  
141.24 each year, increased by an annual adjustment factor. The payment of \$6,000,000 per year  
141.25 beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds  
141.26 as provided under section 297A.994, subdivision 4, clause (4). After 2020, the state shall  
141.27 assume this payment, using funds generated in accordance with the city of Minneapolis as  
141.28 specified under section 297A.994, subdivision 4, clause (3). The amount of the payment  
141.29 obligation under this paragraph for any fiscal year is reduced by the dollar amount for the  
141.30 prior fiscal year reported to the commissioner of management and budget under section  
141.31 473J.09, subdivision 15, paragraph (c).

142.1 (c) The authority may establish an operating reserve to cover operating expense shortfalls  
142.2 and may accept funds from any source for deposit in the operating reserve. The establishment  
142.3 or funding of an authority operating reserve must not decrease the amounts required to be  
142.4 paid to the authority toward operating costs under this subdivision unless agreed to by the  
142.5 authority.

142.6 (d) The authority will be responsible for operating cost overruns.

142.7 (e) After the joint selection of the third-party manager or program manager, the authority  
142.8 may agree with a program manager or other third-party manager of the stadium on a fixed  
142.9 cost operating, management, or employment agreement with operating cost protections  
142.10 under which the program manager or third-party manager assumes responsibility for stadium  
142.11 operating costs and shortfalls. The agreement with the manager must require the manager  
142.12 to prepare an initial and ongoing operating plan and operating budgets for approval by the  
142.13 authority in consultation with the NFL team. The manager must agree to operate the stadium  
142.14 in accordance with the approved operating plan and operating budget.

142.15 Sec. 14. **RECOVERY.**

142.16 The Minnesota Sports Facilities Authority must recover the fair market value of any  
142.17 food, parking, tickets, and access to stadium suites provided to a person prior to January 1,  
142.18 2017, if the provision of those benefits to the person was not in the public interest. The  
142.19 authority shall report on recovery efforts to the commissioner of management and budget  
142.20 and to the chairs and ranking minority members of the senate finance and house of  
142.21 representatives ways and means committees on the second Monday of each month until a  
142.22 full recovery is completed.

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

142.24 Sec. 15. **LEGISLATIVE AUDITOR REVIEW.**

142.25 (a) No later than January 15, 2018, the legislative auditor is requested to review the  
142.26 operations and management structure of major sports event facilities in Minnesota that are  
142.27 both publicly owned and publicly operated. Upon completion, the review must be submitted  
142.28 to the chairs and ranking minority members of the legislative committees with jurisdiction  
142.29 over state government finance, and to the Legislative Commission on Minnesota Sports  
142.30 Facilities.

142.31 (b) At a minimum, the review must consider:

142.32 (1) the structure and oversight responsibilities of each facility's public governing body;

143.1 (2) whether the public governing bodies have access to tickets, suites, or other premium  
 143.2 amenities for events conducted in the facilities they oversee, including the terms under  
 143.3 which the access is provided; and

143.4 (3) whether the public governing bodies have adopted policies or procedures to ensure  
 143.5 their oversight activities, including those of individual members acting on behalf of the  
 143.6 governing body, are transparent and in furtherance of the public interest.

143.7 (c) The review must compare and contrast the practices of each public governing body  
 143.8 and may recommend best practices for improving the governance, operations, and public  
 143.9 accountability of each body. As necessary, the review may also propose any changes in law  
 143.10 necessary to implement these best practices.

143.11 Sec. 16. **REPEALER.**

143.12 Minnesota Statutes 2016, section 473J.09, subdivision 14, is repealed.

143.13 Sec. 17. **EFFECTIVE DATE.**

143.14 Except where otherwise provided, this article is effective July 1, 2017, and,  
 143.15 notwithstanding any law to the contrary, the appointment of the current executive director  
 143.16 of the Minnesota Sports Facilities Authority and the terms of all current members of the  
 143.17 authority terminate on that date. New appointments as required by Minnesota Statutes,  
 143.18 section 473J.07, subdivision 2, must be made no later than July 15, 2017."

143.19 Delete the title and insert:

143.20 "A bill for an act  
 143.21 relating to the operation of state government; appropriating money for the  
 143.22 legislature, governor's office, state auditor, attorney general, secretary of state,  
 143.23 certain agencies, boards, councils, retirement funds, military affairs, and veterans  
 143.24 affairs; cancellation and reduction of certain appropriations; requiring a base budget  
 143.25 report; establishing districting principles; establishing the Legislative Budget  
 143.26 Office; requiring certain transit financial activity reporting; modifying state auditor  
 143.27 provisions; modifying campaign finance provisions; requiring a report on  
 143.28 interagency agreements and intra-agency transfers; providing for continuing  
 143.29 appropriations under certain circumstances; amending the employee gainsharing  
 143.30 system; requiring notice on capital improvement projects; specifying grant  
 143.31 agreements; limiting number of full-time employees in state agencies; modifying  
 143.32 compensation benefits for certain employees; establishing additional long-term  
 143.33 equity investment authority; expanding the Minnesota GI Bill program; requiring  
 143.34 a system for free electronic filing of state individual income tax returns and  
 143.35 establishing a pilot program; changing certain retirement fund provisions; changing  
 143.36 school districts group health insurance request for proposals; requiring review of  
 143.37 rules for valuation of pipeline companies assessed by the state; limiting expenditures  
 143.38 for advertising; setting certain salary limits; changing certain state budgeting  
 143.39 provisions; making changes to the administrative rulemaking process; changing  
 143.40 Minnesota Sports Facilities Authority provisions; requiring a code of conduct for  
 143.41 the Minnesota Sports Facilities Authority; requiring recovery of fair market value

144.1 of certain benefits from access to stadium suites; requiring the legislative auditor  
 144.2 to review operations of major sports events facilities; requiring reports; amending  
 144.3 Minnesota Statutes 2016, sections 3.305, subdivision 1; 3.842, subdivision 4a;  
 144.4 3.855, subdivision 2; 3.8843, subdivision 7; 3.971, subdivisions 2, 6; 3.972, by  
 144.5 adding a subdivision; 3.98, subdivisions 1, 4; 3.987, subdivision 1; 6.481,  
 144.6 subdivision 6; 6.56, subdivision 2; 6.581, subdivision 4; 10A.01, subdivision 26;  
 144.7 10A.02, subdivision 13; 10A.025, subdivision 1a; 10A.105, subdivision 1; 10A.15,  
 144.8 subdivision 1; 10A.245, subdivision 2; 10A.25, subdivisions 1, 10; 10A.257,  
 144.9 subdivision 1; 10A.27, subdivision 10, by adding a subdivision; 10A.322,  
 144.10 subdivision 1; 10A.38; 13.55, subdivision 2; 14.002; 14.02, by adding a subdivision;  
 144.11 14.05, subdivisions 1, 2, 6, 7, by adding subdivisions; 14.101, subdivision 1;  
 144.12 14.116; 14.125; 14.127; 14.131; 14.14, subdivisions 1a, 2a; 14.19; 14.22,  
 144.13 subdivision 1; 14.23; 14.25, subdivision 1; 14.26; 14.365; 14.381, subdivision 3;  
 144.14 14.388, subdivisions 1, 2; 14.44; 14.45; 14.51; 15.0596; 15.191, subdivisions 1,  
 144.15 3; 16A.065; 16A.13, subdivision 2a; 16A.134; 16A.15, subdivision 3; 16A.17,  
 144.16 subdivision 5; 16A.272, subdivision 3; 16A.40; 16A.42, subdivisions 2, 4, by  
 144.17 adding a subdivision; 16A.56; 16A.671, subdivision 1; 16A.90; 16A.965, by adding  
 144.18 a subdivision; 16B.335, subdivision 1; 16B.37, subdivision 4; 16B.4805,  
 144.19 subdivision 4; 16B.97, by adding a subdivision; 16D.03, subdivision 2; 16D.09,  
 144.20 subdivision 1; 16E.0466; 21.116; 43A.17, subdivision 11; 43A.24, by adding a  
 144.21 subdivision; 43A.30, subdivision 2; 43A.49; 49.24, subdivisions 13, 16; 69.031,  
 144.22 subdivision 1; 80A.65, subdivision 9; 84A.23, subdivision 4; 84A.33, subdivision  
 144.23 4; 84A.40; 84A.52; 88.12, subdivision 1; 94.522; 94.53; 116J.64, subdivision 7;  
 144.24 126C.55, subdivisions 2, 9; 126C.68, subdivision 3; 126C.69, subdivision 14;  
 144.25 127A.34, subdivision 1; 127A.40; 136F.46, subdivision 1; 136F.70, subdivision  
 144.26 3; 162.08, subdivisions 10, 11; 162.14, subdivisions 4, 5; 162.18, subdivision 4;  
 144.27 162.181, subdivision 4; 163.051, subdivision 3; 176.181, subdivision 2; 176.581;  
 144.28 176.591, subdivision 3; 190.19, subdivisions 2, 2a; 192.55; 196.052; 197.236,  
 144.29 subdivision 9; 197.791, subdivisions 2, 3, 4, 5, 5a; 198.16; 237.30; 241.13,  
 144.30 subdivision 1; 244.19, subdivision 7; 256B.20; 260B.331, subdivision 2; 260C.331,  
 144.31 subdivision 2; 270C.13, subdivision 1; 273.121, subdivision 1; 287.08; 297A.994,  
 144.32 subdivision 4; 297I.10, subdivision 1; 299C.21; 348.05; 352.04, subdivision 9;  
 144.33 352.05; 352.115, subdivision 12; 352.12, subdivision 13; 353.05; 353.27,  
 144.34 subdivisions 3c, 7; 353.505; 354.42, subdivision 7; 354.52, subdivisions 4, 4b;  
 144.35 401.15, subdivision 1; 446A.086, subdivision 4; 446A.16, subdivision 1; 462A.18,  
 144.36 subdivision 1; 471.6161, subdivision 8; 471.617, subdivision 2; 473J.07,  
 144.37 subdivisions 2, 3, 4, 8, by adding a subdivision; 473J.09, subdivisions 6, 13, by  
 144.38 adding subdivisions; 473J.13, subdivision 2; 475A.04, subdivision 1; 508.12,  
 144.39 subdivision 1; 525.841; proposing coding for new law in Minnesota Statutes,  
 144.40 chapters 2; 3; 14; 15; 16A; 16B; 43A; 118A; 270C; repealing Minnesota Statutes  
 144.41 2016, sections 3.886; 6.581, subdivision 1; 10A.30; 10A.31, subdivisions 1, 3, 3a,  
 144.42 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, 11; 10A.315; 10A.321; 10A.322, subdivisions  
 144.43 2, 4; 10A.323; 10A.324, subdivisions 1, 3; 14.05, subdivision 5; 161.1419; 473J.09,  
 144.44 subdivision 14; Minnesota Rules, parts 4503.1400, subparts 2, 3, 4, 5, 6, 7, 8, 9;  
 144.45 4503.1450."