

# HOUSE RESEARCH

## Bill Summary

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### Overview

This is the state government finance omnibus bill. For appropriation amounts, see the spreadsheet prepared by fiscal analyst Helen Roberts.

#### Article 1

### State Government Appropriations

#### Section

- 1 **State government appropriations.** States that the following sections contain appropriations for fiscal years 2016 and 2017. Provides that appropriations are from the general fund, unless otherwise specified.
- 2 **Legislature.**
- 3 **Governor and Lieutenant Governor.**
- 4 **State Auditor.**
- 5 **Attorney General.**
- 6 **Secretary of State.**
- 7 **Campaign Finance and Public Disclosure Board.**
- 8 **Investment Board.**
- 9 **Administrative Hearings.**

**Section**

- 10 MN.IT Services.**
- 11 Administration.**
- 12 Capitol Area Architectural and Planning Board.**
- 13 Minnesota Management and Budget.**
- 14 Revenue.**
- 15 Gambling Control.**
- 16 Racing Commission.**
- 17 State Lottery.**
- 18 Amateur Sports Commission**
- 19 Council on Black Minnesotans.**
- 20 Council on Asian-Pacific Minnesotans.**
- 21 Council on Affairs of Chicano/Latino People.**
- 22 Indian Affairs Council.**
- 23 Minnesota Historical Society.**
- 24 Board of the Arts.**
- 25 Minnesota Humanities Center.**
- 26 Board of Accountancy.**
- 27 Board of Architecture, etc.**
- 28 Board of Cosmetology.**
- 29 Board of Barbers.**
- 30 Human Rights.**
- 31 General Contingent Accounts**
- 32 Tort claims.**
- 33 Minnesota State Retirement System.**
- 34 Public Employee Retirement Association.**
- 35 Teachers Retirement Association.**
- 36 St. Paul Teachers Retirement Fund.**
- 37 Military Affairs**
- 38 Veterans Affairs.**
- 39 Ethnic councils account.** Specifies amounts to be deposited in the ethnic councils account in the special revenue fund.

Section

**Article 2**

**State Government**

- 1**        **Districting principles.** Establishes statutory principles to be used in the redistricting process for both congressional districts and state legislative districts. The details of the principles are listed in priority order for implementation. The principles include a requirement that legislative districts be substantially equal in population, with a deviation of no more than 0.5 percent from the ideal district population. Requires that the legislature draw new districts, and prohibits delegation of that authority to any entity that is not comprised solely of members of the legislature.
- 2**        **Fiscal notes and revenue estimates.** Provides that the legislative auditor shall participate in the fiscal note and revenue estimate process in the manner described in section 3.98. Provides that authority of the auditor and duties of entities subject to the auditor's other work also apply to fiscal notes and revenue estimates.
- 3**        **Evaluation of economic development incentive programs.**

  - Subd. 1. Definitions.** Defines "general incentive" and "exclusive incentive" for purposes of this section.
  - Subd. 2. Selection of general incentives for review; schedule.** Requires the Legislative Auditor to annually submit to the Legislative Audit Commission a list of three to five general incentives proposed for review. Requires the Legislative Audit Commission to select at least one general incentive for the legislative auditor to evaluate.
  - Subd. 3. Exclusive incentive schedule.** Provides that the legislative auditor's schedule shall ensure that at least once every four years the legislative auditor will complete an analysis of best practices for exclusive incentives.
  - Subd. 4. Evaluation plans.** Requires the Legislative Audit Commission to establish evaluation plans that identify elements the Legislative Auditor must include in evaluations of general and exclusive incentives.
- 4**        **Audit data.** Provides that legislative auditor data relating to an evaluation of an incentive will be treated the same as the auditor's audit data.
- 5**        **Fiscal notes and revenue estimates.** Provides that upon receiving a request for a fiscal note or revenue estimate, the legislative auditor shall request appropriate agencies to provide the legislative auditor with an analysis of the financial and personnel impacts of the bill. Requires agencies to submit the analysis in the time and manner requested by the auditor. Requires the legislative auditor to review the analysis submitted by agencies and assess the reasonableness of the analysis. Authorizes the auditor to require agencies to resubmit their analysis under new assumptions or calculation parameters defined by the auditor.

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Provides that when the auditor accepts the final analysis for all relevant agencies, the auditor shall deliver the completed fiscal note or revenue analysis. Requires that the note or estimate contain the final analysis and assumptions submitted to the auditor by agencies, and a statement by the legislative auditor as to whether the auditor agrees with the final analysis and assumptions. Requires the auditor to state reasons for any disagreements, and authorizes the auditor to offer alternative analysis and assumptions. Provides that if the auditor deems disagreements sufficiently large, the auditor may submit an unofficial unapproved fiscal note to the legislature, for public consideration of both the analysis of the agency and that of the auditor.

- 6 **Local impact notes.** Provides that the legislative auditor, rather than the commissioner of management and budget, shall coordinate the development of local impact notes.
- 7 **County audits.** Proposes a new section of law governing county audits. The current section (6.48) is repealed at the end of this article. The primary substantive difference between the current law and this new language is that a county may choose to have an audit performed by the state auditor or may choose to have the audit performed by a CPA firm. If a county chooses to have an audit performed by a CPA firm, the audit must meet standards required by the state auditor. The auditor may require additional information from the CPA firm, but must accept the audit unless the auditor determines it does not meet industry standards. Provides that the auditor may make additional examinations, and that the county will pay the auditor for these additional examinations.  
  
Provides that data relating to an audit performed by a CPA firm are subject to the same data classification that apply to audits performed by the state auditor, and that the CPA firm must provide access to the audit, and is liable for unlawful disclosure of data, as if it were a government entity.  
  
Specifies procedures to be followed if a county switches between the state auditor and a private CPA firm.
- 8 **Noncampaign disbursement.** This article repeals the state elections campaign fund, which provides public financing of election campaigns for governor, lieutenant governor, attorney general, secretary of state, state auditor, and state legislative races. The public campaign subsidy program that those funds were used for is also repealed. Laws related to implementation of the public subsidy program are eliminated as well, including those setting campaign spending limits for candidates who agree to accept the public subsidy. This section is the first of several, including parts of the repealer section, that relate to this issue.
- 9 **Single committee.** Related to repeal of state elections campaign fund and public campaign subsidy program, described above.
- 10 **Anonymous contributions.** Related to repeal of state elections campaign fund and public campaign subsidy program, described above.
- 11 **Termination by board.** Related to repeal of state elections campaign fund and public campaign subsidy program, described above.
- 12 **Unused funds.** Related to repeal of state elections campaign fund and public campaign subsidy program, described above.

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- 13**     **Captioning of campaign advertisements.** Related to repeal of state elections campaign fund and public campaign subsidy program, described above.
- 14**     **Substantial economic impact.** Defines when a rule has a “substantial economic impact”. This definition is used in later sections, including a section which requires a panel review of proposed rules with substantial economic impact, and which provides that rules with substantial economic impact do not take effect until approved by law.
- 15**     **Authority to adopt original rules restricted.** Provides that an agency may adopt, amend, suspend, or repeal its rules only pursuant to authority delegated by state or federal law.
- 16**     **Authority to modify proposed rules.** Under current law, an agency may not modify a proposed rule at the end of the rulemaking process so that it is substantially different from the rule that was proposed in the agency’s notice of intent to adopt the rules at the beginning of the process. This section provides that a modification makes a rule substantially different if it causes a rule that did not previously have a substantial economic impact to have a substantial economic impact.
- 17**     **Notice to legislature.** Requires that each agency annually must submit its rulemaking docket to the Legislative Coordinating Commission, in addition to the other legislative officials specified in current law. Requires each agency to post a link to its rulemaking docket on the agency Web site home page.
- 18**     **Legislative approval required.** Provides that before giving notice of intent to adopt a rule, the agency must determine if the proposed rule has a substantial economic impact.
- If the agency determines that the rule has a substantial economic impact, it must request the Legislative Auditor to convene a five-person advisory panel to conduct an impact analysis of the proposed rule. Requires the Legislative Auditor to convene a panel within 30 days, and requires the panel to report within 60 days of being convened. Requires the agency to receive the panel’s report before it conducts a public hearing (or if no hearing is required, before the rule is submitted to the administrative law judge). Requires the panel’s report to include findings on the extent to which the proposed rule: (1) is based on sound, reasonably available information or rationale; and (2) is more restrictive than federal law on the same subject matter.
- Requires the administrative law judge to review the agency’s determination that a rule does not have a substantial economic impact. If the judge determines that a rule may have a substantial economic impact, the agency must go through the review panel process and must give new notice of intent to adopt the rule after receiving the advisory panel report.
- Provides that a rule that has a substantial economic impact does not take effect until approved by law.
- Language in current law relating to the effect of a rule on small businesses or small cities is stricken. The small business and small city concepts are incorporated into the definition of “substantial economic impact”. Strikes language that gives the governor authority to waive application of this section.
- 19**     **Statement of need and reasonableness.** In the law governing agency statements of need and reasonableness (SONAR), refers to additional statutes under which notice of proposed rules is given to the public. Requires the SONAR to include the agency’s findings and

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conclusions supporting its determination that the proposed rule does or does not have a substantial economic impact. Requires the SONAR to describe the information and rationale that supports the proposed rule.

- 20 Notice.** Requires that an agency proposing to use the “good cause” exemption to adopt a rule give notice of this to the chairs and ranking minority members of legislative policy and budget committees with jurisdiction over the subject matter of the proposed rules, and to the Legislative Coordinating Commission.
- 21 Notice and comment.** Requires that an agency proposing to use the expedited process to adopt a rule give notice of this to the chairs and ranking minority members of legislative policy and budget committees with jurisdiction over the subject matter of the proposed rules, and to the Legislative Coordinating Commission.
- 22 Determination of validity of rule.** Authorizes a petitioner to seek Court of Appeals review of an agency guideline, bulletin or similar pronouncement that the petitioner believes should have been adopted as a “rule”. Provides that the agency must cease enforcement of the pronouncement until the Court of Appeals rules on such a petition. Provides that the agency is liable for all costs associated with review of the decision. If the Court of Appeals rules in favor of the agency, the agency may recover all or a portion of the cost from the petitioner, with specified exceptions.
- 23 Rule declared invalid.** Authorizes the Court of Appeals to declare an agency pronouncement invalid if it was improperly implemented without complying with rulemaking procedures.
- 24 Ethnic councils.**
- Subd. 1. Creation.** Creates the Minnesota Council on Latino Affairs, the Minnesota African Heritage Council, and the Council on Asian-Pacific Minnesotans.
- Subd. 2. Membership.** Provides that each council has 15 voting members. The Governor appoints 11 members, and 4 members are legislators (one from each caucus). Provides criteria for members appointed by the Governor.
- Subd. 3. Appointments; terms; removal.** Specifies provisions governing appointments, terms, compensation, and filling of vacancies. Provides that a member who missed more than half of the council meetings during a 12-month period automatically is removed from the council, and that a member appointed by the governor may be removed by a vote of three of the four legislative members of the council. Legislative members serve at the pleasure of the appointing authority.
- Provides that a member appointed by the Governor may serve no more than 8 years on a council. A legislator may serve no more than 8 consecutive years or 12 nonconsecutive years on any one council.
- Subd. 4. Training; executive committee meetings; support.** Requires members appointed by the Governor to attend orientation training within six months of appointments, or be removed from the council. Requires the Commissioner of Administration to provide training on specified topics.

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Provides for election of officers, and executive committee, quorum, conflicts of interest. Requires the Commissioner of Administration to provide administrative support through the small agency resources team (SMART) under section 16B.371.

**Subd. 5. Executive director; staff.** Requires the Legislative Coordinating Commission to appoint an executive director for each council, and provides that the director serves in the unclassified service at the pleasure of the LCC. (Under current law, the director for each council is appointed by the council). Requires the LCC to consult with the applicable council in recruiting and selecting an executive director. Requires the executive director to collaboratively lead the council, and to appoint other staff necessary to carry out council duties.

**Subd. 6. Duties.** Requires each council to advise the Governor and the Legislature on issues confronting the constituency of the council, and on administrative and legislative changes need to improve the economic and social condition of the constituency. Specifies other duties, including serving as a liaison between state government and organizations that serve the constituency of the council.

**Subd. 7. Duties of council members.** Provides duties for council members.

**Subd. 8. Reports.** Requires councils to report to the legislature by January 15 each year. Requires reports to include specific objectives and outcome measures.

- 25 Centralized tracking list of agency projects.** Requires the commissioner of management and budget to maintain a centralized list of new agency projects estimated to cost more than \$100,000 that are paid for from the general fund. Excludes intergovernmental aid programs and programs and activities mandated by law.
- 26 Prepay.** Provides that the MMB commissioner may authorize an agency to make advance payments for information technology hosting services.
- 27 Revenue uncertainty.** Requires the commissioner of management and budget to report to the legislature within 14 days of a budget forecast on uncertainty in Minnesota's general fund revenue projections.
- 28 Consideration of general incentives.** Requires the Commissioner of Management and Budget to submit a report, when submitting the governor's operating budget to the legislature, identifying each general incentive for which an evaluation was completed since the last budget submission. Requires that the report recommend if each general incentive evaluated should be continued or modified, or whether other strategies should be used to achieve the incentive's goal.
- 29 Consideration of best practices for exclusive incentives.** Requires that if a new Legislative Auditor analysis of best practices for exclusive incentives has been completed since the last budget submission, the report from MMB must recommend when and how exclusive incentives should be offered, managed, and structured.
- 30 State band.** Requires the Commissioner of Administration to provide free rehearsal space and storage space in the same building in the Capitol area to the Minnesota State Band.
- 31 Construction and remodeling.** Requires legislative committee chairs to be notified of change items and cost increases in state construction projects.

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- 32 Assistance to small agencies.** Requires the commissioner of administration to provide administrative support services to small agencies requesting these services.
- 33 Accommodation reimbursement.** Creates a central account in the special revenue fund for reimbursing state agencies for expenses incurred in providing reasonable accommodations to executive agency employees. Requires the commissioner of MMB to require agencies to make payments into the account or to set aside money from the agency's operating funds to be used for purposes of this section. Provides for the commissioner of administration to make reimbursement out of the account to state agencies.
- 34 Grant agreement.** Strikes the exclusions of capital project grants to political subdivisions from the law governing state grant agreements.
- 35 Commerce grants.** Requires the Office of Grants Management to monitor grants made by the Department of Commerce.
- 36 Termination of grant.** Requires that state grant agreements provide for immediate termination of the grant if the recipient is convicted of a criminal offense relating to a state grant agreement, or if the grant recipient is under investigation by a federal or state agency or a local law enforcement agency for matters relating to administration of a state grant.
- 37 No fees for general fund grant administration.** Forbids an agency from charging a recipient of a grant from the general fund a fee and from deducting money from the grant to pay for costs of administering the grant.
- 38 Delegation of duties.** Requires that every three years the Commissioner of Administration audit use of contracting authority delegated to employees in other agencies. Requires the commissioner to develop guidelines for delegated contracting authority, to protect state legal interests, including possible review of contracts by the commissioner.
- 39 Veteran-owned small businesses.** Specifies that the commissioner of the Minnesota Department of Veterans Affairs must verify that a business is owned by a veteran prior to the commissioner of administration certifying the business as a veteran-owned small business.
- 40 Eligibility; rules.** Modifies the criteria that the Department of Administration must follow in certifying Minnesota veteran-owned small businesses. Specifies that all veterans, as defined in Minnesota Statutes, section 197.447, who own small businesses are eligible to receive bid preferences. Provides that small businesses certified under federal purchasing programs are certified as eligible to participate in state programs.
- 41 Office of MN.IT services.** Provides that the mission of MN.IT applies to the executive branch of state government, not to Minnesota generally. Strikes certain MN.IT powers and duties. Requires the chief information officer to prepare a monthly progress report for IT projects over \$1 million. Strikes language relating to projects of more than \$5 million. Provides that MN.IT cannot enter into any new contracts or agreements to provide services to political subdivisions. States that this does not prevent political subdivisions from purchasing goods or services through state contracts or from accessing geospatial data maintained by the office.
- 42 Responsibility for IT services and equipment.** Requires state agencies to enter into service level agreements with MN.IT or to obtain services through an outside vendor. Requires that before entering into a service level agreement or an outside contract, an agency must solicit



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proposals from MN.IT and at least one outside vendor. Authorizes agencies to enter into contracts with outside vendors, notwithstanding laws dealing with availability of state employees, if the cost of the MN.IT proposal is more than six percent higher than the cost of the outside proposal. Provides limits on length of contracts. Provides that MN.IT may authorize an agency office located outside of the seven-county metropolitan area to solicit proposals separately from the rest of the agency. Forbids an agency from entering into an IT contract of more than \$100,000 without approval of MN.IT.

- 43 Annual report on IT spending.** Requires MN.IT to report annually on specified topics relating to state IT spending.
- 44 Technology approval.** Specifies MN.IT role in overseeing state IT projects at various costs levels.
- 45 Reimbursements.** Includes employee development and training in the list of MN.IT costs that must be reimbursed by state agencies.
- 46 IT technology appropriation.** Provides that appropriations of more than \$100,000 for IT projects must be made to MN.IT (Current law applies to all IT appropriations).
- 47 Data storage.** Requires MN.IT to establish criteria for storage of state agency data outside of MN.IT data centers.
- 48 Limit on number of FTE's.** Provides that the total number of FTE employees in all executive branch agencies may not exceed 35,927. Authorizes the commissioner of Management and Budget to forbid an executive agency from hiring a new employee or from filling a vacancy as necessary to ensure compliance with this section. Provides that the commissioner may authorize early retirement incentives (in the form of employer contributions for health insurance) as a means of achieving compliance with the complement limit.
- 49 MNsure.** Strikes language that exempts MNsure from certain contracting laws applicable to state agencies. Strikes language that exempts MNsure from certain information technology laws administered by MN.IT that are applicable to state agencies.
- 50 Healthy eating, Here at Home.** Establishes the health eating, here at home program, to provide incentives for low-income Minnesotans to use SNAP benefits for healthy purchases at Minnesota-based farmers markets. Provides for the Minnesota Humanities Commission to make grants to nonprofit organizations that work with Minnesota-based farmers markets.
- 51 Expedited, temporary license processing for licensed optometrists; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of optometry. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.
- A temporary optometrist license is valid for six months. During the temporary license period, the individual shall complete the licensed optometrist application for licensure. To earn a permanent license, a temporary licensee must meet the standards for all applicants.
- 52 Expedited, temporary license processing for licensed dieticians or nutritionists; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary

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license in the field of dietetics or nutrition. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.

A temporary dietician or nutritionist license is valid for six months. During the temporary license period, the individual shall complete the licensed dietician or nutritionist application for licensure. To earn a permanent license, a temporary licensee must meet the standards for all applicants. The fee for the temporary license is \$250.

- 53 Expedited, temporary license processing for licensed marriage and family therapists; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of marriage and family therapy. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.

A temporary marriage and family therapist license is valid for six months. During the temporary license period, the individual shall complete the licensed marriage and family therapist application for licensure. To earn a permanent license, a temporary licensee must meet the standards for all applicants.

- 54 Expedited, temporary license processing for licensed professional counselors; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of professional counseling. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.

A temporary LPC license is valid for 12 months. To earn a permanent license, a temporary licensee must meet the standards for all applicants.

- 55 Expedited, temporary license processing for licensed professional clinical counselors; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of professional clinical counseling. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.

A temporary LPCC license is valid for 12 months. To earn a permanent license, a temporary licensee must meet the standards for all applicants.

- 56 Expedited, temporary license processing for licensed alcohol and drug counselors; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of alcohol and drug counseling. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in

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another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.

A temporary LADC license is valid for 12 months. To earn a permanent license, a temporary licensee must meet the standards for all applicants.

- 57 License requirements; podiatric medicine.** Provides that, upon completion of all other application requirements, a doctor of podiatric medicine applying for a temporary military license has six months to comply with the podiatric medicine license requirements.
- 58 Expedited, temporary license processing for licensed podiatrists; military.** Authorizes qualified current and former members of the military to earn an expedited, temporary license in the field of podiatric medicine. A qualified individual is someone who is an active duty military member or a spouse, or a veteran who has left service in the past two years. Requires qualified individuals to provide evidence of a current license, certificate, or permit in another state without history of disciplinary action, and a criminal background study without a relevant criminal conviction.
- A temporary podiatrist license is valid for up to six months, as determined by the licensing board. No extension is available. During the temporary license period, the individual shall complete the licensed podiatrist application for licensure. To earn a permanent license, a temporary licensee must meet the standards for all applicants. The fee for the temporary license is \$250.
- 59 Fees.** Provides fee amounts to be charged by the Board of Barber Examiners for a temporary military registered barber certificate (\$85), barber instructor certificate (\$180), and apprentice barber permit (\$80).
- 60 Temporary military permits and certificates.** Authorizes the Board of Barber Examiners to issue temporary military certificates and permits for apprentice barbers, registered barbers, and barber instructors. Permits or certificates are valid for 12 months. To earn a permanent permit or certificate, the individual must meet the standards for all applicants.
- 61 Uses; veterans; support our troops.** Adds to the list of permissible purposes for money appropriated to the Department of Veterans Affairs from the Support Our Troops account: grants up to \$100,000 to any organization approved by the commissioner of veterans affairs for the purpose of supporting and improving the lives of veterans and their families; and grant to an eligible foundation that is a tax-exempt organization under section 501(c) of the Internal Revenue code and is a nonprofit corporation whose purpose includes providing assistance to veterans and their families or enhancing lives of veterans and their families.
- 62 Temporary emergency relief.** Provides for a death gratuity payment, instead of “immediate temporary relief,” for certain military survivors.
- 63 Reclassification bonus program.** Authorizes the adjutant general to establish a program to provide a bonus to eligible National Guard members who complete training that results in the award of a new specialty identified by the adjutant general to be necessary for the enhanced readiness of the National Guard. Specifies conditions.
- 64 Veterans preference act.** Authorizes a veteran who requests a hearing upon notice of termination to select the body that will hear the veteran’s challenge to the termination. If the veteran does not select a hearing body, the decision belongs to the governmental subdivision. Requires that governmental subdivisions pay the costs associated with the hearings,

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including the veteran's attorneys' fees, if the veteran prevails. Extends veteran preference termination protections to teachers.

- 65 Honor and remember flag.** Designates the Honor and Remember Flag as the symbol for the state's concern and commitment to those who have lost their lives in the line of duty as members of the armed forces. Encourages days for displaying the flag at specified governmental facilities. Provides that any public office or public official may accept a donation of one or more Honor and Remember Flags to carry out the purposes of this section.
- 66 Costs assessed.** Requires Office of Administrative Hearings costs for hearing fair campaign practices complaints to be paid from appropriations to the office for this purpose.
- 67 Racing season.** In law governing the Racing Commission, eliminates the requirement for a 25-week season beginning before the first Saturday in May, effective in 2016.
- 68 Takeout.** Defines "takeout" for purposes of laws governing the Racing Commission.
- 69 Handle.** Defines "handle" for purposes of laws governing the Racing Commission.
- 70 Mixed meet.** Defines "mixed meet" for purposes of laws governing the Racing Commission.
- 71 Banked.** Defines "banked" for purposes of laws governing the Racing Commission.
- 72 Steward.** Defines "steward" for purposes of laws governing the Racing Commission.
- 73 Appointment of director.** Removes the specific requirement that the Racing Commission director has pari-mutuel racing experience.
- 74 Commission powers and duties.** Provides specifically for subpoena power to compel witness testimony and submit any other evidence necessary for the Racing Commission to carry out its duties.
- 75 Application.** Reorganizes subdivision and clarifies the requirement that an applicant has not violated a law, order, or rule in Minnesota or another jurisdiction related to horse racing or gambling.
- 76 License issuance and renewal.** Provides that certain types of class C license issued by the Racing Commission can be valid for up to three years.
- 77 Revocation and suspension.** Provides for the revocation and suspension (in some instances) of a class C license if a violation is deemed by the Racing Commission to adversely affect the public health, safety, or welfare.
- 78 License fees.** Removes the \$100 ceiling on class C licenses. Removes reference to the inclusion of information related to simulcasting.
- 79 Purses**
- Requires a written contract between a licensee and a majority of horsepersons racing a breed that is filed with the commission for setting aside a higher percentage from a pari-mutuel pool for a purse.

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- Deletes provisions relating to percentages for simulcasting in and out of season and provides for 37% set-aside. Removes outdated language and provisions related to increasing the set-aside percentage based on increases in the amount of off-season wagering on simulcasts.
- Requires that 5.5% of the takeout from wagering at a licensee's facility should be deposited into the commission's Minnesota breeder's fund.
- Rephrases certain provisions for clarity.
- Removes the provision related to the requirements for on and off-season set-asides on wagering on simulcasts.

Removes reference to "full-racing card". Provides that breed organizations may agree on the allotment to purses and the breeder's funds from the money set-aside from wagering on simulcasts on out of state races occurring during a mixed meet. Requires the breed organizations to file their agreement with the racing commission. Maintains the proportional distribution scheme to purses and the breeder's funds when there is no filed agreement.

**80 Simulcasting.** Requires approval of the commission for conducting a race on a separate pool basis.

**81 Card club revenue.**

- Adds language allowing set-asides under section 240.135 to exceed 10% and 14%.
- Reorganizes the provision regarding the ability for a licensee and horseperson's organization to contract for a different set-aside amount than what is specified in this section.

**82 Taxes imposed.** Clarifies the tax on the handle with new language.

**83 Disposition of proceeds; account.** Removes a reference to "full racing card" simulcasts with regard to the distribution of money from simulcasts designated for deposit into the breeder's fund.

**84 Powers and duties.** Raises the ceiling on fines from \$2,000 to \$5,000.

**85 Fines.** Allows the commission to retain attorney's fees and costs if they prevail in a contested case lawsuit.

**86 Rulemaking authority.** Allows the commission to promulgate rules governing wired and wireless communications between a racetrack and locations off its premises and for sampling and testing horses for prohibited substances and practices.

**87 Fees; federal liens.** Eliminates an additional \$15 fee for more than two debtor names for liens filed by the Internal Revenue Service.

**88 IRRRB.** Strikes provision that allows the IRRRB to use the uniform municipal contracting law instead of contracting laws that govern state agencies. Strikes IRRRB exemptions from IT consolidation law and from contract management authority of the Commissioner of Administration.

**89 Reinstatement.** Provides that a foreign corporation whose certificate of authority has been revoked or canceled may reinstate the authority by filing an annual renewal fee and the

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required fee (strikes language requiring the corporation to file an application for reinstatement). Provides that the reinstatement fee is \$500 (striking a \$250 fee if the certificate of authority was revoked by the Secretary of State).

- 90 Report required; public benefit corporation.** Requires a public benefit corporation to file an annual benefit report by April 1 (striking reference to 90 days after the end of the calendar year).
- 91 Failure to file annual benefit report.** Makes same April 1 reference change as prior section.
- 92 Effects of revocation.** Adds a reference to termination of status in the law governing revocation of a public benefit corporation's status. Requires a corporation that has lost its public benefit corporation status to amend the articles of incorporation to reflect a name that does not include the public benefit corporation designation.
- 93 Failure to change corporation name.** Provides that the duration of a corporation expires 30 days after revocation of the public benefit corporation status if the corporation fails to change its name as required.
- 94 Attest.** Amends definition of "attest" in law regulating accountants, to reference procedures performed in compliance with Statements on Standards for Attestation Engagements (SSAE).
- 95 Peer review.** Amends definition of "peer review" to include CPA firms.
- 96 Principal place of business.** Deletes language that appears to be unnecessary.
- 97 Report.** Amends definition of "report" in conjunction with earlier change in definition of "attest".
- 98 State.** Adds the Commonwealth of Northern Mariana Islands to the definition for purposes of laws governing accountants.
- 99 Officers; proceedings.** Technical.
- 100 Rules.** Authorizes the Board of Accountancy to adopt rules that incorporate by reference standards recognized by national accountancy organizations.
- 101 General.** In law dealing with out-of-state CPA firms, references procedures performed in accordance with SSAE.
- 102 Qualifications.** Eliminates reference to financial statements, in conjunction with earlier change in definition of "attest".
- 103 Unlawful acts.** Prohibits persons who are not licensed from using certain language on an attest service.
- 104 Procedure.** Amends procedures governing inquiries received by the Secretary of State on farm product liens and financing statements. Adds references to online inquiries, and requires the Secretary of State to provide a prompt response.
- 105 Exceptions.** Provides that chapter 364 (criminal convictions/employment/licensed occupations) does not apply to the Racing Commission's licensing and background investigation process under chapter 240.

## Section

- 106** **Limits on railroad condemnation powers.** Permits Hennepin County (including the county housing and redevelopment authority and regional railroad authority) to prevent condemnation of county property through eminent domain actions by a railroad company, if the county determines that public safety or first responder access would be negatively impacted as a result.
- 107** **School districts; group health insurance coverage.** Provides that school employees and their employers insured through PEIP (Public Employees Insurance Program) are subject to the requirements of section 471.6161, including procedures for receiving proposals for group health insurance.
- 108** **Terms.** Provides staggered terms for members of the Metropolitan Council, effective immediately.
- 109** **Membership; appointment; qualifications.** Requires each Metropolitan Council member to be an elected city council member, mayor, or county commissioner. Requires a citizen committee to nominate persons to appointment to the Council. Provides that three of the nominating committee members must be local elected officials appointed by the Association of Metropolitan Municipalities, one must be a county commissioner appointed by the Association of Minnesota Counties, and three must be appointed by the Governor.
- 110** **Chair; appointments; officers, selection.** Requires the chair of the Metropolitan Council to be elected by the 16 members of the Council, rather than being appointed by the Governor.
- 111** **Metropolitan Sports Facilities Authority.** Provides that no members of the authority, including the chair, receive a salary.
- 112** **MN.IT Services.** Authorizes cash flow funds provided to MN.IT in the current biennium to be repaid at the end of the fiscal year 2015 closing period (instead of requiring repayment by June 30, 2015).
- 113** **Agency head salary freeze.** Amends the 2015 law governing agency head salaries to provide that the salary of the chair of the Metropolitan Council is \$61,414 unless changed by the process specified in law (requiring approval of a legislative commission and the full legislature).
- 114** **Agency heads.** Provides that a percentage increase in an agency head salary cannot exceed the lesser of the percentage increase over the previous 12 months in Minnesota median household income or the consumer price index.
- 115** **Legislative Surrogacy Commission.** Creates a Legislative Commission on Surrogacy. Requires the Commission to report by December 15, 2015 on specified issues relating to surrogacy.
- 116** **Limit on increase in managerial compensation.** Provides that during the biennium ending June 30, 2017, a state employee covered by the managerial plan may not be granted a percentage increase in salary that exceeds the percentage increase in the amount appropriated for that year for veterans health care.
- 117** **Limit on expenditures for advertising.** Limits state agency spending on advertising.
- 118** **Parking ramp financing.** Provides that the debt service and construction costs for the parking garage bounded by Sherburne Avenue, Park Street, University Avenue, and North

**Section**

Capitol Boulevard must be paid for exclusively by fees charged to person parking in that garage. Prohibits charging fees for public disability parking.

- 119 Metropolitan Council staggered terms.** Specifies the transition to staggered terms for members of the Metropolitan Council.
- 120 Report on agency chief information officers.** Require MN.IT to report to the legislature by January 15, 2016 on the number of CIOs in state agency, and on plans to reduce that number.
- 121 Transition.** Provides the current ethnic council members will serve out their terms, except that the terms will end December 31, 2015 for members who have served 8 years or more at that time. Provides that if a council currently has more members than provided for in this bill, positions will remain vacant as terms expired until the council is the required size.
- Requires the LCC to appoint new executive directors by November 15, 2015. Authorizes incumbents to apply, but provides that if an incumbent is not selected, the person's employment ends when the new director is appointed or on another date determined by the LCC. Other council staff are transferred to employment with the reformulated councils.
- 122 Revisor instruction.** Relating to Racing Commission
- 123 Revisor instruction.** Relating to Ethnic Councils.
- 124 Repealer.** Paragraph (a): state elections campaign fund and public campaign subsidy program
- Paragraph (b): 3.886: Legislative Water Commission; 6.48 county audits (replaced by new language in this article); 349A.07 (Lottery procurement contracts); 375.23 (overseer of roads in unorganized territory).
- Paragraph (c): 240.01, subdivisions 12 and 23 (Definitions of "average daily handle" and "full racing card").
- Paragraph (d): 3.9223; 3.9225; and 3.9226 (replaced by a new section in this article).