

HOUSE RESEARCH

Bill Summary

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Overview

This is the State Government Finance Omnibus Appropriations Bill. For appropriation numbers, see the spreadsheet prepared by fiscal analyst Helen Roberts.

Section

Article 1: Appropriations

- 1 **Summary by fund.** Summarizes appropriations in the bill.
- 2 **Legislature.**
- 3 **Governor and Lieutenant Governor.**
- 4 **Attorney General.**
- 5 **State Auditor.**
- 6 **Secretary of State.**
- 7 **Campaign Finance and Public Disclosure Board.**
- 8 **Investment Board.**
- 9 **Administrative Hearings.**
- 10 **Office of Strategic and Long-range Planning**
- 11 **Administration.**
- 12 **Finance.**
- 13 **Employee Relations.**

- 14 **Revenue.** Requires the department to report to the chairs of the House Ways and Means and Senate Finance Committees by March 1, 2004 and January 15, 2005 on corporations noncompliant with the corporate tax system, businesses noncompliant with the sales and use tax system, and individual noncompliant cases resolved, as well as on expenditures and staff positions related to compliance and audit activities.
- 15 **Military Affairs.**
- 16 **Veterans Affairs.**
- 17 **Gambling Control.** States that the general fund appropriation in fiscal year 2004 is intended to assist with the transition to fee-based funding.
- 18 **Racing Commission.** States that the general fund appropriation in fiscal year 2004 is intended to assist with the transition to fee-based funding.
- 19 **Tort claims.**
- 20 **Minnesota State Retirement System.**
- 21 **Police and fire amortization aid.**
- 22 **Amateur Sports Commission.**
- 23 **General contingent accounts.**
- 24 **Effective date.** Section 23 (general contingent accounts) is effective immediately. Other sections are effective July 1, 2003.

Article 2: State Government Operations

Sections 1-7: Board of Campaign Finance and Public Disclosure fees

Sections 8-13: Changes affecting various state agencies

Sections 14-17: Racing Commission;

Sections 18-21: Minnesota Amateur Sports Commission

Sections 22-25, 47: Revenue Department

Sections 26-41, 46: Lawful Gambling

Section 42: State Lottery

Section 43: Bond allocation fees

Section 44: Office of Administrative Hearings

Section 45: Bond sale schedule

Section 47: Tobacco settlement fund.

- 1 1 **Disposition of fees.** Requires the Board of Campaign Finance and Public Disclosure to deposit all fees it collects into the general fund.
- 2 **Proposed fee changes.** Provides that as part of its biennial budget submission, the Board of Campaign Finance and Public Disclosure must propose fee changes that will be sufficient to recover the direct appropriation to the board. Requires the Board to include in its recovery calculation seven percent of amounts designated by individuals for the state elections campaign fund.
- 3 **Lobbyist and principal fees.** Requires each lobbyist and principal to pay a biennial fee of \$225 by January 15 each odd-numbered year. Provides that these fees must not be more than the amount necessary to administer the lobbyist registration and regulation provisions of chapter 10A. Provides that a person who has not paid the fee may not act as a lobbyist.
- 4 **Supplementary statement of economic interest.** Provides that each person who is required to file a statement of economic interest must file a supplementary statement on April 15 each year. Strikes a provision in current law stating that the supplementary statement is required only if information has changed since the last statement.
- 5 **Statement of economic interest.** Requires a public official required to file a statement of economic interest or a supplementary statement to pay a \$60 filing fee.
- 6 **Registration fees.** Specifies registration fees that each principal campaign committee, political committee, political fund, and party unit must pay to the Board of Campaign

Finance and Public Disclosure. Prohibits these entities from accepting a contribution or making an expenditure, disbursement, or contribution unless the fee has been paid. Requires initial fee payments under this section and the section requiring lobbyist and principal registration by September 1, 2003.

- 7 **State elections campaign fund.** Under current law, three percent of the amount designated by individuals for the state elections campaign fund is retained in the general fund for administrative costs. This section increases the amount kept in the general fund from 3 to 10 percent.
- 8 **CAAPB.** Provides that the Capitol Area Architectural and Planning Board is within the Department of Administration. Provides for the Commissioner of Administration to appoint an executive secretary and other employees. Requires the Commissioner to provide administrative support to the board.
- 9 **Payment of grant funds.** Provides that grant funds paid from the state treasury must not be paid more frequently than quarterly. Provides that each payment must not exceed 25 percent of the total grant award unless the grant agreement specifies that payment will be based on reimbursement of actual expenditures incurred by the grantee. This section applies to grant agreements signed on or after July 1, 2003.
- 10 **Direct deposit.** Provides that the commissioner of finance may require direct deposit for all state employees paid by the state payroll system.
- 11 **Warrants and electronic fund transfers.** Under current law, the commissioner of finance may require payees receiving more than 10 payments or \$10,000 per year to supply the commissioner bank routing information so that payments may be made through an electronic fund transfer. This section eliminates the 10 payments or \$10,000 threshold, so that this requirement could apply to all payments from the state treasury.
- 12 **Technology enterprise fund.** Under current law, state agency savings generated by information technology and communications projects may be deposited in the technology enterprise fund, upon agreement of the commissioner of administration and the government entity generating the savings. This section expands this provision to apply to purchases generated by information technology and communications projects, including rebates, refunds, discounts, or other savings generated from aggregated purchases of software, services or technology products.

Also authorizes the commissioner of administration to accept gifts or grants for deposit into the fund. Authorizes the commissioner to accept paid advertising for departmental publications, media productions, and state Web pages. Provides that advertising revenues in excess of the cost of producing the advertising activities must be deposited in the technology enterprise fund. Provides that the commissioner may not accept paid advertising from an elected official or a candidate for elected office.

- 13 **Veterans service office grant program.** Provides that counties may become eligible to receive veterans service office grants only on a three-year rotating basis. Provides that a county that employs a newly-hired veterans service officer who is not yet certified by the commissioner is eligible to receive a grant under this section. Unless there is a newly-hired officer, a county whose veterans service officer does not receive certification during a three-year cycle is not eligible to receive a grant during the remainder of that cycle or during the next three-year cycle. Provides that the commissioner shall determine the process for awarding grants, including a list of qualifying uses for grant expenditures. Specifies limits on grants. Strikes current law requirement that a county must submit a written plan and receive approval from the commissioner for use of the grant, and strikes other language relating to grant approval and the amount of the grants. Provides for the commissioner to recover the grant if the county does not use it for an approved purpose.
- 14 **Racing commission.** Authorizes the Racing Commission to impose fees on racing and card-

playing industries sufficient to recover the Racing Commission's operating costs. Provides that notwithstanding the law requiring legislative approval of fees, when the legislature is not in session, the commissioner of finance may grant interim approval for any new fees or adjustments to existing fees until the legislature acts. Requires the Commission, as part of its biennial budget request, to propose changes to its fees sufficient to pay Commission operating costs.

- 15 **License fees.** Strikes language requiring certain racing commission license fees to be deposited in the general fund, because the next section creates a special revenue fund account for these fees.
- 16 **Racing fees account.** Provides that all revenue from license and other fees imposed by the commission must be credited to a racing and card-playing account in the special revenue fund. Provides that receipts in the account are available for operations of the commission as authorized by legislative appropriation.
- 17 **Racing commission reimbursement account.** Provides that money received by the Racing Commission as reimbursement for services provided by veterinarians must be deposited in the racing reimbursement account. Under current law this provision applies to assistant veterinarians, not all veterinarians.
- 18 **Amateur Sports Commission fees.** Authorizes the Amateur Sports Commission to impose additional fees. Requires fees charged by the Commission to be deposited in the general fund, and to be sufficient to offset the appropriations it receives from the legislature. Provides that notwithstanding the law requiring legislative approval of fees, when the legislature is not in session, the commissioner of finance may grant interim approval of the fees until the legislature acts upon the fees. Requires the Commission, as part of its biennial budget request, to propose changes to its fees sufficient to recover the direct appropriation to the Commission.
- 19 **Advertising.** Current law allows the Amateur Sports Commission to accept paid advertising in its publications. This section provides for revenue received from advertising to be deposited in the general fund, instead of being appropriated to the Commission.
- 20 **Amateur Sports Commission powers and duties.** Provides the Amateur Sports Commission may, instead of shall, engage in 14 specified activities.
- 21 **Amateur Sports Commission; sponsorship.** Provides that the Amateur Sports Commission may, instead of shall, sponsor and sanction a series of statewide amateur athletic games.
- 22 **Revenue agreement with IRS.** Provides that when the Commissioner of Revenue enters into an agreement with the Internal Revenue Service under which the IRS can levy against taxpayers who have state refunds due, the Commissioner of Revenue shall deduct from the refund a fee of \$20, before remitting the amount of the levy to the IRS. Provides that the fee proceeds must be deposited into the Department of Revenue recapture revolving fund.
- 23 **Board of Assessor fees.** Under current law, the Board of Assessors is authorized to establish fees for courses, examinations, and materials. This section strikes that language, and imposes specified fees in law. The rule establishing the current fees is repealed in the repealer section of this article. The section is effective for assessor license terms beginning on or after July 1, 2004 and for all other fees imposed on or after that date.
- 24 **Board of Assessor fees.** Provides the fees collected by the Board of Assessors must be deposited in the board of assessor's fund, instead of the general fund. Appropriates money in the fund to the Commissioner of Revenue to administer laws dealing with the Board of Assessors.
- 25 **Fee for setoff against refund.** Under current law, a claimant agency seeking collection of a debt through setoff against a state tax refund must pay the Revenue Department a \$10 fee. This section increases the fee to \$15. Under current law, \$2.55 of each \$10 is deposited in the revenue recapture revolving fund, with the remainder going to the general fund. Under this section \$4 of the \$15 fee would be deposited in the revenue recapture revolving fund. This

section is effective for refund setoffs after June 30, 2003.

- 26 **Gambling equipment distributor salesperson.** Defines a "distributor salesperson" for purposes of the new fee imposed in section 349.161, subdivision 4.
- 27 **Lawful purpose.** Provides that payment of state lawful gambling fees is a "lawful purpose" for expenditure of lawful gambling revenues.
- 28 **Gambling control board powers.** Authorizes the board to issue licenses to distributor salespersons, in addition to licenses authorized under current law. This authority also includes authority to revoke or suspend licenses and to impose civil penalties identical to those imposed on other licensees.
- Provides that fees imposed by the Gambling Control Board under sections 349.16 to 349.165 must be deposited in a lawful gambling regulation account in the special revenue fund. Receipts are available as appropriated by law.
- 29 **Pull-tab fees.** Strikes language relating to pull-tab manufacturer fee of up to \$5,000, because a later section imposes a fee of \$9,000. Also strikes language from current law that appropriates this fee revenue to the director.
- 30 **Distributor salesperson.** Adds references to distributor salespersons in law dealing with license disqualification.
- 31 **License fees.** Strikes language specifying four types of organization license, and imposes a \$100 fee for an organization's initial license application. Specifies there is no renewal fee.
- 32 **Distributor salesperson license.** Provides that a licensed distributor salesperson may not sell gambling equipment unless employed by a licensed distributor or owning a distributor license.
- 33 **Fees.** Provides that the annual fee for a distributor's license is \$6,000, instead of \$3500, and that the annual fee for a distributor salesperson license is \$100. Strikes language relating to renewal licenses and fees for these licenses.
- 34 **Prohibition.** Adds distributor salesperson to various prohibitions relating to regulation of lawful gambling.
- 35 **Stamp required.** Strikes fee of five cents for each registration stamp for lawful gambling equipment.
- 36 **Manufacturer license fee.** Imposes a \$9,000 annual fee for a manufacturer's license. Strikes current law imposing a \$5,000 initial fee and a \$10,000 two-year renewal fee.
- 37 **Gambling equipment fee.** Imposes a fee of \$25 for each item of gambling equipment that a manufacturer submits for approval. Imposes A \$100 fee for each sample of gambling equipment that the board tests. Authorizes the board to require samples of gambling equipment to be tested by an independent testing laboratory (at the manufacturer's expense) before submission to the board for approval. Provides that the board must approve an independent testing laboratory before equipment is submitted to the laboratory for testing.
- 38 **Bingo hall fees.** Provides an annual bingo hall license fee of \$4,000. Strikes the current initial license fee of \$2500, and two-year renewal fees of \$5,000.
- 39 **Lawful gambling premises fees.** Strikes current lawful gambling premises permit fees, which are based on four different classes of permits. Imposes a new monthly fee of .18 percent of the organization's gross receipts from lawful gambling. Provides for these fees to be deposited in the lawful gambling regulation account of the special revenue fund.
- 40 **Raffles.** Increases from \$750 to \$1500 per calendar year the value of raffle prizes that can be awarded by an organization without a license from the Gambling Control Board.
- 41 **Exemption fee.** Increases from \$25 to \$50 per occasion the fee that an organization that is exempt from obtaining a lawful gambling license must pay to the board in order to conduct certain forms of lawful gambling.
- 42 **Lottery unclaimed prizes.** Provides that all lottery unclaimed prize money must be transferred to the general fund. Under current law, a dollar of unclaimed prize money is

treated as follows: 30 cents is added to prize pools of subsequent lottery games; 28 cents is transferred to the environment and natural resources fund; and 42 cents is transferred to the general fund.

- 43 Bond allocation.** Provides that fees collected by the department of finance under the bond allocation law must be deposited in the general fund (striking a reference to a separate account in the general fund). Provides for interest accruing on application deposits to be deposited in the general fund, instead of the housing trust account.
- 44 Workers compensation settlement division.** Strikes requirement that the settlement division of the office of administrative hearings maintain an office in Detroit Lakes.
- 45 Bond sale schedule.** Requires the commissioner of finance to schedule sale of state general obligations bonds to that during the biennium ending June 30, 2005, no more than \$686,777,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest on state general obligation bonds. Appropriates from the general fund the amount needed to make the debt service payments.
- 46 Gambling control; fee transition.** Requires payment of new fees to the Gambling Control Board, effective July 1, 2003. Provides for the board to provide a one-time prorated credit against these fees tin organizations and individuals who paid for licenses before July 1, 2003 that were to extend beyond July 1, 2003.
- 47 Repealer.**
- ▶ Section 16A.87: Establishment of the tobacco settlement fund in the state treasury.
 - ▶ Minnesota Rule, part 1950.1070: Board of Assessor fees