

1.1 moves to amend H.F. No. 2290 as follows:

1.2 Page 1, after line 5, insert:

1.3 "Section 1. Minnesota Statutes 2016, section 3.8843, subdivision 7, is amended to read:

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

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

1.6 Sec. 2. **[4.465] PERSONNEL EXPANSION; WASHINGTON OFFICE PROHIBITED.**

1.7 For the biennium ending June 30, 2019, appropriations provided to the Office of the
1.8 Governor by law may not be used to support the hiring of additional personnel, to support
1.9 current personnel in the office assigned to oversee federal policy or federal government
1.10 relations, or to maintain office space located in the District of Columbia.

1.11 Sec. 3. Minnesota Statutes 2016, section 16E.016, is amended to read:

1.12 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**
1.13 **AND EQUIPMENT.**

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

- 1.17 (1) state data centers;
- 1.18 (2) mainframes including system software;
- 1.19 (3) servers including system software;
- 1.20 (4) desktops including system software;
- 1.21 (5) laptop computers including system software;

- 2.1 (6) a data network including system software;
- 2.2 (7) database, electronic mail, office systems, reporting, and other standard software
- 2.3 tools;
- 2.4 (8) business application software and related technical support services;
- 2.5 (9) help desk for the components listed in clauses (1) to (8);
- 2.6 (10) maintenance, problem resolution, and break-fix for the components listed in clauses
- 2.7 (1) to (8);
- 2.8 (11) regular upgrades and replacement for the components listed in clauses (1) to (8);
- 2.9 and
- 2.10 (12) network-connected output devices.

2.11 (b) All state agency employees whose work primarily involves functions specified in

2.12 paragraph (a) are employees of the Office of MN.IT Services. This includes employees who

2.13 directly perform the functions in paragraph (a), as well as employees whose work primarily

2.14 involves managing, supervising, or providing administrative services or support services

2.15 to employees who directly perform these functions. The chief information officer may assign

2.16 employees of the office to perform work exclusively for another state agency.

2.17 (c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a

2.18 state agency to obtain services specified in paragraph (a) through a contract with an outside

2.19 vendor when the chief information officer and the agency head agree that a contract would

2.20 provide best value, as defined in section 16C.02, under the service-level agreement. The

2.21 chief information officer must require that agency contracts with outside vendors ensure

2.22 that systems and services are compatible with standards established by the Office of MN.IT

2.23 Services.

2.24 ~~(d) The Minnesota State Retirement System, the Public Employees Retirement~~

2.25 ~~Association, the Teachers Retirement Association, the State Board of Investment, the~~

2.26 ~~Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio~~

2.27 ~~Board are not state agencies for purposes of this section.~~

2.28 Sec. 4. Minnesota Statutes 2016, section 190.19, subdivision 2a, is amended to read:

2.29 Subd. 2a. **Uses; veterans.** (a) Money appropriated to the Department of Veterans Affairs

2.30 from the Minnesota "Support Our Troops" account may be used for:

- 2.31 (1) grants to veterans service organizations;

3.1 (2) outreach to underserved veterans;

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

3.3 (4) transfers to the vehicle services account for Gold Star license plates under section
3.4 168.1253;

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

3.8 (6) grants to an eligible foundation; and

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

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

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

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

3.18 Sec. 5. Minnesota Statutes 2016, section 197.236, subdivision 9, is amended to read:

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

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

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

4.1 Sec. 6. [270C.303] FREE ELECTRONIC FILING OF INDIVIDUAL INCOME TAX
4.2 RETURNS.

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

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

4.11 (c) The system must be available:

4.12 (1) by January 15, 2019, for the filing and payment of tax year 2018 individual income
4.13 taxes of filers with income only from wages, fewer than five dependents, and federal adjusted
4.14 gross income less than \$200,000 for married couples filing joint returns, and less than
4.15 \$100,000 for all other filers; and

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

4.21 (d) For purposes of this section, "federal adjusted gross income" has the meaning given
4.22 in section 62 of the Internal Revenue Code. Other terms have the meanings given in chapter
4.23 290.

4.24 (e) By September 15 of each year, beginning in 2019, the commissioner must provide
4.25 a report to the committees of the house of representatives and senate with jurisdiction over
4.26 taxes, in compliance with sections 3.195 and 3.197. The report must include statistics on
4.27 usage of the free electronic filing system required in this section; ways in which the
4.28 commissioner could expand the system, including draft legislation if needed for system
4.29 expansion; and any other information the commissioner considers relevant.

4.30 Sec. 7. Minnesota Statutes 2016, section 353.27, subdivision 3c, is amended to read:

4.31 Subd. 3c. **Former MERF members; member and employer contributions.** (a) For
4.32 the period July 1, 2015, through December 31, 2031, the member contributions for former

5.1 members of the Minneapolis Employees Retirement Fund and by the former Minneapolis
5.2 Employees Retirement Fund-covered employing units are governed by this subdivision.

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

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

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

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

5.16 (f) The employer supplemental contribution amount under paragraph (d) for calendar
5.17 year 2015 must be invoiced by the executive director of the Public Employees Retirement
5.18 Association by July 1, 2015. The calendar year 2015 payment is payable in a single amount
5.19 on or before September 30, 2015. For subsequent calendar years, the employer supplemental
5.20 contribution under paragraph (d) must be invoiced on January 31 of each year and is payable
5.21 in two parts, with the first half payable on or before July 31 and with the second half payable
5.22 on or before December 15. Late payments are payable with compound interest at the rate
5.23 of 0.71 percent per month for each month or portion of a month that has elapsed after the
5.24 due date.

5.25 (g) The employer supplemental contribution under paragraph (d) terminates on December
5.26 31, 2031.

5.27 Sec. 8. Minnesota Statutes 2016, section 353.505, is amended to read:

5.28 **353.505 STATE CONTRIBUTIONS; FORMER MERF DIVISION.**

5.29 (a) On September 15, 2015, ~~and~~ September 15, 2016, and annually thereafter, the state
5.30 shall pay to the general employees retirement plan of the Public Employees Retirement
5.31 Association, with respect to the former MERF division, \$6,000,000. ~~By September 15 of~~
5.32 ~~each year after 2016, the state shall pay to the general employees retirement plan of the~~

6.1 ~~Public Employees Retirement Association, with respect to the former MERF division,~~
 6.2 ~~\$16,000,000.~~

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

6.4 Page 1, after line 22, insert:

6.5 "Sec. 10. Minnesota Statutes 2016, section 518A.79, is amended by adding a subdivision
 6.6 to read:

6.7 Subd. 3a. **Open meetings.** Except as otherwise provided in this section, the task force
 6.8 is subject to chapter 13D. A meeting of the task force occurs when a quorum is present and
 6.9 the members receive information, discuss, or take action on any matter relating to the duties
 6.10 of the task force. The task force may conduct meetings as provided in section 13D.015 or
 6.11 13D.02. The task force may conduct meetings at any location in the state that is appropriate
 6.12 for the purposes of the task force as long as the location is open and accessible to the public.
 6.13 For legislative members of the task force, enforcement of this subdivision is governed by
 6.14 section 3.055, subdivision 2. For nonlegislative members of the task force, enforcement of
 6.15 this subdivision is governed by section 13D.06, subdivisions 1 and 2.

6.16 **EFFECTIVE DATE.** This section is effective January 1, 2018.

6.17 Sec. 11. **COMMISSIONER OF REVENUE TO DETERMINE ADEQUACY OF**
 6.18 **CURRENT RULES AND VALUATION PRACTICES FOR STATE-ASSESSED**
 6.19 **PIPELINES.**

6.20 The commissioner of revenue must review all current rules and practices relating to the
 6.21 valuation of pipeline companies that are assessed by the state. The commissioner must
 6.22 determine whether current rules and practices provide accurate estimates of market value.
 6.23 By February 1, 2018, the commissioner must prepare testimony for the house of
 6.24 representatives and senate committees having jurisdiction over property taxes recommending
 6.25 changes to the rules and practices to provide more accurate assessments and reduce the
 6.26 number and amount of judgments against the state and counties for state-assessed pipeline
 6.27 property.

6.28 Sec. 12. **FREE ELECTRONIC FILING OF INDIVIDUAL INCOME TAX**
 6.29 **RETURNS; PILOT PROGRAM.**

6.30 (a) The commissioner must conduct a pilot program to test the free electronic filing
 6.31 requirement in Minnesota Statutes, section 270C.303. The pilot program must operate at
 6.32 least three taxpayer assistance sites that receive grants under Minnesota Statutes, section

7.1 270C.21. At least one of the pilot program sites must be in the seven-county metropolitan
7.2 area, and at least one must be in greater Minnesota. The pilot program system must be
7.3 available by January 15, 2018, for the filing and payment of tax year 2017 individual income
7.4 taxes of filers with income only from wages, fewer than five dependents, and federal adjusted
7.5 gross income less than \$200,000 for married couples filing joint returns, and less than
7.6 \$100,000 for all other filers.

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

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

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

7.17 **Sec. 13. STATE AUDITOR LITIGATION EXPENSES; SCHEDULE OF CHARGES.**

7.18 Subdivision 1. **Litigation expenses; core functions of the state auditor.** (a) Unless
7.19 funds are otherwise expressly provided by law for this purpose, all costs incurred by the
7.20 state auditor in preparing and asserting a civil claim or appeal, or in defending against a
7.21 civil claim or appeal, related to the proper exercise of the auditor's constitutionally authorized
7.22 core functions must be paid by the auditor's constitutional office division. Only allocations
7.23 made to the constitutional office division on or before January 1, 2017, may be used to pay
7.24 these costs.

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

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

8.1 Sec. 14. **MN.IT; PERFORMANCE OUTCOMES REQUIRED.**

8.2 Subdivision 1. **Completion of agency consolidation.** No later than December 31, 2018,
8.3 the state chief information officer must complete the executive branch information technology
8.4 consolidation required by Laws 2011, First Special Session chapter 10, article 4, section 7,
8.5 as amended by Laws 2013, chapter 134, section 29. The head of any state agency subject
8.6 to consolidation must assist the state chief information officer as necessary to implement
8.7 the requirements of this subdivision.

8.8 Subd. 2. **Information technology efficiencies and solutions.** No later than December
8.9 31, 2018, the state chief information officer shall:

8.10 (1) host at least 25 percent of all state agency servers on a public cloud solution;

8.11 (2) store at least 35 percent of all state agency data on a public cloud solution; and

8.12 (3) operate no more than six data centers statewide.

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

8.16 Subd. 4. **Legislative report; application consolidation.** No later than January 1, 2018,
8.17 the state chief information officer must submit a report to the chairs and ranking minority
8.18 members of the house and senate committees with jurisdiction over state government finance
8.19 on the status of business application software consolidation across state agencies. At a
8.20 minimum, the report must describe the outcomes achieved to date, a plan and timeline for
8.21 continued consolidation of business application software with measurable outcome goals,
8.22 and recommendations, if any, on legislation necessary to facilitate achievement of these
8.23 goals.

8.24 Sec. 15. **REPEALER.**

8.25 Minnesota Statutes 2016, sections 3.886; 4.46; and 161.1419, are repealed."

8.26 Renumber the sections in sequence and correct the internal references

8.27 Amend the title accordingly