

1.1 ..... moves to amend H.F. No. 495 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. STATE GOVERNMENT APPROPRIATIONS.

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the  
1.7 agencies and for the purposes specified in this article. The appropriations are from the  
1.8 general fund, or another named fund, and are available for the fiscal years indicated  
1.9 for each purpose. The figures "2016" and "2017" used in this article mean that the  
1.10 appropriations listed under them are available for the fiscal year ending June 30, 2016, or  
1.11 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal  
1.12 year 2017. "The biennium" is fiscal years 2016 and 2017.

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>2016</u></b>	<b><u>2017</u></b>

1.17 Sec. 2. LEGISLATURE

1.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>69,157,000</u>	<u>\$</u>	<u>67,592,000</u>
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1.19	<u>Appropriations by Fund</u>		
1.20		<u>2016</u>	<u>2017</u>
1.21	<u>General</u>	<u>67,029,000</u>	<u>67,464,000</u>
1.22	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>
1.23	<u>Special Revenue</u>	<u>2,000,000</u>	<u>0</u>

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

2.1	<u>Subd. 2. Senate</u>		<u>21,501,000</u>	<u>21,501,000</u>
2.2	<u>\$1,723,000 of the senate carryforward</u>			
2.3	<u>balance shall cancel to the general fund on</u>			
2.4	<u>July 1, 2015.</u>			
2.5	<u>Subd. 3. House of Representatives</u>		<u>28,998,000</u>	<u>28,998,000</u>
2.6	<u>During the biennium ending June 30, 2017,</u>			
2.7	<u>any revenues received by the house of</u>			
2.8	<u>representatives from voluntary donations</u>			
2.9	<u>to support broadcast or print media are</u>			
2.10	<u>appropriated to the house of representatives.</u>			
2.11	<u>\$3,938,000 of the house carryforward</u>			
2.12	<u>balance shall cancel to the general fund on</u>			
2.13	<u>July 1, 2015.</u>			
2.14	<u>Subd. 4. Legislative Coordinating Commission</u>		<u>18,661,000</u>	<u>17,096,000</u>
2.15	<u>Appropriations by Fund</u>			
2.16	<u>General</u>	<u>16,533,000</u>	<u>16,968,000</u>	
2.17	<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>	
2.18	<u>Special Revenue</u>	<u>2,000,000</u>	<u>0</u>	
2.19	<u>\$1,567,000 of the Legislative Coordinating</u>			
2.20	<u>Commission carryforward balance shall</u>			
2.21	<u>cancel to the general fund on July 1, 2015.</u>			
2.22	<u>\$7,132,000 each year from the general fund</u>			
2.23	<u>is to the Office of the Legislative Auditor.</u>			
2.24	<u>The auditor is requested to do an evaluation</u>			
2.25	<u>of Minnesota veterans homes.</u>			
2.26	<u>\$435,000 in fiscal year 2017 is for the</u>			
2.27	<u>revisor's administrative rules system.</u>			
2.28	<u>\$595,000 each year is for the Office of the</u>			
2.29	<u>Revisor of Statutes to maintain and improve</u>			
2.30	<u>information technology services.</u>			
2.31	<u>\$10,000 each year is for purposes of the</u>			
2.32	<u>legislators' forum, through which Minnesota</u>			
2.33	<u>legislators meet with counterparts from</u>			

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

3.3 \$2,000,000 is transferred from the state  
3.4 employee group insurance trust fund to a  
3.5 rulemaking account in the special revenue  
3.6 fund.

3.7 \$2,000,000 for the biennium ending June 30,  
3.8 2017, is appropriated from the rulemaking  
3.9 account in the special revenue fund to the  
3.10 legislative auditor to:

3.11 (1) reimburse executive agencies for costs  
3.12 associated with determining if proposed  
3.13 rules have substantial economic impact and  
3.14 for costs of peer review advisory panels  
3.15 for proposed rules that have substantial  
3.16 economic impact; and

3.17 (2) reimburse the legislative auditor for costs  
3.18 associated with this process.

3.19 **Sec. 3. GOVERNOR AND LIEUTENANT**  
3.20 **GOVERNOR** **\$ 3,134,000 \$ 3,134,000**

3.21 (a) This appropriation is to fund the Office of  
3.22 the Governor and Lieutenant Governor.

3.23 (b) \$19,000 the first year and \$19,000 the  
3.24 second year are for necessary expenses in the  
3.25 normal performance of the Governor's and  
3.26 Lieutenant Governor's duties for which no  
3.27 other reimbursement is provided.

3.28 (c) During the biennium ending June 30,  
3.29 2017, the Office of the Governor may not  
3.30 receive payments of more than \$805,000  
3.31 each fiscal year from other executive  
3.32 agencies to support personnel costs incurred  
3.33 by the office. By September 1 of each year,



5.1 5.30, pursuant to the Help America Vote Act,  
 5.2 are appropriated for the purposes and uses  
 5.3 authorized by federal law.

5.4 **Sec. 7. CAMPAIGN FINANCE AND PUBLIC**  
 5.5 **DISCLOSURE BOARD** \$ **893,000** \$ **893,000**

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

5.7 **Sec. 9. ADMINISTRATIVE HEARINGS** \$ **7,627,000** \$ **7,627,000**

5.8 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
5.9 <u>General</u>	<u>377,000</u>	<u>377,000</u>
5.10 <u>Workers'</u>		
5.11 <u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

5.13 **Campaign Violations Hearings. \$115,000**  
 5.14 each year is appropriated from the general  
 5.15 fund for the cost of considering complaints  
 5.16 filed under Minnesota Statutes, section  
 5.17 211B.32. These amounts may be spent in  
 5.18 either year of the biennium.

5.19 \$6,000 in fiscal year 2016 and \$6,000 in  
 5.20 fiscal year 2017 are appropriated from the  
 5.21 general fund to the Office of Administrative  
 5.22 Hearings for the cost of considering data  
 5.23 practices complaints filed under Minnesota  
 5.24 Statutes, section 13.085. These amounts  
 5.25 may be used in either year of the biennium.  
 5.26 \$6,000 is added to the agency's base to be  
 5.27 available for the biennium.

5.28 **Sec. 10. MN.IT SERVICES** \$ **2,431,000** \$ **2,431,000**

5.29 During the biennium ending June 30, 2017,  
 5.30 MN.IT Services must not charge fees to a  
 5.31 public noncommercial educational television  
 5.32 broadcast station eligible for funding under  
 5.33 Minnesota Statutes, chapter 129D, for

6.1 access to the state broadcast infrastructure.  
 6.2 If the access fees not charged to public  
 6.3 noncommercial educational television  
 6.4 broadcast stations total more than \$400,000  
 6.5 for the biennium, the office may charge for  
 6.6 access fees in excess of these amounts.

6.7 The commissioner of management and  
 6.8 budget is authorized to provide cash flow  
 6.9 assistance of up to \$110,000,000 from the  
 6.10 special revenue fund or other statutory  
 6.11 general funds, as defined in Minnesota  
 6.12 Statutes, section 16A.671, subdivision  
 6.13 3, paragraph (a), to the Office of MN.IT  
 6.14 Services for the purpose of managing  
 6.15 revenue and expenditure differences during  
 6.16 the initial phases of IT consolidation. These  
 6.17 funds shall be repaid with interest by the end  
 6.18 of the fiscal year 2017 closing period.

6.19 Sec. 11. **ADMINISTRATION**

6.20 <b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>19,781,000</u></b>	<b><u>\$</u></b>	<b><u>19,191,000</u></b>
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6.21 The amounts that may be spent for each  
 6.22 purpose are specified in the following  
 6.23 subdivisions.

6.24 <b><u>Subd. 2. Government and Citizen Services</u></b>		<b><u>7,265,000</u></b>		<b><u>7,095,000</u></b>
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6.25 \$210,000 the first year and \$40,000 the  
 6.26 second year are for increased information  
 6.27 technology associated with supporting small  
 6.28 business purchasing programs.

6.29 \$74,000 the first year and \$74,000 the second  
 6.30 year are for the Council on Developmental  
 6.31 Disabilities.

6.32 <b><u>Subd. 3. Strategic Management Services</u></b>		<b><u>1,789,000</u></b>		<b><u>1,789,000</u></b>
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6.33 <b><u>Subd. 4. Fiscal Agent</u></b>		<b><u>10,727,000</u></b>		<b><u>10,307,000</u></b>
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7.1 The appropriations under this section are to  
7.2 the commissioner of administration for the  
7.3 purposes specified.

7.4 **In-Lieu of Rent.** \$7,488,000 the first year  
7.5 and \$7,488,000 the second year are for  
7.6 space costs of the legislature and veterans  
7.7 organizations, ceremonial space, and  
7.8 statutorily free space.

7.9 **Relocation Expenses.** \$1,284,000 the first  
7.10 year and \$864,000 the second year are for  
7.11 rent loss and relocation expenses related to  
7.12 the Capitol renovation project. Relocation  
7.13 expenses include only moving of art, fixtures,  
7.14 renovation supplies, and similar materials,  
7.15 and may not be used for moving Senators,  
7.16 Senate staff, and related offices and supplies.  
7.17 This is a onetime appropriation.

7.18 **Public Broadcasting.** (a) \$1,161,000 the  
7.19 first year and \$1,161,000 the second year are  
7.20 for matching grants for public television.

7.21 (b) \$200,000 the first year and \$200,000  
7.22 the second year are for public television  
7.23 equipment grants.

7.24 (c) The equipment or matching grants in  
7.25 paragraphs (a) and (b) must be allocated  
7.26 after considering the recommendations of the  
7.27 Minnesota Public Television Association.

7.28 (d) \$287,000 the first year and \$287,000 the  
7.29 second year are for community service grants  
7.30 to public educational radio stations. This  
7.31 appropriation may be used to disseminate  
7.32 emergency information in foreign languages.

7.33 (e) \$100,000 the first year and \$100,000  
7.34 the second year are for equipment grants

8.1 to public educational radio stations. This  
 8.2 appropriation may be used for the repair,  
 8.3 rental, and purchase of equipment including  
 8.4 equipment under \$500.

8.5 (f) The grants in paragraphs (d) and (e)  
 8.6 must be allocated after considering the  
 8.7 recommendations of the Association of  
 8.8 Minnesota Public Education Radio Stations  
 8.9 under Minnesota Statutes, section 129D.14.

8.10 As a condition of receiving grants under  
 8.11 paragraphs (d) and (e), the Association of  
 8.12 Minnesota Public Education Radio Stations  
 8.13 must agree that it will not take any steps  
 8.14 leading to the operation of new stations  
 8.15 unless specifically authorized by a future law.

8.16 (g) \$207,000 the first year and \$207,000  
 8.17 the second year are for equipment grants  
 8.18 to Minnesota Public Radio, Inc., including  
 8.19 upgrades to Minnesota's Emergency Alert  
 8.20 and AMBER Alert Systems.

8.21 (h) Any unencumbered balance remaining  
 8.22 the first year for grants to public television or  
 8.23 radio stations does not cancel and is available  
 8.24 for the second year.

8.25 **Sec. 12. CAPITOL AREA**  
 8.26 **ARCHITECTURAL AND PLANNING**  
 8.27 **BOARD**

<b>\$</b>	<b><u>325,000</u></b>	<b>\$</b>	<b><u>325,000</u></b>
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8.28 **Sec. 13. MINNESOTA MANAGEMENT AND**  
 8.29 **BUDGET**

<b>\$</b>	<b><u>18,757,000</u></b>	<b>\$</b>	<b><u>18,757,000</u></b>
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8.30 \$156,000 the first year and \$156,000 the  
 8.31 second year are to develop and implement  
 8.32 a return on taxpayer investment (ROTI)  
 8.33 methodology using the Pew-MacArthur  
 8.34 Results First framework to evaluate



10.1	<u>Highway User Tax</u>		
10.2	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
10.3	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>
10.4	<b><u>Subd. 2. Tax System Management</u></b>		<u>112,101,000</u> <u>110,921,000</u>
10.5	<u>Appropriations by Fund</u>		
10.6	<u>General</u>	<u>107,866,000</u>	<u>106,686,000</u>
10.7	<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
10.8	<u>Highway User Tax</u>		
10.9	<u>Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
10.10	<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>
10.11	<u>Base reductions must be made from expenses</u>		
10.12	<u>related to the capital equipment sales tax</u>		
10.13	<u>repealed in 2014, and cannot be applied to</u>		
10.14	<u>compliance activities.</u>		
10.15	<b><u>Appropriation; Taxpayer Assistance.</u></b>		
10.16	<u>(a) \$400,000 each year from the general</u>		
10.17	<u>fund is for grants to one or more nonprofit</u>		
10.18	<u>organizations, qualifying under section</u>		
10.19	<u>501(c)(3) of the Internal Revenue Code of</u>		
10.20	<u>1986, to coordinate, facilitate, encourage, and</u>		
10.21	<u>aid in the provision of taxpayer assistance</u>		
10.22	<u>services. The unencumbered balance in the</u>		
10.23	<u>first year does not cancel but is available for</u>		
10.24	<u>the second year.</u>		
10.25	<u>(b) For purposes of this section, "taxpayer</u>		
10.26	<u>assistance services" means accounting</u>		
10.27	<u>and tax preparation services provided by</u>		
10.28	<u>volunteers to low-income, elderly, and</u>		
10.29	<u>disadvantaged Minnesota residents to help</u>		
10.30	<u>them file federal and state income tax returns</u>		
10.31	<u>and Minnesota property tax refund claims</u>		
10.32	<u>and to provide personal representation before</u>		
10.33	<u>the Department of Revenue and Internal</u>		
10.34	<u>Revenue Service.</u>		
10.35	<b><u>Subd. 3. Debt Collection Management</u></b>		<u>28,616,000</u> <u>28,616,000</u>

11.1	Sec. 15. <b><u>GAMBLING CONTROL</u></b>	<b><u>\$</u></b>	<b><u>3,959,000</u></b>	<b><u>\$</u></b>	<b><u>3,959,000</u></b>
11.2	<u>These appropriations are from the lawful</u>				
11.3	<u>gambling regulation account in the special</u>				
11.4	<u>revenue fund.</u>				
11.5	Sec. 16. <b><u>RACING COMMISSION</u></b>	<b><u>\$</u></b>	<b><u>899,000</u></b>	<b><u>\$</u></b>	<b><u>1,081,000</u></b>
11.6	<u>These appropriations are from the racing</u>				
11.7	<u>and card playing regulation accounts in the</u>				
11.8	<u>special revenue fund.</u>				
11.9	Sec. 17. <b><u>STATE LOTTERY</u></b>				
11.10	<u>Notwithstanding Minnesota Statutes, section</u>				
11.11	<u>349A.10, subdivision 3, the operating budget</u>				
11.12	<u>must not exceed \$31,000,000 in fiscal year</u>				
11.13	<u>2016 and \$31,000,000 in fiscal year 2017.</u>				
11.14	Sec. 18. <b><u>AMATEUR SPORTS COMMISSION</u></b>	<b><u>\$</u></b>	<b><u>253,000</u></b>	<b><u>\$</u></b>	<b><u>253,000</u></b>
11.15	Sec. 19. <b><u>COUNCIL ON BLACK</u></b>				
11.16	<b><u>MINNESOTANS</u></b>	<b><u>\$</u></b>	<b><u>392,000</u></b>	<b><u>\$</u></b>	<b><u>392,000</u></b>
11.17	<u>These appropriations are from the ethnic</u>				
11.18	<u>councils account in the special revenue fund.</u>				
11.19	<u>The general fund base in fiscal years 2018 and</u>				
11.20	<u>2019 for this council is \$392,000 each year.</u>				
11.21	Sec. 20. <b><u>COUNCIL ON ASIAN-PACIFIC</u></b>				
11.22	<b><u>MINNESOTANS</u></b>	<b><u>\$</u></b>	<b><u>354,000</u></b>	<b><u>\$</u></b>	<b><u>354,000</u></b>
11.23	<u>These appropriations are from the ethnic</u>				
11.24	<u>councils account in the special revenue fund.</u>				
11.25	<u>The general fund base in fiscal years 2018 and</u>				
11.26	<u>2019 for this council is \$354,000 each year.</u>				
11.27	Sec. 21. <b><u>COUNCIL ON AFFAIRS OF</u></b>				
11.28	<b><u>CHICANO/LATINO PEOPLE</u></b>	<b><u>\$</u></b>	<b><u>375,000</u></b>	<b><u>\$</u></b>	<b><u>375,000</u></b>

12.1 These appropriations are from the ethnic  
 12.2 councils account in the special revenue fund.  
 12.3 The general fund base in fiscal years 2018 and  
 12.4 2019 for this council is \$375,000 each year.

12.5 **Sec. 22. INDIAN AFFAIRS COUNCIL**                    **\$            562,000 \$            562,000**

12.6 These appropriations are from the ethnic  
 12.7 councils account in the special revenue fund.  
 12.8 The general fund base in fiscal years 2018 and  
 12.9 2019 for this council is \$562,000 each year.

12.10 **Sec. 23. MINNESOTA HISTORICAL**  
 12.11 **SOCIETY**

12.12 **Subdivision 1. Total Appropriation**                    **\$            22,673,000 \$            22,464,000**

12.13 The amounts that may be spent for each  
 12.14 purpose are specified in the following  
 12.15 subdivisions.

12.16 **Subd. 2. Operations and Programs**                    **22,160,000                    22,160,000**

12.17 Notwithstanding Minnesota Statutes, section  
 12.18 138.668, the Minnesota Historical Society  
 12.19 may not charge a fee for its general tours at  
 12.20 the Capitol, but may charge fees for special  
 12.21 programs other than general tours.

12.22 \$750,000 the first year and \$750,000 the  
 12.23 second year are for digital preservation  
 12.24 and access, including planning and  
 12.25 implementation of a program to preserve  
 12.26 and make available resources related to  
 12.27 Minnesota history.

12.28 \$75,000 the first year and \$75,000 the second  
 12.29 year are for activities to enhance educational  
 12.30 achievement through history education.

12.31 **Subd. 3. Fiscal Agent**

12.32 **(a) Minnesota International Center**                    **39,000                    39,000**

13.1	<u>(b) Minnesota Air National Guard Museum</u>		<u>34,000</u>	<u>-0-</u>
13.2	<u>(c) Minnesota Military Museum</u>		<u>150,000</u>	<u>50,000</u>
13.3	<u>(d) Farmamerica</u>		<u>190,000</u>	<u>115,000</u>
13.4	<u>(e) Hockey Hall of Fame</u>		<u>100,000</u>	<u>100,000</u>
13.5	<b><u>Balances Forward.</u></b> Any unencumbered			
13.6	balance remaining in this subdivision the first			
13.7	year does not cancel but is available for the			
13.8	second year of the biennium.			
13.9	<b><u>Subd. 4. Appropriation Limit</u></b>			
13.10	<u>Notwithstanding Minnesota Statutes, section</u>			
13.11	<u>290.0681, subdivision 7, the total fiscal year</u>			
13.12	<u>2016 appropriation for refunds, grants, and</u>			
13.13	<u>other costs associated with the credit for</u>			
13.14	<u>historic structure rehabilitation is \$457,000.</u>			
13.15	Sec. 24. <b><u>BOARD OF THE ARTS</u></b>			
13.16	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>7,514,000</u></b>	<b><u>\$</u></b> <b><u>7,514,000</u></b>
13.17	<u>The amounts that may be spent for each</u>			
13.18	<u>purpose are specified in the following</u>			
13.19	<u>subdivisions.</u>			
13.20	<b><u>Subd. 2. Operations and Services</u></b>		<u>575,000</u>	<u>575,000</u>
13.21	<b><u>Subd. 3. Grants Program</u></b>		<u>4,800,000</u>	<u>4,800,000</u>
13.22	<b><u>Subd. 4. Regional Arts Councils</u></b>		<u>2,139,000</u>	<u>2,139,000</u>
13.23	<b><u>Unencumbered Balance Available.</u></b> Any			
13.24	unencumbered balance remaining in this			
13.25	section the first year does not cancel, but is			
13.26	available for the second year of the biennium.			
13.27	<b><u>Projects located in Minnesota; travel</u></b>			
13.28	<b><u>restriction.</u></b> Money appropriated in this			
13.29	section and distributed as grants may only			
13.30	be spent on projects located in Minnesota.			
13.31	<u>A recipient of a grant funded by an</u>			

14.1 appropriation in this section must not use  
 14.2 more than ten percent of the total grant for  
 14.3 costs related to travel outside the state of  
 14.4 Minnesota.

14.5 **Sec. 25. MINNESOTA HUMANITIES**  
 14.6 **CENTER** **\$ 1,100,000 \$ 850,000**

14.7 \$250,000 the first year is for a grant to  
 14.8 Everybody Wins!-Minnesota, a Minnesota  
 14.9 501(c)(3) corporation, to operate a reading  
 14.10 program for Minnesota children. Any  
 14.11 balance in the first year does not cancel but is  
 14.12 available in the second year.

14.13 \$250,000 the first year and \$250,000 the  
 14.14 second year are for a grant to the Minnesota  
 14.15 Council on Economic Education to provide  
 14.16 staff development to teachers for the  
 14.17 implementation of the state graduation  
 14.18 standards in learning areas relating to  
 14.19 economic education. This is a onetime  
 14.20 appropriation. The commissioner, in  
 14.21 consultation with the council, shall develop  
 14.22 expected results of staff development,  
 14.23 eligibility criteria for participants, an  
 14.24 evaluation procedure, and guidelines for  
 14.25 direct and in-kind contributions by the  
 14.26 council. This appropriation does not cancel,  
 14.27 but is available until expended.

14.28 \$250,000 in fiscal year 2016 and \$250,000 in  
 14.29 fiscal year 2017 are for the healthy eating,  
 14.30 here at home program under Minnesota  
 14.31 Statutes, section 256E.345. No more than  
 14.32 three percent of the appropriation may be  
 14.33 used for the nonprofit administration of the  
 14.34 grant program under Minnesota Statutes,  
 14.35 section 256E.345.

15.1	Sec. 26. <u>BOARD OF ACCOUNTANCY</u>	\$	<u>628,000</u>	\$	<u>618,000</u>
15.2	Sec. 27. <u>BOARD OF ARCHITECTURE</u>				
15.3	<u>ENGINEERING, LAND SURVEYING,</u>				
15.4	<u>LANDSCAPE ARCHITECTURE,</u>				
15.5	<u>GEOSCIENCE, AND INTERIOR DESIGN</u>	\$	<u>774,000</u>	\$	<u>774,000</u>
15.6	Sec. 28. <u>BOARD OF COSMETOLOGIST</u>				
15.7	<u>EXAMINERS</u>	\$	<u>1,346,000</u>	\$	<u>1,346,000</u>
15.8	<u>\$80,000 each year is for operation of an</u>				
15.9	<u>office in St. Cloud.</u>				
15.10	Sec. 29. <u>BOARD OF BARBER EXAMINERS</u>	\$	<u>317,000</u>	\$	<u>317,000</u>
15.11	Sec. 30. <u>HUMAN RIGHTS.</u>	\$	<u>3,505,000</u>	\$	<u>3,505,000</u>
15.12	<u>\$80,000 each year is for operation of an</u>				
15.13	<u>office in St. Cloud.</u>				
15.14	Sec. 31. <u>GENERAL CONTINGENT</u>				
15.15	<u>ACCOUNTS</u>	\$	<u>750,000</u>	\$	<u>500,000</u>
15.16	<u>Appropriations by Fund</u>				
15.17		<u>2016</u>		<u>2017</u>	
15.18	<u>General</u>	<u>250,000</u>		<u>-0-</u>	
15.19	<u>State Government</u>				
15.20	<u>Special Revenue</u>	<u>400,000</u>		<u>400,000</u>	
15.21	<u>Workers'</u>				
15.22	<u>Compensation</u>	<u>100,000</u>		<u>100,000</u>	
15.23	<u>(a) The appropriations in this section</u>				
15.24	<u>may only be spent with the approval of</u>				
15.25	<u>the governor after consultation with the</u>				
15.26	<u>Legislative Advisory Commission pursuant</u>				
15.27	<u>to Minnesota Statutes, section 3.30.</u>				
15.28	<u>(b) If an appropriation in this section for</u>				
15.29	<u>either year is insufficient, the appropriation</u>				
15.30	<u>for the other year is available for it.</u>				
15.31	<u>(c) If a contingent account appropriation</u>				
15.32	<u>is made in one fiscal year, it should be</u>				
15.33	<u>considered a biennial appropriation.</u>				

16.1	Sec. 32. <b><u>TORT CLAIMS</u></b>	<b><u>\$</u></b>	<b><u>161,000</u></b>	<b><u>\$</u></b>	<b><u>161,000</u></b>
16.2	<u>These appropriations are to be spent by the</u>				
16.3	<u>commissioner of management and budget</u>				
16.4	<u>according to Minnesota Statutes, section</u>				
16.5	<u>3.736, subdivision 7. If the appropriation for</u>				
16.6	<u>either year is insufficient, the appropriation</u>				
16.7	<u>for the other year is available for it.</u>				
16.8	Sec. 33. <b><u>MINNESOTA STATE RETIREMENT</u></b>				
16.9	<b><u>SYSTEM</u></b>	<b><u>\$</u></b>	<b><u>6,552,000</u></b>	<b><u>\$</u></b>	<b><u>8,936,000</u></b>
16.10	<u>These amounts are estimated to be needed</u>				
16.11	<u>under Minnesota Statutes, sections 3A.03,</u>				
16.12	<u>subdivision 2; 3A.04, subdivisions 3 and 4;</u>				
16.13	<u>and 3A.115 for the Combined Legislators</u>				
16.14	<u>and Constitutional Officers Retirement Plan.</u>				
16.15	Sec. 34. <b><u>PUBLIC EMPLOYEES</u></b>				
16.16	<b><u>RETIREMENT ASSOCIATION</u></b>	<b><u>\$</u></b>	<b><u>6,000,000</u></b>	<b><u>\$</u></b>	<b><u>6,000,000</u></b>
16.17	<u>Notwithstanding Minnesota Statutes, section</u>				
16.18	<u>353.505, the state payments to the Public</u>				
16.19	<u>Employees Retirement Association on behalf</u>				
16.20	<u>of the former MERF division account are</u>				
16.21	<u>\$6,000,000 on September 15, 2015 and</u>				
16.22	<u>\$6,000,000 on September 15, 2016.</u>				
16.23	Sec. 35. <b><u>TEACHERS RETIREMENT</u></b>				
16.24	<b><u>ASSOCIATION</u></b>	<b><u>\$</u></b>	<b><u>29,831,000</u></b>	<b><u>\$</u></b>	<b><u>29,831,000</u></b>
16.25	<u>The amounts estimated to be needed are as</u>				
16.26	<u>follows:</u>				
16.27	<b><u>Special Direct State Aid.</u></b> \$27,331,000 the				
16.28	<u>first year and \$27,331,000 the second year</u>				
16.29	<u>are for special direct state aid authorized</u>				
16.30	<u>under Minnesota Statutes, section 354.436.</u>				
16.31	<b><u>Special Direct State Matching Aid.</u></b>				
16.32	<u>\$2,500,000 the first year and \$2,500,000</u>				
16.33	<u>the second year are for special direct state</u>				

17.1 matching aid authorized under Minnesota

17.2 Statutes, section 354.435.

17.3 **Sec. 36. ST. PAUL TEACHERS**

17.4 **RETIREMENT FUND**

**\$ 9,827,000 \$ 9,827,000**

17.5 The amounts estimated to be needed for

17.6 special direct state aid to the first class

17.7 city teachers retirement fund association

17.8 authorized under Minnesota Statutes, section

17.9 354A.12, subdivisions 3a and 3c.

17.10 **Sec. 37. MILITARY AFFAIRS**

17.11 **Subdivision 1. Total Appropriation**

**\$ 19,368,000 \$ 19,368,000**

17.12 The amounts that may be spent for each

17.13 purpose are specified in the following

17.14 subdivisions.

17.15 **Subd. 2. Maintenance of Training Facilities**

**9,661,000 9,661,000**

17.16 **Subd. 3. General Support**

**2,819,000 2,819,000**

17.17 **Subd. 4. Enlistment Incentives**

**6,888,000 6,888,000**

17.18 If appropriations for either year of the

17.19 biennium are insufficient, the appropriation

17.20 from the other year is available. The

17.21 appropriations for enlistment incentives are

17.22 available until expended.

17.23 Of the funds carried forward from fiscal

17.24 year 2015 to fiscal year 2016, in the

17.25 enlistment incentives appropriation, \$50,000

17.26 is canceled to the general fund to support the

17.27 appropriation to the Minnesota Historical

17.28 Society for a grant to the Minnesota Military

17.29 Museum. \$1,000,000 is canceled to the

17.30 general fund to support the appropriation to

17.31 the Department of Veterans Affairs for repair

17.32 and betterment of the Minnesota veterans

17.33 homes.



19.1 The assistance authorized under this  
 19.2 paragraph must be made only to veterans who  
 19.3 have resided in Minnesota for 30 days prior  
 19.4 to application for assistance and according  
 19.5 to other guidelines established by the  
 19.6 commissioner. In order to avoid duplication  
 19.7 of services, the commissioner must ensure  
 19.8 that this assistance is coordinated with all  
 19.9 other available programs for veterans.

19.10 **Honor Guards.** \$200,000 each year is  
 19.11 for compensation for honor guards at  
 19.12 the funerals of veterans under Minnesota  
 19.13 Statutes, section 197.231. This amount is  
 19.14 added to the program's base funding.

19.15 **Minnesota GI Bill.** \$200,000 each year is  
 19.16 for the costs of administering the Minnesota  
 19.17 GI Bill postsecondary educational benefits,  
 19.18 on-the-job training, and apprenticeship  
 19.19 program under Minnesota Statutes, section  
 19.20 197.791. Of this amount, \$100,000 is for  
 19.21 transfer to the Office of Higher Education.

19.22 **Gold Star Program.** \$100,000 each year  
 19.23 is for administering the Gold Star Program  
 19.24 for surviving family members of deceased  
 19.25 veterans. This amount is added to the  
 19.26 program's base funding.

19.27 **County Veterans Service Office.**  
 19.28 \$1,100,000 each year is for funding the  
 19.29 County Veterans Service Office grant  
 19.30 program under Minnesota Statutes, section  
 19.31 197.608.

19.32 **Subd. 3. Veterans Homes** 65,254,000 67,360,000

19.33 Appropriations by Fund  
 19.34 2016 2017

20.1	<u>General Fund</u>	<u>63,253,000</u>	<u>63,253,000</u>
20.2	<u>Special Revenue</u>	<u>2,001,000</u>	<u>4,107,000</u>

20.3 **Veterans Homes Special Revenue Account.**

20.4 \$6,108,000 is transferred from the state  
 20.5 employee group insurance program trust fund  
 20.6 to the veterans home special revenue account  
 20.7 in the special revenue fund. The general fund  
 20.8 appropriations made to the department may  
 20.9 be transferred to a veterans homes special  
 20.10 revenue account in the special revenue fund  
 20.11 in the same manner as other receipts are  
 20.12 deposited according to Minnesota Statutes,  
 20.13 section 198.34. Amounts in the account  
 20.14 are appropriated to the department for the  
 20.15 operation of veterans homes facilities and  
 20.16 programs.

20.17 The general fund base in fiscal years 2018  
 20.18 and 2019 for veterans homes is \$51,120,000  
 20.19 each year.

20.20 Sec. 39. **ETHNIC COUNCILS ACCOUNT.**

20.21 The following amounts are deposited in the ethnic councils account in the special  
 20.22 revenue fund:

20.23 (1) \$2,192,000 which is transferred from the state employee group insurance trust  
 20.24 fund;

20.25 (2) \$871,000 which is transferred from the state elections campaign fund; and

20.26 (3) \$294,000 from the appropriation related to health insurance transparency in Laws  
 20.27 2014, chapter 312, article 21, section 4, paragraph (a), is canceled to the general fund  
 20.28 and transferred to the special revenue fund, effective the day following final enactment  
 20.29 of this section.

20.30 **ARTICLE 2**

20.31 **STATE GOVERNMENT**

20.32 Section 1. **[2.92] DISTRICTING PRINCIPLES.**

21.1 Subdivision 1. **Applicability; constitutional duty of legislature.** (a) The principles  
21.2 in this section apply to legislative and congressional districts.

21.3 (b) Notwithstanding any laws to the contrary, legislative and congressional districts  
21.4 must be drawn by the legislature, consistent with the requirements of the Minnesota  
21.5 Constitution, article IV, section 3. The legislature may not delegate its duty to draw  
21.6 districts to any commission, council, panel, or other entity that is not comprised solely of  
21.7 members of the legislature.

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

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

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

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

21.18 Subd. 5. **Numbering.** (a) Legislative districts must be numbered in a regular series,  
21.19 beginning with house district 1A in the northwest corner of the state and proceeding across  
21.20 the state from west to east, north to south, but bypassing the 11-county metropolitan  
21.21 area until the southeast corner has been reached; then to the 11-county metropolitan area  
21.22 outside the cities of Minneapolis and St. Paul; then in Minneapolis and St. Paul.

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

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

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

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

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

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

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

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

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

22.11 Subd. 9. **Data to be used.** (a) The geographic areas and population counts used in  
22.12 maps, tables, and legal descriptions of the districts must be those used by the Geographic  
22.13 Information Systems Office of the Legislative Coordinating Commission. The population  
22.14 counts will be the block population counts provided to the state under Public Law 94-171  
22.15 after each decennial census, subject to correction of any errors acknowledged by the  
22.16 United States Census Bureau.

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

22.19 Subd. 10. **Consideration of plans.** A redistricting plan must not be considered for  
22.20 adoption by the senate or house of representatives until a block equivalency file showing  
22.21 the district to which each census block has been assigned, in a form prescribed by the  
22.22 director of the Geographic Information Systems Office, has been filed with the director.

22.23 Subd. 11. **Priority of principles.** Where it is not possible to fully comply with the  
22.24 principles contained in subdivisions 1 to 8, a redistricting plan must give priority to those  
22.25 principles in the order in which they are listed in this section, except to the extent that  
22.26 doing so would violate federal or state law.

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

22.29 Sec. 2. Minnesota Statutes 2014, section 3.8841, subdivision 7, is amended to read:

22.30 Subd. 7. **Meetings; procedures.** The commission meets at the call of the chair.  
22.31 The commission shall meet at least once per calendar year. If there is a quorum, the  
22.32 commission may take action by a simple majority vote of commission members present.

22.33 Sec. 3. Minnesota Statutes 2014, section 3.8841, subdivision 8, is amended to read:

23.1 Subd. 8. **Powers; duties; Metropolitan Council levy, budget oversight.** The  
 23.2 commission must monitor, review, and make recommendations to the Metropolitan  
 23.3 Council and to the legislature by February 1 of each year for the following calendar fiscal  
 23.4 year. The recommendations shall be on:

23.5 (1) the tax rate and dollar amount of the Metropolitan Council's property tax levies  
 23.6 and any proposed increases in the rate or dollar amount of tax;

23.7 (2) any request for an increase in the debt of the Metropolitan Council;

23.8 (3) the overall work and role of the Metropolitan Council;

23.9 (4) the Metropolitan Council's proposed operating and capital budgets, work  
 23.10 program, and capital improvement program; and

23.11 (5) the Metropolitan Council's implementation of the operating and capital budgets,  
 23.12 work program, and capital improvement program.

23.13 Sec. 4. Minnesota Statutes 2014, section 3.971, is amended by adding a subdivision to  
 23.14 read:

23.15 Subd. 8a. **Fiscal notes and revenue estimates.** The legislative auditor shall  
 23.16 participate in the fiscal note and revenue estimate process in the manner described in  
 23.17 section 3.98. Authority of the legislative auditor and duties of employees and entities  
 23.18 under section 3.978, subdivision 2, apply to the legislative auditor's work on fiscal notes  
 23.19 and revenue estimates.

23.20 Sec. 5. Minnesota Statutes 2014, section 3.98, is amended to read:

23.21 **3.98 FISCAL NOTES AND REVENUE ESTIMATES.**

23.22 Subdivision 1. **Preparation.** ~~The head or chief administrative officer of each~~  
 23.23 ~~department or agency of the state government, including the Supreme Court, shall prepare~~  
 23.24 ~~a fiscal note at the request of the chair of the standing committee to which a bill has been~~  
 23.25 ~~referred, or the chair of the house of representatives Ways and Means Committee, or the~~  
 23.26 ~~chair of the senate Committee on Finance.~~

23.27 ~~For purposes of this subdivision, "Supreme Court" includes all agencies, committees,~~  
 23.28 ~~and commissions supervised or appointed by the state Supreme Court or the state court~~  
 23.29 ~~administrator. (a) The chair of the standing committee to which a bill has been referred,~~  
 23.30 ~~the chair of the house of representatives Ways and Means Committee, and the chair of~~  
 23.31 ~~the senate Committee on Finance may request a fiscal note. The chair of the house of~~  
 23.32 ~~representatives or senate tax committee may request a revenue estimate. A request for a~~  
 23.33 ~~fiscal note or revenue estimate must be filed with the legislative auditor.~~

24.1 (b) Upon receiving a request for a fiscal note or revenue estimate, the legislative  
24.2 auditor shall request appropriate agencies, offices, boards, or commissions in the executive,  
24.3 judicial, or legislative branch to provide the legislative auditor with an analysis of the  
24.4 financial and personnel impacts of the bill. The analysis must include a clear statement  
24.5 of the assumptions used in the analysis and the extent to which alternative assumptions  
24.6 were considered. Agencies, offices, boards, or commissions shall, after receiving a request  
24.7 from the legislative auditor, submit the analysis in the time and manner requested by the  
24.8 auditor. The legislative auditor may require agencies, offices, boards, or commissions to  
24.9 use the fiscal note tracking system developed and maintained by the commissioner of  
24.10 management and budget for submitting fiscal note information and analysis.

24.11 (c) The legislative auditor shall review the analysis submitted by agencies, offices,  
24.12 boards, or commissions and assess the reasonableness of the analysis, particularly the  
24.13 reasonableness of the assumptions used in the analysis. The auditor may require agencies,  
24.14 offices, boards, or commissions to resubmit their analysis under new assumptions or  
24.15 calculation parameters as defined by the auditor.

24.16 (d) When the legislative auditor accepts the final analysis from all relevant agencies,  
24.17 offices, boards, or commissions, the legislative auditor shall deliver the completed  
24.18 fiscal note or revenue estimate. The note or estimate must contain the final analysis  
24.19 and assumptions submitted to the legislative auditor by agencies, offices, boards, or  
24.20 commissions, and a statement by the legislative auditor as to whether the legislative  
24.21 auditor agrees with the final analysis and assumptions. The auditor must state the  
24.22 reasons for any disagreements and may offer alternative analysis and assumptions for  
24.23 consideration by the legislature. If the legislative auditor deems these disagreements  
24.24 sufficiently large, the legislative auditor may submit an unofficial "unapproved" fiscal note  
24.25 to the legislature for public consideration of both the analysis of the agencies, offices,  
24.26 boards, or commissions, and of the legislative auditor.

24.27 Subd. 2. **Contents.** (a) The A fiscal note, where possible, shall:

24.28 (1) cite the effect in dollar amounts;

24.29 (2) cite the statutory provisions affected;

24.30 (3) estimate the increase or decrease in revenues or expenditures;

24.31 (4) include the costs which may be absorbed without additional funds;

24.32 (5) include the assumptions used in determining the cost estimates; and

24.33 (6) specify any long-range implication.

24.34 (b) The A revenue estimate must estimate the effect of a bill on state tax revenues.

24.35 (c) A fiscal note or revenue estimate may comment on technical or mechanical  
24.36 defects in the bill but shall express no opinions concerning the merits of the proposal.

25.1 Subd. 3. **Distribution.** A copy of ~~the~~ a fiscal note shall be delivered to the chair  
25.2 of the Ways and Means Committee of the house of representatives, the chair of the  
25.3 Finance Committee of the senate, the chair of the standing committee to which the bill  
25.4 has been referred, to the chief author of the bill and to the commissioner of management  
25.5 and budget. A copy of a revenue estimate shall be delivered to the chairs of the house  
25.6 of representatives and senate tax committees, to the chief author of the bill, and to the  
25.7 commissioner of revenue.

25.8 Subd. 4. **Uniform procedure.** ~~The commissioner of management and budget~~  
25.9 legislative auditor shall prescribe a uniform procedure to govern the departments and  
25.10 agencies of the state in complying with the requirements of this section.

25.11 Subd. 5. **Tracking system.** The commissioner of management and budget shall  
25.12 provide the legislative auditor with manuals and other documentation requested by the  
25.13 auditor for the fiscal note tracking system that is maintained by the commissioner.

25.14 Sec. 6. Minnesota Statutes 2014, section 3.987, subdivision 1, is amended to read:

25.15 Subdivision 1. **Local impact notes.** ~~The commissioner of management and budget~~  
25.16 legislative auditor shall coordinate the development of a local impact note for any proposed  
25.17 legislation ~~introduced after June 30, 1997,~~ upon request of the chair or the ranking minority  
25.18 member of either legislative Tax, Finance, or Ways and Means Committee. Upon receipt  
25.19 of a request to prepare a local impact note, ~~the commissioner~~ auditor must notify the  
25.20 authors of the proposed legislation that the request has been made. The local impact note  
25.21 must be made available to the public upon request. If the action is among the exceptions  
25.22 listed in section 3.988, a local impact note need not be requested nor prepared. The  
25.23 ~~commissioner~~ auditor shall make a reasonable and timely estimate of the local fiscal impact  
25.24 on each type of political subdivision that would result from the proposed legislation. The  
25.25 ~~commissioner of management and budget~~ auditor may require any political subdivision or  
25.26 the commissioner of an administrative agency of the state to supply in a timely manner  
25.27 any information determined to be necessary to determine local fiscal impact. The political  
25.28 subdivision, its representative association, or commissioner shall convey the requested  
25.29 information to the ~~commissioner of management and budget~~ auditor with a signed  
25.30 statement to the effect that the information is accurate and complete to the best of its ability.  
25.31 The political subdivision, its representative association, or commissioner, when requested,  
25.32 shall update its determination of local fiscal impact based on actual cost or revenue figures,  
25.33 improved estimates, or both. Upon completion of the note, ~~the commissioner~~ auditor must  
25.34 provide a copy to the authors of the proposed legislation and to the chair and ranking  
25.35 minority member of each committee to which the proposed legislation is referred.

26.1       Sec. 7. **[6.481] COUNTY AUDITS.**

26.2           Subdivision 1. **Powers and duties.** All the powers and duties conferred and imposed  
26.3 upon the state auditor shall be exercised and performed by the state auditor in respect to  
26.4 the offices, institutions, public property, and improvements of several counties of the  
26.5 state. The state auditor may visit, without previous notice, each county and examine all  
26.6 accounts and records relating to the receipt and disbursement of the public funds and the  
26.7 custody of the public funds and other property. The state auditor shall prescribe and install  
26.8 systems of accounts and financial reports that shall be uniform, so far as practicable, for  
26.9 the same class of offices.

26.10          Subd. 2. **Annual audit required.** A county must have an annual financial audit.  
26.11 A county may choose to have the audit performed by the state auditor, or may choose to  
26.12 have the audit performed by a CPA firm meeting the requirements of section 326A.05.  
26.13 The state auditor or a CPA firm may accept the records and audit of the Department of  
26.14 Human Services instead of examining county human service funds, if the audit of the  
26.15 Department of Human Services has been made within any period covered by the auditor's  
26.16 audit of other county records.

26.17          Subd. 3. **CPA firm audit.** A county audit performed by a CPA firm must meet  
26.18 the standards and be in the form required by the state auditor. The state auditor may  
26.19 require additional information from the CPA firm if the state auditor determines that is  
26.20 in the public interest, but the state auditor must accept the audit unless the state auditor  
26.21 determines it does not meet recognized industry auditing standards or is not in the form  
26.22 required by the state auditor. The state auditor may make additional examinations as the  
26.23 auditor determines to be in the public interest.

26.24          Subd. 4. **Audit availability; data.** A copy of the annual audit by the state auditor or  
26.25 by a CPA firm must be available for public inspection in the Office of the State Auditor and  
26.26 in the Office of the County Auditor. If an audit is performed by a CPA firm, data relating  
26.27 to the audit are subject to the same data classifications that apply under section 6.715. A  
26.28 CPA firm conducting a county audit must provide access to data relating to the audit and is  
26.29 liable for unlawful disclosure of the data as if it were a government entity under chapter 13.

26.30          Subd. 5. **Reporting.** If an audit conducted by the state auditor or a CPA firm  
26.31 discloses malfeasance, misfeasance, or nonfeasance, the auditor must report this to the  
26.32 county attorney, who shall institute civil and criminal proceedings as the law and the  
26.33 protection of the public interests requires.

26.34          Subd. 6. **Payments to state auditor.** A county audited by the state auditor must pay  
26.35 the state auditor for the costs and expenses of the audit. If the state auditor makes additional

27.1 examinations of a county whose audit is performed by a CPA firm, the county must pay the  
 27.2 auditor for the cost of these examinations. Payments must be deposited in the general fund.

27.3 Subd. 7. **Procedures for change of auditor.** A county that plans to change to or  
 27.4 from the state auditor and a CPA firm must notify the state auditor of this change by  
 27.5 August 1 of an even-numbered year. Upon this notice, the following calendar year will be  
 27.6 the first year's records that will be subject to an audit by the new entity. A county that  
 27.7 changes to or from the state auditor must have two annual audits done by the new entity.

27.8 Sec. 8. Minnesota Statutes 2014, section 10A.01, subdivision 26, is amended to read:

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

27.13 (1) payment for accounting and legal services;

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

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

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

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

27.19 ~~(6)~~ (5) services for a constituent by a member of the legislature or a constitutional  
 27.20 officer in the executive branch, including the costs of preparing and distributing a  
 27.21 suggestion or idea solicitation to constituents, performed from the beginning of the term  
 27.22 of office to adjournment sine die of the legislature in the election year for the office  
 27.23 held, and half the cost of services for a constituent by a member of the legislature or a  
 27.24 constitutional officer in the executive branch performed from adjournment sine die to 60  
 27.25 days after adjournment sine die;

27.26 ~~(7)~~ (6) payment for food and beverages consumed by a candidate or volunteers while  
 27.27 they are engaged in campaign activities;

27.28 ~~(8)~~ (7) payment for food or a beverage consumed while attending a reception or  
 27.29 meeting directly related to legislative duties;

27.30 ~~(9)~~ (8) payment of expenses incurred by elected or appointed leaders of a legislative  
 27.31 caucus in carrying out their leadership responsibilities;

27.32 ~~(10)~~ (9) payment by a principal campaign committee of the candidate's expenses  
 27.33 for serving in public office, other than for personal uses;

27.34 ~~(11)~~ (10) costs of child care for the candidate's children when campaigning;

27.35 ~~(12)~~ (11) fees paid to attend a campaign school;

28.1 ~~(13)~~ (12) costs of a postelection party during the election year when a candidate's  
28.2 name will no longer appear on a ballot or the general election is concluded, whichever  
28.3 occurs first;

28.4 ~~(14)~~ (13) interest on loans paid by a principal campaign committee on outstanding  
28.5 loans;

28.6 ~~(15)~~ (14) filing fees;

28.7 ~~(16)~~ (15) post-general election holiday or seasonal cards, thank-you notes, or  
28.8 advertisements in the news media mailed or published prior to the end of the election cycle;

28.9 ~~(17)~~ (16) the cost of campaign material purchased to replace defective campaign  
28.10 material, if the defective material is destroyed without being used;

28.11 ~~(18)~~ (17) contributions to a party unit;

28.12 ~~(19)~~ (18) payments for funeral gifts or memorials;

28.13 ~~(20)~~ (19) the cost of a magnet less than six inches in diameter containing legislator  
28.14 contact information and distributed to constituents;

28.15 ~~(21)~~ (20) costs associated with a candidate attending a political party state or national  
28.16 convention in this state;

28.17 ~~(22)~~ (21) other purchases or payments specified in board rules or advisory opinions  
28.18 as being for any purpose other than to influence the nomination or election of a candidate  
28.19 or to promote or defeat a ballot question; and

28.20 ~~(23)~~ (22) costs paid to a third party for processing contributions made by a credit  
28.21 card, debit card, or electronic check.

28.22 The board must determine whether an activity involves a noncampaign disbursement  
28.23 within the meaning of this subdivision.

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

28.27 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections  
28.28 held on or after that date.

28.29 Sec. 9. Minnesota Statutes 2014, section 10A.105, subdivision 1, is amended to read:

28.30 Subdivision 1. **Single committee.** A candidate must not accept contributions  
28.31 from a source, other than self, in aggregate in excess of \$750 ~~or accept a public subsidy~~  
28.32 unless the candidate designates and causes to be formed a single principal campaign  
28.33 committee for each office sought. A candidate may not authorize, designate, or cause to be  
28.34 formed any other political committee bearing the candidate's name or title or otherwise

29.1 operating under the direct or indirect control of the candidate. However, a candidate may  
29.2 be involved in the direct or indirect control of a party unit.

29.3 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections  
29.4 held on or after that date.

29.5 Sec. 10. Minnesota Statutes 2014, section 10A.15, subdivision 1, is amended to read:

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

29.10 **EFFECTIVE DATE.** This section is effective July 1, 2015.

29.11 Sec. 11. Minnesota Statutes 2014, section 10A.245, subdivision 2, is amended to read:

29.12 Subd. 2. **Termination by board.** The board may terminate the registration of  
29.13 a principal campaign committee, party unit, political committee, or political fund found  
29.14 to be inactive under this section 60 days after sending written notice of inactivity by  
29.15 certified mail to the affected association at the last address on record with the board for  
29.16 that association. Within 60 days after the board sends notice under this section, the  
29.17 affected association must dispose of its assets as provided in this subdivision. The assets  
29.18 of the principal campaign committee, party unit, or political committee must be used for  
29.19 the purposes authorized by this chapter or section 211B.12 or must be liquidated and  
29.20 deposited in the general ~~account of the state elections campaign account~~ fund. The assets  
29.21 of an association's political fund that were derived from the association's general treasury  
29.22 money revert to the association's general treasury. Assets of a political fund that resulted  
29.23 from contributions to the political fund must be used for the purposes authorized by this  
29.24 chapter or section 211B.12 or must be liquidated and deposited in the general ~~account of~~  
29.25 ~~the state elections campaign account~~ fund.

29.26 **EFFECTIVE DATE.** This section is effective July 1, 2015.

29.27 Sec. 12. Minnesota Statutes 2014, section 10A.257, subdivision 1, is amended to read:

29.28 Subdivision 1. **Unused funds.** For election cycles ending on or before December  
29.29 31, 2016, after all campaign expenditures and noncampaign disbursements for an election  
29.30 cycle have been made, an amount up to 25 percent of the 2014 election cycle expenditure  
29.31 limit for the office may be carried forward. Any remaining amount up to the total amount of  
29.32 the 2014 public subsidy from the state elections campaign fund must be returned to the state

30.1 treasury for credit to the general fund under section 10A.324. Any remaining amount in  
30.2 excess of the 2014 total public subsidy must be contributed to the state elections campaign  
30.3 account or a political party for multicandidate expenditures as defined in section 10A.275.

30.4 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to elections  
30.5 held on or after that date.

30.6 Sec. 13. Minnesota Statutes 2014, section 14.02, is amended by adding a subdivision  
30.7 to read:

30.8 **Subd. 5. Substantial economic impact.** A rule has a "substantial economic impact"  
30.9 if the rule would result in, or likely result in:

30.10 (1) an adverse effect or impact on the private-sector economy of the state of  
30.11 Minnesota of \$5,000,000 or more in a single year;

30.12 (2) a significant increase in costs or prices for consumers, individual private-sector  
30.13 industries, state agencies, local governments, individuals, or private-sector enterprises  
30.14 within certain geographic regions inside the state of Minnesota;

30.15 (3) significant adverse impacts on the competitiveness of private-sector  
30.16 Minnesota-based enterprises or on private-sector employment, investment, productivity,  
30.17 or innovation within the state of Minnesota; or

30.18 (4) compliance costs, in the first year after the rule takes effect, of more than \$25,000  
30.19 for any one business that has less than 50 full-time employees, or for any one statutory or  
30.20 home rule charter city that has less than ten full-time employees.

30.21 Sec. 14. Minnesota Statutes 2014, section 14.05, subdivision 1, is amended to read:

30.22 Subdivision 1. **Authority to adopt original rules restricted.** (a) Each agency shall  
30.23 adopt, amend, suspend, or repeal its rules: (1) in accordance with the procedures specified  
30.24 in sections 14.001 to 14.69, and; (2) only pursuant to authority delegated by state or  
30.25 federal law; and (3) in full compliance with its duties and obligations.

30.26 (b) If a law authorizing rules is repealed, the rules adopted pursuant to that law are  
30.27 automatically repealed on the effective date of the law's repeal unless there is another  
30.28 law authorizing the rules.

30.29 (c) Except as provided in section 14.06, sections 14.001 to 14.69 shall not be  
30.30 authority for an agency to adopt, amend, suspend, or repeal rules.

30.31 Sec. 15. Minnesota Statutes 2014, section 14.05, subdivision 2, is amended to read:

30.32 Subd. 2. **Authority to modify proposed rule.** (a) An agency may modify a  
30.33 proposed rule in accordance with the procedures of the Administrative Procedure Act.

31.1 However, an agency may not modify a proposed rule so that it is substantially different  
31.2 from the proposed rule in the notice of intent to adopt rules or notice of hearing.

31.3 (b) A modification does not make a proposed rule substantially different if:

31.4 (1) the differences are within the scope of the matter announced in the notice of  
31.5 intent to adopt or notice of hearing and are in character with the issues raised in that notice;

31.6 (2) the differences are a logical outgrowth of the contents of the notice of intent to  
31.7 adopt or notice of hearing and the comments submitted in response to the notice; and

31.8 (3) the notice of intent to adopt or notice of hearing provided fair warning that the  
31.9 outcome of that rulemaking proceeding could be the rule in question.

31.10 (c) In determining whether the notice of intent to adopt or notice of hearing provided  
31.11 fair warning that the outcome of that rulemaking proceeding could be the rule in question  
31.12 the following factors must be considered:

31.13 (1) the extent to which persons who will be affected by the rule should have  
31.14 understood that the rulemaking proceeding on which it is based could affect their interests;

31.15 (2) the extent to which the subject matter of the rule or issues determined by the  
31.16 rule are different from the subject matter or issues contained in the notice of intent to  
31.17 adopt or notice of hearing; and

31.18 (3) the extent to which the effects of the rule differ from the effects of the proposed  
31.19 rule contained in the notice of intent to adopt or notice of hearing.

31.20 (d) A modification makes a proposed rule substantially different if the modification  
31.21 causes a rule that did not previously have a substantial economic impact to have a  
31.22 substantial economic impact.

31.23 Sec. 16. Minnesota Statutes 2014, section 14.116, is amended to read:

31.24 **14.116 NOTICE TO LEGISLATURE.**

31.25 (a) By January 15 each year, each agency must submit its rulemaking docket  
31.26 maintained under section 14.366, and the official rulemaking record required under section  
31.27 14.365 for any rule adopted during the preceding calendar year, to the chairs and ranking  
31.28 minority members of the legislative policy and budget committees with jurisdiction over  
31.29 the subject matter of the proposed rule and to the Legislative Coordinating Commission.  
31.30 Each agency must post a link to its rulemaking docket on the agency Web site home page.

31.31 (b) When an agency mails notice of intent to adopt rules under section 14.14 or  
31.32 14.22, the agency must send a copy of the same notice and a copy of the statement of need  
31.33 and reasonableness to the chairs and ranking minority party members of the legislative  
31.34 policy and budget committees with jurisdiction over the subject matter of the proposed  
31.35 rules and to the Legislative Coordinating Commission.

32.1 (c) In addition, if the mailing of the notice is within two years of the effective date  
32.2 of the law granting the agency authority to adopt the proposed rules, the agency shall  
32.3 make reasonable efforts to send a copy of the notice and the statement to all sitting  
32.4 legislators who were chief house of representatives and senate authors of the bill granting  
32.5 the rulemaking authority. If the bill was amended to include this rulemaking authority,  
32.6 the agency shall make reasonable efforts to send the notice and the statement to the chief  
32.7 house of representatives and senate authors of the amendment granting rulemaking  
32.8 authority, rather than to the chief authors of the bill.

32.9 Sec. 17. Minnesota Statutes 2014, section 14.127, is amended to read:

32.10 **14.127 LEGISLATIVE APPROVAL REQUIRED.**

32.11 Subdivision 1. ~~Cost thresholds~~ Substantial economic impact. An agency must  
32.12 determine if ~~the cost of complying with a proposed rule in the first year after the rule~~  
32.13 ~~takes effect will exceed \$25,000 for: (1) any one business that has less than 50 full-time~~  
32.14 ~~employees; or (2) any one statutory or home rule charter city that has less than ten~~  
32.15 ~~full-time employees. For purposes of this section, "business" means a business entity~~  
32.16 ~~organized for profit or as a nonprofit, and includes an individual, partnership, corporation,~~  
32.17 ~~joint venture, association, or cooperative~~ has a substantial economic impact, as defined  
32.18 in section 14.02, subdivision 5.

32.19 Subd. 2. **Agency determination.** An agency must make the determination required  
32.20 by subdivision 1 ~~before the close of the hearing record, or before the agency submits the~~  
32.21 ~~record to the administrative law judge if there is no hearing~~ agency gives notice under  
32.22 section 14.14, 14.22, 14.225, or 14.389. The administrative law judge must review and  
32.23 approve or disapprove the agency determination under this section.

32.24 Subd. 3. **Legislative approval required.** (a) If the agency determines that a  
32.25 proposed rule has a substantial economic impact, the agency must request the legislative  
32.26 auditor to convene a five-person peer review advisory panel to conduct an impact analysis  
32.27 of the proposed rule. Within 30 days of receipt of the agency's request, the legislative  
32.28 auditor shall convene a peer review advisory panel. The advisory panel must be made up  
32.29 of individuals who have not directly or indirectly been involved in the work conducted or  
32.30 contracted by the agency and who are not employed by the agency. The agency must pay  
32.31 each panel member for the costs of the person's service on the panel, as determined by  
32.32 the legislative auditor. The agency shall transfer an amount from the agency's operating  
32.33 budget to the legislative auditor to pay for costs for convening the peer review advisory  
32.34 panel process. The panel may receive written and oral comments from the public during  
32.35 its review. The panel must submit its report within 60 days of being convened. The

33.1 agency must receive a final report from the panel before the agency conducts a public  
33.2 hearing on a proposed rule or, if no hearing is held, before the rule is submitted to the  
33.3 administrative law judge. The panel's report must include its conclusions on the extent to  
33.4 which the proposed rule:

33.5 (1) is based on sound, reasonably available scientific, technical, economic, or other  
33.6 information or rationale; and

33.7 (2) is more restrictive than a standard, limitation, or requirement imposed by federal  
33.8 law or rule pertaining to the same subject matter.

33.9 (b) If the agency determines that a rule does not have a substantial economic impact,  
33.10 the administrative law judge must review this determination. If the administrative law  
33.11 judge determines that a rule may have a substantial economic impact, the agency must  
33.12 have the legislative auditor arrange for the analysis required by paragraph (a), and the  
33.13 agency must give new notice of intent to adopt the proposed rule after receiving this  
33.14 analysis. The administrative law judge may make this determination as part of the  
33.15 administrative law judge's report on the proposed rule, or at any earlier time after the  
33.16 administrative law judge is assigned to the rule proceeding.

33.17 (c) If the agency determines that the cost exceeds the threshold in subdivision 1  
33.18 proposed rule has a substantial economic impact, or if the administrative law judge  
33.19 disapproves the agency's determination that the cost does not exceed the threshold  
33.20 in subdivision 1, any business that has less than 50 full-time employees or any statutory  
33.21 or home rule charter city that has less than ten full-time employees may file a written  
33.22 statement with the agency claiming a temporary exemption from the rules. Upon filing of  
33.23 such a statement with the agency, the rules do not apply to that business or that city until the  
33.24 rules have a substantial economic impact, the agency or the administrative law judge  
33.25 shall deliver the determination and peer review advisory panel report to the Legislative  
33.26 Coordinating Commission and to the chairs and ranking minority members of the house  
33.27 of representatives and senate committees and divisions with jurisdiction over the subject  
33.28 matter of the rule, and the proposed rule does not take effect until the rule is approved by a  
33.29 law enacted after the agency determination or administrative law judge disapproval.

33.30 **Subd. 4. Exceptions.** (a) Subdivision 3 does not apply if the administrative law  
33.31 judge approves an agency's determination that the legislature has appropriated money to  
33.32 sufficiently fund the expected cost of the rule upon the business or city proposed to be  
33.33 regulated by the rule.

33.34 (b) Subdivision 3 does not apply if the administrative law judge approves an  
33.35 agency's determination that the rule has been proposed pursuant to a specific federal  
33.36 statutory or regulatory mandate.

34.1 ~~(e) (b)~~ This section does not apply if the rule is adopted under section 14.388 or  
 34.2 under another law specifying that the rulemaking procedures of this chapter do not apply.

34.3 ~~(d) (c)~~ This section does not apply to a rule adopted by the Public Utilities  
 34.4 Commission.

34.5 ~~(e) Subdivision 3 does not apply if the governor waives application of subdivision 3.~~  
 34.6 ~~The governor may issue a waiver at any time, either before or after the rule would take~~  
 34.7 ~~effect, but for the requirement of legislative approval. As soon as possible after issuing a~~  
 34.8 ~~waiver under this paragraph, the governor must send notice of the waiver to the speaker of~~  
 34.9 ~~the house and the president of the senate and must publish notice of this determination in~~  
 34.10 ~~the State Register.~~

34.11 Subd. 5. **Severability.** If an administrative law judge determines that part of a  
 34.12 proposed rule exceeds the threshold specified in subdivision 1 has a substantial economic  
 34.13 impact, but that a severable portion of a proposed rule does not exceed the threshold in  
 34.14 subdivision 1 have a substantial economic impact, the administrative law judge may  
 34.15 provide that the severable portion of the rule that does not exceed the threshold have a  
 34.16 substantial economic impact may take effect without legislative approval.

34.17 Sec. 18. Minnesota Statutes 2014, section 14.131, is amended to read:

34.18 **14.131 STATEMENT OF NEED AND REASONABLENESS.**

34.19 By the date of the section 14.14, subdivision 1a, 14.22, or 14.225, notice, the agency  
 34.20 must prepare, review, and make available for public review a statement of the need for and  
 34.21 reasonableness of the rule. The statement of need and reasonableness must be prepared  
 34.22 under rules adopted by the chief administrative law judge and must include the following  
 34.23 to the extent the agency, through reasonable effort, can ascertain this information:

34.24 (1) a description of the classes of persons who probably will be affected by the  
 34.25 proposed rule, including classes that will bear the costs of the proposed rule and classes  
 34.26 that will benefit from the proposed rule;

34.27 (2) the probable costs to the agency and to any other agency of the implementation  
 34.28 and enforcement of the proposed rule and any anticipated effect on state revenues;

34.29 (3) a determination of whether there are less costly methods or less intrusive  
 34.30 methods for achieving the purpose of the proposed rule;

34.31 (4) a description of any alternative methods for achieving the purpose of the  
 34.32 proposed rule that were seriously considered by the agency and the reasons why they  
 34.33 were rejected in favor of the proposed rule;

35.1 (5) the probable costs of complying with the proposed rule, including the portion  
35.2 of the total costs that will be borne by identifiable categories of affected parties, such as  
35.3 separate classes of governmental units, businesses, or individuals;

35.4 (6) the probable costs or consequences of not adopting the proposed rule, including  
35.5 those costs or consequences borne by identifiable categories of affected parties, such as  
35.6 separate classes of government units, businesses, or individuals;

35.7 (7) an assessment of any differences between the proposed rule and existing federal  
35.8 regulations and a specific analysis of the need for and reasonableness of each difference; ~~and~~

35.9 (8) an assessment of the cumulative effect of the rule with other federal and state  
35.10 regulations related to the specific purpose of the rule; and

35.11 (9) the agency's findings and conclusions that support its determination that the  
35.12 proposed rule does or does not have a substantial economic impact.

35.13 The statement must describe how the agency, in developing the rules, considered  
35.14 and implemented the legislative policy supporting performance-based regulatory systems  
35.15 set forth in section 14.002 in a cost-effective and timely manner.

35.16 For purposes of clause (8), "cumulative effect" means the impact that results from  
35.17 incremental impact of the proposed rule in addition to other rules, regardless of what  
35.18 state or federal agency has adopted the other rules. Cumulative effects can result from  
35.19 individually minor but collectively significant rules adopted over a period of time.

35.20 The statement must describe, with reasonable particularity, the scientific, technical,  
35.21 economic, or other information and rationale that supports the proposed rule.

35.22 The statement must also describe the agency's efforts to provide additional  
35.23 notification under section 14.14, subdivision 1a, to persons or classes of persons who may  
35.24 be affected by the proposed rule or must explain why these efforts were not made.

35.25 The agency must consult with the commissioner of management and budget to  
35.26 help evaluate the fiscal impact and fiscal benefits of the proposed rule on units of local  
35.27 government. The agency must send a copy of the statement of need and reasonableness  
35.28 to the Legislative Reference Library when the notice of hearing is mailed under section  
35.29 14.14, subdivision 1a.

35.30 Sec. 19. Minnesota Statutes 2014, section 14.388, subdivision 2, is amended to read:

35.31 Subd. 2. **Notice.** An agency proposing to adopt, amend, or repeal a rule under this  
35.32 section must give notice to the chairs and ranking minority members of the legislative  
35.33 policy and budget committees with jurisdiction over the subject matter of the proposed  
35.34 rules and to the Legislative Coordinating Commission, must give electronic notice of its  
35.35 intent in accordance with section 16E.07, subdivision 3, and must give notice by United

36.1 States mail or electronic mail to persons who have registered their names with the agency  
36.2 under section 14.14, subdivision 1a. The notice must be given no later than the date the  
36.3 agency submits the proposed rule to the Office of Administrative Hearings for review  
36.4 of its legality and must include:

36.5 (1) the proposed rule, amendment, or repeal;

36.6 (2) an explanation of why the rule meets the requirements of the good cause  
36.7 exemption under subdivision 1; and

36.8 (3) a statement that interested parties have five business days after the date of the  
36.9 notice to submit comments to the Office of Administrative Hearings.

36.10 Sec. 20. Minnesota Statutes 2014, section 14.389, subdivision 2, is amended to read:

36.11 Subd. 2. **Notice and comment.** The agency must publish notice of the proposed  
36.12 rule in the State Register ~~and~~<sub>2</sub> must mail the notice by United States mail or electronic  
36.13 mail to persons who have registered with the agency to receive mailed notices, and must  
36.14 give notice to the chairs and ranking minority members of the legislative policy and  
36.15 budget committees with jurisdiction over the subject matter of the proposed rules and to  
36.16 the Legislative Coordinating Commission. The mailed notice and the notice to legislators  
36.17 must include either a copy of the proposed rule or a description of the nature and effect  
36.18 of the proposed rule and a statement that a free copy is available from the agency upon  
36.19 request. The notice in the State Register must include the proposed rule or the amended  
36.20 rule in the form required by the revisor under section 14.07, an easily readable and  
36.21 understandable summary of the overall nature and effect of the proposed rule, and a  
36.22 citation to the most specific statutory authority for the rule, including authority for the  
36.23 rule to be adopted under the process in this section. The agency must allow 30 days after  
36.24 publication in the State Register for comment on the rule.

36.25 Sec. 21. Minnesota Statutes 2014, section 14.44, is amended to read:

36.26 **14.44 DETERMINATION OF VALIDITY OF RULE.**

36.27 (a) The validity of any rule, or the validity of any agency policy, guideline, bulletin,  
36.28 criterion, manual standard, or similar pronouncement that the petitioner believes is a  
36.29 rule as defined in section 14.02, subdivision 4, may be determined upon the petition  
36.30 for a declaratory judgment thereon, addressed to the Court of Appeals, when it appears  
36.31 that the rule or pronouncement, or its threatened application, interferes with or impairs,  
36.32 or threatens to interfere with or impair the legal rights or privileges of the petitioner.  
36.33 The agency shall be made a party to the proceeding. The declaratory judgment may be  
36.34 rendered whether or not the petitioner has first requested the agency to pass upon the

37.1 validity of the rule in question, whether or not the petitioner has petitioned the Office  
37.2 of Administrative Hearings under section 14.381, and whether or not the agency has  
37.3 commenced an action against the petitioner to enforce the rule.

37.4 (b) If the subject of the petition is an agency policy, guideline, bulletin, criterion,  
37.5 manual standard, or similar pronouncement, the agency must cease enforcement of the  
37.6 pronouncement upon filing of the petition until the Court of Appeals rules on the matter.  
37.7 The agency is liable for all costs associated with review of the petition. If the Court of  
37.8 Appeals rules in favor of the agency, the agency may recover all or a portion of the cost  
37.9 from the petitioner unless the petitioner is entitled to proceed in forma pauperis under  
37.10 section 563.01, or the court determines that the petition was brought in good faith or the  
37.11 assessment of the costs would constitute an undue hardship for the petitioner.

37.12 Sec. 22. Minnesota Statutes 2014, section 14.45, is amended to read:

37.13 **14.45 RULE DECLARED INVALID.**

37.14 In proceedings under section 14.44, the court shall declare the rule or agency  
37.15 pronouncement invalid if it finds that it violates constitutional provisions or exceeds the  
37.16 statutory authority of the agency or if the rule was adopted or the pronouncement was  
37.17 improperly implemented without compliance with statutory rulemaking procedures. Any  
37.18 party to proceedings under section 14.44, including the agency, may appeal an adverse  
37.19 decision of the Court of Appeals to the Supreme Court as in other civil cases.

37.20 Sec. 23. **[15.0145] ETHNIC COUNCILS.**

37.21 Subdivision 1. **Three ethnic councils; creation.** (a) The Minnesota Council on  
37.22 Latino Affairs includes public members with an ethnic heritage from Mexico, any of the  
37.23 countries in Central or South America, Cuba, the Dominican Republic, or Puerto Rico.

37.24 (b) The Minnesota African Heritage Council includes public members of black  
37.25 African ancestry.

37.26 (c) The Council on Asian-Pacific Minnesotans includes public members with an  
37.27 ethnic heritage from any of the countries east of, and including, Afghanistan or the  
37.28 Pacific Islands.

37.29 Subd. 2. **Membership.** (a) Each council has 15 voting members. Eleven members  
37.30 of each council are public members appointed by the governor. Four members of each  
37.31 council are legislators.

37.32 (b) The governor shall appoint 11 members of each council as follows:

37.33 (1) the Minnesota Council on Latino Affairs must include one member representing  
37.34 each of the state's congressional districts and three members appointed at-large. The

38.1 governor must attempt to ensure that the demographic composition of council members  
38.2 accurately reflects the demographic composition of Minnesota's Latino community,  
38.3 including recent immigrants, as determined by the state demographer;

38.4 (2) the Minnesota African Heritage Council must include members who are  
38.5 broadly representative of the African heritage community of the state. The council must  
38.6 include at least five females. At least three members must be first or second generation  
38.7 African immigrants, who generally reflect the demographic composition of these African  
38.8 immigrants, as determined by the state demographer; and

38.9 (3) the Council on Asian-Pacific Minnesotans must include one member from each  
38.10 of the five ancestries with the state's highest percentages of Asian-Pacific populations,  
38.11 as determined by the state demographer. The other six members must be broadly  
38.12 representative of the rest of the Asian-Pacific population, with no more than one council  
38.13 member from any one ancestry. For purposes of this clause, ancestry refers to heritage that  
38.14 is commonly accepted in Minnesota as a unique population.

38.15 (c) Four legislators are voting members of each council. The speaker of the house  
38.16 and the house minority leader shall each appoint one member to each council. The  
38.17 Subcommittee on Committees of the senate Committee on Rules and Administration shall  
38.18 appoint one member of the majority caucus and one member of the minority caucus to  
38.19 each council.

38.20 (d) The governor may appoint a commissioner of a state agency or a designee of that  
38.21 commissioner to serve as an ex-officio, nonvoting member of a council.

38.22 Subd. 3. **Appointments; terms; removal.** (a) In making appointments to a council,  
38.23 the governor shall consider an appointee's proven dedication and commitment to the  
38.24 council's community and any expertise possessed by the appointee that might be beneficial  
38.25 to the council, such as experience in public policy, legal affairs, social work, business,  
38.26 or management. The executive director of a council and legislative members may offer  
38.27 advice to the governor on applicants seeking appointment.

38.28 (b) Terms, compensation, and filling of vacancies for members appointed by the  
38.29 governor are as provided in section 15.059. Removal of members appointed by the  
38.30 governor is governed by section 15.059, except that: (1) a member who missed more than  
38.31 half of the council meetings convened during a 12-month period automatically is removed  
38.32 from the council; and (2) a member appointed by the governor may be removed by a vote  
38.33 of three of the four legislative members of the council. The chair of a council shall inform  
38.34 the governor of the need for the governor to fill a vacancy on the council. Legislative  
38.35 members serve at the pleasure of their appointing authority.

39.1 (c) A member appointed by the governor may serve no more than a total of eight  
39.2 years on a council. A legislator may serve no more than eight consecutive years or 12  
39.3 nonconsecutive years on any one council.

39.4 Subd. 4. **Training; executive committee; meetings; support.** (a) A member  
39.5 appointed by the governor must attend orientation training within the first six months of  
39.6 service for each term. The commissioner of administration must arrange for the training  
39.7 to include but not be limited to the legislative process, government data practices, open  
39.8 meeting law, Robert's Rules of Order, fiscal management, and human resources. The  
39.9 governor must remove a member who does not complete the training.

39.10 (b) Each council shall annually elect from among the members appointed by the  
39.11 governor a chair and other officers it deems necessary. These officers and one legislative  
39.12 member selected by the council shall serve as the executive committee of the council.

39.13 (c) Forty percent of voting members of a council constitutes a quorum. A quorum is  
39.14 required to conduct council business. A council member may not vote on any action if the  
39.15 member has a conflict of interest under section 10A.07.

39.16 (d) Each council shall receive administrative support from the commissioner of  
39.17 administration under section 16B.371.

39.18 Subd. 5. **Executive director; staff.** (a) The Legislative Coordinating Commission  
39.19 must appoint an executive director for each council. The executive director must be  
39.20 experienced in administrative activities and familiar with the challenges and needs of  
39.21 the ethnic council's larger community. The executive director serves in the unclassified  
39.22 service at the pleasure of the Legislative Coordinating Commission.

39.23 (b) The Legislative Coordinating Commission must establish a process for recruiting  
39.24 and selecting applicants for the executive director positions. This process must include  
39.25 consultation and collaboration with the applicable council.

39.26 (c) The executive director and applicable council members must work together in  
39.27 fulfilling council duties. The executive director must consult with the commissioners of  
39.28 administration and management and budget to ensure appropriate financial, purchasing,  
39.29 human resources, and other services for operation of the council. The executive director  
39.30 must appoint and supervise the work of other staff necessary to carry out the duties of the  
39.31 council. The executive director and other council staff are executive branch employees.

39.32 Subd. 6. **Duties of council.** (a) A council must work for the implementation  
39.33 of economic, social, legal, and political equality for its constituency. The council shall  
39.34 work with the legislature and governor to carry out this work by performing the duties  
39.35 in this section.

40.1 (b) A council shall advise the governor and the legislature on issues confronting the  
40.2 constituency of the council. This may include, but is not limited to, presenting the results  
40.3 of surveys, studies, and community forums to the appropriate executive departments  
40.4 and legislative committees.

40.5 (c) A council shall advise the governor and the legislature of administrative  
40.6 and legislative changes needed to improve the economic and social condition of the  
40.7 constituency of the council. This may include but is not limited to working with legislators  
40.8 to develop politically feasible legislation to address these issues and to work for passage  
40.9 of the legislation. This may also include making recommendations regarding the state's  
40.10 affirmative action program and the state's targeted group small business program, or  
40.11 working with state agencies and organizations to develop business opportunities and  
40.12 promote economic development for the constituency of the council.

40.13 (d) A council shall advise the governor and the legislature of the implications  
40.14 and effect of proposed administrative and legislative changes on the constituency of  
40.15 the council. This may include but is not limited to tracking legislation, testifying as  
40.16 appropriate, and meeting with executive departments and legislators.

40.17 (e) A council shall serve as a liaison between state government and organizations that  
40.18 serve the constituency of the council. This may include but is not limited to working with  
40.19 these organizations to carry out the duties in paragraphs (a) to (d), and working with these  
40.20 organizations to develop informational programs or publications to involve and empower  
40.21 the constituency in seeking improvement in their economic and social conditions.

40.22 (f) A council shall perform or contract for the performance of studies designed  
40.23 to suggest solutions to the problems of the constituency of the council in the areas of  
40.24 education, employment, human rights, health, housing, social welfare, and other related  
40.25 areas.

40.26 (g) In carrying out duties under this subdivision, councils may act to advise on issues  
40.27 that affect the shared constituencies of more than one council.

40.28 Subd. 7. **Duties of council members.** A council member shall:

40.29 (1) attend and participate in scheduled meetings and be prepared by reviewing  
40.30 meeting notes;

40.31 (2) maintain and build communication with the community represented;

40.32 (3) collaborate with the council and executive director in carrying out the council's  
40.33 duties; and

40.34 (4) participate in activities the council or executive director deem appropriate and  
40.35 necessary to facilitate the goals and duties of the council.

41.1 Subd. 8. **Reports.** A council must report on the measurable outcomes achieved in  
 41.2 the council's current strategic plan to meet its statutory duties, along with the specific  
 41.3 objectives and outcome measures proposed for the following year. The council must  
 41.4 submit the report by January 15 each year to the chairs of the committees in the house of  
 41.5 representatives and the senate with primary jurisdiction over state government operations.  
 41.6 Each report must cover the calendar year of the year before the report is submitted. The  
 41.7 specific objectives and outcome measures for the following current year must focus on  
 41.8 three or four achievable objectives, action steps, and measurable outcomes for which  
 41.9 the council will be held accountable. The strategic plan may include other items that  
 41.10 support the statutory purposes of the council but should not distract from the primary  
 41.11 statutory proposals presented. The funding request of each council, after approval by the  
 41.12 Legislative Coordinating Commission, must also be presented by February 1 in each  
 41.13 odd-numbered year.

41.14 Sec. 24. **[16A.0565] CENTRALIZED TRACKING LIST OF AGENCY**  
 41.15 **PROJECTS.**

41.16 Subdivision 1. **Centralized tracking.** The commissioner must maintain a  
 41.17 centralized tracking list of new agency projects estimated to cost more than \$100,000 that  
 41.18 are paid for from the general fund.

41.19 Subd. 2. **New agency project.** (a) For purposes of this section a "new agency  
 41.20 project" means:

41.21 (1) any new agency program or activity with more than \$100,000 in funding from  
 41.22 the general fund; and

41.23 (2) any pre-existing agency program or activity with an increase of \$100,000 or  
 41.24 more above the base level in general fund support.

41.25 (b) For purposes of this section, a new agency project does not include:

41.26 (i) general aid programs for units of local government, or entitlement programs  
 41.27 providing assistance to individuals; or

41.28 (ii) a new program or activity or increase in a program or activity that is mandated  
 41.29 by law.

41.30 Subd. 3. **Transparency requirements.** The centralized tracking list maintained by  
 41.31 the commissioner must report the following for each new agency project:

41.32 (1) name of the agency and title of the project;

41.33 (2) a brief description of the project and its purposes;

41.34 (3) the extent to which the project has been implemented; and

41.35 (4) the amount of money that has been spent on the project.

42.1 Subd. 4. **Timing and reporting.** The commissioner must display the information  
 42.2 required by subdivision 3 on the department's Web site. The list shall be maintained in a  
 42.3 widely available and common document format such as a spreadsheet, that does not  
 42.4 require any new costs to develop. The commissioner must report this information to the  
 42.5 chairs of the house of representatives Ways and Means Committee and senate Finance  
 42.6 Committee quarterly, and must update the information on the Web site at least quarterly.

42.7 Sec. 25. Minnesota Statutes 2014, section 16A.065, is amended to read:

42.8 **16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES**  
 42.9 **DOCUMENTS.**

42.10 Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an  
 42.11 agency to make advance deposits or payments for software or software maintenance  
 42.12 services for state-owned or leased electronic data processing equipment, for information  
 42.13 technology hosting services, for sole source maintenance agreements where it is not  
 42.14 cost-effective to pay in arrears, for exhibit booth space or boat slip rental when required  
 42.15 by the renter to guarantee the availability of space, for registration fees where advance  
 42.16 payment is required or advance payment discount is provided, and for newspaper,  
 42.17 magazine, and other subscription fees customarily paid for in advance. The commissioner  
 42.18 may also allow advance deposits by any department with the Library of Congress and  
 42.19 federal Supervisor of Documents for items to be purchased from those federal agencies.

42.20 Sec. 26. Minnesota Statutes 2014, section 16A.103, is amended by adding a  
 42.21 subdivision to read:

42.22 Subd. 1h. **Revenue uncertainty information.** The commissioner shall report  
 42.23 to the legislature within 14 days of a forecast under subdivision 1 on uncertainty in  
 42.24 Minnesota's general fund revenue projections. The report shall present information on: (1)  
 42.25 the estimated range of forecast error for revenues and (2) the data and methods used to  
 42.26 construct those measurements.

42.27 Sec. 27. Minnesota Statutes 2014, section 16B.335, subdivision 1, is amended to read:

42.28 Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or  
 42.29 any other recipient to whom an appropriation is made to acquire or better public lands  
 42.30 or buildings or other public improvements of a capital nature, must not prepare final  
 42.31 plans and specifications for any construction, major remodeling, or land acquisition in  
 42.32 anticipation of which the appropriation was made until the agency that will use the  
 42.33 project has presented the program plan and cost estimates for all elements necessary to

43.1 complete the project to the chair of the senate Finance Committee and the chair of the  
43.2 house of representatives Ways and Means Committee and the chairs have made their  
43.3 recommendations, and the chair and ranking minority member of the senate Capital  
43.4 Investment Committee and the chair and ranking minority member of the house of  
43.5 representatives Capital Investment Committee are notified. "Construction or major  
43.6 remodeling" means construction of a new building, a substantial addition to an existing  
43.7 building, or a substantial change to the interior configuration of an existing building. The  
43.8 presentation must note any significant changes in the work that will be done, or in its cost,  
43.9 since the appropriation for the project was enacted or from the predesign submittal. The  
43.10 program plans and estimates must be presented for review at least two weeks before a  
43.11 recommendation is needed. The recommendations are advisory only. Failure or refusal to  
43.12 make a recommendation is considered a negative recommendation.

43.13 (b) The chairs and ranking minority members of the senate Finance and Capital  
43.14 Investment Committees and, the house of representatives Capital Investment and Ways  
43.15 and Means Committees, and the house of representatives and senate budget committees or  
43.16 divisions with jurisdiction over the agency that will use the project must also be notified  
43.17 whenever there is a substantial change in a construction or major remodeling project, or in  
43.18 its cost. This notice must include the nature and reason for the change, and the anticipated  
43.19 cost of the change. The notice must be given no later than 10 days after signing a change  
43.20 order or other document authorizing a change in the project, or if there is not a change  
43.21 order or other document, no later than 10 days after the project owner becomes aware of a  
43.22 substantial change in the project or its cost.

43.23 (b) (c) Capital projects exempt from the requirements of this subdivision in  
43.24 paragraph (a) to seek recommendations before preparing final plans and specifications  
43.25 include demolition or decommissioning of state assets, hazardous material projects, utility  
43.26 infrastructure projects, environmental testing, parking lots, parking structures, park and  
43.27 ride facilities, bus rapid transit stations, light rail lines, passenger rail projects, exterior  
43.28 lighting, fencing, highway rest areas, truck stations, storage facilities not consisting  
43.29 primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds,  
43.30 athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer  
43.31 separation projects, water and wastewater facilities, port development projects for which  
43.32 the commissioner of transportation has entered into an assistance agreement under section  
43.33 457A.04, ice centers, a local government project with a construction cost of less than  
43.34 \$1,500,000, or any other capital project with a construction cost of less than \$750,000.  
43.35 The requirements in paragraph (b) to give notice of changes applies to these projects.

44.1 Sec. 28. Minnesota Statutes 2014, section 16B.371, is amended to read:

44.2 **16B.371 ASSISTANCE TO SMALL AGENCIES.**

44.3 (a) The commissioner ~~may~~ must provide administrative support services to a small  
 44.4 ~~agencies~~ agency requesting these services. To promote efficiency and cost-effective use  
 44.5 of state resources, and to improve financial controls, the commissioner may require  
 44.6 a small agency to receive administrative support services through the Department of  
 44.7 Administration or through another agency designated by the commissioner. Services  
 44.8 subject to this section include finance, accounting, payroll, purchasing, human resources,  
 44.9 and other services designated by the commissioner. The commissioner may determine  
 44.10 what constitutes a small agency for purposes of this section. The commissioner, in  
 44.11 consultation with the commissioner of management and budget and small agencies, shall  
 44.12 evaluate small agencies' needs for administrative support services. If the commissioner  
 44.13 provides administrative support services to a small agency, the commissioner must enter  
 44.14 into a service level agreement with the agency, specifying the services to be provided and  
 44.15 the costs and anticipated outcomes of the services.

44.16 (b) The Chicano Latino Affairs Council, the Council on Black Minnesotans, the  
 44.17 Council on Asian-Pacific Minnesotans, the Indian Affairs Council, and the Minnesota  
 44.18 State Council on Disability must use the services specified in paragraph (a).

44.19 (c) The commissioner of administration may assess agencies for services it provides  
 44.20 under this section. The amounts assessed are appropriated to the commissioner.

44.21 (d) For agencies covered in this section, the commissioner has the authority to require  
 44.22 the agency to comply with applicable state finance, accounting, payroll, purchasing, and  
 44.23 human resources policies. The agencies served retain the ownership and responsibility for  
 44.24 spending decisions and for ongoing implementation of appropriate business operations.

44.25 Sec. 29. Minnesota Statutes 2014, section 16B.97, subdivision 1, is amended to read:

44.26 Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or  
 44.27 electronic document defining a legal relationship between a granting agency and a grantee  
 44.28 when the principal purpose of the relationship is to transfer cash or something of value  
 44.29 to the recipient to support a public purpose authorized by law instead of acquiring by  
 44.30 professional or technical contract, purchase, lease, or barter property or services for the  
 44.31 direct benefit or use of the granting agency.

44.32 (b) ~~This section does not apply to capital project grants to political subdivisions as~~  
 44.33 ~~defined by section 16A.86.~~

45.1 Sec. 30. Minnesota Statutes 2014, section 16B.97, is amended by adding a subdivision  
45.2 to read:

45.3 Subd. 6. **Commerce grants.** The office must monitor grants made by the  
45.4 Department of Commerce.

45.5 Sec. 31. **[16B.991] TERMINATION OF GRANT.**

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

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

45.9 or

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

45.14 Sec. 32. **[16B.992] NO FEES FOR GENERAL FUND GRANT**  
45.15 **ADMINISTRATION.**

45.16 An agency may not charge a recipient of a grant from the general fund a fee and  
45.17 may not deduct money from the grant to pay administrative expenses incurred by the  
45.18 agency in administering the grant.

45.19 Sec. 33. Minnesota Statutes 2014, section 16C.03, subdivision 16, is amended to read:

45.20 Subd. 16. **Delegation of duties.** (a) The commissioner may delegate duties imposed  
45.21 by this chapter to the head of an agency and to any subordinate of the agency head. At  
45.22 least once every three years the commissioner must audit use of authority under this  
45.23 chapter by each employee whom the commissioner has delegated duties.

45.24 (b) The commissioner must develop guidelines for agencies and employees to whom  
45.25 authority is delegated under this chapter that protect state legal interests. These guidelines  
45.26 may provide for review by the commissioner when a specific contract has potential to put  
45.27 the state's legal interests at risk.

45.28 Sec. 34. Minnesota Statutes 2014, section 16C.16, subdivision 6a, is amended to read:

45.29 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the  
45.30 federal government as a condition of receiving federal funds, the commissioner shall  
45.31 award up to a six percent preference, but no less than the percentage awarded to any

46.1 other group under this section, in the amount bid on state procurement to certified small  
46.2 businesses that are majority-owned and operated by veterans.

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

46.7 (c) Before the commissioner certifies that a small business is majority-owned and  
46.8 operated by a veteran, the commissioner of veterans affairs must verify that the owner of  
46.9 the small business is a veteran, as defined in section 197.447.

46.10 Sec. 35. Minnesota Statutes 2014, section 16C.19, is amended to read:

46.11 **16C.19 ELIGIBILITY; RULES.**

46.12 (a) A small business wishing to participate in the programs under section 16C.16,  
46.13 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt  
46.14 by rule standards and procedures for certifying that small targeted group businesses,  
46.15 small businesses located in economically disadvantaged areas, and veteran-owned small  
46.16 businesses are eligible to participate under the requirements of sections 16C.16 to 16C.21.  
46.17 The commissioner shall adopt by rule standards and procedures for hearing appeals and  
46.18 grievances and other rules necessary to carry out the duties set forth in sections 16C.16  
46.19 to 16C.21.

46.20 (b) The commissioner may make rules which exclude or limit the participation of  
46.21 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,  
46.22 manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

46.23 (c) The commissioner may make rules that set time limits and other eligibility limits  
46.24 on business participation in programs under sections 16C.16 to 16C.21.

46.25 (d) Notwithstanding paragraph ~~(e)~~ (a), for purposes of sections 16C.16 to 16C.21, a  
46.26 veteran-owned small business, the principal place of business of which is in Minnesota,  
46.27 is certified if:

46.28 (1) it has been verified by the United States Department of Veterans Affairs as  
46.29 being either a veteran-owned small business or a service-disabled veteran-owned small  
46.30 business, in accordance with Public Law 109-461 and Code of Federal Regulations, title  
46.31 38, part 74; or

46.32 (2) the veteran-owned small business supplies the commissioner with proof that the  
46.33 small business is majority-owned and operated by:

46.34 (i) a veteran as defined in section 197.447; or

47.1           (ii) a veteran with a service-connected disability, as determined at any time by the  
47.2 United States Department of Veterans Affairs.

47.3           (e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying  
47.4 veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may  
47.5 be read to include veteran-owned small businesses. In addition to the documentation  
47.6 required in Minnesota Rules, part 1230.1700, the veteran owner must have been  
47.7 discharged under honorable conditions from active service, as indicated by the veteran  
47.8 owner's most current United States Department of Defense form DD-214.

47.9           (f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a  
47.10 minority- or woman-owned small business, the principal place of business of which is  
47.11 in Minnesota, is certified if it has been certified by the Minnesota unified certification  
47.12 program under the provisions of Code of Federal Regulations, title 49, part 26.

47.13           Sec. 36. Minnesota Statutes 2014, section 16E.01, is amended to read:

47.14           **16E.01 OFFICE OF MN.IT SERVICES.**

47.15           Subdivision 1. **Creation; chief information officer.** The Office of MN.IT Services,  
47.16 referred to in this chapter as the "office," is an agency in the executive branch headed by  
47.17 a commissioner, who also is the state chief information officer. The appointment of the  
47.18 commissioner is subject to the advice and consent of the senate under section 15.066.

47.19           Subd. 1a. **Responsibilities.** The office shall provide oversight, leadership, and  
47.20 direction for information and telecommunications technology policy and the management,  
47.21 delivery, accessibility, and security of information and telecommunications technology  
47.22 systems and services in ~~Minnesota~~ the executive branch of state government. The office  
47.23 shall manage strategic investments in information and telecommunications technology  
47.24 systems and services to encourage the development of a technically literate society, to  
47.25 ensure sufficient access to and efficient delivery of accessible state government services,  
47.26 and to maximize benefits for the state government as an enterprise.

47.27           Subd. 2. **Discretionary powers.** The office may:

47.28           (1) enter into contracts for goods or services with public or private organizations  
47.29 and charge fees for services it provides;

47.30           (2) apply for, receive, and expend money from public agencies;

47.31           (3) apply for, accept, and disburse grants and other aids from the federal government  
47.32 and other public or private sources;

47.33           (4) enter into contracts with agencies of the federal government, local governmental  
47.34 units, the University of Minnesota and other educational institutions, and private persons  
47.35 and other nongovernmental organizations as necessary to perform its statutory duties;

48.1 (5) sponsor and conduct conferences and studies, collect and disseminate information,  
48.2 and issue reports relating to information and communications technology issues; and

48.3 ~~(6) review the technology infrastructure of regions of the state and cooperate with~~  
48.4 ~~and make recommendations to the governor, legislature, state agencies, local governments,~~  
48.5 ~~local technology development agencies, the federal government, private businesses,~~  
48.6 ~~and individuals for the realization of information and communications technology~~  
48.7 ~~infrastructure development potential;~~

48.8 ~~(7) sponsor, support, and facilitate innovative and collaborative economic and~~  
48.9 ~~community development and government services projects, including technology~~  
48.10 ~~initiatives related to culture and the arts, with public and private organizations; and~~

48.11 ~~(8)~~ (6) review and recommend alternative sourcing strategies for state information  
48.12 and communications systems.

48.13 Subd. 3. **Duties.** (a) The office shall:

48.14 (1) manage the efficient and effective use of available federal, state, local, and  
48.15 public-private resources to develop statewide information and telecommunications  
48.16 technology systems and services and its infrastructure;

48.17 (2) approve state agency and intergovernmental information and telecommunications  
48.18 technology systems and services development efforts involving state or intergovernmental  
48.19 funding, including federal funding, provide information to the legislature regarding  
48.20 projects reviewed, and recommend projects for inclusion in the governor's budget under  
48.21 section 16A.11;

48.22 (3) ensure cooperation and collaboration among state and local governments in  
48.23 developing intergovernmental information and telecommunications technology systems  
48.24 and services, and define the structure and responsibilities of a representative governance  
48.25 structure;

48.26 (4) cooperate and collaborate with the legislative and judicial branches in the  
48.27 development of information and communications systems in those branches;

48.28 (5) continue the development of North Star, the state's official comprehensive online  
48.29 service and information initiative;

48.30 (6) promote and collaborate with the state's agencies in the state's transition to an  
48.31 effectively competitive telecommunications market;

48.32 ~~(7) collaborate with entities carrying out education and lifelong learning initiatives~~  
48.33 ~~to assist Minnesotans in developing technical literacy and obtaining access to ongoing~~  
48.34 ~~learning resources;~~

49.1           ~~(8)~~ (7) promote and coordinate public information access and network initiatives,  
49.2 consistent with chapter 13, to connect Minnesota's citizens and communities to each  
49.3 other, to their governments, and to the world;

49.4           ~~(9)~~ (8) promote and coordinate electronic commerce initiatives to ensure that  
49.5 Minnesota businesses and citizens can successfully compete in the global economy;

49.6           ~~(10)~~ (9) manage and promote the regular and periodic reinvestment in the information  
49.7 and telecommunications technology systems and services infrastructure so that state and  
49.8 local government agencies can effectively and efficiently serve their customers;

49.9           ~~(11)~~ (10) facilitate the cooperative development of and ensure compliance with  
49.10 standards and policies for information and telecommunications technology systems  
49.11 and services, electronic data practices and privacy, and electronic commerce among  
49.12 international, national, state, and local public and private organizations;

49.13           ~~(12)~~ (11) eliminate unnecessary duplication of existing information and  
49.14 telecommunications technology systems and services provided by state agencies;

49.15           ~~(13)~~ (12) identify, sponsor, develop, and execute shared information and  
49.16 telecommunications technology projects and ongoing operations;

49.17           ~~(14)~~ (13) ensure overall security of the state's information and technology systems  
49.18 and services; and

49.19           ~~(15)~~ (14) manage and direct compliance with accessibility standards for informational  
49.20 technology, including hardware, software, Web sites, online forms, and online surveys.

49.21           (b) The chief information officer, in consultation with the commissioner of  
49.22 management and budget, must determine when it is cost-effective for agencies to develop  
49.23 and use shared information and telecommunications technology systems and services for  
49.24 the delivery of electronic government services. The chief information officer may require  
49.25 agencies to use shared information and telecommunications technology systems and  
49.26 services. The chief information officer shall establish reimbursement rates in cooperation  
49.27 with the commissioner of management and budget to be billed to agencies and other  
49.28 governmental entities sufficient to cover the actual development, operating, maintenance,  
49.29 and administrative costs of the shared systems. The methodology for billing may include  
49.30 the use of interagency agreements, or other means as allowed by law.

49.31           (c) A state agency that has an information and telecommunications technology  
49.32 project with a total expected project cost of more than ~~\$1,000,000~~ \$100,000, whether  
49.33 funded as part of the biennial budget or by any other means, shall register with the office  
49.34 by submitting basic project startup documentation, as specified by the chief information  
49.35 officer in both format and content, before any project funding is requested or committed  
49.36 and before the project commences. State agency project leaders must demonstrate that

50.1 the project will be properly managed, provide updates to the project documentation  
50.2 as changes are proposed, and regularly report on the current status of the project on a  
50.3 schedule agreed to with the chief information officer.

50.4 ~~(d) The chief information officer shall monitor progress on any active information~~  
50.5 ~~and telecommunications technology project with a total expected project cost of more than~~  
50.6 ~~\$5,000,000 and report on the performance of the project in comparison with the plans for~~  
50.7 ~~the project in terms of time, scope, and budget. The chief information officer may conduct~~  
50.8 ~~an independent project audit of the project. The audit analysis and evaluation of the~~  
50.9 ~~projects subject to paragraph (c) must be presented to agency executive sponsors, the~~  
50.10 ~~project governance bodies, and the chief information officer. All reports and responses~~  
50.11 ~~must become part of the project record. The chief information officer must prepare a~~  
50.12 ~~monthly progress report for each active information and telecommunications technology~~  
50.13 ~~project over \$1,000,000. The report must be provided to the technology advisory council~~  
50.14 ~~and must be available on the office's Web site.~~

50.15 (e) For any active information and telecommunications technology project with a  
50.16 total expected project cost of more than \$10,000,000, the state agency must perform an  
50.17 annual independent audit that conforms to published project audit principles promulgated  
50.18 by the office.

50.19 (f) The chief information officer shall report by January 15 of each year to the  
50.20 chairs and ranking minority members of the legislative committees and divisions with  
50.21 jurisdiction over the office regarding projects the office has reviewed under paragraph (a),  
50.22 clause (13). The report must include the reasons for the determinations made in the review  
50.23 of each project and a description of its current status.

50.24 Subd. 4. **Limits.** The office may not enter into any new contracts or other  
50.25 agreements to provide services to political subdivisions. This subdivision does not prevent  
50.26 political subdivisions from purchasing goods or services from outside vendors through  
50.27 state contracts, and does not prevent political subdivisions from accessing geospatial data  
50.28 maintained by the office.

50.29 **EFFECTIVE DATE.** This section is effective July 1, 2015. The office may not  
50.30 enter into a new contract or other agreement or renew an existing contract or agreement  
50.31 to provide services to political subdivisions in a manner prohibited by subdivision 4 on  
50.32 or after July 1, 2015. The office must end existing contracts and agreements to provide  
50.33 services prohibited by subdivision 4 as soon as this can be done without the office  
50.34 incurring legal liability, and as soon as affected political subdivisions are able to find other  
50.35 sources to provide the services provided by the office.

51.1 Sec. 37. Minnesota Statutes 2014, section 16E.016, is amended to read:

51.2 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY**  
 51.3 **SERVICES AND EQUIPMENT.**

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

51.7 (1) state data centers;

51.8 (2) mainframes including system software;

51.9 (3) servers including system software;

51.10 (4) desktops including system software;

51.11 (5) laptop computers including system software;

51.12 (6) a data network including system software;

51.13 (7) database, electronic mail, office systems, reporting, and other standard software  
 51.14 tools;

51.15 (8) business application software and related technical support services;

51.16 (9) help desk for the components listed in clauses (1) to (8);

51.17 (10) maintenance, problem resolution, and break-fix for the components listed in  
 51.18 clauses (1) to (8);

51.19 (11) regular upgrades and replacement for the components listed in clauses (1)  
 51.20 to (8); and

51.21 (12) network-connected output devices.

51.22 (b) All state agency employees whose work primarily involves functions specified in  
 51.23 paragraph (a) are employees of the Office of MN.IT Services. This includes employees  
 51.24 who directly perform the functions in paragraph (a), as well as employees whose work  
 51.25 primarily involves managing, supervising, or providing administrative services or support  
 51.26 services to employees who directly perform these functions. The chief information officer  
 51.27 may assign employees of the office to perform work exclusively for another state agency.

51.28 (c) ~~Subject to sections 16C.08 and 16C.09, the chief information officer may allow a~~  
 51.29 ~~state agency to obtain services specified in paragraph (a) through a contract with an outside~~  
 51.30 ~~vendor when the chief information officer and the agency head agree that a contract would~~  
 51.31 ~~provide best value, as defined in section 16C.02, under the service-level agreement. A~~  
 51.32 state agency must enter into a service-level agreement with the chief information officer  
 51.33 for provision of services specified in paragraph (a), or must obtain some or all of these  
 51.34 services through an outside vendor. Before entering into a service-level agreement or  
 51.35 outside vendor contract, an agency must solicit proposals from the office and from at least  
 51.36 one outside vendor. If the cost of the proposal from the office is more than six percent

52.1 higher than the cost of a proposal from an outside vendor, the agency may enter into a  
52.2 contract with an outside vendor, notwithstanding sections 16C.08, subdivision 2, clause  
52.3 (1); 16C.09, paragraph (a), clause (1); and 43A.047. The chief information officer must  
52.4 require that agency contracts with outside vendors ensure that systems and services are  
52.5 compatible with standards established by the Office of MN.IT Services. The term of a  
52.6 service-level agreement or a contract under this paragraph is subject to the limits in section  
52.7 16C.06, subdivision 3b. However, the chief information officer may provide that the term  
52.8 of the first agreement or contract entered into after the effective date of this section may be  
52.9 longer, as the chief information officer determines is necessary to establish a system under  
52.10 which agency agreements and contracts will expire according to a staggered schedule.  
52.11 A service-level agreement or contract may not be for a term of more than six years. A  
52.12 contract longer than four years must be followed by a contract of less than four years.

52.13 (d) The chief information officer may authorize a state agency office located outside  
52.14 of the seven-county metropolitan area to solicit proposals from MN.IT services and from  
52.15 an outside vendor separately from the rest of the agency.

52.16 (e) An agency may not enter into a contract for information technology systems or  
52.17 services of more than \$100,000 with an outside vendor without approval of the chief  
52.18 information officer.

52.19 (f) The Minnesota State Retirement System, the Public Employees Retirement  
52.20 Association, the Teachers Retirement Association, the State Board of Investment, the  
52.21 Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide  
52.22 Radio Board are not state agencies for purposes of this section.

52.23 Sec. 38. **[16E.034] ANNUAL REPORT ON IT SPENDING.**

52.24 (a) The chief information officer, in consultation with the commissioner of  
52.25 management and budget, must report by September 1 each year on:

52.26 (1) total state agency spending on information technology in the prior fiscal year, and  
52.27 planned state agency spending on information technology in the current fiscal year; and

52.28 (2) individual state agency spending on information technology in the prior fiscal  
52.29 year, and planned spending on information technology in the current fiscal year.

52.30 (b) The report in paragraph (a) on total state agency and individual agency spending  
52.31 and proposed spending must show amounts spent and anticipated to be spent in each of  
52.32 the following categories:

52.33 (1) new technology projects, or enhancement of existing projects, of more than  
52.34 \$100,000;

52.35 (2) business as usual and minor enhancements; and

53.1 (3) infrastructure and operations.

53.2 (c) The information reported on infrastructure and operations in paragraph (b),  
 53.3 clause (3), must be further divided, by agency, into the following categories:

53.4 (1) servers;

53.5 (2) messaging and collaboration;

53.6 (3) mainframe;

53.7 (4) storage;

53.8 (5) database, including administration;

53.9 (6) technical support;

53.10 (7) information security;

53.11 (8) directory administration;

53.12 (9) architecture;

53.13 (10) monitoring; and

53.14 (11) change management.

53.15 Sec. 39. Minnesota Statutes 2014, section 16E.0465, is amended to read:

53.16 **16E.0465 TECHNOLOGY APPROVAL.**

53.17 Subdivision 1. **Application.** This section applies to an appropriation of more than  
 53.18 ~~\$1,000,000~~ \$100,000 of state or federal funds to a state agency for any information and  
 53.19 telecommunications technology project or for any phase of such a project, device, or  
 53.20 system. For purposes of this section, an appropriation of state or federal funds to a state  
 53.21 agency includes an appropriation:

53.22 (1) to a constitutional officer;

53.23 (2) for a project that includes both a state agency and units of local government; and

53.24 (3) to a state agency for grants to be made to other entities.

53.25 Subd. 2. **Required review and approval.** (a) A state agency receiving an  
 53.26 appropriation of more than \$500,000 for an information and telecommunications  
 53.27 technology project subject to this section must divide the project into phases.

53.28 (b) The commissioner of management and budget may not authorize the  
 53.29 encumbrance or expenditure of an appropriation of state funds to a state agency for ~~any~~:

53.30 (1) a project if the project is subject to this section, but not divided into phases; or

53.31 (2) a phase of a project, device, or system subject to this section, unless the Office of  
 53.32 MN.IT Services has reviewed the project or each phase of the project, device, or system,  
 53.33 and based on this review, the chief information officer has determined for each project  
 53.34 or phase that:

54.1           ~~(1)~~ (i) the project is compatible with the state information architecture and other  
54.2 policies and standards established by the chief information officer;

54.3           ~~(2)~~ (ii) the agency is able to accomplish the goals of the phase of the project with the  
54.4 funds appropriated; and

54.5           ~~(3)~~ (iii) the project supports the enterprise information technology strategy.

54.6           Subd. 4. **Monitor progress.** The chief information officer shall monitor progress on  
54.7 any active information and telecommunications technology project with a total expected  
54.8 project cost of more than \$5,000,000 and report on the performance of the project in  
54.9 comparison with the plans for the project in terms of time, scope, and budget. The chief  
54.10 information officer may conduct an independent project audit of the project. The audit  
54.11 analysis and evaluation of the projects must be presented to agency executive sponsors,  
54.12 the project governance bodies, and the chief information officer. All reports and responses  
54.13 must become part of the project record.

54.14           Sec. 40. Minnesota Statutes 2014, section 16E.14, subdivision 3, is amended to read:

54.15           Subd. 3. **Reimbursements.** Except as specifically provided otherwise by law, each  
54.16 agency shall reimburse the MN.IT services revolving fund for the cost of all services,  
54.17 supplies, materials, labor, employee development and training, and depreciation of  
54.18 equipment, including reasonable overhead costs, which the chief information officer is  
54.19 authorized and directed to furnish an agency. The chief information officer shall report the  
54.20 rates to be charged for the revolving fund no later than July 1 each year to the chair of the  
54.21 committee or division in the senate and house of representatives with primary jurisdiction  
54.22 over the budget of the Office of MN.IT Services.

54.23           Sec. 41. Minnesota Statutes 2014, section 16E.145, is amended to read:

54.24           **16E.145 INFORMATION TECHNOLOGY APPROPRIATION.**

54.25           An appropriation of more than \$100,000 for a state agency information and  
54.26 telecommunications technology project must be made to the chief information officer. The  
54.27 chief information officer must manage and disburse the appropriation on behalf of the  
54.28 sponsoring state agency. Any appropriation for an information and telecommunications  
54.29 technology project made to a state agency other than the Office of MN.IT Services is  
54.30 transferred to the chief information officer.

54.31           Sec. 42. Minnesota Statutes 2014, section 16E.19, is amended by adding a subdivision  
54.32 to read:

55.1 Subd. 3. **Data storage.** The chief information officer must establish criteria for  
55.2 storage of state agency data outside of data centers operated by the chief information  
55.3 officer. These criteria must include thresholds for when requests of outside data storage  
55.4 must be approved by the chief information officer.

55.5 Sec. 43. [43A.035] **LIMIT ON NUMBER OF FULL-TIME EQUIVALENT**  
55.6 **EMPLOYEES.**

55.7 The total number of full-time equivalent employees employed in all executive  
55.8 branch agencies may not exceed 36,211. The commissioner of management and budget  
55.9 may forbid an executive agency from hiring a new employee or from filling a vacancy  
55.10 as the commissioner determines is necessary to ensure compliance with this section.  
55.11 Any reductions in staff should prioritize protecting client-facing health care workers,  
55.12 corrections officers, public safety workers, and mental health workers. As a means of  
55.13 achieving compliance with this requirement, the commissioner may authorize an agency  
55.14 to provide an early retirement incentive to an executive branch employee, under which  
55.15 the state will continue to make the employer contribution for health insurance after the  
55.16 employee has terminated state service. The commissioner must prescribe eligibility  
55.17 requirements and the maximum duration of the payments. For purposes of this section,  
55.18 an "executive agency" does not include the Minnesota State Colleges and Universities,  
55.19 but does include statewide pension plans.

55.20 Sec. 44. Minnesota Statutes 2014, section 62V.03, subdivision 2, is amended to read:

55.21 Subd. 2. **Application of other law.** (a) MNsure must be reviewed by the legislative  
55.22 auditor under section 3.971. The legislative auditor shall audit the books, accounts, and  
55.23 affairs of MNsure once each year or less frequently as the legislative auditor's funds and  
55.24 personnel permit. Upon the audit of the financial accounts and affairs of MNsure, MNsure  
55.25 is liable to the state for the total cost and expenses of the audit, including the salaries paid  
55.26 to the examiners while actually engaged in making the examination. The legislative  
55.27 auditor may bill MNsure either monthly or at the completion of the audit. All collections  
55.28 received for the audits must be deposited in the general fund and are appropriated to  
55.29 the legislative auditor. Pursuant to section 3.97, subdivision 3a, the Legislative Audit  
55.30 Commission is requested to direct the legislative auditor to report by March 1, 2014, to  
55.31 the legislature on any duplication of services that occurs within state government as a  
55.32 result of the creation of MNsure. The legislative auditor may make recommendations on  
55.33 consolidating or eliminating any services deemed duplicative. The board shall reimburse  
55.34 the legislative auditor for any costs incurred in the creation of this report.

56.1 (b) Board members of MNSure are subject to sections 10A.07 and 10A.09. Board  
56.2 members and the personnel of MNSure are subject to section 10A.071.

56.3 (c) All meetings of the board shall comply with the open meeting law in chapter  
56.4 13D, except that:

56.5 (1) meetings, or portions of meetings, regarding compensation negotiations with the  
56.6 director or managerial staff may be closed in the same manner and according to the same  
56.7 procedures identified in section 13D.03;

56.8 (2) meetings regarding contract negotiation strategy may be closed in the same  
56.9 manner and according to the same procedures identified in section 13D.05, subdivision 3,  
56.10 paragraph (c); and

56.11 (3) meetings, or portions of meetings, regarding not public data described in section  
56.12 62V.06, subdivision 3, and regarding trade secret information as defined in section 13.37,  
56.13 subdivision 1, paragraph (b), are closed to the public, but must otherwise comply with  
56.14 the procedures identified in chapter 13D.

56.15 (d) MNSure and provisions specified under this chapter are exempt from:

56.16 ~~(1) chapter 14, including section 14.386, except as specified in section 62V.05; and~~

56.17 ~~(2) chapters 16B and 16C, with the exception of sections 16C.08, subdivision 2,~~

56.18 ~~paragraph (b), clauses (1) to (8); 16C.086; 16C.09, paragraph (a), clauses (1) and (3);~~

56.19 ~~paragraph (b), and paragraph (c); and section 16C.16. However, MNSure, in consultation~~

56.20 ~~with the commissioner of administration, shall implement policies and procedures to~~

56.21 ~~establish an open and competitive procurement process for MNSure that, to the extent~~

56.22 ~~practicable, conforms to the principles and procedures contained in chapters 16B and 16C.~~

56.23 ~~In addition, MNSure may enter into an agreement with the commissioner of administration~~

56.24 ~~for other services.~~

56.25 (e) The board and the Web site are exempt from chapter 60K. Any employee of

56.26 MNSure who sells, solicits, or negotiates insurance to individuals or small employers must

56.27 be licensed as an insurance producer under chapter 60K.

56.28 (f) Section 3.3005 applies to any federal funds received by MNSure.

56.29 (g) ~~MNSure is exempt from the following sections in chapter 16E: 16E.01,~~

56.30 ~~subdivision 3, paragraph (b); 16E.03, subdivisions 3 and 4; 16E.04, subdivision 1,~~

56.31 ~~subdivision 2, paragraph (c), and subdivision 3, paragraph (b); 16E.0465; 16E.055;~~

56.32 ~~16E.145; 16E.15; 16E.16; 16E.17; 16E.18; and 16E.22.~~

56.33 (h) A MNSure decision that requires a vote of the board, other than a decision that

56.34 applies only to hiring of employees or other internal management of MNSure, is an

56.35 "administrative action" under section 10A.01, subdivision 2.

57.1 Sec. 45. [138.912] HEALTHY EATING, HERE AT HOME.

57.2 Subdivision 1. Establishment. The healthy eating, here at home program is  
57.3 established to provide incentives for low-income Minnesotans to use federal Supplemental  
57.4 Nutrition Assistance Program (SNAP) benefits for healthy purchases at Minnesota-based  
57.5 farmers' markets.

57.6 Subd. 2. Definitions. (a) The definitions in this subdivision apply to this section.

57.7 (b) "Healthy eating, here at home" means a program administered by the Minnesota  
57.8 Humanities Center to provide incentives for low-income Minnesotans to use SNAP  
57.9 benefits for healthy purchases at Minnesota-based farmers' markets.

57.10 (c) "Healthy purchases" means SNAP-eligible foods.

57.11 (d) "Minnesota-based farmers' market" means a physical market as defined in section  
57.12 28A.151, subdivision 1, paragraph (b), and also includes mobile markets.

57.13 (e) "Voucher" means a physical or electronic credit.

57.14 (f) "Eligible household" means an individual or family that is determined to be a  
57.15 recipient of SNAP.

57.16 Subd. 3. Grants. The Minnesota Humanities Center shall allocate grant funds to  
57.17 nonprofit organizations that work with Minnesota-based farmers' markets to provide up  
57.18 to \$10 vouchers to SNAP participants who use electronic benefits transfer (EBT) cards  
57.19 for healthy purchases. Funds may also be provided for vouchers distributed through  
57.20 nonprofit organizations engaged in healthy cooking and food education outreach to  
57.21 eligible households for use at farmers' markets. Funds appropriated under this section may  
57.22 not be used for healthy cooking classes or food education outreach. When awarding  
57.23 grants, the Minnesota Humanities Center must consider how the nonprofit organizations  
57.24 will achieve geographic balance, including specific efforts to reach eligible households  
57.25 across the state, and the organizations' capacity to manage the programming and outreach.

57.26 Subd. 4. Household eligibility; participation. To be eligible for a healthy eating,  
57.27 here at home voucher, an eligible household must meet the Minnesota SNAP eligibility  
57.28 requirements under section 256D.051.

57.29 Subd. 5. Permissible uses; information provided. An eligible household may use  
57.30 the voucher toward healthy purchases at Minnesota-based farmers' markets. Every eligible  
57.31 household that receives a voucher must be informed of the allowable uses of the voucher.

57.32 Subd. 6. Program reporting. The nonprofit organizations that receive grant funds  
57.33 must report annually to the Minnesota Humanities Center with information regarding the  
57.34 operation of the program, including the number of vouchers issued and the number of  
57.35 people served. To the extent practicable, the nonprofit organizations must report on the  
57.36 usage of the vouchers and evaluate the program's effectiveness.

58.1 Subd. 7. **Grocery inclusion.** The commissioner of human services must submit a  
58.2 waiver request to the federal United States Department of Agriculture seeking approval  
58.3 for the inclusion of Minnesota grocery stores in this program so that SNAP participants  
58.4 may use the vouchers for healthy produce at grocery stores. Grocery store participation is  
58.5 voluntary and a grocery store's associated administrative costs will not be reimbursed.

58.6 Sec. 46. Minnesota Statutes 2014, section 148.57, is amended by adding a subdivision  
58.7 to read:

58.8 Subd. 5. **Expedited and temporary licensing for former and current members**  
58.9 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

58.10 (1) an active duty military member;

58.11 (2) the spouse of an active duty military member; or

58.12 (3) a veteran who has left service in the two years preceding the date of license  
58.13 application, and has confirmation of an honorable or general discharge status.

58.14 (b) A qualified applicant under this subdivision must provide evidence of:

58.15 (1) a current valid license, certificate, or permit in another state without history of  
58.16 disciplinary action by a regulatory authority in the other state; and

58.17 (2) a current criminal background study without a criminal conviction that is  
58.18 determined by the board to adversely affect the applicant's ability to become licensed.

58.19 (c) A temporary license issued under this subdivision is effective for six months  
58.20 from the initial temporary licensure date.

58.21 (d) During the temporary license period, the individual shall complete the licensed  
58.22 optometrist application for licensure.

58.23 (e) In order to remain licensed after the expiration of the temporary license, an  
58.24 individual must meet the requirements in section 148.57, subdivisions 1 and 2.

58.25 Sec. 47. Minnesota Statutes 2014, section 148.624, subdivision 5, is amended to read:

58.26 Subd. 5. **Expedited and temporary licensing for former and current members**  
58.27 **of the military permit.** The board shall issue a temporary permit to members of the

58.28 military in accordance with section 197.4552. (a) Applicants seeking licensure according  
58.29 to this subdivision must be:

58.30 (1) an active duty military member;

58.31 (2) the spouse of an active duty military member; or

58.32 (3) a veteran who has left service in the two years preceding the date of license  
58.33 application, and has confirmation of an honorable or general discharge status.

58.34 (b) A qualified applicant under this subdivision must provide evidence of:

59.1 (1) a current valid license in another state without history of disciplinary action by a  
 59.2 regulatory authority in the other state; and

59.3 (2) a current criminal background study without a criminal conviction that is  
 59.4 determined by the board to adversely affect the applicant's ability to become licensed.

59.5 (c) A temporary license issued under this subdivision is effective for six months  
 59.6 from the initial temporary licensure date.

59.7 (d) During the temporary license period, the individual shall complete the licensed  
 59.8 dietician or nutritionist application for licensure.

59.9 (e) In order to remain licensed after the expiration of the temporary license, an  
 59.10 individual must meet the full licensure requirements.

59.11 (f) The fee for the temporary ~~permit~~ license is \$250.

59.12 Sec. 48. Minnesota Statutes 2014, section 148B.33, is amended by adding a  
 59.13 subdivision to read:

59.14 Subd. 3. **Expedited and temporary licensing for former and current members**  
 59.15 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

59.16 (1) an active duty military member;

59.17 (2) the spouse of an active duty military member; or

59.18 (3) a veteran who has left service in the two years preceding the date of license  
 59.19 application, and has confirmation of an honorable or general discharge status.

59.20 (b) A qualified applicant under this subdivision must provide evidence of:

59.21 (1) a current valid license, certificate, or permit in another state without history of  
 59.22 disciplinary action by a regulatory authority in the other state; and

59.23 (2) a current criminal background study without a criminal conviction that is  
 59.24 determined by the board to adversely affect the applicant's ability to become licensed.

59.25 (c) A temporary license issued under this subdivision is effective for six months  
 59.26 from the initial temporary licensure date.

59.27 (d) During the temporary license period, the individual shall complete the licensed  
 59.28 marriage and family therapist application for licensure.

59.29 (e) In order to remain licensed after the expiration of the temporary license, an  
 59.30 individual must meet the requirements in subdivisions 1 and 2.

59.31 Sec. 49. Minnesota Statutes 2014, section 148B.53, is amended by adding a  
 59.32 subdivision to read:

59.33 Subd. 1a. **Expedited and temporary licensing for former and current members**  
 59.34 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

60.1 (1) an active duty military member;  
 60.2 (2) the spouse of an active duty military member; or  
 60.3 (3) a veteran who has left service in the two years preceding the date of license  
 60.4 application, and has confirmation of an honorable or general discharge status.

60.5 (b) A qualified applicant under this subdivision must provide evidence of:

60.6 (1) a current valid license, certificate, or permit in another state without history of  
 60.7 disciplinary action by a regulatory authority in the other state; and

60.8 (2) a current criminal background study without a criminal conviction that is  
 60.9 determined by the board to adversely affect the applicant's ability to become licensed.

60.10 (c) A temporary license issued under this subdivision is effective for one year from  
 60.11 the initial licensure date.

60.12 (d) During the temporary license period, the individual shall complete the licensed  
 60.13 professional counselor application for licensure.

60.14 (e) In order to remain licensed after the expiration of the temporary license, an  
 60.15 individual must meet the requirements in subdivision 1, paragraphs (a) and (b).

60.16 Sec. 50. Minnesota Statutes 2014, section 148B.5301, is amended by adding a  
 60.17 subdivision to read:

60.18 Subd. 4a. **Expedited and temporary licensing for former and current members**  
 60.19 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

60.20 (1) an active duty military member;

60.21 (2) the spouse of an active duty military member; or

60.22 (3) a veteran who has left service in the two years preceding the date of license  
 60.23 application, and has confirmation of an honorable or general discharge status.

60.24 (b) A qualified applicant under paragraph (a) must provide evidence of:

60.25 (1) a current valid license, certificate, or permit in another state without history of  
 60.26 disciplinary action by a regulatory authority in the other state; and

60.27 (2) a current criminal background study without a criminal conviction that is  
 60.28 determined by the board to adversely affect the applicant's ability to become licensed.

60.29 (c) A temporary license issued under this subdivision is effective for one year from  
 60.30 the initial licensure date.

60.31 (d) During the temporary license period, the individual shall complete the licensed  
 60.32 professional clinical counselor application for licensure.

60.33 (e) In order to remain licensed after the expiration of the temporary license, an  
 60.34 individual must meet the requirements in subdivisions 1 and 2.

61.1 Sec. 51. Minnesota Statutes 2014, section 148F.025, is amended by adding a  
61.2 subdivision to read:

61.3 Subd. 5. **Expedited and temporary licensing for former and current members**  
61.4 **of the military.** (a) Applicants seeking licensure according to this subdivision must be:

61.5 (1) an active duty military member;

61.6 (2) the spouse of an active duty military member; or

61.7 (3) a veteran who has left service in the two years preceding the date of license  
61.8 application, and has confirmation of an honorable or general discharge status.

61.9 (b) Applicants are required to comply with subdivisions 1 and 4.

61.10 (c) A qualified applicant under paragraph (a) must provide evidence of:

61.11 (1) a current valid license, certificate, or permit in another state without history of  
61.12 disciplinary action by a regulatory authority in the other state; and

61.13 (2) a current criminal background study without a criminal conviction that is  
61.14 determined by the board to adversely affect the applicant's ability to become licensed.

61.15 (d) A temporary license issued under this subdivision is effective for two years from  
61.16 the initial licensure date.

61.17 (e) During the temporary license period, the individual shall complete the application  
61.18 for licensure required in subdivision 1.

61.19 (f) In order to remain licensed after the expiration of the temporary license, an  
61.20 individual must meet the requirements in subdivisions 2 and 3.

61.21 Sec. 52. Minnesota Statutes 2014, section 153.16, subdivision 1, is amended to read:

61.22 Subdivision 1. **License requirements.** The board shall issue a license to practice  
61.23 podiatric medicine to a person who meets the following requirements:

61.24 (a) The applicant for a license shall file a written notarized application on forms  
61.25 provided by the board, showing to the board's satisfaction that the applicant is of good  
61.26 moral character and satisfies the requirements of this section.

61.27 (b) The applicant shall present evidence satisfactory to the board of being a graduate  
61.28 of a podiatric medical school approved by the board based upon its faculty, curriculum,  
61.29 facilities, accreditation by a recognized national accrediting organization approved by the  
61.30 board, and other relevant factors.

61.31 (c) The applicant must have received a passing score on each part of the national board  
61.32 examinations, parts one and two, prepared and graded by the National Board of Podiatric  
61.33 Medical Examiners. The passing score for each part of the national board examinations,  
61.34 parts one and two, is as defined by the National Board of Podiatric Medical Examiners.

62.1 (d) Applicants graduating after 1986 from a podiatric medical school shall present  
62.2 evidence of successful completion of a residency program approved by a national  
62.3 accrediting podiatric medicine organization.

62.4 (e) The applicant shall appear in person before the board or its designated  
62.5 representative to show that the applicant satisfies the requirements of this section,  
62.6 including knowledge of laws, rules, and ethics pertaining to the practice of podiatric  
62.7 medicine. The board may establish as internal operating procedures the procedures or  
62.8 requirements for the applicant's personal presentation. Upon completion of all other  
62.9 application requirements, a doctor of podiatric medicine applying for a temporary military  
62.10 license has six months in which to comply with this subdivision.

62.11 (f) The applicant shall pay a fee established by the board by rule. The fee shall  
62.12 not be refunded.

62.13 (g) The applicant must not have engaged in conduct warranting disciplinary action  
62.14 against a licensee. If the applicant does not satisfy the requirements of this paragraph,  
62.15 the board may refuse to issue a license unless it determines that the public will be  
62.16 protected through issuance of a license with conditions and limitations the board considers  
62.17 appropriate.

62.18 (h) Upon payment of a fee as the board may require, an applicant who fails to pass  
62.19 an examination and is refused a license is entitled to reexamination within one year of  
62.20 the board's refusal to issue the license. No more than two reexaminations are allowed  
62.21 without a new application for a license.

62.22 Sec. 53. Minnesota Statutes 2014, section 153.16, subdivision 4, is amended to read:

62.23 Subd. 4. **Temporary military permit license.** ~~The board shall establish a temporary~~  
62.24 ~~permit in accordance with section 197.4552. The fee for the temporary military permit is~~  
62.25 ~~\$250.~~ (a) The board shall issue an expedited license to practice podiatric medicine to an  
62.26 applicant who meets the following requirements:

62.27 (1) is an active duty military member;

62.28 (2) is the spouse of an active duty military member; or

62.29 (3) is a veteran who has left service in the two years preceding the date of license  
62.30 application, and has confirmation of an honorable or general discharge status.

62.31 (b) A qualified applicant under this subdivision must provide evidence of:

62.32 (1) a current, valid license in another state without history of disciplinary action by a  
62.33 regulatory authority in the other state; and

62.34 (2) a current criminal background study without a criminal conviction that is  
62.35 determined by the board to adversely affect the applicant's ability to become licensed.

63.1 (c) The board shall issue a license for up to six months to a doctor of podiatric  
 63.2 medicine eligible for licensure under this subdivision. Doctors of podiatric medicine  
 63.3 licensed in another state who have complied with all other requirements may receive a  
 63.4 temporary license valid for up to six months. No extension is available.

63.5 (d) A temporary license issued under this subdivision permits a qualified individual  
 63.6 to perform podiatric medicine for a limited length of time as determined by the licensing  
 63.7 board. During the temporary license period, the individual shall complete the full  
 63.8 application procedure and be approved as required by applicable law.

63.9 (e) The fee for the temporary military license is \$250.

63.10 Sec. 54. Minnesota Statutes 2014, section 154.003, is amended to read:

63.11 **154.003 FEES.**

63.12 (a) The fees collected, as required in this chapter, chapter 214, and the rules of the  
 63.13 board, shall be paid to the board. The board shall deposit the fees in the general fund  
 63.14 in the state treasury.

63.15 (b) The board shall charge the following fees:

- 63.16 (1) examination and certificate, registered barber, \$85;  
 63.17 (2) retake of written examination, registered barber, \$10;  
 63.18 (3) examination and certificate, apprentice, \$80;  
 63.19 (4) retake of written examination, apprentice, \$10;  
 63.20 (5) examination, instructor, \$180;  
 63.21 (6) certificate, instructor, \$65;  
 63.22 (7) temporary teacher or apprentice permit, \$80;  
 63.23 (8) temporary registered barber, military, \$85;  
 63.24 (9) temporary barber instructor, military, \$180;  
 63.25 (10) temporary apprentice barber, military, \$80;  
 63.26 (11) renewal of registration, registered barber, \$80;  
 63.27 ~~(9)~~ (12) renewal of registration, apprentice, \$70;  
 63.28 ~~(10)~~ (13) renewal of registration, instructor, \$80;  
 63.29 ~~(11)~~ (14) renewal of temporary teacher permit, \$65;  
 63.30 ~~(12)~~ (15) student permit, \$45;  
 63.31 ~~(13)~~ (16) renewal of student permit, \$25;  
 63.32 ~~(14)~~ (17) initial shop registration, \$85;  
 63.33 ~~(15)~~ (18) initial school registration, \$1,030;  
 63.34 ~~(16)~~ (19) renewal shop registration, \$85;  
 63.35 ~~(17)~~ (20) renewal school registration, \$280;

- 64.1 ~~(18)~~ (21) restoration of registered barber registration, \$95;  
 64.2 ~~(19)~~ (22) restoration of apprentice registration, \$90;  
 64.3 ~~(20)~~ (23) restoration of shop registration, \$105;  
 64.4 ~~(21)~~ (24) change of ownership or location, \$55;  
 64.5 ~~(22)~~ (25) duplicate registration, \$40;  
 64.6 ~~(23)~~ (26) home study course, \$75;  
 64.7 ~~(24)~~ (27) letter of registration verification, \$25; and  
 64.8 ~~(25)~~ (28) reinspection, \$100.

64.9 Sec. 55. Minnesota Statutes 2014, section 154.11, subdivision 3, is amended to read:

64.10 Subd. 3. **Temporary military license permits.** (a) In accordance with section  
 64.11 197.4552, the board shall establish issue a temporary license:

64.12 (1) permit for apprentice barbers and master;

64.13 (2) certificate for registered barbers; and a temporary permit for apprentices in  
 64.14 accordance with section 197.4552. The fee for a temporary license under this subdivision  
 64.15 for a master barber is \$85. The fee for a temporary license under this subdivision for a  
 64.16 barber is \$180. The fee for a temporary permit under this subdivision for an apprentice is  
 64.17 \$80.

64.18 (3) certificate for registered barber instructors.

64.19 (b) Fees for temporary military permits and certificates of registration under this  
 64.20 subdivision are listed under section 154.003.

64.21 (c) Permits or certificates of registration issued under this subdivision are valid  
 64.22 for one year from the date of issuance, after which the individual must complete a full  
 64.23 application as required by section 197.4552.

64.24 Sec. 56. Minnesota Statutes 2014, section 190.19, subdivision 2a, is amended to read:

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

64.27 (1) grants to veterans service organizations;

64.28 (2) outreach to underserved veterans;

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

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

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

65.1 (6) grants to an eligible foundation.

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

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

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

65.9 Sec. 57. Minnesota Statutes 2014, section 192.38, subdivision 1, is amended to read:

65.10 Subdivision 1. **Temporary emergency relief.** If any officer or enlisted member  
65.11 of the military forces is wounded or otherwise disabled, dies from disease contracted or  
65.12 injuries received, or is killed while in state active service as defined in section 190.05,  
65.13 subdivision 5a, the officer or member, or in the case of death the officer's or member's  
65.14 dependent spouse, child, or parent, may be provided with immediate temporary relief as  
65.15 necessary in cases of severe hardship, in an amount to be determined by the adjutant general  
65.16 and approved by the governor or a death gratuity payment equal to the amount allowed for  
65.17 service members in a federal active service status. All payments under this subdivision  
65.18 shall be made from appropriations for ~~the maintenance of the state military forces~~  
65.19 emergency services. The adjutant general shall notify the Department of Management and  
65.20 Budget of any payments made pursuant to this subdivision and the amount of it shall be  
65.21 subtracted from any award made by the Department of Management and Budget.

65.22 Sec. 58. Minnesota Statutes 2014, section 192.501, is amended by adding a subdivision  
65.23 to read:

65.24 Subd. 1d. **Reclassification bonus program.** (a) The adjutant general may establish  
65.25 a program to provide a bonus to eligible members of the Minnesota National Guard who  
65.26 complete training that results in the award of a new military occupational specialty or  
65.27 air force specialty code in specialties that are identified by the Adjutant General to be  
65.28 necessary for the enhanced readiness of the Minnesota National Guard.

65.29 (b) Eligibility for the bonus is limited to a member of the National Guard who:

65.30 (1) is serving satisfactorily as determined by the adjutant general;

65.31 (2) has 16 or fewer years of service creditable for retirement; and

65.32 (3) undergoes military training deemed by the adjutant general as sufficiently

65.33 important to the readiness of the National Guard or a unit of the National Guard to warrant  
65.34 the payment of a bonus in an amount to generally encourage the member's participation in

66.1 such training. The adjutant general may, within the limitations of this paragraph and other  
66.2 applicable laws, determine additional eligibility criteria for the bonus, and must specify all  
66.3 of the criteria in regulations and publish changes as necessary.

66.4 (c) The bonus payments must be made on a schedule that is determined and  
66.5 published in department regulations by the adjutant general.

66.6 (d) If a member fails to complete a term of reenlistment or an obligated term of  
66.7 commissioned service for which a bonus was paid, the adjutant general may seek to  
66.8 recoup a prorated amount of the bonus as determined by the adjutant general.

66.9 **Sec. 59. [197.987] HONOR AND REMEMBER FLAG.**

66.10 Subdivision 1. **Legislative findings.** The legislature of the state of Minnesota finds  
66.11 and determines that:

66.12 (1) since the Revolutionary War, more than 1,000,000 members of the United States  
66.13 armed forces have paid the ultimate price by sacrificing their lives in active military  
66.14 service for the United States of America;

66.15 (2) the contribution made by those fallen members of the armed forces is deserving  
66.16 of state and national recognition; and

66.17 (3) the Honor and Remember Flag is an appropriate symbol that acknowledges the  
66.18 selfless sacrifice of those members of the United States armed forces.

66.19 Subd. 2. **Designation.** The Honor and Remember Flag created by Honor and  
66.20 Remember, Inc., is designated as the symbol of our state's concern and commitment to  
66.21 honoring and remembering the lives of all members of the United States armed forces who  
66.22 have lost their lives in the line of duty while serving honorably in active military service  
66.23 in the United States armed forces or of a service-connected cause due to or aggravated  
66.24 by that service, as determined by the United States Department of Defense or the United  
66.25 States Department of Veterans Affairs.

66.26 Subd. 3. **Suggested days for flag display.** (a) The chief administrator of each  
66.27 governmental building or facility within this state, as defined in paragraph (b), is  
66.28 encouraged to display the Honor and Remember Flag on the following days each year:

66.29 (1) Armed Forces Day, the third Saturday in May;

66.30 (2) Flag Day, June 14;

66.31 (3) July 2nd and July 3rd, in remembrance of the 262 soldiers of the 1st Regiment  
66.32 Minnesota Volunteer Infantry who, at the Battle of Gettysburg during the American Civil  
66.33 War, fought so gallantly and successfully to repulse two major Confederate attacks on the  
66.34 main Union line, suffering over 80 percent casualties, thereby turning the battle and the  
66.35 war and helping to preserve the Union itself at that pivotal moment in our nation's history;

67.1 (4) July 4th, Independence Day;  
 67.2 (5) the third Friday of September, National POW/MIA Recognition Day;  
 67.3 (6) November 11, Veterans Day;  
 67.4 (7) July 27, Korean War Armistice Day;  
 67.5 (8) March 29, Vietnam Veterans Day; and  
 67.6 (9) any day on which the United States flag is displayed at a governmental building  
 67.7 or facility within this state.

67.8 (b) For purposes of this section, "governmental building or facility within this state"  
 67.9 means the following locations:

67.10 (1) the Minnesota State Capitol, the Office of the Governor and each other Minnesota  
 67.11 constitutional office, the chambers of the Minnesota Senate and the Minnesota House of  
 67.12 Representatives, the Minnesota Supreme Court Building and each Minnesota District  
 67.13 Court House, as well as any official state of Minnesota veterans memorial, Minnesota  
 67.14 veterans home, or Minnesota veterans cemetery;

67.15 (2) to the extent authorized by federal law and regulation, any United States veterans  
 67.16 cemetery, veterans memorial, post office, or other federal building, as well as any United  
 67.17 States Department of Veterans Affairs medical center, veterans service center, and veterans  
 67.18 community-based outreach center; and

67.19 (3) any appropriate local government building or facility, as determined by the  
 67.20 governing body of that local government.

67.21 Subd. 4. **Limitation.** This section may not be construed or interpreted to require  
 67.22 any employee to report to work solely for the purpose of providing for the display of the  
 67.23 Honor and Remember Flag or any other flag.

67.24 Subd. 5. **Implementation.** If a governmental building or facility within this state  
 67.25 opts to display the Honor and Remember Flag, the chief administrator of that facility shall  
 67.26 prescribe procedures necessary for the display.

67.27 Subd. 6. **Flag donation.** Any named public office or public official may accept a  
 67.28 donation of one or more Honor and Remember Flags for the purpose of this section.

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

67.30 Sec. 60. Minnesota Statutes 2014, section 211B.37, is amended to read:

67.31 **211B.37 COSTS ASSESSED.**

67.32 Except as otherwise provided in section 211B.36, subdivision 3, the chief  
 67.33 administrative law judge shall assess the cost of considering complaints filed under section  
 67.34 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot

68.1 question or an election for a statewide or legislative office must be assessed against the  
68.2 appropriation from the general fund to the general account of the state elections campaign  
68.3 account in section 10A.31, subdivision 4 paid from appropriations to the office for this  
68.4 purpose. Costs of complaints relating to any other ballot question or elective office must  
68.5 be paid from appropriations to the office for this purpose.

68.6 Sec. 61. Minnesota Statutes 2014, section 240.01, subdivision 22, is amended to read:

68.7 Subd. 22. **Racing season.** "Racing season" means that portion of the calendar  
68.8 year starting at the beginning of the day of the first live horse race conducted by the  
68.9 licensee and concluding at the end of the day of the last live horse race conducted by  
68.10 the licensee in any year.

68.11 ~~For purposes of this chapter, the racing season begins before the first Saturday in~~  
68.12 ~~May and continues for not less than 25 consecutive weeks.~~

68.13 **EFFECTIVE DATE.** This section is effective January 1, 2016.

68.14 Sec. 62. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision  
68.15 to read:

68.16 Subd. 28. **Takeout.** "Takeout" means the total amount of money, excluding  
68.17 breakage, withheld from each pari-mutuel pool, as authorized by statute or rule.

68.18 Sec. 63. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision  
68.19 to read:

68.20 Subd. 29. **Handle** "Handle" means the aggregate of all pari-mutuel pools, excluding  
68.21 refundable wagers or cancellations.

68.22 Sec. 64. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision  
68.23 to read:

68.24 Subd. 30. **Mixed meet.** "Mixed meet" means a racing day or series of racing days  
68.25 on which the racing of more than one breed of horse occurs.

68.26 Sec. 65. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision  
68.27 to read:

68.28 Subd. 31. **Banked.** "Banked" means any game of chance that is played with the  
68.29 house as a participant in the game, where the house takes on all players, collects from all  
68.30 losers, and pays all winners, and the house can win.

69.1 Sec. 66. Minnesota Statutes 2014, section 240.01, is amended by adding a subdivision  
69.2 to read:

69.3 Subd. 32. **Steward.** A "steward" means an official described in section 240.16. The  
69.4 term steward includes the terms "judge," "chief steward," and "presiding judge," and  
69.5 applies to stewards and judges of the commission or a class B licensee, but not to other  
69.6 racing officials, such as paddock or placement judges, who are employees or agents of  
69.7 a class B licensee.

69.8 Sec. 67. Minnesota Statutes 2014, section 240.011, is amended to read:

69.9 **240.011 APPOINTMENT OF DIRECTOR.**

69.10 The governor shall appoint the director of the Minnesota Racing Commission,  
69.11 who serves in the unclassified service at the governor's pleasure. The director must be  
69.12 a person qualified by experience ~~in the administration and regulation of pari-mutuel~~  
69.13 ~~racing~~ and training to possess the skills necessary to discharge the duties of the director.  
69.14 The governor must select a director from a list of one or more names submitted by the  
69.15 Minnesota Racing Commission.

69.16 Sec. 68. Minnesota Statutes 2014, section 240.03, is amended to read:

69.17 **240.03 COMMISSION POWERS AND DUTIES.**

69.18 The commission has the following powers and duties:

69.19 (1) to regulate horse racing in Minnesota to ensure that it is conducted in the public  
69.20 interest;

69.21 (2) to issue licenses as provided in this chapter;

69.22 (3) to enforce all laws and rules governing horse racing;

69.23 (4) to collect and distribute all taxes provided for in this chapter;

69.24 (5) to conduct necessary investigations and inquiries and to issue subpoenas to  
69.25 compel the attendance of witnesses and the submission of information, documents, ~~and~~  
69.26 records, and other evidence it deems necessary to carry out its duties;

69.27 (6) to supervise the conduct of pari-mutuel betting on horse racing;

69.28 (7) to employ and supervise personnel under this chapter;

69.29 (8) to determine the number of racing days to be held in the state and at each  
69.30 licensed racetrack;

69.31 (9) to take all necessary steps to ensure the integrity of racing in Minnesota; and

69.32 (10) to impose fees on the racing and card playing industries sufficient to recover the  
69.33 operating costs of the commission with the approval of the legislature according to section  
69.34 16A.1283. Notwithstanding section 16A.1283, when the legislature is not in session, the

70.1 commissioner of management and budget may grant interim approval for any new fees  
70.2 or adjustments to existing fees that are not statutorily specified, until such time as the  
70.3 legislature reconvenes and acts upon the new fees or adjustments. As part of its biennial  
70.4 budget request, the commission must propose changes to its fees that will be sufficient to  
70.5 recover the operating costs of the commission.

70.6 Sec. 69. Minnesota Statutes 2014, section 240.08, subdivision 2, is amended to read:

70.7 Subd. 2. **Application.** (a) An application for a class C license must be on a form  
70.8 the commission prescribes and must be accompanied by an affidavit of qualification  
70.9 that the applicant:

70.10 (a) (1) is not in default in the payment of an obligation or debt to the state under  
70.11 Laws 1983, chapter 214;

70.12 (b) (2) does not have a felony conviction of record in a state or federal court and  
70.13 does not have a state or federal felony charge pending;

70.14 (c) (3) is not and never has been connected with or engaged in an illegal business;

70.15 (d) (4) has never been found guilty of fraud or misrepresentation in connection  
70.16 with racing or breeding;

70.17 (e) (5) has never been found guilty of a violation of law or rule relating to horse  
70.18 racing, pari-mutuel betting or any other form of gambling which is a serious violation  
70.19 as defined by the commission's rules; and

70.20 (f) (6) has never been found to have knowingly violated a rule or an order of the  
70.21 commission or a law or rule of Minnesota or another jurisdiction relating to horse racing,  
70.22 pari-mutuel betting, or any other form of gambling.

70.23 (b) The application must also contain an irrevocable consent statement, to be signed  
70.24 by the applicant, which states that suits and actions relating to the subject matter of the  
70.25 application or acts or omissions arising from it may be commenced against the applicant in  
70.26 any court of competent jurisdiction in this state by the service on the secretary of state of  
70.27 any summons, process, or pleading authorized by the laws of this state. If any summons,  
70.28 process, or pleading is served upon the secretary of state, it must be by duplicate copies.  
70.29 One copy must be retained in the Office of the Secretary of State and the other copy must  
70.30 be forwarded immediately by certified mail to the address of the applicant, as shown by  
70.31 the records of the commission.

70.32 Sec. 70. Minnesota Statutes 2014, section 240.08, subdivision 4, is amended to read:

70.33 Subd. 4. **License issuance and renewal.** If the commission determines that  
70.34 the applicant is qualified for the occupation for which licensing is sought and will

71.1 not adversely affect the public health, welfare, and safety or the integrity of racing in  
 71.2 Minnesota, it may issue a class C license to the applicant. If it makes a similar finding  
 71.3 for a renewal of a class C license it may renew the license. Class C licenses are effective  
 71.4 for a minimum of one year for all class C licenses, and up to three years for certain  
 71.5 classifications of class C licenses to be determined by the commission.

71.6 **EFFECTIVE DATE.** This section is effective July 1, 2015.

71.7 Sec. 71. Minnesota Statutes 2014, section 240.08, subdivision 5, is amended to read:

71.8 Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C  
 71.9 license for a violation of law or rule which in the commission's opinion adversely affects  
 71.10 the integrity of horse racing in Minnesota, the public health, welfare, or safety, or for an  
 71.11 intentional false statement made in a license application.

71.12 The commission may suspend a class C license for up to one year for a violation of  
 71.13 law, order or rule.

71.14 The commission may delegate to its designated agents the authority to impose  
 71.15 suspensions of class C licenses, and the revocation or suspension of a class C license may  
 71.16 be appealed to the commission according to its rules.

71.17 (b) A license revocation or suspension for more than 90 days is a contested case  
 71.18 under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to  
 71.19 criminal penalties imposed for a violation of law or rule. The commission may summarily  
 71.20 suspend a license for more than 90 days prior to a contested case hearing where it is  
 71.21 necessary to ensure the integrity of racing or to protect the public health, welfare, or safety.  
 71.22 A contested case hearing must be held within ~~20~~ 30 days of the summary suspension and  
 71.23 the administrative law judge's report must be issued within ~~20~~ 30 days from the close of  
 71.24 the hearing record. In all cases involving summary suspension the commission must issue  
 71.25 its final decision within 30 days from receipt of the report of the administrative law judge  
 71.26 and subsequent exceptions and argument under section 14.61.

71.27 Sec. 72. Minnesota Statutes 2014, section 240.10, is amended to read:

71.28 **240.10 LICENSE FEES.**

71.29 The fee for a class A license is \$253,000 per year and must be remitted on July 1.  
 71.30 The fee for a class B license is \$500 for each assigned racing day and \$100 for each day  
 71.31 on which simulcasting is authorized and must be remitted on July 1. ~~Included herein are~~  
 71.32 ~~all days assigned to be conducted after January 1, 2003.~~ The fee for a class D license is  
 71.33 \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on

72.1 class D licenses must be paid to the commission at a time and in a manner as provided by  
72.2 rule of the commission.

72.3 The commission shall by rule establish an annual license fee for each occupation it  
72.4 licenses under section 240.08 ~~but no annual fee for a class C license may exceed \$100.~~

72.5 **EFFECTIVE DATE.** This section is effective July 1, 2015.

72.6 Sec. 73. Minnesota Statutes 2014, section 240.13, subdivision 5, is amended to read:

72.7 Subd. 5. **Purses.** (a) From the amounts deducted from all pari-mutuel pools by a  
72.8 licensee, an amount equal to not less than the following percentages of all money in all  
72.9 pools must be set aside by the licensee and used for purses for races conducted by the  
72.10 licensee, provided that a licensee may agree by contract with an organization representing  
72.11 a majority of the horsepersons racing the breed involved to set aside amounts in addition  
72.12 to the following percentages, if the contract is in writing and filed with the commission:

72.13 (1) for live races conducted at a class A facility, ~~and for races that are part of full~~  
72.14 ~~racing card simulcasting that takes place within the time period of the live races,~~ 8.4  
72.15 percent of handle;

72.16 (2) ~~for simulcasts conducted during the racing season other than as provided for in~~  
72.17 ~~clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel~~  
72.18 ~~pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for~~  
72.19 ~~receipt of the signal; and~~

72.20 (3) (2) for simulcasts conducted outside of the racing season, 25 any day a class A  
72.21 facility is licensed, not less than 37 percent of the takeout remaining after deduction for the  
72.22 state pari-mutuel tax, payment to the breeders fund, and payment to the sending out-of-state  
72.23 racetrack for receipt of the signal and, before January 1, 2005, a further deduction of  
72.24 eight percent of all money in all pools. In the event that wagering on simulcasts outside  
72.25 of the racing season exceeds \$125 million in any calendar year, the amount set aside for  
72.26 purses by this formula is increased to 30 percent on amounts between \$125,000,000 and  
72.27 \$150,000,000 wagered; 40 percent on amounts between \$150,000,000 and \$175,000,000  
72.28 wagered; and 50 percent on amounts in excess of \$175,000,000 wagered. In lieu of  
72.29 the eight percent deduction, A deduction as agreed to between the licensee and the  
72.30 horsepersons' organization representing the majority of horsepersons racing at the licensee's  
72.31 class A facility during the preceding 12 months, is allowed after December 31, 2004.

72.32 The commission may by rule provide for the administration and enforcement of  
72.33 this subdivision. The deductions for payment to the sending out-of-state racetrack must  
72.34 be actual, except that when there exists any overlap of ownership, control, or interest  
72.35 between the sending out-of-state racetrack and the receiving licensee, the deduction

73.1 must not be greater than three percent unless agreed to between the licensee and the  
73.2 horsepersons' organization representing the majority of horsepersons racing the breed  
73.3 racing the majority of races during the existing racing meeting or, if outside of the racing  
73.4 season, during the most recent racing meeting.

73.5 ~~In lieu of the amount the licensee must pay to the commission for deposit in the~~  
73.6 ~~Minnesota breeders fund under section 240.15, subdivision 1,~~ The licensee shall pay to the  
73.7 commission for deposit in the Minnesota breeders fund 5-1/2 percent of the takeout from  
73.8 all pari-mutuel pools generated by wagering at the licensee's facility on ~~full racing card~~  
73.9 simulcasts of races not conducted in this state.

73.10 (b) From the money set aside for purses, the licensee shall pay to the horseperson's  
73.11 organization representing the majority of the horsepersons racing the breed involved  
73.12 and contracting with the licensee with respect to purses and the conduct of the racing  
73.13 meetings and providing representation to its members, an amount as may be determined  
73.14 by agreement by the licensee and the horsepersons' organization sufficient to provide  
73.15 benevolent programs, benefits, and services for horsepersons and their on-track employees;  
73.16 ~~an amount, sufficient to perform these services, as may be determined by agreement by~~  
73.17 ~~the licensee and the horseperson's organization.~~ The amount paid may be deducted only  
73.18 from the money set aside for purses to be paid in races for the breed represented by the  
73.19 horseperson's organization. With respect to racing meetings where more than one breed  
73.20 is racing, the licensee may contract independently with the horseperson's organization  
73.21 representing each breed racing.

73.22 (c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization  
73.23 representing the majority of the horsepersons racing a breed at a meeting, and the members  
73.24 thereof, may agree to withhold horses during a meeting.

73.25 ~~(d) Money set aside for purses from wagering, during the racing season, on~~  
73.26 ~~simulcasts must be used for purses for live races conducted at the licensee's class A facility~~  
73.27 ~~during the same racing season, over and above the 8.4 percent purse requirement or any~~  
73.28 ~~higher requirement to which the parties agree, for races conducted in this state. Money~~  
73.29 ~~set aside for purses from wagering, outside of the racing season, on simulcasts must be~~  
73.30 ~~for purses for live races conducted at the licensee's class A facility during the next racing~~  
73.31 ~~season, over and above the 8.4 percent purse requirement or any higher requirement to~~  
73.32 ~~which the parties agree, for races conducted in this state.~~

73.33 ~~(e)~~ (d) Money set aside for purses from wagering on simulcasts must be used for  
73.34 purses for live races involving the same breed involved in the simulcast except that money  
73.35 set aside for purses and payments to the breeders fund from wagering on ~~full racing card~~  
73.36 simulcasts of races not conducted in this state, occurring during a live mixed meet, must

74.1 be allotted to the purses and breeders fund for each breed participating in the mixed meet  
74.2 as agreed upon by the breed organizations participating in the live mixed meet. The  
74.3 agreement shall be in writing and filed with the commission prior to the first day of the live  
74.4 mixed meet. In the absence of a written agreement filed with the commission, the money  
74.5 set aside for purses and payments to the breeders fund from wagering on simulcasts,  
74.6 occurring during a live mixed meet, shall be allotted to each breed participating in the live  
74.7 mixed meet in the same proportion that the number of live races run by each breed bears  
74.8 to the total number of live races conducted during the period of the mixed meet.

74.9 ~~(f)~~ (e) The allocation of money set aside for purses to particular racing meets may be  
74.10 adjusted, relative to overpayments and underpayments, by contract between the licensee  
74.11 and the horsepersons' organization representing the majority of horsepersons racing the  
74.12 breed involved at the licensee's facility.

74.13 ~~(g)~~ (f) Subject to the provisions of this chapter, money set aside from pari-mutuel  
74.14 pools for purses must be for the breed involved in the race that generated the pool, except  
74.15 that if the breed involved in the race generating the pari-mutuel pool is not racing in the  
74.16 current racing meeting, or has not raced within the preceding 12 months at the licensee's  
74.17 class A facility, money set aside for purses may be distributed proportionately to those  
74.18 breeds that have run during the preceding 12 months or paid to the commission and  
74.19 used for purses or to promote racing for the breed involved in the race generating the  
74.20 pari-mutuel pool, or both, in a manner prescribed by the commission.

74.21 ~~(h)~~ (g) This subdivision does not apply to a class D licensee.

74.22 **EFFECTIVE DATE.** This section is effective January 1, 2016.

74.23 Sec. 74. Minnesota Statutes 2014, section 240.13, subdivision 6, is amended to read:

74.24 Subd. 6. **Simulcasting.** (a) The commission may permit an authorized licensee to  
74.25 conduct simulcasting at the licensee's facility on any day authorized by the commission.  
74.26 All simulcasts must comply with the Interstate Horse Racing Act of 1978, United States  
74.27 Code, title 15, sections 3001 to 3007.

74.28 (b) The commission may not authorize any day for simulcasting at a class A facility  
74.29 during the racing season, and a licensee may not be allowed to transmit out-of-state  
74.30 telecasts of races the licensee conducts, unless the licensee has obtained the approval of  
74.31 the horsepersons' organization representing the majority of the horsepersons racing the  
74.32 breed involved at the licensed racetrack during the preceding 12 months. In the case of  
74.33 a class A facility licensed under section 240.06, subdivision 5a, the approval applicable  
74.34 to the first year of the racetrack's operation may be obtained from the horsepersons'

75.1 organization that represents the majority of horsepersons who will race the breed involved  
75.2 at the licensed racetrack during the first year of the racetrack's operation.

75.3 (c) The licensee may pay fees and costs to an entity transmitting a telecast of a  
75.4 race to the licensee for purposes of conducting pari-mutuel wagering on the race. The  
75.5 licensee may deduct fees and costs related to the receipt of televised transmissions from a  
75.6 pari-mutuel pool on the televised race, provided that one-half of any amount recouped in  
75.7 this manner must be added to the amounts required to be set aside for purses.

75.8 (d) With the approval of the commission and subject to the provisions of this  
75.9 subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes,  
75.10 to locations outside the state, and the commission may allow this to be done on a  
75.11 commingled pool basis.

75.12 (e) Except as otherwise provided in this section, simulcasting may be conducted on a  
75.13 ~~separate~~ commingled pool basis or, with the approval of the commission, on a ~~commingled~~  
75.14 separate pool basis. All provisions of law governing pari-mutuel betting apply to  
75.15 simulcasting except as otherwise provided in this subdivision or in the commission's  
75.16 rules. If pools are commingled, wagering at the licensed facility must be on equipment  
75.17 electronically linked with the equipment at the licensee's class A facility or with the  
75.18 sending racetrack via the totalizator computer at the licensee's class A facility. Subject to  
75.19 the approval of the commission, the types of betting, takeout, and distribution of winnings  
75.20 on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage  
75.21 for pari-mutuel pools on a televised race must be calculated in accordance with the law or  
75.22 rules governing the sending racetrack for these pools, and must be distributed in a manner  
75.23 agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7  
75.24 and section 240.15, subdivision 5, the commission may approve procedures governing the  
75.25 definition and disposition of unclaimed tickets that are consistent with the law and rules  
75.26 governing unclaimed tickets at the sending racetrack. For the purposes of this section,  
75.27 "sending racetrack" is either the racetrack outside of this state where the horse race is  
75.28 conducted or, with the consent of the racetrack, an alternative facility that serves as the  
75.29 racetrack for the purpose of commingling pools.

75.30 (f) Except as otherwise provided in section 240.06, subdivision 5b, paragraph (2),  
75.31 if there is more than one class B licensee conducting racing within the seven-county  
75.32 metropolitan area, simulcasting may be conducted only on races run by a breed that ran at  
75.33 the licensee's class A facility within the 12 months preceding the event.

75.34 Sec. 75. Minnesota Statutes 2014, section 240.135, is amended to read:

75.35 **240.135 CARD CLUB REVENUE.**

76.1 (a) From the amounts received from charges authorized under section 240.30,  
76.2 subdivision 4, the licensee shall set aside the amounts specified in this section to be  
76.3 used for purse payments. These amounts are in addition to the breeders fund and purse  
76.4 requirements set forth elsewhere in this chapter.

76.5 (1) For amounts between zero and \$6,000,000, the licensee shall set aside not less  
76.6 than ten percent to be used as purses.

76.7 (2) For amounts in excess of \$6,000,000, the licensee shall set aside not less than  
76.8 14 percent to be used as purses.

76.9 (b) From all amounts set aside under paragraph (a), the licensee shall set aside  
76.10 ten percent to be deposited in the breeders fund. ~~The licensee and the horseperson's~~  
76.11 ~~organization representing the majority of horsepersons who have raced at the racetrack~~  
76.12 ~~during the preceding 12 months may negotiate percentages different from those stated in~~  
76.13 ~~this section if the agreement is in writing and filed with the Racing Commission.~~

76.14 (c) It is the intent of the legislature that the proceeds of the card playing activities  
76.15 authorized by this chapter be used to improve the horse racing industry by improving purses.  
76.16 The licensee and the horseperson's organization representing the majority of horsepersons  
76.17 who have raced at the racetrack during the preceding 12 months may negotiate percentages  
76.18 that exceed those stated in this section if the agreement is in writing and filed with the  
76.19 commission. The commission shall annually review the financial details of card playing  
76.20 activities and determine if the present use of card playing proceeds is consistent with the  
76.21 policy established by this paragraph. If the commission determines that the use of the  
76.22 proceeds does not comply with the policy set forth herein, then the commission shall direct  
76.23 the parties to make the changes necessary to ensure compliance. If these changes require  
76.24 legislation, the commission shall make the appropriate recommendations to the legislature.

76.25 Sec. 76. Minnesota Statutes 2014, section 240.15, subdivision 1, is amended to read:

76.26 Subdivision 1. **Taxes imposed.** (a) There is imposed a tax at the rate of six percent  
76.27 of the amount in excess of \$12,000,000 annually withheld from all pari-mutuel pools by  
76.28 the licensee, including breakage and amounts withheld under section 240.13, subdivision  
76.29 4. For the purpose of this subdivision, "annually" is the period from July 1 to June 30 of  
76.30 the next year.

76.31 In addition to the above tax, the licensee must designate and pay to the commission  
76.32 a tax of one percent of the ~~total amount bet on each racing day~~ handle for live races  
76.33 conducted at a class A facility, for deposit in the Minnesota breeders fund.

76.34 The taxes imposed by this clause must be paid from the amounts permitted to be  
76.35 withheld by a licensee under section 240.13, subdivision 4.

77.1 (b) The commission may impose an admissions tax of not more than ten cents on  
77.2 each paid admission at a licensed racetrack on a racing day if:

77.3 (1) the tax is requested by a local unit of government within whose borders the  
77.4 track is located;

77.5 (2) a public hearing is held on the request; and

77.6 (3) the commission finds that the local unit of government requesting the tax is in  
77.7 need of its revenue to meet extraordinary expenses caused by the racetrack.

77.8 Sec. 77. Minnesota Statutes 2014, section 240.15, subdivision 6, is amended to read:

77.9 Subd. 6. **Disposition of proceeds; account.** The commission shall distribute all  
77.10 money received under this section, and all money received from license fees and fines it  
77.11 collects, according to this subdivision. All money designated for deposit in the Minnesota  
77.12 breeders fund must be paid into that fund for distribution under section 240.18 except that  
77.13 all money generated by ~~full-racing-card~~ simulcasts must be distributed as provided in  
77.14 section 240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue  
77.15 from an admissions tax imposed under subdivision 1 must be paid to the local unit of  
77.16 government at whose request it was imposed, at times and in a manner the commission  
77.17 determines. Taxes received under this section and fines collected under section 240.22  
77.18 must be paid to the commissioner of management and budget for deposit in the general  
77.19 fund. All revenues from licenses and other fees imposed by the commission must be  
77.20 deposited in the state treasury and credited to a racing and card playing regulation account  
77.21 in the special revenue fund. Receipts in this account are available for the operations of the  
77.22 commission up to the amount authorized in biennial appropriations from the legislature.

77.23 Sec. 78. Minnesota Statutes 2014, section 240.16, subdivision 1, is amended to read:

77.24 Subdivision 1. **Powers and duties.** All horse races run at a licensed racetrack must  
77.25 be presided over by a board of three stewards, who must be appointees of the commission or  
77.26 persons approved by it. The commission shall designate one steward as chair. At least two  
77.27 stewards for all races either shall be employees of the commission who shall serve in the  
77.28 unclassified service, or shall be under contract with the commission to serve as stewards.  
77.29 The commission may delegate the following duties and powers to a board of stewards:

77.30 (a) to ensure that races are run in accordance with the commission's rules;

77.31 (b) to supervise the conduct of racing to ensure the integrity of the sport;

77.32 (c) to settle disputes arising from the running of horse races, and to certify official  
77.33 results;

78.1 (d) to impose on licensees, for violation of law or commission rules, fines not  
78.2 exceeding ~~\$2,000~~ \$5,000 and license suspensions not exceeding 90 days;

78.3 (e) to recommend to the commission where warranted penalties in excess of those  
78.4 in clause (d);

78.5 (f) to otherwise enforce the laws and rules of racing; and

78.6 (g) to perform other duties and have other powers assigned by the commission.

78.7 Sec. 79. Minnesota Statutes 2014, section 240.22, is amended to read:

78.8 **240.22 FINES.**

78.9 (a) The commission shall by rule establish a graduated schedule of civil fines for  
78.10 violations of laws related to horse racing or of the commission's rules. The schedule  
78.11 must include minimum and maximum fines for each violation and be based on and  
78.12 reflect the culpability, frequency and severity of the violator's actions. The commission  
78.13 may impose a fine from this schedule on a licensee for a violation of those rules or laws  
78.14 relating to horse racing. The fine is in addition to any criminal penalty imposed for the  
78.15 same violation. Fines imposed by the commission must be paid to the commission and  
78.16 except as provided in paragraph (b), forwarded to the commissioner of management and  
78.17 budget for deposit in the general fund. A fine in excess of ~~\$2,000~~ \$5,000 is a contested  
78.18 case under the Administrative Procedure Act.

78.19 (b) If the commission is the prevailing party in a contested case proceeding, the  
78.20 commission may recover, from amounts to be forwarded under paragraph (a), reasonable  
78.21 attorney fees and costs associated with the contested case.

78.22 **EFFECTIVE DATE.** This section is effective July 1, 2016.

78.23 Sec. 80. Minnesota Statutes 2014, section 240.23, is amended to read:

78.24 **240.23 RULEMAKING AUTHORITY.**

78.25 The commission has the authority, in addition to all other rulemaking authority  
78.26 granted elsewhere in this chapter to promulgate rules governing:

78.27 (a) the conduct of horse races held at licensed racetracks in Minnesota, including but  
78.28 not limited to the rules of racing, standards of entry, operation of claiming races, filing and  
78.29 handling of objections, carrying of weights, and declaration of official results;

78.30 (b) ~~wire~~ wired and wireless communications between the premises of a licensed  
78.31 racetrack and any place outside the premises;

78.32 (c) information on horse races which is sold on the premises of a licensed racetrack;

- 79.1 (d) liability insurance which it may require of all class A, class B, and class D  
 79.2 licensees;
- 79.3 (e) the auditing of the books and records of a licensee by an auditor employed  
 79.4 or appointed by the commission;
- 79.5 (f) emergency action plans maintained by licensed racetracks and their periodic  
 79.6 review;
- 79.7 (g) safety, security, and sanitation of stabling facilities at licensed racetracks;
- 79.8 (h) entry fees and other funds received by a licensee in the course of conducting  
 79.9 racing which the commission determines must be placed in escrow accounts;
- 79.10 (i) affirmative action in employment and contracting by class A, class B, and class D  
 79.11 licensees; ~~and~~
- 79.12 (j) procedures for the sampling and testing of any horse that is eligible to race in  
 79.13 Minnesota for substances or practices that are prohibited by law or rule; and
- 79.14 ~~(j)~~ (k) any other aspect of horse racing or pari-mutuel betting which in its opinion  
 79.15 affects the integrity of racing or the public health, welfare, or safety.

79.16 Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

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

79.18 Sec. 81. Minnesota Statutes 2014, section 272.484, is amended to read:

79.19 **272.484 FEES.**

79.20 The fee for filing and indexing each notice of lien or certificate or notice affecting  
 79.21 the lien is:

79.22 (1) for a lien, certificate of discharge or subordination, and for all other notices,  
 79.23 including a certificate of release or nonattachment filed with the secretary of state, the fee  
 79.24 provided by section 336.9-525, except that the filing fee charged to the district directors  
 79.25 of internal revenue for filing a federal tax lien is \$15 ~~for up to two debtor names and~~  
 79.26 ~~\$15 for each additional name;~~ and

79.27 (2) for a lien, certificate of discharge or subordination, and for all other notices,  
 79.28 including a certificate of release or nonattachment filed with the county recorder, the fee  
 79.29 for filing a real estate mortgage in the county where filed.

79.30 The officer shall bill the district directors of internal revenue or other appropriate  
 79.31 federal officials on a monthly basis for fees for documents filed by them.

79.32 Sec. 82. Minnesota Statutes 2014, section 298.22, subdivision 1, is amended to read:

80.1 Subdivision 1. **The Office of the Commissioner of Iron Range resources**  
 80.2 **and rehabilitation.** (a) The Office of the Commissioner of Iron Range resources and  
 80.3 rehabilitation is created as an agency in the executive branch of state government. The  
 80.4 governor shall appoint the commissioner of Iron Range resources and rehabilitation under  
 80.5 section 15.06.

80.6 (b) The commissioner may hold other positions or appointments that are not  
 80.7 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The  
 80.8 commissioner may appoint a deputy commissioner. All expenses of the commissioner,  
 80.9 including the payment of staff and other assistance as may be necessary, must be paid  
 80.10 out of the amounts appropriated by section 298.28 or otherwise made available by law  
 80.11 to the commissioner. ~~Notwithstanding chapters 16A, 16B, and 16C, the commissioner~~  
 80.12 ~~may utilize contracting options available under section 471.345 when the commissioner~~  
 80.13 ~~determines it is in the best interest of the agency. The agency is not subject to sections~~  
 80.14 ~~16E.016 and 16C.05.~~

80.15 (c) When the commissioner determines that distress and unemployment exists or  
 80.16 may exist in the future in any county by reason of the removal of natural resources or  
 80.17 a possibly limited use of natural resources in the future and any resulting decrease in  
 80.18 employment, the commissioner may use whatever amounts of the appropriation made to  
 80.19 the commissioner of revenue in section 298.28 that are determined to be necessary and  
 80.20 proper in the development of the remaining resources of the county and in the vocational  
 80.21 training and rehabilitation of its residents, except that the amount needed to cover cost  
 80.22 overruns awarded to a contractor by an arbitrator in relation to a contract awarded by  
 80.23 the commissioner or in effect after July 1, 1985, is appropriated from the general fund.  
 80.24 For the purposes of this section, "development of remaining resources" includes, but is  
 80.25 not limited to, the promotion of tourism.

80.26 Sec. 83. Minnesota Statutes 2014, section 303.19, is amended to read:

80.27 **303.19 REINSTATEMENT.**

80.28 Subdivision 1. **Application Required filing.** Any foreign corporation whose  
 80.29 certificate of authority to do business in this state shall have been revoked or canceled may  
 80.30 file reinstate that authority by filing an annual renewal and the fee required by subdivision  
 80.31 2 with the secretary of state an application for reinstatement. ~~Such application shall be~~  
 80.32 ~~on forms prescribed by the secretary of state, shall contain all the matters required to be~~  
 80.33 ~~set forth in an original application for a certificate of authority, and such other pertinent~~  
 80.34 ~~information as may be required by the secretary of state.~~ If any of the information in the  
 80.35 original application for authority has changed, the foreign corporation must also file an

81.1 amended certificate setting forth the currently accurate information, with the fee required  
81.2 by section 303.21, subdivision 3.

81.3 Subd. 2. **Fee.** If the certificate of authority was revoked by the secretary of state  
81.4 pursuant to section 303.17, ~~the corporation shall pay to the commissioner of management~~  
81.5 ~~and budget \$250 before it may be reinstated.~~

81.6 ~~If the certificate of authority was canceled~~ or by a judgment pursuant to section  
81.7 303.18, the corporation shall pay to the commissioner of management and budget \$500  
81.8 before it may be reinstated.

81.9 Subd. 3. **Certificate of reinstatement.** Upon the filing of the application and upon  
81.10 payment of ~~all penalties, fees and charges required by law, not including an initial license~~  
81.11 ~~fee or additional license fees to the extent that they have previously been paid by the~~  
81.12 ~~corporation~~ the fees imposed by this section, the secretary of state shall reinstate the  
81.13 license of the corporation.

81.14 Sec. 84. Minnesota Statutes 2014, section 304A.301, subdivision 1, is amended to read:

81.15 Subdivision 1. **Report required.** ~~No later than 90 days after the conclusion of~~  
81.16 ~~each calendar year~~ Before each April 1, a public benefit corporation must deliver to the  
81.17 secretary of state for filing an annual benefit report covering the 12-month period ending  
81.18 on December 31 of ~~that~~ the previous year and pay a fee of \$35 to the secretary of state.  
81.19 The annual benefit report must state the name of the public benefit corporation, be signed  
81.20 by the public benefit corporation's chief executive officer not more than 30 days before the  
81.21 report is delivered to the secretary of state for filing, and must be current when signed.

81.22 Sec. 85. Minnesota Statutes 2014, section 304A.301, subdivision 5, is amended to read:

81.23 Subd. 5. **Failure to file an annual benefit report.** If a public benefit corporation  
81.24 fails to file ~~an~~, before April 1 of any calendar year, the annual benefit report ~~in accordance~~  
81.25 ~~with this section within 90 days of the date on which an annual benefit report is due~~  
81.26 required by this section, the secretary of state shall revoke the corporation's status as a  
81.27 public benefit corporation under this chapter and must notify the public benefit corporation  
81.28 of the revocation using the information provided by the corporation pursuant to section  
81.29 5.002 or 5.34 or provided in the articles.

81.30 Sec. 86. Minnesota Statutes 2014, section 304A.301, subdivision 6, is amended to read:

81.31 Subd. 6. **Effects of revocation; reinstatement.** (a) A public benefit corporation  
81.32 that has lost its public benefit corporation status for failure to timely file an annual benefit  
81.33 report or by terminating that status pursuant to section 304A.103 is not entitled to the

82.1 benefits afforded to a public benefit corporation under this chapter as of the date of  
 82.2 revocation or termination and must amend the articles of incorporation to reflect a name  
 82.3 compliant with section 302A.115, but which does not include the corporate designation  
 82.4 provided for in section 304A.101, subdivision 2.

82.5 (b) Within 30 days of issuance of revocation of public benefit corporation status by  
 82.6 the secretary of state, filing a renewal complying with this section and a \$500 fee with  
 82.7 the secretary of state will reinstate the corporation as a public benefit corporation under  
 82.8 this chapter as of the date of revocation.

82.9 Sec. 87. Minnesota Statutes 2014, section 304A.301, is amended by adding a  
 82.10 subdivision to read:

82.11 Subd. 8. **Failure to change corporate name.** The duration of a corporation that has  
 82.12 had public benefit status terminated or revoked and which fails to change the corporate  
 82.13 name as provided in subdivision 6 expires automatically 30 days after termination or  
 82.14 revocation of the public benefit corporation status.

82.15 Sec. 88. Minnesota Statutes 2014, section 326A.01, subdivision 2, is amended to read:

82.16 Subd. 2. **Attest.** "Attest" means ~~to provide~~ providing any of the following financial  
 82.17 statement services:

82.18 (1) an audit or other engagement performed in accordance with the Statements on  
 82.19 Auditing Standards (SAS);

82.20 (2) a review of a financial statement performed in accordance with the Statements on  
 82.21 Standards for Accounting and Review Services (SSARS);

82.22 (3) an examination of prospective financial information performed in accordance  
 82.23 with the Statements on Standards for Attestation Engagements (SSAE); ~~and~~

82.24 (4) ~~any~~ an engagement performed in accordance with ~~auditing and related the~~  
 82.25 standards of the Public Company Accounting Oversight Board (PCAOB); and

82.26 (5) an examination, review, or agreed-upon procedures engagement performed in  
 82.27 accordance with SSAE, other than an examination described in clause (3).

82.28 Sec. 89. Minnesota Statutes 2014, section 326A.01, subdivision 12, is amended to read:

82.29 Subd. 12. **Peer review.** "Peer review" means an independent study, appraisal, or  
 82.30 review of one or more aspects of the professional work of a licensee or CPA firm that  
 82.31 issues attest or compilation reports, or the professional work of a person registered under  
 82.32 section 326A.06, paragraph (b), by persons who are not affiliated with the licensee or  
 82.33 CPA firm being reviewed.

83.1 Sec. 90. Minnesota Statutes 2014, section 326A.01, subdivision 13a, is amended to read:

83.2 Subd. 13a. **Principal place of business.** "Principal place of business" means the  
83.3 office location designated by the licensee for purposes of substantial equivalency and  
83.4 reciprocity ~~in this state and in other states.~~

83.5 Sec. 91. Minnesota Statutes 2014, section 326A.01, subdivision 15, is amended to read:

83.6 Subd. 15. **Report.** "Report," when used with reference to ~~financial statements~~ an  
83.7 attest or compilation service, means an opinion, report, or other form of language that  
83.8 states or implies assurance as to the reliability of ~~any~~ the attested information or compiled  
83.9 financial statements and that also includes or is accompanied by a statement or implication  
83.10 that the person or firm issuing it has special knowledge or competence in accounting or  
83.11 auditing. Such a statement or implication of special knowledge or competence may arise  
83.12 from use by the issuer of the report of names or titles indicating that the person or firm is an  
83.13 accountant or auditor, or from the language of the report itself. The term "report" includes  
83.14 any form of language that disclaims an opinion when the form of language is conventionally  
83.15 understood to imply any positive assurance as to the reliability of the attested information  
83.16 or compiled financial statements referred to or special competence on the part of the person  
83.17 or firm issuing the language. It includes any other form of language that is conventionally  
83.18 understood to imply such assurance or such special knowledge or competence.

83.19 Sec. 92. Minnesota Statutes 2014, section 326A.01, subdivision 16, is amended to read:

83.20 Subd. 16. **State.** "State" means any state of the United States, the District of  
83.21 Columbia, Puerto Rico, the U.S. Virgin Islands, the Commonwealth of the Northern  
83.22 Mariana Islands, and Guam; except that "this state" means the state of Minnesota.

83.23 Sec. 93. Minnesota Statutes 2014, section 326A.02, subdivision 3, is amended to read:

83.24 Subd. 3. **Officers; proceedings.** The board shall elect one of its ~~number~~ members  
83.25 as chair, another as vice-chair, and another as secretary and treasurer. The officers shall  
83.26 hold their respective offices for a term of one year and until their successors are elected.  
83.27 The affirmative vote of a majority of the qualified members of the board, or a majority of  
83.28 a quorum of the board at any meeting duly called, is considered the action of the board.  
83.29 The board shall meet at such times and places as may be fixed by the board. Meetings  
83.30 of the board are subject to chapter 13D. A majority of the board members then in office  
83.31 constitutes a quorum at any meeting duly called. The board shall retain or arrange for the  
83.32 retention of all applications and all documents under oath that are filed with the board and  
83.33 also records of its proceedings, and it shall maintain a registry of the names and addresses

84.1 of all licensees and registrants under this chapter. In any proceeding in court, civil or  
 84.2 criminal, arising out of or founded upon any provision of this chapter, copies of records of  
 84.3 the proceeding certified as true copies by the board chair or executive director shall be  
 84.4 admissible in evidence as tending to prove the contents of the records.

84.5 Sec. 94. Minnesota Statutes 2014, section 326A.02, subdivision 5, is amended to read:

84.6 Subd. 5. **Rules.** The board may adopt rules governing its administration and  
 84.7 enforcement of this chapter and the conduct of licensees and persons registered under  
 84.8 section 326A.06, paragraph (b), including:

84.9 (1) rules governing the board's meetings and the conduct of its business;

84.10 (2) rules of procedure governing the conduct of investigations and hearings and  
 84.11 discipline by the board;

84.12 (3) rules specifying the educational and experience qualifications required for the  
 84.13 issuance of certificates and the continuing professional education required for renewal  
 84.14 of certificates;

84.15 (4) rules of professional conduct directed to controlling the quality and probity  
 84.16 of services by licensees, and dealing among other things with independence, integrity,  
 84.17 and objectivity; competence and technical standards; and responsibilities to the public  
 84.18 and to clients;

84.19 (5) rules governing the professional standards applicable to licensees including  
 84.20 adoption of the standards specified in section 326A.01, subdivision 2, and as developed  
 84.21 for general application by recognized national accountancy organizations such as the  
 84.22 American Institute of Certified Public Accountants or the Public Company Accounting  
 84.23 Oversight Board;

84.24 (6) rules that incorporate by reference the standards for attesting listed in section  
 84.25 326A.01, subdivision 2, that are consistent with the standards of general applicability  
 84.26 recognized by national accountancy organizations, including the American Institute of  
 84.27 Certified Public Accountants and the Public Company Accounting Oversight Board;

84.28 ~~(6)~~ (7) rules governing the manner and circumstances of use of the titles "certified  
 84.29 public accountant," "CPA," "registered accounting practitioner," and "RAP";

84.30 ~~(7)~~ (8) rules regarding peer review that may be required to be performed under  
 84.31 provisions of this chapter;

84.32 ~~(8)~~ (9) rules on substantial equivalence to implement section 326A.14;

84.33 ~~(9)~~ (10) rules regarding the conduct of the certified public accountant examination;

84.34 ~~(10)~~ (11) rules regarding the issuance and renewals of certificates, permits, and  
 84.35 registrations;

85.1           ~~(11)~~ (12) rules regarding transition provisions to implement this chapter;  
85.2           ~~(12)~~ (13) rules specifying the educational and experience qualifications for  
85.3 registration, rules of professional conduct, rules regarding peer review, rules governing  
85.4 standards for providing services, and rules regarding the conduct and content of  
85.5 examination for those persons registered under section 326A.06, paragraph (b);  
85.6           ~~(13)~~ (14) rules regarding fees for examinations, certificate issuance and renewal,  
85.7 firm permits, registrations under section 326A.06, paragraph (b), notifications made under  
85.8 section 326A.14, and late processing fees; and  
85.9           ~~(14)~~ (15) upon any change to this chapter, if the board determines a change in  
85.10 Minnesota Rules is required, the board may initiate the expedited process under section  
85.11 14.389 up to one year after the effective date of the change to this chapter.

85.12           Sec. 95. Minnesota Statutes 2014, section 326A.05, subdivision 1, is amended to read:

85.13           Subdivision 1. **General.** The board shall grant or renew permits to practice as  
85.14 a CPA firm to entities that make application and demonstrate their qualifications in  
85.15 accordance with this section.

85.16           (a) The following must hold a permit issued under this section:

85.17           (1) any firm with an office in this state performing attest services as defined in  
85.18 section 326A.01, subdivision 2;

85.19           (2) to the extent required by section 326A.10, paragraph (k), any firm with an office  
85.20 in this state performing compilation services as defined in section 326A.01, subdivision 6;

85.21           (3) any firm with an office in this state that uses the title "CPA" or "CPA firm"; or

85.22           (4) any firm that does not have an office in this state but performs attest services  
85.23 as described in section 326A.01, subdivision 2, paragraph (1), (3), or (4), for a client  
85.24 having its headquarters in this state.

85.25           (b) A firm possessing a valid permit from another state which does not have an office  
85.26 in this state may perform services described in section 326A.01, subdivision 2, clause (2)  
85.27 or (5), or subdivision 6, for a client having its headquarters in this state and may use the  
85.28 title "CPA" or "CPA firm" without a permit issued under this section only if:

85.29           (1) it has the qualifications described in subdivision 3, paragraph (b);

85.30           (2) as a condition to the renewal of the firm's permit issued by the other state, that  
85.31 state requires a peer review which contains the requirements equivalent to subdivision 8,  
85.32 paragraphs (a) and (e); and

85.33           (3) it performs the services through an individual who has been granted practice  
85.34 privileges under section 326A.14.

86.1 (c) A firm possessing a valid permit from another state that does not have an office  
86.2 in this state and which is not subject to the requirements of paragraph (a), clause (4), or  
86.3 (b), may perform other professional services while using the title "CPA" or "CPA firm" in  
86.4 this state without a permit issued under this section only if the firm:

86.5 (1) has the qualifications described in subdivision 3, paragraph (b);

86.6 (2) performs the services through an individual who has been granted practice  
86.7 privileges under section 326A.14; and

86.8 (3) can lawfully perform the services in the state where the individuals with practice  
86.9 privileges have their principal place of business.

86.10 Sec. 96. Minnesota Statutes 2014, section 326A.05, subdivision 3, is amended to read:

86.11 Subd. 3. **Qualifications.** (a) An applicant for initial issuance or renewal of a permit  
86.12 to practice under this section shall comply with the requirements in this subdivision.

86.13 (b) Notwithstanding chapter 319B or any other provision of law, a simple majority  
86.14 of the ownership of the firm, in terms of financial interests and voting rights of all partners,  
86.15 officers, shareholders, members, or managers, must belong to holders of certificates who  
86.16 are licensed in some state, and the partners, officers, shareholders, members, or managers,  
86.17 whose principal place of business is in this state, and who perform professional services in  
86.18 this state, must hold valid certificates issued under section 326A.04 or the corresponding  
86.19 provision of prior law. Although firms may include nonlicensee owners, the firm and  
86.20 its ownership must comply with rules adopted by the board. The firm shall register all  
86.21 nonlicensee owners with the state board as set forth by rule. An individual who has been  
86.22 granted practice privileges under section 326A.14 and who performs services for which  
86.23 a firm permit is required under section 326A.14, subdivision 1, paragraph (d), is not  
86.24 required to obtain a certificate from the board under section 326A.04.

86.25 (c) A CPA firm may include nonlicensee owners provided that:

86.26 (1) the firm designates a licensee of this state, or in the case of a firm that must  
86.27 have a permit according to section 326A.14, subdivision 1, paragraph (d), a licensee of  
86.28 another state who meets the requirements in section 326A.14, subdivision 1, paragraph  
86.29 (a) or (b), who is responsible for the proper registration of the firm and identifies that  
86.30 individual to the board;

86.31 (2) all nonlicensee owners are persons of good moral character and are active  
86.32 individual participants in the CPA firm or affiliated entities; and

86.33 (3) the firm complies with other requirements imposed by the board in rule.

86.34 (d) An individual licensee and any individual granted practice privileges under  
86.35 section 326A.14 who is responsible for supervising attest or compilation services and

87.1 signs or authorizes someone to sign the accountant's report ~~on the financial statements~~  
87.2 on behalf of the firm, shall meet the competency requirements set out in the professional  
87.3 standards for such services.

87.4 (e) An individual licensee and any individual granted practice privileges under section  
87.5 326A.14 who signs or authorizes someone to sign the accountants' report ~~on the financial~~  
87.6 ~~statements~~ on behalf of the firm shall meet the competency requirement of paragraph (d).

87.7 Sec. 97. Minnesota Statutes 2014, section 326A.10, is amended to read:

87.8 **326A.10 UNLAWFUL ACTS.**

87.9 (a) Only a licensee and individuals who have been granted practice privileges  
87.10 under section 326A.14 may issue a report on financial statements of any person, firm,  
87.11 organization, or governmental unit that results from providing attest services, or offer to  
87.12 render or render any attest service. Only a certified public accountant, an individual who  
87.13 has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent  
87.14 permitted by board rule, a person registered under section 326A.06, paragraph (b), may  
87.15 issue a report on financial statements of any person, firm, organization, or governmental  
87.16 unit that results from providing compilation services or offer to render or render any  
87.17 compilation service. These restrictions do not prohibit any act of a public official or  
87.18 public employee in the performance of that person's duties or prohibit the performance  
87.19 by any nonlicensee of other services involving the use of accounting skills, including  
87.20 the preparation of tax returns, management advisory services, and the preparation of  
87.21 financial statements without the issuance of reports on them. Nonlicensees may prepare  
87.22 financial statements and issue nonattest transmittals or information on them which do not  
87.23 purport to be in compliance with the Statements on Standards for Accounting and Review  
87.24 Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may,  
87.25 to the extent permitted by board rule, prepare financial statements and issue nonattest  
87.26 transmittals or information on them.

87.27 (b) Licensees and individuals who have been granted practice privileges under  
87.28 section 326A.14 performing attest or compilation services must provide those services in  
87.29 accordance with professional standards. To the extent permitted by board rule, registered  
87.30 accounting practitioners performing compilation services must provide those services in  
87.31 accordance with standards specified in board rule.

87.32 (c) A person who does not hold a valid certificate issued under section 326A.04  
87.33 or a practice privilege granted under section 326A.14 shall not use or assume the title  
87.34 "certified public accountant," the abbreviation "CPA," or any other title, designation,

88.1 words, letters, abbreviation, sign, card, or device tending to indicate that the person is a  
88.2 certified public accountant.

88.3 (d) A firm shall not provide attest services or assume or use the title "certified public  
88.4 accountants," the abbreviation "CPA's," or any other title, designation, words, letters,  
88.5 abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless  
88.6 (1) the firm has complied with section 326A.05, and (2) ownership of the firm is in  
88.7 accordance with this chapter and rules adopted by the board.

88.8 (e) A person or firm that does not hold a valid certificate or permit issued under  
88.9 section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or  
88.10 326A.05 as required in this chapter shall not assume or use the title "certified accountant,"  
88.11 "chartered accountant," "enrolled accountant," "licensed accountant," "registered  
88.12 accountant," "accredited accountant," "accounting practitioner," "public accountant,"  
88.13 "licensed public accountant," or any other title or designation likely to be confused  
88.14 with the title "certified public accountant," or use any of the abbreviations "CA," "LA,"  
88.15 "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the  
88.16 abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals  
88.17 so designated by the Internal Revenue Service.

88.18 (f) Persons registered under section 326A.06, paragraph (b), may use the title  
88.19 "registered accounting practitioner" or the abbreviation "RAP." A person who does not  
88.20 hold a valid registration under section 326A.06, paragraph (b), shall not assume or use  
88.21 such title or abbreviation.

88.22 (g) Except to the extent permitted in paragraph (a), nonlicensees may not use  
88.23 language in any statement relating to the financial affairs of a person or entity that is  
88.24 conventionally used by licensees in reports on financial statements or on an attest service.  
88.25 In this regard, the board shall issue by rule safe harbor language that nonlicensees may  
88.26 use in connection with such financial information. A person or firm that does not hold a  
88.27 valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or  
88.28 326A.06, paragraph (b), or has not otherwise complied with section 326A.04 or 326A.05  
88.29 as required in this chapter shall not assume or use any title or designation that includes the  
88.30 word "accountant" or "accounting" in connection with any other language, including the  
88.31 language of a report, that implies that the person or firm holds such a certificate, permit,  
88.32 or registration or has special competence as an accountant. A person or firm that does  
88.33 not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not  
88.34 otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not  
88.35 assume or use any title or designation that includes the word "auditor" in connection with  
88.36 any other language, including the language of a report, that implies that the person or firm

89.1 holds such a certificate or permit or has special competence as an auditor. However,  
89.2 this paragraph does not prohibit any officer, partner, member, manager, or employee of  
89.3 any firm or organization from affixing that person's own signature to any statement in  
89.4 reference to the financial affairs of such firm or organization with any wording designating  
89.5 the position, title, or office that the person holds, nor prohibit any act of a public official or  
89.6 employee in the performance of the person's duties as such.

89.7 (h)(1) No person holding a certificate or registration or firm holding a permit under  
89.8 this chapter shall use a professional or firm name or designation that is misleading about  
89.9 the legal form of the firm, or about the persons who are partners, officers, members,  
89.10 managers, or shareholders of the firm, or about any other matter. However, names of one  
89.11 or more former partners, members, managers, or shareholders may be included in the  
89.12 name of a firm or its successor.

89.13 (2) A common brand name or network name part, including common initials, used  
89.14 by a CPA firm in its name, is not misleading if the firm is a network firm as defined in  
89.15 the American Institute of Certified Public Accountants (AICPA) Code of Professional  
89.16 Conduct in effect July 1, 2011, and when offering or rendering services that require  
89.17 independence under AICPA standards, the firm must comply with the AICPA code's  
89.18 applicable standards on independence.

89.19 (i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification,  
89.20 designation, degree, or license granted in a foreign country entitling the holder to engage  
89.21 in the practice of public accountancy or its equivalent in that country, if:

89.22 (1) the activities of the person or firm in this state are limited to the provision of  
89.23 professional services to persons or firms who are residents of, governments of, or business  
89.24 entities of the country in which the person holds the entitlement;

89.25 (2) the person or firm performs no attest or compilation services and issues no  
89.26 reports with respect to the ~~financial statements~~ information of any other persons, firms, or  
89.27 governmental units in this state; and

89.28 (3) the person or firm does not use in this state any title or designation other than  
89.29 the one under which the person practices in the foreign country, followed by a translation  
89.30 of the title or designation into English, if it is in a different language, and by the name  
89.31 of the country.

89.32 (j) No holder of a certificate issued under section 326A.04 may perform attest services  
89.33 through any business form that does not hold a valid permit issued under section 326A.05.

89.34 (k) No individual licensee may issue a report in standard form upon a compilation  
89.35 of financial information through any form of business that does not hold a valid permit

90.1 issued under section 326A.05, unless the report discloses the name of the business through  
90.2 which the individual is issuing the report, and the individual:

90.3 (1) signs the compilation report identifying the individual as a certified public  
90.4 accountant;

90.5 (2) meets the competency requirement provided in applicable standards; and

90.6 (3) undergoes no less frequently than once every three years, a peer review  
90.7 conducted in a manner specified by the board in rule, and the review includes verification  
90.8 that the individual has met the competency requirements set out in professional standards  
90.9 for such services.

90.10 (l) No person registered under section 326A.06, paragraph (b), may issue a report  
90.11 in standard form upon a compilation of financial information unless the board by rule  
90.12 permits the report and the person:

90.13 (1) signs the compilation report identifying the individual as a registered accounting  
90.14 practitioner;

90.15 (2) meets the competency requirements in board rule; and

90.16 (3) undergoes no less frequently than once every three years a peer review conducted  
90.17 in a manner specified by the board in rule, and the review includes verification that the  
90.18 individual has met the competency requirements in board rule.

90.19 (m) Nothing in this section prohibits a practicing attorney or firm of attorneys from  
90.20 preparing or presenting records or documents customarily prepared by an attorney or firm  
90.21 of attorneys in connection with the attorney's professional work in the practice of law.

90.22 (n) The board shall adopt rules that place limitations on receipt by a licensee or a  
90.23 person who holds a registration under section 326A.06, paragraph (b), of:

90.24 (1) contingent fees for professional services performed; and

90.25 (2) commissions or referral fees for recommending or referring to a client any  
90.26 product or service.

90.27 (o) Anything in this section to the contrary notwithstanding, it shall not be a violation  
90.28 of this section for a firm not holding a valid permit under section 326A.05 and not having  
90.29 an office in this state to provide its professional services in this state so long as it complies  
90.30 with the applicable requirements of section 326A.05, subdivision 1.

90.31 Sec. 98. Minnesota Statutes 2014, section 336A.09, subdivision 1, is amended to read:

90.32 Subdivision 1. **Procedure.** (a) ~~Oral~~ Online and written inquiries regarding  
90.33 information provided by the filing of effective financing statements or lien notices may  
90.34 be ~~made at any filing office submitted to the secretary of state~~ during regular business  
90.35 hours or, if submitted online, at any time.

91.1 (b) ~~A filing office receiving an oral or written inquiry shall, upon request~~ The  
 91.2 secretary of state must, upon receiving an inquiry, provide an oral or facsimile a prompt  
 91.3 response to the inquiry.

91.4 (c) ~~A filing office~~ The secretary of state shall maintain a record of inquiries made  
 91.5 under this section including:

- 91.6 (1) the date of the inquiry;  
 91.7 (2) the name of the debtor inquired about; and  
 91.8 (3) identification of the person making the request for inquiry.

91.9 Sec. 99. Minnesota Statutes 2014, section 364.09, is amended to read:

91.10 **364.09 EXCEPTIONS.**

91.11 (a) This chapter does not apply to the licensing process for peace officers; to law  
 91.12 enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire  
 91.13 protection agencies; to eligibility for a private detective or protective agent license; to the  
 91.14 licensing and background study process under chapters 245A and 245C; to the licensing  
 91.15 and background investigation process under chapter 240; to eligibility for school bus  
 91.16 driver endorsements; to eligibility for special transportation service endorsements; to  
 91.17 eligibility for a commercial driver training instructor license, which is governed by section  
 91.18 171.35 and rules adopted under that section; to emergency medical services personnel, or  
 91.19 to the licensing by political subdivisions of taxicab drivers, if the applicant for the license  
 91.20 has been discharged from sentence for a conviction within the ten years immediately  
 91.21 preceding application of a violation of any of the following:

91.22 (1) sections 609.185 to 609.2114, 609.221 to 609.223, 609.342 to 609.3451, or  
 91.23 617.23, subdivision 2 or 3; or Minnesota Statutes 2012, section 609.21;

91.24 (2) any provision of chapter 152 that is punishable by a maximum sentence of  
 91.25 15 years or more; or

91.26 (3) a violation of chapter 169 or 169A involving driving under the influence, leaving  
 91.27 the scene of an accident, or reckless or careless driving.

91.28 This chapter also shall not apply to eligibility for juvenile corrections employment, where  
 91.29 the offense involved child physical or sexual abuse or criminal sexual conduct.

91.30 (b) This chapter does not apply to a school district or to eligibility for a license  
 91.31 issued or renewed by the Board of Teaching or the commissioner of education.

91.32 (c) Nothing in this section precludes the Minnesota Police and Peace Officers  
 91.33 Training Board or the state fire marshal from recommending policies set forth in this  
 91.34 chapter to the attorney general for adoption in the attorney general's discretion to apply to  
 91.35 law enforcement or fire protection agencies.

92.1 (d) This chapter does not apply to a license to practice medicine that has been denied  
92.2 or revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.

92.3 (e) This chapter does not apply to any person who has been denied a license to  
92.4 practice chiropractic or whose license to practice chiropractic has been revoked by the  
92.5 board in accordance with section 148.10, subdivision 7.

92.6 (f) This chapter does not apply to any license, registration, or permit that has  
92.7 been denied or revoked by the Board of Nursing in accordance with section 148.261,  
92.8 subdivision 1a.

92.9 (g) This chapter does not supersede a requirement under law to conduct a criminal  
92.10 history background investigation or consider criminal history records in hiring for  
92.11 particular types of employment.

92.12 Sec. 100. **[383B.83] LIMITS ON RAILROAD CONDEMNATION POWERS**  
92.13 **OVER CERTAIN GOVERNMENTAL PROPERTY INTERESTS.**

92.14 Notwithstanding anything to the contrary in chapter 117, sections 222.26, 222.27,  
92.15 222.36, or any other law, the powers of a railroad corporation or a railroad company  
92.16 or a railroad interest acting as a public service corporation or a common carrier do not  
92.17 include the power to exercise eminent domain over a property interest owned by Hennepin  
92.18 County, the Hennepin County Housing and Redevelopment Authority, or the Hennepin  
92.19 County Regional Railroad Authority if such governmental power, by resolution of its  
92.20 governing board, determines based on findings that the public safety or access of first  
92.21 responders would be detrimentally affected by the exercise.

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

92.23 Sec. 101. Minnesota Statutes 2014, section 471.6161, subdivision 8, is amended to read:

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

92.28 (b) School districts shall request proposals for group health insurance coverage as  
92.29 provided in subdivision 2 from a minimum of three potential sources of coverage. One of  
92.30 these requests must go to an administrator governed by chapter 43A. Entities referenced  
92.31 in subdivision 1 must respond to requests for proposals received directly from a school  
92.32 district. School districts that are self-insured must also follow these provisions, except  
92.33 as provided in paragraph (f). School districts must make requests for proposals at least  
92.34 150 days prior to the expiration of the existing contract but not more frequently than once

93.1 every 24 months. The request for proposals must include the most recently available  
93.2 24 months of nonidentifiable aggregate claims data. The request for proposals must be  
93.3 publicly released at or prior to its release to potential sources of coverage.

93.4 (c) School district contracts for group health insurance must not be longer than  
93.5 two years unless the exclusive representative of the largest employment group and the  
93.6 school district agree otherwise.

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

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

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

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

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

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

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

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

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

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

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

94.18 (i) Notwithstanding the provisions of section 43A.316, subdivision 10, school  
94.19 employees and their employers insured through chapter 43A are subject to the  
94.20 requirements of this section.

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

94.22 Sec. 102. Minnesota Statutes 2014, section 473.123, subdivision 2a, is amended to read:

94.23 Subd. 2a. **Terms.** Following each apportionment of council districts, as provided  
94.24 under subdivision 3a, council members must be appointed from newly drawn districts as  
94.25 provided in subdivision 3a. ~~Each council member, other than the chair, must reside in the~~  
94.26 ~~council district represented. Each council district must be represented by one member of the~~  
94.27 ~~council. The terms of members end with the term of the governor~~ are staggered as follows:  
94.28 members representing even-numbered districts have terms ending the first Monday in  
94.29 January of the year ending in the numeral "7"; and members representing odd-numbered  
94.30 districts have terms ending the first Monday in January of the year ending in the numeral  
94.31 "5." Thereafter the term of each member is four years, with terms ending the first Monday  
94.32 in January, except that all terms expire on the effective date of the next apportionment.  
94.33 ~~A member serves at the pleasure of the governor.~~ A member shall continue to serve the  
94.34 member's district until a successor is appointed and qualified; except that, following each  
94.35 apportionment, the member shall continue to serve at large until the governor appoints 16

95.1 council members, one from each of the newly drawn council districts as provided under  
 95.2 subdivision 3a, to serve terms as provided under this section. The appointment to the  
 95.3 council must be made by the first Monday in March of the year in which the term ends.

95.4 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
 95.5 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
 95.6 Scott, and Washington.

95.7 Sec. 103. Minnesota Statutes 2014, section 473.123, subdivision 3, is amended to read:

95.8 Subd. 3. **Membership; appointment; qualifications.** (a) Sixteen members must be  
 95.9 appointed by the governor from districts defined by this section. Each council member  
 95.10 must reside in the council district represented. Each council district must be represented  
 95.11 by one member of the council. Each Metropolitan Council member must be an elected city  
 95.12 council member or mayor, or county commissioner. A Metropolitan Council member's  
 95.13 office becomes vacant if the person appointed to that position ceases to be an elected city  
 95.14 council member or mayor, or county commissioner.

95.15 (b) In addition to the notice required by section 15.0597, subdivision 4, notice of  
 95.16 vacancies and expiration of terms must be published in newspapers of general circulation  
 95.17 in the metropolitan area and the appropriate districts. The governing bodies of the statutory  
 95.18 and home rule charter cities, counties, and towns having territory in the district for which  
 95.19 a member is to be appointed must be notified in writing. The notices must describe the  
 95.20 appointments process and invite participation and recommendations on the appointment.

95.21 (c) ~~The governor shall create a nominating committee, composed~~ A committee of  
 95.22 seven metropolitan citizens ~~appointed by the governor, to shall~~ nominate persons for  
 95.23 appointment to the council from districts. Three of the committee members must be local  
 95.24 elected officials appointed by the Association of Metropolitan Municipalities, one must be a  
 95.25 county commissioner appointed by the Association of Minnesota Counties, and three must  
 95.26 be appointed by the governor. Following the submission of applications as provided under  
 95.27 section 15.0597, subdivision 5, the nominating committee shall conduct public meetings,  
 95.28 after appropriate notice, to accept statements from or on behalf of persons who have applied  
 95.29 or been nominated for appointment and to allow consultation with and secure the advice  
 95.30 of the public and local elected officials. The committee shall hold the meeting on each  
 95.31 appointment in the district or in a reasonably convenient and accessible location in the part  
 95.32 of the metropolitan area in which the district is located. The committee may consolidate  
 95.33 meetings. Following the meetings, the committee shall submit to the governor a list of  
 95.34 nominees for each appointment. The governor is not required to appoint from the list.

96.1 (d) Before making an appointment, the governor shall consult with all members of  
96.2 the legislature from the council district for which the member is to be appointed.

96.3 (e) Appointments to the council are subject to the advice and consent of the senate as  
96.4 provided in section 15.066.

96.5 (f) Members of the council must be appointed to reflect fairly the various  
96.6 demographic, political, and other interests in the metropolitan area and the districts.

96.7 (g) Members of the council must be persons knowledgeable about urban and  
96.8 metropolitan affairs.

96.9 (h) Any vacancy in the office of a council member shall immediately be filled  
96.10 for the unexpired term. In filling a vacancy, the governor may forgo the requirements  
96.11 of paragraph (c) if the governor has made appointments in full compliance with the  
96.12 requirements of this subdivision within the preceding 12 months.

96.13 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
96.14 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
96.15 Scott, and Washington.

96.16 Sec. 104. Minnesota Statutes 2014, section 473.123, subdivision 4, is amended to read:

96.17 Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a)  
96.18 The chair of the Metropolitan Council shall be ~~appointed~~ elected by the ~~governor~~ 16  
96.19 members of the council as the 17th voting member thereof by and with the advice and  
96.20 consent of the senate to serve at the pleasure of the ~~governor~~ council to represent the  
96.21 metropolitan area at large. Senate confirmation shall be as provided by section 15.066.

96.22 The chair of the Metropolitan Council shall, if present, preside at meetings of the  
96.23 council, have the primary responsibility for meeting with local elected officials, serve as  
96.24 the principal legislative liaison, present to the governor and the legislature, after council  
96.25 approval, the council's plans for regional governance and operations, serve as the principal  
96.26 spokesperson of the council, and perform other duties assigned by the council or by law.

96.27 (b) The Metropolitan Council shall elect other officers as it deems necessary for  
96.28 the conduct of its affairs for a one-year term. A secretary and treasurer need not be  
96.29 members of the Metropolitan Council. Meeting times and places shall be fixed by the  
96.30 Metropolitan Council and special meetings may be called by a majority of the members  
96.31 of the Metropolitan Council or by the chair. The chair and each Metropolitan Council  
96.32 member shall be reimbursed for actual and necessary expenses.

96.33 (c) Each member of the council shall attend and participate in council meetings  
96.34 and meet regularly with local elected officials and legislative members from the council

97.1 member's district. Each council member shall serve on at least one division committee for  
 97.2 transportation, environment, or community development.

97.3 (d) In the performance of its duties the Metropolitan Council may adopt policies  
 97.4 and procedures governing its operation, establish committees, and, when specifically  
 97.5 authorized by law, make appointments to other governmental agencies and districts.

97.6 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
 97.7 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
 97.8 Scott, and Washington. The term of the chair of the Metropolitan Council serving on the  
 97.9 effective date of this section ends on that date, but the chair may continue serving until  
 97.10 a new chair is elected by the council under this section.

97.11 Sec. 105. Minnesota Statutes 2014, section 473.13, subdivision 1, is amended to read:

97.12 Subdivision 1. **Budget.** (a) On or before ~~December 20~~ January 15 of each year, the  
 97.13 council shall ~~adopt a final~~ present a proposed budget covering its to committees in the  
 97.14 senate and house of representatives with jurisdiction over the Metropolitan Council.  
 97.15 The proposed budget must cover the council's anticipated receipts and disbursements  
 97.16 for the ensuing next fiscal year commencing July 1 and shall decide upon the total the  
 97.17 proposed amount necessary to be raised from ad valorem tax levies to meet its budget. The  
 97.18 proposed budget shall state in detail the expenditures for each program to be undertaken,  
 97.19 including the expenses for salaries, consultant services, overhead, travel, printing, and  
 97.20 other items. The proposed budget shall state in detail the capital expenditures of the  
 97.21 council for the budget fiscal year, based on a five-year capital program adopted by the  
 97.22 council and transmitted to the legislature. After adoption of the budget and The council  
 97.23 cannot adopt a final budget until a law authorizing the council's budget is enacted. In any  
 97.24 year in which a law is not enacted to authorize the council's budget, the council may  
 97.25 continue to operate and implement its previously approved budget, but at no greater level  
 97.26 than previously authorized by the legislature.

97.27 (b) No later than five working days after ~~December 20~~ the council's budget is  
 97.28 enacted, the council shall certify to the auditor of each metropolitan county the share of the  
 97.29 tax to be levied within that county, which must be an amount bearing the same proportion  
 97.30 to the total levy agreed on by the council as the net tax capacity of the county bears to the  
 97.31 net tax capacity of the metropolitan area. The maximum amount of any levy made for the  
 97.32 purpose of this chapter may not exceed the limits set by the statute authorizing the levy.

97.33 ~~(b)~~ (c) In each fiscal year starting in an even-numbered year the council shall prepare  
 97.34 for its transit programs a financial plan for the succeeding three ~~calendar~~ fiscal years, in  
 97.35 half-year segments. The financial plan must contain schedules of user charges and any

98.1 changes in user charges planned or anticipated by the council during the period of the  
 98.2 plan. The financial plan must contain a proposed request for state financial assistance for  
 98.3 the succeeding biennium.

98.4 ~~(e)~~ (d) In addition, the proposed budget must show for each fiscal year:

98.5 (1) the estimated operating revenues from all sources including funds on hand  
 98.6 at the beginning of the fiscal year, and estimated expenditures for costs of operation,  
 98.7 administration, maintenance, and debt service;

98.8 (2) capital improvement funds estimated to be on hand at the beginning of the fiscal  
 98.9 year and estimated to be received during the year from all sources and estimated cost of  
 98.10 capital improvements to be paid out or expended during the fiscal year, all in such detail  
 98.11 and form as the council may prescribe; and

98.12 (3) the estimated source and use of pass-through funds.

98.13 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2015,  
 98.14 for budgets beginning in fiscal year 2018 and thereafter. This section applies in the  
 98.15 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

98.16 Sec. 106. Minnesota Statutes 2014, section 473J.07, subdivision 3, is amended to read:

98.17 Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the~~  
 98.18 ~~chair,~~ as provided in section 15.0575. ~~The chair shall receive, unless otherwise provided~~  
 98.19 ~~by other law, a salary in an amount fixed by the authority, and shall be reimbursed for~~  
 98.20 ~~reasonable expenses to the same extent as a member~~ No members of the authority receive  
 98.21 a salary.

98.22 Sec. 107. Laws 2015, chapter 3, section 4, is amended to read:

98.23 Sec. 4. **AGENCY HEAD SALARY FREEZE.**

98.24 Notwithstanding Minnesota Statutes, section 15A.0815, subdivisions 1 and 5, the  
 98.25 salary rate for positions listed in Minnesota Statutes, section 15A.0815, for positions  
 98.26 appointed by the governor, may not be set at a salary rate in excess of the previous  
 98.27 calendar year. The salary of the chair of the Metropolitan Council is \$61,414, unless  
 98.28 changed under the process in Minnesota Statutes, section 15A.081, subdivision 5.

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

98.30 Sec. 108. **LIMIT ON AGENCY HEAD SALARY INCREASE.**

98.31 The percentage increase in salary granted to an agency head listed in Minnesota  
 98.32 Statutes, section 15A.0815, who is appointed by the governor may not exceed the lesser

99.1 of: (1) the percentage increase in Minnesota median household income, as determined by  
99.2 the American Community Survey compiled by the United States Bureau of the Census, for  
99.3 the most recent 12-month period for which data is available; or (2) the percentage increase  
99.4 in the consumer price index, as determined by the United States Bureau of Economic  
99.5 Analysis, for the most recent 12-month period for which data is available.

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

99.7 Sec. 109. **LEGISLATIVE SURROGACY COMMISSION.**

99.8 Subdivision 1. **Membership.** The Legislative Commission on Surrogacy shall  
99.9 consist of 15 members, appointed as follows:

99.10 (1) three members of the senate appointed by the senate majority leader;

99.11 (2) three members of the senate appointed by the senate minority leader;

99.12 (3) three members of the house of representatives appointed by the speaker of the  
99.13 house of representatives;

99.14 (4) three members of the house of representatives appointed by the house of  
99.15 representatives minority leader;

99.16 (5) the commissioner of human services or the commissioner's designee;

99.17 (6) the commissioner of health or the commissioner's designee; and

99.18 (7) a family court referee appointed by the chief justice of the state Supreme Court.

99.19 Appointments must be made by June 1, 2015.

99.20 Subd. 2. **Chair.** The commission shall elect a chair from among its members.

99.21 Subd. 3. **Meetings.** The ranking majority member of the commission who is

99.22 appointed by the senate majority leader shall convene the first meeting by July 1, 2015.

99.23 The commission shall have at least six meetings but may not have more than ten meetings.

99.24 Subd. 4. **Conflict of interest.** A commission member may not participate in or

99.25 vote on a decision of the commission in which the member has either a direct or indirect

99.26 personal financial interest. A witness at a public meeting of the commission must disclose

99.27 any financial conflict of interest.

99.28 Subd. 5. **Duties.** The commission shall develop recommendations on public policy

99.29 and laws regarding surrogacy. To develop the recommendations, the commission shall

99.30 study surrogacy through public hearings, research, and deliberation. Topics for study

99.31 include, but are not limited to:

100.1 (1) potential health and psychological effects and benefits on women who serve  
100.2 as surrogates;

100.3 (2) potential health and psychological effects and benefits on children born of  
100.4 surrogates;

100.5 (3) business practices of the fertility industry, including attorneys, brokers, and  
100.6 clinics;

100.7 (4) considerations related to different forms of surrogacy;

100.8 (5) considerations related to the potential exploitation of women in surrogacy  
100.9 arrangements;

100.10 (6) contract law implications when a surrogacy contract is breached;

100.11 (7) potential conflicts with statutes governing private adoption and termination  
100.12 of parental rights;

100.13 (8) potential for legal conflicts related to third-party reproduction, including conflicts  
100.14 between or amongst the surrogate mother, the intended parents, the child, insurance  
100.15 companies, and medical professionals;

100.16 (9) public policy determinations of other jurisdictions with regard to surrogacy; and

100.17 (10) information to be provided to a child born of a surrogate about the child's  
100.18 biological and gestational parents.

100.19 Subd. 6. **Reporting.** The commission must submit a report including its  
100.20 recommendations and may draft legislation to implement its recommendations to the chairs  
100.21 and ranking minority members of the legislative committees with primary jurisdiction  
100.22 over health and judiciary in the house and senate by December 15, 2015. On topics where  
100.23 the commission fails to reach consensus, a majority and minority report shall be issued.

100.24 Subd. 7. **Staffing.** The Legislative Coordinating Commission shall provide staffing  
100.25 and administrative support to the commission.

100.26 Subd. 8. **Expiration.** The commission expires the day after submitting the report  
100.27 required under subdivision 6.

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

100.29 Sec. 110. **LIMIT ON INCREASE IN MANAGERIAL COMPENSATION.**

100.30 During the biennium ending June 30, 2017, an employee covered by the managerial  
100.31 plan in Minnesota Statutes, section 43A.18, subdivision 3, may not be granted a percentage  
100.32 increase in annual salary that exceeds the percentage increase in the amount appropriated  
100.33 for that year for veterans health care.

101.1       Sec. 111. **LIMIT ON EXPENDITURES FOR ADVERTISING.**

101.2             During the biennium ending June 30, 2017, an executive branch agency's spending  
101.3 on advertising and promotions in Minnesota may not exceed 90 percent of the amount the  
101.4 agency spent on advertising and promotions in Minnesota during the biennium ending  
101.5 June 30, 2015. The commissioner of management and budget must ensure compliance  
101.6 with this limit, and may issue guidelines and policies to executive agencies. The  
101.7 commissioner may forbid an agency from engaging in advertising as the commissioner  
101.8 determines is necessary to ensure compliance with this section. This section does not  
101.9 apply to the Minnesota Lottery.

101.10       Sec. 112. **PARKING RAMP FINANCING.**

101.11             The debt service on the design and construction costs allocated to the parking garage  
101.12 located on the block bounded by Sherburne Avenue on the north, Park Street on the west,  
101.13 University Avenue on the south, and North Capitol Boulevard on the east must be paid  
101.14 for exclusively by fees charged to persons parking in that parking garage. No fees may  
101.15 be charged to members of the public parking in spaces designated for persons with a  
101.16 disability parking certificate.

101.17       Sec. 113. **METROPOLITAN COUNCIL APPOINTMENTS; IMMEDIATE**  
101.18 **TRANSITION TO STAGGERED TERMS.**

101.19             For members serving on the Metropolitan Council on the effective date of this  
101.20 section, other than the chair, members representing even-numbered districts shall serve  
101.21 terms ending the first Monday in January 2019, and members representing odd-numbered  
101.22 districts shall serve terms ending the first Monday in January 2017. Thereafter the term of  
101.23 each member is four years, with terms ending the first Monday in January.

101.24             **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
101.25 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
101.26 Scott, and Washington.

101.27       Sec. 114. **METROPOLITAN COUNCIL; TRANSITIONAL BUDGET.**

101.28             By July 1, 2016, the Metropolitan Council shall prepare and adopt a detailed  
101.29 six-month budget for the period of January 1, 2017, to June 30, 2017. Thereafter, the  
101.30 council shall prepare annual budgets with each fiscal year commencing July 1 and ending  
101.31 June 30. The council must submit by January 15, 2017, a detailed budget for the fiscal  
101.32 year beginning July 1, 2017, to the legislature for approval consistent with Minnesota  
101.33 Statutes, section 473.13.

102.1 **EFFECTIVE DATE; APPLICATION.** This section is effective August 1, 2015,  
102.2 and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and  
102.3 Washington.

102.4 Sec. 115. **REPORT ON AGENCY CHIEF INFORMATION OFFICERS.**

102.5 The chief information officer of MN.IT must report to the legislature by January 15,  
102.6 2016, on reduction in the number of chief information officers (CIOs) in state agencies.  
102.7 The report must include the number of CIOs on July 1, 2015, the number on January  
102.8 15, 2016, and plans to reduce that number.

102.9 Sec. 116. **TRANSITION.**

102.10 (a) Members of an ethnic council specified in new Minnesota Statutes, section  
102.11 15.0145, on July 1, 2015, continue to serve on the council until the end of their current  
102.12 term. However, if a member of a council has served eight years or more on the council  
102.13 at any time before December 31, 2015, the term of that member expires December 31,  
102.14 2015. If a council has more members on July 1, 2015, than is provided for by Minnesota  
102.15 Statutes, section 15.0145, positions on the council shall not be filled until the expiration of  
102.16 a term results in fewer members on the council than provided for in Minnesota Statutes,  
102.17 section 15.0145. Membership qualifications newly specified in Minnesota Statutes, section  
102.18 15.0145, must be complied with as soon as possible when terms of current members expire.

102.19 (b) The Legislative Coordinating Commission must appoint an executive director  
102.20 for each council no later than November 15, 2015. An incumbent executive director of a  
102.21 council may apply to be appointed by the Legislative Coordinating Commission but, if  
102.22 not selected, the employment of the incumbent ends when the Legislative Coordinating  
102.23 Commission appoints a new executive director, or on another date determined by the  
102.24 Legislative Coordinating Commission. Other council staff are transferred to employment  
102.25 with the reformulated councils specified in Minnesota Statutes, section 15.0145.

102.26 Sec. 117. **REVISOR'S INSTRUCTION.**

102.27 (a) The revisor of statutes shall renumber the subdivisions in Minnesota Statutes,  
102.28 section 240.01, to put the definitions contained in that section in alphabetical order.

102.29 (b) The revisor of statutes shall correct any cross-references in Minnesota Statutes  
102.30 and Minnesota Rules as a result of the renumbering in paragraph (a).

102.31 (c) In the next and subsequent edition of Minnesota Statutes, the Revisor of Statutes  
102.32 shall substitute a reference to section 6.481 for each reference to section 6.48.

103.1 Sec. 118. **REVISOR INSTRUCTION.**

103.2 (a) In the next and subsequent editions of Minnesota Statutes, the revisor of statutes  
103.3 shall substitute the names of councils as follows in each place where the names occur:

103.4 (1) Minnesota African Heritage Council, in place of Council on Black Minnesotans;  
103.5 and

103.6 (2) Minnesota Council on Latino Affairs, in place of Council on Affairs of  
103.7 Chicano/Latino People.

103.8 (b) The revisor of statutes shall change cross-references to sections 3.9223, 3.9225,  
103.9 and 3.9226, with Minnesota Statutes, section 15.0145, and make changes necessary to  
103.10 correct punctuation, grammar, or sentence structure.

103.11 Sec. 119. **REPEALER.**

103.12 (a) Minnesota Statutes 2014, sections 10A.25, subdivisions 1, 2, 2a, 3, 3a, 5, and 10;  
103.13 10A.255, subdivisions 1 and 3; 10A.27, subdivision 11; 10A.30; 10A.31, subdivisions 1,  
103.14 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, and 11; 10A.315; 10A.321; 10A.322, subdivisions  
103.15 1 and 2; 10A.323; and 10A.324, subdivisions 1 and 3, and Minnesota Rules, parts  
103.16 4503.1400, subparts 2, 3, 5, 6, 7, 8, and 9; and 4503.1450, are repealed. This paragraph  
103.17 is effective July 1, 2015, and applies to elections held on or after that date. Amounts  
103.18 designated under section 10A.31 on income tax and property tax refund returns filed after  
103.19 June 30, 2015, are not effective and remain in the general fund.

103.20 (b) Minnesota Statutes 2014, sections 3.886; 6.48; 349A.07, subdivision 6; and  
103.21 375.23, are repealed.

103.22 (c) Minnesota Statutes 2014, section 240.01, subdivisions 12 and 23, are repealed.

103.23 (d) Minnesota Statutes 2014, sections 3.9223; 3.9225; and 3.9226, subdivisions 1, 2,  
103.24 3, 4, 5, 6, and 7, are repealed."

103.25 Amend the title accordingly